

Palm Beach County, Florida

Single Audit Report
September 30, 2015

PALM BEACH COUNTY, FLORIDA

SINGLE AUDIT REPORT

Fiscal Year Ended September 30, 2015

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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

Report on the Financial Statements

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, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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, the Westgate Belvedere Homes Community Redevelopment Agency, and the Housing Finance Authority, discretely presented component units, which collectively represent 99% of the total assets and 99% 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions

Opinions.

In our opinion, based on our audit and the reports of the 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Palm Beach County, Florida, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and Fire Rescue Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 17 to the financial statements, the County adopted the recognition and disclosure requirements of Governmental Accounting Standards Board Statements No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68*, effective October 1, 2014 which resulted in the County restating net position for recognition of the County's pension related activity incurred prior to October 1, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the schedules of County's proportionate share of the net pension liability for the Florida Retirement System Pension Plan (FRS) and Health Insurance Subsidy Pension Plan (HIS), the schedules of County contributions for the FRS and HIS, schedules of the Solid Waste Authority's proportionate share of the net pension liability for FRS and HIS, schedules of Solid Waste Authority's contributions for FRS and HIS, schedules of changes in net pension liability and related ratios for the Palm Tran Pension Plan (Palm Tran) and Lantana Pension Plan (Lantana), schedules of investment returns and schedules of contributions for the Palm Tran and Lantana plans, and the schedules of funding progress for the County Healthcare plans, Fire Rescue Long-Term Disability Plan, and Solid Waste Healthcare Plan as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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 as required by OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General of the State of Florida*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2016, on our consideration of the County's internal control over financial reporting and on 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* in considering the County's internal control over financial reporting and compliance.

RSM US LLP

West Palm Beach, Florida
May 18, 2016

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, 2015. We encourage reading this narrative in conjunction with the additional information provided in the transmittal letter (beginning on page i) and the accompanying financial statements (beginning on page 2).

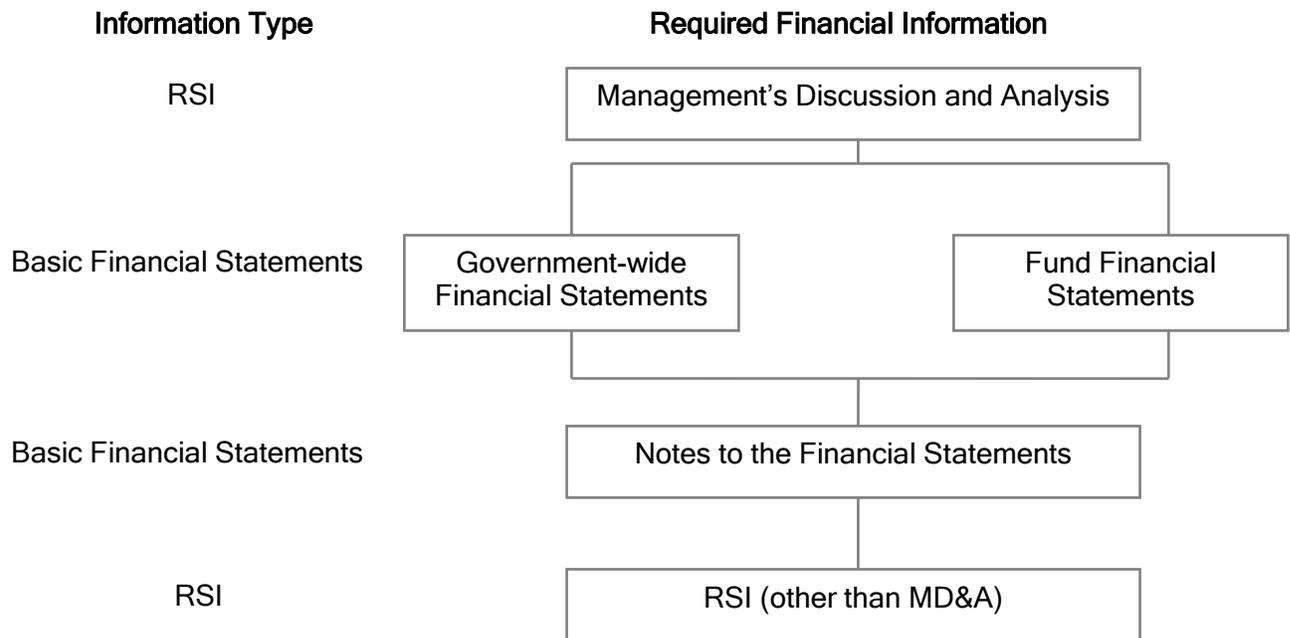
Financial Highlights

- The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources (net position) by approximately \$3.181 billion and \$3.010 billion at the close of fiscal years 2015 and 2014, respectively. Of these amounts, \$2.738 billion and \$2.641 billion were the net investment in capital assets. In addition, \$621 million and \$626 million were restricted by law, grant agreements, debt covenants, or for capital projects. As a result, (\$178) million and (\$257) million were available at year-end to meet the County's ongoing obligations to residents, creditors, and enterprise fund customers.
- The County's total liabilities at September 30, 2015 and 2014 were \$2.522 billion and \$2.315 billion, respectively.
- During the year, the County's total net position increased by \$171 million, compared to a decrease of \$35 million during the previous fiscal year. Business-type activities increased by \$77 million, and governmental activities increased by \$94 million.
- As of September 30, 2015, the County's governmental funds reported a combined ending fund balance of \$1.056 billion, an increase of \$18.6 million or approximately 2% from the previous year.
- As of September 30, 2015, the fund balance for the General Fund, including Constitutional Officers, was \$193.4 million, an increase of \$9.1 million or approximately 5% from the previous year.
- The County's two enterprise funds had a combined increase in net position of \$75.9 million. The Department of Airports increase was \$34.5 million and the Water Utilities Department had an increase of \$41.4 million.
- The County implemented Governmental Accounting Standards Board (GASB) Statement No. 68, "*Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*" and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*". These statements require a new approach to recording an employer's pension liability and reflect the underlying notion that pensions are a form of compensation provided to employees in exchange for the services they provide to a government over the employees' career. As a result of this new standard, the County's beginning net position was reduced by \$730 million as explained further in Notes 10 and 17.

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 Position shows the County’s assets plus deferred outflows less its liabilities plus deferred inflows as of September 30, 2015. The difference between these assets and deferred outflows and liabilities and deferred inflows is reported as net position. Changes in net position may serve as an indicator of whether the financial position of the County is improving or deteriorating. The Statement of Activities follows the Statement of Net Position and presents information showing how the County’s net position changed during the fiscal year. Changes in net position 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. Alternatively, 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 and the Water Utilities Department.

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, the Westgate/Belvedere Homes Community Redevelopment Agency, and the Solid Waste Authority. 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 the inflow and outflow of money or other spendable resources 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 account for available financial resources and demonstrate fiscal accountability. Governmental fund information helps illustrate 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 statements are also presented in this section 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 and Water Utilities operations. Both 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 and Risk Management 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 three 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 Position – 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 pension and other post-employment benefits (OPEB) data as listed in the table of contents. 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

Palm Beach County's net investment in capital assets such as land, roads, parks, buildings, machinery and equipment, as a percentage of net position, amounts to 86% and 88% as of September 30, 2015 and 2014, respectively. These asset values are presented less any outstanding debt related to the acquisition and accumulated depreciation of those assets. The County uses capital assets to provide services to the citizens and consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the capital assets themselves cannot be used to liquidate that liability, and other resources will be needed to repay any associated debt.

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

The following table provides a comparative analysis of the County's net position for the fiscal years ended September 30, 2015 and 2014.

Palm Beach County, Florida						
Net Position at Year-End (in millions)						
	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2015	2014 *	2015	2014 *	2015	2014 *
Assets						
Current and other assets	\$ 1,335	\$ 1,312	\$ 518	\$ 498	\$ 1,853	\$ 1,810
Capital assets	2,440	2,455	1,389	1,338	3,829	3,793
Total assets	<u>3,775</u>	<u>3,767</u>	<u>1,907</u>	<u>1,836</u>	<u>5,682</u>	<u>5,603</u>
Total deferred outflows of resources	<u>293</u>	<u>84</u>	<u>23</u>	<u>16</u>	<u>316</u>	<u>100</u>
Liabilities						
Current	236	276	60	54	296	330
Long-term debt due in more than one year	1,283	1,276	279	289	1,562	1,565
Net pension liability	643	406	21	14	664	420
Total liabilities	<u>2,162</u>	<u>1,958</u>	<u>360</u>	<u>357</u>	<u>2,522</u>	<u>2,315</u>
Total deferred inflows of resources	<u>285</u>	<u>366</u>	<u>10</u>	<u>12</u>	<u>295</u>	<u>378</u>
Net Position						
Net investment in capital assets	1,610	1,578	1,128	1,063	2,738	2,641
Restricted	539	538	82	88	621	626
Unrestricted	(528)	(589)	350	332	(178)	(257)
Total net position	<u>\$ 1,621</u>	<u>\$ 1,527</u>	<u>\$ 1,560</u>	<u>\$ 1,483</u>	<u>\$ 3,181</u>	<u>\$ 3,010</u>

* FY 2014 restated for GASB 68. Also, Business-type adjusted for reclassification of Goodwill to Deferred Outflows.

The (\$178) million unrestricted deficit in net position reflects the shortfall the County would face in the event it would have to liquidate all of its non-capital liabilities, including insurance claims payable, compensated absences, pensions and other post-employment benefits at September 30, 2015. Consequently, these long-term considerations have a significant impact on the resulting net position. The unrestricted deficit of (\$178) million resulted primarily from the implementation of GASB Statements No. 68 and 71. These GASB Statements required the County to record its proportionate share of pension liabilities for its various defined benefit retirement plans for County employees. These pension liabilities represent the amounts to be paid in the future when employees retire and will be funded through future contributions to the retirement plans. A deficit in unrestricted net position should not be considered, solely, as evidence of economic financial difficulties.

Governmental activities

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

- Current and other assets for Governmental activities increased by \$23 million. Much of the change is due to overall higher cash, cash and cash equivalents, and investment balances on hand at the end of the fiscal year. These higher balances are partially due to new debt issuances and additional property tax revenue received.
- Capital assets for Governmental activities decreased by \$15 million primarily as a result of the effects of depreciation.
- The small increase in long-term debt for Governmental activities of \$7 million is due to in part to new debt issued in the General Government Capital Projects Fund and the Housing and Economic Development Special Revenue Fund.

Governmental activities were responsible for a \$94 million increase in the County's net position during fiscal year 2015, as compared with a \$100 million decrease during the previous fiscal year. This year's increase in net position from governmental activities is attributed to several factors:

Charges for services increased by \$34 million or 10% from the previous fiscal year. This increase is due in part to several factors, including a \$1.7 million increase in zoning fees revenue, or approximately 19%. Also attributing to the increase in this category are Ambulance transport fees, which were up \$2.8 million or 14%, as well as increase in the County's golf course revenues, which were up almost a half million dollars or 6%.

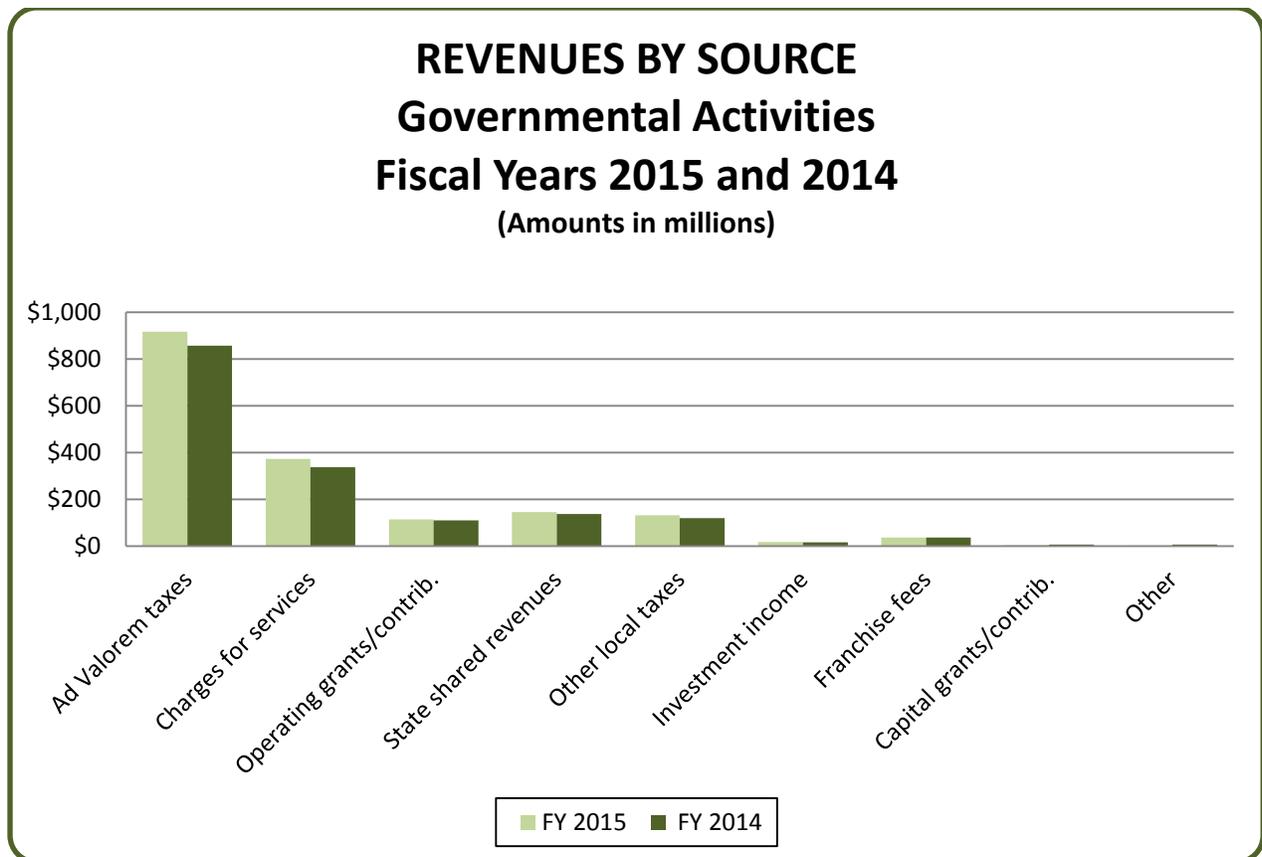
Investment income increased by \$2 million or 13% from the previous fiscal year due to the continued restructuring of the portfolio in order to decrease market price sensitivity. Pursuant to GASB 31, investments are required to be recorded at market or fair value based upon quoted market prices regardless of whether these changes are realized. With interest rates remaining at historic lows, interest income is diminished, leaving little flexibility to mitigate interest rate risk. Any fixed income portfolio will experience changes in fair value when rates rise or other market conditions change to affect fixed income markets.

