



CHECKS & BALANCES

Your Guide to County Finances
Palm Beach County, Florida



SHARON R. BOCK

Clerk & Comptroller
Palm Beach County

DEAR RESIDENTS:

As your Clerk & Comptroller for Palm Beach County, I am pleased to present the second annual edition of *Checks & Balances: Your Guide to County Finances*. The [inaugural edition](#) of *Checks & Balances* represented my office's first release of a user-friendly guide containing balanced, relevant and objective information about County revenue and spending. We are pleased that it received honors for its effectiveness, understandability and clarity of message.

With this second edition of *Checks & Balances*, we continue our commitment to providing you with important and practical financial information that empowers you to participate in the decisions of County government.

This year's guide addresses and highlights current issues, concerns and priorities. Entire pages are devoted to answering your questions about how property taxes are assessed, how special districts impact your tax bill and how the County incurs and pays debt. Because *Checks & Balances* is a retrospective look at County finances during Fiscal Year 2007, it does not fully reflect the impact of property tax reform and relief mandates scheduled to take effect in Fiscal Year 2008 and beyond.

This is *your* guide. Please share your feedback on the enclosed survey card, and let us know what topics you would like to see in the next edition of *Checks & Balances*. You can also call my office at (561) 355-2996, or e-mail me at clerkweb@mypalmbeachclerk.com to share your comments, questions or concerns.

It remains my honor and privilege to serve as your Clerk & Comptroller. By educating the public and increasing awareness, I will continue my commitment to promoting transparency and accountability in County government.

Best regards,

A handwritten signature in black ink that reads "Sharon R. Bock". The signature is fluid and cursive.

Sharon R. Bock, Esq.
Clerk & Comptroller

ABOUT THIS GUIDE

Q: Why should I read this guide?

Your tax dollars are an investment in your community through County government. Monitoring this investment, as you would your own personal finances, will help you evaluate the County's performance and financial health.

Checks & Balances: Your Guide to County Finances is produced by the Palm Beach County Clerk & Comptroller's office as a tool to help residents understand how public funds are managed and spent. Most of the information in this guide is derived from the Palm Beach County, Florida, Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended September 30, 2007. The CAFR, which is available at www.mypalmbeachclerk.com, includes nearly 200 pages of detailed financial statements, notes, schedules and reports.

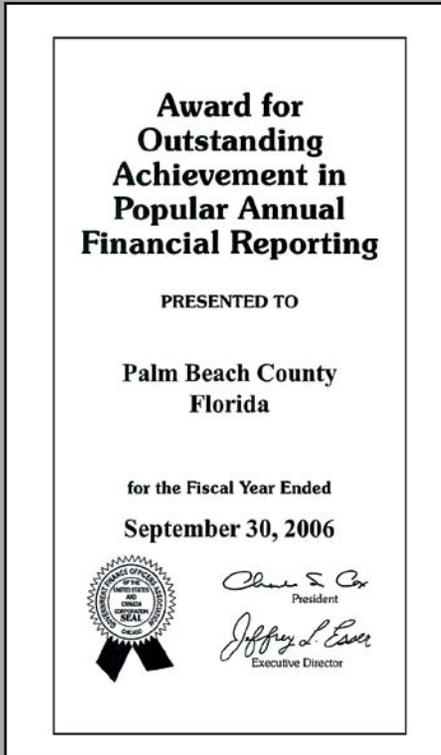
Checks & Balances, also called a Popular Annual Financial Report (PAFR), includes condensed and simplified information from the CAFR, County budget and other financial reports. It contains user-friendly financial information on County government operations, including those of the Board of County Commissioners, Clerk & Comptroller, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector.

This guide is available online at www.mypalmbeachclerk.com, where it contains links to useful sources of financial and other information.

Because this guide is a summary, Checks & Balances does not conform with generally accepted accounting principles and reporting requirements for government entities. This guide does not include financial information on the Housing Finance Authority of Palm Beach County, Westgate/Belvedere Homes Community Redevelopment Agency and the Metropolitan Planning Organization of Palm Beach County. Although these organizations receive funding from the County, they are set up by County ordinance or resolution to be entities that are legally separate from the County.

TABLE OF CONTENTS

INTRODUCTION
ABOUT THIS GUIDE 1
FINANCIAL REPORTING RECOGNITION 2
YOUR COUNTY
GOVERNMENT IN YOUR COUNTY 3
ABOUT THE CLERK & COMPTROLLER 4
YOUR COMMUNITY 5
YOUR COUNTY'S FUNDING
COUNTY GOVERNMENT REVENUE 7
PROPERTY TAXES 8
SPECIAL DISTRICTS 10
COUNTY ENTERPRISES 11
YOUR COUNTY'S BUDGET
BUDGET AT A GLANCE 12
SELECT OPERATING BUDGETS 13
CAPITAL IMPROVEMENTS 14
YOUR COUNTY'S EXPENSES
WHERE YOUR MONEY GOES 15
RESERVES 16
YOUR TAX DOLLARS AT WORK
INVESTMENTS 17
DEBT 18
WHAT THE COUNTY OWNS AND OWES 20
ORGANIZATIONAL CHART 21



FINANCIAL REPORTING RECOGNITION

The Clerk & Comptroller is committed to providing residents with clear, concise information about County revenue and spending. As part of our culture of continuous improvement, we measure the effectiveness of our financial reporting by asking industry experts to evaluate our financial publications. We are honored that the inaugural edition of [Checks & Balances: Your Guide to County Finances for Fiscal Year 2006](#) earned the following awards:

Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) from the [Government Finance Officers Association \(GFOA\)](#) – a recognition given to a select handful of government agencies throughout the nation each year.

[Silver 2007 Spotlight Award](#) from the [League of American Communications Professionals](#) – recognizing best-in-class practices in communications.

The [Comprehensive Annual Financial Report](#), one of the supporting documents for this guide, is also award-winning, having earned the GFOA's Certificate of Achievement for Excellence in Financial Reporting for 18 consecutive years.

As a recipient of the [Florida Governor's Sterling Award for Organizational Performance Excellence](#), the Clerk & Comptroller's office regularly solicits and utilizes feedback to enhance our processes and publications. Please tell us what you think by filling out the enclosed survey card or by visiting www.mypalmbeachclerk.com.



GOVERNMENT IN YOUR COUNTY

Q: Why is Palm Beach County referred to as a “charter” county?

In a countywide election, the voters chose to make Palm Beach County a [charter county](#) effective January 1, 1985. A charter, or “local constitution,” is a chief governing document that provides for the creation, amendment or modification of local laws at public hearings held by the Board of County Commissioners. These laws or ordinances must not conflict with state law or the Florida Constitution but are designed to create a “home rule” environment where issues specific to Palm Beach County alone can be addressed. Today, 19 of Florida’s 67 counties, containing 75 percent of Florida’s total population, are charter counties.

Established in 1909 as a political subdivision of the State of Florida, Palm Beach County is governed by a [Board of County Commissioners](#) (BCC), made up of seven citizens elected in separate districts. These commissioners, regulated by County ordinances, the County charter, state law and the Florida Constitution, set public policy and fund projects, programs and operations. A [county administrator](#), appointed by the BCC, carries out the policies and decisions made by the commissioners. Under the administrator’s direction, nearly 30 County departments, divisions and offices provide Palm Beach County residents with services, information and programs.

Under [Florida Statute](#), the County prepares an annual budget which represents the legal authority to levy taxes and expend funds for all County purposes. The budget may be amended throughout the fiscal year only with the approval of the BCC at regularly scheduled public board meetings. Florida law requires that the County have a balanced budget each year.

Voters also elect five independent Constitutional Officers: [Clerk & Comptroller](#), [Property Appraiser](#), [Sheriff](#), [Supervisor of Elections](#) and [Tax Collector](#). Unlike County Commissioners, each Constitutional Officer is elected to represent the entire County. Some are funded by your property taxes; others are primarily funded by fees paid by those who use the services of the office.

The governing body of Palm Beach County is comprised of the separately elected members of the BCC and the Constitutional Officers.

24/7 Access to Your County Government:

The Clerk & Comptroller’s office is making it easier than ever to observe your elected officials in action. Visit www.mypalmbeachclerk.com to access the minutes from public meetings, including the County Commission, linked directly to video or audio of the meetings.

See page 21 for contact information for your County government officials.

[Municipal Governments](#)

There are 38 municipalities in Palm Beach County. Each creates its own budget and has the ability to levy taxes within the municipality.

The Clerk & Comptroller has four primary responsibilities:

- Chief Financial Officer, Treasurer & County Auditor
- Clerk of the Circuit Court
- County Recorder
- Clerk of the Board of County Commissioners

As the third largest of the 67 Clerk's offices in Florida, this independent office serves a local population of nearly 1.3 million residents from seven locations and online at:

www.mypalmbeachclerk.com

Online Services

- [County Financial Information](#)
- [Court & Official Records Searches](#)
- [Traffic Ticket Payments](#)
- [Career & Volunteer Opportunities](#)
- [Self Service Court Forms](#)
- [Marriage License & Passport Information](#)
- [County Commission Meeting Minutes & Video](#)
- [Domestic Partnership Registry](#)

ABOUT THE CLERK & COMPTROLLER

Q: How is the Clerk & Comptroller's office funded?

