

# CHECKS & BALANCES

Your Guide to County Finances  
Palm Beach County, Florida

## MESSAGE FROM CLERK BOCK



**SHARON R. BOCK**  
Clerk & Comptroller  
Palm Beach County

Dear Residents:

With foreclosures skyrocketing, the stock market declining and jobs disappearing, these are unprecedented financial times across the nation and right here in Palm Beach County. Everyone is re-evaluating their priorities and re-adjusting their spending—and government is no exception. Just as many of you may have less money, Palm Beach County government is also paying the bills with less. After years of record growth, the County faced its first revenue loss in Fiscal Year 2008 due to a state-mandated “rollback” of the tax rate and the overall slowdown of the economy. It will continue to face losses as the voter-approved tax reform, known as Amendment 1, impacts revenue during 2009.

With less money to go around, it is more important than ever that our elected leaders make fiscally responsible decisions while using our tax dollars. It is just as important for you to understand how your tax dollars are managed and spent. The new edition of *Checks & Balances: Your Guide to County Finances* not only provides important and practical financial information, it also empowers you to participate in the decisions of County government and play a key role in its future. This third annual easy-to-read guide highlights the County’s spending and revenue, as well as the effects of property tax cuts and other financial challenges during the 2008 fiscal year.

As your Clerk & Comptroller, I am committed to examining how your tax dollars are spent, educating the public about County financial matters, and promoting transparency and accountability in County government. *Checks & Balances* is one of many useful and award-winning financial publications available on our Web site, [www.mypalmbeachclerk.com](http://www.mypalmbeachclerk.com). Please share your comments, questions or suggested topics for next year by e-mailing me at [clerkweb@mypalmbeachclerk.com](mailto:clerkweb@mypalmbeachclerk.com) or calling (561) 355-2996. It remains my honor and privilege to serve as your Clerk & Comptroller. Thank you for reading *Checks & Balances* and for caring about how your tax dollars are used.

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, Palm Beach County

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

## About This Guide

*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 office’s [Comprehensive Annual Financial Report](#) (CAFR) for the fiscal year that ended on September 30, 2008. The CAFR, which is available at [www.mypalmbeachclerk.com](http://www.mypalmbeachclerk.com), includes more than 200 pages of detailed County financial statements, notes, schedules and reports.

*Checks & Balances*, which is also called a *Popular Annual Financial Report* (PAFR), includes condensed and simplified information from the CAFR, County budget and other financial reports. This award-winning guide is a recommended practice of the [Government Finance Officers Association](#), the authority on best practices in governmental accounting and financial reporting.

This guide was produced by the Clerk’s office using existing in-house resources. The office is committed to cost-savings and, therefore, has printed only a limited number of copies at a per unit cost of \$1.08. Citizens are encouraged to view the online edition at [www.mypalmbeachclerk.com](http://www.mypalmbeachclerk.com). The electronic version contains useful links to other helpful information and reference materials.

*\*Because this 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.*

**Q: Why should I read this guide?**

**A:** Monitoring how County government uses your tax dollars is just as important as watching your own personal finances. This guide helps you understand the County’s finances, gauge its financial health and evaluate financial decisions.

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## 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 all previous editions of *Checks & Balances: Your Guide to County Finances* have been recognized for excellence while earning the following awards:

- Award for Outstanding Achievement in Popular Annual Financial Reporting from the [Government Finance Officers Association](#) (GFOA), [FY2007](#) & [FY2006](#)
- Palm Award from the [Public Relations Society of America's Palm Beach Chapter](#), 2009
- Silver Spotlight Award from the [League of American Communications Professionals](#), 2007

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 an impressive 19 consecutive years.

Please visit [www.mypalmbeachclerk.com](http://www.mypalmbeachclerk.com) to view all of the office's financial publications or to provide feedback that will be used to enhance future reports.

### Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

**Palm Beach County  
Florida**

for the Fiscal Year Ended

**September 30, 2007**



*Ken L. Rott*  
President

*Jeffrey L. Esser*  
Executive Director

## Government in Your County

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 act as a local legislative body, setting public policy, levying taxes and funding projects, programs and the operations of nearly 30 [County departments](#). A [county administrator](#), appointed by the BCC, carries out the policies and decisions made and approved by the commissioners.

Funded primarily by your property taxes, the County must prepare an annual [budget](#) authorizing the spending of public funds. State law requires that the County have a balanced budget that can only be amended throughout the fiscal year with BCC approval at public [board meetings](#).

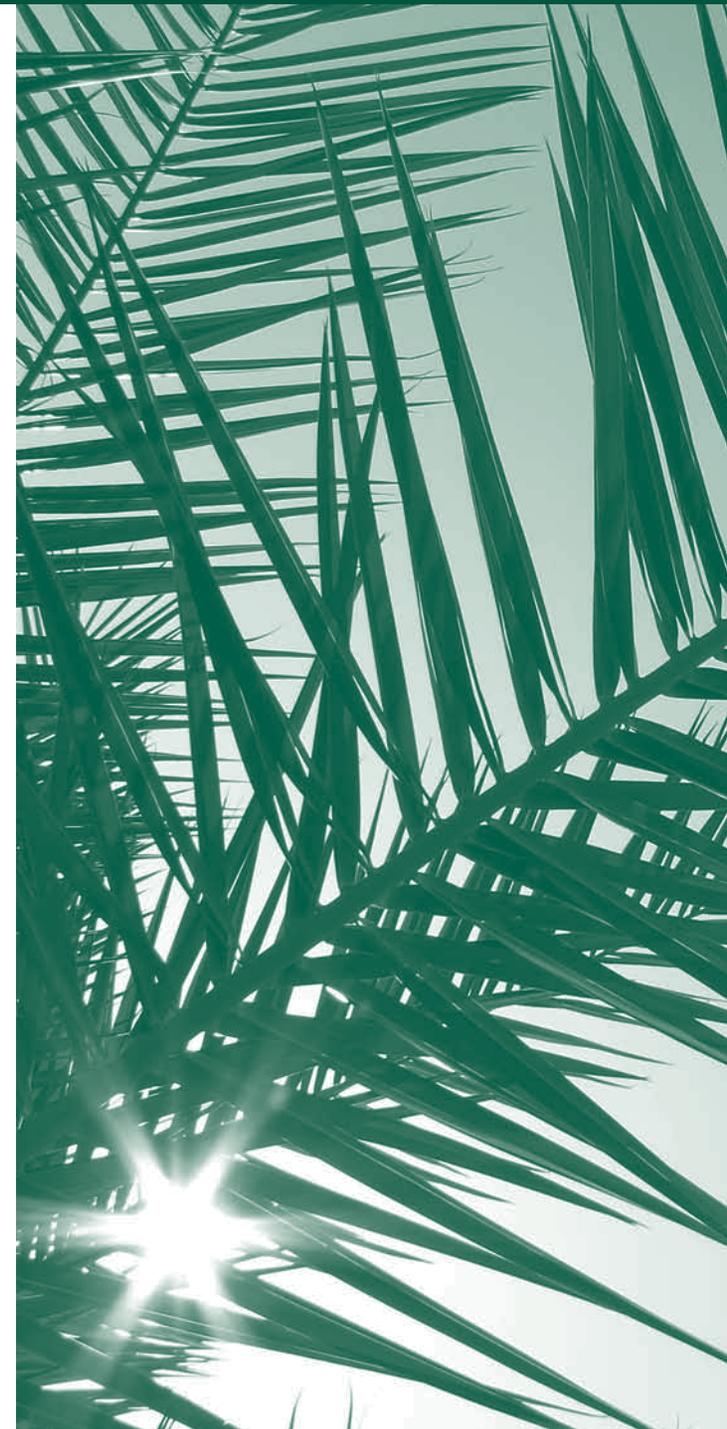
Voters also elect five independent Constitutional Officers: [Clerk & Comptroller](#), [Property Appraiser](#), [Sheriff](#), [Supervisor of Elections](#) and [Tax Collector](#). Each Constitutional Officer is elected to represent the entire County. Some, such as the Sheriff and Supervisor of Elections, are funded by your property taxes. Others, such as the Clerk, Tax Collector and Property Appraiser, are primarily self-supported and funded by fees paid by those who use the services of the office. These offices cannot set policy or levy taxes like the BCC. They are all independent from County government, reporting directly to the people of Palm Beach County (see [Organizational Chart](#), page 21).