Ad-valorem tax revenue increased approximately \$60 million or 7% from the previous fiscal year. The increase is due to higher overall taxable values.

General government expenses increased \$9 million or 3% from the previous fiscal year due in part to some increased spending related to road projects during the fiscal year.

Transportation expenses decreased \$20 million or 12% from the previous fiscal year. Some of this decrease is attributable to lower fuel prices and more efficient vehicles used in the County’s fleet operation and with the Palm Tran public bus system.

The County’s governmental activities had net expenses of \$1.172 billion. These services are intended to be primarily funded by taxes and other general revenues as opposed to charges for service and grants. Total revenues (program, general revenues and transfers in) were higher than total expenses by \$94 million.



Business-type activities

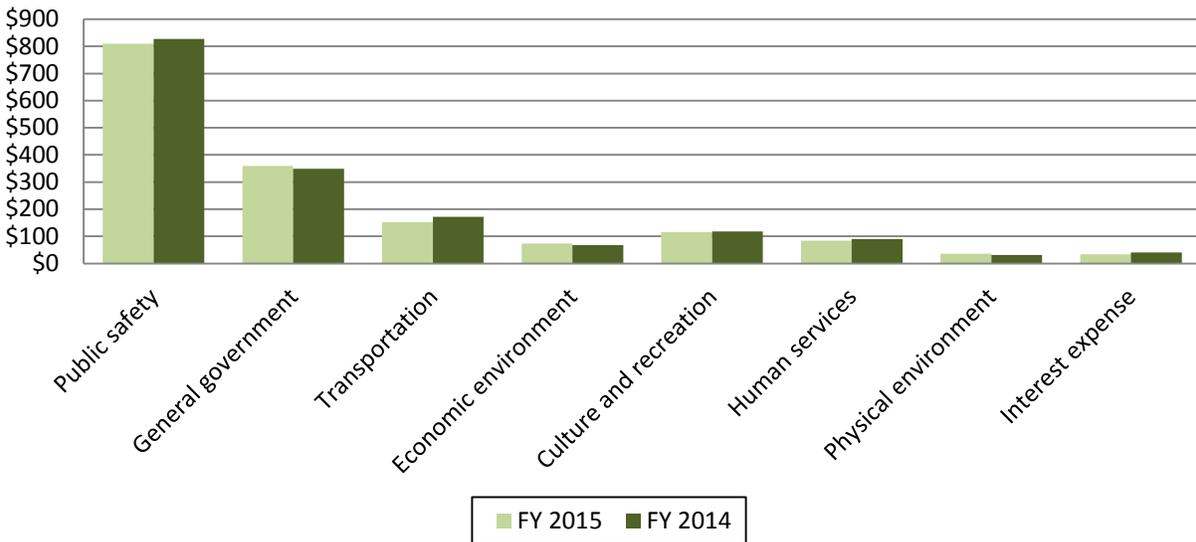
The County’s business-type activities reported total revenues of \$327 million which exceeded total expenses (including transfers) by \$77 million (refer to the **Proprietary funds** section of **Financial Analysis of the Government’s Funds** which follows for more information on the County’s business-type activities). Significant changes in the business-type activities Statement of Net Position included increases in cash as well as increases in capital assets.

Palm Beach County, Florida
Changes in Net Position (in millions)

	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2015	2014 *	2015	2014 *	2015	2014 *
Revenues						
Program Revenues:						
Charges for services	\$ 373	\$ 339	\$ 264	\$ 258	\$ 637	\$ 597
Operating grants and contributions	114	111	-	-	114	111
Capital grants and contributions	4	7	58	35	62	42
	<u>491</u>	<u>457</u>	<u>322</u>	<u>293</u>	<u>813</u>	<u>750</u>
General Revenues:						
Ad valorem taxes	917	857	-	-	917	857
Other local taxes	132	120	-	-	132	120
State shared revenues	146	138	-	-	146	138
Franchise fees	37	37	-	-	37	37
Investment income	18	16	5	5	23	21
Other	3	6	-	-	3	6
Total revenues	<u>1,744</u>	<u>1,631</u>	<u>327</u>	<u>298</u>	<u>2,071</u>	<u>1,929</u>
Expenses						
General government	359	350	-	-	359	350
Public safety	809	827	-	-	809	827
Physical environment	36	31	-	-	36	31
Transportation	152	172	-	-	152	172
Economic environment	73	68	-	-	73	68
Human services	84	90	-	-	84	90
Culture and recreation	116	118	-	-	116	118
Interest expense	34	41	-	-	34	41
Department of Airports	-	-	74	74	74	74
Water Utilities Department	-	-	163	160	163	160
Total expenses	<u>1,663</u>	<u>1,697</u>	<u>237</u>	<u>234</u>	<u>1,900</u>	<u>1,931</u>
Excess of revenues over (under) expenses						
	81	(66)	90	64	171	(2)
Transfers In (Out)	13	(1)	(13)	1	-	-
Special items	-	(33)	-	-	-	(33)
Change in net position	<u>94</u>	<u>(100)</u>	<u>77</u>	<u>65</u>	<u>171</u>	<u>(35)</u>
Beginning net position	1,527	2,333	1,483	1,442	3,010	3,775
Cumulative effect of GASB 68	<u>-</u>	<u>(706)</u>	<u>-</u>	<u>(24)</u>	<u>-</u>	<u>(730)</u>
Beginning net position, as restated	1,527	1,627	1,483	1,418	3,010	3,045
Ending net position	<u>\$ 1,621</u>	<u>\$ 1,527</u>	<u>\$ 1,560</u>	<u>\$ 1,483</u>	<u>\$ 3,181</u>	<u>\$ 3,010</u>

* FY 2014 restated for GASB 68.

EXPENDITURES BY FUNCTION Governmental Activities Fiscal Years 2015 and 2014 (Amounts in millions)



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.

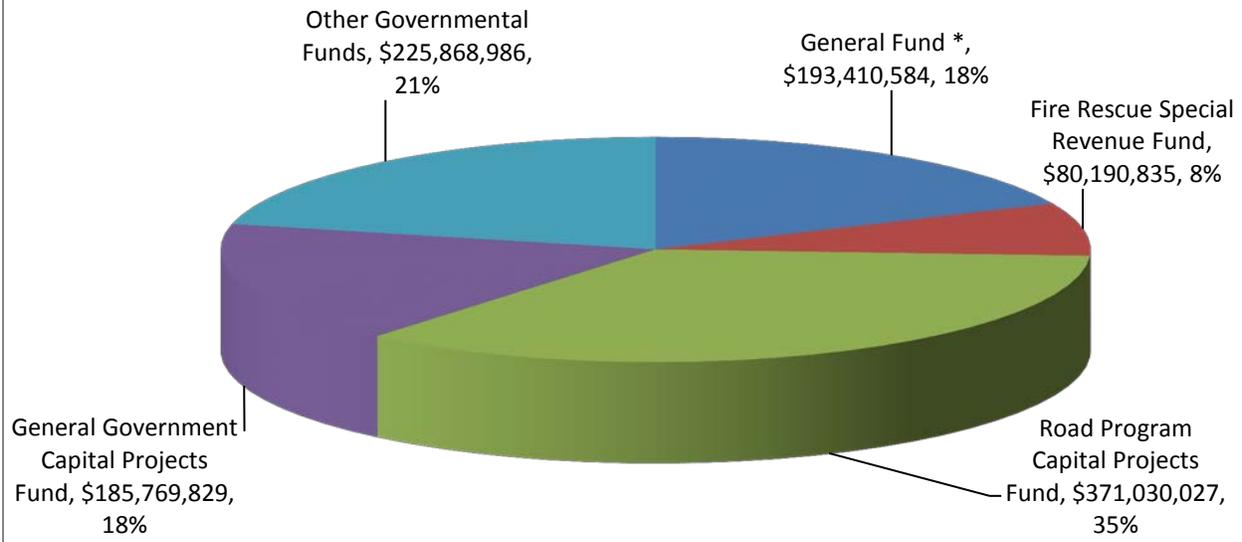
Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in determining the County's financing resources.

GOVERNMENTAL FUNDS

FUND BALANCE

Total \$1,056,270,261

September 30, 2015



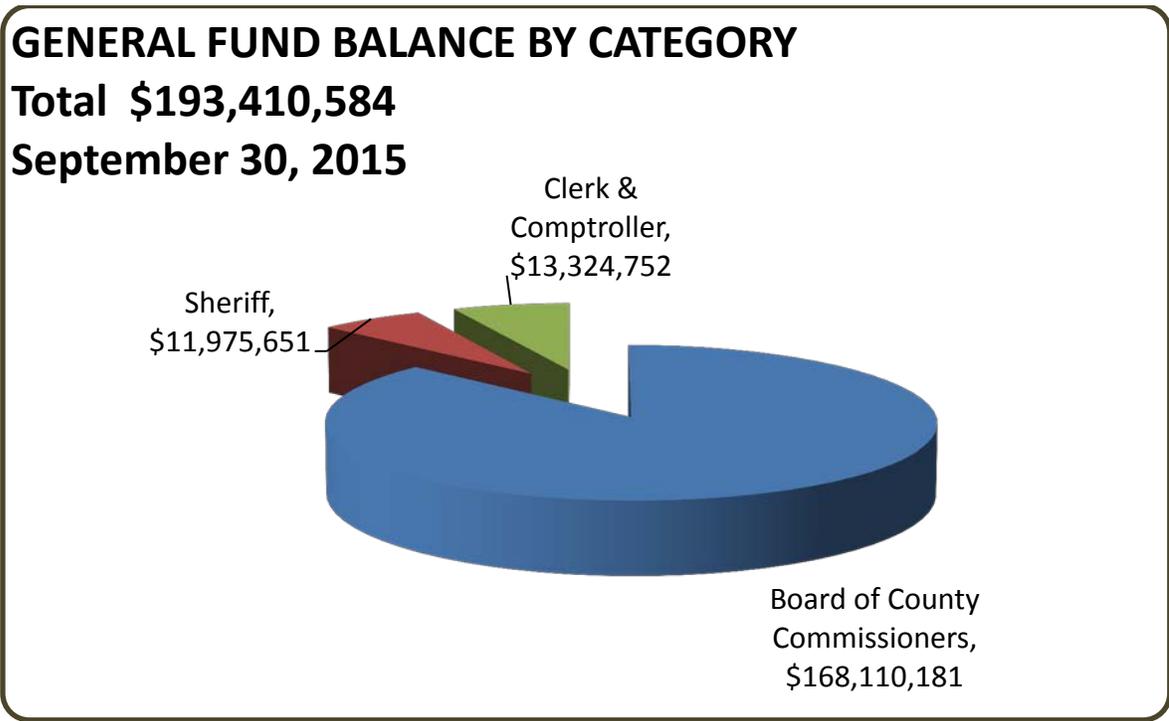
* Includes BOCC, Sheriff and Clerk & Comptroller

Changes in Fund Balance – Governmental Funds

At September 30, 2015, the County's governmental funds reported combined ending fund balances of \$1.056 billion, an increase of \$18.6 million from the previous year. Below are highlights of the change in fund balance.

- The increase in the General Fund's fund balance of \$9.1 million is primarily attributable to revenues outpacing expenditures for the 2015 fiscal year. Total revenues in the General Fund were \$1.081 billion, an increase of \$64.5 million or 6%. Most of this increase was related to Tax revenue, which increased \$43.4 million or 7%.
- The increase in the Fire Rescue Special Revenue Fund of \$5.1 million is attributable to an increase in overall revenues, primarily from Taxes and Charges for Services. The Charges for Services increase was due mainly from increases in transport activity as well as fee increases that were effective in January 2015. Costs were up slightly from the previous year in personal services due to an increase in salary costs as a result of across-the-board raises.

- The increase of \$19.5 million in the Road Program Capital Projects Fund is related to an overall increase in Special Assessments revenue, which increased \$5.9 million or 28% over the prior fiscal year.
- The increase of \$21.6 million in the General Government Capital Projects Fund is primarily due to the issuance of long-term debt (reported in other financing sources) during the fiscal year.
- The decrease of \$36.7 million in Other Governmental Funds is due to several factors. Significant impacts include an increase in Tourist Development expenditures of \$4.8 million or 22% over the previous fiscal year due to increases in economic activity. Transfers out from this fund, again due to increases in economic activity, were up \$14.6 million or 113% over the previous year. Palm Tran expenditures were up \$6.9 million, or 8% over the previous year due to increased costs with the Palm Tran Connection para-transit service.



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:

- The Department’s net position increased by \$34.5 million in fiscal year 2015, compared to an increase of \$23.0 million in fiscal year 2014.

- ➔ Operating revenues decreased 7.8 to \$63.2 million. Airline revenues declined due to decreased costs, specifically annual debt service requirements as discussed below. The County's Airline agreement bases charges to airlines on costs to operate the terminal and airfield facilities. Other revenues increased including parking, up 11% totaling \$17.4 million, car rental concession revenue up 6%, totaling \$11.6 million, and non-airline facility rentals up 5%, totaling \$11.7 million.
- ➔ Compared to the prior year, operating expenses (excluding depreciation and amortization) increased by 4% or \$1.6 million. Increases were spread evenly across all expense categories.
- ➔ Debt service, as calculated by sinking fund requirements during the year, decreased from \$17.6 million to \$6.8 million. The decrease is due to the Series 2002 Revenue Bonds maturing October 1, 2015.

Water Utilities Department:

- ◆ The Department's net position increased by \$41.3 million in fiscal year 2015, compared to an increase of \$40.4 million in fiscal year 2014.
- ◆ Long-term debt (net of the current portion) decreased by \$8.0 million, or 3.8%, during the year. This decrease was due to the annual debt service payments being made in accordance with the debt service schedules.
- ◆ Operating revenues in fiscal year 2015 totaled \$176.8 million, an increase of \$6.9 million or 4.1% from fiscal year 2014. Fiscal year 2015 included the effect of rate indexing and a .7% increase in the customer base.
- ◆ Operating expenses before depreciation and amortization and equity interest in net loss of joint venture totaled \$115.2 million, an increase of \$3.4 million or .07%. This increase in operating expenses was due to increased contractual expenses related to increased activity and increased costs of purchased water and wastewater treatment.
- ◆ Non-operating income increased by \$4.3 million, or 104.9% in fiscal year 2015. This increase relates primarily to a \$3 million increase in guaranteed revenues from developers which were caused by increased developer construction activity within the County in 2015.
- ◆ The Department showed net income before contributions and transfers of \$27.7 million for fiscal year 2015, an increase of \$7.7 million or 39% from fiscal year 2014.