The office is considered a "fee office," meaning the majority of its revenue comes from legally mandated fees you pay, for example, when filing court documents or requesting certified copies of official records. Other funding comes from the County to support the financial operations the Clerk provides as the County's Chief Financial Officer, Treasurer and Auditor. The Clerk, unlike the Board of County Commissioners, does not have the authority to raise revenue by levying taxes.

The [Florida Constitution](#) established the independent office of the Clerk & Comptroller as a public trustee, responsible for safeguarding public records and public funds. The Clerk is directly elected by and accountable to Palm Beach County residents. In addition to the roles of Clerk of the Circuit Court, County Recorder and Clerk of the Board of County Commissioners, the Clerk & Comptroller is the Chief Financial Officer, Treasurer and Auditor for Palm Beach County.

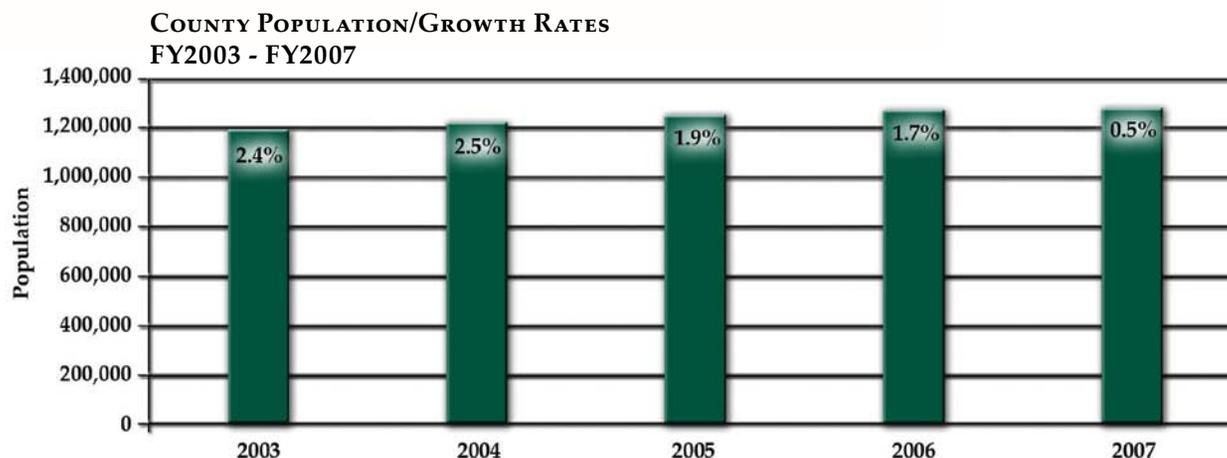
As the elected "watchdog" of County government finances, the office provides checks and balances through unbiased accounting and auditing of the public's funds.

As Chief Financial Officer, the Clerk monitors the County budget, revenue, debt and spending. As Treasurer, the Clerk invests and earns interest income on County funds to reduce the tax burden on the residents of Palm Beach County. As County Auditor, the Clerk conducts risk-based and financial audits and is responsible for auditing every County expenditure to ensure that it serves a public purpose. The Clerk maintains an accurate and complete set of financial records in order to produce all required financial statements and reports to comply with state and federal laws and generally accepted accounting principles.

The responsibility to safeguard public funds is so critical that under [Florida law](#), the Clerk is the only elected official who is personally liable for any losses due to illegal payments and for payments that do not have a public purpose. In addition to legal safeguards, the office's objectivity is ensured through regular, independent audits conducted by 11 different state, local and judicial entities.

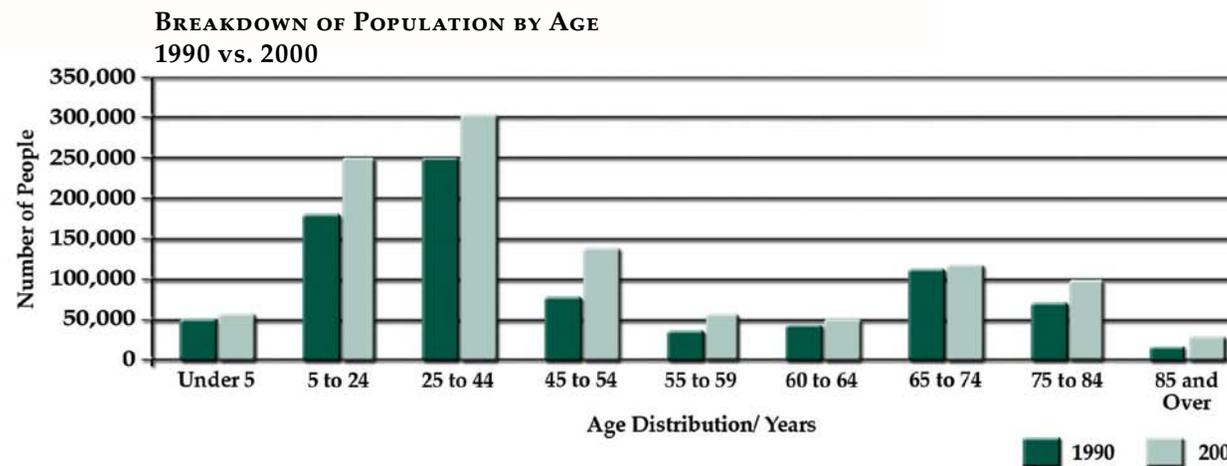
[Clerk & Comptroller Sharon R. Bock](#) was elected to the office in 2004. Certified as an [Accredited Investment Fiduciary](#)[®], she holds a Juris Doctorate and earned insurance and securities licenses Series 7, 63 and 65. One of Clerk Bock's key priorities is to educate the public about how its tax dollars are managed and spent.

YOUR COMMUNITY



The County's population continues to grow, but at a slower rate. Growth is faster in 12 other Florida counties, including neighboring St. Lucie County, according to the U.S. Census Bureau's "Population Estimates for the 100 Fastest Growing U.S. Counties with 10,000 or More Population in 2007: April 1, 2000 to July 1, 2007."

Source: [U.S. Census Bureau](#) and Florida Legislature, [Office of Economic and Demographic Research](#)



In 2000, a greater percentage of the population was under the age of 60 than in 1990.

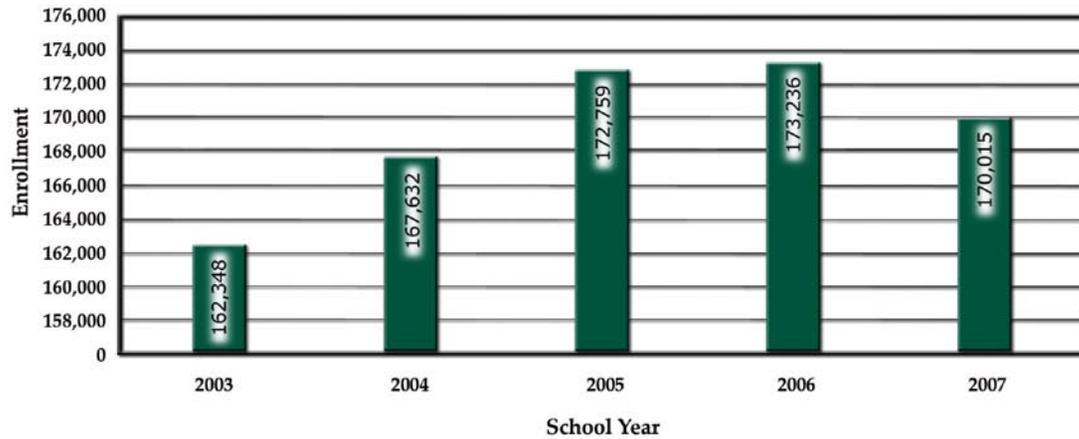
Source: [U.S. Census Bureau](#) (2000 is the most current year available.)

During Fiscal Year 2007 in Palm Beach County:

- Foreclosure rates nearly tripled, increasing by 184 percent over the previous year.
- The number of new homes decreased, with building permits for single family homes dropping by 56 percent.
- There was a 17 percent decrease in existing single family home sales in September, compared to the same month the previous year.
- The median price for an existing single family home declined by 3 percent to \$355,300.

