

McGladrey & Pullen

Certified Public Accountants

Palm Beach County, Florida

Single Audit Report

09.30.2009

PALM BEACH COUNTY, FLORIDA
SINGLE AUDIT REPORT

Fiscal Year Ended September 30, 2009

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McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

Honorable Chair and Members of
the Board of County Commissioners
Palm Beach County, Florida

Honorable Ric L. Bradshaw
Sheriff

Honorable Sharon R. Bock
Clerk and Comptroller

Honorable Susan Bucher
Supervisor of Elections

Honorable Gary R. Nikolits
Property Appraiser

Honorable Anne Gannon
Tax Collector

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Palm Beach County, Florida (the "County"), as of and for the year ended September 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Solid Waste Authority, a major enterprise fund, which represents 40% of the total assets and 48% of total revenues of the business-type activities. We did not audit the financial statements of the Westgate Belvedere Homes Community Redevelopment Agency, a discretely presented component unit, which represents 45% of the total assets and 39% of total revenues of the aggregate discretely presented component units. We also did not audit the financial statements of the Housing Finance Authority, a discretely presented component unit, which represents 52% of the total assets and 29% of the total revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Solid Waste Authority, Westgate Belvedere Homes Community Redevelopment Agency, and Housing Finance Authority, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Palm Beach County, Florida, as of September 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 18, the County contributed a major capital asset from the Utilities fund to another government on October 1, 2009 in the amount of \$55.4 million.

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated March 22, 2010 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, the Budgetary Comparison Schedules – General Fund, Fire Rescue Special Revenue Fund and Sheriff Special Revenue Fund, and the schedules of funding progress as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

McGladrey & Pullen, LLP

West Palm Beach, Florida
March 22, 2010

Management's Discussion and Analysis

Our discussion and analysis provides an overview of the financial activities of Palm Beach County, Florida (the "County") for the fiscal year ended September 30, 2009. We encourage reading this narrative in conjunction with the accompanying financial statements (beginning on page 2).

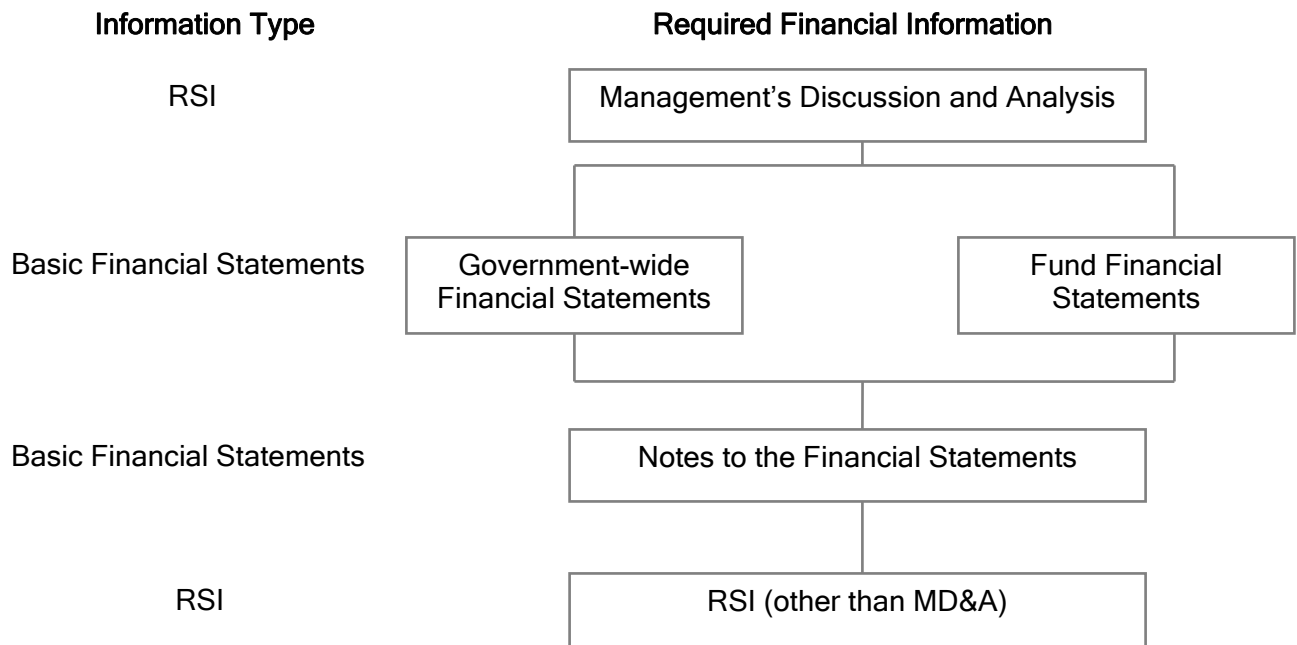
Financial Highlights

- The County's assets exceeded its liabilities (net assets) by approximately \$4.032 billion and \$3.946 billion at the close of fiscal years 2009 and 2008, respectively. Of these amounts, \$2.676 billion and \$2.482 billion were invested in capital assets, net of related debt. In addition, \$893 million and \$803 million were restricted by law, grant agreements, debt covenants, or for capital projects. As a result, \$463 million and \$661 million were available at year-end to meet the County's ongoing obligations to residents, creditors, and enterprise fund customers.
- During the year, the County's net assets increased \$86 million, compared to an increase of \$101 million during the previous fiscal year. This fiscal year, approximately \$86 million of the increase was from business-type activities, with no change in net assets in governmental activities.
- At September 30, 2009, the County's governmental funds reported a combined ending fund balance of \$1.424 billion, a decrease of \$92.2 million or 6.1% from the previous year.
- At September 30, 2009, the unreserved fund balance for the General Fund was \$178.8 million and the total fund balance was \$180.9 million which is a decrease of \$39.5 million or 17.9% from the previous year.
- The County's three enterprise funds, the Department of Airports, the Water Utilities Department, and the Solid Waste Authority had increases in net assets of \$17.8 million, \$18.3 million and \$50.0 million, respectively, over the previous year.
- The County's total liabilities at September 30, 2009 and 2008 were \$2.881 billion and \$2.435 billion, respectively.

Overview of the Financial Statements

This CAFR consists of the Basic Financial Statements and other statements. The County’s basic financial statements contain three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

Minimum Financial Reporting Requirements



Government-wide Financial Statements

The government-wide financial statements provide an overview of the County’s financial position using the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. The statement of net assets presents information on the assets and liabilities of the County as a whole. The difference between assets and liabilities is reported as net assets. Changes in net assets may serve as an indicator of whether the financial position of the County is improving or deteriorating. The statement of activities presents information showing how the County’s net assets changed during the fiscal year. Changes in net assets are reported as soon as the underlying economic transactions occur, regardless of when cash is received or paid. Therefore, some of the revenues or expenses reported in the statement of activities will have cash flows in future fiscal periods. For example, certain sales taxes are shown as revenues although cash receipts will occur early in the following fiscal year. An increase in unused vacation leave is recorded as an expense although related cash outflows will occur in the future.

The government-wide financial statements show a distinction between activities that are supported primarily by taxes and intergovernmental revenues (governmental activities) and activities that are supported by the recovery of all or most of their costs through user fees and

charges (business-type activities). The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation functions. The business-type activities of the County are the Department of Airports, the Water Utilities Department, and the Solid Waste Authority.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also the legally separate entities for which the County is financially accountable (known as *component units*). The discretely presented component units of the County are the Metropolitan Planning Organization, the Housing Finance Authority of Palm Beach County, and the Westgate/Belvedere Homes Community Redevelopment Agency. The financial activity of these component units is reported separately from the financial information of the primary government.

To obtain the separately issued financial statements of the discretely presented component units, see *Note 1 – Summary of Significant Accounting Policies*, in the Notes to the Financial Statements for contact information.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with legal, legislative, contractual, and other finance-related provisions. All of the County's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

Most of the County's basic services are reported in governmental funds, which focus on how money or other spendable resources flow into and out of those funds and on the level of balances remaining at year-end that are available for expenditure. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general governmental operations to help control current financial resources and demonstrate fiscal accountability. Governmental fund information helps determine the extent of financial resources that are available for expenditure on County programs. Reconciliations of the differences between the government-wide and fund financial statements are provided immediately after the *Balance Sheet-Governmental Funds* and *Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds*, respectively, in the *Basic Financial Statements*.

Funds that are significant in terms of revenues, expenditures, assets or liabilities are identified as *major* funds in the *Basic Financial Statements* and reported separately. Budget and actual comparison schedules are also presented as Required Supplementary Information for the General Fund and each major special revenue fund with an annually adopted budget. The County's nonmajor funds, and budget and actual comparisons schedules for any nonmajor funds with annually appropriated budgets, are presented in the *Combining and Individual Fund Statements and Schedules* section of this report.

Proprietary funds

The County uses both types of proprietary funds, Enterprise and Internal Service Funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Airports, Water Utilities, and Solid Waste operations. All three of these operations are considered to be major proprietary funds of the County. *Internal Service funds* are used to accumulate and allocate costs internally among the County's other functions. The County uses internal service funds to account for its Fleet Management, Risk Management and Information System Services programs. These programs are included within governmental activities in the government-wide financial statements because they predominantly benefit governmental rather than business-type functions. The four internal service funds are combined into a single presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the *Combining and Individual Fund Statements and Schedules* section of this report. The proprietary fund financial statements can be found in the *Basic Financial Statements*.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Agency funds are the only type of fiduciary fund used by the County. The amounts in these agency funds are not included in the government-wide financial statements because the resources of these funds are not available to support the County's own programs. However, the *Statement of Fiduciary Net Assets – Agency Funds* in the *Basic Financial Statements* is provided for information on the agency funds. In addition, the individual agency funds are presented in the *Combining and Individual Fund Statements and Schedules* section of this report.

Notes to the financial statements

The notes provide additional information that is essential for a more complete understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information containing budget to actual comparisons for the General Fund and major special revenue funds. The combining statements for the nonmajor funds, internal service funds, agency funds, as well as individual fund budget and actual comparison schedules are found in the *Combining and Individual Fund Statements and Schedules* section of this report.

Government-wide Financial Analysis

Over time, net assets may serve as the most useful indicator of a government's financial position. At September 30, 2009 and 2008, the County's total net assets, or total assets less liabilities, were \$4.032 billion and \$3.946 billion, respectively. A significant portion of the County's net assets, \$2.676 billion or 66.4%, is identified as an investment in capital assets (such as land, buildings, equipment, infrastructure), less related debt outstanding that was used to acquire those assets. Since the County uses capital assets to provide services to its residents, the net assets represented by "invested in capital assets, net of related debt" are not available for future spending. In fact, the payment of maintenance and debt service costs on those capital assets will themselves require governmental resources.

Another portion of the County's net assets is restricted net assets which represent assets that are subject to constraints such as by debt covenants, grantors, laws or regulations. Unrestricted net assets are net assets that are available to meet the County's ongoing obligations to residents, creditors, and enterprise fund customers.

As shown on the following chart, the County reported positive balances at September 30, 2009 and 2008, in all three categories of net assets, for governmental activities, business-type activities, as well as the County as a whole.

Palm Beach County, Florida						
Net Assets at Year-End (in millions)						
	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2009	2008	2009	2008	2009	2008
Assets						
Current and other assets	\$ 1,735	\$ 1,837	\$ 1,017	\$ 576	\$ 2,752	\$ 2,413
Capital assets	2,342	2,224	1,819	1,744	4,161	3,968
Total assets	<u>4,077</u>	<u>4,061</u>	<u>2,836</u>	<u>2,320</u>	<u>6,913</u>	<u>6,381</u>
Liabilities						
Current	303	305	179	128	482	433
Long-term debt due in more than one year	1,388	1,370	1,011	632	2,399	2,002
Total liabilities	<u>1,691</u>	<u>1,675</u>	<u>1,190</u>	<u>760</u>	<u>2,881</u>	<u>2,435</u>
Net Assets						
Invested in capital assets, net of related debt	1,380	1,260	1,296	1,222	2,676	2,482
Restricted	791	721	102	82	893	803
Unrestricted	215	405	248	256	463	661
Total net assets	<u>\$ 2,386</u>	<u>\$ 2,386</u>	<u>\$ 1,646</u>	<u>\$ 1,560</u>	<u>\$ 4,032</u>	<u>\$ 3,946</u>

Governmental activities

Significant changes in the Statement of Net Assets are as follows:

- Current and other assets for Governmental activities decreased by \$102 million. Much of the change can be attributed to acquisitions of Capital Assets.
- Capital assets for Governmental activities increased by \$118 million. Refer to the subsequent section on Capital assets for additional detail.
- The increase in long-term debt for Governmental activities of \$18 million consists primarily of issuing bonds for \$43 million for Max Planck and a \$16 million Bond Anticipation Note for the Four Points and other Public Building Projects, offset by current bond payments.

Governmental activities resulted in zero net change in the County's net assets during fiscal year 2009, as compared with the previous fiscal year increase of \$4 million. This year's zero net change in net assets from governmental activities is attributed to significant decreases in two revenue categories:

- A decrease in property values resulted in less ad valorem tax revenue for the year. The assessed value of taxable property located in the county (after exemptions) fell from \$136.4 billion in 2008 to \$118.4 billion in 2009. This represented a decrease of \$18.0 billion or 13.2%. Gross property taxes levied for fiscal year 2009 fell from \$931.8 million in 2008 to \$890.9 million for 2009, a decrease of \$40.9 million or 4.4%.
- Other local tax revenues decreased approximately \$8 million or 7.6% from the previous fiscal year due primarily to a sluggish economy throughout the year.

Additional factors impacting governmental activities during fiscal year 2009 are described below.

Ad valorem tax revenue decreased by \$42 million or 4.7% from the previous fiscal year. The decrease was primarily attributable to a decrease in taxable values.

Public Safety expenses increased \$58 million or 8.4% from the previous fiscal year. The increase was primarily due to increased operating costs of the Sheriff's Office.

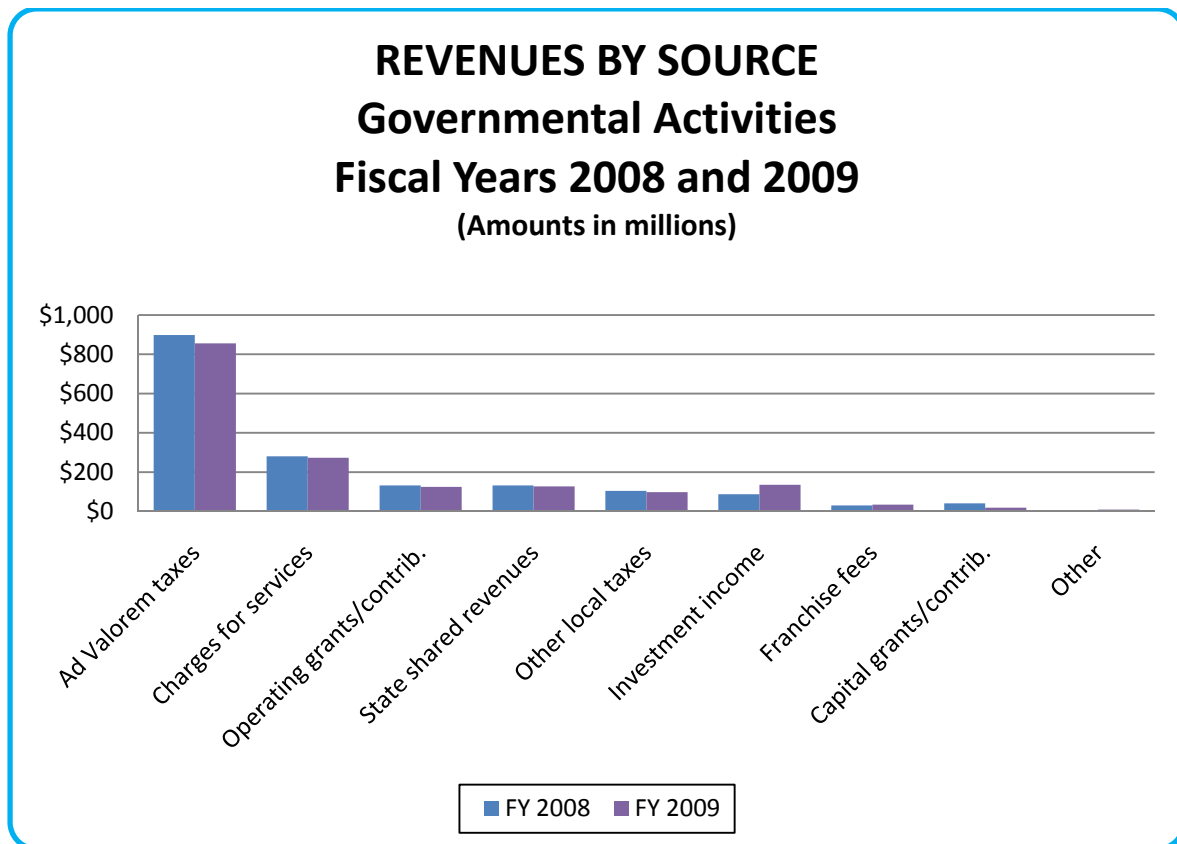
Physical environment expenses increased \$5 million or 19.2% from the previous fiscal year due in part to increased activity related to the Scripps/FAU agreement.

Transportation expenses decreased \$5 million or 3% from the previous fiscal year. The decrease was primarily due to lower fuel and operating costs during the year.

Economic Environment expenses decreased \$115 million or 54% from the previous fiscal year. The decrease was primarily due to higher costs recorded in FY08 related to the funding of the Scripps Research Institute for their permanent facilities and an impairment loss.

Interest expense increased \$7 million or 14% from the previous fiscal year. The increase was primarily due to a full year of interest paid on non ad-valorem revenue bonds issued in the previous fiscal year, as well as on two new issues of non ad-valorem revenue bonds issued in FY09.

The County’s governmental activities had net expenses of \$1.259 billion. However, these services are intended to be primarily funded by taxes and other general revenues as opposed to charges for service and grants. Total revenues (both program and general revenues) were less than total expenses by \$1 million.



Business-type activities

The County’s business-type activities had total revenues of \$487 million and had total revenues in excess of total expenses of \$87 million. Refer to the **Proprietary funds** section of **Financial Analysis of the Government’s Funds** which follows for more information on the County’s business-type activities. The significant change in the business-type activities Statement of Net Assets was due to Current and other assets, which increased \$441 million during fiscal year 2009. This can be attributed in part to strong growth in charges for services which increased 11.3% from the prior year.

	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2009	2008	2009	2008	2009	2008
Revenues						
Program Revenues:						
Charges for services	\$ 273	\$ 280	\$ 433	\$ 389	\$ 706	\$ 669
Operating grants and contributions	124	132	14	19	138	151
Capital grants and contributions	19	41	40	59	59	100
	416	453	487	467	903	920
General Revenues:						
Ad valorem taxes	856	898			856	898
Other local taxes	97	105			97	105
State shared revenues	127	132			127	132
Franchise fees	34	30			34	30
Investment income	135	87			135	87
Other	9	6	-	-	9	6
Total revenues	1,674	1,711	487	467	2,161	2,178
Expenses						
General government	361	351			361	351
Public safety	746	688			746	688
Physical environment	31	26			31	26
Transportation	159	164			159	164
Economic environment	98	213			98	213
Human services	103	101			103	101
Culture and recreation	120	124			120	124
Interest expense	57	50			57	50
Department of Airports			78	71	78	71
Water Utilities Department			139	128	139	128
Solid Waste Authority			183	161	183	161
Total expenses	1,675	1,717	400	360	2,075	2,077
Excess	(1)	(6)	87	107	86	101
Transfers In (Out)	1	10	(1)	(10)	-	-
Change in net assets	-	4	86	97	86	101
Beginning net assets	2,386	2,382	1,560	1,463	3,946	3,845
Ending net assets	\$ 2,386	\$ 2,386	\$ 1,646	\$ 1,560	\$ 4,032	\$ 3,946

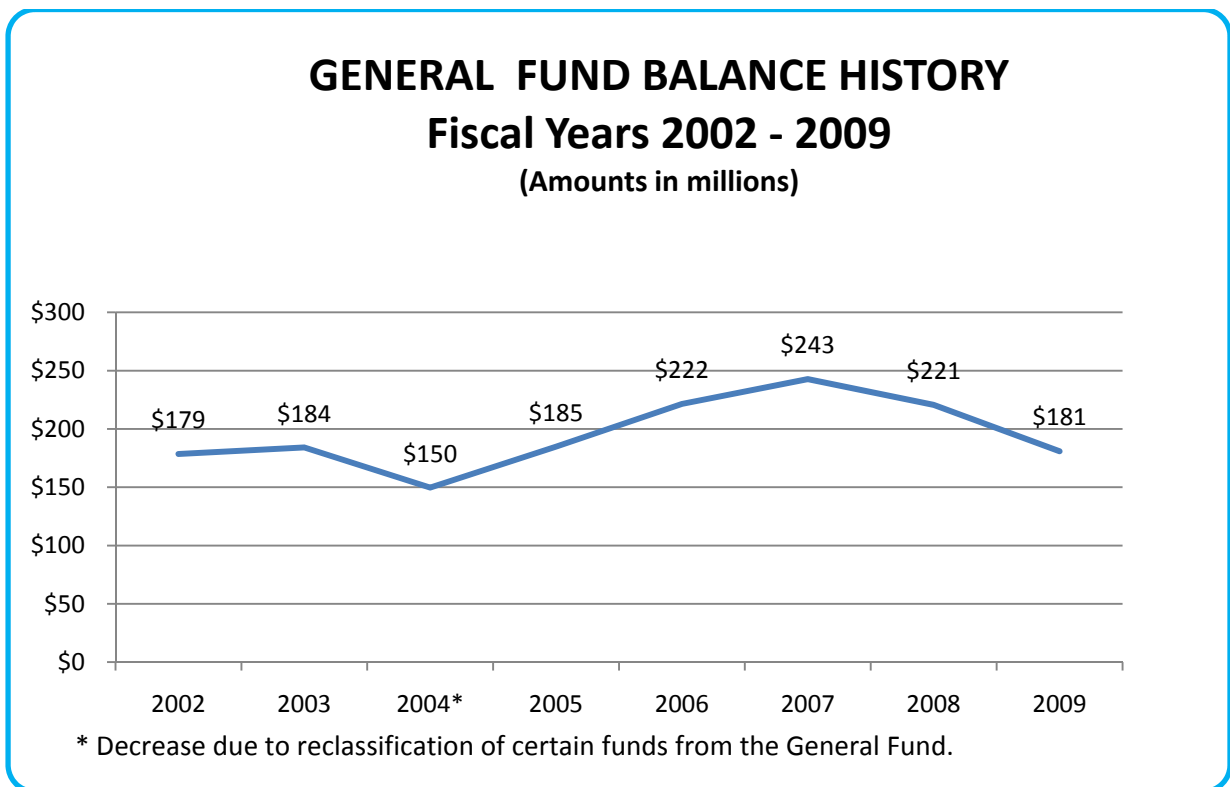
Financial Analysis of the Government's Funds

As mentioned earlier, the County uses fund accounting to ensure and demonstrate compliance with legal, legislative, contractual, and other finance-related provisions.

Governmental funds. The focus of the County’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in determining the County’s financing resources. Unreserved fund balance, in particular, is a useful measure of a government’s net resources available for spending at the end of a fiscal year.

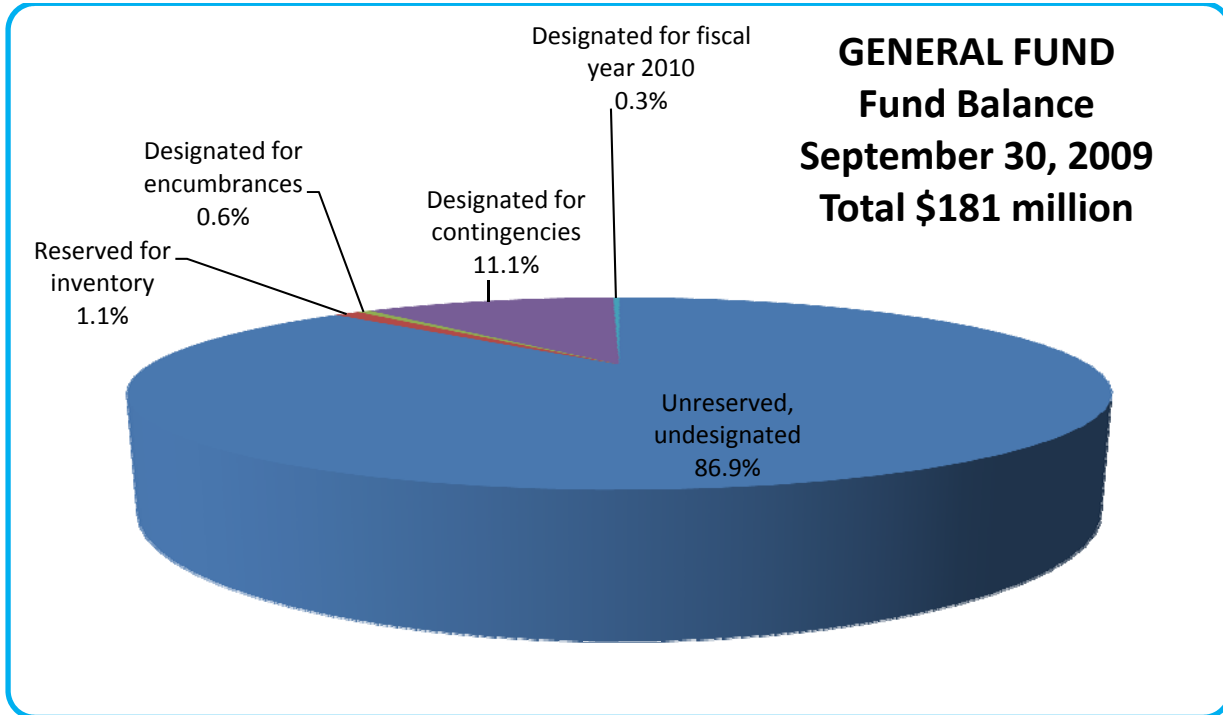
Changes in Fund Balance – Governmental Funds

- The decrease in the General Fund’s fund balance of \$39.5 million is attributable to the use of reserves to fund FY 2009 operations.



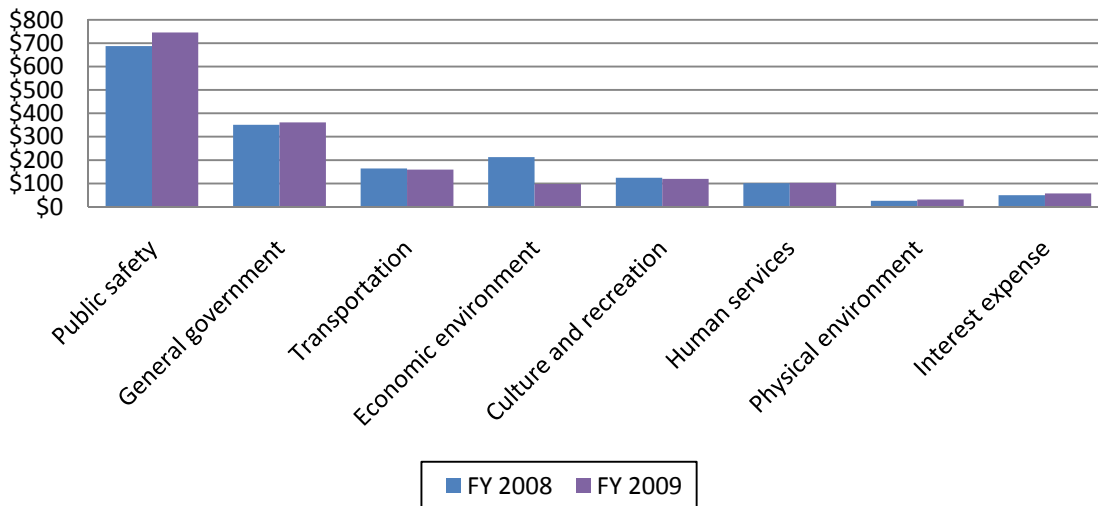
- The increase in the Fire Rescue Special Revenue Fund of \$20.4 million is attributable to building up reserves to offset future operating needs by \$9.5 million. In addition, \$10.5 million is attributable to personnel savings due to vacancies, union negotiations in pay increases and a decrease in overtime.
- The decrease of \$20 million in the Road Program Capital Projects Fund is due to the spending of County capital projects.

- In FY 2009, \$17.7 million in ad valorem equivalent funding was provided for capital projects, including street drainage improvements, new computer technology, and facility renovations.



At September 30, 2009, the County's governmental funds reported combined ending fund balances of \$1.424 billion, a decrease of \$92.2 million from the previous year. This decrease was the result of a combination of the \$20.0 million decrease in the ending fund balance of the Road Program Capital Projects Fund; a decrease in the General Fund of \$39.5 million; an increase in the Fire Rescue Special Revenue Fund of \$20.4 million; an increase in the Sheriff Special Revenue Fund of \$1.2 million; an increase in the General Government Capital Projects Fund of \$30.2 million and a decrease in Other Governmental Funds of \$84.5 million.

EXPENDITURES BY FUNCTION
Governmental Activities
Fiscal Years 2008 and 2009
(Amounts in millions)



Proprietary funds. The proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Financial highlights of each of the County’s enterprise funds are as follows:

Department of Airports:

- ➔ Operating revenues decreased by 2%, dropping from \$64.4 million to \$63.3 million. The major component was a decrease in parking revenues of \$1.7 million due to decreased parking transactions caused by declining passenger traffic. Landing Fee revenue increased \$884,000 due to increased landing fee rates and a newly implemented General Aviation Landing Fee at PBIA. The General Aviation landing fee generated \$690,000 in fiscal year 2009.
- ➔ Operating expenses (excluding depreciation and amortization) increased by 2%, increasing \$869,000 to \$45.6 million in fiscal year 2009. Utility costs increased 7%, or \$315,000, due to usage and rate increases. Security costs increased 5%, or \$400,000 due to increased cost of the primary service provider, the Palm Beach County Sheriff’s office.
- ➔ 2009 Operating income after depreciation was a loss of \$6.5 million compared to a loss of \$2.6 million in 2008. This was due to decreased revenues and increased expenses as discussed above plus an increase in depreciation and amortization expense of \$1.9 million over the prior year.

Water Utilities Department:

- ◆ The Department's net assets increased by \$18.3 million, or 2.0%, during the year.
- ◆ Long-term debt (net of the current portion) increased by \$55.0 million, or 32.2%, during the year.
- ◆ Operating revenues in fiscal year 2009 totaled \$130.2 million, a 12.9% increase. Fiscal year 2009 also included the effect of rate indexing, a full year of operating the Lake Region Water Treatment Plant and a 0.4% increase in the customer base.
- ◆ Operating expenses before depreciation and amortization and equity interest in net loss of joint venture totaled \$89.2 million, an increase of \$7.3 million or 8.9%.
- ◆ Non-operating income increased by \$1.4 million, or 140% in fiscal year 2009.
- ◆ The Department showed net income before contributions of \$0.3 million for fiscal year 2009, an increase of 107.5% from fiscal year 2008's net loss before contributions of \$4.0 million.

Solid Waste Authority:

- 🏗️ The Authority's assets exceeded its liabilities (net assets) by approximately \$383.1 million at the close of fiscal year 2009. Of this amount, approximately \$72.0 million is considered unrestricted and pursuant to the Authority's trust indenture is available for renewal and replacement of the solid waste system and capital improvements.
- 🏗️ The Authority's revenues and capital contributions exceeded expenses by approximately \$50.0 million for fiscal year 2009.
- 🏗️ The Authority has continued its aggressive capital renewal and expansion program. This program includes the complete renovation of the Authority's waste-to-energy facility, the relocation and expansion of the materials recovery facility, preliminary steps toward the construction of a renewable energy facility and the possible site acquisition and development of a new landfill. In fiscal year 2009, the Authority's net capital assets increased by approximately 18.3%. This capital expansion is expected to continue over the next several years.
- 🏗️ On November 25, 2008 the Authority issued \$131,565,000 of revenue bonds to fund the costs associated with future landfill development and the construction of a new transfer station in the southwest area of the County.
- 🏗️ On April 23, 2009 the Authority issued \$261,545,000 in revenue bonds to fund the costs associated with the refurbishment of the Authority's waste-to-energy facility and the preliminary costs associated with the proposed 3,000 tons per day renewable energy facility.

- The Authority's operating revenue increased from the prior year by approximately 13.5% and operating expenses increased by approximately 11.5%. Non-operating income, however, declined significantly as a result of lower investment earnings in fiscal year 2009 which was offset somewhat from miscellaneous income from the sale of a parcel of land. The Authority's debt service coverage for fiscal year 2009 remained strong at 162% of debt service requirements.

Budgetary Highlights

Budget and actual comparison schedules are provided as Required Supplementary Information for the General Fund and all major special revenue funds with annually appropriated budgets. Budget and actual comparison schedules are also provided in the Combining and Individual Fund Statements and Schedules section for all nonmajor funds with annually appropriated budgets. The budget and actual comparison statements and schedules show the original adopted budget, the final revised budget, actual results and a variance between the final budget and actual results. There were no funds with total actual expenditures in excess of the final revised budget.

After the original budget is approved, it may be revised for a variety of reasons such as unforeseen circumstances, corrections or errors, new bond or loan proceeds, new grant awards and other revenues. During fiscal year 2009, supplemental appropriations to the Board of County Commissioners' budget excluding component units, were approximately \$612.3 million, or approximately 15.3% of the original adopted budget.

Differences between the original budget for fiscal year 2009 and the final amended budget for the General Fund can be summarized as follows:

- On April 21, 2009, the Board amended the budget to reflect the "true up" of the original budgeted beginning fund balance to the actual fund balance, which accounts for a \$17.5 million adjustment to the reserves for balances forward in the General Government budget, a \$3.4 million adjustment to transfers out to the County Transportation Trust fund, and the remaining \$2 million for transfers to various Special Revenue and Capital Project funds and general government expenses. The revenue budget was amended to reduce franchise fee and communication service tax budgets per revised state projections by \$5 million.
- During the year, the Palm Beach County Sheriff's Office entered into a contract with the City of Lake Worth to provide police services. As such, the budget was amended for approximately \$14 million in charges for services and \$14 million in transfers out to the Sheriff Department.
- During the year, the Board amended various budget amendments that were not significant in nature.

Budget to Actual Expenditures

- General Fund budgeted reserves had a balance at year-end of \$105 million, which represents 85% of the total unexpended appropriations in the fund. These unexpended funds will be carried over into FY 2010 and will be reappropriated.
- The Tax Collector and Property Appraiser returned/under spent approximately \$5 million.
- The remaining unspent funds can be attributed to County departments spending less than budgeted.

Budget to Actual Revenues

- Ad valorem tax collections were 96% of budget, in line with the historical collection rate. Florida Statutes require revenues to be budgeted at 95% of reasonably anticipated receipts. Palm Beach County budgets a negative 5% statutory reserve to accomplish this. Allowing for the reserve, ad valorem taxes were actually over collected by \$6 million.
- In FY 09, the County entered into a new franchise agreement with FPL where the franchise fee decreased from 6% to 5.9% while changing the method of calculation by eliminating the consideration given for taxes FPL pays to the County and other taxing authorities. Under the prior agreement's method of calculation, the effective rate was 4.2%. As such, there is an increase in franchise fee revenues of \$5.9 million.
- Intergovernmental revenues decreased approximately \$3.2 million compared to budget, this is attributed to the decline in economy and receipts coming in below the State's projections.
- Investment income exceeded the budget by \$10.8 million or 76.6%, which is attributable to a gain in the fair value change of 3.1% and interest earnings of 4.5% for a total of 7.6%, which is greater than the modest budget of 3%.

Budget to Actual – Other financing sources

- Actual excess fees (transfers in) received from the Sheriff and the Supervisor of Elections amounted to \$18 million, of which no amount was budgeted. The Clerk & Comptroller returned \$1.5 million less in excess fees than was budgeted.
- In addition, a fund was established for recognizing utility tax-electricity revenues and restricting its use pending a legal decision. During FY 2009, the legal issue was resolved and the fund has been closed and the residual balance has been transferred to the general fund. This accounts for transfers in of \$14 million over the budget.