**Palm Beach County is Florida's third most populous county with 6.9 percent of Florida's population.**

In addition to County government, there are [38 municipalities](#) that create their own budgets and have the ability to levy taxes within the municipality (see [Property Taxes](#), page 8).

### Stay Informed

There's a new tool that makes it easier than ever to stay informed about county government. Visit [myMinutes](#) at [www.mypalmbeachclerk.com](http://www.mypalmbeachclerk.com) to search Board of County Commissioners meeting minutes linked directly to video of the meeting.





## About The Clerk & Comptroller

The Clerk & Comptroller is a public trustee, responsible for safeguarding public records and public funds. In addition to the roles of [Clerk of the Circuit Court](#), [County Recorder](#) and [Clerk of the Board of County Commissioners](#), the Clerk has the following responsibilities:

**[Chief Financial Officer](#)** - Monitor the County budget, revenue, debt and spending. Pay County bills, maintain financial records, and produce required financial statements and reports.

**[Treasurer](#)** - Invest and earn interest income on County funds to reduce the tax burden on residents.

**[Auditor](#)** - Conduct independent risk-based and financial audits, and audit every County expenditure. The office's accountability is ensured through regular, [independent audits](#) conducted by 11 different state, local and judicial entities.

While the Clerk receives money from the County to support financial operations, it is primarily a “fee office.” That means the majority of its funding comes from legally mandated fees you pay, for example, when filing court documents or requesting certified copies of official records. While fees from foreclosures increased in FY2008, other revenue sources declined sharply. As a predominately self-supporting office, the office must continuously operate efficiently, improve processes and meet performance measures.

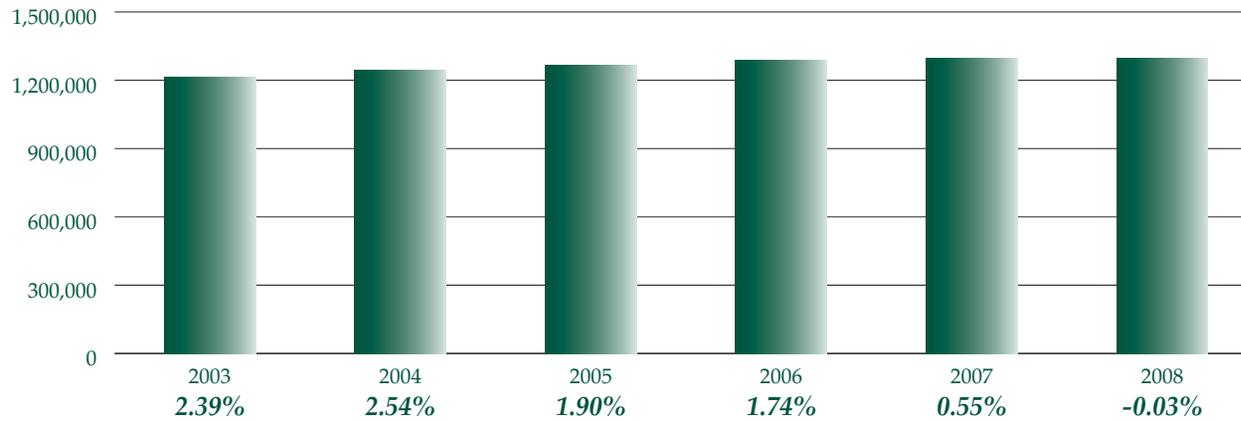
The office is a recipient of the Florida Governor's [Sterling Award](#) for Organizational Performance Excellence and was twice named a finalist for the Best Places to Work Award by the *South Florida Business Journal*. With a 98 percent approval rating from customers, the office's 800 employees are just as committed to their communities—having donated more than half a million dollars to charity over the years through a dress-down for charity program.

**Q:** Why is it important for the Clerk & Comptroller to be an *independent* elected official?

**A:** As an independently elected “watchdog” of taxpayer dollars, the Clerk & Comptroller provides a check and balance on County government spending. While the BCC votes to spend money, the Clerk holds the checkbook—paying bills only after ensuring that the spending is legal, within the budget, and serves a public purpose. The [Florida Constitution](#) gives the Clerk the [watchdog](#) and the [auditor functions](#) because the position is one that does not have a stake in the outcome, and therefore, has the independence necessary to provide true accountability.

## Your Community

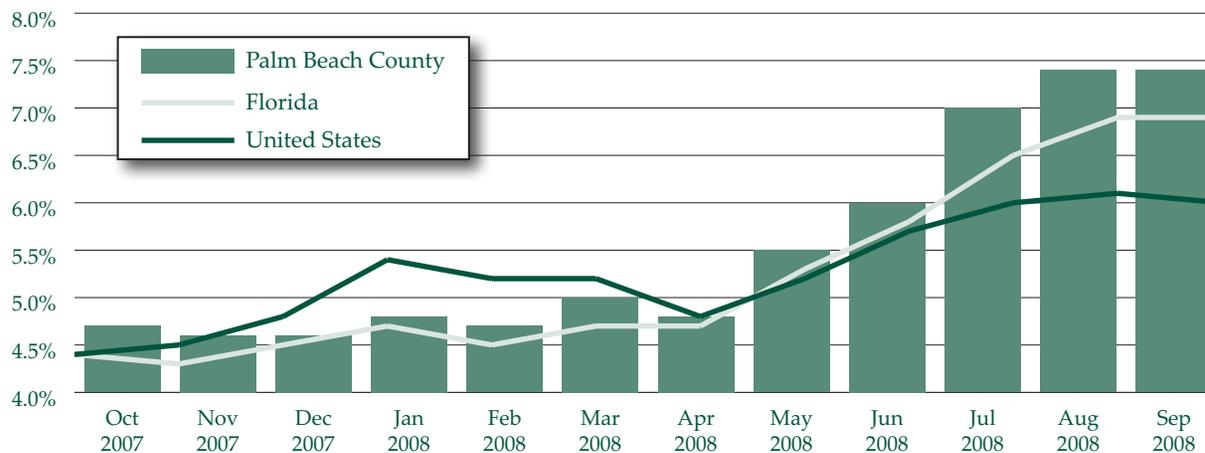
### County Population/Growth Rates FY2003 - FY2008



While population growth has been slowing since 2004, the number of people living in Palm Beach County declined in 2008 for the first time in recent history.

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

### Unemployment Rates FY2008

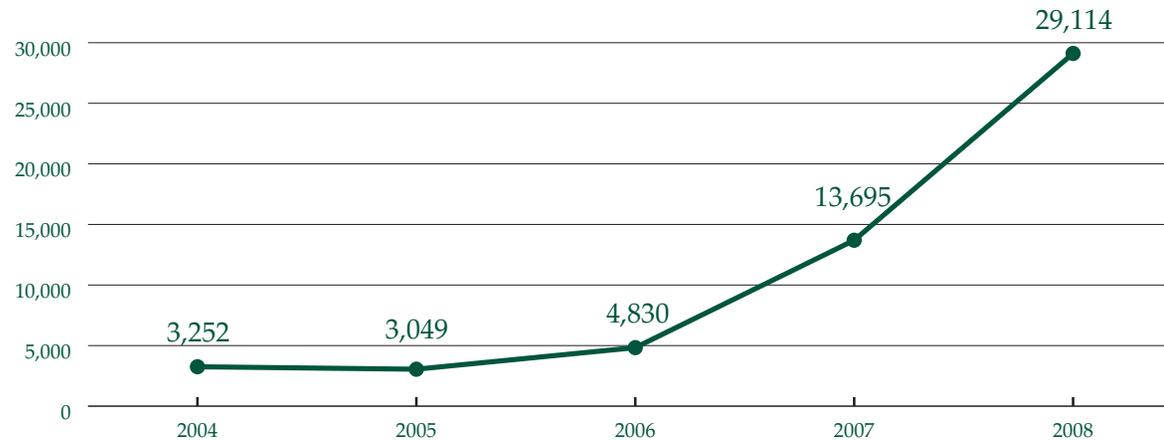


It became more difficult to find a job in Palm Beach County during FY2008. The County's unemployment rate surpassed both Florida and the nation's average for much of the year.