Budgetary Highlights

Budget and actual comparison statements are presented in the Basic Financial Statements 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 of errors, new bond or loan proceeds, new grant awards and other revenues. During FY 2015, supplemental appropriations to the Board of County Commissioners' budget for all funds, excluding component units, were approximately \$345 million, or 9% of the original adopted budget.

Differences between the original budget for FY 2015 and the final amended budget for the General Fund can be summarized as follows:

- On March 10, 2015, 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 \$14.7 million adjustment to the reserves for balances forward in the General Government budget, reduced the transfer to the Public Building Improvement Fund in the amount of \$1.6 million, and other miscellaneous adjustments.
- On August 18, 2015, the Board amended the budget to reflect an interfund transfer from the Beach Improvement Fund in the amount of \$905,452. This was necessary to recognize the reimbursement of funds from the Florida Department of Environmental Protection relating to a cost sharing project.
- The remaining amendments were primarily associated with new grants and carry forward of existing grant funds.

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 \$6.7 million.
- Major Revenues
 - ✓ Actual Electric Utility Service Tax and Franchise Fee revenues were 3% under budget. This revenue source is based on usage and is affected by area temperatures. Actual revenues are difficult to project. The FY 2016 budget has been adjusted to reflect the current usage.
 - ✓ FY 2015 budget for State Revenue Sharing and Sales Tax was set at a total of \$112.5 million, or 5.4% greater than the actual FY 2014 collections. However, FY 2015 actual collections came in at \$114.4 million, or 7.2%, over FY 2014 collections.

- ✓ Actual Communications Services Tax revenue was 4.8% below the FY 2015 budget.
 - ✓ Overall, the major revenues budget was set at a total of \$215.4 million, or 4.8% greater than the actual FY 2014 collections. FY 2015 actual collections came in at \$214.2, a variance of only .6%.
- Traffic Surcharge revenue was 25% under budget. This is directly due to a decline in civil traffic citations. Future budgets will be reduced to reflect current trends.
 - Public Safety actual revenues in the County General Fund were \$3.9 million, or 6%, over budget. Revenue estimates will be revised for future years.
 - Investment income for the General Fund was \$2.2 million over budget. While interest income is reasonably estimable, GASB 31 has made it difficult to project investment income that will be recognized. Fair market gains and losses cannot be projected as they are driven by real time market conditions, resulting in possible variances in recognized income. The FY 2016 budget has been adjusted to reflect current rate of return.
 - The remaining variance is primarily associated with Department specific revenues. Actual revenues were \$1.8 million, or 4.7%, over budget.

Budget to Actual Expenditures

- The year-end General Fund reserves budget was \$100.5 million, which represents 93% of the total unexpended appropriations in the fund. These unexpended funds will be carried over into FY 2016 and re-appropriated.
- The Division of Juvenile Justice Pre-Predisposition costs were \$2 million under budget due to a revised State allocation of the costs to counties.
- The Property Appraiser's net cost was \$.5 million under budget primarily due to an increase in excess fees returned to the County.
- The Tax Collector's net cost was \$8.2 million over budget primarily due to a decrease in the excess fees return to the County. This was due to costs associated with a new facility.
- The actual interfund transfer to the Office of Inspector General Fund was down \$438,000. This is due to position vacancies and unexpended operating expenses and reserves.
- Actual costs for a disparity study were \$553,000 under budget. These funds will be re-appropriated in FY 2016 to fund the remaining cost of the study.

- The remaining unspent funds can be primarily attributed to County departments spending less than budgeted. Actual expenses were \$11.2 million, or 4.7%, under budget.

Budget to Actual – Other financing sources

- Transfers-In
 - ✓ Actual excess fees received from the Sheriff, Supervisor of Elections, and the Clerk amounted to \$9.6 million, \$3.7 million more than the budget.
 - ✓ An unbudgeted interfund transfer of \$4.7 million from the TDC 1st Cent Fund was recognized for the purchase of land for the baseball stadium project.

Capital Assets and Debt Administration

Capital assets. The County’s capital assets for its governmental and business-type activities as of September 30, 2015, amounts to \$3.829 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 County’s capital assets for FY 2015 increased by \$36 million; governmental activities decreased \$15 million and business-type activities increased by \$51 million.

Palm Beach County, Florida							
Capital Assets, net of Accumulated Depreciation at Year-End (in millions)							
	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT		
	2015	2014	2015	2014 *	2015	2014 *	
Land	\$ 689	\$ 688	\$ 123	\$ 117	\$ 812	\$ 805	
Buildings & improvements	736	760	218	231	954	991	
Improvements other than buildings	191	202	901	891	1,092	1,093	
Equipment	214	194	27	26	241	220	
Infrastructure	384	399	-	-	384	399	
Intangible - easement rights	-	-	11	11	11	11	
Construction in progress	226	212	109	62	335	274	
TOTALS	\$ 2,440	\$ 2,455	\$ 1,389	\$ 1,338	\$ 3,829	\$ 3,793	

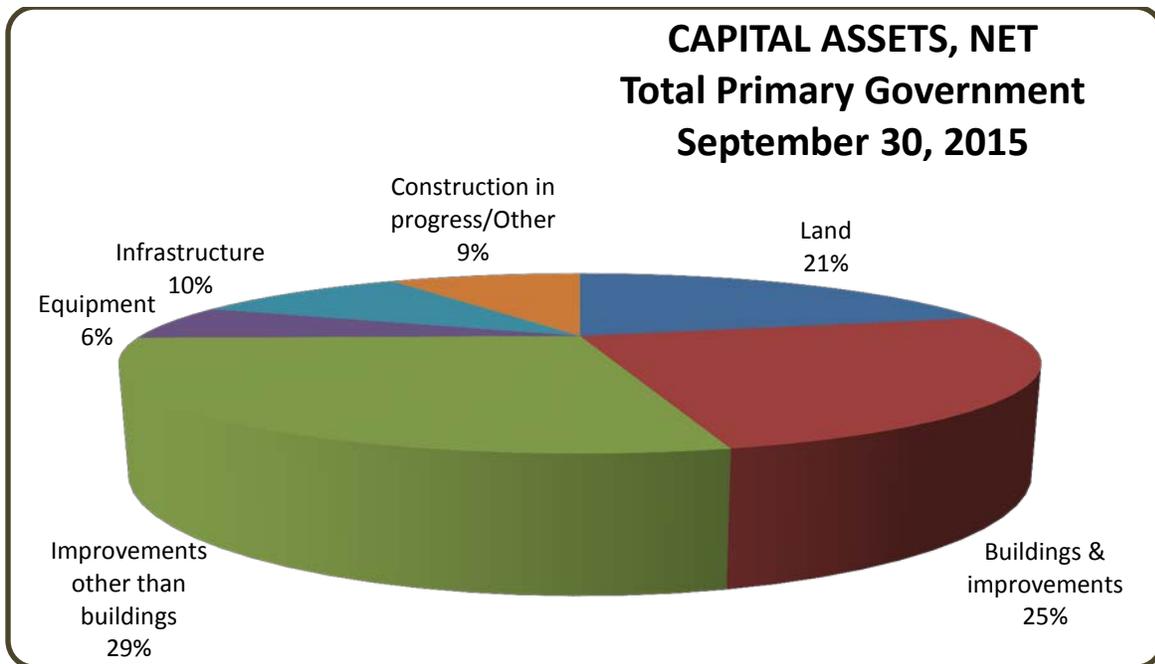
* FY 2014 adjusted for reclassification of Goodwill to Deferred Outflows.

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

- Governmental activities Net Capital Assets decreased by \$15 million. This change was due to current year depreciation exceeding current year additions. Changes included a decrease of \$24 million in Buildings and Improvements and \$15 million in Infrastructure due to the effects of depreciation, offset by increases in Equipment of \$20 million. Part of this increase in Equipment is due to additional transportation equipment purchased by the

County's Fleet Management department. The County continues to make strides in improving fuel economy and efficiency by replacing larger, less fuel efficient vehicles with hybrids as much as possible.

- Business-type activities Net Capital Assets increased overall by \$51 million to \$1.389 billion, primarily attributable to increases in Construction in Progress of the Water Utilities Department. Since the County assumed the Glades Utility Authority, a large portion of the increase is due to the department continuing to repair and replace infrastructure in order to improve the water quality in the cities of Belle Glade, South Bay and Pahokee.
- Major capital asset additions by the Water Utilities Department included construction of additional raw water wells for \$7.8 million and construction of the Northern Region Operations Center for \$4.9 million.
- The Department of Airports expended \$45.9 million on capital activities which is a substantial increase over prior years due to the ongoing construction of an in line baggage system to be substantially complete in 2016 at a total cost of \$30 million. Completed projects during 2015 totaling \$10.1 million were transferred from Construction in Progress to their respective capital accounts. The major projects completed in FY 2015 involved airfield, parking garage and terminal improvements, including \$7 million for North County Airport wetlands and \$1.2 million for the General Aviation Security System.



See Note 3, *Capital Assets*, in the *Notes to the Financial Statements* for additional information.

Long-term liabilities. At September 30, 2015, the primary government had 38 issues of bonded debt totaling \$1.203 billion. Of this amount, \$152 million comprises debt backed by the full

faith and credit of the government. \$775 million is special obligation debt secured by dedicated revenue sources and \$276 million is secured by specified enterprise revenue sources. Other obligations consist primarily of self-insurance liabilities, compensated absences, and other post-employment benefits (see chart below for more information).

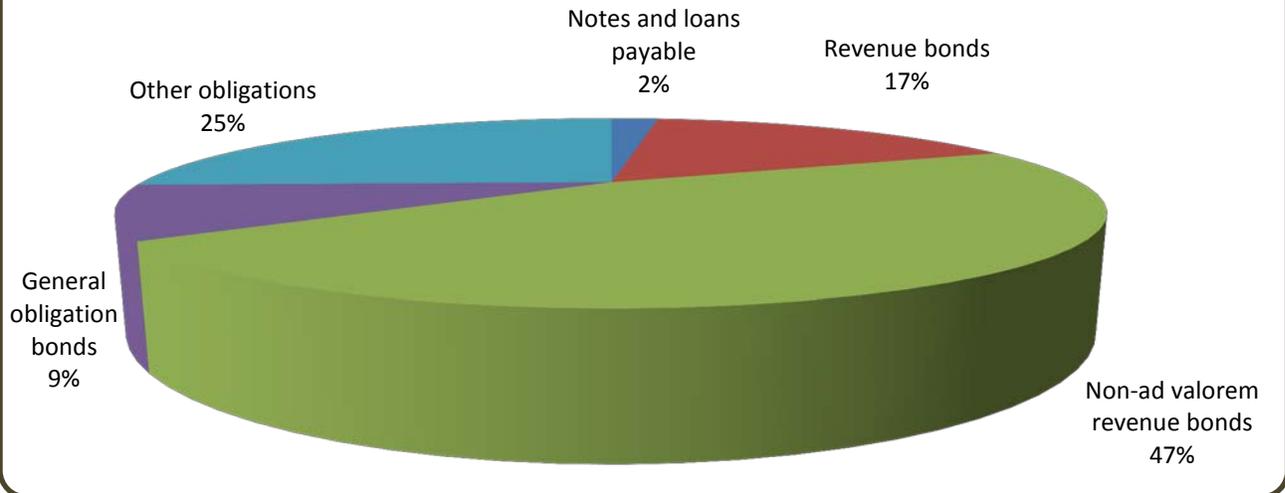
Palm Beach County, Florida						
Long-Term Liabilities at Year-End (in millions)						
	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 152	\$ 175	\$ -	\$ -	\$ 152	\$ 175
Non-ad valorem revenue bonds	775	773	-	-	775	773
Revenue bonds	-	-	276	296	276	296
Notes and loans payable	26	26	9	10	35	36
Other obligations	420	417	4	4	424	421
TOTALS	\$ 1,373	\$ 1,391	\$ 289	\$ 310	\$ 1,662	\$ 1,701

Bonded Debt. The County's bond issues are rated by three primary bond rating agencies: Moody's Investors Service, Standard & 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, 2015, the County's non ad-valorem revenues were 3.92 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+
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

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

LONG-TERM LIABILITIES
Total Primary Government
September 30, 2015



See Note 13, *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 job growth, employment, tourism, new construction and assessed values, diversification of the property tax base, and Enterprise Fund revenue and net position growth.

- The County’s population increased from 1,360,248 in 2014 to 1,378,417 in 2015, an increase of approximately 1%.
- The civilian labor force for Palm Beach County increased from 669,252 on September 30, 2014 to 685,491 as of September 30, 2015. The County’s unemployment rate decreased from 6% on September 30, 2014 to 5.3% as of September 30, 2015.
- Gross property taxes levied for fiscal year 2015 increased from \$890.7 million in 2014 to \$953.2 million for 2015, an increase of \$62.5 million or 7%.
- Palm Beach County has a diversified property tax base. The ten largest property taxpayers in the County represent 16% of the total ad valorem property taxes levied.
- Residential building permits issued in Palm Beach County for single family and multi-family units increased from 3,960 in 2014 to 4,355 in 2015, an increase of 10%, which is another indicator of an improving local economy.

- The median sales price for a single-family home in Palm Beach County rose from \$275,000 in 2014 to \$305,000 in 2015, an increase of 10.9%. The median sales price for Townhouses/Condominiums also rose from \$140,000 in 2014 to \$155,000 in 2015, an increase of 10.7%.
- Palm Beach County's local economy continues to show signs of improvement. Sales tax revenue for fiscal year 2015 totaled \$84.7 million, which was \$5.3 million or 7% higher than fiscal year 2014.
- Property Tax revenues for fiscal year 2015 were \$917.3 million, an increase of \$60.5 million from fiscal year 2014, or 7.1%.
- It was a positive showing for tourism in Palm Beach County during the year. Tourist development tax increased from \$33.8 million in fiscal year 2014 to \$42.7 million in fiscal year 2015, an increase of \$8.9 million or 26%.