Capital Assets and Debt Administration

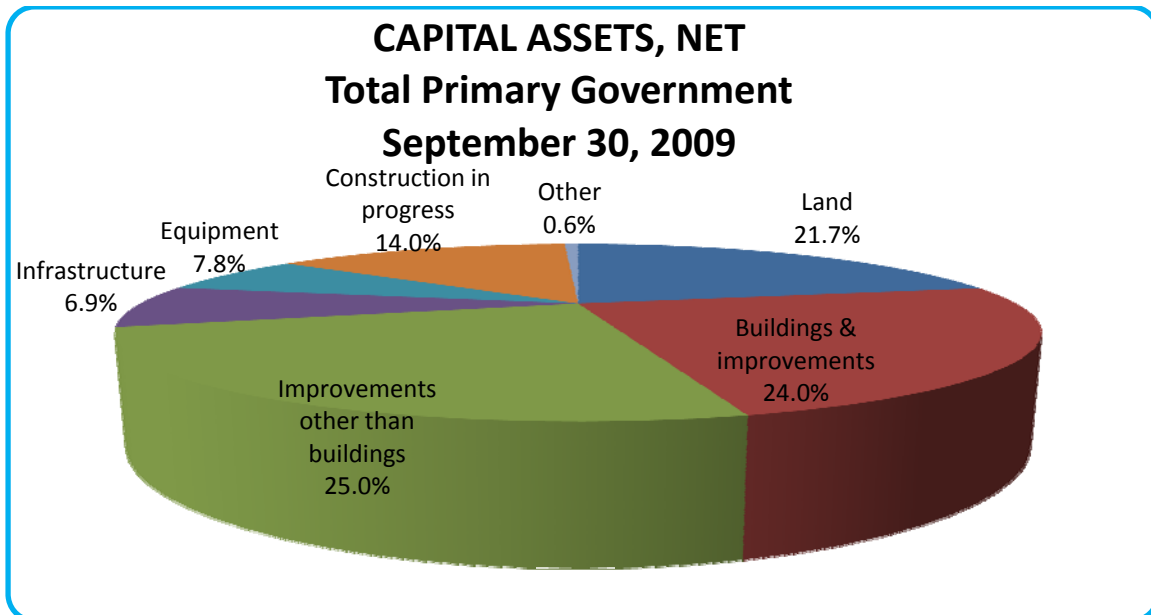
Capital assets. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2009, amounts to \$4.161 billion (net of accumulated depreciation). This investment in capital assets includes a broad range of capital assets, including land, buildings and improvements, improvements other than buildings, equipment, infrastructure, and construction in progress. The total increase in the County's capital assets for fiscal year 2009 was 4.9% (a 5.3% increase for governmental activities and a 4.3% increase for business-type activities).

Palm Beach County, Florida						
Capital Assets, net of Accumulated Depreciation at Year-End (in millions)						
	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2009	2008	2009	2008	2009	2008
Primary Government:						
Land	\$ 741	\$ 738	\$ 162	\$ 162	\$ 903	\$ 900
Buildings & improvements	541	561	459	405	1,000	966
Improvements other than buildings	130	138	906	904	1,036	1,042
Equipment	197	188	126	101	323	289
Infrastructure	288	268	-	-	288	268
Intangible - easement rights	-	-	13	13	13	13
Leasehold interest	-	-	8	9	8	9
Goodwill	-	-	6	7	6	7
Construction in progress	445	331	139	143	584	474
TOTALS	\$ 2,342	\$ 2,224	\$ 1,819	\$ 1,744	\$ 4,161	\$ 3,968

Major capital asset events during the fiscal year include the following:

- Several large capital expenditures made during fiscal year 2009 include \$31.3 million for the Jail Expansion Project, \$6.5 million for Okeechobee Boulevard improvements east of Jog Road and the Turnpike, \$4.9 million for the Royal Palm Beach library expansion, and \$2.7 million for the Winding Waters Natural Area.
- Various substantially completed projects during fiscal year 2009 include intersection improvements at Jog and Glades/Clintmore Roads for \$2.9 million, Stacy Street improvements for \$1.0 million and El Paso & Yearling Drives Street Improvements for \$1.2 million.
- Governmental activities Net Capital assets increased overall by \$118 million due to \$3 million in land acquisitions, a decrease of \$28 million in buildings and other improvements, \$9 million for equipment, \$20 million for infrastructure, and \$114 million added to Construction in progress.
- Business-type activities Net Capital assets increased overall by \$75 million, or 4.3% to \$1.819 billion.

- Major capital asset additions by the Water Utilities Department included the construction of the Florida Power and Light reclaimed water system for \$52.8 million, construction of odor control and other plant improvements to the Southern Region Water Reclamation Facility for \$8.1 million and improvements to the treatment process at Water Treatment Plant #2 for \$5.6 million.
- During fiscal year 2009, the Solid Waste Authority's capital assets increased approximately \$89.7 million, which included approximately \$43.1 million for equipment, \$31.8 million for construction costs associated with the refurbishment of the waste-to-energy facility, \$6.7 million for costs associated with the construction of the central county transfer station and \$5.9 million for costs associated with the construction of the southwest county transfer station. Additionally, completed projects of approximately \$55.0 million were closed from construction-in-progress to their respective capital accounts and interest expense of approximately \$10.3 million was capitalized.
- The Department of Airports expended \$22.9 million on capital activities. Completed projects during 2009 totaling \$36.1 million were transferred from construction-in-progress to their respective capital accounts. The major project during fiscal year 2009 was completion of the Concourse C expansion adding three passenger loading areas and additional space for terminal concessions which was opened in June of 2009.



See Note 4, *Capital Assets*, in the *Notes to the Financial Statements* for additional information.

Long-term liabilities. At September 30, 2009, the primary government had 50 issues of bonded debt totaling \$2.172 billion. Of this amount, \$273 million comprises debt backed by the full faith and credit of the government, \$942 million is special obligation debt secured by dedicated revenue sources and \$957 million is secured by specified enterprise revenue sources. See chart below for more information.

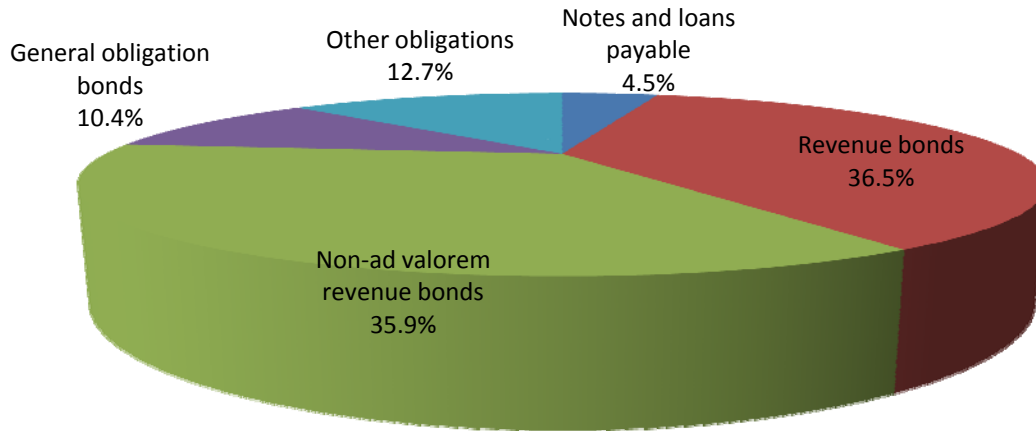
Palm Beach County, Florida						
Long-Term Liabilities at Year-End (in millions)						
	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 273	\$ 293	\$ -	\$ -	\$ 273	\$ 293
Non-ad valorem revenue bonds	942	899	-	-	942	899
Revenue bonds	-	-	957	542	957	542
Notes and loans payable	41	76	76	80	117	156
Other obligations	256	212	77	69	333	281
TOTALS	\$ 1,512	\$ 1,480	\$ 1,110	\$ 691	\$ 2,622	\$ 2,171

Bonded Debt. The County's bond issues are rated by three primary bond rating agencies; Moody's Investors Service, Standard and Poor's and Fitch Ratings. These ratings, which are listed in the following chart, are indicative of the County's strong management team, broad-based economy, continually well-performing tax base, increasingly strong financial position, minimal debt requirements and high quality residential tax base. At September 30, 2009, the County's non-ad valorem revenues were 3.95 times the debt service required in the current or any future fiscal year.

<u>Type of Debt Issue</u>	<u>Moody's</u>	<u>Fitch Ratings</u>	<u>S&P</u>
General obligation bonds	Aaa	AAA	AAA
Non-ad valorem revenue bonds	Aa1	AA+	AA+
Pooled financing loans	Aa1	-	-
Water and Sewer System Enterprise revenue bonds	Aaa	AAA	AAA
Water and Wastewater System Enterprise revenue bonds	Aaa	AAA	AAA
Airport System Enterprise revenue bonds	A2	A	A
Solid Waste Authority	Aa3	-	AA

Note: Highest rating: AAA/Aaa Investment grade ratings: AAA/Aaa through BBB/Baa, Lowest Rating: C

LONG-TERM LIABILITIES
Total Primary Government
September 30, 2009



See Note 15, *Long-Term Debt*, in the *Notes to the Financial Statements* for additional information.

Economic Factors

Local, national, and international economic factors influence the County’s revenues in a variety of ways. Positive economic growth is correlated with increased revenues from property taxes, sales taxes, fuel taxes, charges for services, state revenue sharing as well as state and federal grants. Economic growth may be measured by a variety of indicators such as employment growth, unemployment, new construction and assessed values, diversification of the property tax base, and Enterprise Fund revenue and net asset growth.

- For the second year in a row, the County’s population decreased. Population in 2009 was 1,287,344 compared with 1,294,654 in 2008.
- The civilian labor force for Palm Beach County decreased from 655,669 at September 2008 to 626,400 at September 2009, a decrease of less than 1%. The County’s unemployment rate increased to 11.7% at September 2009 compared to 7.3% at September 2008.
- The assessed value of taxable property located in the County (after exemptions) decreased from \$136.4 billion in 2008 to \$118.4 billion in 2009. This represented a decrease of \$18.0 billion or 13.2%.
- Palm Beach County has a diversified property tax base. The ten largest property taxpayers in the County represent 9.1% of the total ad valorem property taxes levied.
- Gross property taxes levied for fiscal year 2009 fell from \$931.8 million in 2008 to \$890.9 million for 2009, a decrease of \$40.9 million or 4.4%.

- Building permits issued in Palm Beach County for both single family and multi-family units fell from 348 in the third quarter of 2008 to 338 during the same period in 2009, a decrease of 2.9%.
- Foreclosure filings in Palm Beach County rose from 25,986 during FY 2008 to 31,178 during FY 2009, an increase of 20%.

More information on economic factors is provided in the *Statistical Section*.

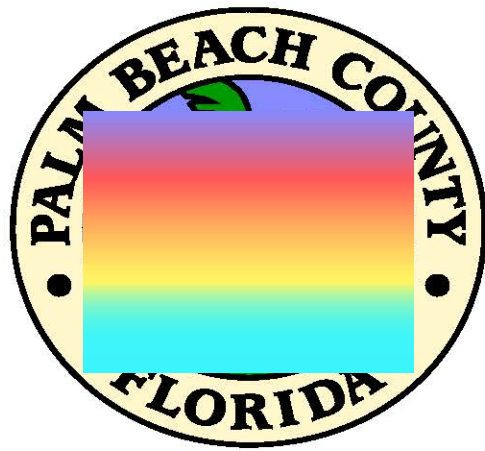
To Obtain Further Information

This financial report was designed to provide an overview of the County's finances. If you have any questions concerning budgets, long-term financial planning, future debt issuances, or questions related to the management of County operations, please contact the County Administrator at:

County Administrator
301 North Olive Avenue, 11th Floor
West Palm Beach, FL 33401

If you have any questions concerning the Basic Financial Statements or other accounting information in this report, please contact the Financial Reporting Manager at:

Clerk & Comptroller, Palm Beach County
Finance Department
301 North Olive Avenue, 2nd Floor
West Palm Beach, FL 33401



PALM BEACH COUNTY, FLORIDA
Statement of Net Assets
September 30, 2009

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents (note 2)	\$ 1,623,770,667	\$ 889,770,596	\$ 2,513,541,263
Investments	-	1,057,966	1,057,966
Interest receivable	276,612	1,012,093	1,288,705
Accounts receivable - net	22,930,929	26,748,196	49,679,125
Internal Balances	(5,043,821)	5,043,821	-
Due from primary government	-	-	-
Due from other governments	44,093,456	5,324,709	49,418,165
Due from component units	11,424	-	11,424
Inventory	14,794,044	15,777,142	30,571,186
Other assets	6,569,344	2,947,442	9,516,786
Other receivable - noncurrent	17,588,262	18,953,939	36,542,201
Investment in joint venture	-	35,119,164	35,119,164
Deferred issue costs	10,325,788	14,876,641	25,202,429
Capital assets (note 4)			
Non-depreciable capital assets	1,185,742,072	300,563,834	1,486,305,906
Depreciable capital assets, net	1,156,382,949	1,518,536,521	2,674,919,470
Total assets	4,077,441,726	2,835,732,064	6,913,173,790
LIABILITIES			
Vouchers payable and accruals	103,910,060	46,000,317	149,910,377
Due to primary government	-	-	-
Due to other governments	20,976,074	7,009,339	27,985,413
Due to component units	6,298,949	-	6,298,949
Due to individuals	437,329	5,269,530	5,706,859
Accrued interest payable	19,416,392	20,642,656	40,059,048
Unearned revenue	18,079,157	562,353	18,641,510
Other current liabilities	9,730,659	448,000	10,178,659
Long-term liabilities (note 15)			
Long-term liabilities due within one year	124,503,308	98,765,722	223,269,030
Long-term liabilities due more than one year	1,387,968,210	1,010,756,357	2,398,724,567
Total liabilities	1,691,320,138	1,189,454,274	2,880,774,412
NET ASSETS			
Invested in capital assets, net of related debt	1,379,604,426	1,295,978,868	2,675,583,294
Restricted for:			
Debt service	31,358,391	22,701,487	54,059,878
Capital projects	443,851,797	52,456,491	496,308,288
School district impact fee land acquisition	1,694,998	-	1,694,998
Library taxing district	44,375,091	-	44,375,091
Fire rescue taxing district	143,355,446	-	143,355,446
Tourist development tax programs	18,465,150	-	18,465,150
Grants and other	108,115,628	27,353,982	135,469,610
Unrestricted (deficit)	215,300,661	247,786,962	463,087,623
Total net assets	\$ 2,386,121,588	\$ 1,646,277,790	\$ 4,032,399,378

The notes to the financial statements are an integral part of this statement.

Component Units		
Metropolitan Planning Organization	Housing Finance Authority	Westgate/ Belvedere Homes Community Redevelopment Agency
\$ 100	\$ 1,930,998	\$ 1,342,917
-	2,071,350	404,720
-	10,255	-
-	-	-
-	-	-
265,095	6,033,854	-
345,013	25,637	-
-	-	-
-	-	-
-	53,396	3,243,981
-	-	-
-	-	-
-	-	89,570
-	-	3,451,275
-	-	321,822
610,208	10,125,490	8,854,285
75,295	155,463	86,731
5,483	-	5,941
-	-	-
-	-	-
-	-	-
345,013	-	-
-	185,000	3,500
11,680	-	1,114,128
163,606	-	3,527,145
601,077	340,463	4,737,445
-	-	3,513,097
-	-	326,165
-	-	539,122
-	-	-
-	-	-
-	-	-
-	52,231	-
9,131	9,732,796	(261,544)
\$ 9,131	\$ 9,785,027	\$ 4,116,840

PALM BEACH COUNTY, FLORIDA
Statement of Activities
For the fiscal year ended September 30, 2009

	Expenses		Program Revenues		
	Direct	Indirect	Fines, Fees and Charges for Services	Operating Grants, Contributions and Restricted Interest Income	Capital Grants and Contributions
PRIMARY GOVERNMENT					
Governmental Activities					
General Government	\$ 376,447,533	\$ (15,221,408)	\$ 114,047,649	\$ 7,265,958	\$ 1,571,717
Public Safety	739,056,445	6,864,575	110,334,202	8,100,708	276,574
Physical Environment	31,362,849	-	10,151,537	5,001,884	7,619,448
Transportation	159,299,029	(113,811)	17,193,688	43,974,635	7,088,866
Economic Environment	97,547,689	423,650	3,290,607	23,127,292	281,113
Human Services	102,229,637	417,245	3,698,309	35,499,120	-
Culture and Recreation	116,514,668	2,857,924	14,251,315	1,401,127	1,629,438
Interest Expense	57,030,394	-	-	-	-
Total Governmental Activities	1,679,488,244	(4,771,825)	272,967,307	124,370,724	18,467,156
Business Activities					
Department of Airports	76,806,657	1,239,444	75,700,643	5,420,701	15,772,944
Water Utilities Department	136,210,539	3,431,230	130,226,088	6,563,519	20,900,581
Solid Waste Authority	182,688,229	-	226,946,893	2,611,735	3,184,052
Total Business Activities	395,705,425	4,670,674	432,873,624	14,595,955	39,857,577
Total Primary Government	\$ 2,075,193,669	\$ (101,151)	\$ 705,840,931	\$ 138,966,679	\$ 58,324,733
COMPONENT UNITS					
Metropolitan Planning Organization	\$ 2,373,444	\$ 101,151	\$ -	\$ 2,493,894	\$ -
Housing Finance Authority	498,000	-	493,838	1,683,991	-
Westgate/Belvedere CRA	1,804,717	-	-	-	-
Total Component Units	\$ 4,676,161	\$ 101,151	\$ 493,838	\$ 4,177,885	\$ -

General Revenues
Taxes - levied by the County
Ad-valorem taxes
Utility service taxes
Local option gas taxes
Tourist development taxes
State shared sales tax-unrestricted
Franchise gross receipts fee
State shared revenues-unrestricted
Investment income (loss)
Other general revenues
Transfers - net
Total general revenues and transfers

Change in net assets

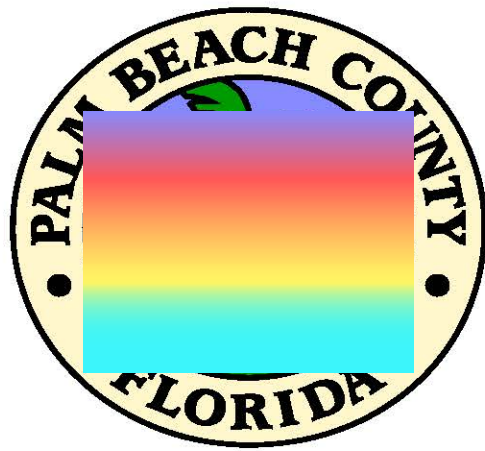
Beginning net assets (deficit)

Ending net assets

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Units		
Governmental Activities	Business-Type Activities	Total	Metropolitan Planning Organization	Housing Finance Authority	Westgate/ Belvedere Homes Community Redevelopment Agency
\$ (238,340,801)	\$ -	\$ (238,340,801)	\$ -	\$ -	\$ -
(627,209,536)	-	(627,209,536)	-	-	-
(8,589,980)	-	(8,589,980)	-	-	-
(90,928,029)	-	(90,928,029)	-	-	-
(71,272,327)	-	(71,272,327)	-	-	-
(63,449,453)	-	(63,449,453)	-	-	-
(102,090,712)	-	(102,090,712)	-	-	-
(57,030,394)	-	(57,030,394)	-	-	-
<u>(1,258,911,232)</u>	<u>-</u>	<u>(1,258,911,232)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	18,848,187	18,848,187	-	-	-
-	18,048,419	18,048,419	-	-	-
-	50,054,451	50,054,451	-	-	-
<u>-</u>	<u>86,951,057</u>	<u>86,951,057</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (1,258,911,232)</u>	<u>\$ 86,951,057</u>	<u>\$ (1,171,960,175)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 19,299	\$ -	\$ -
-	-	-	-	1,679,829	-
-	-	-	-	-	(1,804,717)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,299</u>	<u>\$ 1,679,829</u>	<u>\$ (1,804,717)</u>
\$ 855,761,096	\$ -	\$ 855,761,096	\$ -	\$ -	\$ 2,275,753
29,662,838	-	29,662,838	-	-	-
45,472,637	-	45,472,637	-	-	423,882
22,346,492	-	22,346,492	-	-	-
64,658,133	-	64,658,133	-	-	-
34,149,094	-	34,149,094	-	-	-
62,583,579	-	62,583,579	-	-	-
135,105,777	-	135,105,777	-	-	7,393
8,562,331	-	8,562,331	-	-	237,215
1,100,000	(1,100,000)	-	-	-	-
<u>1,259,401,977</u>	<u>(1,100,000)</u>	<u>1,258,301,977</u>	<u>-</u>	<u>-</u>	<u>2,944,243</u>
490,745	85,851,057	86,341,802	19,299	1,679,829	1,139,526
<u>2,385,630,843</u>	<u>1,560,426,733</u>	<u>3,946,057,576</u>	<u>(10,168)</u>	<u>8,105,198</u>	<u>2,977,314</u>
<u>\$ 2,386,121,588</u>	<u>\$ 1,646,277,790</u>	<u>\$ 4,032,399,378</u>	<u>\$ 9,131</u>	<u>\$ 9,785,027</u>	<u>\$ 4,116,840</u>



DESCRIPTIONS OF MAJOR FUNDS

GOVERNMENTAL FUNDS

General Fund - To account for all financial resources of the general government except those required to be accounted for in other funds.

Fire Rescue Special Revenue Fund - To account for ad-valorem taxes and other revenues designated for fire rescue services.

Sheriff Special Revenue Fund - To account for the financial resources necessary to carry out the powers, duties and obligations of the elected office of Sheriff as detailed in Florida Statutes Chapter 30.15.

General Government Capital Projects - To account for costs of capital improvements not included in any other category. It is a major fund for public interest reasons.

Road Program Capital Projects - To account for costs related to the design, acquisition of rights-of-way and construction of improvements to the County's major thoroughfare road system, primarily represented by the County's Five Year Road Program.

PROPRIETARY FUNDS

Airports - To account for activities related to the operation of the four County-owned airports - Palm Beach International Airport in West Palm Beach and three general aviation airports located in Lantana, Pahokee and Palm Beach Gardens.

Water Utilities - To account for activities related to the operation of the County-owned water and sewage system which provides water and sewer services to portions of the unincorporated area of the County as well as to certain municipalities.

Solid Waste Authority - To account for activities related to the operation of the solid waste disposal facilities for Palm Beach County.

PALM BEACH COUNTY, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2009

	MAJOR FUNDS			
	General	Fire Rescue Special Revenue Fund	Sheriff Special Revenue Fund	General Government Capital Projects
ASSETS				
Cash and cash equivalents	\$ 113,739,359	\$ 120,738,843	\$ 68,543,777	\$ 216,753,164
Accounts receivable, net	7,987,517	1,460,808	299,173	62
Due from other county funds	94,643,170	3,653,263	63,389	2,334,520
Due from other governments	4,320,457	1,442,633	921,805	691,716
Inventory	2,050,551	2,588,848	3,592,416	-
Other assets	3,330	75	78,280	-
Other receivable, noncurrent	-	-	-	2,050,000
Total assets	\$ 222,744,384	\$ 129,884,470	\$ 73,498,840	\$ 221,829,462
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 9,936,714	\$ 14,641,484	\$ 26,975,204	\$ 4,749,030
Due to other county funds	10,795,456	196,776	21,513,038	51,072
Due to other governments	666,223	568,660	7,370,576	101,000
Due to component unit	6,298,313	-	-	-
Due to individuals	-	-	-	-
Insurance claims payable	-	-	1,338,728	-
Deferred and unearned revenue	13,895,768	-	-	585,797
Other liabilities	288,713	-	9,084,700	-
Total liabilities	41,881,187	15,406,920	66,282,246	5,486,899
FUND BALANCE				
Fund balances:				
Reserved for debt service	-	-	-	-
Reserved for inventory	2,050,551	2,588,848	3,592,416	-
Reserved for noncurrent loans receivable	-	-	-	2,050,000
Unreserved, reported in:				
General Fund	178,812,646	-	-	-
Special Revenue Funds	-	111,888,702	3,624,178	-
Capital Projects Funds	-	-	-	214,292,563
Total fund balance	180,863,197	114,477,550	7,216,594	216,342,563
Total liabilities and fund balance	\$ 222,744,384	\$ 129,884,470	\$ 73,498,840	\$ 221,829,462

The notes to the financial statements are an integral part of this statement.

Road Program Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 362,249,372	\$ 637,881,994	\$ 1,519,906,509
69,723	10,941,589	20,758,872
-	15,500,387	116,194,729
3,906,561	32,555,848	43,839,020
-	5,118,942	13,350,757
-	1,554,968	1,636,653
-	15,538,262	17,588,262
<u>\$ 366,225,656</u>	<u>\$ 719,091,990</u>	<u>\$ 1,733,274,802</u>

\$ 5,984,474	\$ 39,153,856	\$ 101,440,762
2,517,213	88,471,903	123,545,458
3,363	12,018,300	20,728,122
-	-	6,298,313
-	437,329	437,329
-	-	1,338,728
-	31,078,348	45,559,913
-	357,246	9,730,659
<u>8,505,050</u>	<u>171,516,982</u>	<u>309,079,284</u>

-	29,560,366	29,560,366
-	5,118,942	13,350,757
-	-	2,050,000
-	-	-
-	-	178,812,646
-	153,610,224	269,123,104
357,720,606	359,285,476	931,298,645
<u>357,720,606</u>	<u>547,575,008</u>	<u>1,424,195,518</u>
<u>\$ 366,225,656</u>	<u>\$ 719,091,990</u>	<u>\$ 1,733,274,802</u>

PALM BEACH COUNTY, FLORIDA

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets - Governmental Activities
September 30, 2009

Fund balance for total of governmental funds (page 9) \$ 1,424,195,518

Amounts reported for governmental activities in the statements of net assets are different because:

Report internal service funds as governmental activities

Internal service funds are used by management to charge the costs of certain activities, such as insurance, computer services, and vehicles to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

Net assets per fund statements	\$ 89,542,045
Less amount due to business-type activities for 'look-back' allocation	(5,092,462)
Plus amount due from component units for 'look-back' allocation	<u>5,305</u>

84,454,888

Report as a liability general long-term debt obligations

Liabilities that are not due and payable in the current period do not encumber current financial resources and therefore are not reported in the governmental fund statements.

General obligation bonds payable	(270,150,000)
Non-ad valorem bonds payable	(924,051,617)
Notes and loans payable	(41,221,444)
Capital leases	(3,313)
Compensated absences	(118,953,756)
Net OPEB Obligation Liability	(28,772,598)
Net Pension Obligation	(252,006)
Termination benefits	(1,311,105)
Arbitrage accrued	(14,746,359)
Claims and judgments	(31,746,565)
Unamortized premium	(31,962,706)
Deferred loss on refundings	<u>11,576,607</u>

(1,451,594,862)

Report as an asset the cost of general capital assets and accumulated depreciation

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.

Non-depreciable capital assets	1,185,742,072
Depreciable capital assets, net of accumulated depreciation	<u>1,124,429,028</u>

2,310,171,100

Report adjustments to convert from modified accrual to full accrual

Interest Receivable

Interest receivable on special assessments is not due and available in the current period and therefore is not reported in the governmental fund statements.

276,612

Net OPEB Obligation Asset

Cumulative plan contributions in excess of ARC is reported as an asset.

However, the plan contributions are reported as expenditures in the governmental fund statements.

208,367

Deferred Issue Costs

Issue cost for new debt is reported as a deferred charge and amortized over the life of the debt as an expense. However, issue cost are recorded as expenditures in the governmental fund statements.

10,325,788

Accrued Interest Payable

Accrued Interest Payable that is not due and payable in the current period is not reported in the governmental fund statements

(19,415,405)

Deferred Revenue

Revenue is recognized when earned. However, revenue is deferred until the current financial resources are available in the governmental fund statements.

27,525,452

Due To Other Governments

Palm Beach County and the Palm Beach County School District engage in an interlocal agreement that allows them to exchange land and maintain a receivable and payable for the difference in value. When a general capital asset is exchanged for another capital asset and there is no receipt of current financial resources for the difference in value, the receivable or payable is not reported in the governmental fund statements.

(25,870)

18,894,944

Net assets of governmental activities (page 2)

\$ 2,386,121,588



PALM BEACH COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the fiscal year ended September 30, 2009

	MAJOR FUNDS			
	General	Fire Rescue Special Revenue Fund	Sheriff Special Revenue Fund	General Government Capital Projects
Revenues:				
Taxes (net of discount)	\$611,961,730	\$ 199,401,782	\$ -	\$ 330
Special assessments	44,000	276,574	-	265,728
Licenses and permits	31,574,290	5,123	-	-
Intergovernmental	25,699,294	299,134	-	3,233,794
Charges for services	87,296,406	28,537,300	1,722,719	788,494
Less - excess fees paid out	-	-	-	-
Fines and forfeitures	1,773,502	-	207,490	1,184,138
Investment income	25,028,176	11,938,238	356,025	15,852,616
Miscellaneous	8,236,093	493,544	23,155	1,921,816
Total revenues	791,613,491	240,951,695	2,309,389	23,246,916
Expenditures:				
Current:				
General government	123,163,174	-	20,369,454	27,589,326
Public safety	33,081,054	214,684,040	415,387,129	423,392
Physical environment	13,045,938	-	-	3,931,516
Transportation	6,805,298	-	-	1,006,381
Economic environment	27,305,408	961,656	-	23,206,219
Human services	53,166,793	-	-	-
Culture and recreation	58,819,037	-	-	-
Capital outlay	289,736	5,616,363	26,124,007	20,140,230
Debt service	-	-	-	1,103,585
Total expenditures	315,676,438	221,262,059	461,880,590	77,400,649
Excess of revenues over (under) expenditures	475,937,053	19,689,636	(459,571,201)	(54,153,733)
Other financing sources (uses):				
Transfers in	63,670,349	6,809,554	481,337,223	37,179,660
Transfers out	(579,131,367)	(6,200,000)	(20,555,373)	(64,938,281)
Issuance of long-term debt	-	-	-	58,645,760
Premium (discount) long-term debt	-	-	-	804,667
Issuance of refunding debt	-	-	-	51,730,000
Premium (discount) refunding debt	-	-	-	979,778
Payment to escrow agent for refunding	-	-	-	-
Total other financing sources (uses)	(515,461,018)	609,554	460,781,850	84,401,584
Net change in fund balances	(39,523,965)	20,299,190	1,210,649	30,247,851
Fund balances, October 1, 2008 (Restated)	220,335,250	94,117,444	6,005,945	186,094,712
Increase (decrease) in reserves, inventory	51,912	60,916	-	-
Fund balances, September 30, 2009	\$ 180,863,197	\$ 114,477,550	\$ 7,216,594	\$ 216,342,563

The notes to the financial statements are an integral part of this statement.

	Road Program Capital Projects	Other Governmental Funds	Total Governmental Funds
\$	33,243,387	\$ 137,005,656	\$ 981,612,885
	5,932,998	6,281,595	12,800,895
	-	13,697,790	45,277,203
	18,327,804	182,845,208	230,405,234
	-	150,427,675	268,772,594
	-	(45,435,474)	(45,435,474)
	-	8,885,551	12,050,681
	26,719,373	47,319,653	127,214,081
	3,548,171	9,704,294	23,927,073
	<u>87,771,733</u>	<u>510,731,948</u>	<u>1,656,625,172</u>
	2,802,516	127,420,940	301,345,410
	-	25,781,352	689,356,967
	-	12,607,785	29,585,239
	5,329,137	116,206,771	129,347,587
	42,408	47,516,839	99,032,530
	-	48,226,230	101,393,023
	500,000	44,394,467	103,713,504
	63,578,469	110,821,264	226,570,069
	-	132,325,829	133,429,414
	<u>72,252,530</u>	<u>665,301,477</u>	<u>1,813,773,743</u>
	<u>15,519,203</u>	<u>(154,569,529)</u>	<u>(157,148,571)</u>
	816,200	284,525,473	874,338,459
	(36,330,531)	(167,533,391)	(874,688,943)
	-	1,199,000	59,844,760
	-	-	804,667
	-	-	51,730,000
	-	-	979,778
	-	(47,904,895)	(47,904,895)
	<u>(35,514,331)</u>	<u>70,286,187</u>	<u>65,103,826</u>
	(19,995,128)	(84,283,342)	(92,044,745)
	377,715,734	632,146,382	1,516,415,467
	-	(288,032)	(175,204)
\$	<u>357,720,606</u>	<u>\$ 547,575,008</u>	<u>\$ 1,424,195,518</u>

PALM BEACH COUNTY, FLORIDA
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to the Statement of Activities - Governmental Activities
 For the fiscal year ended September 30, 2009

Net increase (decrease) in fund balances for total governmental funds (page 13) \$ (92,044,745)

Amounts reported for governmental activities in the statements of activities are different because:

Report internal service funds as governmental activities

Internal service funds are used by management to charge the cost of certain activities, such as vehicles, computer systems, printing, and insurance to individual funds. The net revenue (loss) of the internal service funds is reported with governmental activities.

Net income (loss) per fund statements	\$	3,293,143	
Plus current year allocation of internal service funds to business-type activities		259,870	
Plus current year allocation of internal service funds to component units		3,717	3,556,730

Report as a liability long-term debt obligations

Debt issuance

Debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets and does not result in a revenue.

Current year face value of debt issued (111,574,760)

Governmental funds report the premium and discount on debt issues as revenue, but in the statement of activities these amounts are amortized to interest expense.

Current year (premium) discount on debt issued (1,784,444)
 Current year amortization of premium / discount 2,101,700

Governmental funds report the effect of gains and losses on refundings when the debt is first issued, but in the statement of activities these amounts are deferred and amortized.

Current year refunding (gain) loss deferred 108,573
 Current year amortization of deferred refunding gain / loss (834,041)

Debt retirement

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and does not result in an expense.

123,752,408

The change in accrued liabilities reported as long-term obligations do not require the use of current financial resources and therefore are not reported in the governmental fund statements.

(Increase) Decrease in arbitrage 'long term' accrued liability			
Net (Increase) Decrease in total arbitrage liability	\$	(11,824,989)	
Arbitrage fund liabilities paid during the year		1,755,377	(10,069,612)
(Increase) Decrease in Net OPEB Obligation liability		(17,254,829)	
(Increase) Decrease in estimated self-insurance obligation		(641,468)	
(Increase) Decrease in termination benefits		(1,311,106)	
(Increase) Decrease in Net Pension Obligation- Palm Tran		(252,006)	
(Increase) Decrease in compensated absences liability		(8,603,297)	(26,362,882)

PALM BEACH COUNTY, FLORIDA
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to the Statement of Activities - Governmental Activities
 For the fiscal year ended September 30, 2009

Report as an asset the cost of general capital assets and accumulated depreciation

Acquisition of capital assets		
Governmental funds report capital outlays as expenditures, but capital purchases increase assets in the statement of net assets and do not result in an expense.	224,449,433	
Acquisition of capital assets from contributions do not generate current financial resources and therefore are not reported in the governmental fund statements as revenue.		3,662,957
Depreciation expense		
The cost of capital assets is allocated over their useful life as depreciation expense. However, depreciation does not require the use of current financial resources and therefore is not reported in the governmental fund statements.	(98,941,561)	
Retirement of capital assets		
In the statement of activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance	(10,755,429)	
	118,415,400	

Report other adjustments for converting from modified accrual to full accrual

Net Increase (Decrease) in deferred issue costs:		
Current year debt issue costs deferred	1,141,666	
Current year amortization of deferred issue costs	(829,096)	
	312,570	
Increase (Decrease) in inventory	(175,204)	
Increase (Decrease) in accrued interest receivable	(12,107)	
Increase (Decrease) in Net OPEB Obligation Asset	(2,663,616)	
(Increase) Decrease in due to other governments	88,000	
(Increase) Decrease in accrued interest payable	(3,481,153)	
(Increase) Decrease in deferred revenue	2,857,752	
	(3,073,758)	

Increase (decrease) in net assets of governmental activities (page 5)	\$ 490,745
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PALM BEACH COUNTY, FLORIDA
Statement of Net Assets
Proprietary Funds
September 30, 2009

	Business-type Activities -	
	Airports	Water Utilities
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 42,515,751	\$ 58,964,931
Cash and cash equivalents - restricted	-	25,001,753
Interest receivable - restricted	-	-
Interest receivable	-	759,800
Accounts receivable, net	2,834,986	14,110,738
Due from other county funds	-	41,016
Due from other governments	4,556,409	768,300
Due from component unit	-	-
Inventory	1,095,517	7,439,898
Current portion of other receivable	113,550	752,030
Other assets	1,191,896	287,490
Total current assets	52,308,109	108,125,956
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	44,853,672	61,922,876
Cash with fiscal agent	14,237,993	-
Interest receivable	-	-
Accounts receivable, net	1,700,200	-
Total noncurrent restricted assets	60,791,865	61,922,876
Capital assets:		
Land	95,596,241	15,510,275
Buildings	346,228,850	103,715,377
Improvements other than buildings	179,712,890	1,147,463,952
Furniture, fixtures and equipment	39,985,997	72,956,968
Leasehold interest	-	12,120,667
Goodwill	-	7,131,703
Intangible - easement rights	13,754,957	1,660,856
Accumulated depreciation and amortization	(301,531,800)	(423,460,825)
Construction in progress	15,976,849	20,145,664
Total capital assets	389,723,984	957,244,637
Investments	-	-
Investment in joint ventures	-	35,119,164
Loans receivable, noncurrent	598,718	17,027,115
Deferred issuance costs	1,729,564	2,025,798
Other assets	-	-
Total noncurrent assets	452,844,131	1,073,339,590
Total assets	\$ 505,152,240	\$ 1,181,465,546

The notes to the financial statements are an integral part of this statement.