Source: [Labor Market Statistics, Local Area Unemployment Statistics](#) (rates not seasonally adjusted)

## Your Community

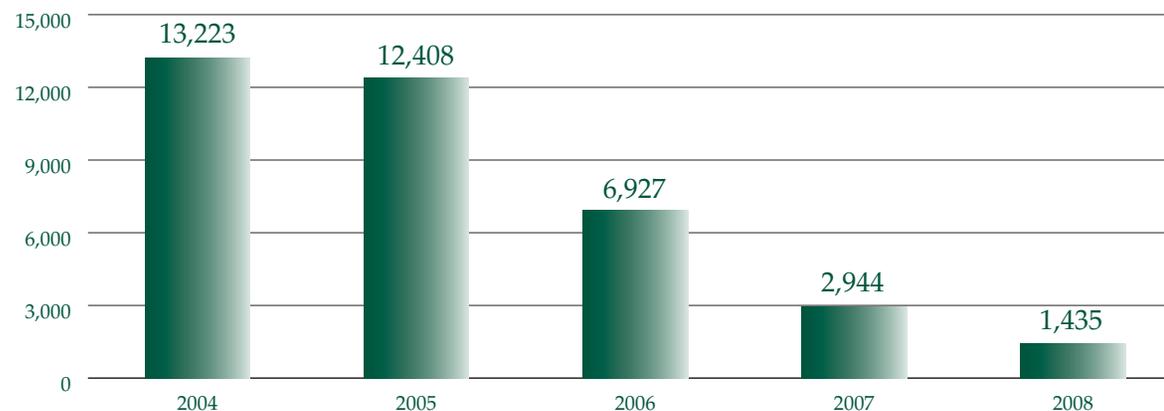
### Palm Beach County Foreclosure Case Filings: 2004-2008\*



A subprime mortgage meltdown and other economic factors caused foreclosures to soar. In Palm Beach County, filings increased by almost 113 percent over the previous year and an astounding 795 percent since 2004.

Source: [Clerk & Comptroller foreclosure statistics](#)

### Palm Beach County Residential Permits Issued: 2004-2008\*



New home construction slowed to its lowest level in years. In fact, residential building permits dropped by nearly 90 percent since 2004.

Note: Residential permits include both single family and multi-family units.  
Source: [Palm Beach County Planning, Zoning and Building Department](#)

\*Foreclosure and permit statistics are calendar year.

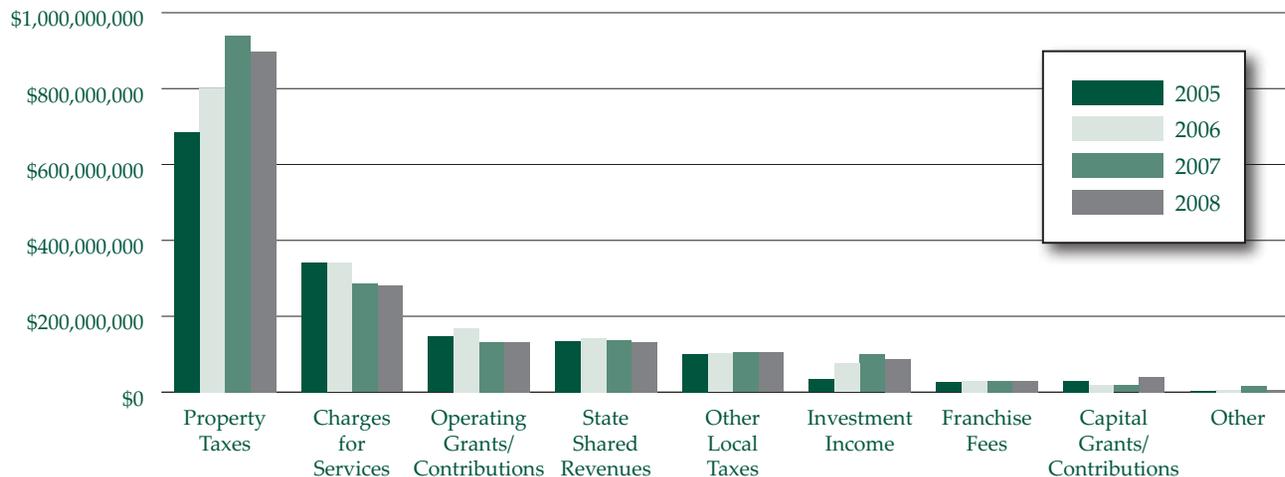
## County Government Revenue

After years of unprecedented growth sparked by soaring property values, Palm Beach County faced its first year of declining revenue in FY2008. Overall, County government generated 3 percent less in revenue, due to a rollback of property taxes and other economic factors (see [Property Taxes](#), page 9, and [Economic Factors](#), page 11). As the **Governmental Activities Revenues: FY2005-FY2008** chart shows, almost all sources of revenue dropped during the year, including property taxes—the greatest source of revenue for the County. The decline in Palm Beach County’s housing market also impacted other revenue sources, such as charges for services, which include building permit fees. While proactive money management kept investments secure during the year, market conditions caused interest income to decrease slightly (see [Investments](#), page 17). Revenues will continue to decline during FY2009 as the effects of additional tax reform, known as Amendment 1, are felt (see [Tax Reform](#), page 10).

**Q: Where does County government get its money?**

**A:** The County receives revenue from many sources. In FY2008, more than 52 percent of the County’s \$1.7 billion in total revenue came from your 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 percent), grants (10 percent) and investment income (5 percent).

### Governmental Activities Revenues: FY2005 - FY2008



## Property Taxes

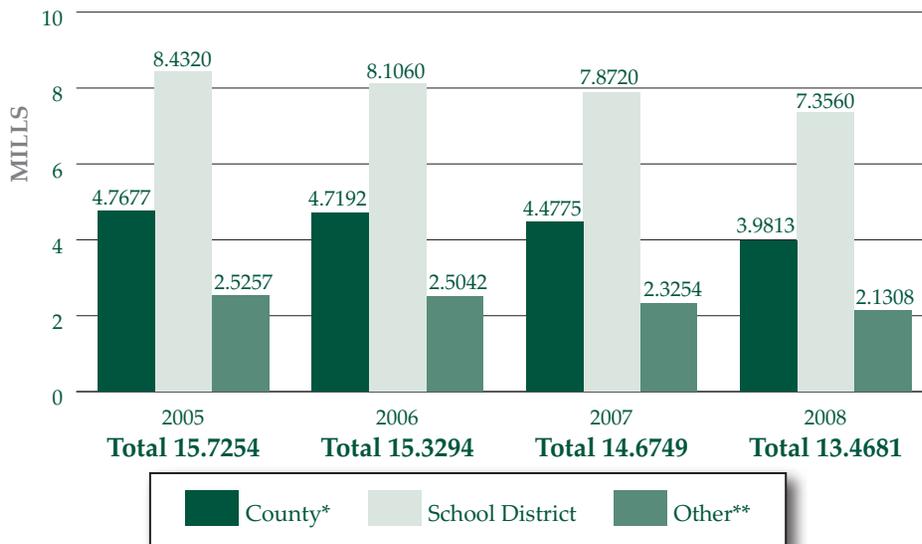
The BCC and other taxing entities each set a property tax rate, called a “[millage rate](#),” which is then used to calculate your property taxes. A “mill” is equal to \$1 of tax for every \$1,000 of assessed property value and is calculated as follows:

$$[\text{Assessed Value of Property minus Exemption(s)}] \div 1,000 \times \text{Total Millage Rate} = \text{Total Property Tax}$$

As shown in the **Palm Beach County Taxing Cycle** chart (page 9), the funding of government each year begins with an assessment of your property’s taxable value.

Property tax reform legislation that required taxing authorities to roll-back their maximum millage rates to pre-FY2008 levels contributed to an overall reduction of the millage rate for the year in Palm Beach County and the County’s first revenue decrease in recent history (see [County Property Tax Revenues FY2004-FY2008](#), page 10). If you live within a municipality, your tax bill will include a millage for your community in addition to the millage rate listed in the **Property Tax Millage Rates** chart.

### Property Tax Millage Rates: FY2005 - FY2008



\*Includes countywide operating millage as well as a millage rate for voter-approved debt.  
 \*\*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](#).