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 Position
September 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash, cash equivalents, and investments	\$ 850,291,596	\$ 317,478,182	\$ 1,167,769,778
Interest receivable	249,163	553,800	802,963
Accounts receivable - net	28,734,313	23,742,516	52,476,829
Internal balances	(7,458,004)	7,458,004	-
Due from primary government	-	-	-
Due from other governments	52,070,374	21,223,043	73,293,417
Due from component units	356,052	-	356,052
Inventories	14,036,295	7,173,760	21,210,055
Other assets	8,895,073	5,070,335	13,965,408
Other receivables - noncurrent	15,900,132	13,466,712	29,366,844
Investment in joint ventures	-	44,542,136	44,542,136
Noncurrent restricted cash, cash equivalents and investments	372,619,360	76,873,591	449,492,951
Capital assets			
Non-depreciable capital assets	915,152,769	234,359,100	1,149,511,869
Depreciable capital assets, net	1,524,926,473	1,154,698,981	2,679,625,454
Total assets	3,775,773,596	1,906,640,160	5,682,413,756
DEFERRED OUTFLOWS OF RESOURCES			
Pension related (Note 10)	264,020,908	8,612,441	272,633,349
Deferred charges on refunding	28,847,189	9,013,933	37,861,122
Goodwill	-	4,951,828	4,951,828
Total deferred outflows of resources	292,868,097	22,578,202	315,446,299
LIABILITIES			
Vouchers payable and accruals	75,045,105	32,386,240	107,431,345
Due to primary government	-	-	-
Due to other governments	17,255,907	1,101,914	18,357,821
Due to component units	12,402,408	757	12,403,165
Due to individuals	453,150	7,421,452	7,874,602
Accrued interest payable	13,971,989	6,196,952	20,168,941
Unearned revenue	15,120,143	1,160,708	16,280,851
Other current liabilities	11,576,825	-	11,576,825
Long-term liabilities			
Long-term liabilities due within one year	89,838,315	11,033,948	100,872,263
Long-term liabilities due in more than one year	1,283,301,839	278,594,903	1,561,896,742
Net pension liability	643,229,409	21,123,788	664,353,197
Total liabilities	2,162,195,090	359,020,662	2,521,215,752
DEFERRED INFLOWS OF RESOURCES			
Pension related (Note 10)	285,208,555	9,816,958	295,025,513
Other	124,250	183,875	308,125
Total deferred inflows of resources	285,332,805	10,000,833	295,333,638
NET POSITION			
Net investment in capital assets	1,610,129,282	1,127,828,939	2,737,958,221
Restricted for:			
Debt service	11,211,425	10,081,528	21,292,953
Capital projects	366,213,076	61,706,492	427,919,568
Library services	8,360,273	-	8,360,273
Fire rescue services	25,599,478	-	25,599,478
Tourist development programs	17,136,573	-	17,136,573
Grant and economic development programs	26,403,255	-	26,403,255
Environmental protection programs	12,003,961	-	12,003,961
Public safety and judicial programs	16,358,919	-	16,358,919
Other services and programs	55,642,067	10,280,002	65,922,069
Unrestricted	(527,944,511)	350,299,906	(177,644,605)
Total net position	\$ 1,621,113,798	\$ 1,560,196,867	\$ 3,181,310,665

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	Solid Waste Authority
\$ 150	\$ 3,172,685	\$ 760,602	\$ 296,664,389
-	8,886	-	220,867
7,124	375,978	5,156	6,425,846
-	-	-	-
43,103	8,037,743	-	4,322,319
376,937	-	-	-
-	-	-	-
-	-	-	2,885,828
31,131	28,696	2,678,580	2,190,019
-	112,207	-	-
-	-	-	-
-	-	-	113,235,006
-	-	3,646,295	73,988,863
-	-	2,998,385	1,255,424,466
458,445	11,736,195	10,089,018	1,755,357,603
-	-	64,874	3,056,406
-	-	-	23,348,088
-	-	-	-
-	-	64,874	26,404,494
85,537	75,845	19,871	37,117,604
3,508	-	-	352,544
500	-	-	937,330
-	-	-	-
-	-	-	583,750
-	-	-	22,029,982
-	-	-	-
-	105,000	19,228	112,974
7,854	-	579,326	15,736,488
18,771	-	830,179	1,070,759,378
-	-	185,382	15,632,652
116,170	180,845	1,633,986	1,163,262,702
-	-	82,076	2,224,505
-	-	2,400	-
-	-	84,476	2,224,505
-	-	6,384,680	472,589,369
-	-	285,276	-
-	-	90,161	12,324,469
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	24,179,761
342,275	11,555,350	1,675,313	107,181,291
\$ 342,275	\$ 11,555,350	\$ 8,435,430	\$ 616,274,890

PALM BEACH COUNTY, FLORIDA
Statement of Activities
For the fiscal year ended September 30, 2015

	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	\$ 376,569,650	\$ (16,697,854)	\$ 151,696,645	\$ 2,862,801	\$ 959,723
Public Safety	803,091,170	6,027,693	141,814,407	6,889,109	271,742
Physical Environment	35,899,781	-	33,990,543	12,927,336	904,627
Transportation	151,556,124	-	16,139,081	51,226,466	1,794,335
Economic Environment	73,078,560	147,090	3,437,371	18,450,689	-
Human Services	83,663,921	113,860	3,085,915	20,172,563	-
Culture and Recreation	112,112,616	3,491,550	22,573,135	1,719,109	206,600
Interest Expense	33,558,583	-	-	-	-
Total Governmental Activities	1,669,530,405	(6,917,661)	372,737,097	114,248,073	4,137,027
Business Activities					
Department of Airports	73,254,787	967,509	76,008,774	-	31,765,529
Water Utilities Department	156,789,691	5,856,977	187,516,359	-	26,222,932
Total Business Activities	230,044,478	6,824,486	263,525,133	-	57,988,461
Total Primary Government	\$ 1,899,574,883	\$ (93,175)	\$ 636,262,230	\$ 114,248,073	\$ 62,125,488
COMPONENT UNITS					
Metropolitan Planning Organization	\$ 1,259,961	\$ 93,175	\$ -	\$ 1,416,714	\$ -
Housing Finance Authority	1,220,632	-	434,050	354,119	-
Westgate/Belvedere CRA	991,050	-	-	55,500	-
Solid Waste Authority	228,831,387	-	270,250,913	897,341	-
Total Component Units	\$ 232,303,030	\$ 93,175	\$ 270,684,963	\$ 2,723,674	\$ -

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

Interest income

Net change in fair value of investments

Other general revenues

Transfers - net

Total general revenues and transfers

Increase (decrease) in net position

Beginning net position, October 1, 2014, as restated (Note 17)

Ending net position, September 30, 2015

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

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units			
Governmental Activities	Business-Type Activities	Total	Metropolitan Planning Organization	Housing Finance Authority	Westgate/ Belvedere Homes	Solid Waste Authority
					Community Redevelopment Agency	
\$ (204,352,627)	\$ -	\$ (204,352,627)	\$ -	\$ -	\$ -	\$ -
(660,143,605)	-	(660,143,605)	-	-	-	-
11,922,725	-	11,922,725	-	-	-	-
(82,396,242)	-	(82,396,242)	-	-	-	-
(51,337,590)	-	(51,337,590)	-	-	-	-
(60,519,303)	-	(60,519,303)	-	-	-	-
(91,105,322)	-	(91,105,322)	-	-	-	-
(33,558,583)	-	(33,558,583)	-	-	-	-
<u>(1,171,490,547)</u>	<u>-</u>	<u>(1,171,490,547)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	33,552,007	33,552,007	-	-	-	-
-	51,092,623	51,092,623	-	-	-	-
-	84,644,630	84,644,630	-	-	-	-
<u>\$ (1,171,490,547)</u>	<u>\$ 84,644,630</u>	<u>\$ (1,086,845,917)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 63,578	\$ -	\$ -	\$ -
-	-	-	-	(432,463)	-	-
-	-	-	-	-	(935,550)	-
-	-	-	-	-	-	42,316,867
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,578</u>	<u>\$ (432,463)</u>	<u>\$ (935,550)</u>	<u>\$ 42,316,867</u>
\$ 917,301,988	\$ -	\$ 917,301,988	\$ -	\$ -	\$ 1,366,885	\$ -
39,936,056	-	39,936,056	-	-	-	-
49,750,672	-	49,750,672	-	-	-	-
42,736,409	-	42,736,409	-	-	-	-
84,668,592	-	84,668,592	-	-	-	-
37,293,992	-	37,293,992	-	-	-	-
61,040,743	-	61,040,743	-	-	-	-
20,403,519	5,373,482	25,777,001	-	-	720	-
(2,474,815)	(625,241)	(3,100,056)	-	-	-	-
2,675,830	-	2,675,830	68	-	52,864	-
12,667,873	(12,667,873)	-	-	-	-	-
<u>1,266,000,859</u>	<u>(7,919,632)</u>	<u>1,258,081,227</u>	<u>68</u>	<u>-</u>	<u>1,420,469</u>	<u>-</u>
94,510,312	76,724,998	171,235,310	63,646	(432,463)	484,919	42,316,867
<u>1,526,603,486</u>	<u>1,483,471,869</u>	<u>3,010,075,355</u>	<u>278,629</u>	<u>11,987,813</u>	<u>7,950,511</u>	<u>573,958,023</u>
<u>\$ 1,621,113,798</u>	<u>\$ 1,560,196,867</u>	<u>\$ 3,181,310,665</u>	<u>\$ 342,275</u>	<u>\$ 11,555,350</u>	<u>\$ 8,435,430</u>	<u>\$ 616,274,890</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. The General Fund is subdivided into the following categories: Board of County Commissioners (BOCC), Sheriff, Clerk & Comptroller, Tax Collector, Property Appraiser and the Supervisor of Elections.

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

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.

General Government Capital Projects - To account for costs of capital improvements not included in any other category.

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.

PALM BEACH COUNTY, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2015

	MAJOR FUNDS		
	General Fund	Fire Rescue Special Revenue Fund	Road Program Capital Projects
ASSETS			
Cash, cash equivalents, and investments	\$ 252,409,605	\$ 82,554,352	\$ 372,781,667
Accounts receivable, net	11,745,515	4,231,386	-
Due from other county funds	24,460,644	2,821,344	744,670
Due from other governments	9,920,635	5,716,930	3,666,916
Due from component unit	351,966	-	-
Inventory	6,298,908	2,724,420	-
Other assets	389,980	75	-
Other receivables, noncurrent	-	-	-
Total assets	\$ 305,577,253	\$ 98,048,507	\$ 377,193,253
LIABILITIES			
Vouchers payable and accrued liabilities	\$ 37,853,168	\$ 11,299,548	\$ 3,173,286
Due to other county funds	18,697,651	128,848	44,809
Due to other governments	16,316,703	16,824	20
Due to component unit	12,401,765	-	-
Due to individuals	65,894	-	-
Insurance claims payable	2,160,554	-	-
Unearned revenue	13,019,423	-	1,415,162
Other liabilities	11,542,308	-	-
Total liabilities	112,057,466	11,445,220	4,633,277
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	109,203	6,412,452	1,529,949
FUND BALANCES			
Non-Spendable			
Inventory	6,298,908	2,724,420	-
Prepaid items	237,394	-	-
Spendable			
Restricted for:			
Debt service	-	-	-
Capital projects	-	-	279,762,002
Library services	-	-	-
Fire rescue services	-	77,466,415	-
Tourist development programs	-	-	-
Grant and economic development programs	-	-	-
Environmental protection programs	-	-	-
Public safety and judicial programs	21,558,765	-	-
Other services and programs	-	-	-
Assigned to:			
Capital projects	-	-	91,268,025
Tourist development programs	-	-	-
Other services and programs	-	-	-
Unassigned	165,315,517	-	-
Total fund balances	193,410,584	80,190,835	371,030,027
Total liabilities, deferred inflows of resources and fund balances	\$ 305,577,253	\$ 98,048,507	\$ 377,193,253

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

General Government Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 179,697,154	\$ 239,964,587	\$ 1,127,407,365
-	10,512,421	26,489,322
12,641,152	14,003,169	54,670,979
161,360	32,467,927	51,933,768
-	-	351,966
-	4,366,839	13,390,167
-	804,535	1,194,590
-	15,900,132	15,900,132
<u>\$ 192,499,666</u>	<u>\$ 318,019,610</u>	<u>\$ 1,291,338,289</u>
\$ 6,719,529	\$ 12,975,662	\$ 72,021,193
10,308	40,004,402	58,886,018
-	790,029	17,123,576
-	643	12,402,408
-	387,256	453,150
-	-	2,160,554
-	685,558	15,120,143
-	34,517	11,576,825
<u>6,729,837</u>	<u>54,878,067</u>	<u>189,743,867</u>
-	37,272,557	45,324,161
-	4,366,839	13,390,167
-	194,085	431,479
-	22,524,260	22,524,260
110,493,488	69,332,745	459,588,235
-	10,574,441	10,574,441
-	-	77,466,415
-	17,136,573	17,136,573
-	25,249,512	25,249,512
-	11,004,928	11,004,928
-	4,589,585	26,148,350
-	43,894,478	43,894,478
75,276,341	15,048,243	181,592,609
-	5,853,970	5,853,970
-	5,703,144	5,703,144
-	(9,603,817)	155,711,700
<u>185,769,829</u>	<u>225,868,986</u>	<u>1,056,270,261</u>
<u>\$ 192,499,666</u>	<u>\$ 318,019,610</u>	<u>\$ 1,291,338,289</u>

PALM BEACH COUNTY, FLORIDA
 Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position - Governmental Activities
 September 30, 2015

Fund balances for total of governmental funds (page 9)	\$	1,056,270,261
Amounts reported for governmental activities in the statement of net position 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 position.		
Net position per fund statements	\$	66,544,838
Less amount due to business-type activities for 'look-back' allocation		<u>(8,238,909)</u>
		58,305,929
Report as a liability general long-term debt obligations		
Liabilities that are not due and payable in the current period are not payable from current financial resources and therefore are not reported in the governmental fund statements.		
General obligation bonds payable		(141,605,000)
Non-ad valorem bonds payable		(720,750,050)
Notes and loans payable		(26,348,989)
Compensated absences		(149,766,794)
OPEB obligation		(155,297,038)
Claims and judgments		(49,999,649)
Unamortized premium		(64,768,255)
Arbitrage accrued		(17,269)
Capital lease obligation		<u>(1,278,052)</u>
		(1,309,831,096)
Report refunding losses as deferred outflows		28,847,189
Report refunding gain as deferred inflow		(124,250)
Report net deferred inflow - pension related		(21,187,647)
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		915,152,769
Depreciable capital assets, net of accumulated depreciation		<u>1,501,709,791</u>
		2,416,862,560
Report other adjustments to convert from modified accrual to full accrual		
<i>OPEB Asset</i>		
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.		3,806,569
<i>Net Pension Liability</i>		
Net pension liability that is not due and payable in the current period is not reported in the governmental fund statements.		
		(643,229,409)
<i>Accrued Interest Payable</i>		
Accrued Interest Payable that is not due and payable in the current period is not reported in the governmental fund statements.		
		(13,971,989)
<i>Unavailable revenue</i>		
Revenue is recognized when earned. However, revenue is not available until the current financial resources are received in the governmental fund statements.		
		45,324,161
<i>Other Adjustments</i>		
		<u>41,520</u>
		<u>(608,029,148)</u>
Net position of governmental activities (page 2)	\$	<u>1,621,113,798</u>

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



PALM BEACH COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the fiscal year ended September 30, 2015