Enterprise Funds		Governmental Activities Internal Service Funds
Solid Waste Authority	Totals	
\$ 110,883,597	\$ 212,364,279	\$ 103,864,158
482,507,342	507,509,095	-
64,789	64,789	-
187,369	947,169	-
6,943,407	23,889,131	2,172,057
2,443,346	2,484,362	7,669,032
-	5,324,709	254,436
-	-	5,483
7,241,727	15,777,142	1,443,287
293,285	1,158,865	-
1,460,613	2,939,999	4,724,325
612,025,475	772,459,540	120,132,778
48,882,681	155,659,229	-
-	14,237,993	-
135	135	-
-	1,700,200	-
48,882,816	171,597,557	-
50,626,126	161,732,642	-
294,872,393	744,816,620	206,558
98,036,801	1,425,213,643	512,286
179,852,981	292,795,946	99,363,826
-	12,120,667	-
-	7,131,703	-
-	15,415,813	-
(253,965,246)	(978,957,871)	(68,128,750)
102,708,679	138,831,192	-
472,131,734	1,819,100,355	31,953,920
1,057,966	1,057,966	-
-	35,119,164	-
1,328,106	18,953,939	-
11,121,279	14,876,641	-
7,443	7,443	-
534,529,344	2,060,713,065	31,953,920
\$ 1,146,554,819	\$ 2,833,172,605	\$ 152,086,698

PALM BEACH COUNTY, FLORIDA
Statement of Net Assets
Proprietary Funds
September 30, 2009

	Business-type Activities -	
	Airports	Water Utilities
LIABILITIES		
Current liabilities payable from current assets:		
Vouchers payable and accrued liabilities	\$ 7,538,978	\$ 7,501,785
Due to other county funds	1,399,015	1,103,791
Due to other governments	2,071,655	2,668,714
Unearned revenue	562,353	-
Current portion of long-term debt	-	50,592
Compensated absences	118,000	206,000
Insurance claims payable	-	-
Other liabilities	1,395,119	30,747
Total current liabilities payable from current assets	13,085,120	11,561,629
Current liabilities payable from restricted assets:		
Customers' deposits	502,871	4,232,974
Accounts and contracts payable	271,502	1,350,998
Due to other governments	310,000	274,170
Accrued landfill closure and postclosure care costs	-	-
Current portion of long-term debt	7,535,000	14,690,000
Interest payable on bonds	3,889,103	4,453,611
Total current liabilities payable from restricted assets	12,508,476	25,001,753
Total current liabilities	25,593,596	36,563,382
Noncurrent liabilities:		
Due to other governments	-	1,684,800
Note payable	-	-
Compensated absences	1,162,330	2,683,185
Revenue bonds payable, net of discount	139,428,721	221,185,998
Other long-term liabilities	23,252	194,575
Total noncurrent liabilities	140,614,303	225,748,558
Total liabilities	166,207,899	262,311,940
NET ASSETS		
Invested in capital assets, net of related debt	246,835,375	771,925,990
Restricted for:		
Debt service	8,011,487	14,690,000
Capital projects	34,859,502	1,669,889
Grants and other	8,872,288	500,000
Unrestricted	40,365,689	130,367,727
Total net assets	\$ 338,944,341	\$ 919,153,606

Some amounts reported for business-type activities in the statement of net assets (page 2) are different because certain internal service fund assets and liabilities are included with business-type activities.

Net assets of business-type activities

The notes to the financial statements are an integral part of this statement.

<u>Enterprise Funds</u>		Governmental
Solid Waste		Activities
Authority	Totals	Internal
		Service Funds
\$ 14,664,601	\$ 29,705,364	\$ 2,470,283
30,197	2,533,003	269,662
-	4,740,369	222,082
-	562,353	44,698
4,000,000	4,050,592	339,421
341,130	665,130	-
448,000	448,000	21,449,517
451,556	1,877,422	-
<u>19,935,484</u>	<u>44,582,233</u>	<u>24,795,663</u>
533,685	5,269,530	-
12,795,031	14,417,531	-
-	584,170	-
350,000	350,000	-
71,475,000	93,700,000	-
12,299,942	20,642,656	-
<u>97,453,658</u>	<u>134,963,887</u>	<u>-</u>
<u>117,389,142</u>	<u>179,546,120</u>	<u>24,795,663</u>
-	1,684,800	-
72,000,000	72,000,000	-
4,310,026	8,155,541	-
503,154,807	863,769,526	-
66,613,463	66,831,290	37,748,990
<u>646,078,296</u>	<u>1,012,441,157</u>	<u>37,748,990</u>
<u>763,467,438</u>	<u>1,191,987,277</u>	<u>62,544,653</u>
277,217,503	1,295,978,868	31,848,109
-	22,701,487	-
15,927,100	52,456,491	-
17,981,694	27,353,982	-
71,961,084	242,694,500	57,693,936
<u>\$ 383,087,381</u>	<u>1,641,185,328</u>	<u>\$ 89,542,045</u>
	5,092,462	
	<u>\$ 1,646,277,790</u>	

PALM BEACH COUNTY, FLORIDA
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the fiscal year ended September 30, 2009

	<u>Business-type Activities -</u>	
	Airports	Water Utilities
Operating revenues:		
Charges for services	\$ 61,030,647	\$ 125,652,985
Miscellaneous	2,270,849	4,573,103
Total operating revenues	63,301,496	130,226,088
Operating expenses:		
Aviation services	45,601,969	-
Water and sewer services	-	89,241,296
Transportation services	-	-
Solid waste services	-	-
Self-insurance services	-	-
Data processing services	-	-
Equity interest in net loss of joint venture	-	1,718,400
Depreciation and amortization	24,207,560	41,335,106
Total operating expenses	69,809,529	132,294,802
Operating income (loss)	(6,508,033)	(2,068,714)
Nonoperating revenues (expenses):		
Investment income	5,420,701	6,563,519
Guaranteed revenue	-	2,921,698
Passenger facility charges	12,399,147	-
Deferred issue costs	(129,773)	(145,171)
Interest expense	(7,778,207)	(7,011,305)
Investment termination loss	-	-
Other revenues (expenses)	(289,870)	49,810
Total nonoperating revenues (expenses)	9,621,998	2,378,551
Income (loss) before capital contributions and transfers	3,113,965	309,837
Capital contributions	15,772,944	17,978,883
Transfers in	-	-
Transfers out	(1,100,000)	-
Change in net assets	17,786,909	18,288,720
Net assets October 1, 2008	321,157,432	900,864,886
Net assets September 30, 2009	\$ 338,944,341	\$ 919,153,606

Some amounts reported for business-type activities in the statement of activities (page 5) are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.

Change in net assets of business-type activities

The notes to the financial statements are an integral part of this statement.

<u>Enterprise Funds</u>		Governmental
Solid Waste		Activities
Authority	Totals	Internal
		Service Funds
\$ 221,579,439	\$ 408,263,071	\$ 143,535,853
-	6,843,952	-
<u>221,579,439</u>	<u>415,107,023</u>	<u>143,535,853</u>
-	45,601,969	-
-	89,241,296	-
-	-	19,752,890
142,615,782	142,615,782	-
-	-	91,108,465
-	-	32,329,614
-	1,718,400	-
24,396,773	89,939,439	11,304,871
<u>167,012,555</u>	<u>369,116,886</u>	<u>154,495,840</u>
<u>54,566,884</u>	<u>45,990,137</u>	<u>(10,959,987)</u>
2,611,735	14,595,955	7,903,802
-	2,921,698	-
-	12,399,147	-
-	(274,944)	-
(14,002,833)	(28,792,345)	(6,846)
(1,691,994)	(1,691,994)	-
5,367,454	5,127,394	2,022,439
<u>(7,715,638)</u>	<u>4,284,911</u>	<u>9,919,395</u>
46,851,246	50,275,048	(1,040,592)
3,184,052	36,935,879	2,883,251
-	-	1,859,063
-	(1,100,000)	(408,579)
<u>50,035,298</u>	<u>86,110,927</u>	<u>3,293,143</u>
<u>333,052,083</u>		<u>86,248,902</u>
<u>\$ 383,087,381</u>		<u>\$ 89,542,045</u>
	(259,870)	
	<u>\$ 85,851,057</u>	

PALM BEACH COUNTY, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended September 30, 2009

	<u>Business-type Activities -</u>	
	Airports	Water Utilities
Cash flows from operating activities:		
Cash received from customers	\$ 60,841,734	\$ 125,339,840
Cash received from other funds for goods and services	-	-
Cash payments to vendors for goods and services	(15,036,575)	(47,591,282)
Cash payments to employees for services	(11,499,573)	(28,322,344)
Cash payments to other funds	(18,165,789)	(14,359,718)
Claims paid	-	-
Other receipts	-	6,146,519
Net cash provided by operating activities	16,139,797	41,213,015
Cash flows from noncapital financing activities:		
Transfers in	256,147	-
Transfers out	-	-
Net cash provided by noncapital financing activities	256,147	-
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	61,460	235,998
Contributed capital	5,868,079	13,452,937
Purchase and construction of capital assets	(22,261,272)	(33,502,680)
Proceeds from long-term borrowings	-	-
Payments to joint ventures	-	(3,460,837)
Principal payments on debt	(7,225,000)	(14,070,000)
Interest payments on debt	(7,922,705)	(8,007,185)
Paying agent fees	-	(8,981)
Passenger facility charges received	12,119,352	-
Proceeds on issuance of revenue bonds	-	70,082,938
Bond issuance costs paid	-	(770,746)
Principal received on notes receivable	-	-
Net cash provided by (used in) capital and related financing activities	(19,360,086)	23,951,444
Cash flows from investing activities:		
Interest on investments	5,420,701	7,696,367
Receipt of repayments on other receivables	107,290	-
Proceeds from sale of investments	-	-
Net cash provided by investing activities	5,527,991	7,696,367
Net increase in cash and cash equivalents	2,563,849	72,860,826
Cash and cash equivalents, October 1, 2008	99,043,567	73,028,734
Cash and cash equivalents, September 30, 2009	\$ 101,607,416	\$ 145,889,560

The notes to the financial statements are an integral part of this statement.

<u>Enterprise Funds</u>		Governmental
Solid Waste		Activities
Authority	Totals	Internal
		Service Funds
\$ 220,224,231	\$ 406,405,805	\$ 11,549,590
609,102	609,102	130,918,757
(109,579,826)	(172,207,683)	(38,490,990)
(31,637,237)	(71,459,154)	(27,280,872)
(8,816,628)	(41,342,135)	(4,734,961)
-	-	(71,159,899)
600,430	6,746,949	1,419,563
<u>71,400,072</u>	<u>128,752,884</u>	<u>2,221,188</u>
-	256,147	1,859,063
-	-	(408,579)
<u>-</u>	<u>256,147</u>	<u>1,450,484</u>
5,681,712	5,979,170	1,045,043
8,569,473	27,890,489	-
(78,836,479)	(134,600,431)	(8,369,467)
397,939,962	397,939,962	-
-	(3,460,837)	-
(36,520,000)	(57,815,000)	(205,825)
(11,009,555)	(26,939,445)	(8,763)
-	(8,981)	-
-	12,119,352	-
-	70,082,938	-
(10,474,478)	(11,245,224)	-
279,333	279,333	-
<u>275,629,968</u>	<u>280,221,326</u>	<u>(7,539,012)</u>
5,522,790	18,639,858	7,903,802
-	107,290	-
<u>19,862,274</u>	<u>19,862,274</u>	<u>-</u>
<u>25,385,064</u>	<u>38,609,422</u>	<u>7,903,802</u>
372,415,104	447,839,779	4,036,462
<u>269,858,516</u>	<u>441,930,817</u>	<u>99,827,696</u>
<u>\$ 642,273,620</u>	<u>\$ 889,770,596</u>	<u>\$ 103,864,158</u>

PALM BEACH COUNTY, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended September 30, 2009

	<u>Business-type Activities -</u>	
	Airports	Water Utilities
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ (6,508,033)	\$ (2,068,714)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	24,207,560	41,335,106
Equity interest in net loss of joint venture	-	1,718,400
Provision for doubtful accounts	30,111	814,900
(Gain) on disposal of equipment	-	-
Miscellaneous revenue	-	-
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(2,002,076)	(455,040)
(Increase) in due from other county funds	-	(6,401)
Decrease in due from other governments	-	-
(Increase) in inventory	(105,953)	(630,841)
(Increase) in other assets	(153,778)	(13,432)
(Increase) in due from component unit	-	-
Increase (decrease) in vouchers payable and accrued liabilities	254,574	(384,838)
Increase in due to other county funds	16,490	159,503
Increase (decrease) in due to other governments	-	56,616
Increase in other current liabilities	858,588	-
Increase (decrease) in unearned revenue	(627,759)	-
Increase in current portion of long-term debt	-	-
Increase (decrease) in customer deposits	170,073	687,756
Increase in insurance claims payable	-	-
Increase in other long-term liabilities	-	-
Net cash provided by operating activities	\$ 16,139,797	\$ 41,213,015
Supplemental disclosure of noncash capital and related financing activities:		
Net capital assets transferred to other funds	\$ (1,100,000)	\$ -
Amortization of deferred issuance costs	\$ 166,787	\$ 145,171
Amortization of premium on bonds	\$ 384,568	\$ 632,710
Amortization of discount on bonds	\$ -	\$ 339
Amortization of deferred advance refunding loss	\$ 347,555	\$ 331,470
Disposal of fully depreciated capital assets	\$ 3,218,152	\$ 2,653,269
Increase (decrease) in fair value of investments	\$ -	\$ -
Contribution of capital assets	\$ 6,583,835	\$ 8,758,740

The notes to the financial statements are an integral part of this statement.

<u>Enterprise Funds</u>		Governmental Activities Internal Service Funds
Solid Waste Authority	Totals	
\$ 54,566,884	\$ 45,990,137	\$ (10,959,987)
24,396,773	89,939,439	11,304,871
-	1,718,400	-
20,054	865,065	-
(4,658,925)	(4,658,925)	-
5,367,454	5,367,454	1,419,563
941,191	(1,515,925)	(172,055)
(1,478,253)	(1,484,654)	(936,725)
-	-	16,332
(6,872,314)	(7,609,108)	(170,427)
(284,537)	(451,747)	(297,083)
-	-	(1,777)
(4,463,143)	(4,593,407)	(674,818)
2,257,660	2,433,653	92,588
-	56,616	(16,255)
150,404	1,008,992	-
-	(627,759)	44,698
-	-	163,195
(51,175)	806,654	-
-	-	2,409,068
1,507,999	1,507,999	-
<u>\$ 71,400,072</u>	<u>\$ 128,752,884</u>	<u>\$ 2,221,188</u>
<u>\$ -</u>	<u>\$ (1,100,000)</u>	<u>\$ -</u>
<u>\$ 618,037</u>	<u>\$ 929,995</u>	<u>\$ -</u>
<u>\$ 986,073</u>	<u>\$ 2,003,351</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 339</u>	<u>\$ -</u>
<u>\$ 2,421,393</u>	<u>\$ 3,100,418</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 5,871,421</u>	<u>\$ 7,897,133</u>
<u>\$ (398,698)</u>	<u>\$ (398,698)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 15,342,575</u>	<u>\$ 2,883,251</u>

PALM BEACH COUNTY, FLORIDA
Statement of Fiduciary Net Assets - Agency Funds
September 30, 2009

	Total Agency Funds
ASSETS	
Cash and cash equivalents	\$ 74,508,374
Accounts receivable, net	480,239
Due from other governments	682,525
Other assets	468
Total assets	\$ 75,671,606
LIABILITIES	
Vouchers payable and accrued liabilities	\$ 5,115,098
Due to other governments	40,314,722
Due to individuals	29,887,235
Other liabilities	354,551
Total liabilities	\$ 75,671,606

The notes to the financial statements are an integral part of this statement.

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

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PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Palm Beach County, Florida reporting entity (the County) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County's more significant accounting policies are described below.

A. Financial Reporting Entity

Palm Beach County is a political subdivision of the State of Florida pursuant to Article VIII, Section (1) of the Constitution of the State of Florida. It is governed by a seven member elected Board of County Commissioners (the Board) which is regulated by State Statutes and a local County Charter, operating under a County Manager form of government with separation of legislative and executive functions. In addition to the members of the Board, there are five elected Constitutional Officers: the Tax Collector, Property Appraiser, Clerk & Comptroller, Sheriff, and the Supervisor of Elections. The Board and the Constitutional Officers comprise the Palm Beach County primary government.

As required by GAAP, these financial statements cover the Palm Beach County reporting entity which includes the Palm Beach County primary government as well as its component units. Component units are legally separate entities for which the primary government is financially accountable. In accordance with GASB Statement No. 14, *The Financial Reporting Entity*, Component units are either classified as blended component units or discretely presented component units, depending on the nature of the entity's relationship with the primary government. GASB Statement No. 14 provides the following criteria for determining whether or not an entity is a component unit of the reporting entity:

The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of the separate organization's governing body *and* either is able to impose its will on that organization or there is the potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, activities of, or the level of services performed or provided by the organization. A financial benefit or burden relationship exists if the primary government is entitled to the organization's resources; is legally obligated or has otherwise assumed the obligations to finance the deficits of, or provide financial support to, the organization; or is obligated in some manner for the debt of the organization.

Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

In addition, any entity, for which the primary government is not financially accountable but for which exclusion would cause the primary government's financial statements to be misleading, should be included as a component unit.

In accordance with GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units: an Amendment of GASB Statement No. 14*, a government must include certain legally separate, tax-exempt entities in the government's financial reporting entity as discretely presented component units if they meet all three of the following conditions: (a) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (b) the primary government or its component units, are entitled to or have the ability to otherwise access a majority of the economic resources received or held by the separate organizations; or (c) the economic resources received or held by an individual organization that the specific primary government is entitled to, or has the ability to otherwise access, are significant to that primary government. GASB Statement No. 39 had no effect on determining the County's discretely presented component units and therefore had no effect on the financial statements. Based on the criteria specified above, the Palm Beach County reporting entity includes both blended component units and discretely presented component units.

Blended Component Units

The following organizations have been presented as blended component units because the organization's governing body is substantially the same as the governing body of the County, or the organization provides services almost entirely to the primary government.

Palm Beach County Public Building Corporation – This corporation was created by Palm Beach County Ordinance 81-11 pursuant to Article VIII, Section 1 (f) of the Constitution of the State of Florida and Sections 125.01 (w) and 125.66, Florida Statutes. The corporation was incorporated on April 2, 1981 to provide financial assistance for and on behalf of the County by paying the costs of acquiring, constructing and equipping an Administrative Complex located at 301 North Olive Avenue in the City of West Palm Beach, Florida (the Project). The corporation also participates in certain activities incidental to such purpose, including the leasing of the Project to the County. This corporation currently has no fiscal activity.

Transportation Authority (Palm Tran, Inc.) – This corporation was created by Palm Beach County Resolution 95-1636D pursuant to Chapter 617, Florida Statutes. Its purpose is to operate for the advancement of charity by advancing public transportation and lessening the burden on Palm Beach County to provide a transportation system. The Board of Palm Tran, Inc. consists of the seven members of the Board of County Commissioners of Palm Beach County. The bylaws provide that the corporation shall have a president to act as the corporation's chief executive officer who shall be the County Administrator, a secretary/treasurer who shall be the Clerk to the Board of County Commissioners

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

or a deputy clerk designated for such purposes, and an executive director who shall be responsible for the day to day management and operations of the corporation. Palm Tran, Inc. is reported as a special revenue fund.

Solid Waste Authority of Palm Beach County (SWA) – The SWA is a dependent special district created under the Palm Beach County Solid Waste Act (the Act), Chapter 75-473, Laws of Florida. Chapter 91-334, Laws of Florida, became effective October 1, 1991 and amended Chapter 75-473 by providing that the seven members of the Palm Beach County Board of County Commissioners shall serve as the governing board of the Authority. The Board of the SWA is responsible for adopting an annual, non-appropriated, operating budget as a financial plan for the year. The Act gives the SWA the power to construct and operate solid waste disposal facilities and to require that all solid waste collected by private and/or public agencies within the County for disposal in the County be delivered to processing and disposal facilities designated by the SWA. The SWA is reported as an enterprise fund.

Discretely Presented Component Units

The Component Unit columns in the basic financial statements include the financial data of the County's discretely presented Component Units. They are reported in separate columns to emphasize that they are legally separate from the County. The following organizations are included in the reporting entity because the primary government (1) appointed a voting majority of the organization's board, (2) is able to impose its will on the organization, and (3) the organization provides services to the citizenry of Palm Beach County.

Housing Finance Authority of Palm Beach County, Florida (HFA) – This public authority was created by Palm Beach County Ordinance 79-3 pursuant to Chapter 159, Florida Statutes, as amended and supplemented. It was created to alleviate the shortage of housing available at affordable rates in Palm Beach County and the shortage of capital for investments in such housing. The Authority has the power to issue single family and multi-family revenue bonds to finance the purchase of housing by families of low and moderate income through investing in mortgage loans to eligible families. The HFA is presented as a proprietary fund type.

Westgate/Belvedere Homes Community Redevelopment Agency (CRA) – This agency was created by Palm Beach County Resolution 89-649 pursuant to Section 163.355, Florida Statutes. It was created in order to develop and revitalize the blighted area known as Westgate/Belvedere Homes with intent to benefit Palm Beach County as a whole by returning improved property to the County's tax base. The CRA has the power to issue redevelopment revenue bonds from time to time to finance its undertaking of community redevelopment to the designated area. The CRA is presented as a governmental fund type.

Metropolitan Planning Organization (MPO) – This organization was created by Palm Beach County Resolution 79-1684 pursuant to Section 334.215, Florida

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

Statutes, as amended by Section 339.175, Florida Statutes. The members of the MPO are appointed by the Governor and consist of five members of the Board of County Commissioners, eleven members from local municipalities, and one member from the governing board of the Port of Palm Beach. The purpose of the MPO is to administer and execute the inter-local agreement providing for short-term and long-term planning for all modes of travel in order to benefit the citizens of Palm Beach County. The MPO is reported as a governmental fund type.

Complete financial statements for each of the individual component units may be obtained at the respective entity's administrative offices.

Palm Beach County Public Building Corporation 301 North Olive Avenue West Palm Beach, FL 33401	Metropolitan Planning Organization 160 Australian Avenue, Suite 201 West Palm Beach, FL 33406
------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------

Solid Waste Authority of Palm Beach County 7501 North Jog Road West Palm Beach, FL 33412	Housing Finance Authority of Palm Beach County 810 Datura Street West Palm Beach, FL 33401
---------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------

Westgate/Belvedere Homes Community Redevelopment Agency
160 Australian Ave, Suite 500
West Palm Beach, FL 33406

Related Organizations

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations do not extend beyond making the appointments.

The following organizations are related organizations which have not been included in the reporting entity:

Palm Beach County Educational Facilities Authority – This organization was created by Palm Beach County Resolution 79-1493 pursuant to Chapter 243.18, Florida Statutes. Members of the authority are appointed by the Board of County Commissioners of Palm Beach County, but the County does not provide funding, has no obligation for the debt issued by the authority and cannot impose its will.

Palm Beach County Health Facilities Authority – This organization was created pursuant to Part III – Chapter 154, Florida Statutes, and by Ordinance 77-379 and 77-398 adopted by the Board of County Commissioners. Members of the authority are appointed by the Board of County Commissioners of Palm Beach County, but the County does not provide the funding, has no obligation for the debt issued by the authority and cannot impose its will.

Palm Beach County Workforce Development Board, Inc. – This Board was created pursuant to Palm Beach County Resolution 96-805D, as amended by

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

Resolutions 96-1539D and 97-510Dm as a result of the enactment by the Florida Legislature of the Workforce Florida Act of 1996. Members of the board are appointed by the Board of County Commissioners of Palm Beach County, but the County does not provide the funding, has no obligation for the debt issued by the board and cannot impose its will.

Joint Ventures

East Central Regional Wastewater Facility

In September 1992, Palm Beach County entered into a thirty-year joint inter-local agreement (the Agreement) with four municipalities for the East Central Regional Wastewater Facility (the Facility). The Facility was created to receive, treat and dispose of sewage generated within each municipality and the County. Under GAAP, the County is required to account for this joint venture using the equity method. Accordingly, the County recorded its initial investment at cost and is required to record its proportionate share of the Facility's income or loss as well as additional contributions made or distributions received. Palm Beach County's interest in the joint venture is recorded in the County's Water Utilities Enterprise Fund. As of September 30, 2008, the Facility had total assets of \$101,074,170 and total net assets of \$88,449,658 including \$63,310,884 invested in capital, net of debt, and \$13,699,359 of unrestricted net assets. September 30, 2009 amounts are expected to approximate the above figures.

The Agreement provides for the establishment of a board comprised of one representative from each participating entity, with the City of West Palm Beach being designated to administer and operate the Facility. The Facility's board has the authority to accept and disburse funds, approve an annual budget, transact business, enter into contracts and decide all other matters related to the Facility.

The proportionate share for each entity is determined by the reserve capacity of the Facility allocated to each participant. At September 30, 2009, Palm Beach County had a 33.59% interest. The participants and each entity's interest at September 30, 2009 are as follows:

PARTICIPANT	RESERVE CAPACITY PERCENTAGES
City of West Palm Beach	26.56%
Palm Beach County	33.59%
City of Lake Worth	19.53%
City of Riviera Beach	12.50%
Town of Palm Beach	7.82%
TOTAL	100.00%

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

Separate financial statements for the Facility may be obtained at the following address:

East Central Regional Wastewater Facilities
City of West Palm Beach
P.O. Box 3506
West Palm Beach, FL 33402

Sunshine State Governmental Financing Commission

The Sunshine State Governmental Financing Commission (the "Commission") was created in November 1985. As a joint venture among the member governmental units, the Commission enables a limited number of qualifying governments to participate in pooled debt financing with pricing and cost structures not normally available to governmental entities acting individually.

Loan obligations from the Commission are reflected as debt by the participating governmental units. Palm Beach County has no obligation and minimal event risk associated with the Commission other than the repayment of its loan from the Commission.

Financial Statements may be obtained from the Commission.

B. Basic Financial Statements

The County's Basic Financial Statements contain three components; government-wide financial statements, fund financial statements and notes to the financial statements.

Government-wide financial statements - The government-wide financial statements provide an overview of the County's financial position using the accrual basis of accounting. The Statement of Net Assets presents information on all of the assets and liabilities of the County as a whole. The difference between assets and liabilities is reported as net assets. Changes in net assets may serve as an indicator of whether the financial position of the County is improving or deteriorating. The Statement of Activities presents information showing how the County's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying economic transactions occur, regardless of when cash is received or paid. Therefore, some of the revenues or expenses reported in the Statement of Activities will have cash flows in future fiscal periods. For example, uncollected taxes are shown as revenues although cash receipts will occur in the future. Unused vacation leave results in an expense although related cash outflows will occur in the future.

The government-wide financial statements show a distinction between activities that are supported primarily by taxes and intergovernmental revenues (governmental activities) and activities that are intended to recover all or most of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, human services and culture and recreation. The business-type activities of

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

the County include the Water Utilities Department, the Department of Airports and the Solid Waste Authority.

The government-wide financial statements include not only the County itself (the primary government), but also its' discretely presented component units, the legally separate entities for which the County is financially accountable.

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with legal, legislative, contractual, and other finance-related provisions. All of the funds of the County may be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds – Most of the County's basic services are reported in governmental funds, which focus on how money or other spendable financial resources flow into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general governmental operations and the basic services it provides. The measurement focus is based upon determination of changes in financial resources. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. The governmental fund category includes the general fund, special revenue funds, debt service funds, and capital project funds. There is a reconciliation of the governmental activities presented in the Statement of Net Assets and the Statement of Activities to the governmental funds presented in the fund financial statements. The following is a description of the County's major governmental funds:

The **General Fund** is the primary operating fund of the County. It is used to account for all financial resources of the general government except those required to be accounted for in other funds. The General Fund specifically accounts for the County-wide and Municipal Services Taxing Unit portions of the General Fund.

Special Revenue Funds:

The **Fire Rescue Fund** is used to account for ad valorem taxes and other revenues designated for fire rescue services.

The **Sheriff's Fund** is used to account for the expenditures necessary to carry out the powers, duties and obligations of the elected office of Sheriff as detailed in Chapter 30.15, Florida Statutes.

Capital Projects Funds:

The **General Government Capital Fund** is used to account for improvements not included in any other category. It is a major fund for public interest reasons.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

The **Road Program Capital Fund** is used to account for costs related to the design and acquisition of rights of way and the construction of improvements to the County's major thoroughfare road system, primarily represented by the County's Five Year Road Program.

All other nonmajor governmental funds are aggregated into a single column for presentation purposes.

Proprietary Funds – The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Water Utilities Department, its Department of Airports and the Solid Waste Authority. All three of these operations are considered to be major proprietary funds of the County. Internal Service Funds are used to accumulate and allocate costs internally among the County's other functions. The County uses internal service funds to account for Fleet Management, Risk Management and Information Systems Service programs. These programs are included in the governmental activities column of the government-wide financial statements because they predominantly benefit governmental rather than business-type functions. The measurement focus is based on changes in economic resources. The four internal service funds are aggregated into a single column for presentation in the proprietary fund financial statements. The County's three major proprietary funds are described below:

The **Water Utilities Department Fund** is used to account for the operations of the water and wastewater system in the unincorporated areas of the County. Water and wastewater fees are determined annually by rate studies and are set at levels to recover the expenses of operations, including debt service, in a manner similar to private business enterprises. Activities necessary to provide water and wastewater service are accounted for in this fund, including customer service, engineering, operations and maintenance.

The **Department of Airports Fund** is used to account for the operations of the four County-owned airports – Palm Beach International Airport in West Palm Beach and three general aviation airports located in Palm Beach Gardens, Lantana and Pahokee.

The **Solid Waste Authority Fund** is used to account for the operations of the Solid Waste Authority on a countywide basis. Refuse generated in the unincorporated areas of the County is collected by franchised and non-franchised collectors serving residential and commercial customers and by private companies servicing their own customers. Refuse dumping fees are reviewed annually and are set at levels sufficient to recover operating and debt service expenses.

Agency Funds are custodial in nature (assets equal liabilities) and do not measure results of operations. Agency funds are used to account for resources held by the government as an agent for individuals, private organizations and other governments. Assets held include cash bonds, purchasing bid bonds, security deposits, fines and forfeitures, tax deeds, tax payments, and license and registration payments. These funds are not included

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

in the government-wide financial statements because the resources in these funds are not available to support the County's own programs.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment for transactions is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial reports.

The government-wide and proprietary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. The Agency fund financial statements are presented using the accrual basis of accounting.

With the economic resources measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. With the accrual method of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Government-wide financial statements and proprietary fund financial statements show increases (revenues) and decreases (expenses) in net assets.

Governmental fund financial statements are presented using the current financial resources and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds show increases (i.e. revenues and other financing resources) and decreases (i.e. expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, that is, when they become both measurable and available to pay liabilities of the current period. For this purpose, the County considers revenue to be available if they are collected within 60 days of year-end. Revenues not considered available are recorded as deferred revenues. Property taxes when levied for, intergovernmental revenue when all eligibility requirements have been met, franchise fees, utility taxes, licenses and permits, charges for services and Investment Income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditures generally are recorded when a liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and other post employment benefits are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, monies must be expended for the specific purpose or project before any intergovernmental revenues will be received by the County; therefore, revenues are recognized based upon the expenditures incurred when the eligibility requirements are met, if "available" under modified accrual. In the other, intergovernmental revenues are virtually unrestricted and are usually revocable only for

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

D. Cash and Investments

Additional information is provided in Note 2, Cash and Investments.

Deposits

All deposits are held in qualified public depositories pursuant to the Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act" and are covered by either federal depository insurance or collateral held by the Chief Financial Officer of Florida.

In the event of a default by a qualified public depository, all claims for government deposits would be satisfied by the Chief Financial Officer of Florida from the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool.

Cash Equivalents

Highly liquid investments with maturities of three months or less when purchased are reported as cash equivalents. The funds' investments in the County's internal investment pool are reported in the fund financial statements as cash equivalents. For the entity-wide Statement of Net Assets, the primary government's investment in the internal investment pool is reported separately from investments held outside the pool.

Internal Investment Pool

The County maintains an investment pool for substantially all cash and cash equivalents and investments of all funds. All money market investments and participating interest earning investment contracts with a remaining maturity at time of purchase of ninety days or less are recorded at amortized cost plus accrued interest. All other investments are carried at fair value as determined from quoted market prices. Each fund's portion of the pool is presented as "cash and cash equivalents", "investments" or "restricted assets" as appropriate. Earnings are allocated to each fund based on average daily balances of cash and investments. The County considers cash and cash equivalents to be cash on hand, demand deposits, investments and equity in the County's cash management internal investment pool. The internal investment pool is reported as a cash equivalent in accordance with GASB 9 footnote 5 and the 2009 GASB Comprehensive Implementation Guide, paragraph 2.13.1.

Investments

State statutes and local ordinances authorize County investments in obligations of the U.S. Government, its agencies and instrumentalities, repurchase agreements, interest-bearing

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time deposits, savings accounts, Florida Prime Investment Pool (formerly known as the Local Government Surplus funds Trust Fund LGIP administered by the State Board of Administration), the Florida Local Government Investment Trust (FLGIT), collateralized mortgage obligations (CMO), certain corporate securities, bankers acceptances, and money market mutual funds.

State statues authorize Solid Waste Authority (SWA) investments in the Local Government Surplus Funds Trust Fund (State Board of Administration), interest-bearing time deposits, savings accounts, negotiable direct obligations of or obligations unconditionally guaranteed by the U.S. Government, obligations of the Federal Farm Credit Banks, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank or its districts, interest rate swap agreements, and obligations guaranteed by the Government National Mortgage Association and obligations of the Federal National Mortgage Association and mutual funds limited to U.S. Government securities. All investments are reported at fair value except for the following which are reported at amortized cost as permitted by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*:

- Florida Prime Investment Pool
- Money Market Mutual Funds.

The following external investment pools are not SEC-registered:

The State Board of Administration (SBA) administers the Florida Prime Investment Pool (formerly known as the Local Government Surplus funds Trust Fund LGIP) and the Fund B Surplus Funds Trust Fund (Fund B), both of which are governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. The Florida Prime Investment Pool is an external investment pool operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The Fund B is accounted for as a fluctuating net asset value pool. The Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the SBA, are effected by transferring eligible cash or securities to the Florida Prime Investment Pool, consistent with the pro rata allocation of pool shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as liquid balance within the Florida Prime Investment Pool. The investments in the Florida Prime Investment Pool and Fund B are not insured by FDIC or any other governmental agency. Regulatory oversight of the State Board of Administration is provided by three elected officials who are accountable to the electorate: the Governor of the State of Florida, as Chairman; the Chief Financial Officer of Florida, as Treasurer; and the State Comptroller, as Secretary. External oversight of the State Board of Administration is provided by the Investment Advisory Council which reviews the investments made by the staff of the Board of Administration and makes recommendations to the Board regarding investment policy, strategy, and procedures. Audit oversight is provided by the Florida Auditor General's Office.

The Florida Local Government Investment Trust (FLGIT) is a local government investment pool developed jointly by the Florida Association of Court Clerks and the

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Florida Association of Counties. The FLGIT has no regulatory oversight, but has been recognized by an Internal Revenue Service private letter ruling as a tax-exempt organization, received a Standard and Poor's rating and is governed by a six member Board of Trustees. The share price of this investment represents the fair value of the fund's underlying investments.

E. Accounts and Other Receivables

Accounts receivable are recorded net of allowances for bad debts. Allowance for uncollectible receivables is based upon historical trends and the periodic aging of receivables. These allowances relate to the enterprise funds and are not significant. Billings to water utility customers are based on metered consumption which is determined at various dates each month. Estimated unbilled consumption at year-end is recognized as revenue in the Water Utilities Fund. Other receivables include low income housing loans to individuals and developers, a loan to the convention center and a contribution receivable from FAU as part of the Scripps project.

F. Inventories and Prepaid Items

Inventories consisting primarily of materials and supplies are stated at cost based upon the first-in, first-out method. Purchases of inventories for governmental funds are reported as expenditures in the period purchased, except for the Sheriff, which is accounted for using the consumption method. Inventories for governmental fund types, which use the purchases method, are reported on the governmental funds balance sheet as an asset of the fund with a corresponding reserve against fund balance. Inventories of proprietary type funds are reported as an expense when consumed in the operations of the fund.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Expenditures for insurance and similar services extending over more than one accounting period are accounted for as expenditures of the period of acquisition.

G. Capital Assets

Property, plant, and equipment and infrastructure assets (such as roads, sidewalks, bridges, and drainage systems) are reported in the applicable governmental or business-type activities columns of the government-wide financial statements and proprietary fund financial statements. All work in process for the current fiscal year has been capitalized as Construction In Progress as the related projects have not yet been completed. Capital assets are defined as those assets with an initial, individual cost of over \$1,000. Contributed capital assets are recorded at their estimated fair value at the time received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. In addition, net interest costs are capitalized on projects during the construction period. Depreciation is calculated using the straight-line method over estimated useful lives as follows:

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<u>Asset Classification</u>	<u>Estimated Useful Life (In Years)</u>
Buildings, Utility Plants and Systems	10-50
Furniture, Fixtures and Equipment	2-15
Improvements Other Than Buildings	5-20
Infrastructure	20-50

In the governmental fund financial statements, the costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures. Capital assets are not shown on the governmental fund balance sheets.

Goodwill is determined based on the difference between the acquisition price and the fair value of all assets acquired. Amortization of goodwill related to the utility system acquisition is also computed on the straight-line method. The Water Utilities Department has two items of goodwill: 1.) the goodwill resulting from the acquisition of the Village of Royal Palm Beach's Utility System is amortized over 30 years which represents the period the bonds issued to fund the acquisition will be outstanding, and 2.) the goodwill resulting from the acquisition of the Indian Trail Improvement District Utility System is amortized over 40 years.

H. Compensated Absences

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, the County accrues a liability for compensated absences, as well as certain other salary-related costs associated with the payment of compensated absences. Vacation leave is accrued as a liability as the benefits are earned by the employees. Sick leave is also accrued as a liability as the benefits are earned by the employees, but only to the extent that it is probable that the County will compensate the employees for the benefits through cash payments at termination or retirement.