### Municipal Millage Rates

MUNICIPALITY	MILLAGE*
<b>Highest</b>	
Mangonia Park	10.3441
Pahokee	10.3435
Belle Glade	9.7535
South Bay	9.6324
Lake Park	8.5850
<b>Lowest</b>	
Cloud Lake	3.3235
Briny Breezes	3.1012
Gulfstream	2.9563
Manalapan	2.9080
Hypoluxo	2.8941

\* May include a millage for fire rescue or library taxing district.

## Property Taxes

**Q:** The value of my home *decreased*, so why did the assessed value *increase*?

**A:** If you have a [homestead exemption](#), the [assessed value](#) of your home may increase even if the market value fell from the previous year. If your home's assessed value is less than the home's market value, Florida law requires that the assessed value be increased each year by 3 percent or the [Consumer Price Index](#), whichever is less, until the assessed value is the same amount as the market value. The good news is that the assessed value can never exceed market value.

(Source: [Florida Department of Revenue](#) and the [Palm Beach County Property Appraiser](#))

### MORE ONLINE:

#### Board of County Commissioners

[www.pbcgov.com](http://www.pbcgov.com)

- Check scheduled public hearings for budget and millage rate

#### Property Appraiser

[www.pbcgov.com/papa](http://www.pbcgov.com/papa)

- Calculate your property taxes
- Apply for homestead and other exemptions

#### Clerk & Comptroller

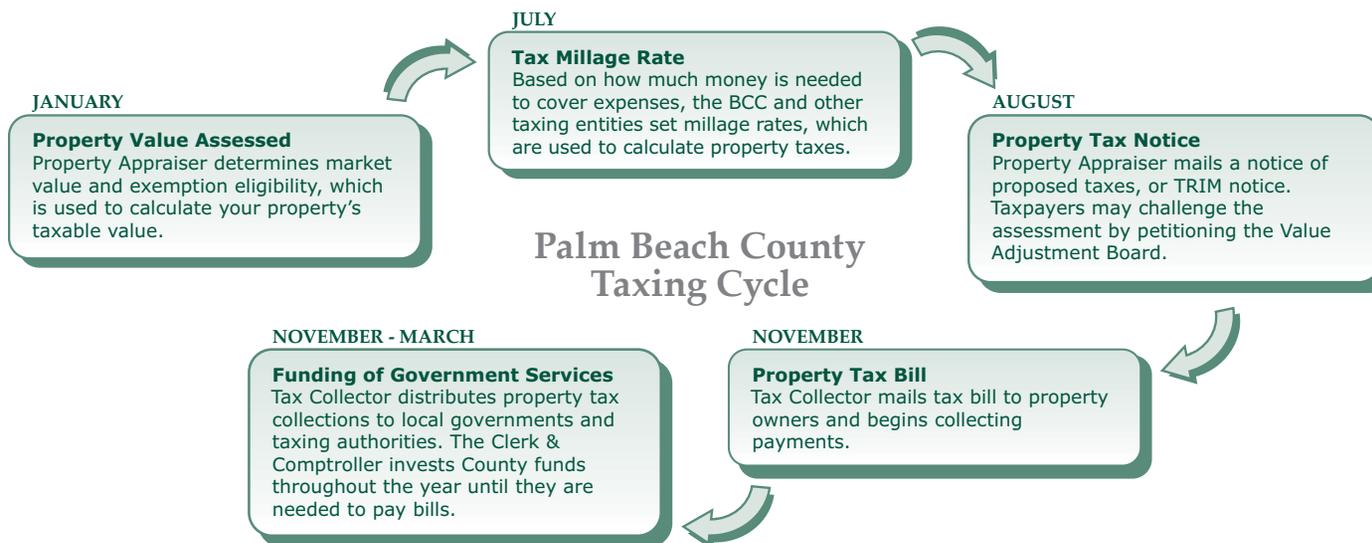
[www.mypalmbeachclerk.com](http://www.mypalmbeachclerk.com)

- File petitions challenging property assessment and exemptions using [myVAB](#)

#### Tax Collector

[www.taxcollectorpbc.com](http://www.taxcollectorpbc.com)

- Ask questions about paying your tax bill



Source: Based on "[The Property Tax Cycle](#)" from the Tax Collector, Palm Beach County, and Clerk & Comptroller information

## Tax Reform

Amendment 1, the tax reform approved by voters in January of 2008, is considered the largest tax cut in Florida's history. Combined with other tax reform and economic factors, it prompted governments across Florida to cut expenses, staff and services. Intended to reduce property taxes for homeowners, the reform did the following:

- Doubled the [homestead exemption](#) to \$50,000, which reduces the taxable value of your home. The additional \$25,000 reduction applies to all taxes, except school district tax.
- Established "[portability](#)," which allows homesteaded homeowners to transfer up to \$500,000 of accrued property tax savings to a new property.
- Created an additional \$25,000 exemption for tangible personal property, such as business computers.
- Capped the annual increase in assessed value for non-homestead property to 10 percent.

**Q:** Did Amendment 1, the voter-approved tax reform, provide the tax relief people expected?

**A:** When voters, desperate for property tax relief, approved Amendment 1, [Florida's Governor](#) said taxes "will drop like a rock." While it's too soon to measure the full impact of the tax relief that went into effect in January 2009, homeowners got their first glimpse of savings on the property tax notice they received in August 2008. The state projected a \$240 annual savings for the average homeowner.

For more information, please visit the Palm Beach County Property Appraiser's Web site at [www.pbcgov.com/papa](http://www.pbcgov.com/papa).

### Impact on Palm Beach County Government:

#### FY2008

- Decreased property tax revenue by \$42 million, or 4.4 percent
- Cut \$27 million in proposed projects
- Eliminated 80 positions
- Reduced department operating budgets (see [Select Operating Budgets](#), page 16)
- Designated reserves to offset future losses (see [Reserves](#), page 14)

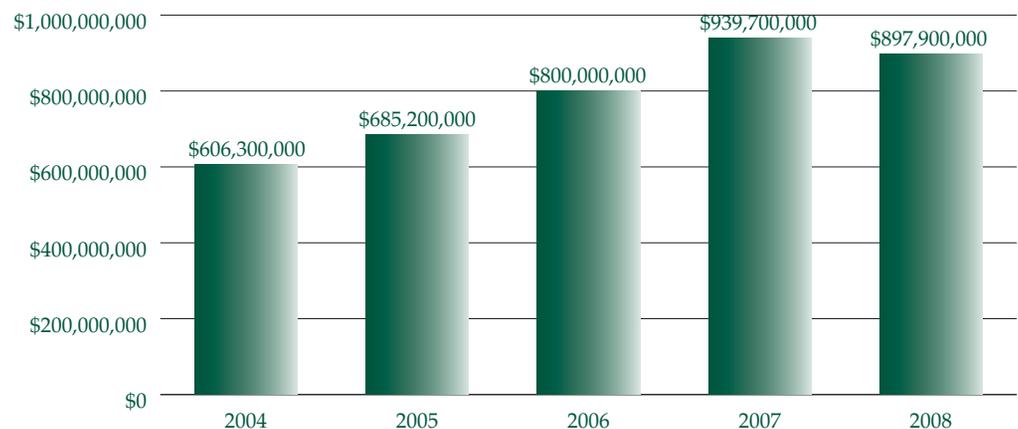
#### FY2009\*

- Decrease in property tax revenue by \$36.4 million, or 4 percent
- Cut \$80 million from budget, including \$48.4 million from reserves, \$19.4 million from County departments and agencies, and \$7.9 million from capital projects
- Eliminate 273 positions

\*Anticipated

Source: [Palm Beach County Annual Budget FY2008 and FY2009](#)

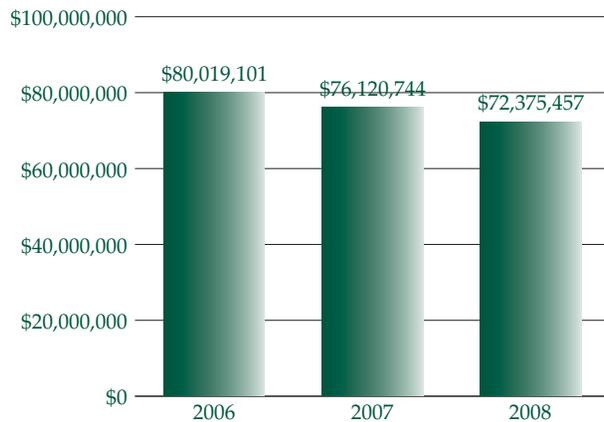
### County Property Tax Revenues: FY2004 - FY2008