YOUR COMMUNITY

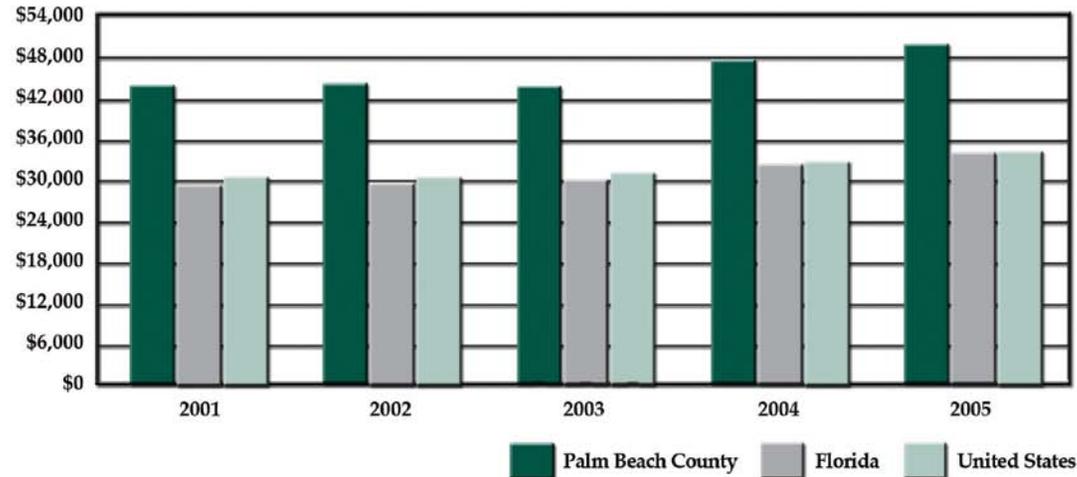
SCHOOL DISTRICT OF PALM BEACH COUNTY
TOTAL K-12 ENROLLMENT 2003-2007



Public school enrollment dipped for the first time in years.

Source: [School District of Palm Beach County](#)

PER CAPITA PERSONAL INCOME
2001- 2005



The County's per capita income continues to increase, although the rate of growth has slowed. The County continues to rank first in per capita income among all Florida counties.

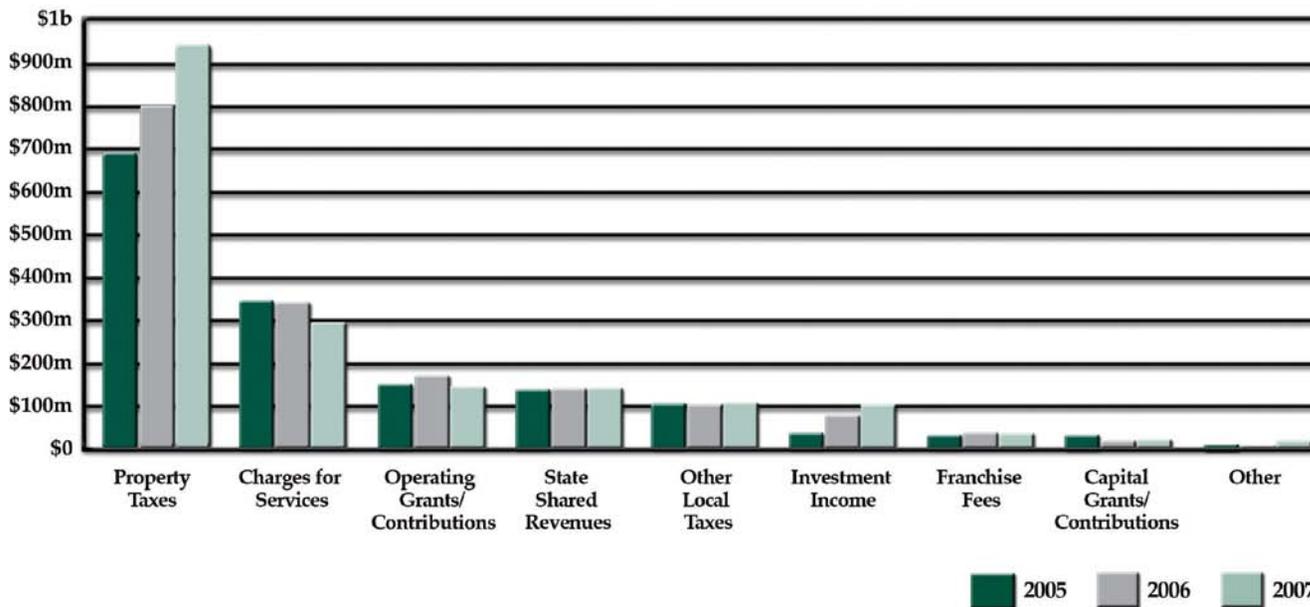
Source: U.S. Department of Commerce, [Bureau of Economic Analysis](#) (2005 is the most current year available.)

COUNTY GOVERNMENT REVENUE

Q: Where does County government get its money?

The County receives revenue from many sources. Nearly 54 percent of the County's total revenue comes from property taxes, also known as ad valorem taxes, which are based on the assessed value of real estate or personal property. Other sources include charges for services (16.2 percent), grants (8.5 percent) and investment income (5.6 percent).

GOVERNMENTAL ACTIVITIES REVENUES
FY2005 - FY2007



Total Governmental Activities Revenue	Increases Over Previous Year
2007 - \$1.76 Billion	4.8%
2006 - \$1.68 Billion	1.2%
2005 - \$1.50 Billion	11.8%

The **Governmental Activities Revenues FY2005-FY2007** chart shows that property taxes, boosted by an increase in property values during the last three years, are the greatest single source of revenue for the County. However, property tax reform is expected to significantly reduce this revenue source in future years.

The decline in Palm Beach County's housing market has impacted other revenue sources such as charges for services, which include building permit fees.

Investment income has steadily increased from year to year, due in part to the excellent performance of the County's investment portfolio (see [Investments on page 17](#)). However, market conditions are expected to cause this revenue source to trend downward in future years.

Property Tax Reform Update

- The 2007 Florida legislature approved a five-year, \$15 billion property tax cut for the state.
- It is estimated that the revenue decrease in Palm Beach County during Fiscal Year 2008 could be more than \$80 million.
- On January 29, 2008, Florida voters approved [Amendment 1](#), a constitutional amendment requiring an additional \$9.2 billion property tax cut during the next five years.
- Amendment 1 will reduce Palm Beach County's revenue by an estimated \$49 million in Fiscal Year 2009.

For more detailed information, visit the Florida Department of Revenue Web site: <http://dor.myflorida.com/dor/property>.

PROPERTY TAXES

Q: Besides County government, where else do my tax dollars go?

Palm Beach County has numerous taxing authorities, including [municipalities](#), the [School District of Palm Beach County](#) and the [South Florida Water Management District \(SFWMD\)](#). They are separate from County government and have the authority to levy taxes. The Tax Collector collects taxes on behalf of many taxing authorities in the County and distributes the funds to them. In addition, local, state and federal taxes, surcharges and fees are included in telephone, cable and other utility bills. Like the [Tax Collector](#), these utilities collect the funds and transmit them to the appropriate entity.

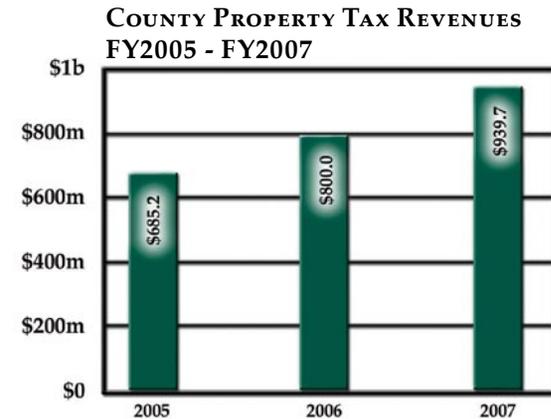
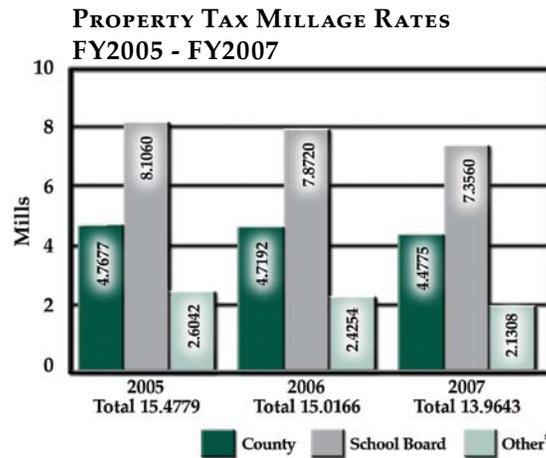
Your property's value is determined by the [Property Appraiser](#). The [Board of County Commissioners \(BCC\)](#) sets a property tax rate, called a "millage rate." A "mill" is equal to \$1 of tax for every \$1,000 of assessed property value. The BCC set a millage rate of 4.4775 mills for Fiscal Year 2007.

Property Tax Calculation

[Assessed Value of Property minus Homestead Exemption(s)] ÷ 1,000 x Millage Rate = Total Property Tax

Example: A person with property assessed at \$300,000 and a homestead exemption of \$25,000 will pay the County millage on \$275,000 of taxable value. Property tax would be calculated as follows:
 $(\$300,000 - \$25,000) \div 1,000 \times 4.4775 = \$1,231.31$

This example is calculated using the County millage rate only. Other taxing authorities, such as the SFWMD, School District and various municipalities, have their own millage rate that is also calculated using the assessed property value. These taxes appear on your TRIM notice and tax bill.



* Other includes the [South Florida Water Management District](#), [Children's Services Council](#), [Florida Inland Navigation District](#), [Everglades Construction Project](#) and the [Palm Beach County Health Care District](#).

In 2007, property tax revenue in Palm Beach County totaled \$939.7 million, an increase of \$139.7 million, or 17.5 percent, over the previous year.