Under the accrual basis of accounting used in the government-wide financial statements and the separate proprietary fund financial statements, the entire compensated absences liability (long-term and short-term) is reported when earned as described above. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignation and retirements.

I. Landfill Closure and Post-closure Care Costs

In accordance with governmental accounting standards, the County, as a municipal solid waste land owner, records a current expense and the related long-term liability for certain future landfill closure and Post-closure care costs for landfills still accepting solid waste. The portion of these future costs currently recognized is based on the amount of landfill capacity consumed as of each balance sheet date. The County also records the current estimated liability for remediation and monitoring costs for landfills that closed on or before October 9, 1991. More information on these expenses and related long-term liabilities is disclosed in the *Landfill Closure and Post-closure Care Costs* Note.

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J. Deferred Issuance Costs, Bond Discounts, Premiums and Deferred Amounts on Refunding

At the government-wide level and in the proprietary funds, expenses incurred in connection with the issuance of long-term debt, as well as bond discounts, premiums and deferred amounts on refunding, are deferred and amortized over the term of the related financing using a method that approximates the effective interest method. For governmental funds, these costs are considered to be period costs.

K. Self-Insurance

The County maintains a Risk Management (Workers' Compensation) self-insurance program, a Casualty self-insurance program, and an Employee health self-insurance program which are accounted for as internal service funds. The County has elected to essentially self-insure itself for health benefits to County employees and employees of component units of the County electing to participate in the plan. The plan covers approximately 4,900 participants.

The three (3) self-insurance programs are designed to be self-sustaining through actuarially determined premiums established annually to cover expected claims, administration and a margin for unexpected losses or expenses.

L. Financial Reporting for Government-wide and Proprietary Funds

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Government Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The government has elected not to follow subsequent private-sector guidance.

M. Pension and Other Post-Employment Benefits Disclosure

The County applies GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, for the measurement, recognition, and display of pension expenditures or expenses as discussed in a subsequent note.

The County applies GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for the measurement, recognition, and display of OPEB expenditures or expenses, liabilities and assets as discussed in a subsequent note.

N. Elimination of Internal Activity

In the government-wide Statement of Activities, interfund activity, such as transfers in and out as well as transfers within the Internal Service Funds and within the Governmental Activities category is eliminated. Interfund activity between governmental and business-type activities is not eliminated. Interfund services provided and used

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between functions are not eliminated because removing interfund services would distort the functional expenses presented in the Statement of Activities.

O. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

P. Budgets

BOARD OF COUNTY COMMISSIONERS

Pursuant to Chapter 129, Florida Statutes, General Budget Policies, the following procedures are followed by the Board of County Commissioners in establishing, adopting and maintaining the operating budget.

1. On or before July 15, the County Administrator, through the Office of Financial Management and Budget (OFMB) submits to the Board of County Commissioners a tentative budget for the fiscal year commencing the following October 1. This is a detailed plan outlining all programs and estimated departmental revenues and expenditures for the upcoming year.
2. Taxpayers are informed of the proposed budget and tentative millage rates through advertising and public hearings which are held to elicit taxpayer comments.
3. The budget is legally adopted through Board of County Commission action for the fiscal year beginning October 1.
4. The Board at any time within a fiscal year may amend a budget for that year as follows:
 - a. Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by action recorded in the minutes, provided that the total of the appropriations of the fund are not changed. The Board of County Commissioners, however, may establish procedures by which the designated budget officer may authorize certain intradepartmental budget amendments, provided that the total appropriation of the department shall not be changed.
 - b. Appropriations from reserves may be made to increase appropriations by resolution of the Board, but no expenditures shall be directly charged to any reserve.
 - c. A receipt from a source not anticipated in the budget and received for a particular purpose including, but not limited to, grants, donations, gifts or reimbursements for damages may, by resolution of the Board recorded in its minutes, be appropriated and expended for that purpose, in addition to

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the appropriations and expenditures provided for in the budget. Such receipts and appropriations shall be added to the budget in the proper fund. During fiscal year 2009, supplemental appropriations amounted to a net increase of \$612,298,058, or approximately 15.3% of the original budget.

5. It is unlawful for the Board to expend or contract for the expenditures in any fiscal year more than the amount budgeted in each individual fund's budget, and in no case shall the total appropriations of any budget be exceeded. In addition, to comply with the above statutory requirements, the Board of County Commissioners has elected to adopt management controls and approved guidelines, which provide for the budget to be controlled at a detail level greater than the statutory level of control. This control (effective legal level) is maintained at the department or fund level. A separate detailed report providing this information is available for inspection at OFMB. Annual budgets are legally adopted for all governmental and proprietary fund types. Budgetary comparisons presented herein are on a basis consistent with GAAP.

CLERK OF CIRCUIT COURT

Chapter 218.35, Florida Statutes, governs the preparation, adoption and administration of the Clerk & Comptroller's (the Clerk) annual budget. The Clerk, as county fee officer, establishes an annual budget for her office, which clearly reflects the revenues available to the office and the functions for which the money is to be expended.

The Clerk, functioning in her capacity as Clerk of the Circuit and County Courts and as Clerk of the Board of County Commissioners, prepares her budget in two parts:

1. The budget for funds necessary to perform court-related functions as provided for in Florida Statute 28.36, which details the methodologies used to apportion costs between court-related and non-court-related functions performed by the clerk.
2. The budget relating to the requirements of the Clerk as Clerk of the Board of County Commissioners, County Auditor, and Custodian or Treasurer of all county funds and other county related duties.

SHERIFF

Chapter 30.49, Florida Statutes, governs the preparation, adoption and administration of the Sheriff's annual budget. By May 1 each year, the Sheriff shall certify to the Board a proposed budget of expenditures for performing the duties of his office for the ensuing fiscal year. The Sheriff's budget is legally adopted by Board of County Commission action for the fiscal year beginning October 1.

TAX COLLECTOR AND PROPERTY APPRAISER

Chapter 195.087, Florida Statutes, governs the preparation, adoption and administration of the budgets of the Tax Collector and Property Appraiser. On or before a legally designated date each year, the Tax Collector and the Property Appraiser shall submit to

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the Florida Department of Revenue a budget for the ensuing fiscal year. A copy of such budget shall be furnished at the same time to the Board of County Commissioners. Final approval of the budgets is given by the Florida Department of Revenue.

SUPERVISOR OF ELECTIONS

Chapter 129, (sections .02 and .202), Florida Statutes, governs the preparation, adoption and administration of the budget of the Supervisor of Elections. On or before June 1 of each year, the Supervisor of Elections shall submit to the Board of County Commissioners a tentative budget for the ensuing fiscal year.

However, the Board of County Commissioners of Palm Beach County, by resolution R-95-1195, requires the tentative budget to be submitted by May 1 of each year.

Q. Encumbrances

The County uses encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation. Encumbrances represent the estimated amount of expenditures ultimately to result if unperformed contracts and open purchase orders are completed. Since appropriations lapse at year end, it is the County's policy to liquidate open encumbrances and re-appropriate such amounts in the beginning of the next fiscal year.

R. Designations of Unreserved Fund Balances

Unreserved fund balances as of September 30, 2009, have the following significant designations:

<u>Designation</u>	<u>Amount</u>
General Fund:	
Encumbrances	\$ 1,049,184
Contingency	20,000,000
Other Operating Programs	530,664
Special Revenue Funds:	
Encumbrances	46,395,109
Fire Rescue Long-Term Disability	15,018,073
Capital Projects Funds:	
Encumbrances	302,109,658

Amounts designated for encumbrances represent outstanding purchase orders, contracts, and other commitments at year-end, which were re-appropriated at the beginning of fiscal year 2010, in accordance with County policy.

The amount designated for contingencies represents the portion of fund balance that was designated by the Board of County Commissioners for unforeseen expenditures or potential revenue shortfalls in fiscal year 2010.

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In addition to these designations, unreserved Fund Balances in the Special Revenue Funds and Capital Project Funds are usually required to be expended for specific purposes and are not available for general county-wide purposes.

S. Operating versus Non-operating Revenue and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues of the County's Enterprise and Internal Service funds are charges to customers for sales and services. Operating revenues for the Enterprise Funds include water and wastewater service fees, airport fees and charges and solid waste refuse fees. For the Internal Service funds, operating revenues include charges to other departments for various maintenance, communications and insurance services. Operating expenses for the Enterprise and Internal Service Funds include costs of sales and services, administrative fees, insurance payments and depreciation. All revenues and expenses not meeting this definition are considered non-operating items.

T. Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

U. Fund Equity and Net Assets

Fund Equity

The County has established certain reservations of fund equity to indicate the portion of fund balance that is not appropriate for expenditure or is legally segregated for a specific future use. Reservations of fund balance are reported on the Balance Sheet.

Net Assets

Invested in capital assets, net of related debt is that portion of net assets that relates to the County's capital assets, reduced by debt outstanding used to purchase or construct the capital assets. The related debt is reduced by any unspent proceeds that are outstanding at fiscal year-end.

Restricted net assets is that portion of net assets that has been restricted from general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. The restricted component of net assets represents restricted assets reduced by liabilities related to those assets. The entity-wide statement of net assets (government activities) reports \$791,216,501 of restricted net assets, of which \$315,682,167 is restricted by enabling legislation.

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V. Property Tax

Taxes in Palm Beach County are levied by the Board of County Commissioners for the County. The millage levies are determined on the basis of estimates or revenue needs and the total taxable valuations within the jurisdiction of the Board of County Commissioners. No aggregate ad valorem tax millage (in excess of 10 mills on the dollar) is levied against property of the County as specified in Chapter 200.071, Florida Statutes.

Each year the total taxable valuation is established by the County Property Appraiser and the list of property assessments is submitted to the State Department of Revenue for approval. County ad valorem taxes are a lien on the property against which they are assessed from January 1 of the year of assessment until paid or barred by operation of law (statute of limitations). Taxes are levied on October 1, become due and payable on November 1 of each year, or as soon thereafter as the assessment roll is opened for collection, and are delinquent on April 1 of the following year.

Pursuant to Florida law, the Tax Collector advertises and sells tax certificates on all real property for which there are unpaid taxes. Accordingly, there is no property taxes receivable as of September 30, 2009.

For the 2008 tax roll year, the assessment roll was opened for collection on November 1, 2008, and discounts for payment prior to April 1, 2009, were determined as follows:

4%	if paid in November 2008
3%	if paid in December 2008
2%	if paid in January 2009
1%	if paid in February 2009

W. Interest Costs

Interest costs are expensed or capitalized as required by the Interest Topic 835, Subtopic 20, Section 30 "Amount of Interest to be Capitalized" of the FASB Accounting Standards Codification. Interest cost incurred by proprietary funds for the fiscal year ended September 30, 2009 amounted to \$29,918,060, of which \$1,118,869 was capitalized.

2. CASH AND INVESTMENTS

Additional cash and investment information is provided in Note 1, paragraph D (Summary of Significant Accounting Policies - Cash and Investments).

At September 30, 2009 the cash and investments consisted of the following:

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	Bank Balance	Carrying Value
Deposits in Financial Institutions	\$ 165,284,712	\$ 138,018,094
Cash on hand		543,212
Investments		2,450,546,297
Total		\$ 2,589,107,603

Cash and investments are reported in the Statement of Net Assets as follows:

	Primary Government	Agency Funds	Total
Cash and cash equivalents	\$ 2,513,541,263	\$ 74,508,374	\$ 2,588,049,637
Investments	1,057,966	-	1,057,966
Total cash & investments	\$ 2,514,599,229	\$ 74,508,374	\$ 2,589,107,603

As of September 30, 2009, the primary government had the following investments, subject to interest rate risk using the segmented-time distribution method:

Investment Type	Maturity in Years			
	Fair Value	Less Than 1 Year	1 Year but Less Than 3 Years	3 Years but Less Than 10 Years
Investments subject to interest rate risk				
Money Market Mutual Funds	\$ 575,794,670	\$ 127,148,346	\$ -	\$ 448,646,324
Adjustable Rate Securities	472,468,052	218,104	464,602,828	7,647,120
Mortgage Backed Securities	376,142,741	37,199,855	313,670,931	25,271,955
Collateralized Mortgage Obligations	338,062,788	163,057,085	35,173,724	139,831,979
Debenture Participation Certificates	201,368,531	-	201,368,531	-
Florida Prime Investment Pool (SBA)	200,272,576	1,853,043	-	198,419,533
Callable Bonds	126,490,980	-	29,720,164	96,770,816
Indexed Amortization Notes	53,146,920	-	53,146,920	-
Corporate Notes	46,943,423	-	21,617,340	25,326,083
Florida Local Govt Investment Trust	28,495,380	-	28,495,380	-
Step Rate Bonds	25,007,925	25,007,925	-	-
Foreign Government Bonds	5,054,612	5,054,612	-	-
Fund B Surplus Funds Trust Fund (SBA)	1,297,699			1,297,699
	\$ 2,450,546,297	\$ 359,538,970	\$ 1,147,795,818	\$ 943,211,509

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the County Investment Policy, the Clerk & Comptroller manages the County's internal investment pool's exposure to declines in fair values by managing overall effective duration appropriate to the risk tolerance in meeting stated objectives. The Policy states that at the time of purchase, the County's investments must have a final maturity or average life of 10 years or less. The County's Investment Policy limits investments in collateralized mortgage obligations (CMO) to 20% of total value of the County's internal investment pool. Investments in IO (interest only), PO (principal only), inverse floaters, other volatile CMO types, and corporate convertible

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securities are all prohibited. All CMO issues must pass the Federal Financial Institutions Examination Council (FFIEC) High Risk Security Test on a quarterly basis, or as specified in any Trust Indenture.

In accordance with its investment policy, the Solid Waste Authority manages its exposure to declines in fair values by limiting U.S. Treasury obligations/instrumentalities to maturities of no more than 5 years, U.S. Federal Agency securities to maturities of no more than 3 years and interest rate swap agreements to no more than 10 years.

Credit Risk

Credit risk is the risk that an issuer will not fulfill its obligations.

Investments	Fair Value	Percentage of Total Portfolio	Standard & Poor's Investment Rating Service
U.S Government Sponsored Enterprises (GSE)	\$ 1,061,291,681	43.2%	AAA
Money Market Mutual Funds	575,794,670	23.5%	AAAm
U.S. Treasuries & Guaranteed Agencies	531,396,256	21.7%	U.S. Guarantee
Florida Prime Investment Pool	200,272,576	8.2%	AAAm
Corporate Securities	37,262,653	1.5%	AA+
Florida Local Govt Investment Trust (SBA)	28,495,380	1.2%	AAAf
Corporate Securities	9,680,770	0.4%	A
Foreign Government Bonds	5,054,612	0.2%	A-
Fund B Surplus Funds Trust Fund (SBA)	1,297,699	0.1%	Not rated
	\$2,450,546,297	100.0%	

No rating by Moody's or Fitch was lower then Standard and Poor's. Some securities were not rated by Moody's and Fitch.

In accordance with the County's Investment Policy for the internal investment pool, investments in commercial paper and bankers acceptances are limited to ratings of A-1 or P-1 or higher by Standard and Poor's and Moody's respectively. Investments in corporate securities are limited to ratings of AA or higher by Standard and Poor's and Moody's. Corporate securities are limited to no more than 20% of the investment pool's total market value, excluding commercial paper, which is limited to 25% of the total market value. No-load money market mutual funds backed by government bonds are allowable if rated in the highest rating category of a Nationally Recognized Statistical Rating Organization (NRSRO).

In accordance with the Solid Waste Authority's investment policy, investments are limited to the State of Florida Local Government Surplus Funds Trust Fund (an external

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2a7-like pool), U.S Treasury and Instrumentality obligations, U.S. Agency securities and investments that are fully collateralized or secured.

Custodial Credit Risk- Investments

This type of risk would arise in the event of the failure of a custodian of County investments, after which the government would not be able to recover the value of its investments that are in the possession of the third party custodian.

To guard against this risk, the County’s investment policy for the internal investment pool requires that all securities be insured or registered in the name of the County and held by a third party custodial institution, with capital and surplus stock of at least \$500 million and a separate custody account at the Federal Reserve Bank (FED) specifically designated by the FED as restricted for the safekeeping of the member-bank’s customer-owned securities only. All securities purchased or sold are transferred “delivery versus payment” (D.V.P.) or “payment versus delivery” to ensure that funds or securities are not released until all criteria relating to the specific transactions are met.

The Solid Waste Authority’s investment policy requires that all securities be registered in the name of the SWA and held by a third party safekeeping institution.

Concentration Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer.

Investment Issuer	Fair Value	Percentage of Total
Federal Home Loan Mortgage Company (Freddie Mac)	\$ 509,035,720	20.8%
Florida National Mortgage Association (Fannie Mae)	497,283,710	20.3%
Government National Mortgage Association (Ginnie Mae)	292,377,689	11.9%
Fidelity Institute Treasury Money Market Fund	216,450,677	8.8%
Florida State Board of Administration	201,570,275	8.2%
Other combined- less than 2% per issuer	186,219,073	7.6%
Dreyfus Government Money Market Fund	183,963,065	7.5%
U.S. Small Business Administration	156,606,888	6.4%
AIM Institutional Money Market Fund	124,627,521	5.1%
Small Business Investment Companies	82,411,679	3.4%
	\$ 2,450,546,297	100.0%

The County’s investment policy for the internal investment pool limits investments in corporate securities to 1% of total pool market value per single issuer.

In accordance with the Solid Waste Authority’s investment policy, securities of a single issuer are limited to 5% of the portfolio’s fair value except for U.S. Treasuries, U.S. Government instrumentalities and U.S. Federal Agencies which are limited to 10%.

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Interest rate swap agreements and GIC agreements are limited to 50% of the portfolio's fair value.

Foreign Currency Risk:

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. There was no exposure to foreign currency risk. The County was invested in foreign bonds denominated in U.S. dollars.

COMPONENT UNITS:

Westgate/Belvedere Homes Community Redevelopment Agency (CRA)

As of September 30, 2009, the carrying value of deposits with financial institutions was \$1,342,917 and the bank balance was \$1,342,416. The CRA was invested in the Local Government Surplus Funds Trust Fund (SBA) Pool A with a fair value of \$390,144 and \$14,576 in Pool B. Pool A is an external 2a7-like investment pool which is not SEC-registered. See Note 1 paragraph D (Summary of Significant Accounting Policies) for additional information.

Interest rate risk:

The weighted average maturity for the underlying investments of the SBA pool A is 33 days and pool B is 6.7 years as of September 30, 2009. CRA has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk:

The SBA pool A is rated AAAM by Standard & Poor and pool B is not rated. The CRA has no formal investment policy that limits investment credit risk.

Custodial credit risk- investments:

The CRA has no formal investment policy that limits custodial credit risk.

Concentration risk:

100% of investments are invested in the SBA. The CRA has no formal investment policy that limits investment concentration risk.

Palm Beach County Housing Finance Authority (HFA)

At September 30, 2009 HFA's equity in Palm Beach County's internal investment pool was \$6,033,854 which is included with other primary government receivables in the Statement of Net Assets in "Due from primary government".

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As of September 30, 2009, HFA had the following investments:

Investments	Fair Value	Percent of Total Investments	Maturity	Standard & Poor's Investment Rating Service
Fidelity U.S. Treasury Portfolio Money Market Mutual Fund	\$ 185,000	4.6%	Less than 90 days	AAAm
Federated Government Obligations Tax- Managed Money Market Mutual Fund	568,940	14.2%	Less than 90 days	AAAm
Fidelity Governmental Money Market Mutual Fund	568,940	14.2%	Less than 90 days	AAAm
Goldman Sachs Financial Square Government Money Market Mutual Fund	600,973	15.0%	Less than 90 days	AAAm
Government National Mortgage Association Bond (Ginnie Mae)	2,071,350	51.9%	Various maturing between 11/15/2024 thru 2/20/2031	Guaranteed by U.S. Govt
Local Government Surplus Funds Trust Fund (State Board of Administration) Fund B	1,159	0.0%	6.87 years	Not rated
Local Government Surplus Funds Trust Fund (State Board of Administration) Florida Prime	5,986	0.1%	33 days	AAAm
Total investments	<u>\$4,002,348</u>	<u>100.0%</u>		

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority's investment policy limits the maturity of investments to match cash and anticipated cash flow requirements.

Credit Risk:

Credit risk is the risk that an issuer will not fulfill its obligations. The Authority's investment policy addresses credit risk by limiting allowable investments to the State of Florida Local Government Surplus Funds Trust Fund, deposits with a financial institution meeting the requirements of a Florida Qualified Public Depository, and securities guaranteed by the U.S. Government.

Custodial Credit Risk:

Custodial credit risk is defined as the risk that the Authority may not recover the securities held by another party in the event of a financial failure. The Authority's investment policy for custodial credit risk requires all investment securities to be held in the Authority's name by a third party safekeeping institution.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

Concentration of Credit Risk:

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The Authority's investment policy addresses the concentration of credit risk by limiting the maximum amount that may be invested in any one issuer.

Metropolitan Planning Organization (MPO)

At September 30, 2009 MPO's equity in Palm Beach County's internal investment pool was \$246,804 which is included with other primary government receivables in the Statement of Net Assets in "Due from primary government".

Interest rate risk:

The County's internal investment pool had an effective duration of 2.2 years as of September 30, 2009. MPO has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk:

The County's internal investment pool is rated AA Af by Standard & Poor's on September 30, 2009. MPO has no formal investment policy that limits investment credit risk.

Custodial credit risk- investments:

The MPO has no formal investment policy that limits custodial credit risk.

Concentration risk:

100% of investments are invested in the County's internal investment pool. MPO has no formal investment policy that limits investment concentration risk.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

3. RELATED PARTY TRANSACTIONS

Various departments within the County provide goods, administration, public safety, maintenance and various other services to other operating departments. Charges for these services are determined using direct and indirect cost allocation methods or amounts determined based upon direct negotiations between the related parties. The most significant of these transactions involves the reimbursement of indirect costs in accordance with the indirect cost plan. Accordingly, the reimbursement of these indirect costs in fiscal year 2009 was \$18,253,249.

4. CAPITAL ASSETS

A summary of changes in capital assets follows:

Primary Government

	Beginning Balance	Additions	Deductions	Ending Balance
Governmental Activities:				
Non-depreciable assets:				
Land	\$ 737,882,095	\$ 5,686,592	\$ (2,373,052)	\$ 741,195,635
Construction In Progress	331,066,388	168,044,474	(54,564,425)	444,546,437
Total non-depreciable assets	<u>1,068,948,483</u>	<u>173,731,066</u>	<u>(56,937,477)</u>	<u>1,185,742,072</u>
Depreciable assets:				
Buildings and improvements	810,560,047	2,524,070	(31,426)	813,052,691
Improvements other than buildings	299,524,448	547,027	(25,188)	300,046,287
Equipment	529,464,504	63,986,748	(37,190,654)	556,260,598
Infrastructure	1,206,997,493	45,796,332	-	1,252,793,825
Total depreciable assets	<u>2,846,546,492</u>	<u>112,854,177</u>	<u>(37,247,268)</u>	<u>2,922,153,401</u>
Less accumulated depreciation for:				
Buildings and improvements	(249,898,668)	(21,696,447)	9,588	(271,585,527)
Improvements other than buildings	(161,145,097)	(9,362,344)	4,877	(170,502,564)
Equipment	(341,331,390)	(53,934,358)	35,909,236	(359,356,512)
Infrastructure	(939,037,989)	(25,287,860)	-	(964,325,849)
Total accumulated depreciation	<u>(1,691,413,144)</u>	<u>(110,281,009)</u>	<u>35,923,701</u>	<u>(1,765,770,452)</u>
Total capital assets, being depreciated, net	<u>1,155,133,348</u>	<u>2,573,168</u>	<u>(1,323,567)</u>	<u>1,156,382,949</u>
Total governmental capital assets, net	<u>\$2,224,081,831</u>	<u>\$ 176,304,234</u>	<u>\$ (58,261,044)</u>	<u>\$ 2,342,125,021</u>

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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	Beginning Balance	Additions	Deductions	Ending Balance
Business-type Activities:				
Non-depreciable assets:				
Land	\$ 161,538,058	\$ 364,415	\$ (169,831)	\$ 161,732,642
Construction In Progress	143,351,952	108,498,556	(113,019,316)	138,831,192
Total non-depreciable assets	<u>304,890,010</u>	<u>108,862,971</u>	<u>(113,189,147)</u>	<u>300,563,834</u>
Depreciable assets:				
Buildings and improvements	668,312,254	78,550,555	(2,046,189)	744,816,620
Improvements other than buildings	1,385,071,127	40,705,853	(563,337)	1,425,213,643
Equipment	256,291,470	49,200,095	(12,695,619)	292,795,946
Intangible - easement rights	15,415,813	-	-	15,415,813
Leasehold interest	12,010,002	110,665	-	12,120,667
Goodwill	7,131,703	-	-	7,131,703
Total depreciable assets	<u>2,344,232,369</u>	<u>168,567,168</u>	<u>(15,305,145)</u>	<u>2,497,494,392</u>
Less accumulated depreciation for:				
Buildings and improvements	(262,812,884)	(25,158,005)	1,701,151	(286,269,738)
Improvements other than buildings	(481,221,744)	(38,004,461)	563,337	(518,662,868)
Equipment	(155,129,700)	(22,978,601)	11,688,122	(166,420,179)
Intangible - easement rights	(2,471,548)	(343,874)	-	(2,815,422)
Leasehold interest	(2,954,555)	(1,165,098)	-	(4,119,653)
Goodwill	(479,846)	(190,165)	-	(670,011)
Total accumulated depreciation	<u>(905,070,277)</u>	<u>(87,840,204)</u>	<u>13,952,610</u>	<u>(978,957,871)</u>
Total capital assets, being depreciated, net	<u>1,439,162,092</u>	<u>80,726,964</u>	<u>(1,352,535)</u>	<u>1,518,536,521</u>
Total business-type capital assets, net	<u>\$ 1,744,052,102</u>	<u>\$ 189,589,935</u>	<u>\$ (114,541,682)</u>	<u>\$ 1,819,100,355</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General government	\$ 18,779,664
Public safety	29,511,438
Physical environment	849,106
Transportation	32,006,862
Economic environment	242,457
Human services	1,680,437
Culture and recreation	15,824,216
In addition, depreciation on capital assets held by the County's internal service funds is charged to the various functions based on their usage of the assets.	<u>11,304,871</u>
Total depreciation expense - governmental activities	110,199,051
Adjustments to accumulated depreciation	<u>81,958</u>
Total increases to accumulated depreciation	<u>\$ 110,281,009</u>

Business-type Activities:

Water Utilities Department	\$ 41,289,228
Department of Airports	24,207,560
Solid Waste Authority	<u>22,343,416</u>
Total depreciation expense - business-type activities	<u>\$ 87,840,204</u>

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

Discretely presented component unit

A summary of changes in capital assets for the Westgate/Belvedere Homes Community Redevelopment Agency follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Non-depreciable assets:				
Land	\$ 2,429,820	\$ 1,021,455	\$ -	\$ 3,451,275
Total non-depreciable assets	2,429,820	1,021,455	-	3,451,275
Depreciable assets:				
Equipment	16,303	-	(345)	15,958
Infrastructure	334,904	-	-	334,904
Total depreciable assets	351,207	-	(345)	350,862
Less accumulated depreciation for:				
Equipment	(19,270)	(9,966)	196	(29,040)
Total accumulated depreciation	(19,270)	(9,966)	196	(29,040)
Total capital assets, being depreciated, net	331,937	(9,966)	(149)	321,822
Total component unit capital assets, net	\$ 2,761,757	\$ 1,011,489	\$ (149)	\$ 3,773,097

5. INTERFUND TRANSFERS IN AND OUT

Interfund transfers in and out during fiscal year 2009 were as follows:

Interfund Transfers In	Interfund Transfers Out	Amount
Governmental Funds:		
Major Governmental Funds		
General Fund	Sheriff Special Revenue Fund	\$ 17,388,879
	Road Program Capital Projects	6,719,999
	Law Enforcement Grants Special Revenue Fund	453,109
	Other Special Revenue Funds	36,731,443
	Clerk & Comptroller Special Revenue Fund	492,167
	Community & Social Development Special Revenue Fund	279,194
	Supervisor of Elections Special Revenue Fund	855,558
	Parks and Recreation Capital Projects	750,000
		<u>\$ 63,670,349</u>
Fire Rescue Special Revenue Fund	General Fund	\$ 150,000
	Community & Social Development Special Revenue Fund	70,554
	Other Special Revenue Funds	6,589,000
		<u>\$ 6,809,554</u>
Sheriff Special Revenue Fund	General Fund	\$ 474,196,818
	Law Enforcement Grants Special Revenue Fund	4,192,426
	Other Special Revenue Funds	934,845
	Criminal Justice Capital Projects	2,013,134
		<u>\$ 481,337,223</u>

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

Interfund Transfers In	Interfund Transfers Out	Amount
General Government Capital Projects	General Fund	\$ 14,557,538
	Sheriff Special Revenue Fund	3,166,494
	Tourist Development Special Revenue Fund	10,000,000
	Palm Tran Special Revenue Fund	3,341,018
	Other Special Revenue Funds	840,241
	Revenue Bonds Debt Service Fund	948,756
	Other Financing Debt Service Fund	227,147
	Criminal Justice Capital Projects	900,001
	Environmental Lands Capital Projects	60
	Fire Rescue Capital Projects	2,098,164
	Parks & Recreation Capital Projects	241
	Airports	1,100,000
		<u>\$ 37,179,660</u>
Road Program Capital Projects	General Fund	\$ 750,000
	County Transportation Trust Special Revenue Fund	66,200
		<u>\$ 816,200</u>
Nonmajor Governmental Funds		
Nonmajor Special Revenue Funds		
Law Enforcement Grants Special Revenue Fund	General Fund	\$ 614,063
	General Government Capital Projects	50,000
		<u>\$ 664,063</u>
County Transportation Trust Special Revenue Fund	General Fund	\$ 15,263,888
	Road Program Capital Projects	15,110,532
		<u>\$ 30,374,420</u>
Municipal Service Taxing District Special Revenue Fund	General Fund	\$ 118,203
	General Government Capital Projects	1,280,000
	Fleet Management	156,782
	Combined Insurance Fund	251,797
		<u>\$ 1,806,782</u>
Community & Social Development Special Revenue Fund	General Fund	\$ 12,364,685
	General Government Capital Projects	100,000
		<u>\$ 12,464,685</u>
Palm Tran Special Revenue Fund	General Fund	\$ 24,786,263
	Road Program Capital Projects	14,500,000
		<u>\$ 39,286,263</u>
Other Special Revenue Funds	General Fund	\$ 5,396,949
	General Government Capital Projects	563,372
	Law Enforcement Grants Special Revenue Fund	32,144
		<u>\$ 5,992,465</u>

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

Interfund Transfers In	Interfund Transfers Out	Amount
Clerk & Comptroller Special Revenue Fund	General Fund	\$ 16,696,435
		<u>\$ 16,696,435</u>
Supervisor of Elections Special Revenue Fund	General Fund	\$ 9,997,168
		<u>\$ 9,997,168</u>
Nonmajor Debt Service Funds		
Revenue Bonds Debt Service Fund	General Fund	\$ 94,294
	General Government Capital Projects	14,293,046
	Tourist Development Special Revenue Fund	7,396,146
	Other Special Revenue Funds	66,073,107
	Other Financing Debt Service Fund	2,557,451
		<u>\$ 90,414,044</u>
Other Financing Debt Service Fund	Other Special Revenue Funds	\$ 4,000,885
	General Government Capital Projects	48,000,000
	Environmental Lands Capital Projects	54,719
		<u>\$ 52,055,604</u>
Nonmajor Capital Projects Funds		
Environmental Lands Capital Projects	General Fund	\$ 1,000,000
	General Government Capital Projects	651,863
	Tourist Development Special Revenue Fund	1,726,816
	Other Special Revenue Funds	9,639,282
		<u>\$ 13,017,961</u>
Fire Rescue Capital Projects	Fire Rescue Special Revenue Fund	\$ 6,200,000
		<u>\$ 6,200,000</u>
Libraries Capital Projects	Library Taxing District Special Revenue Fund	\$ 4,269,583
		<u>\$ 4,269,583</u>
Parks & Recreation Capital Projects	General Fund	\$ 1,286,000
		<u>\$ 1,286,000</u>
Total Nonmajor Governmental Funds		<u>\$ 284,525,473</u>
Proprietary Funds:		
Nonmajor Internal Service Funds		
ISS	General Fund	\$ 1,859,063
		<u>\$ 1,859,063</u>
Total Internal Service Funds		<u>\$ 1,859,063</u>
Total Interfund Transfers Primary Government		<u>\$ 876,197,522</u>

PALM BEACH COUNTY, FLORIDA
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Transfers are used to: (1) move revenues from within the fund which a statute or budget requires them to be collected to a fund from which a statute or budget requires them to be expended; (2) move receipts which are restricted to debt service from the funds where the receipts are collected into the debt service fund, as debt service payments become due; (3) provide matching funds for the County's portion of grant agreements; (4) use and transfer unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and; (5) provide funding for various capital projects by means of transfers.

In addition, a \$4,269,583 transfer was made from the County Library Fund to the Library Expansion Program Fund for capital projects approved by the Board.

During the fiscal year ended September 30, 2009, the Department of Airports transferred \$1,100,000 to the Public Building Improvement Fund for a capital project approved by the Board related to improvements made for the Sheriff's Hanger.

6. RETIREMENT PLANS

FLORIDA RETIREMENT SYSTEM

Plan Description - The County participates in the Florida Retirement System (FRS), a non-contributory, cost-sharing, multi-employer, public employee retirement system administered by the Florida Department of Management Services, Division of Retirement. The FRS was created December 1, 1970. FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. These benefits are established by Florida Statutes, Chapter 121, and may only be amended by the Florida Legislature.

The Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for FRS. The report may be obtained by writing to the Florida Division of Retirement, ATTN: Research, Education & Policy Section, P. O. Box 9000, Tallahassee, Florida 32315-9000, calling 1-850-488-5706, or accessing their website at: <http://dms.myflorida.com>.

Beginning July 1, 2002, the FRS became one plan with two primary options, a defined benefit option known as the FRS Pension Plan and an alternative defined contribution option known as the FRS Investment Plan. The two options are described in detail below.

The FRS Pension Plan provides for vesting of benefits after 6 years of creditable service. Benefits are based on age, average final compensation and years-of-service credit. Average final compensation is the average of the five highest fiscal years of earnings. Members are eligible for normal retirement when they have met the minimum requirements established by their membership class. Regular Class members are eligible for normal retirement if they are vested and age 62 or if they have 30 years of creditable

**PALM BEACH COUNTY, FLORIDA
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service regardless of age. Early retirement may be taken any time after vesting. However, there is a 5% reduction of benefits for each year prior to normal retirement age or date. The percentage level of employees' payroll contribution rates is determined using the frozen entry age actuarial cost method.

Beginning July 1, 1998, the FRS implemented the Deferred Retirement Option Program (DROP), which is a program within the FRS Pension Plan that allows members to retire without terminating their employment for up to five years while their retirement benefits accumulate and earn interest compounded monthly at an effective annual rate of 6.5%. Members may participate in DROP when they are vested and have reached their normal retirement date. When the DROP period ends, members must terminate employment. At that time, members will receive their accumulated DROP benefits and begin receiving their monthly retirement benefit.

The FRS Investment Plan, formally created as the Public Employee Optional Retirement Program (PEORP), is a participant-directed 401(a) program selected by employees in lieu of participation in the defined benefit option of the Florida Retirement System. Benefits accrue in individual accounts that are participant-directed, portable, and funded by employer contributions. Participants and beneficiaries bear the investment risks that result when they exercise control over investments in their accounts. The Investment Plan offers a diversified mix of low-cost investment options that span the risk-return spectrum and give participants the opportunity to accumulate retirement benefits. Members are vested after completing one year of creditable service.

Funding Policy - The contribution requirements of the County are established and may be amended by the Florida Legislature. The County's contributions to FRS for the years ended September 30, 2009, 2008, and 2007 were \$99.7 million, \$94.4 million, and \$87.9 million, respectively, equal to the required contributions for each year.

The following membership classes and rates, which apply to both the FRS Pension Plan and the FRS Investment Plan, were in effect at September 30, 2009:

<u>Membership Class</u>	<u>Rates</u>
Regular	9.85%
Special Risk	20.92%
Judges	19.56%
Legislators	14.48%
Governor/Lieutenant Governor/Cabinet	14.48%
State Attorney/Public Defender	14.48%
County, City, Special District Elected Officers	16.53%
Special Risk Administrative Support	12.55%
IFAS Supplemental	18.75%
Senior Management	13.12%
Deferred Retirement Option Program	10.91%

**PALM BEACH COUNTY, FLORIDA
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PALM TRAN, INC. – DEFINED BENEFIT PLAN

Plan Description – The Palm Tran, Inc. – Amalgamated Transit Union Local 1577 (Palm Tran) pension plan (the Plan) is a mandatory contribution, single-employer, defined benefit retirement program administered by the Pension Resource Center. The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. The Board of Trustees (the Board) of the Palm Tran pension plan has the authority to establish and amend benefit provisions. Palm Tran issues a stand-alone, publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the plan administrator at Pension Resource Center, 4360 Northlake Blvd., Suite 206, Palm Beach Gardens, Florida 33410 or calling 1-561-624-3277 or accessing their website at: www.resourcecenters.com. Since the County has no fiduciary responsibility for this plan, it is not included in these financial statements.