## Economic Factors

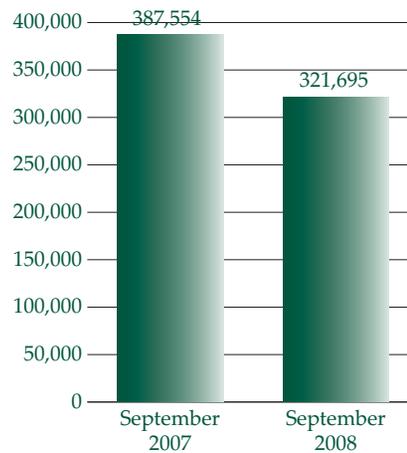
The economy hit like a tornado during FY2008, blowing away many funding sources for government operations and services. Due to higher unemployment, tightening credit markets and overall economic conditions, Palm Beach County citizens did less of everything, including shopping, traveling and even smoking cigarettes during the year. This contributed to declines in several sources of government revenue, such as sales, gas and tobacco taxes. In addition, fewer people built or bought homes, slashing revenue from property-related filing fees, building permits and impact fees.

**Palm Beach County  
Sales Tax Revenue  
FY2006-FY2008**



From FY2006 to FY2008, shoppers spent less contributing to a 9.6 percent decline in Palm Beach County's sales tax revenue.

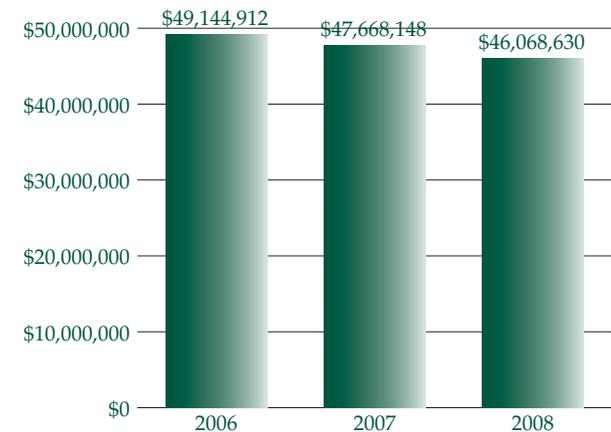
**Palm Beach International  
Airport Total Passengers  
Sept. 2007 vs. Sept. 2008**



The number of travelers using Palm Beach International Airport dropped in FY2008, also causing a drop in County revenue from user fees.

Source: [Palm Beach International Airport](#)

**Palm Beach County  
Local Option Gas Tax Revenue  
FY2006-FY2008**



The County's gas tax revenue decreased by 6.3 percent since 2006, indicating that fewer drivers hit the roads.

## Economic Factors

The effects of a sluggish economy were felt across Florida during FY2008. As you can see in the **Statewide Revenue Declines FY2007-FY2008** chart, many major sources of revenue declined statewide.

### Statewide Revenue Declines FY2007-FY2008

REVENUE SOURCE	FY2007	FY2008	CHANGE
<b>Documentary Stamp</b> Fees paid when transferring property	\$625.5M	\$203.4M	-67.5% ↓
<b>Gas Tax</b> Tax on the purchase of fuel	\$1.87B	\$1.86B	Less than -1% ↓
<b>Sales Tax</b> The largest contributor to State's general revenue	\$19.43B	\$18.43B	-5.2% ↓
<b>Tobacco Tax</b> Paid when buying cigarettes or other tobacco products	\$279.2M	\$271.1M	-2.9% ↓

Source:  
[Office of Economic & Demographic Research](#)

### The Silver Lining

During FY2008:

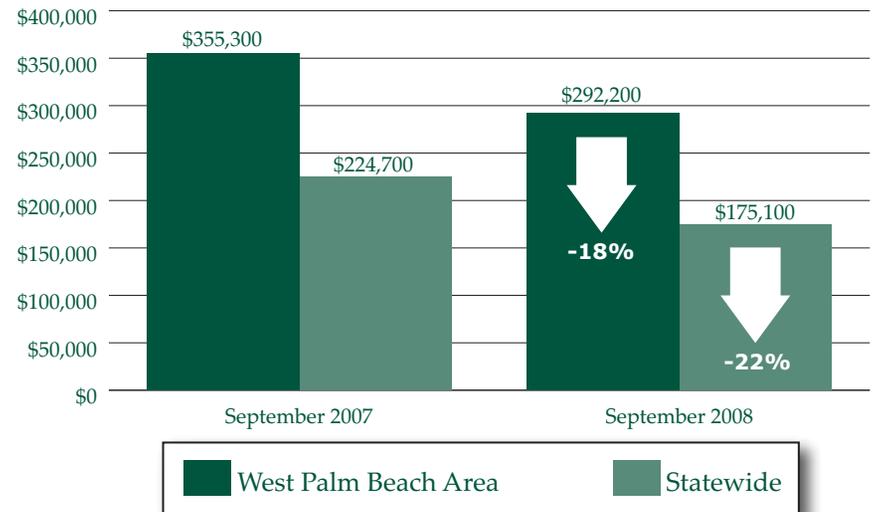
- It became more affordable to own a home in Palm Beach County. As shown in the **Single-Family Home Median Sale Price** chart, the median cost of a single-family home in September 2008 was \$292,200, down 18 percent from September 2007.

(Source: [Florida Association of Realtors](#) and [The University of Florida Bergstrom Center](#))

- The average daily room rate dropped 5.2 percent to \$109, which could make vacationing in Palm Beach County even more appealing.

(Source: [Palm Beach County Tourist Development Council](#))

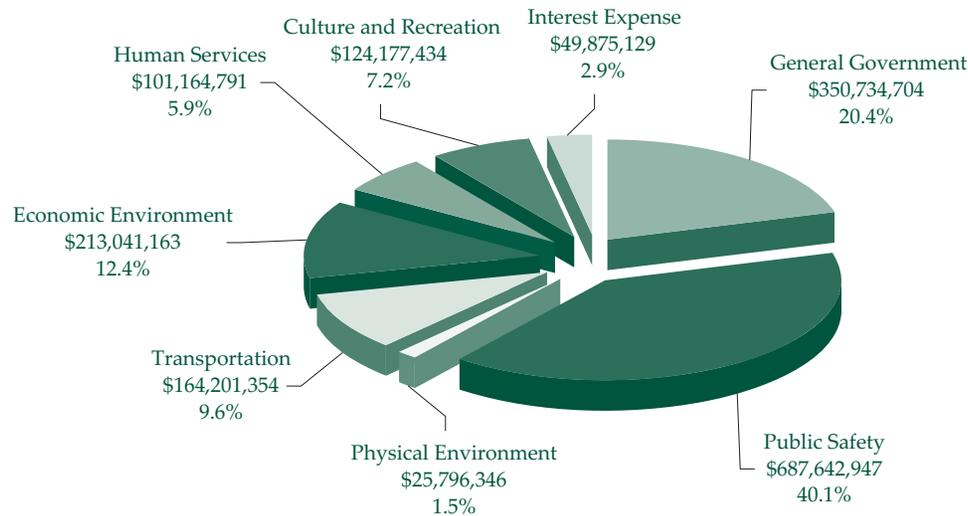
### Single-Family Home Median Sale Price\* September 2007 vs. September 2008