Q: How can I find out how much I owe in taxes?

Each year in August, property owners receive a Notice of Proposed Property Taxes and Proposed or Adopted Non-Ad Valorem Assessments (also known as Truth in Millage, or TRIM notice) from the [Property Appraiser](#). As seen in the sample, the TRIM notice specifies your estimated taxes (circled in gold), exemptions, proposed taxes or millage rate of each taxing authority (red box), notice of public hearings (green box) and information about challenging the value on your property (blue box).

Property Taxes: From Assessment to Collection

JANUARY – Property Appraiser assesses the value of your property.

FEBRUARY & MARCH – Taxing authorities begin reviewing their budget needs for the coming year, estimating expenses, revenue and operating and service needs.

APRIL – Overall internal budget review is completed.

JUNE – Property Appraiser provides estimate of assessed property values to the [Board of County Commissioners](#) (BCC) and other taxing authorities.

JULY – BCC holds meeting, open to public participation, to recommend a tentative budget and proposed millage. Another meeting is held to formally certify the proposed millage to the Property Appraiser.

AUGUST – Property Appraiser mails out annual TRIM notices. Property owners may begin the process of challenging the assessed value of their property through the [Value Adjustment Board](#).

SEPTEMBER – Taxing authorities hold public hearings to receive opinions from residents and to answer questions on the proposed budget and millage prior to final adoption.

OCTOBER – County's fiscal year begins on October 1.

NOVEMBER – [Tax Collector](#) mails out property tax notices. Taxes are collectable from November 1 until March 31. Discounts are applied for early payment. Property owners failing to pay taxes by April 1 receive a delinquent tax notice.

What is the Value Adjustment Board (VAB)?

The VAB offers an opportunity for property owners to contest the assessed value or classification of their property and appeal the denial of a homestead exemption. To learn more about the VAB process or to obtain petition forms, visit the Clerk & Comptroller's Web site at www.mypalmbeachclerk.com.

SAMPLE TRIM NOTICE

NOTICE OF PROPOSED PROPERTY TAXES AND PROPOSED OR ADOPTED NON-AD VALOREM ASSESSMENTS																							
PROPERTY CONTROL NO.	YOUR PROPERTY VALUE THIS YEAR	YOUR PROPERTY VALUE LAST YEAR	2007 PROPOSED AD VALOREM TAXES																				
00-00-00-00-000-0000	225000	225000	4320.74																				
<p>DO NOT PAY THIS IS NOT A BILL</p>																							
<p>IF YOU FEEL THAT THE MARKET VALUE OF YOUR PROPERTY IS INACCURATE OR DOES NOT REFLECT FAIR MARKET VALUE, OR IF YOU ARE ENTITLED TO AN EXEMPTION THAT IS NOT REFLECTED ABOVE, CONTACT YOUR COUNTY PROPERTY APPRAISER AT:</p> <p>Residential: (561) 355-2088 Commercial: (561) 355-4090 Agriculture: (561) 355-2848 GOVERNMENTAL CENTER - 2ND FLOOR 301 N. OLIVE AVE. WEST PALM BEACH, FLORIDA 33401</p> <p>FOR ADDITIONAL OFFICE LOCATIONS PLEASE SEE REVERSE SIDE.</p>																							
<p>IF THE PROPERTY APPRAISER'S OFFICE IS UNABLE TO RESOLVE THE MATTER AS TO MARKET VALUE OR AN EXEMPTION, YOU MAY FILE A PETITION. PETITION FORMS ARE AVAILABLE FROM THE COUNTY PROPERTY APPRAISER'S OFFICE. YOUR PETITION MUST BE FILED WITH THE CLERK OF THE VALUE ADJUSTMENT BOARD ON OR BEFORE: 14-SEP-07 5:00 PM AT 301 N. OLIVE AVENUE, WEST PALM BEACH, FLORIDA 33401</p> <p>YOUR FINAL TAX BILL MAY CONTAIN NON-AD VALOREM ASSESSMENTS WHICH MAY NOT BE REFLECTED ON THIS NOTICE SUCH AS ASSESSMENTS FOR ROADS, FIRE, GARBAGE, LIGHTING, DRAINAGE, WATER, SEWER, OR OTHER GOVERNMENTAL SERVICES AND FACILITIES WHICH MAY BE LEVIED BY YOUR COUNTY, CITY, OR ANY SPECIAL DISTRICT.</p>																							
<p>2007 PROPOSED AND/OR ADOPTED NON-AD VALOREM ASSESSMENTS</p> <table border="1"> <thead> <tr> <th>LEVYING AUTHORITY</th> <th>TELEPHONE NUMBER</th> <th>RATE</th> <th>ASSESSED AMOUNT</th> </tr> </thead> <tbody> <tr> <td>SOLID WASTE AUTHORITY</td> <td>(561) 697-2700</td> <td>68.00</td> <td>68.00</td> </tr> <tr> <td>LAKE WORTH DRAINAGE DIST.</td> <td>(561) 737-3835</td> <td>33.05</td> <td>33.05</td> </tr> <tr> <td>BOYN BCH FIRE RESCUE ASSESSMNT</td> <td>(561) 742-6312</td> <td>62.00</td> <td>62.00</td> </tr> <tr> <td>HIGH RIDGE/QUANTUM COMM DEV DI</td> <td>(561) 630-4922</td> <td>1512.31</td> <td>1512.31</td> </tr> </tbody> </table>				LEVYING AUTHORITY	TELEPHONE NUMBER	RATE	ASSESSED AMOUNT	SOLID WASTE AUTHORITY	(561) 697-2700	68.00	68.00	LAKE WORTH DRAINAGE DIST.	(561) 737-3835	33.05	33.05	BOYN BCH FIRE RESCUE ASSESSMNT	(561) 742-6312	62.00	62.00	HIGH RIDGE/QUANTUM COMM DEV DI	(561) 630-4922	1512.31	1512.31
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<p>DO NOT PAY --- THIS IS NOT A BILL</p>			<p>TOTAL NON-AD VALOREM: 1655.36</p>																				
<p>00-00-00-00-000-0000 11111 HOMESTEAD MR. AND MRS. TAXPAYER 1 MAIN STREET PALM BEACH COUNTY FL 11111-1111</p> <p>***** THIS IS A SAMPLE PROPERTY SUBJECT TO THE SOH 3% CAP *****</p> <p>000000007 T=300000001</p>																							

For more information about your property's assessed value, visit the Property Appraiser's Web site at www.pbcgov.com/papa. To find out more about your tax bill, visit the Tax Collector's Web site at www.taxcollectorpbc.com.

Two Types of [Special Districts](#)

Dependent

A special district is dependent if an elected governing body of a municipality or county:

- serves as the district's Board of Directors, and/or
- appoints or removes the district's Board of Directors, and/or
- approves or vetoes the district's budget.

For example, the Solid Waste Authority is a dependent district because its Board of Directors is the Board of County Commissioners.

Independent

A special district is independent if it does not have any dependent characteristics.

Additionally, if a district encompasses more than one county it is typically independent.

For more information visit: www.floridaspecialdistricts.org.

SPECIAL DISTRICTS

Q: What are [special districts](#), and how do they impact my tax bill?

Special districts are special-purpose government entities, created with public approval, that operate within a limited geographical area. They are created to provide services that a municipality or the County does not provide, such as water management, port operations and community redevelopment. Special districts assess taxes and fees separately from your municipality or the County, and many are included in your annual tax bill and TRIM notice (see Sample TRIM Notice, in red box, on page 9).

Florida has more than 1,500 special districts, and with 92, Palm Beach County has the third highest number in the state. Thirty-one of the County's special districts are classified as "dependent" special districts, subject to the control of the elected officials of either a municipality (e.g., Town Council, City Commission) or the Board of County Commissioners (BCC). Dependent special districts in Palm Beach County include many municipal [Community Redevelopment Agencies](#) (CRA) and Housing Authorities, such as the Boca Raton Housing Authority and the [West Palm Beach CRA](#). Countywide dependent special districts include the [Housing Finance Authority of Palm Beach County](#), the [Solid Waste Authority](#) and the Palm Beach County Library District.

The remaining 61 special districts are "independent." Therefore, their board and budget are not subject to the control of elected municipal or County officials. Independent special districts include the CityPlace Community Development District, [Indian Trail Improvement District](#) and [Jupiter Inlet District](#), which cover a limited geographic area within the County. Countywide independent special districts include the [Children's Services Council](#) and the [Health Care District](#), both of which have the same geographic borders as the County. Some districts, such as the South Florida Water Management District, extend beyond the boundaries of the County and provide services to multiple counties.

Did You Know?

Benjamin Franklin formed the first special district in 1736 by establishing the Union Fire Company of Philadelphia, a volunteer fire department. Residents in a certain neighborhood paid a fee to receive fire protection services. Those who did not pay the fee received no fire protection services.

In Florida, special districts have been around for almost 200 years. The Road, Highway, and Ferry Act of 1822 created "road districts" to build and maintain public roads.

Source: [Florida Association of Special Districts](#).

COUNTY ENTERPRISES

Q: What are County enterprises, and how do they impact me?