	MAJOR FUNDS		
	General Fund	Fire Rescue Special Revenue Fund	Road Program Capital Projects
Revenues:			
Taxes (net of discount)	\$ 709,329,399	\$ 205,708,414	\$ 10,192,853
Special assessments	-	271,741	26,891,668
Licenses and permits	36,603,116	19,636	-
Intergovernmental	119,018,169	400,936	824,648
Charges for services	229,682,166	38,447,805	5,850
Less - excess fees paid out	(31,461,960)	-	-
Fines and forfeitures	5,397,314	-	-
Interest Income	4,585,919	1,847,650	5,256,168
Net change in fair value of investments	(440,045)	(258,837)	(743,407)
Miscellaneous	8,823,244	518,836	635,909
Total revenues	1,081,537,322	246,956,181	43,063,689
Expenditures:			
Current:			
General government	276,517,781	-	2,922,662
Public safety	509,828,734	259,125,506	-
Physical environment	11,692,040	-	-
Transportation	4,235,000	-	3,994,336
Economic environment	26,684,324	573,672	637,182
Human services	60,919,369	-	-
Culture and recreation	54,724,357	-	-
Capital outlay	21,409,773	3,782,226	16,478,571
Debt service	-	-	-
Total expenditures	966,011,378	263,481,404	24,032,751
Excess of revenues over (under) expenditures	115,525,944	(16,525,223)	19,030,938
Other financing sources (uses):			
Transfers in	31,801,738	22,169,981	1,500,000
Transfers out	(138,227,597)	(706,409)	(1,035,336)
Capital lease	-	-	-
Issuance of long-term debt	-	-	-
Premium on long-term debt	-	-	-
Issuance of refunding of debt	-	-	-
Premium on refunding of debt	-	-	-
Payment to escrow agent for refunding	-	-	-
Total other financing sources (uses)	(106,425,859)	21,463,572	464,664
Net change in fund balances	9,100,085	4,938,349	19,495,602
Fund balances, October 1, 2014, as restated (Note 17)	184,316,777	75,012,508	351,534,425
Change in nonspendable fund balances	(6,278)	239,978	-
Fund balances, September 30, 2015	\$ 193,410,584	\$ 80,190,835	\$ 371,030,027

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

General Government Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 674	\$ 151,856,405	\$ 1,077,087,745
2,177,747	12,646,169	41,987,325
-	22,506,588	59,129,340
193,356	99,071,486	219,508,595
980,652	39,095,852	308,212,325
-	-	(31,461,960)
1,229,058	3,444,834	10,071,206
2,167,433	5,180,278	19,037,448
(320,547)	(516,318)	(2,279,154)
415,938	15,233,443	25,627,370
<u>6,844,311</u>	<u>348,518,737</u>	<u>1,726,920,240</u>
31,576,377	14,717,308	325,734,128
34,099	23,850,377	792,838,716
-	23,633,849	35,325,889
89,781	126,730,670	135,049,787
29,219	45,290,458	73,214,855
-	22,187,024	83,106,393
-	45,831,120	100,555,477
34,521,525	29,398,879	105,590,974
1,406,399	134,942,663	136,349,062
<u>67,657,400</u>	<u>466,582,348</u>	<u>1,787,765,281</u>
<u>(60,813,089)</u>	<u>(118,063,611)</u>	<u>(60,845,041)</u>
25,146,676	135,969,295	216,587,690
(9,175,481)	(54,767,383)	(203,912,206)
-	964,588	964,588
63,155,000	1,963,000	65,118,000
3,257,441	-	3,257,441
-	136,080,000	136,080,000
-	23,235,345	23,235,345
-	(162,146,879)	(162,146,879)
<u>82,383,636</u>	<u>81,297,966</u>	<u>79,183,979</u>
21,570,547	(36,765,645)	18,338,938
164,199,282	262,617,843	1,037,680,835
-	16,788	250,488
<u>\$ 185,769,829</u>	<u>\$ 225,868,986</u>	<u>\$ 1,056,270,261</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, 2015

Net change in fund balances for total governmental funds (page 13) \$ 18,338,938

Amounts reported for governmental activities in the statement 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 and insurance to individual funds. The net income of the internal service funds is reported with governmental activities.

Net income per fund statements	\$	10,915,219	
Adjusted for current year allocation of internal service funds to business-type activities		(857,991)	10,057,228

Report as a liability long-term debt obligations

Debt issuance and capital leases

Debt and capital leases provide current financial resources to governmental funds, but such activities increase long-term liabilities in the statement of net position.

Current year face value of debt issued		(202,162,588)	
--	--	---------------	--

Governmental funds report the premium and discount as other financing sources/uses when debt is issued, but in the statement of activities these amounts are amortized to interest expense over the term of the debt.

Current year (premium) discount on debt issued		(26,492,786)	
Current year amortization & retirement of premium / discount		10,196,918	

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 loss deferred		13,509,185	
Current year amortization & retirement of deferred refunding loss		(2,864,158)	
Current year amortization & retirement of deferred refunding gain		26,601	

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 position and does not result in an expense.

238,608,490

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.

Net change in arbitrage 'long term' accrued liability		74,037	
Net change in OPEB obligation		(19,318,528)	
Net change in estimated self-insurance obligation		(5,862,677)	
Net change in capital leases		143,675	
Net change in net pension liability		27,434,798	
Net change in compensated absences liability		(5,606,263)	

27,686,704

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

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 position and do not result in an expense. 105,590,972

Acquisition of capital assets from contributions do not generate current financial resources and therefore are not reported in the governmental fund statements as revenue. 294,132

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. (119,632,653)

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 position differs from the change in fund balance. (4,663,926)

(18,411,475)

Report other adjustments for converting from modified accrual to full accrual

Net change in inventory 250,488

Net change in OPEB obligation asset 1,115,681

Net change in accrued interest payable 916,647

Net change in unavailable revenue 12,094,542

Net change in net pension liability 42,461,559

56,838,917

Change in net position of governmental activities (page 5)

\$ 94,510,312

PALM BEACH COUNTY, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis)
General Fund

For the fiscal year ended September 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues				
Taxes (net of discount)	\$ 738,778,198	\$ 738,778,198	\$ 709,329,399	\$ (29,448,799)
Licenses and permits	37,072,025	37,072,025	36,603,116	(468,909)
Intergovernmental	115,306,995	115,597,927	117,561,572	1,963,645
Charges for services	99,304,518	99,366,609	99,699,549	332,940
Fines and forfeitures	1,230,500	1,230,500	1,712,431	481,931
Interest income	1,723,915	1,723,915	4,415,453	2,691,538
Net change in fair value of investments	-	-	(440,045)	(440,045)
Miscellaneous	7,395,605	7,213,893	8,762,246	1,548,353
Less 5% anticipated revenues	(50,334,965)	(50,334,965)	-	50,334,965
Total revenues	950,476,791	950,648,102	977,643,721	26,995,619
Expenditures				
Current:				
General government:				
County Administrator	2,132,320	2,132,320	2,082,692	49,628
County Attorney	5,650,633	5,650,633	5,183,891	466,742
Commission on Ethics	573,253	573,253	550,380	22,873
County Commission	3,283,740	3,287,806	3,107,459	180,347
Employee Relations & Personnel	2,919,741	2,919,741	2,574,615	345,126
Engineering & Public Works	4,204,619	4,184,619	4,018,656	165,963
Facilities Dev & Ops	37,432,660	36,681,138	36,226,527	454,611
Financial Management & Budget	3,285,022	3,285,022	3,151,297	133,725
Information Systems Services	30,003,937	30,049,758	29,809,841	239,917
Internal Auditor	1,110,295	1,110,295	1,032,655	77,640
Judicial	1,491,298	1,544,864	1,474,885	69,979
Planning, Zoning & Building	8,088,337	8,127,294	7,793,171	334,123
Public Affairs	4,365,397	4,365,397	4,074,078	291,319
Legislative Affairs	520,063	520,063	419,214	100,849
Public Safety	3,716,757	3,783,649	3,638,707	144,942
Purchasing	3,695,841	3,695,841	3,549,600	146,241
Risk Management	385,975	385,975	381,463	4,512
Other County Funded Programs	175,000	175,000	5,561	169,439
General Government Operations	20,643,856	22,172,232	28,482,927	(6,310,695)
Value Adjustment Board	600,000	600,000	587,645	12,355
Non-departmental specific reserves	86,726,605	101,008,856	51,629	100,957,227
Office of Small Business Assistance	863,865	867,813	830,947	36,866
Total general government	221,869,214	237,121,569	139,027,840	98,093,729
Public safety:				
Sheriff - PBC Expenses	300,000	300,000	238,063	61,937
Facilities Dev & Ops	2,803,538	2,803,538	2,887,314	(83,776)
Information Systems Services	90,523	110,523	107,000	3,523
Planning, Zoning & Building	4,026,343	4,026,343	3,601,453	424,890
Public Safety	6,702,162	6,690,022	6,193,192	496,830
Medical Examiner	2,723,874	2,833,284	2,805,242	28,042
Other County Funded Programs	3,725,000	3,725,000	1,727,899	1,997,101
General Government Operations	191,852	191,852	41,135	150,717
Criminal Justice Comm Grants	230,846	217,366	203,554	13,812
Criminal Justice Commission	538,683	558,683	513,018	45,665
Total public safety	21,332,821	21,456,611	18,317,870	3,138,741

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

PALM BEACH COUNTY, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis)
General Fund
For the fiscal year ended September 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Physical environment:				
County Cooperative Ext Serv	2,362,736	2,370,212	2,053,525	316,687
Engineering & Public Works	546,432	566,432	461,661	104,771
Environmental Resources Mgt	9,333,032	9,329,532	9,176,854	152,678
Total physical environment	12,242,200	12,266,176	11,692,040	574,136
Transportation:				
Other County Funded Programs	4,235,000	4,235,000	4,235,000	-
Total transportation	4,235,000	4,235,000	4,235,000	-
Economic environment:				
Department of Economic Sustainability	295,813	295,813	281,715	14,098
Community Services/Human Serv	256,316	256,316	244,034	12,282
Equal Opportunity	826,622	659,197	436,142	223,055
Scripps	200,000	200,000	215	199,785
Office Of Comm. Revitalization	635,800	635,800	580,240	55,560
Community Redevelopment Agncys	25,180,470	25,180,470	25,141,978	38,492
Total economic environment	27,395,021	27,227,596	26,684,324	543,272
Human services:				
Community Services	1,948,225	1,921,225	1,775,086	146,139
Community Services/Human Serv	10,249,239	10,531,801	9,656,635	875,166
Youth Services Department	7,022,764	6,882,322	5,883,216	999,106
Youth Services-Children's Services Council/Head Start	5,558,715	5,674,015	5,595,572	78,443
Environmental Resources Mgt	1,979,644	1,979,644	1,884,772	94,872
Health Department	2,052,586	2,052,586	1,881,537	171,049
Public Safety	8,519,958	8,530,382	7,731,792	798,590
Financially Assisted Agencies	11,290,068	11,490,068	11,272,594	217,474
Other County Funded Programs	15,200,000	15,208,856	15,191,864	16,992
Criminal Justice Commission	-	47,234	46,301	933
Total human services	63,821,199	64,318,133	60,919,369	3,398,764
Culture and recreation:				
Parks & Recreation	57,339,194	57,318,858	54,724,357	2,594,501
Total culture and recreation	57,339,194	57,318,858	54,724,357	2,594,501
Capital outlay:				
Community Services	3,000	30,000	23,671	6,329
Youth Services Department	-	25,300	24,838	462
County Attorney	5,936	5,936	1,627	4,309
Commission on Ethics	4,500	4,500	-	4,500
County Commission	1,000	1,000	2,714	(1,714)
County Cooperative Ext Serv	-	4,154	4,154	-
Employee Relations & Personnel	3,000	3,000	2,340	660
Environmental Resources Mgt	-	3,500	3,471	29
Facilities Dev & Ops	179,500	179,922	170,455	9,467
Information Systems Services	22,150	25,020	23,835	1,185
Parks & Recreation	124,221	173,757	144,095	29,662
Planning, Zoning & Building	30,000	30,000	14,683	15,317
Public Affairs	55,000	55,000	16,684	38,316
Public Safety	-	26,248	24,199	2,049
Medical Examiner	21,000	16,115	16,115	-

PALM BEACH COUNTY, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis)
General Fund
For the fiscal year ended September 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Criminal Justice Commission	2,152	2,152	1,357	795
Office of Small Business Assistance	4,320	372	-	372
Total capital outlay	455,779	585,976	474,238	111,738
Total expenditures	408,690,428	424,529,919	316,075,038	108,454,881
Excess of revenues over expenditures	541,786,363	526,118,183	661,568,683	135,450,500
Other financing sources (uses)				
Transfers in	24,304,580	28,151,469	36,364,980	8,213,511
Transfers out	(713,731,343)	(712,433,469)	(690,870,321)	21,563,148
Total other financing sources (uses)	(689,426,763)	(684,282,000)	(654,505,341)	29,776,659
Net change in fund balances	(147,640,400)	(158,163,817)	7,063,342	165,227,159
Fund balances, October 1, 2014, as restated	147,640,400	158,163,817	161,053,117	2,889,300
Change in nonspendable fund balance	-	-	(6,278)	(6,278)
Fund balances, September 30, 2015	\$ -	\$ -	168,110,181	\$ 168,110,181

Perspective difference between budget basis and GAAP 25,300,403

Fund balances, September 30, 2015 (GAAP) \$ 193,410,584

<u>Reconciliation of Budget to GAAP:</u>	Revenues	Expenditures	Transfers in	Transfers out	Net change in fund balance
Board of County Commissioners	\$ 977,643,721	\$ (316,075,038)	\$ 36,364,980	\$ (690,870,321)	\$ 7,063,342
Sheriff	4,658,546	(530,036,734)	536,329,180	(7,687,985)	3,263,007
Clerk & Comptroller	43,743,255	(56,741,011)	12,656,531	(885,039)	(1,226,264)
Tax Collector	33,627,251	(33,627,251)	-	-	-
Property Appraiser	21,395,648	(21,395,648)	-	-	-
Supervisor of Elections	468,901	(8,135,696)	9,219,250	(1,552,455)	-
Eliminations	-	-	(562,768,203)	562,768,203	-
Totals	\$1,081,537,322	\$ (966,011,378)	\$ 31,801,738	\$ (138,227,597)	\$ 9,100,085

NOTE: Budgetary comparisons presented herein are on a basis consistent with GAAP and only include the operations of the Board of County Commissioners since that is what was legally adopted. In accordance with GASB 54, the individual County Constitutional Officers no longer met the definition to be reported as separate special revenue funds of the County and as a result their activities have been combined into the County general fund for GAAP reporting purposes. The above table provides a reconciliation of the amounts between the two schedules.