\*Existing Homes

## Where Your Money Goes

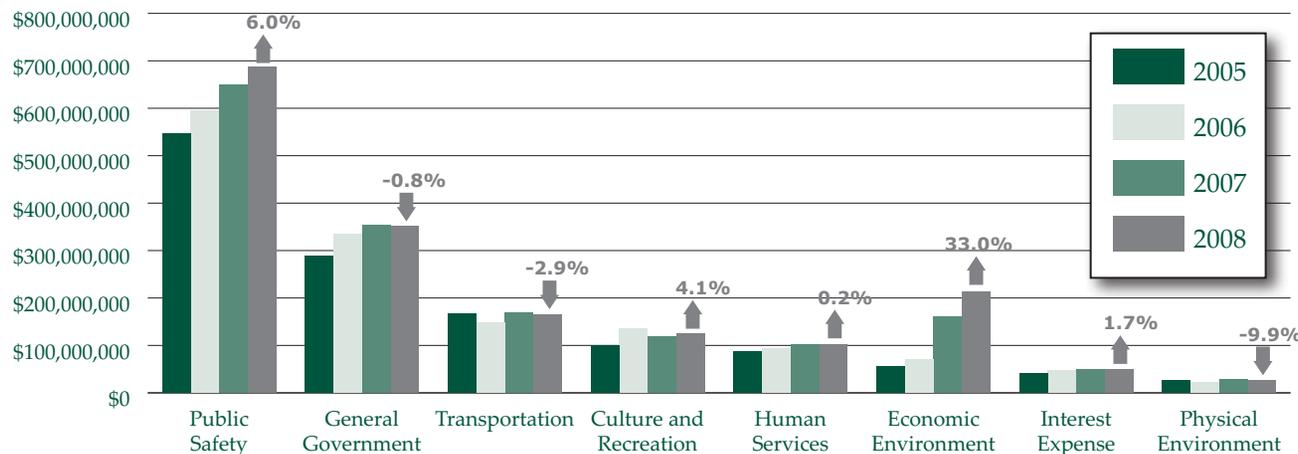
### FY2008 Governmental Activities Expenses Total \$1,716,633,868



**Q:** I thought County government needed to cut back. Why does it look like they're spending more?

**A:** While the overall County budget did decrease in FY2008, certain expenses increased during the year as shown in the **Governmental Activities Expenses: FY2005-FY2008** chart. Public Safety's \$39 million increase was due mostly to the merging of police forces as well as contracted salary increases for Fire Rescue and the Sheriff's Office. Expenses for Economic Environment, aimed at improving economic conditions in the County, increased \$53 million primarily due to [The Scripps Research Institute](#) and related development. That increase includes an almost \$38 million loss from Mecca Farms, the original Scripps site.

### Governmental Activities Expenses: FY2005 - FY2008



### Increases in Governmental Activities Expenses

YEARS	AMOUNT	INCREASE
2005 - 2006	\$131,561,000	10.0%
2006 - 2007	\$184,963,000	12.8%
2007 - 2008	\$87,161,000	5.3%
<b>2005 - 2008</b>	<b>\$403,683,000</b>	<b>30.7%</b>

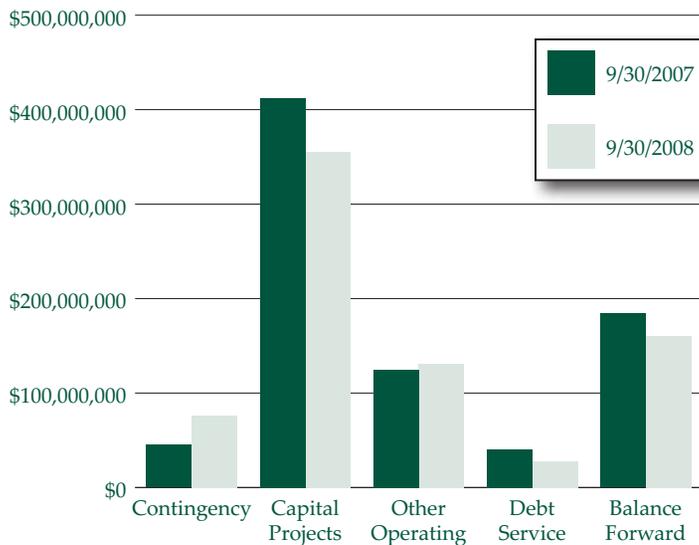
## Reserves

In Palm Beach County, budgeted reserves were approximately 19 percent of the County's total budget for FY2008, a reduction of 2 percent from FY2007.

**Designated Reserves** - While developing the budget, County managers review and evaluate current and future projects and the funding required for them. The BCC may approve money to be set aside, or "reserved," during the fiscal year to fund these projects. During FY2008, the County's designated reserves for capital projects decreased \$74.9 million as funds were used for planned capital projects, including \$60.2 million for road improvements.

**Contingency Reserves** - If unspent revenue is not designated for a specific purpose, it is held in a contingency reserve account. For FY2008, the County budgeted \$64.9 million for contingency reserves and ended the year with a balance of \$76.1 million. Several factors contributed to the increase in contingency reserves, including additional unspent revenue from FY2007 and bond reserve requirements.

### Reserves: September 30, 2007 and 2008



As of September 30, 2008:  
**Total Reserves = \$751,045,015**

**Q:** In tough times, why doesn't Palm Beach County just use the millions it has in reserves?

**A:** The County is using its reserve money. In fact, for the first time in FY2008 the County designated \$16.5 million in reserves to offset the anticipated revenue shortfall in FY2009. Keep in mind, the County's \$751 million in reserves isn't just extra money; most is already designated for a specific purpose such as capital projects or debt. Contingency reserves, only about 10 percent of the total reserve money, are undesignated and available for unexpected expenses or emergencies. It would be unwise for the County to use up its contingency reserves because, among other factors, it's a key consideration when rating agencies evaluate the County's economic strength and creditworthiness (see [Debt](#), page 19).

## Budget at a Glance

The County's total adopted budget for FY2008 was \$4.2 billion. The County's budget is the financial plan for funding all operations, services and projects.

**General Fund** - Primary operating fund that 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. May only be used for specifically designated purposes.

**Debt Service Funds** - Pays principal and interest on the County's long-term debt.

**Capital Projects Funds** - Includes money for major projects, such as roads, parks and libraries.

**Enterprise Funds** - Comprised of user fees from revenue producing County operations, such as the Department of Airports, the Water Utilities Department and the Solid Waste Authority.

**Internal Service Funds** - Contains money paid by County departments and Constitutional Officers to receive goods and services from other County departments, such as Fleet Management and Information Systems Services.

For more information on the County's budget, visit [www.co.palm-beach.fl.us/ofmb/budget](http://www.co.palm-beach.fl.us/ofmb/budget).

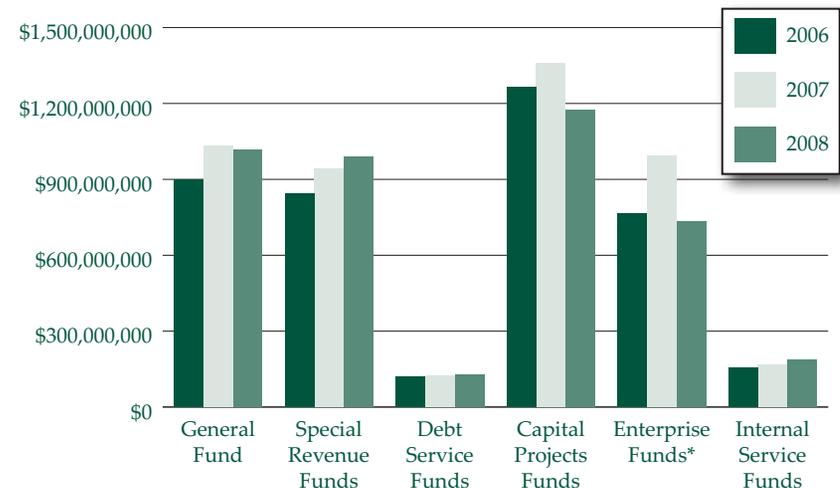
### Budget Basics

- By law, Palm Beach County government must create and approve a balanced budget that gives the County the legal authority to spend money on operations, services and projects.
- County department budgets, along with the budgets of Constitutional Officers, are submitted to the County's Office of Financial Management and Budget.
- The proposed budget is reviewed and revised by the BCC prior to July 15.
- Two public hearings are held before the budget is finalized and adopted at the start of the fiscal year on October 1.

**Q:** How does County government prepare a budget for the year ahead when it doesn't know what the year will bring financially?

**A:** Preparation of the FY2008 budget began early in 2007, before economic conditions fully deteriorated and major tax reform was approved. However, based on projections, budget planners knew the County would lose revenue in FY2008 and had to budget for it. Instead of using the previous year's budget as a starting point, like they had in the past, County departments were instructed to find areas of the base budget that could be reduced or eliminated. This resulted in several positions and projects being cut in FY2008, and a more than \$382 million decrease in the adopted budget over the previous year.