Funding Policy – The contribution requirements of plan members and Palm Tran, Inc. are established by the Pension Trust Agreement and may be amended by the Board. Plan members are required to contribute 2.5% of their annual covered payroll. Palm Tran, Inc. is required to contribute 13% of annual covered payroll.

Annual Pension Cost and Net Pension Obligation – Per the actuarial valuation, the annual pension cost and net pension obligation as of December 31, 2008 were as follows:

Annual required contribution (ARC)	\$	3,527,501
Interest on net pension obligation		-
Adjustment to ARC		-
Annual pension cost		3,527,501
Contributions made		(3,275,495)
Increase (decrease) in net pension obligation		252,006
Net pension obligation beginning of year		-
Net pension obligation end of year	\$	252,006

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/06	\$2,909,900	100%	\$ -
12/31/07	3,272,841	100	-
12/31/08	3,527,501	93	252,006

Funded Status and Funding Progress – As of January 1, 2009, the most recent actuarial valuation date, the plan was 65.6% funded. The actuarial accrued liability for benefits was \$68.3 million, and the actuarial value of assets was \$44.8 million, resulting in an

PALM BEACH COUNTY, FLORIDA
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unfunded actuarial accrued liability (UAAL) of \$23.5 million. The covered payroll (annual payroll of active employees covered by the plan) was \$24.6 million, and the ratio of the UAAL to the covered payroll was 95.5%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions – In the January 1, 2009 actuarial valuation, the Entry Age Normal actuarial cost method was used. The actuarial assumptions included (a) 8.0% investment rate of return and (b) projected salary increases ranging from 5.0% to 12.5% per year. Both (a) and (b) included an inflation component of 4.0% with no cost-of-living adjustments. The projection of benefits for financial accounting purposes does not explicitly incorporate the potential effects of the 13% limitation on Palm Tran’s contribution rate disclosed above under “Funding Policy”. The actuarial value of assets was determined using the 5-year Smoothed Market asset valuation method. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at January 1, 2009 was 30 years.

LANTANA FIREFIGHTER’S – DEFINED BENEFIT/CONTRIBUTION PLAN

Plan Description – The Lantana Firefighter’s Pension Fund (LFPF) is a combined defined benefit and defined contribution pension plan covering Town of Lantana (Town) fire fighters employed by Palm Beach County (County). LFPF is governed by a Board of Trustees made up of representatives of the firefighters and the Town. It provides a defined benefit retirement annuity to retiring participants and also provides a defined contribution retirement benefit in the form of share accounts, payable upon retirement, death or disability. LFPF issues a stand-alone, publicly available financial report that includes financial statements and required supplementary information. The County does not perform the investment function or have significant administrative involvement in the plan. The report may be obtained by writing to the plan administrator, Pension Resource Center, at 4360 Northlake Blvd., Suite 206, Palm Beach Gardens, Florida 33410 or calling 1-561-624-3277 or accessing their website at: www.resourcecenters.com. Since the County has no fiduciary responsibility for this plan, it is not included in these financial statements.

Funding Policy – (a) Plan members are required to contribute 10% of their salary to the Plan. Of this, 2% is allocated to the defined benefit portion of the Plan and 8% is allocated to the defined contribution portion. (b) Pursuant to Chapter 175, Florida Statutes, the Town imposes a 1.85% tax on fire insurance premiums paid to insure real or personal property within its corporate limits. 100% of the net proceeds of this 1.85% excise tax are allocated to the defined benefit portion of the Plan. (c) Because the County is ultimately responsible for the actuarial soundness of the Plan, the County must contribute an amount determined by the Trustees, in conjunction with the Plan’s actuary, to be sufficient, along with the employees’ contributions and the proceeds from the

PALM BEACH COUNTY, FLORIDA
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insurance tax, described above, to fund the defined benefits under the Plan. The current rate is 48.72% of annual covered payroll.

Annual Pension Cost and Net Pension Obligation – Per the actuarial valuation, the annual pension cost and net pension obligation as of September 30, 2008 were as follows:

Annual required contribution (ARC)	\$	1,472,690
Interest on net pension obligation		-
Adjustment to ARC		-
Annual pension cost		1,472,690
Contributions made		(1,472,690)
Increase (decrease) in net pension obligation		-
Net pension obligation beginning of year		-
Net pension obligation end of year	\$	-

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/06	\$ 833,858	100%	\$ -
09/30/07	1,497,710	100	-
09/30/08	1,472,690	100	-

Funded Status and Funding Progress – As of September 30, 2008, the most recent actuarial valuation date, the plan was 73.5% funded. The actuarial accrued liability for benefits was \$20.3 million, and the actuarial value of assets was \$14.9 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$5.4 million. The covered payroll (annual payroll of active employees covered by the plan) was \$2.6 million, and the ratio of the UAAL to the covered payroll was 204.9%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions – In the September 30, 2008 actuarial valuation, the Individual Entry Age actuarial cost method was used. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0% per year compounded annually, (b) projected salary increases of 7.0% per year compounded annually, and (c) the assumption that benefits will not increase after retirement. Both (a) and (b) included an inflation component of 5.0%. The actuarial value of assets was determined using the 5-year Smoothed Market asset valuation method. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at September 30, 2008 ranges from 1-16 years.

Note: The Actuarial Valuation report for September 30, 2009 was not available.

PALM BEACH COUNTY, FLORIDA
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COMPONENT UNIT

Like the Primary Government, Westgate/Belvedere Homes Community Redevelopment Agency (CRA) also participates in the Florida Retirement System (FRS), a non-contributory, cost-sharing, multi-employer, public employee retirement system administered by the Florida Department of Management Services, Division of Retirement.

The contribution requirements of CRA are established and may be amended by the Florida Legislature. The CRA's contributions to FRS for the years ended September 30, 2009, 2008, and 2007 were \$26,826, \$23,144, and \$16,993, respectively, equal to the required contributions for each year.

7. COMMITMENTS

County Home

The County entered into an inter-local agreement with the Palm Beach County Health Care District (the District) effective July 11, 1995 regarding the Medicaid Match and the County Home and General Care Facility (County Home). This agreement provides that the County will make an annual payment of the fixed amount of \$15 million to the District in exchange for the District's agreement to operate and manage the County Home and to pay 100% of the Medicaid Match funding as required by the State for hospital and nursing home care. The County's annual funding of \$15 million is payable in equal monthly installments for the next 40 years.

Outstanding Purchase Orders and Contracts

Purchase orders and contracts (including construction contracts) had been executed, but goods and services were not received in approximately the amounts shown below as of September 30, 2009:

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<u>Fund</u>	<u>Amount</u>
Capital Projects Funds	\$ 302,109,658
Solid Waste Authority	179,672,766
Department of Water Utilities	62,991,000
Special Revenue Funds	46,395,109
Department of Airports	11,834,776
General Fund	1,049,184
Internal Service Funds	848,544
Property Appraiser	142,724
Clerk & Comptroller	15,447
Tax Collector	344
Total	<u><u>\$ 605,059,552</u></u>

Because the budget authority for these amounts lapses at fiscal year-end, they are not shown as either encumbrances or liabilities. Funds are appropriated at the beginning of each fiscal year to provide for these commitments.

On May 26, 2006, the County entered into an economic development grant agreement with The Scripps Research Institute, a nonprofit public benefit corporation, to induce Scripps to establish and operate a biomedical research facility at Florida Atlantic University (FAU) in Jupiter, Florida and to encourage and stimulate economic growth by attracting new businesses and the creation of a biotech industry in the County. The County is providing funding of approximately \$235 million for Scripps to construct and own 346,000 square feet of laboratory and office space at the FAU campus and 70 acres known as the Briger Tract for 1,600,000 square feet of related research and development uses. This Briger land will be turned over to Scripps at the end of the agreement provided they meet certain minimum new job creation requirements. Two temporary facilities were also funded by the County on the FAU campus. Scripps and FAU entered into a 99 year lease for the permanent facilities site on the FAU campus. Scripps has committed to strive to create or relocate 2,777 new jobs at the Scripps site. Scripps and the County agree to work cooperatively to create or relocate to the County an aggregate total of 6,500 new jobs. The agreement between the County and Scripps ends on February 6, 2021. The County has paid \$210 million towards this commitment as of September 30, 2009.

On July 22, 2008, the County entered into an economic development grant agreement with Max Planck Florida Corporation (MPFC) providing funding for approximately \$86.9 million for the construction and operation of an approximate 100,000 square foot Biomedical Research Facility in the County. Under the terms of the agreement, a maximum of \$60 million will be spent towards the construction costs for the Permanent Facility and \$26.9 million towards the reimbursement of operational costs. The term of the agreement is 15 years. The County, MPFC and FAU entered into a sublease agreement to lease a portion of the John D. MacArthur Campus of FAU to MPFC for construction of its permanent Florida facilities. The execution of the FAU sublease is a condition to the disbursement of the grant funds. The County has paid \$266,000 towards this commitment as of September 30, 2009.

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On May 20, 2008, the County, on behalf of the Water Utilities Department (the Department), entered into an agreement with FP&L which provides for reclaimed water to become the primary source of cooling water supply to FP&L's West County Energy Center (the Center) beginning in FY2011. In addition, FP&L is to construct a 27 million gallon per day reclaimed water facility at the East Central Regional Wastewater Reclamation Facility. FP&L will reimburse the Department for all design-related services. Construction will be financed by revenue bonds of the Department to be issued prior to the commencement of construction, with FP&L reimbursing the Department for all debt service costs related to this debt issue. The agreement with FP&L has a term of thirty years beginning in FY 2011 with three additional ten year options. The project is being financed with proceeds from the \$68M Series 2009 Water and Sewer Revenue Bonds. \$9.8M is included in construction in progress as of September 30, 2009 for costs incurred for this project.

Termination Benefits

Termination benefits are benefits, other than salaries and wages that are provided by employers as settlement for involuntary terminations initiated by management, or as an incentive for voluntary terminations initiated by employees.

On July 24, 2009 Palm Beach County offered eligible employees up to eight weeks of severance pay and the right to continue their healthcare insurance at the employee rate for up to three years if they agreed to voluntarily terminate employment by August 21, 2009. For fiscal year 2009, the cost of providing those benefits for seventy voluntary terminations was \$2,222,500. The liability for the accrued healthcare cost at fiscal year-end was \$1,603,300 with \$562,300 estimated to be paid within one year. The healthcare cost benefit was valued using the unadjusted cost of the blended premium. The value of the severance pay was \$619,200 including payroll taxes.

On May 15, 2009 the Clerk & Comptroller of Palm Beach County offered employees severance pay equal to 100% of their accrued sick time if they agreed to voluntarily terminate employment by June 30, 2009. Sick time normally accrues at 25% for five through nine years and 50% for ten or more years of service. For fiscal year 2009, the cost of providing this benefit for thirty-two voluntary terminations was \$268,000 including payroll taxes. There was no accrued benefits payable at fiscal year end.

On May 29, 2009 the Clerk & Comptroller of Palm Beach County initiated an involuntary termination plan to pay four weeks of severance with termination effective June 12, 2009. For fiscal year 2009, the cost of providing this benefit for twenty-seven involuntary terminations was \$79,400 including payroll taxes. There were no accrued benefits at fiscal year end.

Land Acquisition

Palm Beach County School Board – On September 21, 1993, an agreement (R93-1188D) was entered into by the Palm Beach County School Board (School Board) and Palm Beach County for co-location of facilities and exchange of properties. This Agreement establishes a process to facilitate joint planning for co-located facilities and also establishes a mechanism

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by which properties owned by either party can be exchanged with the other party which has a need therefore. The Agreement also establishes a credit system whereby properties can be transferred and payments deferred for up to two years while offsetting exchanges are completed. In January of 2009, \$88,000 was credited to the County from the School Board's purchase of ±0.25 acres of land for use by the School Board for modernization of the Northboro Elementary School. As of September 30, 2009, Palm Beach County owes the School Board \$25,870 under the Funding Agreement.

Land Commitments

During 1996, SWA purchased approximately 1,600 acres of farmland in western Palm Beach County as a replacement waste disposal site. SWA has an operating lease expiring in 2010 with the former owner to maintain and continue farming the property. The lease provides for annual rental payments to SWA adjusted each year based on the change in the producer price index for raw cane sugar, provided that the total annual rent shall not exceed \$450,000. Rental income from this lease for the year ended September 30, 2009 was approximately \$230,000. The carrying value of the land subject to the lease was approximately \$8 million at September 30, 2009. The lease also provides the option to extend the term for five additional periods of four years (through 2030), each under the same terms and conditions. SWA retains the right to terminate the lease, in part, for areas designated for development by SWA after the initial lease term. Management expects the operating lease to be renewed until the property is utilized for its intended purpose as a replacement waste disposal site.

SWA leases the current site of the Delray Beach transfer station from the City of Delray Beach under a 20 year operating lease expiring September 30, 2020 with an option to renew for an additional 20 years under the existing terms. The lease provides for annual rental payments increased by the annual change in the consumer price index. Rent expense for the year ended September 30, 2009 was approximately \$125,000. The minimum future rental payments, based on an annual increase of 3 percent, under this operating lease at September 30, 2009 are estimated to be \$1,654,416.

Tri-County Commuter Rail Authority

In October 1994, Palm Beach County entered into a five-year joint inter-local agreement (the Agreement) with Miami-Dade County, Broward County, the Florida Department of Transportation and the Tri-County Commuter Rail Authority (the Authority) which calls for each of the respective counties to fund one-third of the net operating deficit of the Authority after considering all Federal subsidy, State subsidy and farebox revenue. The County's 2009 subsidy amounted to \$6,805,298. The Authority was created as an agency of the State of Florida pursuant to Chapter 343. Florida Statutes in 1988 to provide commuter rail services in Broward, Dade and Palm Beach counties. Tri-Rail serves both residents and tourists with a scheduled passenger rail commuter system which currently operates on seventy-one miles of rail corridor along the east coast of Florida.

The governing Board of Directors consists of nine members; one representative from each county's Board of County Commissioners (3), one citizen from each county (3), one representative from the Florida Department of Transportation (1), one member appointed by

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the Governor of Florida (1), and one member at large who is appointed by the other eight members (1). Tri-Rail's annual operating budget is adopted and approved by the Authority's Board of Directors.

Separate financial statements for the Authority may be obtained at the following address:

Tri-County Commuter Rail Authority
305 South Andrews Avenue, Suite 200
Fort Lauderdale, FL 33301

8. RISK MANAGEMENT

The County maintains various self-insurance programs which are accounted for as internal service funds. Following is a brief description of each of the County's insurance programs. The claims liability reported in each of the funds at September 30, 2009, is actuarially determined based on the requirements of GASB 10, which specifies that a liability for claims be reported if information prior to the issuance of the financial statements indicated that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Property and Liability

The County is exposed to various risks of loss related to torts; theft, damage and destruction of assets; errors and omissions; and natural disasters. A portfolio of commercial insurance policies provides specific excess coverage for property losses in excess of \$1,000,000 and third-party liability losses in excess of \$500,000. In addition, excess liability exposures are also limited to \$100,000 per person and \$200,000 per occurrence under Florida's sovereign immunity statute 768.28. Negligence claims in excess of the statutory limits can only be recovered through an act of the State of Florida Legislature. The County purchases excess claim bill liability coverage of \$6 million per claim in order to protect against excess liability exposures. This coverage provides additional liability coverage against federal claim awards. Separate excess auto liability insurance coverage of \$2,000,000 per claim is in place for the operation of Palm Tran's fleet of public transit buses.

With the exception of the Sheriff, Clerk & Comptroller, and Property Appraiser, all funds of the County participate in the program and make payments to the Property and Liability Insurance Fund, included in the Combined Insurance Fund, based on estimates of the amounts needed to pay prior and current year claims. The claims liability reported in this fund at September 30, 2009 is \$7,118,000.

During claim years 2009 and 2008, changes recorded to the claims liability for property and liability insurance were as follows:

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<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2008	\$8,420,000	\$844,000	(\$856,000)	\$8,408,000
2009	8,408,000	266,000	(1,556,000)	7,118,000

Workers' Compensation Insurance

The County has self-funded its workers' compensation exposure since 1969. This fund covers all employees of the Board of County Commissioners, the Supervisor of Elections, the Clerk & Comptroller, the Property Appraiser, and the Tax Collector. Although the Sheriff's payroll and losses are reported to the State by the risk management department, the Sheriff administers his own program. The County is 100% self-insured for workers' compensation exposures beginning October 1, 1993.

With the exception of the Sheriff, all funds of the County participate in the program and make payments to the Workers' Compensation Insurance Fund, included in the Combined Insurance Fund, based on estimates of the amounts needed to pay prior and current year claims. The claims liability reported in this fund at September 30, 2009 is \$43,671,000. During claim years 2009 and 2008, changes recorded to the claims liability for workers' compensation insurance were as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2008	\$36,694,000	\$8,520,000	(\$5,558,000)	\$39,656,000
2009	39,656,000	8,656,000	(4,641,000)	43,671,000

Employee Group Health Insurance

The County provides health insurance for its employees, retirees, and eligible dependents. Effective January 1, 2004, the County changed from a fully insured plan to a self-insured plan. The County has in place a \$500,000 specific excess insurance policy to protect the County against catastrophic health claims.

With the exception of the Constitutional Officers who have separately contracted for health insurance coverage, all funds of the County participate in the program and make payments to the Employee Health Insurance fund, included in the Combined Insurance Fund, based on estimates of amounts needed to pay prior and current year claims. The Solid Waste Authority participated in the plan through December 31, 2008. Effective January 1, 2009, the Authority purchased health insurance through a commercial health insurance plan. The claims liability

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reported in the fund at September 30, 2009 is \$3,746,517. During claim years 2009 and 2008, changes recorded to the claims liability for employee health insurance were as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2008	\$4,313,965	\$52,304,812	(\$52,478,921)	\$4,139,856
2009	4,139,856	50,776,593	(51,169,932)	3,746,517

SOLID WASTE AUTHORITY (SWA)

The SWA is exposed to various risks of loss related to torts; theft, damage and destruction of assets; errors and omissions; injuries to employees; life and health of employees; and natural disasters. The SWA purchases commercial insurance for property damage with coverage up to a maximum of approximately \$346 million, subject to various policy sub-limits, generally ranging from \$1 million to \$50 million and deductibles ranging from \$50,000 to \$1 million per occurrence. The SWA also purchases commercial insurance for general liability claims with coverage up to \$5 million per occurrence and \$5 million aggregate, with excess liability coverage of \$25 million, all subject to various deductibles up to \$50,000 per occurrence. General liability claims are limited by the Florida constitutional doctrine of sovereign immunity to \$100,000 per claim and \$200,000 per occurrence unless a higher claim is approved by the Florida Legislature.

The SWA purchases commercial insurance for workers' compensation benefits with a \$1,000,000 per occurrence and per employee policy limit, subject to a deductible of \$250,000 per occurrence and per claim, up to a maximum of approximately \$1.5 million for 2009. Settled claims have not exceeded commercial coverage in any of the last three years. Changes in the claims liability amount for workers' compensation benefits for the years ended September 30, 2009 and 2008 were as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2008	\$448,000	\$317,973	(\$317,973)	\$448,000
2009	448,000	110,859	(110,859)	448,000

Effective January 1, 2009, the SWA purchased health insurance through a commercial health insurance plan.

SHERIFF

The Sheriff's Office maintains a general liability self-insurance program, a workers' compensation self-insurance program and a commercially insured employee health insurance program which are accounted for in the Sheriff's General fund (which is reported as a special

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revenue fund in the County's CAFR). The following is a brief description of each of the Sheriff's insurance programs.

General Liability Insurance

The Sheriff's office is exposed to various risks of loss related to torts; theft, damage and destruction of assets; errors and omissions; and natural disasters. The claims liability reported for general liability at September 30, 2009 is \$12,869,451. This amount is based on the requirements of GASB 10 which specifies that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

During claim years 2009 and 2008, changes recorded to the claims liability for general liability were as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2008	\$14,069,096	\$2,935,585	(\$4,097,382)	\$12,907,299
2009	12,907,299	3,601,656	(3,639,504)	12,869,451

Workers' Compensation Insurance

The Sheriff's office is self-funded for its workers' compensation exposure. The claims liability reported at September 30, 2009 is \$20,215,841. This amount is the actuarially determined claims liability based on the requirements of GASB 10 which specifies that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

During claim years 2009 and 2008, changes recorded to the claims liability for workers' compensation were as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2008	\$19,568,839	\$6,505,282	(\$6,569,042)	\$19,505,079
2009	19,505,079	6,487,733	(5,776,971)	20,215,841

Employee Group Health Insurance

The Sheriff's office maintains a fully insured program for its employee group health insurance program.

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CLERK & COMPTROLLER

Employee Group Health Insurance

The Clerk's office provides health insurance for its employees and eligible dependents. The Clerk's office is self-insured for its health insurance coverage and beginning with fiscal year 2004 is accounted for as an internal service fund.

During claim years 2009 and 2008, changes recorded to the claims liability for health insurance were as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2008	\$532,000	\$8,401,247	(\$8,181,247)	\$752,000
2009	752,000	9,867,523	(9,802,523)	817,000

TAX COLLECTOR

Employee Group Health and Dental Insurance

The Tax Collector's office provides health and dental insurance to its employees and eligible dependents. The Tax Collector is fully insured for its health and dental coverage.

9. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Overview

Entities of the Reporting Unit provide the following post-employment benefits to retirees:

A. Healthcare Plans:

1. County includes:
 - (a) Supervisor of Elections
 - (b) Metropolitan Planning Organization
2. Tax Collector
3. Property Appraiser
4. Clerk & Comptroller
5. Sheriff
6. Fire Rescue Union
7. Solid Waste Department

B. Long Term Disability Plan:

1. Fire Rescue Taxing District

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Healthcare Benefits Provided to Retirees

Postretirement Benefits: The amount reported as the postretirement benefit obligation represents the actuarial present value of those estimated future benefits that are attributed by the terms of the plan to employees' service rendered to the date of the financial statements, reduced by the actuarial present value of contributions expected to be received in the future from current plan participants. Postretirement benefits include future benefits expected to be paid to or for both of the following:

1. Currently retired or terminated employees and their beneficiaries and dependents.
2. Active employees and their beneficiaries and dependents after retirement from service with participating employers.

The postretirement benefit obligation represents the amount that is to be funded by contributions from the plan's participating employers and from existing plan assets. Before an active employee's full eligibility date, the postretirement benefit obligation is the portion of the expected postretirement benefit obligation that is attributed to that employee's service in the industry rendered to the valuation date.

The actuarial present value of the expected postretirement benefit obligation is determined by an actuary and is the amount that results from applying actuarial assumptions to historical claims-cost data to estimate future annual incurred claims costs per participant and to adjust such estimates for the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as those for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

Plan Description: The defined benefit post-employment healthcare plans provide medical benefits to eligible retired employees and their dependents. The plans are single employer plans which are administered by the employer for their employees. The Supervisor of Elections and Metropolitan Planning Organization participate in the County plan.

The Fire Rescue retiree health plan is a defined benefit plan with attributes similar to a defined contribution plan. The County is required, per the Collective Bargaining Agreement, to make contributions equal to 3% of the total current base annual pay plus benefits for the Fire Rescue employees. Since the primary government is not entitled to nor does it have the ability to otherwise access the economic resources received or held by the Fire Rescue retiree health plan; and since Palm Beach County has no reversionary interest in the economic resources received or held by the Fire Rescue retiree health plan and the County is not responsible for custody of the assets of the plan, therefore it is not reported as a fiduciary fund of the County.

Funding Policy: The contribution requirements of plan members and the employer are established and may be amended by the employer or by the union for Fire Rescue. All entities of the Primary Government are required by Florida Statute 112.0801 to allow their retirees (and eligible participants) to continue participation in the group insurance

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plan. Retirees must be offered the same coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees which results in an implicit subsidy as defined by GASB 45. In addition to the 'implicit' benefit, two of the plans offer an explicit benefit. The Sheriff and Fire Rescue Plans provide a subsidy that retirees can use to partially or fully offset the cost of health insurance.

At September 30, 2009 retirees receiving benefits contributed the following monthly premiums:

	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff	Fire Rescue Union	SWA
Medical Coverage							
Monthly Minimum	\$ 550	\$ 583	\$ 613	\$ 491	\$ 389	\$ 147	\$ 531
Monthly Maximum	4,177	1,918	1,946	1,764	2,183	509	1,555
Dental Coverage							
Monthly Minimum	12	33	13	18	23	7	na
Monthly Maximum	78	99	101	134	87	86	na
na= not applicable							

OPEB Cost and Net OPEB Obligation: The annual other post-employment benefit cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and the amortization of any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the annual OPEB cost for the year, the amount contributed to the plan, and changes in the net OPEB obligation as of fiscal year ended September 30, 2009:

	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff	Fire Rescue Union	SWA
Annual required contribution (ARC)	\$ 1,269,000	\$ 169,223	\$ 30,190	\$ 521,000	\$ 16,100,000	\$ 12,315,000	\$ 186,000
Interest on net OPEB obligation	16,000	8,499	1,478	4,000	500,000	(135,000)	3,000
Adjustment to annually required contribution	(12,000)	(6,647)	(1,156)	(3,000)	(400,000)	108,000	(3,000)
Annual OPEB cost	1,273,000	171,075	30,512	522,000	16,200,000	12,288,000	186,000
Contributions made	(1,081,711)	-	-	(496,997)	(4,700,000)	(4,204,243)	(21,709)
Increase in net OPEB obligation	191,289	171,075	30,512	25,003	11,500,000	8,083,757	164,291
Net OPEB obligation-beginning of year	319,858 *	169,979	29,562	77,955	11,000,000	(2,651,659)	56,709
Net OPEB obligation-end of year	\$ 511,147	\$ 341,054	\$ 60,074	\$ 102,958	\$ 22,500,000	\$ 5,432,098	\$ 221,000

* Restated to include MPO participation in County Healthcare Plan.

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The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and preceding fiscal year.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation Liability (Asset)
County			
9/30/2008	\$ 1,285,000	75.3 %	\$ 319,858 *
9/30/2009	1,273,000	85.0	511,147
Tax Collector			
9/30/2008	\$ 169,979	0.0 %	\$ 169,979
9/30/2009	171,075	0.0	341,054
Property Appraiser			
9/30/2008	\$ 29,562	0.0 %	\$ 29,562
9/30/2009	30,512	0.0	60,074
Clerk & Comptroller			
9/30/2008	\$ 520,000	85.0 %	\$ 77,955
9/30/2009	522,000	95.2	102,958
Sheriff			
9/30/2008	\$ 15,300,000	28.1 %	\$ 11,000,000
9/30/2009	16,200,000	29.0	22,500,000
Fire Rescue Union			
9/30/2008	\$ 1,262,872	310.0 %	\$ (2,651,659)
9/30/2009	12,288,000	34.2	5,432,098
SWA			
9/30/2009	\$ 186,000	11.7 %	\$ 221,000

* Restated to include MPO participation in County Healthcare Plan.

Funded Status and Funding Progress: The plans are financed on a ‘pay-as-you-go’ basis. The funded status of the plans as of the most recent actuarial valuation date was as follows:

	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff	Fire Rescue Union	SWA
Actuarial accrued liability (AAL)	\$ 14,638,000	\$ 1,533,513	\$ 312,788	\$ 5,445,000	\$ 182,500,000	\$ 153,500,000	\$ 1,440,000
Actuarial value of plan asset	-	-	-	-	-	14,544,477	-
Unfunded actuarial accrued liability (UAAL)	\$ 14,638,000	\$ 1,533,513	\$ 312,788	\$ 5,445,000	\$ 182,500,000	\$ 138,955,523	\$ 1,440,000
Funded ratio (actuarial value of plan / AAL)	0.0%	0.0%	0.0%	0.0%	0.0%	9.5%	0.0%
Covered payroll (active plan members)	\$ 294,272,546	\$ 9,879,680	\$ 14,237,382	\$ 35,775,864	\$ 248,925,472	\$ 108,788,372	\$ 21,254,000
UAAL as a percentage of covered payroll	5.0%	15.5%	2.2%	15.2%	73.3%	127.7%	6.8%

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Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Significant methods and assumptions were as follows:

	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff	Fire Rescue Union	SWA
Actuarial valuation date	10/1/2007	10/1/2007	10/1/2007	10/1/2007	1/1/2009	10/1/2008	10/1/2008
Actuarial cost method	Unit credit actuarial cost method	Entry age normal actuarial cost method	Entry age normal actuarial cost method	Unit credit actuarial cost method	Unit credit actuarial cost method	Unit credit actuarial cost method	Unit credit actuarial cost method
Actuarial amortization method	Level percentage of salary at beginning of fiscal year	Level percentage of salary at beginning of fiscal year	Level percentage of salary at beginning of fiscal year	Level percentage of salary at beginning of fiscal year	Level percentage of salary at beginning of fiscal year	Level percentage of salary at beginning of fiscal year	Level percentage of salary at beginning of fiscal year
Remaining amortization period	30 years	30 years	30 years	30 years	30 years	30 years	30 years
Asset valuation method	na	na	na	na	na	na	na
Actuarial assumptions							
Investment rate of return	5.0%	5.0%	5.0%	5.0%	5.0%	5.1%	6.0%
Projected salary increases	4.0%	4.0%	4.0%	4.0%	4.0%	3.5%	3.5%
Healthcare inflation rate-initial	11.0%	9.0%	9.0%	11.0%	11.0%	11.0%	11.5%
Healthcare trend rate-ultimate	6.0%	5.0%	5.0%	6.0%	5.0%	5.0%	5.0%

Long Term Disability Benefits Provided to Retirees

Plan Description: The Palm Beach County Fire Rescue Supplemental Disability Plan is a defined benefit plan that provides disability benefits to eligible disabled Fire Fighters and District Chiefs permanently prevented from rendering useful and efficient service as a Fire Fighter and District Chiefs incurred in the line of duty. The plan is a single employer plan which is administered by the Palm Beach County Fire Rescue Department.

Funding Policy: The contribution requirements of plan members and Palm Beach County are established and may be amended by collective bargaining between Palm Beach County and the Professional Firefighters/Paramedics of Palm Beach County, Local 2928, IAFF, Inc. The plan is funded by the County based on an annually required contribution calculated by an actuary. The earmarked funding, related earnings, expenditures and administrative costs are recorded in a special revenue fund.

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OPEB Cost and Net OPEB Obligation: The annual other post-employment benefit cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortized any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the annual OPEB cost for the current fiscal year, the amount contributed to the plan, and changes in the net OPEB obligation:

Annual required contribution	\$ 677,070
Interest on net OPEB obligation	12,354
Adjustment to annual required contribution	(16,679)
Annual OPEB cost (expense)	<u>672,745</u>
Contributions made	<u>(660,788)</u>
Incr in net OPEB obligation	11,957
Net OPEB obligation (asset)- beginning of year	(220,324)
Net OPEB obligation (asset)- end of year	<u>\$ (208,367)</u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and preceding fiscal year are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
9/30/2008	\$ 708,774	131.1%	\$ (220,324)
9/30/2009	672,745	98.2%	(208,367)

Funded Status and Funding Progress: The plan is financed on a ‘pay-as-you-go’ basis. The funded status of the plan as of September 30, 2009, was as follows:

Actuarial accrued liability (AAL)	\$ 7,634,577
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 7,634,577</u>
Funded ratio (actuarial value of plan / AAL)	0.0%
Covered payroll (active plan members)	\$ 119,792,017
UAAL as a percentage of covered payroll	6.4%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, disability occurrences, and workmen’s compensation payments. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required

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supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Significant methods and assumptions were as follows:

Actuarial valuation date	10/1/2008
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	Level percentage of salary at beginning of fiscal year
Remaining amortization period	30 years
Asset valuation method	na
Actuarial assumptions:	
Investment rate of return	5%
Projected salary increases	4 to 10.5%
Cost of living adjustments	None

COMPONENT UNIT

The Metropolitan Planning Organization (MPO) employees are County employees and participate in the County's healthcare plan. The 'plan description', 'funding policy', 'OPEB Cost and Net OPEB Obligation', 'Funded Status and Funding Progress', and 'Actuarial Methods and Assumptions' are disclosed for the County under the preceding 'Reporting Unit' section of this note. In fiscal year 2009, MPO reported an OPEB cost of \$3,010 and net OPEB obligation of \$6,010 as their pro rata share of the County's plan.

10. LEASES

Leases Receivable: Enterprise Funds

The County's Department of Airports leases a major portion of its property to other entities. Certain leases provide for minimum rentals plus a specified percentage of the tenants' gross revenues. Contingent rental income under such arrangements amounted to approximately \$3,240,133 in fiscal year 2009. All leases have been classified as operating leases.

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Minimum future rentals under these operating leases are as follows:

<u>Year Ended September 30</u>	<u>Department of Airports</u>
2010	\$ 35,869,210
2011	34,174,815
2012	8,988,975
2013	8,423,949
2014	7,524,173
Thereafter	61,063,386
Total	<u><u>\$ 156,044,508</u></u>

A schedule of property held for lease by major classification is as follows:

	<u>September 30, 2009</u>
Buildings	\$ 226,649,397
Less: accumulated depreciation	(112,731,804)
Net Buildings	<u>113,917,593</u>
Land	5,547,813
Total property held for lease	<u><u>\$ 119,465,406</u></u>

Lease Obligations

The County has entered into various leases which are classified as operating or capital leases for accounting purposes. Total rent expense for operating leases for the fiscal year ended September 30, 2009 amounted to approximately \$4,540,081 comprised of \$4,358,653 for Governmental funds, \$146,959 for Enterprise Funds, and \$34,469 for Internal Service Funds.

Operating Leases

Future minimum rental payments under non-cancellable operating leases as of September 30, 2009 are as follows:

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Fiscal Year	Governmental Funds	Enterprise Funds	Internal Service Funds
2010	\$ 4,012,115	\$ 122,001	\$ 19,621
2011	2,537,597	60,224	7,988
2012	1,246,878	20,499	3,680
2013	1,087,742	5,371	-
2014	1,070,177	-	-
Thereafter	1,455,596	-	-
Total	<u>\$ 11,410,105</u>	<u>\$ 208,095</u>	<u>\$ 31,289</u>

Capital Leases

Capital leases are those which are determined to have passed substantially all of the risks and benefits of ownership to the lessee. There were no Capital leases in the proprietary fund types. Future minimum lease payments under capital leases as of September 30, 2009 are as follows:

<u>Fiscal Year</u>	Governmental Funds
2010	\$ 3,438
Total minimum lease payments	3,438
Less: imputed interest	(125)
Present value of minimum lease payments	<u>\$ 3,313</u>

The following schedule shows the leased assets capitalized as of September 30, 2009, by major asset class:

	Governmental Funds Capital Assets
Equipment	\$ 18,958
Less: accumulated depreciation for entity wide	(17,317)
Carrying value	<u>\$ 1,641</u>

11. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The SWA operated one active landfill site for the year ended September 30, 2009. In addition, the SWA is responsible for two landfill sites closed after 1991 and three landfill sites closed prior to 1991.

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State and Federal laws and regulations require the SWA to place a final cover on its operating landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at that and other landfill sites closed after 1991, for thirty years after closure. Although the majority of closure and postclosure care costs will be paid only near or after the date that the operating landfill stops accepting waste, the SWA reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each statement of net assets date.

Landfill closure and postclosure care liabilities at September 30, 2009 are as follows:

Accrued closure and postclosure care costs	\$ 34,326,606
Accrued postclosure care for closed landfills	5,807,313
Closure costs incurred	(13,922,183)
Total Accrued Landfill Closure Costs	<u>\$ 26,211,736</u>

The \$34,326,606 of accrued closure and postclosure care liabilities at September 30, 2009 represents the cumulative cost based on the use of 34.8 percent of the estimated capacity of the operating landfill. The SWA will recognize the remaining estimated cost of closure and postclosure care of approximately \$64.3 million for the operating landfill as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2009. Based on current demographic information and engineering estimates of landfill consumption, the SWA expects to close the landfill in approximately 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The SWA is required by state laws and regulations to make annual contributions to an escrow account to finance all closure costs and one year of postclosure care for landfills closed after 1991. The SWA is in compliance with these requirements, and, at September 30, 2009 assets of \$28,976,849 were held for these purposes. These amounts are reported as noncurrent restricted assets on the statement of net assets. The SWA expects that future inflation costs will be paid from interest earnings on these invested amounts and subsequent annual contributions. However, if interest earnings are inadequate or additional closure or postclosure care requirements are determined (due to changes in technology or applicable laws or regulations) these costs may need to be covered by charges to future users of the solid waste system or from future non-ad valorem assessments.

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At September 30, 2009, the statutorily required escrow account balances were as follows:

Site	September 30, 2009
Site 7 closure costs	\$ 24,238,259
Dyer landfill long-term care	339,193
Belle Glade landfill long-term care	20,513
	<u>\$ 24,597,965</u>

State laws and regulations specify that required landfill escrow account balances must be calculated using either the “Pay-in” or the “Balance” method, as they are statutorily defined. During 2006 the SWA changed from the Pay-in method to the Balance method. The SWA will be required to continue using the Balance method through the remaining design life of the Site 7 landfill. Although the SWA is not legally required by state or federal laws and regulations to provide funding for the landfill sites closed prior to 1991, the SWA has accepted financial responsibility for these sites. The annual long-term care funding requirements for these sites were not estimated or accrued at September 30, 2009, however, management does not believe that the annual costs are material to the SWA and these costs will be adequately funded through future, annual operating budgets.