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

PALM BEACH COUNTY, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Fire Rescue Special Revenue Fund
For the fiscal year ended September 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 214,569,880	\$ 214,569,880	\$ 205,708,414	\$ (8,861,466)
Special assessments	281,685	281,685	271,741	(9,944)
Licenses and permits	14,000	14,000	19,636	5,636
Intergovernmental	332,185	449,506	400,936	(48,570)
Charges for services	37,287,520	37,312,520	38,447,805	1,135,285
Interest income	189,700	189,700	1,847,650	1,657,950
Net change in fair value of investments	-	380,000	(258,837)	(638,837)
Miscellaneous	195,000	195,000	518,836	323,836
Less 5% anticipated revenues	(12,395,884)	(12,395,884)	-	12,395,884
Total revenues	240,474,086	240,996,407	246,956,181	5,959,774
Expenditures:				
Current:				
Public safety	321,631,424	325,917,144	259,125,506	66,791,638
Economic environment	581,404	581,404	573,672	7,732
Capital outlay	9,996,023	10,500,752	3,782,226	6,718,526
Total expenditures	332,208,851	336,999,300	263,481,404	73,517,896
Excess of revenues over (under) expenditures	(91,734,765)	(96,002,893)	(16,525,223)	79,477,670
Other financing sources (uses):				
Transfers in	24,093,100	24,181,238	22,169,981	(2,011,257)
Transfers out	(320,245)	(706,410)	(706,409)	1
Total other financing sources (uses)	23,772,855	23,474,828	21,463,572	(2,011,256)
Net change in fund balances	(67,961,910)	(72,528,065)	4,938,349	77,466,414
Fund balances, October 1, 2014	67,961,910	72,528,065	75,012,508	2,484,443
Change in nonspendable fund balance	-	-	239,978	239,978
Fund balances, September 30, 2015	\$ -	\$ -	\$ 80,190,835	\$ 80,190,835

NOTE: The effective legal budgetary control is at the department level for the General Fund and special revenue funds with approved budgets which is reflected in the budget to actual statements presented in the fund financial statements section and the combining and individual fund statements and schedules section. The Fire Rescue Special Revenue Fund reflects the actual department. 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
Statement of Net Position
Proprietary Funds
September 30, 2015

	Business-type Activities -	
	Airports	Water Utilities
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 75,100,776	\$ 217,983,723
Cash and cash equivalents - restricted	263,737	19,498,062
Cash with fiscal agent - restricted	4,631,884	-
Interest receivable - restricted	-	553,800
Accounts receivable, net	2,587,033	18,598,791
Due from other county funds	107,181	8,668
Due from other governments	20,937,043	286,000
Due from component unit	-	-
Inventory	1,454,067	5,719,693
Current portion of other receivables	-	902,161
Other assets	4,683,285	374,917
Total current assets	109,765,006	263,925,815
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	67,332,897	9,540,694
Accounts receivable, net	1,654,531	-
Total noncurrent restricted assets	68,987,428	9,540,694
Capital assets:		
Land	108,129,920	15,477,158
Buildings	371,809,068	116,080,228
Improvements other than buildings	241,346,565	1,365,318,767
Furniture, fixtures and equipment	43,256,622	75,849,560
Intangible - easement rights	13,754,957	1,660,856
Accumulated depreciation and amortization	(446,636,631)	(626,080,155)
Construction in progress	51,392,749	57,698,417
Total capital assets	383,053,250	1,006,004,831
Investment in joint ventures	-	44,542,136
Other post-employment benefit net asset	5,368	6,765
Other receivables, noncurrent	-	13,466,712
Total noncurrent assets	452,046,046	1,073,561,138
Total assets	\$ 561,811,052	\$ 1,337,486,953
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	\$ 2,010,597	\$ 6,601,844
Deferred charges on refunding	-	9,013,933
Goodwill	-	4,951,828
Total deferred outflows of resources	\$ 2,010,597	\$ 20,567,605

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

<u>Enterprise Funds</u>	<u>Governmental Activities Internal Service Funds</u>
Totals	
\$ 293,084,499	\$ 95,503,591
19,761,799	-
4,631,884	-
553,800	-
21,185,824	2,494,154
115,849	5,024,632
21,223,043	136,606
-	4,086
7,173,760	646,128
902,161	-
5,058,202	3,852,393
<u>373,690,821</u>	<u>107,661,590</u>
76,873,591	-
1,654,531	-
<u>78,528,122</u>	<u>-</u>
123,607,078	-
487,889,296	206,558
1,606,665,332	512,286
119,106,182	81,372,971
15,415,813	-
(1,072,716,786)	(58,875,133)
109,091,166	-
<u>1,389,058,081</u>	<u>23,216,682</u>
44,542,136	-
12,133	-
13,466,712	-
<u>1,525,607,184</u>	<u>23,216,682</u>
\$ 1,899,298,005	\$ 130,878,272
\$ 8,612,441	\$ -
9,013,933	-
4,951,828	-
<u>\$ 22,578,202</u>	<u>\$ -</u>

PALM BEACH COUNTY, FLORIDA
Statement of Net Position
Proprietary Funds
September 30, 2015

	Business-type Activities -	
	Airports	Water Utilities
LIABILITIES		
Current liabilities payable from current assets:		
Vouchers payable and accrued liabilities	\$ 20,929,162	\$ 10,869,959
Due to other county funds	115,472	781,282
Due to other governments	93,918	1,007,996
Due to component unit	757	-
Unearned revenue	1,160,708	-
Compensated absences	74,035	200,000
Insurance claims payable	-	-
Other liabilities	565,059	6,694
Total current liabilities payable from current assets	22,939,111	12,865,931
Current liabilities payable from restricted assets:		
Customers' deposits	263,739	7,157,713
Accounts and contracts payable	-	15,366
Current portion of long-term debt	2,425,000	8,334,913
Interest payable on bonds	2,206,882	3,990,070
Total current liabilities payable from restricted assets	4,895,621	19,498,062
Total current liabilities	27,834,732	32,363,993
Noncurrent liabilities:		
Compensated absences	1,049,704	3,065,276
Revenue bonds payable, net	83,837,967	190,641,956
Insurance claims payable	-	-
Net pension liability	4,927,476	16,196,312
Other long-term liabilities	-	-
Total noncurrent liabilities	89,815,147	209,903,544
Total liabilities	\$ 117,649,879	\$ 242,267,537
DEFERRED INFLOWS OF RESOURCES		
Pension related	\$ 2,289,970	\$ 7,526,988
Other	-	183,875
Total deferred inflows of resources	\$ 2,289,970	\$ 7,710,863
NET POSITION		
Net investment in capital assets	\$ 296,790,283	\$ 831,038,656
Restricted for:		
Debt service	2,728,854	7,352,674
Capital projects	60,706,492	1,000,000
Grants and other	10,280,002	-
Unrestricted	73,376,169	268,684,828
Total net position	\$ 443,881,800	\$ 1,108,076,158

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

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

<u>Enterprise Funds</u>		Governmental Activities Internal Service Funds
Totals		
\$ 31,799,121	\$ 3,023,911	
896,754	28,688	
1,101,914	132,331	
757	-	
1,160,708	-	
274,035	-	
-	12,488,237	
571,753	-	
<u>35,805,042</u>	<u>15,673,167</u>	
7,421,452	-	
15,366	-	
10,759,913	-	
6,196,952	-	
<u>24,393,683</u>	<u>-</u>	
<u>60,198,725</u>	<u>15,673,167</u>	
4,114,980	708,903	
274,479,923	-	
-	47,935,634	
21,123,788	-	
-	15,730	
<u>299,718,691</u>	<u>48,660,267</u>	
\$ 359,917,416	\$ 64,333,434	
\$ 9,816,958	\$ -	
183,875	-	
<u>\$ 10,000,833</u>	<u>\$ -</u>	
\$ 1,127,828,939	\$ 23,216,682	
10,081,528	-	
61,706,492	-	
10,280,002	-	
342,060,997	43,328,156	
<u>1,551,957,958</u>	<u>\$ 66,544,838</u>	
8,238,909		
<u>\$ 1,560,196,867</u>		

PALM BEACH COUNTY, FLORIDA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the fiscal year ended September 30, 2015

	Business-type Activities -	
	Airports	Water Utilities
Operating revenues:		
Charges for services	\$ 60,782,053	\$ 170,471,157
Miscellaneous	2,381,705	6,332,292
Total operating revenues	63,163,758	176,803,449
Operating expenses:		
Aviation services	42,406,403	-
Water and sewer services	-	115,196,111
Transportation services	-	-
Self-insurance services	-	-
Equity interest in net loss of joint ventures	-	(192,746)
Depreciation and amortization	27,443,447	42,384,438
Total operating expenses	69,849,850	157,387,803
Operating income (loss)	(6,686,092)	19,415,646
Nonoperating revenues (expenses):		
Interest income	1,240,508	4,132,974
Net change in fair value of investments	(174,255)	(450,986)
Guaranteed revenue	-	7,603,125
Passenger facility charges	12,602,242	-
Interest expense	(4,413,766)	(6,075,536)
Other revenues (expenses)	242,774	3,109,785
Total nonoperating revenues (expenses)	9,497,503	8,319,362
Income before capital contributions and transfers	2,811,411	27,735,008
Capital contributions	31,765,529	26,222,932
Transfers out	(56,484)	(12,611,389)
Change in net position	34,520,456	41,346,551
Net position, October 1, 2014, as restated (Note 17)	409,361,344	1,066,729,607
Net position, September 30, 2015	\$ 443,881,800	\$ 1,108,076,158

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 position of business-type activities

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

<u>Enterprise Funds</u>	Governmental Activities Internal Service Funds
<u>Totals</u>	
\$ 231,253,210	\$ 130,480,907
8,713,997	-
<u>239,967,207</u>	<u>130,480,907</u>
42,406,403	-
115,196,111	-
-	19,783,621
-	95,981,918
(192,746)	-
<u>69,827,885</u>	<u>6,998,638</u>
<u>227,237,653</u>	<u>122,764,177</u>
<u>12,729,554</u>	<u>7,716,730</u>
5,373,482	1,366,071
(625,241)	(195,661)
7,603,125	-
12,602,242	-
(10,489,302)	-
<u>3,352,559</u>	<u>2,035,690</u>
<u>17,816,865</u>	<u>3,206,100</u>
30,546,419	10,922,830
57,988,461	-
<u>(12,667,873)</u>	<u>(7,611)</u>
75,867,007	10,915,219
	<u>55,629,619</u>
	<u>\$ 66,544,838</u>
857,991	
<u>\$ 76,724,998</u>	

PALM BEACH COUNTY, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended September 30, 2015

	Business-type Activities -	
	Airports	Water Utilities
Cash flows from operating activities:		
Cash received from customers	\$ 60,596,154	\$ 168,267,407
Cash received from other funds for goods and services	-	-
Cash payments to vendors for goods and services	(18,670,069)	(62,831,214)
Cash payments to employees for services	(11,419,626)	(32,013,713)
Cash payments to other funds	(16,724,943)	(21,694,555)
Claims paid	-	-
Other receipts	-	5,703,348
Net cash provided by operating activities	13,781,516	57,431,273
Cash flows from noncapital financing activities:		
Operating grants and other	327,309	-
Transfers out	(56,484)	(12,611,389)
Net cash provided by (used in) noncapital financing activities	270,825	(12,611,389)
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	45,766	287,575
Contributed capital	14,325,648	21,362,957
Purchase and construction of capital assets	(25,667,241)	(57,599,389)
Bond issuance costs paid	-	(434,433)
Payments to joint ventures	-	(1,452,401)
Principal payments on debt	(12,500,000)	(8,018,934)
Interest payments on debt	(4,773,143)	(8,739,259)
Paying agent fees	-	(5,350)
Passenger facility charges received	12,754,835	-
Proceeds on issuance of refunding revenue bonds	-	27,608,488
Principal paid on refunded revenue bonds	-	(25,300,000)
Payments to escrow agent on refunding revenue bonds	-	(1,784,423)
Cash contributed by other governments	-	2,574,852
Net cash (used in) capital and related financing activities	(15,814,135)	(51,500,317)
Cash flows from investing activities:		
Interest and gains or losses on investments	1,066,253	3,723,688
Receipt of repayments on other receivables	74,311	-
Net cash provided by investing activities	1,140,564	3,723,688
Net increase (decrease) in cash and cash equivalents	(621,230)	(2,956,745)
Cash and cash equivalents, October 1, 2014	147,950,524	249,979,224
Cash and cash equivalents, September 30, 2015	\$ 147,329,294	\$ 247,022,479

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

<u>Enterprise Funds</u>	<u>Governmental Activities Internal Service Funds</u>
Totals	
\$ 228,863,561	\$ 9,635,676
-	119,505,851
(81,501,283)	(29,365,922)
(43,433,339)	(6,659,151)
(38,419,498)	(2,676,137)
-	(79,289,658)
5,703,348	1,245,766
<hr/>	<hr/>
71,212,789	12,396,425
<hr/>	<hr/>
327,309	-
(12,667,873)	(7,611)
<hr/>	<hr/>
(12,340,564)	(7,611)
<hr/>	<hr/>
333,341	1,309,046
35,688,605	-
(83,266,630)	(11,203,661)
(434,433)	-
(1,452,401)	-
(20,518,934)	-
(13,512,402)	-
(5,350)	-
12,754,835	-
27,608,488	-
(25,300,000)	-
(1,784,423)	-
2,574,852	-
<hr/>	<hr/>
(67,314,452)	(9,894,615)
<hr/>	<hr/>
4,789,941	1,170,410
74,311	-
<hr/>	<hr/>
4,864,252	1,170,410
<hr/>	<hr/>
(3,577,975)	3,664,609
<hr/>	<hr/>
397,929,748	91,838,982
<hr/>	<hr/>
\$ 394,351,773	\$ 95,503,591
<hr/>	<hr/>

PALM BEACH COUNTY, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended September 30, 2015

	Business-type Activities -	
	Airports	Water Utilities
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (6,686,092)	\$ 19,415,646
Adjustments to reconcile operating income to net cash provided by operating activities, net of absorption:		
Depreciation and amortization	27,443,447	42,384,438
Equity interest in net loss of joint ventures	-	(192,746)
Provision for doubtful accounts	(69,895)	(823,000)
Miscellaneous revenue	-	-
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	687,463	(2,291,379)
(Increase) decrease in due from other county funds	(107,181)	7,591
Decrease in due from other governments	-	-
(Increase) decrease in inventory	(110,082)	(29,092)
(Increase) decrease in other assets	(3,647,680)	12,345
(Increase) in deferred outflows related to pensions	(1,508,502)	(4,869,679)
Decrease in due from component unit	-	(102,886)
Increase (decrease) in vouchers payable and accrued liabilities	(4,158,787)	114,223
Increase (decrease) in due to other county funds	20,980	99,944
Increase (decrease) in due to other governments	-	(22,922)
Increase in other current liabilities	13,339	-
Increase (decrease) in unearned revenue	510,873	-
Increase (decrease) in customer deposits	(20,127)	106,238
(Decrease) in insurance claims payable	-	-
(Decrease) in other long-term liabilities	-	-
(Decrease) in deferred inflows related to pensions	(459,503)	(1,995,662)
Increase in net pension liability	1,873,263	5,618,214
Net cash provided by operating activities	\$ 13,781,516	\$ 57,431,273
Supplemental disclosure of noncash capital and related financing activities:		
Amortization of premium on bonds	\$ (7,932)	\$ 1,280,952
Amortization of bond refunding costs	\$ -	\$ 757,070
Payables related to capital asset acquisition	\$ -	\$ 7,391,125
Receivables related to capital asset acquisition	\$ 17,439,881	\$ -
Receivables related to passenger facility charges	\$ 1,641,837	\$ -
Contribution of capital assets	\$ -	\$ 13,105,711
Capitalized interest	\$ -	\$ 1,865,160
Disposal of fully depreciated capital assets	\$ 1,925,427	\$ 1,769,632