County Budget by Fund Type:  
FY2006 - FY2008



\*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 FY2006](#), [FY2007](#) and [FY2008](#) and the Solid Waste Authority.

## Select Operating Budgets

### Comparison of Select Operating Budgets Funded by Tax Dollars<sup>1</sup>

	FY2007 BUDGET	FY2008 BUDGET	CHANGE	COST PER TAXPAYER <sup>3</sup>
<b>County Department</b>				
County Administration	\$1,687,452	\$1,926,375	14.2%	\$3.08
County Attorney	\$4,590,910	\$4,544,937	-1.0%	\$7.27
County Commission	\$3,163,388	\$3,095,803	-2.1%	\$4.95
Community Services	\$23,689,184	\$24,184,807	2.1%	\$38.67
Engineering & Public Works	\$25,806,932	\$28,546,694	10.6%	\$45.64
Environmental Resource Management	\$12,201,803	\$12,471,963	2.2%	\$19.94
Facilities Development and Operations	\$43,178,248	\$43,298,795	0.3%	\$69.23
Parks and Recreation	\$57,599,016	\$56,670,248	-1.6%	\$90.61
Planning, Zoning and Building	\$14,729,373	\$14,619,588	-0.7%	\$23.37
Public Safety	\$23,727,713	\$23,573,337	-0.7%	\$37.69
<b>Constitutional Officers<sup>2</sup></b>				
Clerk & Comptroller	\$16,019,239	\$15,320,704	-4.4%	\$24.50
Property Appraiser	\$17,777,880	\$18,499,837	4.1%	\$29.58
Sheriff	\$339,162,972	\$376,136,200	10.9%	\$601.39
Supervisor of Elections	\$8,533,688	\$11,228,444	31.6%	\$17.95
Tax Collector	\$5,838,901	\$5,838,901	0.0%	\$9.34
<b>Dependent Districts</b>				
County Library	\$50,083,442	\$46,822,629	-6.5%	\$74.87
Fire - Rescue	\$214,238,739	\$211,530,737	-1.3%	\$338.22

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

<sup>1</sup> Budget amounts reflect only the County taxpayer funded portion of the budget, and do not include other revenue sources such as grants and user fees.

<sup>2</sup> Represents portion of budget funded by the Board of County Commissioners.

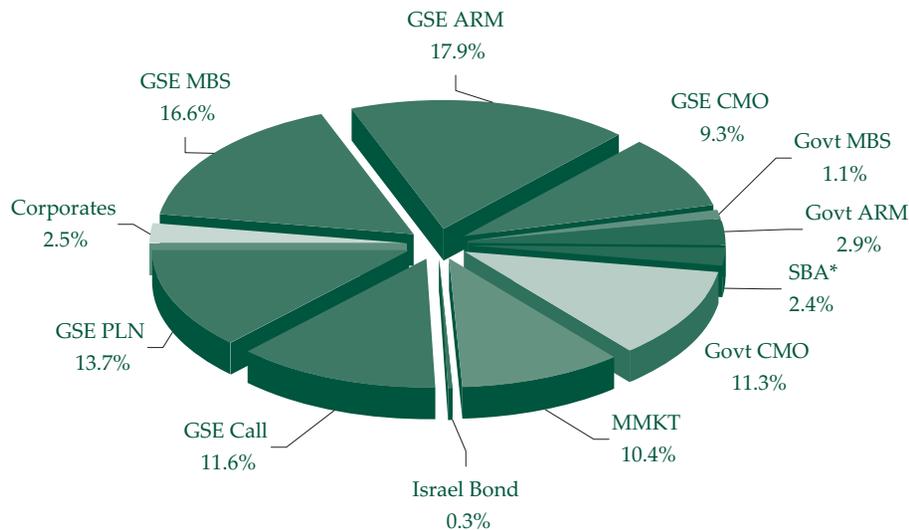
<sup>3</sup> Calculated for FY2008.

## Investments

Your County government pays bills throughout the year, just as you do, but receives the majority of its income during the months of December and January when property owners pay their annual tax bills. As treasurer and custodian of County funds, the Clerk & Comptroller is responsible for investing and earning income on your tax dollars until the money is needed to pay the County's expenses.

The Clerk's diligent [portfolio](#) management strategy maximizes investment earnings, while ensuring that your tax dollars are protected. The office was among the first in Florida to recognize a possible risk with taxpayer money in the State Board of Administration's local government investment pool. It withdrew all County tax dollars invested in the pool before the state froze the fund and limited access in November 2007. Other counties and municipalities throughout Florida still do not have access to millions of dollars of invested funds.

### Portfolio Allocation as of September 30, 2008 - \$1.8 Billion



**Clerk & Comptroller's investment portfolio earnings = household tax savings of \$195 per year**

\*SBA refers to Small Business Administration, not the State Board of Administration's local government investment pool.

**Q:** So many people have lost money in the stock market; is taxpayer money safe?

**A:** Palm Beach County's investment portfolio, managed by the Clerk & Comptroller's office, continued to be secure in FY2008 despite unprecedented financial turmoil. The Clerk's team of Accredited Investment Fiduciary® professionals proactively monitors developments in the financial markets daily and is well poised to take any necessary precautionary measures to safeguard taxpayers' money. Despite a volatile market and low interest rates, during the year, the portfolio averaged \$1.92 billion, while earning nearly \$93 million in interest income.



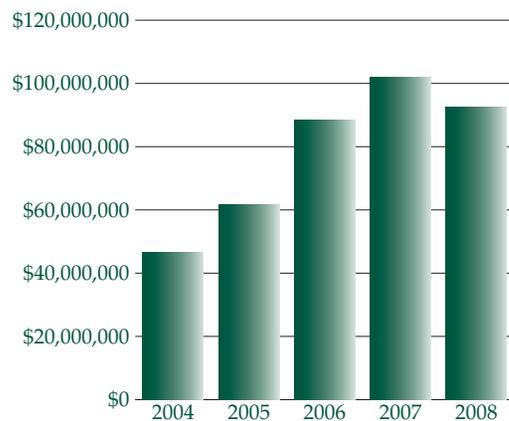


## Investments

While falling interest rates and declining market conditions may reduce the portfolio yield, only the highest quality investments are made to ensure safety of principal, liquidity and solid earnings. [Standard & Poor's](#) has issued top credit and volatility ratings to the Clerk-managed Palm Beach County investment portfolio. The portfolio received an 'AAAF' Fund Credit Quality Rating—indicating the portfolio has “extremely strong” protection against losses from credit defaults. It also received a 'S1' Volatility Rating—meaning it has low sensitivity to changing market conditions. This independent review and top rating from a reputable third party ensures that the Clerk's office is professionally managing the portfolio and protecting public funds.

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. Find more detailed information about [County investments](#) at [www.mypalmbeachclerk.com](http://www.mypalmbeachclerk.com).

### Palm Beach County Interest Income FY2004 - FY2008



#### 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.

**Principal** is the original amount invested, separate from earnings.

## Debt

Palm Beach County borrows money for a project by issuing, or selling, bonds. Investors, which are also called bondholders, purchase the bonds, becoming the County's lenders. 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 AAA rating for general obligation bonds allows it to borrow money at lower costs. [Outstanding debt](#) totaled more than \$1.8 billion as of September 30, 2008, which includes just over \$445 million\* in new long-term debt obligations to fund a variety of projects.