12. REFUNDING OF DEBT

Advance Refunding:

Certain bond issues have been refunded through in-substance defeasance by placing into irrevocable trust funds sufficient monies to meet future principal and interest payments. These funds have been invested in U.S. Government securities and securities backed by the U.S. Government.

There were no new advance refundings during the current fiscal year. The amount of in-substance defeased bonds outstanding, as of September 30, 2009, consists of the following:

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<u>Bond Issues</u>	<u>Amount</u>
Governmental Funds:	
General Obligation Bonds (Land Acquisition), 2001A	\$ 51,145,000
Public Improvement Revenue Bonds (Convention Center Project), 2001	70,090,000
	121,235,000
Proprietary Funds:	
Water & Sewer Refunding Revenue Bonds, 1986	10,685,000
Solid Waste Authority Refunding Revenue Bonds, 1997A	10,695,000
Airport Refunding Revenue Bonds, 2001	6,340,000
Airport Refunding Revenue Bonds, 2002	14,740,000
	42,460,000
Total Defeased Bonds Outstanding	\$ 163,695,000

Current year refunding Governmental Funds:

On November 13, 2008, Palm Beach County issued \$94,235,000 Public Improvement Revenue Bonds (Max Planck / Sunshine Loan Refunding Projects), Series 2008-2. Of the total proceeds, \$51,730,000 was for the Sunshine Loan Refunding. This refunding, with an effective interest rate of 5.130% was issued to refund the County's remaining balances of the \$27,000,000 Sunshine State Pooled Financing Loan #7A, Series 2005 and the \$7,500,000 Sunshine State Pooled Financing Loan #7B, Series 2006 and the \$6,125,000 Sunshine State Pooled Financing Loan #8, Series 2006 and the \$8,160,000 Sunshine State Pooled Financing Loan #9, Series 2006 and the \$4,838,000 Sunshine State Pooled Financing Loan #11, Series 2007. The net proceeds of \$48,000,000 (after allowing for \$164,684 in issuance costs, \$979,778 in bond premium, \$324,652 in bond discount, \$4,223,240 in contributions to a debt service reserve fund, and \$2,798 in adjustments) plus a County contribution of \$872,000 were used to pay the principal on the loans.

The carrying amount exceeded the reacquisition price, resulting in an accounting loss of \$108,573. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The County increased its aggregate debt service payments by approximately \$28,106,901 over a period of twenty years and incurred an economic loss of approximately \$16,030,990 (difference between the present value of the old and new debt service payments). The interest rate in effect at the time of the refunding was used to compute the aggregate debt service payments and related economic gain for the refunded variable rate debt. The purpose of the refunding was to replace the variable rate loans with a fixed rate bond, due to the downgrade in the credit rating of the liquidity provider which limited the remarketing of the bonds and resulted in a substantial increase in interest rates paid by the County.

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COMPONENT UNIT:

Westgate/Belvedere Homes Community Redevelopment Agency (CRA) – The Series 1999 Bonds were issued for the purpose of providing the monies required to pay the cost of advance refunding. CRA’s Series 1992 Bonds were used to construct and install certain infrastructure improvements in the redevelopment area, make a deposit to the Reserve Account, and pay costs relating to the issuance of Series 1992 Bonds. The proceeds of the refunding issues have been placed in irrevocable escrow accounts and invested in U.S. Treasury obligations that, together with interest earned thereon, will provide amounts sufficient for future payments of interest and principal on the bond issues being refunded. Refunded bonds are not included in CRA’s outstanding debt since CRA has legally satisfied its obligations through the refunding transactions. Defeased bonds outstanding at September 30, 2009 are \$1,725,000.

13. RECLASSIFICATIONS

Effective October 1, 2008 the County reclassified the Graphics Internal Service Fund into the General Fund. As a result, beginning fund balance in the General Fund decreased by \$238,550, net of related capital assets and debt.

14. INTERFUND RECEIVABLE AND PAYABLE BALANCES

Interfund balances at September 30, 2009, are expected to be repaid within one year. Interfund receivable and payable balances at September 30, 2009 were as follows:

Interfund Receivable Fund	Interfund Payable Fund	Amount
Governmental Funds:		
Major Governmental Funds		
General Fund	Law Enforcement Grants Special Revenue Fund	\$ 1,325,791
	Community & Social Development Special Revenue Fund	6,955,118
	Other Special Revenue Funds	33,433,271
	Sheriff Special Revenue Fund	17,210,006
	Clerk & Comptroller Special Revenue Fund	503,030
	Tax Collector Special Revenue Fund	32,386,518
	Property Appraiser Special Revenue Fund	1,938,552
	Supervisor of Elections Special Revenue Fund	862,201
	Solid Waste Authority	28,683
		<u>\$ 94,643,170</u>
Fire Rescue Special Revenue Fund	Other Special Revenue Funds	\$ 932,255
	Sheriff Special Revenue Fund	11,549
	Tax Collector Special Revenue Fund	2,553,510
	Property Appraiser Special Revenue Fund	154,699
	Solid Waste Authority	1,250
		<u>\$ 3,653,263</u>
Sheriff Special Revenue Fund	General Fund	\$ 447
	Criminal Justice Capital Projects	62,942
		<u>\$ 63,389</u>

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Interfund Receivable Fund	Interfund Payable Fund	Amount
General Government Capital Projects	Palm Tran Special Revenue Fund	\$ 890,034
	Sheriff Special Revenue Fund	271,056
	Clerk & Comptroller Special Revenue Fund	26,912
	Property Appraiser Special Revenue Fund	46,518
	Airports	1,100,000
		<u>\$ 2,334,520</u>
Nonmajor Governmental Funds		
Nonmajor Special Revenue Funds		
Law Enforcement Grants Special Revenue Fund	Sheriff Special Revenue Fund	\$ 3,586,406
		<u>\$ 3,586,406</u>
County Transportation Trust Special Revenue Fund	Sheriff Special Revenue Fund	\$ 166
	Road Program Capital Projects	2,475,361
		<u>\$ 2,475,527</u>
Library Taxing District Special Revenue Fund	Tax Collector Special Revenue Fund	\$ 581,806
	Property Appraiser Special Revenue Fund	39,313
		<u>\$ 621,119</u>
Community & Social Development Special Revenue Fund	General Fund	\$ 6,975,224
	Affordable Housing (SHIP) Trust Fund Special Revenue Fund	107,949
		<u>\$ 7,083,173</u>
Affordable Housing (SHIP) Trust Fund Special Revenue Fund	Community & Social Development Special Revenue Fund	\$ 9,946
		<u>\$ 9,946</u>
Other Special Revenue Funds	General Fund	\$ 61,463
	Clerk & Comptroller Special Revenue Fund	132,822
		<u>\$ 194,285</u>
Clerk & Comptroller Special Revenue Fund	General Fund	\$ 893,698
	Library Taxing District Special Revenue Fund	2,865
	Community & Social Development Special Revenue Fund	198
	Affordable Housing (SHIP) Trust Fund Special Revenue Fund	842
	Other Special Revenue Funds	169
	Road Program Capital Projects	2,167
	Airports	138,407
	Water Utilities	12,353
	Clerk & Comptroller Insurance Fund	97,166
		<u>\$ 1,147,865</u>
Nonmajor Capital Projects Funds		
Environmental Lands Capital Projects	Tourist Development Special Revenue Fund	\$ 189,667
	Other Special Revenue Funds	188,964
		<u>\$ 378,631</u>
Street & Drainage Capital Projects	Tax Collector Special Revenue Fund	\$ 3,435
		<u>\$ 3,435</u>
Total Nonmajor Governmental Funds		<u>\$ 15,500,387</u>

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Interfund Receivable Fund	Interfund Payable Fund	Amount
Proprietary Funds:		
Enterprise Funds		
Water Utilities	General Fund	\$ 23,156
	County Transportation Trust Special Revenue Fund	426
	Library Taxing District Special Revenue Fund	2,119
	Community & Social Development Special Revenue Fund	3,347
	Fire Rescue Special Revenue Fund	2,333
	Other Special Revenue Funds	805
	Tax Collector Special Revenue Fund	8,409
	Airports	421
		<u>\$ 41,016</u>
Solid Waste Authority	County Transportation Trust Special Revenue Fund	\$ 147
	Palm Tran Special Revenue Fund	57
	Other Special Revenue Funds	37
	Sheriff Special Revenue Fund	264
	Tax Collector Special Revenue Fund	1,977,707
	Airports	503
	Water Utilities	464,603
	ISS	28
		<u>\$ 2,443,346</u>
Internal Service Funds		
Fleet Management	General Fund	\$ 634,964
	County Transportation Trust Special Revenue Fund	559,291
	Municipal Service Taxing District Special Revenue Fund	33,082
	Library Taxing District Special Revenue Fund	7,758
	Community & Social Development Special Revenue Fund	58,404
	Affordable Housing (SHIP) Trust Fund Special Revenue Fund	518
	Fire Rescue Special Revenue Fund	93,800
	Palm Tran Special Revenue Fund	2,500
	Other Special Revenue Funds	36,303
	Sheriff Special Revenue Fund	433,591
	Clerk & Comptroller Special Revenue Fund	4,855
	Tax Collector Special Revenue Fund	622
	Property Appraiser Special Revenue Fund	1,387
	Supervisor of Elections Special Revenue Fund	1,759
	Road Program Capital Projects	13,531
	Airports	64,419
	Water Utilities	256,675
	Solid Waste Authority	264
	Combined Insurance Fund	825
	ISS	5,618
		<u>\$ 2,210,166</u>
Combined Insurance Fund	General Fund	\$ 1,035,231
	Tourist Development Special Revenue Fund	3,044
	County Transportation Trust Special Revenue Fund	177,224
	Municipal Service Taxing District Special Revenue Fund	54,998
	Library Taxing District Special Revenue Fund	178,535
	Community & Social Development Special Revenue Fund	211,009
	Affordable Housing (SHIP) Trust Fund Special Revenue Fund	9,155
	Fire Rescue Special Revenue Fund	30,381
	Palm Tran Special Revenue Fund	294,061
	Other Special Revenue Funds	26,921
	Road Program Capital Projects	26,154

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Interfund Receivable Fund	Interfund Payable Fund	Amount
	Airports	82,220
	Water Utilities	266,402
	Fleet Management	33,163
	ISS	83,746
		<u>\$ 2,512,244</u>
ISS	General Fund	\$ 1,171,273
	Tourist Development Special Revenue Fund	1,354
	County Transportation Trust Special Revenue Fund	3,150
	Municipal Service Taxing District Special Revenue Fund	53,841
	Library Taxing District Special Revenue Fund	5,849
	Community & Social Development Special Revenue Fund	1,009
	Affordable Housing (SHIP) Trust Fund Special Revenue Fund	1,142
	Fire Rescue Special Revenue Fund	70,262
	Palm Tran Special Revenue Fund	21,346
	Other Special Revenue Funds	144,217
	Clerk & Comptroller Special Revenue Fund	591,845
	Tax Collector Special Revenue Fund	127,483
	Property Appraiser Special Revenue Fund	89,988
	General Government Capital Projects	51,072
	Airports	13,045
	Water Utilities	103,758
	Fleet Management	11,986
	Combined Insurance Fund	37,130
		<u>\$ 2,499,750</u>
Clerk & Comptroller Insurance Fund	Clerk & Comptroller Special Revenue Fund	\$ 446,872
		<u>\$ 446,872</u>
Total Internal Service Funds		<u>\$ 7,669,032</u>
Total Interfund Receivables and Payables Primary Government		<u>\$ 126,348,123</u>
Receivables and Payables Between Primary Government and Component Units:		
Interfund Receivable Primary Government Fund	Interfund Payable Component Unit Fund	Amount
Combined Insurance Fund	Metropolitan Planning Organization	\$ 3,964
ISS	Metropolitan Planning Organization	1,519
		<u>\$ 5,483</u>
Interfund Receivable Component Unit Fund	Interfund Payable Primary Government Fund	Amount
Metropolitan Planning Organization	General Fund	\$ 264,459
Housing Finance Authority	General Fund	6,033,854
		<u>\$ 6,298,313</u>
Total Receivables and Payables Between Primary Government and Component Units		<u>\$ 6,303,796</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

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15. LONG-TERM DEBT

Changes in Long-Term Liabilities - The following is a summary of changes in long-term liabilities for the year ended September 30, 2009 for both governmental activities and business-type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 290,410,000	\$ -	\$ 20,260,000	\$ 270,150,000	\$ 21,185,000
Non-ad valorem revenue bonds	882,004,002	94,235,000	52,187,385	924,051,617	58,016,492
Face amount of bonds payable	1,172,414,002	94,235,000	72,447,385	1,194,201,617	79,201,492
Unamortized bond premiums	32,279,961	1,784,444	2,101,699	31,962,706	-
Unamortized loss on bond refinancing	(12,302,075)	(108,573)	(834,041)	(11,576,607)	-
Net bonds payable	1,192,391,888	95,910,871	73,715,043	1,214,587,716	79,201,492
Notes and loans payable	75,494,205	17,339,760	51,506,709	41,327,256	12,436,588
Arbitrage liability	4,676,746	11,824,989	1,755,376	14,746,359	2,911,919
Compensated absences *	114,240,334	55,536,089	46,935,580	122,840,843	6,650,031
OPEB	11,524,769	17,386,115	105,616	28,805,268	-
Net pension obligation	-	252,006	-	252,006	-
Termination benefits	-	1,470,948	-	1,470,948	511,720
Capital leases	7,452	-	4,139	3,313	3,313
Estimated Self-Insurance Obligation	85,368,234	79,655,505	76,585,930	88,437,809	22,788,245
Governmental activity long-term liabilities	\$ 1,483,703,628	\$ 279,376,283	\$ 250,608,393	\$ 1,512,471,518	\$ 124,503,308

* Internal Service Funds Compensated Absences were considered short term in prior years and were, therefore, not included in the Long-Term Debt Note. As a result, last year's ending balance of \$110,321,525 has been increased by \$3,918,809.

Long-term liabilities other than debt (bonds, loans and leases) are liquidated by the governmental fund incurring the expense. Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end \$59,537,928 of internal service funds long-term liabilities are included in the above amounts.

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 540,532,818	\$ 461,225,000	\$ 53,815,000	\$ 947,942,818	\$ 93,700,000
Unamortized bond premiums	9,519,909	6,165,528	1,370,641	14,314,796	-
Unamortized loss on bond refinancing	(7,888,506)	-	(3,100,419)	(4,788,087)	-
Net bonds payable	542,164,221	467,390,528	52,085,222	957,469,527	93,700,000
Notes and loans payable	80,000,000	-	4,000,000	76,000,000	4,000,000
Accrued interest on notes and capital appreciation bonds	35,083,526	5,447,201	-	40,530,727	-
Accrued landfill costs	25,246,685	965,051	-	26,211,736	350,000
Compensated absences	8,271,777	2,438,648	1,889,755	8,820,670	665,130
OPEB	69,585	287,468	-	357,053	-
Termination benefits	-	132,366	-	132,366	50,592
Business-type activities long-term liabilities	\$ 690,835,794	\$ 476,661,262	\$ 57,974,977	\$ 1,109,522,079	\$ 98,765,722

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Governmental Activities General Long-Term Debt

General long-term debt, including current maturities, at September 30, 2009 consisted of the following:

General Obligation Bonds

\$57,440,000 General Obligation Refunding Bonds, Series 1994B were issued to pay the cost of refunding all or a portion of the County's General Obligation Bonds, Series 1970, Series 1978, Series 1988 and Series 1991. The annual installments range from \$3,880,000 to \$4,135,000 through July 1, 2011; with interest rates from 6.500% to 6.750% payable semi-annually on January 1 and July 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues. \$ 8,015,000

\$45,625,000 General Obligation Refunding Bonds, Series 1998 were issued to pay the cost of refunding a portion of the County's General Obligation Bonds, Series 1994 and Series 1991. The annual installments range from \$3,125,000 to \$4,030,000 through December 1, 2014; with interest rates from 4.400% to 5.500% payable semi-annually on June 1 and December 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues. \$ 21,315,000

\$30,500,000 General Obligation Bonds (Library District Improvement Project), Series 2003 were issued to pay the cost of the land acquisition, design, engineering and constructing of new library facilities and the renovation and rehabilitation of existing library facilities within the County. The annual installments range from \$1,230,000 to \$2,205,000 through July 1, 2023; with interest rates from 2.875% to 5.250% payable semi-annually on January 1 and July 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues. \$ 23,185,000

\$25,000,000 General Obligation Bonds (Recreational and Cultural Facilities), Series 2003 were issued to pay the costs of acquiring, constructing, and improving certain recreational and cultural facilities located within the County including cultural facilities owned by non-profit corporations with 501(c)(3) status under the Internal Revenue Code, 1986. The annual installments range from \$1,060,000 to \$1,780,000 through July 1, 2023; with interest rates from 3.000% to 5.000% payable semi-annually on January 1 and July 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues. \$ 19,170,000

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\$16,025,000 General Obligation Refunding Bonds (Recreational and Cultural Facilities Program), Series 2005A were issued for paying and defeasing the County's outstanding General Obligation Bonds (Recreational and Cultural Facilities Program), Series 1999A maturing on and after August 1, 2010. The annual installments range from \$1,265,000 to \$1,920,000 through August 1, 2019; with interest rates from 3.500% to 5.000% payable semi-annually on February 1 and August 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues. \$ 15,805,000

\$25,000,000 General Obligation Bonds (Recreational and Cultural Facilities), Series 2005 were issued for financing certain recreational and cultural facilities within the County. The annual installments range from \$975,000 to \$1,860,000 through July 1, 2025; with interest rates from 3.000% to 5.000% payable semi-annually on January 1 and July 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues. \$ 21,455,000

\$22,335,000 General Obligation Bonds (Library District Improvements), Series 2006 were issued for financing additional library facilities and renovation of existing facilities within the County. The annual installments range from \$905,000 to \$1,665,000 through August 1, 2025; with interest rates from 3.375% to 5.000% payable semi-annually on February 1 and August 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues. \$ 19,800,000

\$50,000,000 General Obligation Bonds (Waterfront Access Projects), Series 2006 were issued for financing the purchase of waterfront access within the County. The annual installments range from \$1,910,000 to \$3,570,000 through August 1, 2026; with interest rates from 3.400% to 5.000% payable semi-annually on February 1 and August 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues. \$ 44,630,000

\$115,825,000 Taxable General Obligation Refunding Bonds, Series 2006 were issued for paying and defeasing the County's outstanding General Obligation Bonds (Land Acquisition Program), Series 1999B and paying and defeasing the County's outstanding General Obligation Bonds (Land Acquisition Program), Series 2001A. The annual installments range from \$6,835,000 to \$11,355,000 through June 1, 2020; with interest rates from 5.705% to 5.938% payable semi-annually on June 1 and December 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues. \$ 96,775,000

Total General Obligation Bonds \$ 270,150,000

PALM BEACH COUNTY, FLORIDA
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Non-Ad Valorem Revenue Bonds

\$233,620,000 Criminal Justice Facilities Revenue Bonds, Series 1990 were issued to pay the cost of the construction of improvements, extensions and additions to the County's jails, courthouses and related justice facilities. The annual installments range from \$18,300,000 to \$19,615,000 from June 1, 2014 through June 1, 2015; with an interest rate of 7.200% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. The County advance refunded \$120,770,000 of this issue on June 29, 1993 and \$33,550,000 on August 21, 1997. \$ 37,915,000

\$22,245,000 Administrative Complex Revenue Refunding Bonds, Series 1993 were issued to refund the Palm Beach County Public Building Corporation, Inc. Revenue Refunding Bonds, Series 1986. The annual installments range from \$1,715,000 to \$1,865,000 through June 1, 2011; with an interest rate of 5.250% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 3,580,000

\$117,485,000 Criminal Justice Facilities Revenue Refunding Bonds, Series 1993 were issued to pay the cost of advance refunding a portion of the Criminal Justice Facilities Revenue Bonds, Series 1990. The annual installments range from \$12,685,000 to \$13,365,000 through June 1, 2011; with an interest rate of 5.375% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 26,050,000

\$32,775,000 Criminal Justice Facilities Revenue Refunding Bonds, Series 1997 were issued to pay the cost of advance refunding a portion of the County's outstanding Criminal Justice Facilities Revenue Bonds, Series 1990. The annual installments range from \$15,870,000 to \$16,785,000 from June 1, 2012 through June 1, 2013; with an interest rate of 5.750% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 32,655,000

\$18,560,000 Criminal Justice Facilities Revenue Refunding Bonds, Series 2002 were issued to pay the cost of advance refunding a portion of the County's outstanding Criminal Justice Facilities Revenue Bonds, Series 1994. The annual installments range from \$1,600,000 to \$2,015,000 through June 1, 2015; with interest rates from 3.750% to 5.000% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 10,770,000

PALM BEACH COUNTY, FLORIDA
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\$6,525,000 Public Improvement Recreation Facilities Revenue Refunding Bonds, Series 2003 were issued to pay the cost of refunding all of the County's outstanding Public Improvement Recreation Facilities Revenue Bonds, Series 1994. The annual installments range from \$590,000 to \$685,000 through July 1, 2014; with interest rates from 3.375% to 4.000% payable semi-annually on January 1 and July 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 3,190,000

\$94,300,000 Public Improvement Revenue and Refunding Bonds, Series 2004 were issued to pay the cost of refunding the County's Revenue Refunding Bond Anticipation Note (Light Industrial Complex Project), Series 2002, refunding the County's Airport Centre Revenue Bonds, Series 1992 and paying the costs of acquiring, constructing, and renovating certain capital facilities. The annual installments range from \$4,350,000 to \$6,690,000 through August 1, 2023; with interest rates from 2.500% to 5.000% payable semi-annually on February 1 and August 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 73,355,000

\$81,340,000 Public Improvement Revenue Refunding Bonds (Convention Center Project), Series 2004 were issued to finance the costs of advance refunding the County's Public Improvement Revenue Bonds, Series 2001 (Convention Center Bonds). The annual installments range from \$1,635,000 to \$5,240,000 through November 1, 2030; with interest rates from 2.500% to 5.000% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 77,750,000

\$38,895,000 Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2004A were issued to pay the outstanding principal and interest on the County's Public Improvement Revenue Bond Anticipation Notes (Biomedical Research Park Project), Series 2004B. The annual installments range from \$1,580,000 to \$2,715,000 through November 1, 2024; with interest rates from 2.625% to 4.375% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 32,925,000

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\$24,427,515 Taxable Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2004B were issued to pay the outstanding principal and interest on the County's Taxable Public Improvement Revenue Bond Anticipation Notes (Biomedical Research Park Project), Series 2004C. The annual installments range from \$2,442,751 to \$2,442,752 through November 1, 2014; with a variable rate of interest in effect of 0.345% which is calculated on a daily basis payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.

\$ 14,656,507

\$17,455,000 Parks and Recreation Facilities Revenue Refunding Bonds, Series 2005 were issued to pay the cost of refunding the County's Parks and Recreation Facilities Revenue Bonds, Series 1996 maturing on and after November 1, 2007. The annual installments range from \$1,525,000 to \$2,000,000 through November 1, 2016; with interest rates from 3.500% to 5.000% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.

\$ 13,960,000

\$13,485,000 Revenue Refunding Bonds (North County Courthouse and Sheriff's Motor Pool Facility Projects), Series 2005 were issued to pay the cost of defeasing a portion of the County's outstanding Revenue Improvement Bonds, Series 1997 (North County Courthouse and Sheriff's Motor Pool Facilities Projects). The annual installments range from \$1,160,000 to \$1,605,000 through December 1, 2017; with interest rates from 3.000% to 5.000% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.

\$ 12,240,000

\$9,520,000 Public Improvement Revenue Refunding Bonds, Judicial Center Parking Facilities, Series 2005 were issued to pay the cost of refunding the County's Public Improvement Revenue Bonds, Judicial Parking Facilities, Series 1995 maturing on and after November 1, 2006. The annual installments range from \$895,000 to \$1,120,000 through November 1, 2015; with interest rates from 3.250% to 5.000% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.

\$ 6,985,000

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\$133,935,000 Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2005A were issued to pay the cost of funding a grant to The Scripps Research Institute to enable Scripps to pay a portion of the cost of acquiring, constructing, improving and equipping the "Permanent Facilities" and paying the outstanding principal and interest due on the County's \$20,000,000 Public Improvement Revenue Bond Anticipation Notes, Series 2004. The annual installments range from \$4,900,000 to \$10,190,000 through June 1, 2025; with an interest rate of 5.000% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 115,965,000

\$20,070,000 Stadium Facilities Revenue Refunding Bonds, Series 2005 were issued to pay the cost of refunding all of the County's outstanding Stadium Facilities Revenue Bonds, Series 1996. The annual installments range from \$1,535,000 to \$2,090,000 through December 1, 2016; with interest rates of 3.250% to 5.000% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 14,420,000

\$13,028,760 Public Improvement Revenue Bonds (Florida Atlantic University Laboratory and Research Facility Project), Series 2005 were issued to pay the cost of the design, development and construction of a laboratory and research facility on the Jupiter, Florida Campus of Florida Atlantic University. The annual installments range from \$1,403,315 to \$1,641,680 through January 1, 2014; with a variable rate of interest in effect of 0.571% which is calculated on a daily basis payable semi-annually on January 1 and July 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 7,600,805

\$14,685,000 Public Improvement Revenue Bonds (Parking Facilities Expansion Project), Series 2006 were issued to pay the costs of construction related to the expansion of the Judicial Center Parking Garage. The annual installments range from \$520,000 to \$1,085,000 through December 1, 2026; with interest rates of 4.000% to 5.000% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 13,710,000

PALM BEACH COUNTY, FLORIDA
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\$2,582,648 Public Improvement Revenue Refunding Bond (Biomedical Research Park Project), Series 2007A was issued to pay the County's outstanding Public Improvement Revenue Note (Biomedical Research Park Infrastructure Project), Series 2006A and Taxable Public Improvement Revenue Note (Biomedical Research Park Infrastructure Project), Series 2006B. The annual installments range from \$89,989 to \$182,616 through November 1, 2027; with an interest rate of 4.010% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.

\$ 2,492,533

\$5,180,949 Taxable Public Improvement Revenue Refunding Bond (Biomedical Research Park Project), Series 2007B was issued to pay the County's outstanding Public Improvement Revenue Note (Biomedical Research Park Infrastructure Project), Series 2006A and Taxable Public Improvement Revenue Note (Biomedical Research Park Infrastructure Project), Series 2006B. The annual installments range from \$155,551 to \$411,965 through November 1, 2027; with an interest rate of 5.560% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.

\$ 5,023,737

\$98,080,000 Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2007C were issued to redeem the County's Public Improvement Revenue Bond Anticipation Notes (Biomedical Research Park Project), Series 2006, to fund a grant to the Scripps Research Institute to enable Scripps to pay a portion of the cost of their permanent facilities, and to pay for the preparation of the Briger Site for development. The annual installments range from \$3,190,000 to \$7,490,000 through November 1, 2027; with interest rates from 4.000% to 5.000% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.

\$ 95,015,000

\$35,075,000 Public Improvement Revenue Bonds (Law Enforcement Information Technology Project), Series 2008 were issued to pay the cost of law enforcement technology equipment and software. The annual installments range from \$5,577,886 to \$6,298,675 through February 1, 2014; with an interest rate of 3.038% payable semi-annually on February 1 and August 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.

\$ 29,664,035

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\$29,476,000 Public Improvement Revenue Refunding Bonds, Series 2008A were issued to refund three variable rate loans with the Sunshine State Governmental Financing Commission. The annual installments range from \$1,093,000 to \$4,142,000 through December 1, 2020; with an interest rate of 3.497% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 25,364,000

\$176,585,000 Public Improvement Revenue Bonds, Series 2008 were issued to pay for additional criminal justice (law enforcement) facilities. The annual installments range from \$3,120,000 to \$10,730,000 through May 1, 2038; with interest rates from 4.000% to 5.000% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 174,530,000

\$94,235,000 Public Improvement Revenue Bonds, Series 2008-2 were issued to distribute funds to Max Planck Florida Corporation to establish a biomedical research facility in the County and also to refinance the County's five Series J variable rate loans with the Sunshine State Governmental Financing Commission. The annual installments range from \$3,035,000 to \$7,295,000 through November 1, 2028; with interest rates from 4.000% to 5.500% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 94,235,000

Total Non-Ad Valorem Revenue Bonds \$ 924,051,617

Face Amount of Bonds Payable	\$1,194,201,617
Unamortized bond premiums	\$ 31,962,706
Unamortized loss on bond refinancing	<u>\$ (11,576,607)</u>
Net General Obligation and Non-Ad Valorem Revenue Bonds	\$1,214,587,716

Notes and Loans Payable

\$1,660,000 - HUD Section 108 Loan #1, 2004, payable to the Secretary of Housing and Urban Development due in annual installments ranging from \$87,000 to \$94,000 through August 1, 2023; with interest rates of 4.570% to 5.970% payable semi-annually on February 1 and August 1 of each year. The loan is not a general obligation of the County and is payable from non-ad valorem revenues. \$ 1,225,000

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\$11,543,892 Taxable Public Improvement Revenue Bond Anticipation Note (Convention Center Hotel Project) Series 2007 was issued to pay the cost of acquiring the convention center hotel site and initial design expenses. Interest is payable semiannually on May 1 and November 1 with the entire principal due on May 1, 2010; at a variable rate of interest in effect of 0.399% which is calculated on a daily basis. The note is not a general obligation of the County and is payable from non-ad valorem revenues. \$ 11,543,892

\$11,697,676 Public Improvement Revenue Note (Environmentally Sensitive Land Acquisition Project) Series 2008 was issued to pay the cost of the acquisition of environmentally sensitive land in Palm Beach County. The annual installments are \$584,884 through August 1, 2028; with a variable rate of interest in effect of 1.092% payable semiannually on February 1 and August 1 of each year. The note is not a general obligation of the County and is payable from non-ad valorem revenues. \$ 11,112,792

\$199,000 - HUD Section 108 Loan, 2009, was obtained to provide funding for a County loan to Glades Gas & Electric for the Belle Glade Avenue "A" Revitalization Project. The annual installments range from \$4,000 to \$16,000 through August 1, 2028; with a variable rate of interest in effect of 0.561% payable quarterly on February 1, May 1, August 1 and November 1 of each year. The loan is not a general obligation of the County and is payable from non-ad valorem revenues. \$ 199,000

\$16,140,760 Capital Improvement Bond Anticipation Note, Series 2009 was issued to finance the cost of renovation, construction and equipping of public improvement facilities. Interest is payable semiannually on June 1 and December 1 with the entire principal due on June 1, 2012; at a variable rate of interest in effect of 1.131% which is calculated on a daily basis. The note is not a general obligation of the County and is payable from non-ad valorem revenues. \$ 16,140,760

\$1,000,000 - HUD Section 108 Loan, 2009, was obtained to provide funding for a County loan to Baron Group for the Community Development Business Loan Program Project. The annual installments are \$100,000 through August 1, 2019; with a variable rate of interest in effect of 0.561% payable quarterly on February 1, May 1, August 1 and November 1 of each year. The loan is not a general obligation of the County and is payable from non-ad valorem revenues. \$ 1,000,000

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\$ 606,412 - IBM Mainframe IPA Systems Equipment Loan, 2007. The Information Systems Services Department agreed to an installment purchase agreement with IBM for data processing software systems equipment with maintenance and services. The terms of the installment purchase are quarterly principal and interest payments at a rate of 3.746% for the Equipment, 3.553% for the Software and 5.110% for Services through January 1, 2010. The installment purchase is not a general obligation of the County and is payable from non-ad valorem revenues.

\$ 105,812

Total Notes and Other Loans Payable

\$ 41,327,256

Lines of Credit

On May 21, 2009, the County entered into a \$38,776,332 line of credit agreement with a financial institution to support the issuance of letters of credit to satisfy the debt service reserve funding requirements for seven of the County's outstanding bond issues. Principal borrowed on the line of credit is due at maturity on May 20, 2010. Interest on the principal balance accrues at a rate equivalent to the one-month LIBOR rate plus 1.500% and is paid quarterly. The County does not anticipate that any draws on the letters of credit will occur. The County will use non-ad valorem revenues to fund the letter of credit fees. The County had no outstanding balance on the line of credit as of September 30, 2009.

On June 4, 2009, the County entered into a \$22,568,948 line of credit agreement with a financial institution to support the issuance of standby letters of credit to satisfy the debt service reserve funding requirements for four of the County's outstanding bond issues. Principal borrowed on the line of credit is due at maturity on June 3, 2010. Interest on the principal balance accrues at a rate per year equal to the sum of (i) the Prime Rate plus (ii) for the first 30 days such amount is outstanding, 0%; for the 31st through 60th day such amount is outstanding, 0.5%; for the 61st through 90th day such amount is outstanding, 1.0%; and after the 90th day, 2.0%. The County does not anticipate that any draws on the letters of credit will occur. The County will use non-ad valorem revenues to fund the letter of credit fees. The County had no outstanding balance on the line of credit as of September 30, 2009.

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Arbitrage Liability

Certain County debt obligations are subject to Section 148 of the Internal Revenue Code which requires that interest earned on proceeds from tax-exempt debt be rebated to the federal government to the extent that those earnings exceed the interest cost of the related tax-exempt debt. The arbitrage rebate must be calculated and paid to the federal government every five years from the date of issue until the debt matures. The County employs a consultant to make computations on an annual basis. However, since the rebate is cumulative (excess earnings in one year can be offset with deficit earnings in another year), the annually computed estimate may change significantly (increase or decrease) before the actual due date.

\$ 14,746,359

Compensated absences

Compensated absences are liquidated by the governmental fund incurring the expense.

County Funds:

General Fund	\$ 15,281,417
Special Revenue Funds	23,264,054
Capital Projects Fund	750,523
Internal Service Funds	3,887,087

Constitutional Officers:

Sheriff	70,994,346
Clerk & Comptroller	5,140,616
Tax Collector	885,606
Property Appraiser	2,363,406
Supervisor of Elections	<u>273,788</u>

\$ 122,840,843

OPEB	28,805,268
Net pension obligation	252,006
Termination benefits	1,470,948
Capital leases	3,313
Estimated Self-Insurance Obligation	<u>88,437,809</u>

Total Governmental Activities General Long-Term Debt including current portion	<u><u>\$1,512,471,518</u></u>
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PALM BEACH COUNTY, FLORIDA
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Business-type Activities Long-Term Debt

Business-type long-term debt, including current portion, at September 30, 2009 consisted of the following:

Revenue Bonds

\$30,000,000 Water and Wastewater Revenue Bonds, Series 1998 were issued to pay a portion of the costs of constructing certain additions and improvements to the County's water and wastewater facilities. The annual installments range from \$1,575,000 to \$1,715,000 through October 1, 2011; with interest rates from 4.300% to 4.500% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Wastewater System and a first lien on and pledge of the connection charges of the system. \$ 4,935,000

\$26,785,000 Water and Sewer Revenue Refunding Bonds, Series 2003 were issued to pay for refunding all of the County's outstanding Water and Sewer Revenue Bonds, Series 1993A and Water and Sewer Revenue Refunding Bonds, Series 1993B maturing on and after October 1, 2003. The annual installments range from \$830,000 to \$4,120,000 through October 1, 2013; with interest rates from 2.125% to 5.000% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Sewer system and a first lien on and pledge of the connection charges of the system. \$ 8,100,000

\$28,265,000 Water and Sewer Revenue Refunding Bonds, Series 2004 were issued to pay for the refunding of the County's Water and Sewer Revenue Bonds, Series 1995 maturing on and after October 1, 2006. The annual installments range from \$3,985,000 to \$5,270,000 through April 1, 2011; with an interest rate of 5.000% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Sewer system and a first lien on and pledge of the connection charges of the system. \$ 9,255,000

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\$125,850,000 Water and Wastewater Revenue Bonds, Series 2006A were issued to pay a portion of the costs of constructing certain additions and improvements to the County's water and wastewater facilities and acquisition of certain water and wastewater assets from the Village of Royal Palm Beach, Florida. The annual installments range from \$2,180,000 to \$7,760,000 through October 1, 2036; with interest rates from 3.500% to 5.000% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Wastewater System and a first lien on and pledge of the connection charges of the system.

\$ 121,705,000

\$12,485,000 Water and Sewer Revenue Refunding Bonds, Series 2006B were issued to pay for the refunding of the County's Water and Sewer Revenue Bonds, Series 1998 maturing on and after October 1, 2012. The annual installments range from \$45,000 to \$2,245,000 through October 1, 2017; with interest rates from 3.500% to 4.250% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Sewer system and a first lien on and pledge of the connection charges of the system.

\$ 12,365,000

\$6,473,000 Water and Sewer Revenue Refunding Bonds, Series 2008 were issued to pay for refunding all of the County's outstanding Water and Sewer Revenue Bonds, Series 1985. The annual installments range from \$1,500,000 to \$1,928,000 through October 1, 2011; with an interest rate of 3.250% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Sewer system and a first lien on and pledge of the connection charges of the system.

\$ 5,073,000

\$68,115,000 Water and Sewer Revenue Bonds, Series 2009 (FPL Reclaimed Water Project) were issued to finance the acquisition and construction of additions to the County's Water and Sewer System and to reimburse Florida Power and Light for costs advanced by them. The annual installments range from \$1,065,000 to \$4,225,000 through October 1, 2040; with interest rates from 4.000% to 5.250% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Sewer System and a first lien on and pledge of the connection fees.