Having some private business characteristics, County enterprises are County departments or entities that charge or collect user fees to fund their operations and to make payments on debt incurred through the bond process (see Debt, pages 18-19).

Palm Beach County has three enterprises that generate revenue by providing services directly to you:

The Department of Airports operates [Palm Beach International Airport](#) (PBIA), located in West Palm Beach, and three other general aviation airports in Palm Beach Gardens, Lantana and Pahokee. When you use PBIA, a portion of what you pay for parking, airline tickets and rental cars helps fund the airport's operating costs.

The [Palm Beach County Water Utilities Department](#) provides drinking water, wastewater and reclaimed water services to more than 500,000 people located within 1,200 square miles of primarily unincorporated areas of the County. In addition to serving unincorporated areas, the department provides services directly to residents and businesses in Royal Palm Beach, Greenacres and Haverhill. Users are billed monthly based on meter readings. Residents not covered by the enterprise may receive services from a water authority (e.g., Seacoast Utility Authority) or their own municipal water provider (e.g., City of West Palm Beach).

The [Solid Waste Authority \(SWA\)](#) provides solid waste disposal and recycling services and programs to all of the County's residents and businesses. The SWA provides these services to people living in unincorporated areas through private haulers under exclusive franchise agreements. Charges for these services appear in the non-ad valorem assessment section of your annual property tax bill (see [Sample TRIM Notice](#), in red box on page 9).

Enterprise Funding

Airports

Fees: Point of sale
(e.g., buying a ticket
and paying for parking)

Total Budget:
\$320,518,854

Water Utilities

Fees: Monthly utility bill
Total Budget:
\$469,561,300

Solid Waste Authority

Fees: Non-ad valorem
assessment on property
tax bill

Total Budget:
\$201,312,624

The County's budget is the financial plan for funding all operations, services and projects. It gives the County government legal authority to spend money during the fiscal year.

- **General Fund** is the primary operating fund of the County. It pays for government operations such as County Administration and Human Resources.
- **Special Revenue Funds** contain money from sources such as library fees, state and federal grants and tourist development taxes. These funds may only be used for specifically designated purposes.
- **Debt Service Funds** pay principal and interest on the County's long-term debt.
- **Capital Projects Funds** pay for major projects such as roads, parks and libraries.
- **Enterprise Funds** include money from County operations such as the Department of Airports, the Water Utilities Department and the Solid Waste Authority. They collect user fees.
- **Internal Service Funds** are paid by County departments and Constitutional Officers to receive goods and services from other County departments such as Fleet Management and Information Systems Services (ISS).

For more information on the County's budget, visit www.co.palm-beach.fl.us/ofmb/budget.

BUDGET AT A GLANCE

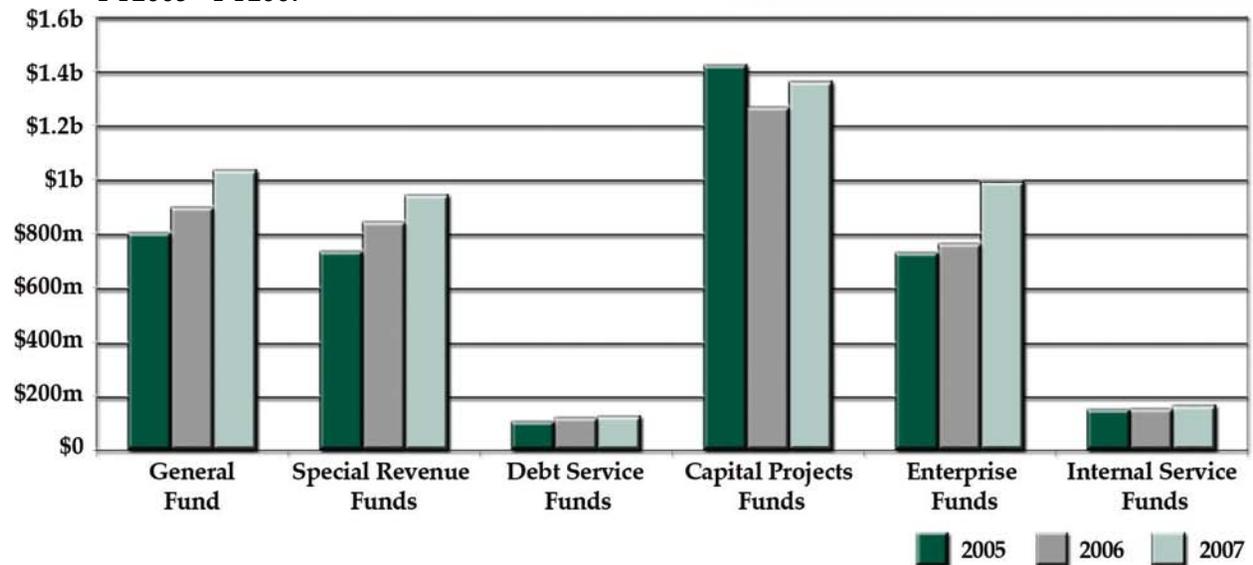
Q: How is the County budget created?

Each department develops its own budget, using the previous year's budget as a starting point. This starting point, called a "base budget," allows the County to maintain its current level of services in the coming year. Should a department identify a need to increase service levels, the department must justify the added expense. These budget increases must be submitted to and approved by the county administrator.

County department budgets, along with the budgets of Constitutional Officers, are submitted to the County's [Office of Financial Management and Budget \(OFMB\)](#). OFMB compiles and presents the proposed budget to the Board of County Commissioners for review and revision prior to July 15. Two public hearings are held to elicit residents' comments before the budget is finalized. The approved budget is effective at the start of the fiscal year on October 1.

The County's total adopted budget for Fiscal Year 2007 was \$4.41 billion.

COUNTY BUDGET BY FUND TYPE
FY2005 - FY2007



Note: The Solid Waste Authority prepares its own budget, but it is included here because it is blended into the County's financial statements.

Source: [Palm Beach County Annual Budget FY2005, FY2006 and FY2007](#) and the [Solid Waste Authority](#)

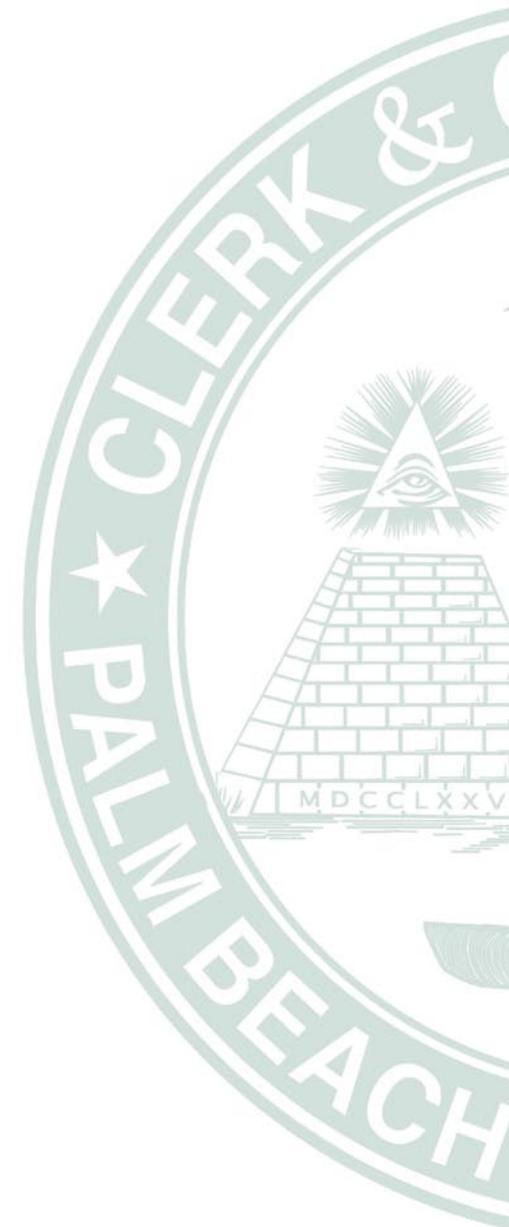
SELECT OPERATING BUDGETS

SELECT COUNTY DEPARTMENTS' & CONSTITUTIONAL OFFICERS' OPERATING BUDGETS
FY2006 & FY2007

County Department	FY2006	FY2007	Percent Change
County Administration	\$1,716,294	\$1,833,052	6.8%
County Attorney	\$5,830,310	\$6,099,235	4.6%
County Commission	\$2,976,623	\$3,163,388	6.3%
Community Services	\$63,702,101	\$63,473,516	-0.4%
Engineering	\$66,756,775	\$74,566,252	11.7%
Environmental Resource Management	\$37,347,673	\$45,746,176	22.5%
Facilities Development and Operations	\$74,955,968	\$84,605,367	12.9%
Housing and Community Development	\$66,977,072	\$73,461,851	9.7%
Information Systems Services	\$31,436,807	\$34,759,169	10.6%
Parks and Recreation	\$64,828,587	\$70,602,663	8.9%
Planning, Zoning and Building	\$36,691,062	\$48,937,031	33.4%
Public Safety	\$37,435,425	\$42,162,735	12.6%
Risk Management	\$91,091,805	\$92,995,600	2.1%
Tourist Development Council	\$47,203,536	\$47,785,758	1.2%
Constitutional Officers	FY2006	FY2007	Percent Change
Clerk & Comptroller*	\$16,400,399	\$18,019,239	9.9%
Property Appraiser*	\$16,601,362	\$17,777,880	7.1%
Sheriff	\$331,781,164	\$371,407,177	11.9%
Supervisor of Elections	\$8,475,593	\$8,533,688	0.7%
Tax Collector*	\$5,296,657	\$5,838,901	10.2%

Source: [Palm Beach County Annual Budget FY2006 and FY2007](#)

* Represents portion of budget funded by the Board of County Commissioners



Capital projects are prioritized in three categories:

1. **Essential:** Services that are essential to protect the health and safety of citizens from an immediate or imminent hazard (e.g., danger arising from an imminent bridge failure).
2. **Necessary:** Projects that are needed to maintain the current level of service despite growth and development. This concept, known as concurrency, is mandated by Florida law and requires that infrastructure and other services be in place prior to new development (e.g., roadways, mass transit, drinking water, solid waste and fire-rescue).
3. **Desirable:** Services that enhance the desirability of Palm Beach County as a place to live (e.g., libraries and roadway beautification).