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

<u>Enterprise Funds</u>	<u>Governmental Activities Internal Service Funds</u>
Totals	
\$ 12,729,554	\$ 7,716,730
69,827,885	6,998,638
(192,746)	-
(892,895)	-
-	1,245,766
(1,603,916)	(295,038)
(99,590)	(584,958)
-	12,825
(139,174)	403,272
(3,635,335)	125,111
(6,378,181)	-
(102,886)	(458)
(4,044,564)	(1,302,355)
120,924	(39,945)
(22,922)	6,738
13,339	-
510,873	(471,748)
86,111	-
-	(316,666)
-	(1,101,487)
(2,455,165)	-
7,491,477	-
<u>\$ 71,212,789</u>	<u>\$ 12,396,425</u>

<u>\$ 1,273,020</u>	<u>\$ -</u>
<u>\$ 757,070</u>	<u>\$ -</u>
<u>\$ 7,391,125</u>	<u>\$ -</u>
<u>\$ 17,439,881</u>	<u>\$ -</u>
<u>\$ 1,641,837</u>	<u>\$ -</u>
<u>\$ 13,105,711</u>	<u>\$ -</u>
<u>\$ 1,865,160</u>	<u>\$ -</u>
<u>\$ 3,695,059</u>	<u>\$ 5,210,188</u>

PALM BEACH COUNTY, FLORIDA
Statement of Fiduciary Net Position - Agency Funds
September 30, 2015

	Total Agency Funds
ASSETS	
Cash, cash equivalents, and investments	\$143,471,932
Accounts receivable, net	1,076,236
Due from other governments	714,431
Other assets	291
	\$145,262,890
LIABILITIES	
Vouchers payable and accrued liabilities	\$ 4,915,893
Due to other governments	40,219,680
Due to individuals	100,032,281
Other liabilities	95,036
	\$145,262,890

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

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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.

Palm Beach County Fire-Rescue and the County Library Taxing District are dependent districts under the control of the Board of County Commissioners. They levy millages that apply to all property owners in the unincorporated portion of the County and residents of the municipalities that have elected to join the districts rather than provide the services themselves. They are reported as special revenue funds of the County.

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* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, 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 and provide a financial benefit or impose a financial burden.

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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.

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 either (a) the organization's governing body is substantially the same as the governing body of the County and (1) there is a financial benefit or burden relationship between the primary government and component unit or (2) management of the primary government has operational responsibility, (b) the organization provides services almost entirely to the primary government and (c) the component unit's total debt outstanding is expected to be repaid entirely or almost entirely with resources of 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

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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 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 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.

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.

Additionally, as a result of GASB Statement No. 61, the following four component units do not qualify to be reported as blended component units because (a) the governing body is not substantially the same as the primary government and (1) The Primary Government and the Component Unit are *not* financially interdependent (i.e. there is not a relationship of potential financial benefit or burden between them) and (2) Management is *not* responsible for the day-to-day operations of the component unit (i.e. operational responsibility), (b) the component unit does not provide services entirely or almost entirely to the primary government, and (c) the component unit's total debt outstanding is not expected to be repaid entirely or almost entirely with resources of the primary government.

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 HFA 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. The HFA is a discretely presented component unit because the Board of County Commissioners (BOCC) appoints the members of the HFA governing body and because the BOCC is able to impose its will on the HFA. The County Ordinance which created the HFA provides that the BOCC may remove members

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of the HFA's governing body without cause, and may change the structure, organization, or activities of the HFA, including terminating the HFA.

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. The CRA is a discretely presented component unit because the BOCC appoints the members of the CRA governing body and because there also is a financial benefit/burden relationship with the County since the creation of the CRA allows tax increment financing to implement the provisions of the County's Redevelopment Plan to rehabilitate the Redevelopment Area. Also, the County has agreed to fund any deficiency in the reserve fund of the CRA's Redevelopment Revenue Bonds.

Metropolitan Planning Organization (MPO) – This organization was created by Palm Beach County Resolution 79-1684 pursuant to Section 334.215, Florida 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 BOCC, 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. The MPO is a discretely presented component unit because there is a financial benefit/burden relationship with the BOCC and the MPO is fiscally dependent on the BOCC since the BOCC has the ability to modify or approve its budget.

Solid Waste Authority of Palm Beach County (SWA) – The SWA is a dependent special district created by the Florida Legislature under the Palm Beach County Solid Waste Act, Chapter 75-473, Laws of Florida, Special Acts of 1975, as amended and supplemented (the Act). The Act gives the SWA the power to construct and operate solid waste disposal facilities sufficient to effectively manage all solid waste generated in Palm Beach County. Additionally, the Act provides the SWA with the jurisdiction to collect waste throughout the unincorporated areas of the County, which is handled by private haulers under contract with the SWA. The SWA is a discretely presented component unit because the SWA is governed by a seven member board, consisting of the Board of County Commissioners of Palm Beach County and is financially accountable for the operations of the SWA. The SWA is reported as a proprietary fund type.

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

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Palm Beach County Public Building Corporation
301 North Olive Avenue
West Palm Beach, FL 33401

Metropolitan Planning Organization
2300 North Jog Road, 4th Floor
West Palm Beach, FL 33411

Solid Waste Authority
of Palm Beach County
7501 North Jog Road
West Palm Beach, FL 33412

Housing Finance Authority
of Palm Beach County
100 Australian Ave, Suite 410
West Palm Beach, FL 33406

Westgate/Belvedere Homes Community Redevelopment Agency
1280 North Congress Ave, Suite 215
West Palm Beach, FL 33409

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 (PBCEFA) – This organization was created by Palm Beach County Resolution 79-1493 pursuant to Chapter 243.18, Florida Statutes. Members of the PBCEFA 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 (PBCHFA) – 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 PBCHFA 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. (WDB) – The WDB was created pursuant to Palm Beach County Resolution 96-805D, as amended by 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 WDB 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.

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Equity Joint Ventures

East Central Regional Wastewater Facility

Palm Beach County has 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, 2014, the Facility had total assets of \$129,628,140 and total net assets of \$99,344,226 including \$71,656,147 invested in capital, net of debt, and \$4,874,028 of unrestricted net assets. September 30, 2015 amounts are expected to approximate the above figures. As of September 30, 2015, the County’s investment in this joint venture is \$40.0 million.

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, 2015, Palm Beach County had a 34.29% interest. The participants and each entity’s interest at September 30, 2015 are as follows:

PARTICIPANT	RESERVE CAPACITY PERCENTAGES
City of West Palm Beach	29.29%
Palm Beach County	34.29%
City of Lake Worth	16.43%
City of Riviera Beach	11.42%
Town of Palm Beach	8.57%
TOTAL	100.00%

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

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Biosolids Processing and Recycling Facility

The Board of County Commissioners, on behalf of the Water Utilities Department (WUD), has an interlocal agreement with the Solid Waste Authority (SWA) to fund a portion of the cost to design, build, and operate a Biosolids Processing and Recycling Facility (BPF). The BPF processes certain wastewater treatment residuals (biosolids) and is necessary to comply with increasingly stringent environmental regulations that have significantly decreased the number of land application sites available. Bulk land application was the method of disposing of the biosolids.

The agreement is for a period of twenty years beginning with the August 1, 2009 operations commencement. Upon the conclusion of the term of the agreement, the BPF will remain the property of SWA with each participating entity owning its share of the BPF, in perpetuity, for the life of the plant. Under accounting principles generally accepted in the United States of America, WUD is required to account for this arrangement as a joint venture. Therefore, an asset is reported on the WUD financial statements under the caption "Investment in Joint Ventures".

Since the BPF agreement does not state that the participants are to share in the profits and losses of the joint venture, the investment in joint venture account will not be adjusted to reflect the joint venture's results of operations. Rather, the investment in joint venture will be amortized using the straight line method over the twenty-year life of the agreement. WUD's 27.5% share resulted in pro rata obligations of \$9.2 million for construction costs and \$580,000 annually for operating expenses for the twenty-year period. In July 2013, WUD sold excess capacity shares in the BPF to the ECR, leaving WUD with a 17.82% pro-rata share in the BPF's capacity. This amount was recorded as a reduction of WUD's investment in joint venture. WUD's total operating costs were \$1,132,000 for the year ended September 30, 2015. As of September 30, 2015, the County's investment in the BPF is \$4.5 million, which is shown as an asset – investment in joint ventures – on the statement of net position.

No separate financial statements are prepared for the BPF which is reported as part of SWA operations. SWA financial statements may be obtained from their office at 7501 North Jog Road, West Palm Beach, Florida, 33412.

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. The County has no current borrowings.

Financial Statements may be obtained from the Commission.

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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 Position presents information on all of the assets and deferred outflows and liabilities and deferred inflows of the County as a whole, excluding fiduciary funds. The difference between assets and deferred outflows and liabilities and deferred inflows is reported as net position. Changes in net position 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 position changed during the fiscal year. All changes in net position 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 reported 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 presentation distinguishes 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 the County include the Water Utilities Department and the Department of Airports.

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

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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 Position and the Statement of Activities to the governmental funds presented in the fund financial statements.

The following are definitions of the governmental fund types:

General Fund: Used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds: Used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The restricted or committed proceeds of specific revenue sources should be expected to continue to comprise a substantial portion of the inflows reported in the fund. The county uses a minimum of 50% as its definition of substantial.

Capital Projects Funds: Used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital related outflows financed by proprietary funds or assets that will be held in trust for individuals, private organizations or other governments.

Debt Service Funds: Used for and reports financial resources that are restricted, committed or assigned to expenditures for principal and interest.

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 is subdivided into the following categories representing each of the elected officials of the County: BOCC, Sheriff, Clerk & Comptroller, Tax Collector, Property Appraiser and the Supervisor of Elections.

Special Revenue Funds:

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

Capital Projects Funds:

The **Road Program Capital Projects 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.

The **General Government Capital Projects Fund** is used to account for costs of capital improvements not included in any other category. Based on the nature of this fund's activities,

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management has determined it is particularly important to the financial statement users and for consistency from year to year.

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 and the Department of Airports. These two 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 and Risk Management 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 three internal service funds are aggregated into a single column for presentation in the proprietary fund financial statements. The County’s two 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.

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 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 and deferred outflows less current liabilities and deferred inflows) or economic resources (all assets and deferred outflows and liabilities and deferred inflows). The basis of accounting indicates the timing of transactions or events for recognition in the financial reports.

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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 deferred outflows and liabilities and deferred inflows 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 position.

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 deferred outflows and current liabilities and deferred inflows 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 inflows. 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 pensions, compensated absences, claims and judgments, and other postemployment benefits are recorded only when payment is due.

D. Implementation of New Governmental Accounting Standards Board (GASB) Statements

The County implemented GASB Statement No. 68 *“Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)”* and GASB Statement No. 71 *“Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68”* during the fiscal year ended September 30, 2015. The County participates in the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy (HIS) defined benefit plan administered by the Florida Division of Retirement. As a participating employer, GASB 68 requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employer’s proportionate share of the net pension liabilities and related pension amounts of the defined benefit pension plan.

Additionally, the County participates in the Amalgamated Transit Union Local 1577 (Palm Tran) pension plan which is a mandatory contribution, single employer, defined benefit retirement

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program as well as the Lantana Firefighter's Pension Fund which is a combined defined benefit and defined contribution pension plan. GASB Statements No. 68 and 71 require the employer to report the employers net pension liability and related pension amounts of the defined benefit pension plans.

Refer to the subsequent Restatement Note for more information on the effects of the implementation of these new accounting standards on the County's financial statements.

E. Unadopted GASB Statements

The GASB issued Statement No. 72 "*Fair Value Measurement and Application*" in February 2015. This Statement will address accounting and financial reporting issues related to fair value measurements, provide guidance for determining a fair value measurement for financial reporting purposes, and provide guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement is effective for the County for fiscal year 2016.

The GASB issued Statement No. 75 "*Financial Reporting for Postemployment Benefits Other Than Pensions*" in June 2015. This Statement outlines reporting by governments that provide Other Post-Employment Benefits (OPEB) to their employees and for governments that finance OPEB for employees of other governments. This Statement is effective for the County for fiscal year 2018.

The GASB issued Statement No. 77 "*Tax Abatement Disclosures*" in August 2015. This Statement requires state and local governments to disclose information about tax abatement agreements and what effect these agreements have on the government's tax revenues. This Statement is effective for the County for fiscal year 2017.

The impact on the County's financial position or results of operations has not yet been determined for these unadopted statements.

F. 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.

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Cash Equivalents

Highly liquid investments with maturities of three months or less when purchased are reported as cash equivalents. The County maintains an internal investment pool for substantially all funds. Earnings are allocated daily to each fund based on their equity balances in the pool. Each fund reports their equity in the County's internal investment pool as a cash equivalent.

Investments

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

State statutes and local ordinances authorize County investments in obligations of the U.S. Government, its agencies and instrumentalities, repurchase agreements, interest-bearing 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, instruments backed by the full faith and credit of the State of Israel, bankers acceptances, and money market mutual funds.

State statutes authorize Solid Waste Authority (SWA) investments in the Florida Prime Investment Pool (formerly known as the Local Government Surplus funds Trust Fund LGIP administered by the 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.

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) which is 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 investment in the Florida Prime Investment Pool is 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

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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 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, has 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.

Additional information is provided in the Cash and Investments Note.

G. 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 and Fire Rescue ambulatory services. The allowance for uncollectible receivables for Fire Rescue services is based on historic trends and analysis of current economic factors. As of September 30, 2015 there was an allowance of \$18.4 million for these receivables.

H. 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 amount recorded as non-spendable 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.

I. Restricted Assets

Assets are reported separately as 'restricted' in proprietary funds and the entity-wide statement of net position when restrictions on asset use change the nature or normal understanding of the availability of the asset.