\$ 68,115,000

PALM BEACH COUNTY, FLORIDA
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\$83,965,000 Airport System Revenue Refunding Bonds, Series 2001 were issued to refund the Airport System Revenue Bonds, Series 1991 maturing October 1, 2004 and October 1, 2010. The annual installments range from \$7,535,000 to \$7,975,000 through October 1, 2010; with interest rates from 4.250% to 5.500% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are payable solely from and secured from the net revenues available for Debt Service and the funds and accounts pledged under the bond resolution.

\$ 15,510,000

\$60,150,000 Airport System Revenue Refunding Bonds, Series 2002 were issued to refund the Airport System Revenue Bonds, Series 1992 maturing October 1, 2014. The annual installments range from \$10,270,000 to \$12,500,000 from October 1, 2011 through October 1, 2014; with an interest rate of 5.750% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are payable solely from and secured from the net revenues available for Debt Service and the funds and accounts pledged under the bond resolution.

\$ 45,410,000

\$69,080,000 Airport System Revenue Refunding Bonds, Series 2006A were issued to pay a portion of the costs of constructing certain facilities and improvements to the Airport System. The annual installments range from \$2,920,000 to \$6,055,000 from October 1, 2021 through October 1, 2036; with interest rates from 4.700% to 5.000% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are payable solely from and secured from the net revenues available for Debt Service and the funds and accounts pledged under the bond resolution.

\$ 69,080,000

\$16,855,000 Airport System Revenue Refunding Bonds, Series 2006B were issued to advance refund a portion of the Airport System Revenue Bonds, Series 2001 and a portion of the Airport System Revenue Bonds, Series 2002. The annual installments range from \$2,425,000 to \$3,225,000 from October 1, 2015 through October 1, 2020; with an interest rate of 5.905% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are payable solely from and secured from the net revenues available for Debt Service and the funds and accounts pledged under the bond resolution.

\$ 16,855,000

PALM BEACH COUNTY, FLORIDA
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\$266,590,000 Solid Waste Authority Refunding Revenue Bonds, Series 1997A were issued to refund the Authority's Adjustable/Fixed Rate Revenue Bonds, Series 1984 maturing on and after July 1, 1998. The remaining annual installment is \$71,430,000 with \$34,405,000 due on October 1, 2009 and \$37,025,000 due on July 1, 2010; with an interest rate of 6.000% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien upon and pledge of the net revenues of the Authority's solid waste disposal and resource recovery system. \$ 71,430,000

\$36,405,432 Solid Waste Authority Refunding Revenue Bonds, Series 1998A were issued to refund certain of the Authority's Refunding Bonds, Series 1989. \$2,165,000 are Current Interest Series 1998A Bonds, which have matured. \$34,240,432 are Capital Appreciation series 1998A Bonds due in annual installments of \$2,550,830 to \$20,209,629 from October 1, 2011 through October 1, 2013; and shall accrue interest from their delivery date to appreciate at the approximate yields from 4.900% to 5.050%. The bonds are not general obligations of the County and are secured by a first lien upon and pledge of the net revenues of the Authority's solid waste disposal and resource recovery system. \$ 34,240,432

\$39,869,386 Solid Waste Authority Improvement Revenue Bonds, Series 2002B were issued to refund a portion of the Authority's Refunding and Improvement Revenue Bonds, Series 1992. \$1,135,000 are Current Interest Series 2002B Bonds, which have matured. \$38,734,386 are Capital Appreciation Series 2002B Bonds due in annual installments ranging from \$12,003,800 to \$13,769,586 from October 1, 2014 through October 1, 2016; and shall accrue interest from their delivery date to appreciate at the approximate yields from 4.850% to 5.050%. The bonds are not general obligations of the County and are secured by a first lien upon and pledge of the net revenues of the Authority's solid waste disposal and resource recovery system. \$ 38,734,386

\$34,385,000 Solid Waste Authority Refunding Revenue Bonds, Series 2004 were issued to advance refund the Authority's Improvement Revenue Bonds, Series 1997B due in annual installments ranging from \$45,000 to \$33,935,000 through October 1, 2011; with interest rates from 2.250% to 5.000% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien upon and pledge of the net revenues of the Authority's solid waste disposal and resource recovery system. \$ 34,025,000

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

\$131,565,000 Solid Waste Authority Improvement Revenue Bonds, Series 2008B were issued to fund various solid waste system projects. The annual installments range from \$10,700,000 to \$34,965,000 from October 1, 2024 through October 1, 2028; with interest rates from 5.500% to 5.625% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien upon and pledge of the net revenues of the Authority's solid waste disposal and resource recovery system. \$ 131,565,000

\$261,545,000 Solid Waste Authority Improvement Revenue Bonds, Series 2009 were issued to finance the 2008 Project. The annual installments range from \$2,500,000 to \$31,270,000 from October 1, 2011 through October 1, 2028; with interest rates from 3.000% to 5.500% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien upon and pledge of the net revenues of the Authority's solid waste disposal and resource recovery system. \$ 261,545,000

Total face value of revenue bonds payable	\$ 947,942,818
Unamortized bond premiums	\$ 14,314,796
Unamortized loss on bond refinancing	<u>\$ (4,788,087)</u>
Net Revenue Bonds, Business-Type Activities	<u>\$ 957,469,527</u>

Notes and Loans Payable

\$80,000,000 Solid Waste Authority Subordinated Improvement Revenue Note, Series 2008 was issued to finance costs incurred in connection with the relocation of facilities and the purchase of land for the development of a new landfill site. The annual installments are \$4,000,000 through October 1, 2027; with a variable rate of interest in effect of 0.980% payable semi-annually on April 1 and October 1 of each year. The note is not a general obligation of the County and is secured by a first lien upon and pledge of the net revenues of the Authority's solid waste disposal and resource recovery system. \$ 76,000,000

Total notes and loans payable	\$ 76,000,000
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**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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Line of Credit

On March 15, 2006, the Department of Airports entered into an \$8,000,000 line of credit agreement with a financial institution to finance costs incurred in connection with the acquisitions, constructions, installation and equipping of certain facilities and improvements relating to the Airport System. Principal borrowed on the line of credit is due at maturity on June 30, 2011. Interest on the principal balance accrues at a rate equivalent to 77% of the one month LIBOR rate plus 46 basis points (approximately 2.370% at September 30, 2009) and is paid quarterly. Borrowings on the line of credit are payable from and secured by a pledge of the net revenues of the airport system, subordinate to the lien and pledge of net revenues for repayment of the Airport bonds. The Department had no outstanding balance on the line of credit as of September 30, 2009.

Accrued interest payable on notes and capital appreciation bonds	\$ 40,530,727
Accrued landfill costs	\$ 26,211,736

Compensated absences

Compensated absences are liquidated by the business type fund incurring the expense.

Business-Type Fund

Water Utilities Department	\$ 2,889,185	
Department of Airports	1,280,329	
Solid Waste Authority	<u>4,651,156</u>	
		\$ 8,820,670
OPEB		\$ 357,053
Termination benefits		<u>\$ 132,366</u>
Total Business-Type Activities Long-Term Debt, including current portion		<u><u>\$1,109,522,079</u></u>

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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Annual debt service requirements to maturity for governmental activities long-term debt are as follows:

Governmental Activities General Long-Term Debt

Year Ending September 30	General Obligation Bonds		Non-Ad Valorem Revenue Bonds		Loans Payable		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
	2010	\$ 21,185,000	\$ 13,468,819	\$ 58,016,492	\$ 42,769,938	\$ 12,436,588	
2011	22,240,000	12,416,423	58,206,950	40,514,189	786,884	366,191	134,530,637
2012	18,965,000	11,269,504	60,749,589	38,134,695	16,927,644	354,994	146,401,426
2013	19,885,000	10,350,093	63,739,693	35,573,432	786,884	161,056	130,496,158
2014	20,850,000	9,371,974	66,248,559	32,802,501	786,883	149,607	130,209,524
2015-2019	103,445,000	31,235,921	206,111,382	125,463,188	3,938,419	572,351	470,766,261
2020-2024	53,065,000	8,844,627	187,362,476	80,764,832	3,305,419	277,607	333,619,961
2025-2029	10,515,000	623,198	133,261,476	38,503,647	2,358,535	64,110	185,325,966
2030-2034	-	-	50,405,000	16,720,125	-	-	67,125,125
2035-2039	-	-	39,950,000	5,115,500	-	-	45,065,500
Total	<u>\$ 270,150,000</u>	<u>\$ 97,580,559</u>	<u>\$ 924,051,617</u>	<u>\$ 456,362,047</u>	<u>\$ 41,327,256</u>	<u>\$ 2,362,893</u>	<u>\$ 1,791,834,372</u>

Annual debt service requirements to maturity for business-type activities long-term debt are as follows:

Business-type Activities Long-Term Debt

Year Ending September 30	Revenue Bonds		Loan and Note Payable		Total
	Principal	Interest	Principal	Interest	
2010	\$ 93,700,000	\$ 42,831,384	\$ 4,000,000	\$ 740,000	\$ 141,271,384
2011	18,430,000	39,388,523	4,000,000	700,000	62,518,523
2012	57,298,830	39,922,666	4,000,000	660,000	101,881,496
2013	40,169,629	56,230,894	4,000,000	620,000	101,020,523
2014	32,559,973	47,770,950	4,000,000	580,000	84,910,923
2015-2019	147,444,386	194,674,350	20,000,000	2,300,000	364,418,736
2020-2024	182,695,000	122,509,599	20,000,000	1,300,000	326,504,599
2025-2029	242,570,000	67,312,091	16,000,000	320,000	326,202,091
2030-2034	67,875,000	25,028,981	-	-	92,903,981
2035-2039	56,950,000	7,281,555	-	-	64,231,555
2040-2044	8,250,000	417,500	-	-	8,667,500
Total	<u>\$ 947,942,818</u>	<u>\$ 643,368,493</u>	<u>\$ 76,000,000</u>	<u>\$ 7,220,000</u>	<u>\$ 1,674,531,311</u>

COMPONENT UNITS:

Metropolitan Planning Organization (MPO) Changes in Long-Term Liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 206,424	\$ -	\$ 37,148	\$ 169,276	\$ 11,680
OPEB	3,000 *	3,010	-	6,010	-
Total	<u>\$ 209,424</u>	<u>\$ 3,010</u>	<u>\$ 37,148</u>	<u>\$ 175,286</u>	<u>\$ 11,680</u>

* Restated to include MPO participation in County Healthcare Plan.

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Westgate/Belvedere Homes Community Redevelopment Agency (CRA) Changes in Long-Term Liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable	\$ 2,070,000	\$ -	\$ 170,000	\$ 1,900,000	\$ 175,000
Loans payable	2,310,477	-	248,929	2,061,548	259,403
Mortgage payable	189,299	-	10,548	178,751	178,751
Mortgage payable	255,036	-	14,062	240,974	240,974
Mortgage payable	260,000	-	-	260,000	260,000
Total	\$ 5,084,812	\$ -	\$ 443,539	\$ 4,641,273	\$ 1,114,128

Bond obligation - Redevelopment Revenue Refunding and Improvement Bonds, Series 1999 authorized issue dated March 1, 1999, was \$3,380,000. Bonds outstanding at September 30, 2009 were \$1,900,000 and interest rates range from 3.1% to 4.8%.

Loan payable - On November 28, 2005, the CRA was approved by a bank for a loan in the amount of \$3,038,300 with a maturity of August 1, 2016 and interest set at 4.15%. The proceeds of the loan will be used for street improvements and acquisition of property in the Westgate/Belvedere Community.

Mortgage payable - The mortgage is payable in monthly installment payments of \$1,955 including interest with a maturity of August 3, 2010 and interest rate of 7%. The mortgage is secured by the building.

Mortgage payable - The mortgage is payable in monthly installment payments of \$2,519, interest only, with an extended maturity of September 30, 2010 and interest rate of 6.5%. The mortgage is secured by the building.

Mortgage payable - The mortgage is payable in monthly installment payments of \$1,625, interest only, with a maturity of September 28, 2010 and interest rate of 7.5%. The mortgage is secured by the building.

Annual debt service requirements to maturity for CRA long-term debt are as follows:

Year Ending September 30	Bond Obligation		
	Principal	Interest	Total
2010	\$ 175,000	\$ 82,570	\$ 257,570
2011	185,000	74,917	259,917
2012	190,000	66,760	256,760
2013	200,000	58,180	258,180
2014	210,000	49,055	259,055
2015-2018	940,000	91,775	1,031,775
Total	\$ 1,900,000	\$ 423,257	\$ 2,323,257

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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Year Ending September 30	Loan Payable		
	Principal	Interest	Total
2010	\$ 259,403	\$ 86,742	\$ 346,145
2011	270,317	75,828	346,145
2012	281,515	64,630	346,145
2013	293,536	52,609	346,145
2014	305,887	40,258	346,145
2015-2016	650,890	41,400	692,290
Total	\$ 2,061,548	\$ 361,467	\$ 2,423,015

Year Ending September 30	Mortgage Payable		
	Principal	Interest	Total
2010	\$ 178,751	\$ 11,172	\$ 189,923
Total	\$ 178,751	\$ 11,172	\$ 189,923

Year Ending September 30	Mortgage Payable		
	Principal	Interest	Total
2010	\$ 240,974	\$ 15,222	\$ 256,196
Total	\$ 240,974	\$ 15,222	\$ 256,196

Year Ending September 30	Mortgage Payable		
	Principal	Interest	Total
2010	\$ 260,000	\$ 19,500	\$ 279,500
Total	\$ 260,000	\$ 19,500	\$ 279,500

CONDUIT DEBT

Primary Government: The County issues Industrial Development Bonds to provide financial assistance to not-for-profit and private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The County is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. During the current reporting period, one series of Industrial Development Bonds was issued with an aggregate par value of \$16 million. As of September 30, 2009, there were thirty-eight

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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series of Industrial Development Bonds outstanding, with an estimated aggregate principal amount payable of \$593 million.

Component Unit: The Housing Finance Authority of Palm Beach County (HFA) is authorized to issue bonds to fulfill their corporate purpose. The HFA and the County are not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2009, the HFA has \$257 million of bonds outstanding that were originally issued in the aggregate principal amount of \$301 million.

16. CONTINGENCIES

Litigation

The County is involved in various lawsuits arising in the ordinary course of operations. Where it has been determined that a loss is probable related to these matters a liability has been recorded in our self insurance obligations. There are two litigation matters where management of the County based on advice of legal counsel have determined it is reasonably possible that a loss may occur if an unfavorable outcome is received. As of this date an amount, if any, cannot be determined but the estimated range of loss for the two matters are between \$0 and \$32 million and \$0 and \$2 million. No obligation has been recognized in the financial statements for these matters. In addition the County is involved with other matters the outcome of which is not presently determinable, it is the opinion of management of the County based upon consultation with legal counsel, that the outcome of these matters would not have a material adverse affect on the financial position of the County.

State and Federal Grants

Grant monies received and disbursed by the County are for specific purposes and are subject to audit by the grantor agencies. Such audits may result in requests for reimbursements due to disallowed expenditures. Based upon prior experience, management does not believe that such disallowances, if any, would have a material adverse effect on the financial position of the County.

Interlocal Agreement

On September 22, 1992 the Board of County Commissioners approved an interlocal agreement between the County and the Westgate/Belvedere Homes Community Redevelopment Agency (Agency), whereby the County has agreed to fund any deficiency in the reserve fund of the Agency's Redevelopment Revenue Bonds. The Agency is required to notify the County on or before May 2nd of each year of any deficiency amount that the Agency expects to exist on the next succeeding November 1st. At present, the County has not been made aware of any deficiency amount.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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Bond Guaranty

On October 17, 2000 the Board of County Commissioners approved a trust agreement between the County and Suntrust Bank, (the Trustee), whereby the County has agreed to fund any deficiency in the reserve fund of the Palm Beach County, Florida, Industrial Development Revenue Bonds (South Florida Fair project), Series 2000. The Trustee is required to notify the County after June 1st and on or before June 5th of each year of the deficiency amount, if any, as of such date. At present, the County has not been made aware of any deficiency amount.

Letters of credit have been arranged in lieu of debt service reserve surety insurance policies where credit ratings of the insurers declined below the rating required by the bond covenants. Additional information on the letters of credit may be found in the note for long-term debt.

Solid Waste Authority (SWA)

Environmental Liabilities: SWA, in cooperation with other state and local regulatory agencies, maintains an extensive monitoring program for potential environmental contaminants at each of its sites and facilities. These monitoring programs have not identified any contaminants caused by landfill leachate or other operations of SWA. In the event that any environmental contaminants are identified, SWA may be financially responsible for the environmental assessment and cleanup costs, as well as potential fines imposed by governmental regulatory agencies.

17. PLEDGED REVENUES

The County has pledged a portion of future non-ad valorem revenues to repay \$963 million in revenue bonds, notes and loans issued between July 1, 1990 and June 18, 2009. A ten year history of the pledged revenues are reported in statistical table X. Proceeds from the debt provided financing for capital additions, improvements, and expansion of County facilities, equipment and infrastructure. The bonds are payable solely from available non-ad valorem revenues and are payable through May 1, 2038. Total principal and interest remaining to be paid on the bonds is \$1.4 billion with annual requirements ranging from \$11 million in fiscal year 2034 to \$116 million in fiscal year 2012. The pledged non-ad valorem revenues, from which the appropriations will be made, have averaged \$319 million per year over the last 10 years. Principal and interest paid for the current year and total pledged non-ad valorem revenues were \$96 million and \$380 million, respectively.

The County has pledged future airport revenues net of specified operating expenses, to repay \$147 million in airport revenue bonds issued between July 3, 2001 and May 17, 2006. Proceeds from the bonds provided financing for the addition, improvements and expansion of the airport facilities, equipment and infrastructure. The bonds are payable solely from the airport net revenues and are payable through October 1, 2036. Total principal and interest remaining to be paid on the bonds is \$239 million with annual

PALM BEACH COUNTY, FLORIDA
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requirements ranging from \$6 million in fiscal year 2037 to \$17 million in fiscal year 2015. Annual principal and interest payments on the bonds are expected to require less than 34% of projected future net revenues. Principal and interest paid for the current year and net operating income before interest expense were \$15 million and \$25 million, respectively.

The County has pledged future water utility revenues net of specified operating expenses, to repay \$230 million in water & sewer revenue bonds issued between June 24, 1998 and July 22, 2009. Proceeds from the bonds provided financing for the addition, improvements and expansion of the water and sewer facilities, equipment and infrastructure. The bonds are payable solely from the water utility net revenues and are payable through October 1, 2040. Total principal and interest remaining to be paid on the bonds is \$407 million with annual requirements ranging from \$4 million in fiscal year 2041 to \$24 million in fiscal year 2010. Annual principal and interest payments on the bonds are expected to require less than 28% of projected future net revenues. Principal and interest paid for the current year and net operating income before interest expense were \$22 million and \$56 million, respectively.

The Solid Waste Authority (SWA) has pledged future revenues net of specified operating expenses, to repay \$648 million in SWA revenue bonds issued between March 15, 1997 and April 23, 2009. Proceeds from the bonds and note provided financing for the addition, improvements and expansion of the SWA facilities, equipment and infrastructure. The bonds and note are payable solely from the SWA net revenues and are payable through October 1, 2028. Total principal and interest remaining to be paid on the bonds and note is \$1.029 billion with annual requirements ranging from \$46 million in fiscal year 2018 to \$68 million in fiscal year 2013. Annual principal and interest payments on the bonds are expected to require less than 100% of projected future net revenues. Principal and interest paid for the current year and net operating income before interest expense were \$47 million and \$61 million, respectively.

18. SUBSEQUENT EVENTS

Water Utilities Department:

On June 16, 2009 the Board of County Commissioners created the Glades Utility Authority (GUA). The GUA, which began operations on October 1, 2009, is a regional partnership established for the purpose of providing water, wastewater, and reclaimed water services to the residents of Belle Glade, Pahokee, and South Bay (Cities) and surrounding areas in an efficient and fiscally responsible manner. Under the Agreement, the GUA will assume the existing utility debt of the cities, establish sustainable financial policies, assume ownership of all utility assets (including the Lake Region Water Treatment Plant and the Belle Glade wastewater plant), rehabilitate the systems, correct regulatory violations, improve revenue collections and decrease costs through economies of scale.

PALM BEACH COUNTY, FLORIDA
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Certain conditions precedent to establishment of the GUA were met by the August 1, 2009 deadline:

- The existing State Revolving Fund loans of the Cities assumed by the GUA were restructured for a 30-year term with the first five years interest only with an interest rate not exceeding 4.5%. The agreement commits the County as a backup pledge for the restructured debt.
- The GUA received a \$9.3 million bank loan with level principal and interest payments for a 10-year term with interest at 4.48%. The agreement commits the County as a backup pledge for the debt.

A transition agreement sets forth the details for transferring assets, customer accounts, and employees, and provides for cooperation and exchange of information needed for a smooth transition. Initially, this agreement provides for the GUA to contract with the County to provide all utility services, and all City utility employees are to become employees of the County, provided that they meet the minimum hiring requirements. Transferred employees are to be subject to the same probationary status as any County new hires. The agreement further requires the GUA to pay an annual host franchise fee to the three Cities of 7% of the GUA's gross revenues from within each City's service area. In September, 2009, the Water Utilities Department (the Department) amended its FY 2010 operating budget to include the estimated \$10 million cost of operating the GUA and the contractual revenues to be received from the GUA to fund these expenses. Additionally, 54 positions were added to the Department's personnel complement to operate the GUA.

This transaction will be accounted for by the County in the Utilities enterprise fund as a non-exchange transaction which will result in the recognition of contribution expense to other governments to reflect the transfer of the Lake Region Water Treatment Plant on October 1, 2009 to the GUA when all eligibility requirements have been met and the asset is first available for use by the GUA. The result of this transaction will be a reduction in capital assets and the amount invested in capital assets net of related debt in the amount of \$55.4 million.

Fire Rescue:

On December 16, 2008 the Board of County Commissioners adopted an Ordinance to add the Village of Palm Springs and the City of Lake Worth to the Fire Rescue MSTU for the tax year 2009 for services beginning October 1, 2009. The employees will be hired by the County and added to the Fire Rescue complement. The County will lease their fire stations annually. All of the related vehicles, furnishings, and equipment were transferred to the County on October 1, 2009.



REQUIRED SUPPLEMENTARY INFORMATION



The Required Supplementary Information subsection includes the budgetary comparison schedule for Palm Beach County's major funds; the General Fund, the Fire Rescue Special Revenue Fund, and the Sheriff Special Revenue Fund. It also includes the schedules of funding progress related to the Palm Tran and Lantana Firefighter's Pension Plans, the Palm Beach County Healthcare Plans, and the Fire Rescue Long-Term Disability Plan.

PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the fiscal year ended September 30, 2009
(Required Supplementary Information)

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 664,611,996	\$ 637,603,996	\$ 611,961,730	\$ (25,642,266)
Special assessments	-	-	44,000	44,000
Licenses and permits	4,407,200	26,415,200	31,574,290	5,159,090
Intergovernmental	28,651,781	28,891,676	25,699,294	(3,192,382)
Charges for services	72,087,553	86,192,278	87,296,406	1,104,128
Fines and forfeitures	1,282,400	1,282,400	1,773,502	491,102
Investment income	14,168,750	14,168,750	25,028,176	10,859,426
Miscellaneous	6,044,082	6,378,709	8,236,093	1,857,384
Less 5% anticipated revenues	(39,997,269)	(36,722,269)	-	36,722,269
Total revenues	751,256,493	764,210,740	791,613,491	27,402,751
Expenditures:				
Current:				
General government	224,697,406	237,578,137	123,163,174	114,414,963
Public safety	33,892,179	34,711,320	33,081,054	1,630,266
Physical environment	13,955,814	13,924,522	13,045,938	878,584
Transportation	6,720,000	6,805,298	6,805,298	-
Economic environment	27,763,622	27,732,960	27,305,408	427,552
Human services	55,690,630	55,521,953	53,166,793	2,355,160
Culture and recreation	60,767,391	60,268,867	58,819,037	1,449,830
Capital outlay	219,901	392,923	289,736	103,187
Total expenditures	423,706,943	436,935,980	315,676,438	121,259,542
Excess of revenues over expenditures	327,549,550	327,274,760	475,937,053	148,662,293
Other financing sources (uses):				
Transfers in	37,316,309	35,763,656	63,670,349	27,906,693
Transfers out	(559,121,947)	(581,613,576)	(579,131,367)	2,482,209
Total other financing sources (uses)	(521,805,638)	(545,849,920)	(515,461,018)	30,388,902
Net change in fund balances	(194,256,088)	(218,575,160)	(39,523,965)	179,051,195
Fund balances, October 1, 2008 (Restated)	194,256,088	218,575,160	220,335,250	1,760,090
Increase in reserves, inventory	-	-	51,912	51,912
Fund balances, September 30, 2009	\$ -	\$ -	\$ 180,863,197	\$ 180,863,197

NOTE: The effective legal level of budget control is maintained at the department or fund level. A separate detailed report providing this information is available for inspection at the Office of Financial Management and Budget. Annual budgets are legally adopted for all governmental and proprietary fund types. Budgetary comparisons presented herein are on a basis consistent with GAAP.

PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Fire Rescue Special Revenue Fund
For the fiscal year ended September 30, 2009
(Required Supplementary Information)

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 207,303,930	\$ 207,303,930	\$ 199,401,782	\$ (7,902,148)
Special assessments	285,802	285,802	276,574	(9,228)
Licenses and permits	2,000	2,000	5,123	3,123
Intergovernmental	263,600	263,600	299,134	35,534
Charges for services	27,297,109	27,804,458	28,537,300	732,842
Investment income	4,257,455	4,257,455	11,938,238	7,680,783
Miscellaneous	91,500	99,500	493,544	394,044
Less 5% anticipated revenues	(11,625,495)	(11,625,495)	-	11,625,495
Total revenues	227,875,901	228,391,250	240,951,695	12,560,445
Expenditures:				
Current:				
Public safety	295,288,191	309,743,932	214,684,040	95,059,892
Economic environment	1,030,000	1,030,000	961,656	68,344
Capital outlay	9,355,727	11,414,886	5,616,363	5,798,523
Total expenditures	305,673,918	322,188,818	221,262,059	100,926,759
Excess of revenues over (under) expenditures	(77,798,017)	(93,797,568)	19,689,636	113,487,204
Other financing sources (uses):				
Transfers in	8,271,878	8,408,057	6,809,554	(1,598,503)
Transfers out	(6,200,000)	(6,200,000)	(6,200,000)	-
Total other financing sources (uses)	2,071,878	2,208,057	609,554	(1,598,503)
Net change in fund balances	(75,726,139)	(91,589,511)	20,299,190	111,888,701
Fund balances, October 1, 2008	75,726,139	91,589,511	94,117,444	2,527,933
Increase in reserves, inventory	-	-	60,916	60,916
Fund balances, September 30, 2009	\$ -	\$ -	\$ 114,477,550	\$ 114,477,550

NOTE: The effective legal level of budget control is maintained at the department or fund level. A separate detailed report providing this information is available for inspection at the Office of Financial Management and Budget. Annual budgets are legally adopted for all governmental and proprietary fund types. Budgetary comparisons presented herein are on a basis consistent with GAAP.

PALM BEACH COUNTY, FLORIDA
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Sheriff Special Revenue Fund
 For the fiscal year ended September 30, 2009
 (Required Supplementary Information)

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ -	\$ -	\$ 1,722,719	\$ 1,722,719
Fines and forfeitures	-	-	207,490	207,490
Investment income	-	-	356,025	356,025
Miscellaneous	-	-	23,155	23,155
Total revenues	-	-	2,309,389	2,309,389
Expenditures:				
Current:				
General government	20,218,830	20,643,574	20,369,454	274,120
Public safety	440,495,162	422,428,527	415,387,129	7,041,398
Capital outlay	13,218,170	35,472,805	26,124,007	9,348,798
Total expenditures	473,932,162	478,544,906	461,880,590	16,664,316
Excess of revenues over (under) expenditures	(473,932,162)	(478,544,906)	(459,571,201)	18,973,705
Other financing sources (uses):				
Transfers in	473,932,162	481,853,826	481,337,223	(516,603)
Transfers out	-	(3,308,920)	(20,555,373)	(17,246,453)
Total other financing sources (uses)	473,932,162	478,544,906	460,781,850	(17,763,056)
Net change in fund balances	-	-	1,210,649	1,210,649
Fund balances, October 1, 2008	-	-	6,005,945	6,005,945
Fund balances, September 30, 2009	\$ -	\$ -	\$ 7,216,594	\$ 7,216,594

NOTE: The effective legal level of budget control is maintained at the department or fund level. A separate detailed report providing this information is available for inspection at the Office of Financial Management and Budget. Annual budgets are legally adopted for all governmental and proprietary fund types. Budgetary comparisons presented herein are on a basis consistent with GAAP.

REQUIRED SUPPLEMENTARY INFORMATION

Palm Tran Pension Plan Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
1/1/07	\$42,001,404	\$50,729,230	\$ 8,727,826	82.8%	\$20,148,949	43.3%
1/1/08	47,083,495	56,979,616	9,896,121	82.6%	21,454,569	46.1%
1/1/09	44,799,056	68,301,400	23,502,344	65.6%	24,611,065	95.5%

Lantana Firefighter's Pension Plan Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
9/30/06	\$10,313,560	\$16,503,178	\$ 6,189,618	62.5%	\$ 2,578,891	240.0%
9/30/07	13,077,720	18,738,959	5,661,239	69.8%	2,725,760	207.7%
9/30/08	14,943,792	20,323,618	5,379,826	73.5%	2,625,962	204.9%

REQUIRED SUPPLEMENTARY INFORMATION

Palm Beach County Primary Government Healthcare Plans
Schedule of Funding Progress

County	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
County	10/1/2007	\$ -	\$ 14,638,000	\$ 14,638,000	0.0%	\$294,272,546	5.0%
Tax Collector	10/1/2007	-	1,533,513	1,533,513	0.0%	9,879,680	15.5%
Property Appraiser	10/1/2007	-	312,788	312,788	0.0%	14,237,382	2.2%
Clerk & Comptroller	10/1/2007	-	5,445,000	5,445,000	0.0%	35,775,864	15.2%
Sheriff	1/1/2008	-	169,700,000	169,700,000	0.0%	222,956,243	76.1%
	1/1/2009	-	182,500,000	182,500,000	0.0%	248,925,472	73.3%
Solid Waste Authority	10/1/2008	-	1,440,000	1,440,000	0.0%	21,254,000	6.8%
Fire Rescue Union	10/1/2005	7,109,107	16,319,357	9,210,250	43.6%	102,075,035	9.0%
	10/1/2008	14,544,477	153,500,000	138,955,523	9.5%	108,788,372	127.7% Note 1

Palm Beach County Fire Rescue Taxing District Long Term Disability Plan
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
10/1/2007	\$ -	\$ 8,953,897	\$ 8,953,897	0.0%	\$116,586,776	7.7%
10/1/2008	-	7,634,577	7,634,577	0.0%	119,792,017	6.4%

Note 1: The increases in the liability and expense associated with the Fire Rescue Union Healthcare Plan are a result of a change in the interpretation of the County's obligation associated with that plan. The prior valuation assumed the County was liable only for an explicit stipend paid from the retiree fund to eligible retirees. The current valuation assumes the County is ultimately liable for the cost of healthcare benefits provided to eligible retirees less the value of retiree contributions.



Palm Beach County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the year ended September 30, 2009

Grantor / Pass-Through Grantor / Program or Cluster Title	CFDA CSFA	ARRA	Contract/Grant #	Expenditures	Transfers
FEDERAL GRANTS					
<u>Office of National Drug Control Policy</u>					
Direct Programs:					
South Florida HIDTA Initiative FY 2008	07.XXX		UNKNOWN	\$ 22,941	\$ -
Operations Two Doors Down Continuation	07.XXX		UNKNOWN	5,078	-
Operation Second Chance	07.XXX		UNKNOWN	1,581	-
Operation Two Doors Down	07.XXX		UNKNOWN	5,544	-
Total Department				35,144	-
<u>U.S. Department of Agriculture</u>					
Direct Programs:					
Wetlands Reserve Program Lox Slough/Sandhill Rest.	10.072		66-4209-77-7-07	43,325	-
Wildlife Habitat Incentive Program - Yamato	10.914		724209070L3	2,840	-
Wildlife Habitat Incentive Program - Seacrest	10.914		724209070L4	1,000	-
Wildlife Habitat Incentive Program - Juno	10.914		724209070ZP	845	-
Passed Through Florida Department of Elder Affairs 08-09 Adult Care Food Program	10.558		Y9119	10,697	-
Passed Through Florida Department of Education Summer Food Service Program for Children - GY09	10.559		04-0781	426,876	-
Total Department				485,583	-
<u>U.S. Department of Commerce</u>					
Direct Programs:					
National Fish & Wildlife Coastal Lighting	11.481		2006-0114-010	80,996	-
Total Department				80,996	-
<u>U.S. Department of Housing and Urban Development</u>					
Direct Programs:					
Community Development Block Grant	14.218		B-00-UC-12-0004	20,919	20,919
Community Development Block Grant	14.218		B-01-UC-12-0004	35,765	35,765
Community Development Block Grant	14.218		B-02-UC-12-0004	107,157	107,157
Community Development Block Grant	14.218		B-03-UC-12-0004	267,322	267,322
Community Development Block Grant	14.218		B-04-UC-12-0004	390,132	390,132
Community Development Block Grant	14.218		B-05-UC-12-0004	364,656	364,656
Community Development Block Grant	14.218		B-06-UC-12-0004	636,612	636,612
Community Development Block Grant	14.218		B-07-UC-12-0004	839,725	767,987
Community Development Block Grant	14.218		B-08-UC-12-0004	3,860,805	2,016,736
Community Development Block Grant	14.218		B-97-UC-12-0004	19,493	19,493
Community Development Block Grant	14.218		B-98-UC-12-0004	610	610
Community Development Block Grant	14.218		B-99-UC-12-0004	11,137	11,137
Emergency Shelter Grant Program	14.231		S-07-UC-12-0016	31,764	31,764
Emergency Shelter Grant Program	14.231		S-08-UC-12-0016	290,026	274,801
Supportive Housing Program GY08	14.235		FL14B60-5007	74,013	-
Supportive Housing Program GY09	14.235		FL14B60-5007	289,732	-
Shelter Plus Care GY09	14.238		FL0281C4D050800	33,659	-
Shelter Plus Care GY05	14.238		FL14C40-5001	154,872	-
Shelter Plus Care GY08	14.238		FL14C70-5018	103,078	-
Home Program	14.239		M-02-UC-12-0215	12,500	12,500
Home Program	14.239		M-03-UC-12-0215	116,302	116,302
Home Program	14.239		M-04-UC-12-0215	43,274	43,274
Home Program	14.239		M-05-UC-12-0215	42,801	42,801
Home Program	14.239		M-06-UC-12-0215	52,012	52,012
Home Program	14.239		M-07-UC-12-0215	120,601	108,000
Home Program	14.239		M-08-UC-12-0215	1,382,739	1,133,732
BEDI09 AVENUE A PROJ	14.246		B-07-BD-12-0012	119,258	-
HUD Section 108 Loan	14.248		B-02-UC-12-0004	1,000,000	-
HUD 108 LOAN AVE A	14.248		B-07-UC-12-0012	199,894	-
CDBG-RECOVERY	14.255	ARRA	B-09-UY-12-0004	186	-
NEIGHBORHOOD STABILIZATION PROGRAM	14.256		B-08-UN-12-0013	224,727	-
HOMELESS PREVENTION AND RAPID HOUSING RECOVERY	14.257	ARRA	S-09-UY-12-0016	20,350	20,000
Fair Housing Assistance Program--State & Local	14.401		FF204K094023	140,921	-
Passed Through Florida Department of Community Affairs					
CDBG DISASTER RECOVERY INITIATIVE	14.228		06-DB-3C-10-60-01-W2	708,630	703,254
CDBG DISASTER RECOVERY INITIATIVE	14.228		07DB3V106001Z07	4,115,034	3,979,253
CDBG DISASTER RECOVERY INITIATIVE	14.228		08DBD3106001A07	37,921	13,518
Total Department				15,868,627	11,169,737
<u>U.S. Department of Justice</u>					
Direct Programs:					
PBC Gang Prevention Coord Assistance Program	16.544		2008-JV-FX-0104	13,883	-
Nat'l Institute of Justice - Cold Cases	16.560		2005-DN-BX-K031	14,799	-
National Institute of Justice - DNA Solving Cold Cases	16.560		2007-DN-BX-K023	100,834	-
Domestic Violence Advisor Program	16.575		V8085	41,450	-
Multi-Agency Violent Crimes Strategy	16.580		2007-DD-BX-0617	650,953	-
SMART FY 08 Office Support/Adam Walsh	16.580		2008-DD-BX-0060	192,029	-
Rural Domestic Violence, Date Violence, Sexual Assault	16.589		2008-WR-AX-0044	138,987	-
LLEBG - Combat & Re-Entry	16.592		2007-DJ-BX-1153	1,610	-
LLEBG - Combat & Re-Entry	16.592		2008-DJ-BX-0174	92,144	-
Bulletproof Vest Partnership Program	16.607		UNKNOWN	26,736	-
Forensic DNA Backlog Reduction Program	16.741		2006-DN-BX-K071	7,421	-
Forensic DNA Capacity Enhancement - K224	16.741		2006-DN-BX-K224	28,255	-
FY 2008 Forensic DNA Backlog Reduction	16.741		2008-DN-BX-K021	296,276	-
Paul Coverdell Nat'l Forensic Grant	16.742		2008-CD-BX-0072	95,000	-
Anti-Gang Initiative/Midnight Hoops Program for Fremd Village	16.744		PSN-2006-PG-BX-0047	12,439	-
Equitable Sharing - Justice Dept	16.XXX		FL0500000	1,006,725	-