Source: [Palm Beach County Six-Year Capital Improvement Program Fiscal Years 2007-2012](http://www.pbcgov.com/ofnb/budget/capital). It is available at www.pbcgov.com/ofnb/budget/capital.

CAPITAL IMPROVEMENTS

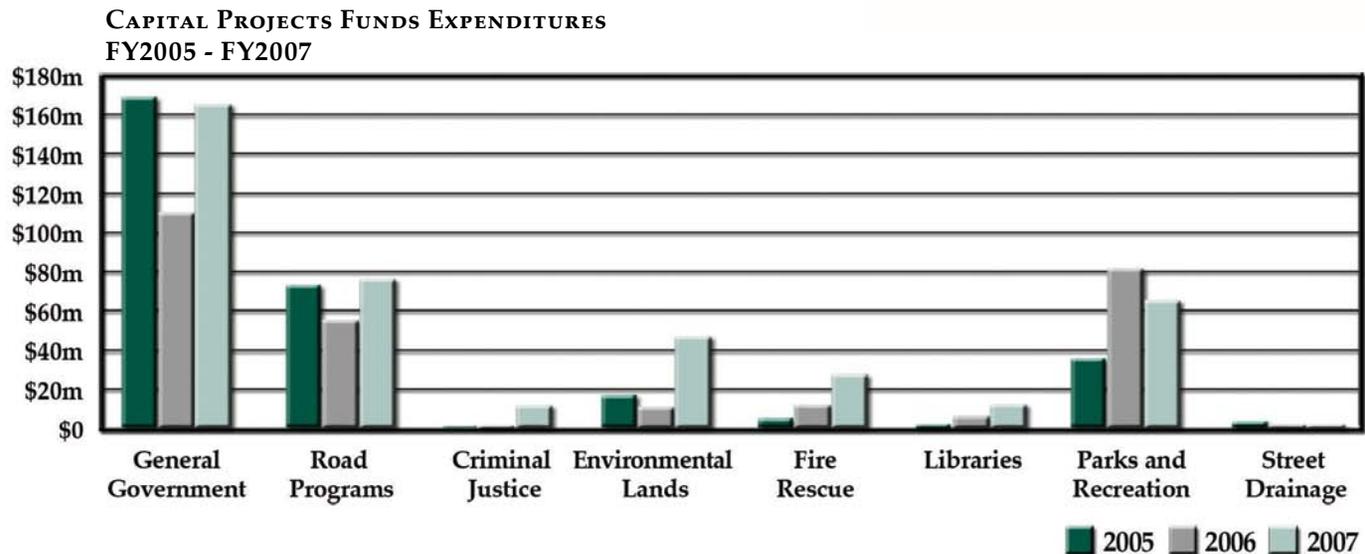
Q: How does the County budget for large projects or capital improvements, such as buildings and roads?

As part of the budget process, departments may submit proposals for capital improvements from which the County develops a Six-Year Capital Improvement Program. This program includes a proposed schedule for spending money to acquire, construct or renovate major physical assets in the County, such as buildings, roads and parks. Unlike the rest of the County's budget, which includes expenses for only one year, the capital improvement budget includes costs that may extend over several years. While resources for the County's budget primarily come from property taxes and user fees, capital improvements are typically funded by the proceeds from bonds, impact fees, grants and other taxes.

The capital improvement budget for Fiscal Year 2007 was \$1.77 billion — an increase of \$158.4 million, or 16.4 percent, over the previous year. The estimated cost of capital improvements for Fiscal Years 2007 to 2012 is \$2.39 billion. Major upcoming capital improvements include:

- **Airport Expansion Program - \$392 million**
- **Jail Expansion Program - \$273 million**
- **Judicial Facilities Expansion - \$85 million**

The **Capital Projects Funds Expenditures FY2005-FY2007** chart shows actual capital projects expenditures, by category, for Fiscal Years 2005 to 2007.

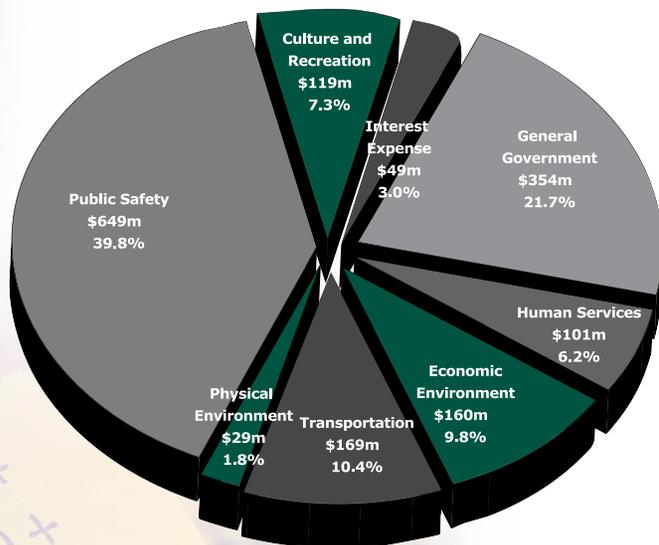


WHERE YOUR MONEY GOES

Q: Where does the County spend most of my tax dollars?

In Fiscal Year 2007, \$649 million, or almost 40 percent, of the County's expenditures were spent on Public Safety, which includes not only the Palm Beach County Sheriff's Office but also Fire Rescue, Medical Examiner, Consumer Affairs, building inspections and emergency and disaster relief services. More than 20 percent of the expenses for Fiscal Year 2007 were General Government expenses, which pay for administrative, financial and other activities such as zoning, budget and purchasing.

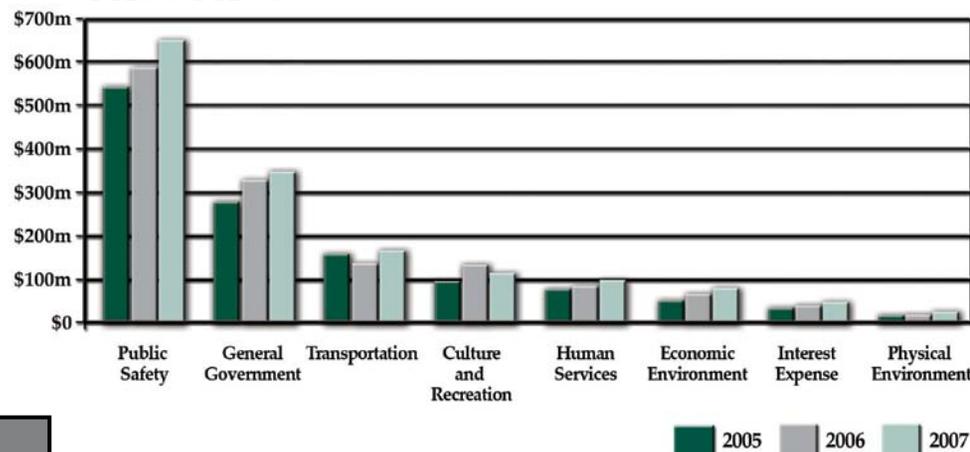
GOVERNMENTAL ACTIVITIES EXPENSES FY2007



INCREASES IN GOVERNMENTAL ACTIVITIES EXPENSES

Years	Amount	Percent Increase
2006 to 2007	\$184,963,000	12.8%
2005 to 2006	\$131,561,000	10%
Total 2005 to 2007	\$316,524,000	24.1%

GOVERNMENTAL ACTIVITIES EXPENSES FY2005-FY2007



COUNTY BUDGET PRIORITIES

2007	2008
Affordable Housing Criminal Justice Issues Community Revitalization	Criminal Justice Issues State-Mandated Property Tax Reform

Source: [Palm Beach County Annual Budget FY2007 and FY2008](#)

Designated Reserves

While developing the budget, County managers review and evaluate current and future projects and the funding required for them. Using revenue sources such as property taxes, impact fees and gasoline taxes, the Board of County Commissioners (BCC) may approve money to be set aside, or "reserved," during the fiscal year to fund these projects. These reserve funds are designated for specific purposes, and the money can only be spent for these purposes. For example, during Fiscal Year 2007, \$11.2 million in Capital Projects reserve funds were used for the Library Expansion Program and \$2.4 million from the Operating & Designated reserve fund were used for affordable housing.