### New Debt Issued During FY2008

- \$98.1m - Scripps facilities at Florida Atlantic University
- \$35.1m - Sheriff technology and mobile data system improvements
- \$176.5m - Expansion/upgrades for the jail and County buildings
- \$11.7m - Purchase of environmentally sensitive lands
- \$80m - Solid Waste Authority landfill and facilities
- \$45.7m - Refinancing of previous debt

### Select Outstanding Debt (original amount)

- \$79.3m (\$81.3m) - Convention Center
- \$11.5m (\$14.68m) - Golf courses
- \$83.6m (\$163.5m) - Parks & Recreation facilities
- \$127.5m (\$161.4m) - Environmentally sensitive lands
- \$189m (\$218m) - Scripps Biomedical Research Park project

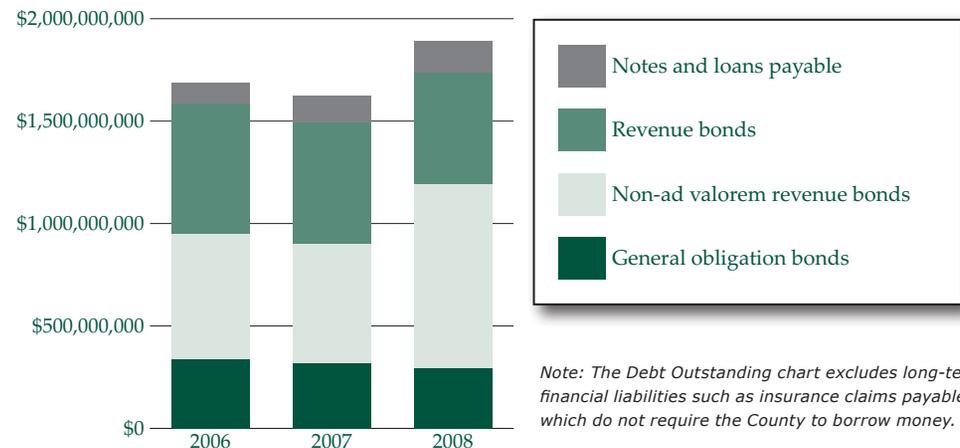
In April 2009, the Clerk & Comptroller completed a [review](#) of County debt practices. The report, which includes recommendations for improving existing practices, is available at [www.mypalmbeachclerk.com](http://www.mypalmbeachclerk.com).

\*Includes Solid Waste Authority debt.

### Q: Why does Palm Beach County have to borrow money?

A: 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.

Palm Beach County Debt Outstanding: FY2006 - FY2008



## What the County Owns and Owes

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, 2008** shows a positive trend from 2007 to 2008.

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

**A:** 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 almost 3 percent from 2007 to 2008, 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.

### Condensed Statement of Net Assets: September 30, 2008

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL 2008	TOTAL 2007
<b>Assets</b>				
Current and other assets	\$1,836,507,258	\$576,323,614	\$2,412,830,872	\$2,321,712,243
Capital assets	\$2,224,081,831	\$1,744,052,102	\$3,968,133,933	\$3,711,524,342
Total assets	\$4,060,589,089	\$2,320,375,716	\$6,380,964,805	\$6,033,236,585
<b>Liabilities</b>				
Current	\$305,005,445	\$128,026,101	\$433,031,546	\$497,737,088
Long-term debt due in more than one year	\$1,369,952,801	\$631,922,882	\$2,001,875,683	\$1,697,424,496
Total liabilities	\$1,674,958,246	\$759,948,983	\$2,434,907,229	\$2,195,161,584
<b>Net Assets</b>				
Invested in capital assets, net of related debt	\$1,259,900,977	\$1,221,939,326	\$2,481,840,303	\$2,345,534,704
Restricted	\$721,136,994	\$81,853,521	\$802,990,515	\$788,218,169
Unrestricted	\$404,592,872	\$256,633,886	\$661,226,758	\$704,322,128
Total net assets	\$2,385,630,843	\$1,560,426,733	\$3,946,057,576	\$3,838,075,001

# Elected officials as of September 30, 2008

## Constitutional Officers

- Clerk & Comptroller - Sharon R. Bock**  
561.355.2996 | [www.mypalmbeachclerk.com](http://www.mypalmbeachclerk.com)
- Property Appraiser - Gary R. Nikolits**  
561.355.3230 | [www.pbcgov.com/papa](http://www.pbcgov.com/papa)
- Sheriff - Ric L. Bradshaw**  
561.688.3000 | [www.pbso.org](http://www.pbso.org)
- Supervisor of Elections - Arthur W. Anderson<sup>1</sup>**  
561.656.6200 | [www.pbcelections.org](http://www.pbcelections.org)
- Tax Collector - Anne M. Gannon**  
561.355.2264 | [www.taxcollectorpbc.com](http://www.taxcollectorpbc.com)

<sup>1</sup> Replaced by Susan Bucher in FY2009

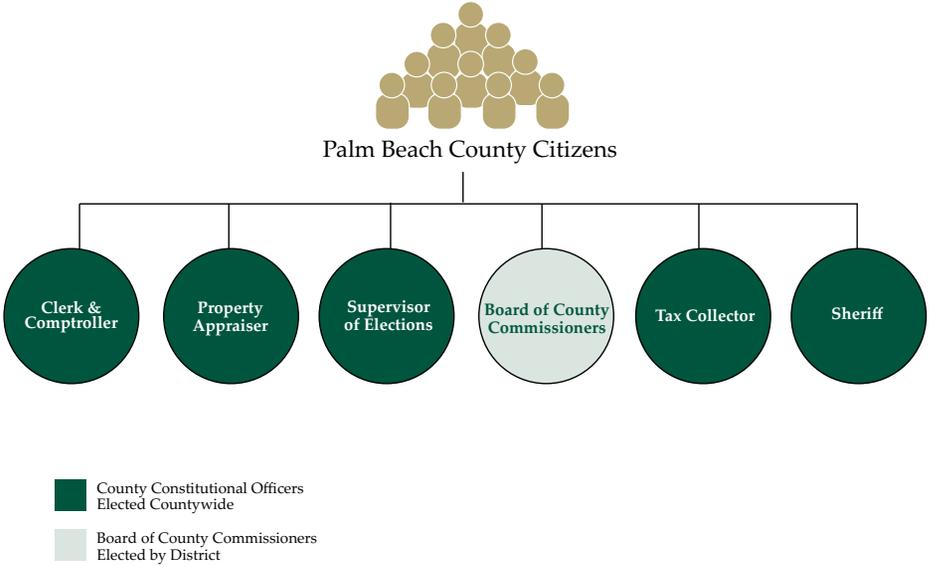
## Board of County Commissioners

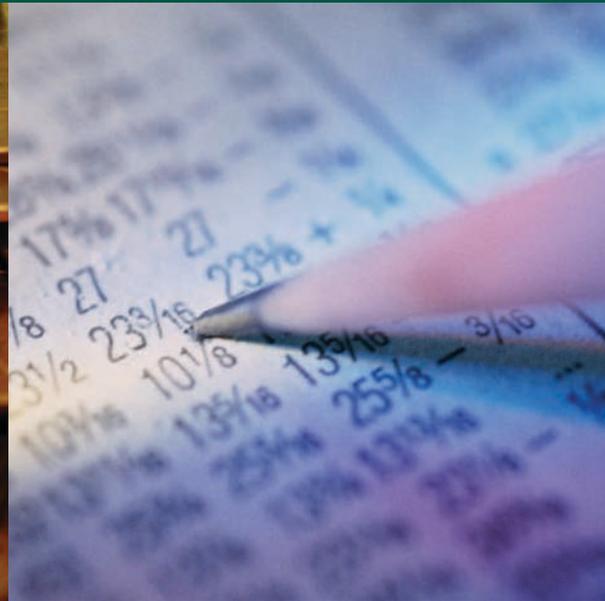
- [www.pbcgov.com](http://www.pbcgov.com)
- District 1 - Karen Marcus**  
561.355.2201
- District 2 - Jeff Koons, Vice Chair**  
561.355.2202
- District 3 - Robert J. Kanjian<sup>2</sup>**  
561.355.2203
- District 4 - Mary McCarty<sup>3</sup>**  
561.355.2204
- District 5 - Burt Aaronson**  
561.355.2205
- District 6 - Jess R. Santamaria**  
561.355.6300
- District 7 - Addie Greene, Chair<sup>4</sup>**  
561.355.2207

<sup>2</sup> Replaced by Shelley Vana in FY2009

<sup>3</sup> Replaced by Steven Abrams in FY2009

<sup>4</sup> Resigned in FY2009





SHARON R. BOCK  
Clerk & Comptroller  
Palm Beach County

[www.mypalmbeachclerk.com](http://www.mypalmbeachclerk.com)

*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 six locations and online at [www.mypalmbeachclerk.com](http://www.mypalmbeachclerk.com).*

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- [myVAB](#)
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- [Low-Cost Marriage Information](#)
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