Palm Beach County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the year ended September 30, 2009

Grantor / Pass-Through Grantor / Program or Cluster Title	CFDA CSFA	ARRA	Contract/Grant #	Expenditures	Transfers
Passed Through Area Agency on Aging of Palm Beach/Treasure Coast, Inc. Enhanced Training and Service Elderly Abuse Training Project	16.528		OV007-003	2,253	-
Passed Through Florida Attorney General Crime Victims Assistance-VOCA	16.575		V8186	113,269	-
Passed Through City of West Palm Beach Community Capacity Dev Gramercy Village Weed Seed Proj	16.595		2008-WX-QX-0021	17,259	-
Passed Through Florida Department of Law Enforcement Residential Sunstance Abuse Treatment for State Prisoners	16.593		2009-RSAT-PALM-1-T9	40,327	-
Residential Sunstance Abuse Treatment for State Prisoners	16.593		2010-RSAT-PALM-1-W9	14,145	-
Byrne Formula - West Palm Beach CJSC	16.738		2008JAGCPALM2Q9222	95,349	-
Byrne Formula - Forensic Accountant 5	16.738		2008JAGCPALM6Q9066	4,435	-
Byrne Grant-Drug Court	16.738		2009JAGCPALM1T7080	6,774	-
Byrne Formula - COMBAT Program	16.738		2009JAGCPALM2T7148	180,000	-
Paul Coverdell Forensic Science Imprv - 0041 FY 2007	16.742		2006-DN-BX-0041	12,300	-
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742		2007-CD-BX-0002	16,330	-
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742		2008-CD-BX-0020	20,513	-
Paul Coverdell Nat'l Forensic Grant FDLE	16.742		2008-CD-BX-0020	5,800	-
Passed Through The Miami Coalition Glades Golf & Academic Program	16.744		2007-PG-BX-0042	40,000	-
Total Department				3,288,295	-
U.S. Department of Labor					
Passed Through Florida Department of Education 09-10 Farmwork Jobs and Education Program	17.264		760-4050-OCFJ1	74,784	-
08-09 Farmwork Jobs and Education Program	17.264		760-4059A-9CFJ1	211,178	-
Total Department				285,962	-
U.S. Department of Transportation					
Direct Programs:					
AIP - Apron A, Taxi D & C4, Lights, Marking, South Taxi	20.106		3-12-0085-051-2009	409,181	-
AIP - Conduct Env. Impact Statement (EIS)	20.106		3-12-0085-046-2006	171,523	-
AIP - Construct Emergency Ops Center	20.106		3-12-0085-044-2005	17,663	-
AIP - Lantana Airfield Signage Improve	20.106		3-12-0086-008-2008	268,153	-
AIP - Lantana Update Electrical Vault	20.106		3-12-0086-009-2009	191,654	-
AIP - NC Taxiway, Apron, Seg Circle	20.106		3-12-0113-013-2008	127,103	-
AIP - Pahokee Taxi Rehab and Apron Imp	20.106		3-12-0060-002-2008	226,930	-
AIP - Part 2 Conduct Env. Impact Statement (EIS)	20.106		3-12-0085-047-2007	271,372	-
AIP - PBIA Airfield Signage Improve	20.106		3-12-0085-048-2008	264,820	-
AIP - PBIA Const Air Cargo Apron	20.106		3-12-0085-049-2009	1,082,020	-
AIP - PBIA Rehab Runway 13_31 ARRA	20.106	ARRA	3-12-0085-050-2009	1,593,610	-
Hwy. Planning & Constr. - FY03 ITS	20.205		FL-26-0011	707,150	-
Hwy. Planning & Constr. - FY04 ITS	20.205		FL-26-0008	861,582	-
Fed. Transit Capital Investment - FY06 Section 5309	20.500		FL-04-0002	82,589	-
Fed. Transit Capital Investment - FY06 Section 5309	20.500		FL-04-0026	83,896	-
Fed. Transit Capital Investment - FY08 Section 5309	20.500		FL-04-0060	421,720	-
Fed. Transit Capital Investment - Intermodal Site	20.507		FL-90-X627	1,858,793	-
Fed. Transit Formula Grant - FY02 Section 5307	20.507		FL-90-X438	158,897	-
Fed. Transit Formula Grant - FY02 Section 5309	20.507		FL-03-0226	19,551	-
Fed. Transit Formula Grant - FY03 Section 5307	20.507		FL-90-X485	558,474	-
Fed. Transit Formula Grant - FY04 Section 5307	20.507		FL-90-X520	803,237	-
Fed. Transit Formula Grant - FY05 Section 5307	20.507		FL-90-X551	288,243	-
Fed. Transit Formula Grants - FY06 Section 5307	20.507		FL-90-X571	60,764	-
Fed. Transit Formula Grants - FY06 Section 5307	20.507		FL-90-X625	576,290	-
Fed. Transit Formula Grants - FY08 Section 5307	20.507		FL-90-X673	3,633,273	-
Fed. Transit Formula Grants - FY08 Section 5307	20.507		FL-90-X705	1,701,378	-
Fed. Transit Formula Grants - FY08 Section 5307	20.507		FL-96-X026	1,216,869	-
Passed Through Florida Department of Transportation Hwy. Planning & Constr. - Computerized Traffic Signals	20.205		229253-1-54-03/AI599	500,000	-
Hwy. Planning & Constr. - Australian Ave Pathway	20.205		409412-1-38-01	244,591	-
Hwy. Planning & Constr. - Gun Club Pathway	20.205		412339-1-38/58-01	92,940	-
Signal Interconnect Restoration - Hurricane Wilma	20.205		421231-1-58-01	802,302	-
Federal Safe Routes to School - Overhead Flashers	20.205		423189-1-38/58-01	1,135	-
Federal Safe Routes to School - Melody	20.205		423194-1-58-01	200	-
Highway Planning & Construction - Section 112	20.205		PL-0097(46)/A5359	1,832,721	-
Highway Planning & Construction - Section 112	20.205		PL-0097(47)/A5359	267,452	-
Fed Transit Metro Plan Grants - Fed Transit Authority 5303	20.505		FL-80-X014/ANO76	356,730	-
Form. Grnts Other Urban Areas - FY06 5311 - Rural Operating	20.509		FL-18-X025	378,654	-
State & Community Highway Fl Child Seat Distribution Program	20.600		UNKNOWN	12,553	-
PBC DUJ Initiative	20.601		APA78	194,926	-
PBC Water Taxi Facilities	20.801		FL-72-001-R/ANO90	255,624	-
Total Department				22,596,563	-
U.S. Department of Treasury					
Direct Programs:					
Equitable Sharing - Treasury Dept.	21.XXX		FL0500000	32,789	-
Total Department				32,789	-
U.S. Elections Assistance Commission					
Direct Programs:					
Federal Elections Activities-09	90.401		NO GRANT #	230,150	-
Total Department				230,150	-
U.S. Department of Health & Human Services					
Direct Programs:					
08-09 Head Start CCFP	93.600		04CH3046/42	864,181	-

Palm Beach County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the year ended September 30, 2009

Grantor / Pass-Through Grantor / Program or Cluster Title	CFDA CSFA	ARRA	Contract/Grant #	Expenditures	Transfers
08-09 Early Head Start	93.600		04CH3046/43	1,777,455	-
08-09 Head Start	93.600		04CH3046/43	12,859,293	4,233,495
08-09 Head Start T & TA	93.600		04CH3046/43	131,494	-
08-09 HIV Emergency Relief Project Grants MAI	93.914		H3MHA08466-01	565,076	565,076
08-09 HIV Emergency Relief Project Grant Supplemental	93.914		H89HA00034-15	1,310,393	1,310,393
08-09 HIV Emergency Relief Project Grant Formula	93.914		H89HA00034-16	3,238,793	3,026,968
09-10 HIV Emergency Relief Project Grant Supplemental	93.914		H89HA00034-16	289,340	289,340
09-10 HIV Emergency Relief Project Grant Formula	93.914		H89HA00034-16	3,059	2,805,569
Passed Through Area Agency on Aging of Palm Beachs/Treasure Coast, Inc.					
2008 OAA Title III-B	93.044		IA008-9500	187,653	-
2009 OAA Title III-B	93.044		IA009-9500	548,465	-
2008 OAA Title III-C2	93.045		IA008-9500	132,850	-
2008 OAA Title III-C1	93.045		IA008-9500	133,920	-
2009 OAA Title III-C1	93.045		IA009-9500	368,966	-
2009 OAA Title III-C2	93.045		IA009-9500	391,406	-
2008 OAA Title III-3E	93.052		IA008-9500	55,411	-
2009 OAA Title III-3E	93.052		IA009-9500	111,418	-
08-09 Nutrition Services Incentive Program (NSIP) (USDA)	93.053		IU009-9500	326,041	-
09-10 American Recovery and Reinvestment Act (ARRA C1)	93.707	ARRA	IA109-9500	21,768	-
Passed Through Child and Family Connections					
Access & Visitation Prgm-Children & Family Connections	93.597		FSSA006-09	25,988	-
Access & Visitation Prgm-Children & Family Connections	93.597		SA006-10	8,663	-
Passed Through Florida Department of Children and Families					
09-10 Brief Intervention and Treatment for Elders	93.243		LD903	100,417	-
Passed Through Florida Department of Community Affairs					
08-09 Low-Income Home Energy Assistance	93.568		08EA-7B-10-60-01-023	800,795	-
09-10 Low-Income Home Energy Assistance	93.568		09EA-7K-10-60-01-023	1,976,350	-
2007 Community Services Block Grant	93.569		07SB-5Z-10-60-01-023	23,997	-
2008 Community Services Block Grant	93.569		09SB-6V-11-60-01-023	717,333	-
Passed Through Florida Department of Elder Affairs					
Special Programs for the Aging - Transportation FY09	93.044		IA009-9635	363,283	363,283
08-09 Emergency Home Energy Assistance for the Elderly Progr	93.568		IP008-9500	11,774	-
09-10 Emergency Home Energy Assistance for the Elderly Progr	93.568		IP009-9500	9,016	-
Passed Through Florida Department of Revenue					
Child Support Enforcement	93.563		CD350	658,333	-
Total Department				28,012,931	12,594,124
<u>U.S. Department of Homeland Security</u>					
Direct Programs:					
Emergency Food & Shelter National Board Program	97.024		25-1686-00-019	38,941	-
Nat'l Explosives Det. Canine Trn Prgm-Transp. Sec. Admin.	97.072		HSTS02-06-H-CAN078	250,500	-
Passed Through City of Miramar					
Homeland Security Grnt-UASI Initiative FY 07	97.067		07DS-5N-11-16-02-259	458,176	-
Homeland Security Grant Prgm-UASI 2006-2007	97.067		07DS-5S-11-16-02-259	292,966	-
Homeland Security Grant Prgm-UASI 2007-2008	97.067		08DS-62-11-16-02-296	111,981	-
Homeland Security Grant Prgm-UASI 2008-2009	97.067		09DS-48-11-16-02-	61,231	-
Passed Through Florida Department of Community Affairs					
Public Assistance Grants - FRA/JNE	97.036		05-G%-10-60-02-987	282,103	-
Public Assistance Grants - WILMA	97.036		06-WL-&K-10-60-01-61	316,015	-
Public Assistance Grants - Fay	97.036		08-PA-B9-10-60-13-63	368,817	-
Hazard Mitigation-Bridge Houses Storm Impact Windows	97.039		07HM-4@-10-60-01-015	80,271	-
Homeland Sec. Grant Prgm-Office of Domestic Preparedness	97.067		07DS-5N-10-60-01-300	88,291	-
Homeland Security Grnt-Enforcement Exchange (FLEX) Project	97.067		07DS5N106023431	6,833	-
Emergency Mgmt Perf. Grant-Supplemental	97.067		09BG-20-10-60-01-243	73,058	-
Homeland Security Grant Prgm-Citizen Corp	97.067		09CC-49-10-60-01-294	1,717	-
Miami-Dade Sub Grant	97.067		07DS-3W-11-23-02-459	50,000	-
Advance CERT	97.067		09-CI-03-10-60-01	30,550	-
Passed Through Florida Department of Law Enforcement					
Homeland Security Grant - Enhance Critical Infra	97.067		2008LETPPALM1S3034	58,604	-
Homeland Security Grant - SWAT & EOD Sustainment Project	97.067		2008SHSPPALM3S4016	18,000	-
Homeland Security Grt CBRNE Regional Forensic Response Team	97.067		2009-SHSP-PALM-2-V3-	25,018	-
Passed Through Florida Department of Emergency Management					
Hazard Mitigation Grant - Westgate/Belv CRA-Lakeside	97.039		08HM-3G-10-60-01-027	114,750	-
Hazard Mitigation Grant - Westgate Belv Comm N Drain Study	97.039		08HM-3G-10-60-01-042	112,500	-
PBCDowntown Govt Complex Wind Retrofit	97.039		08HM-6G-10-60-01-020	628,415	-
Emergency Mgmt Perf.-EM Preparedness & Assistance-Federal	97.042		09BG-03-10-60-01-244	32,304	-
SHSGP 07-08 Grant	97.067		09DS-20-10-60-01-023	54,199	-
Passed Through United Way of Palm Beach County					
Emergency Food & Shelter National Board Program	97.024		27-1686-00-019	118,626	-
Emergency Food & Shelter National Board Program ARRA	97.114	ARRA	1686-00-019	51,648	-
Total Department				3,725,514	-
Total Federal Grants - All Departments				74,642,554	23,763,861
STATE GRANTS					
<u>Florida Department of Environmental Protection</u>					
Direct Programs:					
Beach Erosion Control Program - Singer Island	37.003		06PB2	106,901	-
Beach Erosion Control Program - PB Countywide Monitoring	37.003		06PB3	5,935	-
Beach Erosion Control - Jupiter Carlin Nourishment	37.003		07PB4	43,899	-
Beach Erosion Control Program - Juno Beach	37.003		08PB1	33,973	-

Palm Beach County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the year ended September 30, 2009

Grantor / Pass-Through Grantor / Program or Cluster Title	CFDA CSFA	ARRA	Contract/Grant #	Expenditures	Transfers
Beach Erosion Control Program - Ocean Ridge	37.003		08PB3	52,116	-
Jupiter Carlin Shore Protection Project	37.003		09PB1	18,683	-
Beach Erosion Control Prgm - S. LW Inlet Mgmt	37.003		99PB1	383,502	-
Petroleum Contamination Site Cleanup	37.024		GC629	705,171	-
Statewide Surf Wtr Rest & Wstwr - Cypress Creek Tract	37.039		4600000681	60,000	-
Statewide Surf Wtr Rest & Wstwr - Limestone Creek Greenway	37.039		4600000690	9,300	-
Statewide Surf Wtr Rest & Wstwr - Limestone Creek Ph III	37.039		4600001245	29,844	-
Statewide Surf Wtr Rest & Wstwr - Lake Worth Lagoon	37.039		LP6046	1,559,534	720,639
Statewide Surf Wtr Rest & Wstwr - Chain of Lakes	37.039		LP6077	302,386	-
Statewide Greenways - Lake Okeechobee Scenic Trail	37.053		S0266	277,422	-
FL Recreation Development Assistance Program-John Prince Pk	37.017		A9007	135,611	-
FL Recreation Development Assistance Program-Lake Ida Park	37.017		A9008	23,038	-
FL Recreation Development Assistance Program-Glades Pioneer	37.017		F8012	197,999	-
Statewide Surface Water Res. & Wastewater Project LRWTP	37.039		LP8964	400,000	-
Passed Through South Florida Water Management District Wetlands Reserve Program Lox Slough/Sandhill Ph II	37.003		4600001636	176,203	-
Total Department				4,521,517	720,639
<u>Florida Department of Agriculture & Consumer Services</u>					
Direct Programs:					
Mosquito Control - FY09	42.003		014154	37,023	-
Total Department				37,023	-
<u>Florida Department of State</u>					
Direct Programs:					
State Aid to Libraries	45.030		09-ST-52	942,876	-
Total Department				942,876	-
<u>Florida Department of Community Affairs</u>					
Direct Programs:					
Cypress Creek Phase IV	52.002		08-001-FF8	6,297,362	-
Emergency Mgmt. Prgrms-EM Preparedness & Assistance (EMPA)	52.008		09BG-03-10-60-01-244	98,726	-
Emergency Management Projects Sara-Hazardous Waste Grant	52.023		09CP-04-10-60-01-039	23,000	-
Total Department				6,419,088	-
<u>Florida Housing Finance Corp</u>					
Direct Programs:					
State Housing Initiatives Partnership Prgm - CAH	52.901		HFC01-06	454,470	360,246
State Housing Initiatives Partnership Prgm - CAH	52.901		HFC01-07	1,169,285	1,114,853
State Housing Initiatives Partnership Prgm - CAH	52.901		HFC01-08	6,083,921	4,969,376
Hurricane Housing Recovery Program	52.902		HFC01-05	181,948	115,995
Total Department				7,889,624	6,560,470
<u>Florida Department of Transportation</u>					
Direct Programs:					
Commission for the Transportation Disadvantaged-FY08	55.001		AP687	2,098,543	2,098,543
Comm for the Transportation Disadvantaged Plan	55.002		AP666	43,742	-
Aviation Dev Grants - Pahokee Construct Hangars	55.004		236525-1-94-01-ANO67	724,923	-
Aviation Dev Grant - Relocate Comm Center at PBLA	55.004		405835-1-94-01-AK636	376,346	-
Aviation Dev Grant - Taxiway Pavement Rehab PBLA	55.004		407689-1-94-01-AOE38	90,057	-
Aviation Dev Grants - Construct Apron PBLA	55.004		407711-1-94-01-ANO68	404,979	-
Aviation Dev Grants - Rehab Terminal Air	55.004		412396-1-94-01-ANA50	34,034	-
Aviation Dev Grant - Const Taxiway Exits RW 13/31 and 9L/27R	55.004		412712-1-94-01-AOJ38	15,728	-
Aviation Dev Grant - Const Taxiway Exits RW 9L/27R	55.004		412716-1-94-01-AOJ39	19,075	-
Aviation Dev Grant - Rehab and Expand Apron	55.004		412717-1-94-01-AOJ49	17,149	-
Aviation Dev Grant - PBLA Airfield Taxiway Rehab	55.004		414564-1-94-01-AOY69	10,213	-
Aviation Dev Grant - Lantana Construct Hangars	55.004		414565-1-94-01-AOY68	33,449	-
Aviation Dev Grant - North County Construct Hangars	55.004		414566-1-94-01-AOY70	894,000	-
Aviation Dev Grant - Replace AARF Vehicle	55.004		416300-1-94-01-APC38	5,089	-
Aviation Dev Grants - Expand Apron A PBLA	55.004		416304-1-94-01-AOI91	239,462	-
Aviation Dev Grant - Relocate Communications Center	55.004		416305-1-94-01-AO212	1,272	-
Aviation Dev Grant - Purchase Install Sunpass Technology	55.004		416861-1-58-01-AOY57	226,677	-
Aviation Dev Grants - Pahokee Construct Hangars -Glades	55.004		418167-1-94-01-APA56	1,000,000	-
Aviation Dev Grant - EIS Design Runway Extension PBLA	55.004		420340-1-94-01-AOY72	73,959	-
Aviation Dev Grant - Extend Taxiway F at PBLA	55.004		420347-1-94-01-AOY71	177,311	-
Aviation Dev Grant - Construct Taxiway L at PBLA	55.004		420373-1-94-01-AOY73	204,930	-
Aviation Dev Grant - Pavement Rehab North County	55.004		422875-1-94-01-AOS68	228	-
Aviation Dev Grant - Pahokee Taxilane Rehab	55.004		422876-1-94-01-AOS66	5,969	-
Aviation Dev Grant - Airfield Signage Lantana	55.004		424428-1-94-01-AP446	7,057	-
Aviation Dev Grant - Replace Lighting and Segmented Circle	55.004		424429-1-94-01-AP445	3,175	-
Intermodal Development Program - Seaport HOV Exp Bus	55.005		AP159	129,468	-
CIGP Grnt-Okeechobee/SR 7 to Turnpike	55.008		409701-1-54(58)-01	245,776	-
TRIP Grnt-Okeechobee/SR 7 to Turnpike	55.008		409701-1-58-01	661,149	-
CIGP-Forest Hill & Congress Intersection Improvements	55.008		421785-1-38-01	37,570	-
CIGP-Lyons Rd/N of Atlantic to S of Boynton Bch Blvd-ROW	55.008		421786-1-48-01	26,119	-
Hypoluxo Rd/Jog Rd to Military	55.008		423983-1-58-01	16,154	-
Public Transit Block Grant - Operating	55.010		ANQ71	3,703,458	-
Park & Ride Lots	55.011		APF02	83,314	-
Public Transit Service Development - Clewiston Service	55.012		AL615	55,038	-
Public Transit Service Development - Snr Transportation Prgm	55.012		AOI82	43,000	-
Public Transit Service Development - Maintenance Training	55.012		AOJ19	5,400	-
Public Transit Service Development - Route Deviation	55.012		AOJ20	203,347	-
Intermodal Development Program-WPB Intermodal Facility	55.014		AL744	2,256,792	-
Intermodal Development Program - Route #1 Infrastructure	55.014		AM878	910,189	-
State Highway Project Reimbursement - W. Atl./Lyons/FL Trpk.	55.023		229658-3-48-01/ANH96	1,394,385	-
Okee Blvd & Tamarind Ave	55.023		229755-1-38-01	26,752	-
FDOT Small Projects	55.023		229765-2-54-01	172,414	-
FDOT JPA-Signal at Boynton Bch Blvd & Old Boynton Rd	55.023		403605-2-58-01	49,175	-
Blue Heron & Congress Intersect - FDOT	55.023		417062-1-58-01	10,811	-
Blue Heron & Congress Intersection Improvements	55.023		417062-2-A8-01	67,275	-

Palm Beach County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the year ended September 30, 2009

Grantor / Pass-Through Grantor / Program or Cluster Title	CFDA CSFA	ARRA	Contract/Grant #	Expenditures	Transfers
Congress Ave at Intermotel Center/South County Complex	55.023		420356-1-38-01	37,413	-
SR811/Donald Ross to Center	55.023		AP-439	1,676,753	-
West Atlantic/Lyons to Turnpike Construction	55.026		229658-3-58-01	31,670	-
Interchange Justification Report/Central Blvd & I-95	55.123		413303-1-28-01	16,454	-
Total Department				18,567,243	2,098,543
Florida Department of Children and Families					
Direct Programs:					
08-09 Homeless Prevention Grant	60.021		IF-188	57,491	-
DCF Re-Entry Case Manager	60.053		C15 SAMH	45,405	-
DCF - Criminal Justice Mental Health Substance Abuse Local	60.115		LHZ22	82,099	-
Total Department				184,995	-
Florida Department of Health					
Direct Programs:					
County Grant Award-EMS Grant	64.005		C8050	535,397	70,554
Rape Crisis Center	64.069		07RCP26	55,293	-
Rape Crisis Center	64.069		07RCP26	2,548	-
Rape Crisis Center	64.069		08OAG26	2,897	-
Rape Crisis Center	64.069		09OAG26	15,214	-
Total Department				611,349	70,554
Florida Department of Elder Affairs					
Direct Programs:					
08-09 Home Care for the Elderly	65.001		IH008-9500	5,981	-
09-10 Home Care for the Elderly	65.001		IH009-9500	2,268	-
08-09 Alzheimer's Disease Initiative	65.004		IZ008-9500	183,444	-
09-10 Alzheimer's Disease Initiative	65.004		IZ009-9500	33,012	-
08-09 Respite for Elders Living in Everyday Families	65.006		IR008-9500	83,107	-
09-10 Respite for Elders Living in Everyday Families	65.006		IR009-9500	20,097	-
08-09 Community Care for the Elderly	65.010		IC008-9500	796,492	-
09-10 Community Care for the Elderly	65.010		IC009-9500	185,706	-
Total Department				1,310,107	-
Florida Department of Law Enforcement					
Direct Programs:					
Statewide Criminal Analysis Lab System	71.002		N/A	351,826	-
Total Department				351,826	-
Agency for Workforce Innovation					
Direct Programs:					
Voluntary Prekindergarten Education Program	75.007			1,595,831	-
Total Department				1,595,831	-
Florida Department of Highway Safety & Motor Vehicles					
Direct Programs:					
Caribbean Conservation Corp. Sea Turtle Materials	76.070		09-037E	4,848	-
Total Department				4,848	-
Florida Fish & Wildlife Conservation Commission					
Direct Programs:					
FBIP-FFWCC Light Harbor Marina	77.006		07080	199,067	-
Artificial Reef Grants Program - Reef Monitoring	77.007		06122	1,920	-
Lake Ida Wetland Project	77.016		08029	400,000	-
Total Department				600,987	-
Total State Grants - All Departments				43,037,314	9,450,206
TOTAL FEDERAL AND STATE GRANTS				117,679,868	33,214,067

Palm Beach County, Florida

Notes to the Schedule of Expenditures of Federal Awards
and State Financial Assistance
Year Ended September 30, 2009

1. General

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") presents the activity of all federal award programs and state financial assistance projects of Palm Beach County, Florida (the County) for the year ended September 30, 2009. The County's structure is described in Note 1 to the basic financial statements. Federal awards and state financial assistance received directly from federal and state agencies, as well as those passed through other government agencies are included in the accompanying Schedule.

2. Basis of Presentation

The Schedule includes the activities of all federal programs and state financial assistance projects of Palm Beach County, Florida ("the County"), and is presented using the modified accrual basis of accounting for expenditures accounted for in the governmental fund types and on the accrual basis of accounting for expenditures in the proprietary fund types. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations and Chapter 10.550, Rules of the Auditor General. Therefore some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

McGladrey & Pullen

Certified Public Accountants

**Independent Auditor's Report
on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance With
*Government Auditing Standards***

Honorable Chair and Members of
the Board of County Commissioners
Palm Beach County, Florida

Honorable Ric L. Bradshaw
Sheriff

Honorable Sharon R. Bock
Clerk and Comptroller

Honorable Susan Bucher
Supervisor of Elections

Honorable Gary R. Nikolits
Property Appraiser

Honorable Anne Gannon
Tax Collector

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Palm Beach County, Florida ("the County") as of and for the year ended September 30, 2009, and have issued our report thereon dated March 22, 2010. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We did not audit the financial statements of the Solid Waste Authority, a major enterprise fund, which represents 40% of the total assets and 48% of total revenues of the business-type activities. We did not audit the financial statements of the Westgate Belvedere Homes Community Redevelopment Agency, a discretely presented component unit, which represents 45% of the total assets and 39% of the total revenues of the aggregate discretely presented component units. We also did not audit the financial statements of the Housing Finance Authority, a discretely presented component unit, which represents 52% of the total assets and 29% of the total revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Solid Waste Authority, Westgate Belvedere Homes Community Redevelopment Agency, and Housing Finance Authority, is based on the reports of the other auditors. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the County in a separate letter dated March 22, 2010.

This report is intended solely for the information and use of management, the Board of County Commissioners, federal and state awarding agencies and pass-through entities, and the Auditor General of the State of Florida, and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

West Palm Beach, Florida
March 22, 2010

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Federal Program and State Project and on Internal Control Over Compliance in Accordance With OMB Circular A-133 and Chapter 10.550

Honorable Chair and Members of
the Board of County Commissioners
Palm Beach County, Florida

Honorable Ric L. Bradshaw
Sheriff

Honorable Sharon R. Bock
Clerk and Comptroller

Honorable Susan Bucher
Supervisor of Elections

Honorable Gary R. Nikolits
Property Appraiser

Honorable Anne Gannon
Tax Collector

Compliance

We have audited the compliance of Palm Beach County, Florida ("the County") with the types of compliance requirements described in the U. S. Office of Management and Budget ("OMB") Circular A-133, *Compliance Supplement*, and the requirements described in the *Executive Office of the Governor's State Projects Compliance Supplement*, that are applicable to each of its major federal programs and state projects for the year ended September 30, 2009. The County's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state projects is the responsibility of County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, *Rules of the Auditor General*. Those standards, OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state projects for the year ended September 30, 2009.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program or state project in order to determine our auditing procedures for the purpose expressing our opinion on compliance, but, not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program or state project such that there is more than a remote likelihood that noncompliance with the type of compliance requirement of a federal program or state project that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2009-1 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

The County's responses to the findings identified in our audit are described in the accompanying *Schedule of Findings and Questioned Costs*. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of County Commissioners, federal and state awarding agencies and pass-through entities, and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

West Palm Beach, Florida
March 22, 2010

Palm Beach County, Florida

Schedule of Findings and Questioned Costs
Year Ended September 30, 2009

I - Summary of Independent Auditor's Results				
<i>Financial Statements</i>				
Type of auditor's report issued:	Unqualified			
Internal control over financial reporting:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?		Yes	X	None Reported
Noncompliance material to financial statements noted?		Yes	X	No
<i>Federal Awards</i>				
Internal control over major programs:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	X	Yes		None Reported
Type of auditor's report issued on compliance for major programs:	Unqualified			
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	X	Yes		No
The program tested as major included the following:				
<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>			
14.218	Community Development Block Grant			
20.106	Airport Improvement Grant			
20.500/20.507	Federal Transit Cluster			
93.044 / 93.045 / 93.053	Aging Cluster			
93.568	Low-Income Home Energy Assistance			
93.914	HIV Emergency Relief Project Grant			
Dollar threshold used to distinguish between type A and type B programs:		\$	2,239,277	
Auditee qualified as low-risk auditee?	X	Yes		No
(Continued)				

Palm Beach County, Florida

Schedule of Findings and Questioned Costs
Year Ended September 30, 2009

<i>State Financial Assistance</i>				
Internal control over major projects:				
Material weakness(es) identified?			X	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?		Yes	X	None Reported
Type of auditor's report issued on compliance for major projects:			Unqualified	
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, <i>Rules of the Auditor General</i> ?		Yes	X	No
The project tested as major included the following:				
		Name of State Financial Assistance Project		
<u>CSFA Number(s)</u>				
37.039		Statewide Surface Water Restoration and Wastewater Projects		
52.002		Florida Forever Act		
52.901		State Housing Initiatives Partnership (SHIP) Program		
55.004		Aviation Development Grants		
55.014		Intermodal Development Program		
75.007		Voluntary Pre-Kindergarten Education Program		
Dollar threshold used to distinguish between type A and type B programs:		\$	1,291,119	

Palm Beach County, Florida

Schedule of Findings and Questioned Costs
Year Ended September 30, 2009

2009-1

Subrecipient Monitoring
U.S. Department of Health and Human Services

Title:
HIV Emergency Relief

CFDA#:
93.914

Criteria: OMB Circular A-133 stipulates adequate and effective internal controls must be in place over the applicable compliance requirements. One of the County's controls over subrecipient monitoring is that the County staff that performs the monitoring fills out a checklist for the procedures performed.

Condition: We noted for one of four subrecipients selected for testing that several of the checklists sampled were not completed and/or signed by the County staff performing the monitoring. We also noted the checklists did not go through another review by the staff supervisor.

Questioned costs: Not applicable

Context: This condition is considered to be systemic in nature.

Effect: The County's internal control over subrecipient monitoring is not being followed. This could result in the misuse of funds by subrecipients and eventual loss of funds from the granting agency.

Cause: Lack of adequate administrative oversight as required by the program control procedures.

Recommendation: We recommend the County review its current policy and provide additional training as needed to ensure that the policy is properly followed.

Views of responsible officials and planned corrective actions: The County agrees with the finding and the department responsible for this program will amend its policies and procedures manual whereby procedures to be followed for the monitoring of contracted agencies for all the programs/grants will be outlined. It will stipulate that the staff performing the monitoring will complete and sign the checklist for the procedures performed. The completed checklists and reports for all monitored agencies will be reviewed and signed by the Program Manager and Fiscal Director to ensure supervisory approval of findings. The checklist has been developed and implemented.

Palm Beach County, Florida

Schedule of Findings and Questioned Costs
Year Ended September 30, 2009

2009-2

Eligibility & Reporting
U.S. Department of Health and Human Services

<u>Title:</u>	<u>CFDA#:</u>
HIV Emergency Relief	93.914
Low Income Home Energy Assistance	93.568

Criteria: OMB Circular A-133 stipulates adequate and effective internal controls must be in place over the applicable compliance requirements. Part 6 of the OMB Circular A-133 Compliance Supplement states that one of the objectives of the information and communication component of internal controls is that adequate source documentation exists to support amounts and items reported; a recordkeeping system is established to ensure that accounting records and documentation are properly retained; and accurate information is accessible to those who need it.

Condition: During our testing of the HIV Emergency Relief program (CFDA 93.914), we noted the final SF-269 Financial Status Report provided to us for our review did not contain approval from management prior to submittal. Per management, the auditors were not provided with the correct information due to the inexperience of the staff working with the auditors and therefore, the auditors were not provided with the correct, approved Form SF-269. Per management there was another fully approved copy of the SF 269 which was subsequently provided for our review.

During our testing of the Low Income Home Energy Assistance (CFDA 93.568), we noted 6 out of 40 participant applications selected for testing which did not contain evidence of a supervisory review in the files provided to the auditors. It was brought to our attention by management that approvals of applications are not maintained in a centralized location and the support for these 6 participant applications was subsequently located from different locations and provided to us as evidence of compliance with the control requirement of proper supervisory review.

Questioned costs: Not applicable

Context: Lack of a centralized recordkeeping system for these grants is systemic in nature.

Effect: The failure to maintain the supporting documentation in a centralized manner that is required to provide evidence of controls over compliance with the applicable reporting requirements could result in failure to effectively maintain those controls and may also result in grant noncompliance which could result in disallowed expenditures by the granting agency. Maintenance of multiple copies of documents in multiple locations could result in retention of inaccurate or incomplete information which may not provide evidence of compliance as was noted in our testing procedures.

Cause: Lack of adequate administrative oversight as required by the program control procedures.

Schedule of Findings and Questioned Costs
Year Ended September 30, 2009

Recommendation: We recommend the department responsible for these two grants implement policies and procedures to ensure that approved forms/reports indicating proper supervisory review and approval are maintained in a centralized location, such as a file for reports filed with the granting agencies or participant application folders.

Views of responsible officials and planned corrective actions: The Community Services Department has been moving towards a more automated, centralized recordkeeping system. One element of that endeavor is the custom-built LIHEAP system for processing participant applications and program transactions. The system maintains an electronic audit trail which records the identity of the responsible supervisor and the time and date that the supervisor approved each participant application for eligibility. The LIHEAP system incorporates role-based security which assures that applications can only be approved by the appropriate supervisory personnel. Staff training will continue to ensure complete migration to this new system whereby all authorizations reflect only electronic signatures.

The HHS has implemented a system whereby the SF 269 form is prepared and submitted electronically, only by authorized personnel. Effective immediately, the department has incorporated an internal checklist that outlines the electronic submission process to ensure that all verifications and authorizations have been obtained prior to submission.

Palm Beach County, Florida

Summary Schedule of Prior Year Audit Findings
Year Ended September 30, 2009

Financial Statement:

2008-1 Reporting Budgeted Amounts as Expenditures

Finding: We noted approximately \$2.5 million of interdepartmental billings related to capital outlay recorded in the general ledger which was based on estimated project costs instead of actual costs incurred.

Corrective Action Taken: Corrective action taken.

2008-2 Schedule of Expenditures of Federal Awards and State Financial Assistance

Finding: During our testing of federal and state awards, the schedule of expenditures was changed by the County on several occasions. We also noted several of the supporting grant reconciliations were not prepared correctly and had to be redone by the respective department.

Corrective Action Taken: Corrective action taken.

Federal Awards Programs:

**2008-3 U.S. Department of Health and Human Services
CFDA 93.044/93.045/93.053 – Aging Cluster**

Finding: The County does not have control activities in place to ensure the annual Service Cost Report is reviewed and approved by someone other than the preparer prior to submittal to the granting agency.

Corrective Action Taken: Corrective action taken.

**2008-4 U.S. Department of Health and Human Services
CFDA 93.044/93.045/93.053 – Aging Cluster**

Finding: We noted that 10 out of the 23 DOE Form 701C we sampled (all ten in the congregate meals program) were not signed by a DOSS assessor and there was no indication that DOSS personnel had reviewed the forms or that the required eligibility determination was performed.

Corrective Action Taken: Corrective action taken.

Palm Beach County, Florida

Summary Schedule of Prior Year Audit Findings
Year Ended September 30, 2009

2008-5 U.S. Department of Health and Human Services
CFDA 93.914 – HIV Emergency Relief

Finding: We noted several of the checklists sampled were not complete and / or signed by the County staff performing the monitoring. We also noted the checklists do not go through another review by the staff supervisor. There is also no specific procedure in place to ensure the appropriate program fund recipients are being monitored as required by the grant program.

Corrective Action Taken: Corrective action not taken, see 2009-1.

State Awards Projects:

2008-6 Florida Housing Finance Corporation
CSFA 52.901 – State Housing Initiatives Partnership Program

Finding: We noted two participants classified in the incorrect income level for eligibility. One of these participants was rated as very low income, however based on household income and size the participant should have been rated as low income. Another participant was rated as low income, however based on their household income and size the participant should have been rated as moderate income.

Corrective Action Taken: Corrective action taken.