Contingency Reserves

Excess revenues are created when County revenues, such as property taxes, user fees and investment income, exceed the County's budgeted expenses. If this unspent revenue is not designated for a specific purpose, it is held in a "Contingency Reserve" account. This account may be used to pay for unanticipated or unplanned expenses. For example, during Fiscal Year 2007, money was transferred from the Contingency Reserve account to pay for an absentee ballot system for the Supervisor of Elections (\$1.4 million), replacement vehicles for the Sheriff (\$2.6 million) and additional staff for the Value Adjustment Board (\$150,000). The amount of money held in contingency reserves varies from year to year, and is spent at the discretion of the BCC. The County budgeted \$41 million for contingency reserves in Fiscal Year 2007, and ended the year with a balance of more than \$59 million.

RESERVES

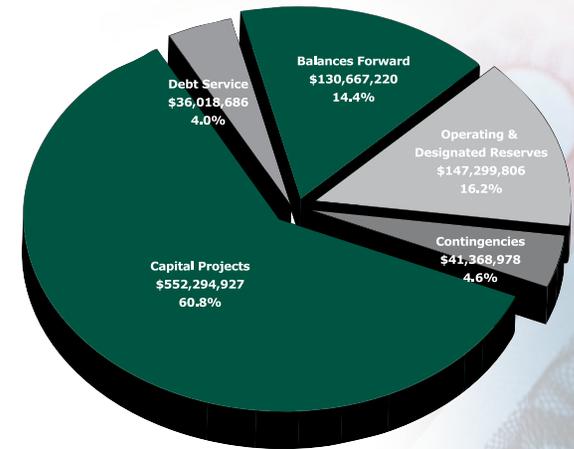
Q: What are reserves?

Reserves are funds set aside from revenues to pay for future expenses. The County has four reserve accounts that contain funds designated for specific purposes such as major road expansions and improvements, library expansions and facility and park improvements. There is also a contingency reserve account that contains funds not designated for any specific purpose and may be used to pay for unplanned or unanticipated expenses throughout the year. All spending of reserve funds must be approved by the Board of County Commissioners. In Palm Beach County, budgeted reserves were approximately 21 percent of the County's total budget for Fiscal Year 2007.

TYPES OF RESERVES

Designated	Capital Projects	Funds for capital improvement projects.
	Operating & Designated Reserves	Funds for a variety of specific potential needs such as economic development, tourist development, or other program costs.
	Balances Forward	Funds to be carried forward to the next fiscal year to pay operating expenses until property taxes are received.
	Debt Service	Funds for payments on County debt.
Undesignated	Contingency	Funds for unanticipated needs that may arise during the course of County business. These funds are normally not used for County operations.

**BUDGETED RESERVES BY TYPE
FY2007**



TOTAL \$907,649,617

Source: [Palm Beach County Annual Budget FY2007](#)

INVESTMENTS

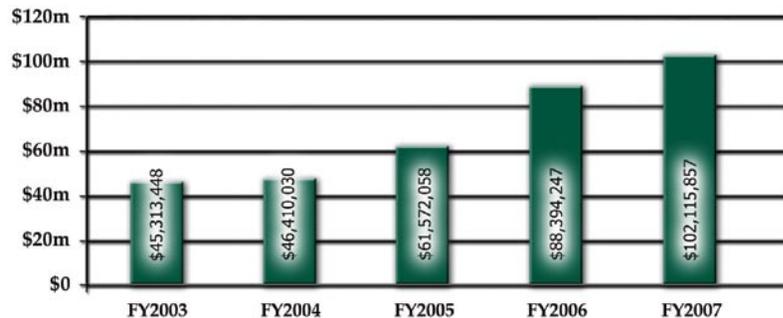
Q: The County received almost \$1 billion in property taxes last year. What do they do with all the money when it comes in?

The County pays bills throughout the year, just as you do. While you may receive a paycheck every week or so, the County receives the majority of its income during the months of November and December when property owners pay their annual tax bill. This money is needed to meet the County's financial obligations throughout the year. As Treasurer and custodian of County funds, the Clerk & Comptroller is responsible for investing and earning income on that money until it is needed to pay the County's bills. This investment income reduces the burden on taxpayers. In fact, in Fiscal Year 2007, investment income totaled \$105 million, or the equivalent of about \$198 per household throughout the County.

The Clerk & Comptroller utilizes proactive portfolio management strategies to maximize investment earnings, while ensuring that your tax dollars are protected. The Clerk and her staff of experienced investment professionals perform ongoing, in-depth research and analysis of portfolio holdings to protect the safety of the principal, ensure liquidity and earn a market rate of return. A [County investment policy](#), created by the Clerk & Comptroller and the County's Investment Policy Committee, governs investments and provides guidelines related to risk management and reporting requirements.

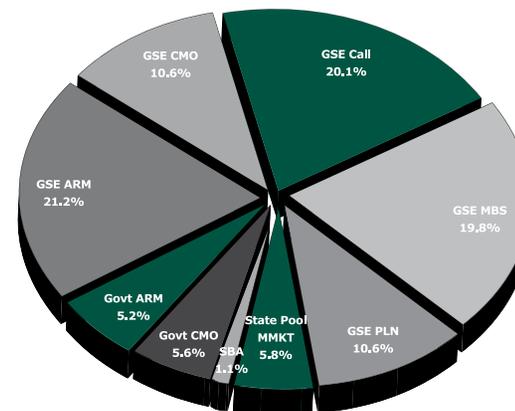
During Fiscal Year 2007, the County's investment portfolio averaged \$2.02 billion.

**PALM BEACH COUNTY INTEREST INCOME
FY2003 - FY2007**



For more detailed information on the portfolio and investment types, please go to www.mypalmbeachclerk.com.

**PORTFOLIO ALLOCATION AS OF
SEPTEMBER 30, 2007**



Investment Terms

Interest Income represents the payment of interest, or earnings, on fixed income securities.

Investment Income represents interest income plus increases or decreases in the market prices of the securities over a given time period, in this case a year.

Liquidity is the ability to quickly convert investments to cash to meet financial obligations.

Market Rate of Return is the rate of return earned on investments.

Principal is the original amount invested, separate from earnings.

**Clerk & Comptroller
Investment Professionals
Awarded Accredited
[Investment Fiduciary®](#)
Certification**

The office recently became the first government agency in the country to have its entire investment staff earn this esteemed designation, signifying a commitment to responsible stewardship of the public's money.

Advantages of County's 'AAA' Bond Rating

Like credit scores for individuals, bond ratings are given to local governments to rate their overall credit-worthiness. The highest possible bond rating is AAA. Just as high credit scores help you buy a new home at a lower interest rate, Palm Beach County's AAA rating means lower interest rates and costs when the County borrows money. Palm Beach County is one of only 22 counties nationwide and the only county in Florida to earn the AAA rating from all three of the major rating agencies. Key factors contributing to this high rating include the County's well-managed finances, low level of debt in relation to income and reserves and capital improvement programs.

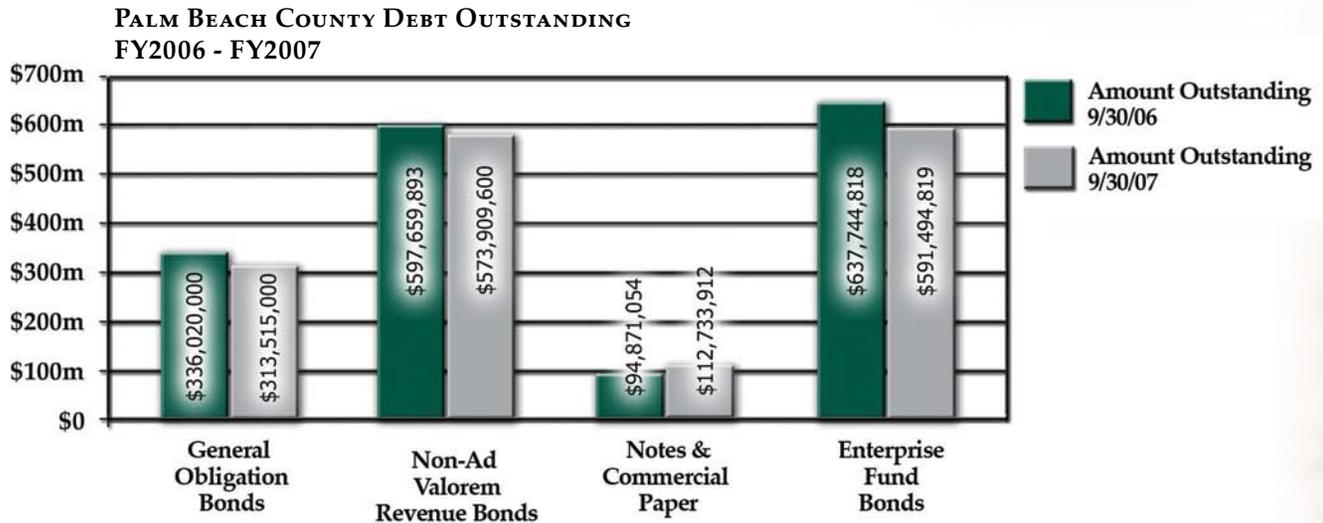
DEBT

Q: If the County has such a high level of revenue and reserves, why does it have to borrow money?

Just as you may borrow money to buy a home, the County borrows money to pay for the construction of major facilities or for the purchase of equipment. A majority of the County's debt is in the form of bonds, which allow the County to spread repayment over a long period of time. In this case, the cost is shared not only by the taxpayers who are present at the time of construction or acquisition but also by those who will benefit from its existence in future years.

The decision to incur debt follows an analysis of the County's planned projects and/or the determination of an immediate need. The County borrows money by issuing, or "selling," bonds. Bonds are financial instruments used for the purpose of raising cash. Investors, or "bondholders," purchase the bonds, becoming the County's lenders. The County is the debtor. The bondholders are paid back by the County much in the same way that you pay back a lender for a home mortgage or a car loan.

The County's outstanding debt totaled nearly \$1.6 billion* as of September 30, 2007. Nearly \$205 million in principal and interest payments were made in Fiscal Year 2007.



Note: This chart excludes long-term financial liabilities such as insurance claims payable, which do not require the County to borrow money.

**Includes Solid Waste Authority debt.*

There are three different types of bonds through which the County incurs debt: general obligation, non-ad valorem revenue and revenue or enterprise fund bonds. The County also incurs debt in the form of notes and loans, which are paid back over a shorter period of time, usually less than five years (see **Types of Debt**). The type of debt issued is determined by the project type, duration and repayment considerations. Payments for the County's outstanding debt are included in the County's annual budget.

TYPES OF DEBT

Debt	Issued to Finance	Repaid From	Public Vote Required?
General Obligation (GO) Bond	Construction of major facilities or purchasing of equipment	Any legally available source - for example, property taxes	Yes
Non-Ad Valorem Revenue Bond	Construction of projects that produce revenue	County revenue other than property taxes, such as Communications Service Tax, sales tax and other fees	No
Revenue (Enterprise Fund Bond)	A wide range of projects, including constructing or improving a public property or facility, such as an airport	Revenue generated by these public projects, such as airport parking fees	No
Notes & Loans	Short-term capital requirements for a variety of projects, including land acquisition or public facility improvements	County revenue other than property taxes, such as Tourist Development Tax and Half-Cent Sales Tax	No

Examples of Debt Issued During Fiscal Year 2007:

Project: Judicial Center Parking Facility
Cost: \$14,685,000
Issue Type: Non-Ad Valorem Revenue Bond
Issued: December 6, 2006
Final Payment Due (Bond Maturity): December 1, 2026
Repaid From: Judicial Center Parking Facility fees and other non-ad valorem revenues

Project: Convention Center Hotel
Cost: \$11,543,892
Issue Type: Taxable Public Improvement Revenue Bond Anticipation Note
Issued: April 30, 2007
Final Payment Due (Note Maturity): May 1, 2010
Repaid From: Non-ad valorem revenues

Project: Biomedical Research Park Project – Series 2006 Briger Tract*
Cost: \$16,322,600
Issue Type: Public Improvement Revenue Bond Anticipation Note
Issued: November 22, 2006
Final Payment Due (Note Maturity): December 30, 2007
Repaid From: Non-ad valorem revenues

**This is one of three Scripps-related projects in Fiscal Year 2007.*

Assets

Current and other assets include items such as cash, investments and amounts due from state and local governments.

Capital assets include County-owned property, such as land, buildings, equipment, bridges and roads.

Liabilities

Current liabilities include money owed to outside vendors for goods and services received, as well as amounts that are due to other governments.

Long-term debt includes payments for the County's bonds, notes and other obligations due in more than one year.

Net Assets

Invested in capital assets, net of related debt is the difference between the amount shown for capital assets, such as a County building, and the outstanding debt incurred to finance those capital assets, such as a mortgage, note or other financial obligation.

Restricted net assets is equity that must be used for a purpose specified by contracts, laws or government regulations.

Unrestricted net assets is operating equity that is not legally restricted for a specific purpose and can be used to meet the County's ongoing obligations to residents, creditors and enterprise fund customers.

WHAT THE COUNTY OWNS AND OWES

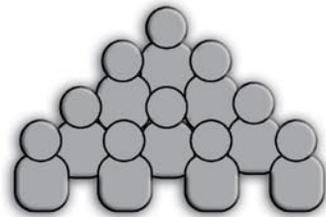
Q: How can I tell if the County is financially healthy?

The Condensed Statement of Net Assets, or "balance sheet," is a summary of everything the County owns (assets) and owes (liabilities). It provides a snapshot of the County's financial health at the end of each fiscal year. Net assets increased 7.8 percent from 2006 to 2007, which is a reflection of the County's overall financial strength. Changes in net assets over time show either an improving or a weakening financial position.

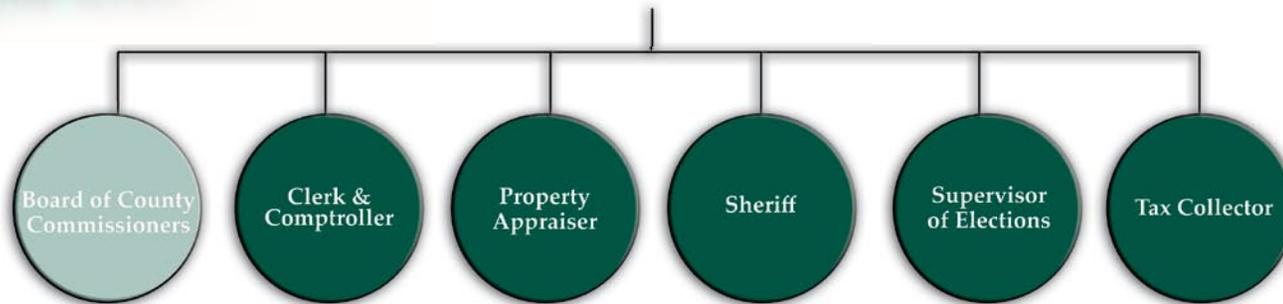
Assets and liabilities are categorized by two types of activities: governmental and business-type. Governmental activities are primarily supported by property tax revenue and include public safety, transportation and human services. Business-type activities provide services and are mostly self-supported through user charges. They include such enterprises as Airports, Water Utilities and the Solid Waste Authority. The **Condensed Statement of Net Assets September 30, 2007** shows a positive trend from 2006 to 2007.

**CONDENSED STATEMENT OF NET ASSETS
SEPTEMBER 30, 2007**

	Governmental Activities	Business-Type Activities	Totals	
			2007	2006
Assets				
Current and other assets	\$1,745,921,634	\$575,790,609	\$2,321,712,243	\$2,412,086,266
Capital assets	2,096,056,675	1,615,467,667	3,711,524,342	3,282,915,311
Total assets	3,841,978,309	2,191,258,276	6,033,236,585	5,695,001,577
Liabilities				
Current	369,960,420	127,776,668	497,737,088	386,160,575
Long-term debt due in more than one year	1,097,067,144	600,357,352	1,697,424,496	1,748,271,727
Total liabilities	1,467,027,564	728,134,020	2,195,161,584	2,134,432,302
Net Assets				
Invested in capital assets, net of related debt	1,258,858,321	1,086,676,383	2,345,534,704	2,097,865,962
Restricted	691,922,069	96,296,100	788,218,169	728,504,609
Unrestricted	424,170,355	280,151,773	704,322,128	734,198,704
Total Net Assets	\$2,374,950,745	\$1,463,124,256	\$3,838,075,001	\$3,560,569,275



PALM BEACH COUNTY RESIDENTS



- County Constitutional Officers
Elected Countywide
- Board of County Commissioners
Elected by District

Constitutional Officers

Sharon R. Bock, Clerk & Comptroller
561.355.2996 | www.mypalmbeachclerk.com

Gary R. Nikolits, Property Appraiser
561.355.3230 | www.pbcgov.com/papa

Ric L. Bradshaw, Sheriff
561.688.3000 | www.pbso.org

Arthur W. Anderson, Supervisor of Elections
561.656.6200 | www.pbcelections.org

Anne M. Gannon, Tax Collector
561.355.2264 | www.taxcollectorpbc.com

Board of County Commissioners

www.pbcgov.com

[Addie Greene, Chairperson - District 7](#)
561.355.2207

[Karen Marcus - District 1](#)
561.355.2201

[Jeff Koons, Vice Chair - District 2](#)
561.355.2202

[Robert J. Kanjian - District 3](#)
561.355.2203

[Mary McCarty - District 4](#)
561.355.2204

[Burt Aaronson - District 5](#)
561.355.2205

[Jess R. Santamaria - District 6](#)
561.355.6300

Elected officials as of September 30, 2007



SHARON R. BOCK

Clerk & Comptroller
Palm Beach County

www.mypalmbeachclerk.com