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Consistent with this principle, the following assets are reported as restricted assets:

1. Assets that are restricted as to withdrawal or use for other than current operations.
2. Assets that are restricted for expenditure in the acquisition or construction of noncurrent assets.

J. 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 and prior fiscal years 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, for business-type activities and enterprise funds, 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:

<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.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources which represents a consumption of net position applicable to a future period and will not be recognized as an outflow (expense/expenditure) until that time. The County reports deferred outflows related to pensions, Goodwill, and the deferred loss on refunding of debt in this category. All of these deferred outflows are reported in the government-wide statement of net position and the proprietary funds statement of net position. A deferred

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loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources, which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow (revenue) until that time. The County reports deferred inflows related to pensions and deferred gains on refunding in the government-wide statement of net position and the proprietary funds statement of net position. The County also reports deferred inflows related to unavailable revenue in the governmental funds balance sheet.

L. 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.

M. Amortization of Discount/Premium on Bonds and Debt Issuance Costs

Amortization of discount and premium on bonds is determined by using the outstanding principal method over the life of the related debt. The amortization of discount or premium is recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond discount or premium. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued and premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Bond issuing costs are expensed when incurred. In the fund financial statements, governmental fund types recognize bond issuance costs during the current period as debt service expenditures.

N. 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 4,300 participants.

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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. Claims are recorded as incurred with an estimate added at year-end based on an actuarially determined estimate of incurred but not reported claims.

O. Pensions and Other Post-Employment Benefits Disclosure

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS), Health Insurance Subsidy (HIS) deferred benefit plans, and the Palm Tran and Lantana Plans additions to/deductions from all three Plans fiduciary net position have been determined on the same basis as they are reported by the Plans and are recorded in the government-wide and Proprietary Fund statements. For this purpose, benefit payments (including refunds of employee contributions), are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

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

Q. 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.

R. 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.

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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 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 2015, supplemental appropriations amounted to a net increase of \$345,293,794, or approximately 9% 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. The effective legal budgetary control is at the department level for the General Fund and special revenue funds with approved budgets which is reflected in the budget to actual statements presented in the fund financial statements section and the combining and individual fund statements and schedules section. It should be noted that in some instances the name of the Special Revenue fund reflects the department such that further department breakout in the budget to actual schedule is not necessary – an example of this would be the Library District Fund. Also, concerning debt service and capital project funds with annually appropriated budgets, the effective legal budgetary control is at the fund level, which is

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reflected in the budget to actual schedule presentation. 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 THE 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 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.

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S. 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. Although encumbrances lapse at year-end, it is the County's intention to substantially honor these encumbrances under the authority provided in the subsequent year's budget. Refer to the Commitments Note for more information.

T. Operating versus Non-operating Revenues 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, as well as airport fees and charges. 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.

U. Fund Balance

Fund balances are reported in classifications based on whether the amounts are non-spendable or spendable.

Non-spendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Spendable amounts are classified based on the extent to which there are external and/or internal constraints in how the fund balance amounts may be spent.

Amounts that are restricted to specific purposes either by constraints (a) placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances.

Amounts that are constrained for specific purposes that are internally imposed by the County's highest level of decision making authority, the BOCC, are classified as committed fund balances. Formal action in the form of a County Ordinance must be taken by the BOCC prior to the end of the fiscal year. The same formal action must be taken by the BOCC to remove or change the limitations placed on the funds.

Amounts that are constrained by the County's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances.

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Assignments are made by the County Administrator. Palm Beach County is a Charter County and operates under a County Manager form of Government (as previously stated in Note 1, Section A, *Financial Reporting Entity*). The Charter of Palm Beach County, Florida, Article II, Sections 2.1 and 2.4 provide for the County Administrator to assign fund balance. As such, the County Administrator is responsible for preparing and managing the County's budget along with the establishment and classification of all its funds.

Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance also includes any deficit fund balance of other governmental funds.

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

The County has not formally adopted a minimum fund balance policy.

V. Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is comprised of three categories:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position that does not meet the definition of “net investment in capital assets” or “restricted”.

W. 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 of 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

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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. Discounts for payment prior to April 1st were determined as follows:

4%	if paid by November 30th
3%	if paid by December 31st
2%	if paid by January 31st
1%	if paid by February 28th

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, 2015.

X. Interest Costs

Interest cost incurred by proprietary funds for the fiscal year ended September 30, 2015 amounted to \$12,354,462, of which \$1,865,160 was capitalized.

Y. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

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

At September 30, 2015, the cash and investments consisted of the following:

	Bank Balance	Carrying Value	Investments
Deposits in Financial Institutions	<u>\$ 331,627,709</u>	\$ 303,600,129	\$ -
Cash on hand		332,432	-
Internal Investment Pool		1,382,420,554	1,381,119,925
Cash Equivalents		74,381,546	74,381,546
Total		<u>\$ 1,760,734,661</u>	<u>\$ 1,455,501,471</u>

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The carrying value of the internal investment pool includes cash, accrued interest receivable, and investments.

Cash and investments are reported in the financial statements as follows:

Statement of Net Position			
Primary Government			
Cash, cash equivalents & investments	\$	1,167,769,778	
Restricted cash, cash equivalents & investments		449,492,951	
Statement of Fiduciary Net Position	\$		1,617,262,729
Agency Funds			
Cash & cash equivalents	\$	143,471,932	
			143,471,932
	\$		1,760,734,661

Investment Type	Fair Value	Effective Duration in Years		
		Less Than 2 Years	2 Years but Less Than 5 Years	5 Years but Less Than 10 Years
Investments subject to interest rate risk				
Small Business Administration	\$ 156,804,926	\$ 156,804,926	\$ -	\$ -
Certificates of Deposit	742,280,762	-	347,656,450	394,624,312
Florida Local Govt Investment Trust	50,985,985	50,985,985	-	-
Foreign Government Bonds	43,100,000	14,000,000	29,100,000	-
	993,171,673	\$ 221,790,911	\$ 376,756,450	\$ 394,624,312
Other Investments				
Money Market Mutual Funds	459,999,766			
Florida Prime Investment Pool (SBA)	1,145,464			
Cash and Receivables	1,184,568			
	\$ 1,455,501,471			

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.

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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
Certificates of Deposit	\$742,280,762	51.0%	Not rated
U.S. Treasuries & Guaranteed Agencies	156,804,926	10.7%	AA+
Florida Local Govt Investment Trust	50,985,985	3.5%	AAAf
Foreign Government Bonds	43,100,000	3.0%	A+
Money Market Mutual Funds/Accounts and FL CLASS	459,999,766	31.6%	AAAm
Florida Prime Investment Pool (SBA)	1,145,464	0.1%	AAAm
Cash and Receivables	1,184,568	0.1%	N/A
	\$1,455,501,471	100.0%	

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 certificates of deposit with maturities of less than one year are allowable if the issuer maintains a short-term debt rating of at least A-1 or P1, respectively. Investments in certificates of deposit with maturities greater than one year are allowable if the issuer maintains a long-term debt rating of A or better, as determined by Standard & Poor's or Moody's. If an issuer of a certificate of deposit is not rated, it may still be an issuer if it maintains a quarterly average ranking of at least 50 as published by the State of Florida's Chief Financial Officer in conjunction with the Florida public deposits program. Investments in corporate securities are limited to ratings of AA or higher by Standard and Poor's and Moody's. The Investment Policy allows for the timely and appropriate disposal when an investment credit rating falls below a minimum threshold. No-load money market mutual funds are allowable if rated in the highest rating category of a Nationally Recognized Statistical Rating Organization (NRSRO). Investments in State of Israel Bonds are allowable only if the State of Israel's foreign debt at the time of purchase is at least A or higher by Standard & Poor's and Moody's rating services. All securities shall be transferred "Delivery versus Payment."

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

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restricted for the safekeeping of the member-bank’s customer-owned securities only. All securities purchased or sold are transferred “delivery versus payment” or “payment versus delivery” to ensure that funds or securities are not released until all criteria relating to the specific transactions are met.

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
TD Bank Certificates of Deposit	\$ 742,280,762	51.0%
Small Business Administration	156,804,926	10.7%
Florida Local Government Investment Trust (FLGIT)	50,985,985	3.5%
Foreign Government Bonds	43,100,000	3.0%
Money Market Mutual Funds/Accounts and FL CLASS	459,999,766	31.6%
Florida Prime Investment Pool (SBA)	1,145,464	0.1%
Cash and Receivables	1,184,568	0.1%
	\$ 1,455,501,471	100.0%

Investments in intergovernmental investment pools are limited to no more than 20% with one entity. Investments in Small Business Administration pools are limited to no more than 20% (at market value) at the time of purchase. Investments in State of Israel bonds are limited to no more than 3% (at market value) of the total portfolio at the time of purchase. Corporate securities are limited to no more than 20% of the investment pool’s total market value, excluding commercial paper, which is limited to 15% of the total market value. The County’s investment policy limits investments in corporate securities to 2% of total pool market value per single issuer at time of purchase. Investments in collateralized mortgage obligations (CMO) are limited 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 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.

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 investment in foreign bonds is denominated in U.S. dollars.

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COMPONENT UNIT – Solid Waste Authority (SWA)

Cash and Cash Equivalents: The bank balance and carrying value of the SWA’s cash and cash equivalents, including restricted balances, were as follows at September 30, 2015:

Bank balance of deposits with financial institutions	<u>\$ 10,709,608</u>
Carrying value	
Deposits with financial institutions	\$ 10,672,403
Petty Cash	9,950
Money market mutual funds	219,091,592
Florida Prime	<u>178,915,450</u>
Total cash and cash equivalents	<u>\$ 408,689,395</u>

The deposits with financial institutions were entirely covered by a combination of federal depository insurance and a collateral pool pledged to the State Treasurer of Florida by financial institutions that comply with the requirements of Florida Statutes and have been designated as a qualified public depository by the State Treasurer. Qualified public depositories are required to pledge collateral to the State Treasurer with a fair value equal to a percentage of the average daily balance of all government deposits in excess of any federal deposit insurance. In the event of a default by a qualified public depository, all claims for government deposits would be satisfied by the State Treasurer 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. Accordingly, all deposits with financial institutions are considered fully insured in accordance with pronouncements of the Governmental Accounting Standards Board. At September 30, 2015, the SWA had Certificate of Deposits with a carrying amount of \$1,210,000 reported as investments with a maturity date of May 6, 2016.

The money market mutual funds consist of investments with financial institutions in open end, institutional, money market funds complying with Securities and Exchange Commission (SEC) Rule 2a7 and investing only in U.S. Government and Agency. Rule 2a7 allows SEC registered mutual funds to use amortized cost rather than fair value to report net assets used to compute share prices if certain conditions are met. Those conditions include restrictions on the types of investments held, restrictions on the term-to-maturity of individual investments and the dollar-weighted average of the portfolio, requirements for portfolio diversification, and requirements for divestiture considerations in the event of security downgrades and defaults, and required actions if the fair value of the portfolio deviates from amortized cost by a specified amount. The investment in Florida Prime consists of equity in an external, “2a7-like” investment pool managed by the State of Florida that was available to be withdrawn by the SWA on an overnight

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basis. The fair value of the position in Florida Prime was considered to be the same as the SWA's account balance (amortized cost) in the pool. The money market mutual funds and Florida Prime are classified as cash equivalents in the statements of net position and statements of cash flows. Cash and cash equivalents at September 30, 2015 include \$1,210,000 pledged as collateral for a letter of credit issued for the SWA's workers compensation insurance program.

Investments: Florida Statutes and SWA policy authorize investments in Florida administered by the State; negotiable direct obligations of or obligations unconditionally guaranteed by the U.S. Government; interest-bearing time deposits or savings accounts in financial institutions located in Florida and organized under federal or Florida laws; obligations of the Federal Farm Credit Banks, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank or its district banks; obligations guaranteed by Ginnie Mae; obligations of Fannie Mae; SEC registered money market mutual funds with the highest credit quality rating; mutual funds limited to U.S. Government securities; interest rate swaps, interest rate exchange agreements, investment contracts, or contracts providing for payments based on levels of or changes in interest rates, or contracts to exchange cash flows, a series of payments, or to hedge payment rate, spread or similar exposure; and, repurchase agreements fully collateralized by SEC registered money market mutual funds with the highest credit quality ratings. The SWA's bond resolutions authorize the investment of bond proceeds in obligations of certain federal government agencies or obligations guaranteed by those agencies; obligations of the United States Government or obligations guaranteed by the United States Government; guaranteed investment contracts meeting certain restrictions; or certain certificates of deposit, repurchase agreements, and investments that are insured or collateralized and otherwise permitted by Florida law.

At September 30, 2015, the fair value of the SWA's investments, including unrestricted and restricted asset balances were as follows:

Cash equivalents

Money market mutual funds	\$ 219,091,592
Florida Prime	178,915,450
	<u>\$ 398,007,042</u>

Investments

Certificate of Deposits	\$ 1,210,000
	<u>\$ 1,210,000</u>

Repurchase Agreement: In conjunction with the issuance of the \$599,860,000 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Series 2011, the SWA entered into a master repurchase agreement (the "Agreement") with two multi-national financial institutions for an initial purchase price of \$598,511,702 with no additional purchases permitted. Eligible securities under the Agreement include cash and bonds or other obligations which, as to principal and interest, constitute direct obligations of, or are unconditionally guaranteed by, the U.S. Government, including obligations of any Federal agency to the extent such obligations are

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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unconditionally guaranteed by the U.S. Government. Repurchase dates and amounts are set forth in the Agreement with a final repurchase date of November 1, 2014.

Custodial Credit Risk: Custodial credit risk is defined as the risk that the SWA may not recover the securities held by another party in the event of a financial failure. The SWA's investment policy for custodial credit risk requires all investment securities to be held in the SWA's name by a third party safekeeping institution. The SWA's investment in the repurchase agreement is categorized as Category 1 under GASB pronouncements, because the SWA is a direct party to the tri-party agreement and the custodian is not the trust department of or affiliated with the financial institution that is the seller-borrower of the repurchase agreement. All deposits with financial institutions are considered fully insured or collateralized pursuant to the custodial credit risk categories of GASB pronouncements. The investments in money market mutual funds and Florida Prime are considered *unclassified* pursuant to the custodial credit risk categories of GASB pronouncements.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The money market mutual funds and Florida Prime have a weighted average maturity of less than 90 days, resulting in minimal interest rate risk.

Credit Risk: Credit risk is the risk that an issuer will not fulfill its obligations. The SWA's investment policy addresses credit risk by limiting allowable investments to the SBA Florida Prime investment pool, deposits with a financial institution meeting the requirements of a Florida qualified public depository, securities guaranteed by the U.S. Government, or investments that are otherwise fully collateralized or secured. The credit quality rating by a Nationally Recognized Statistical Rating Organization (NRSRO) is also an indication of credit risk. The repurchase agreement does not have a credit quality rating.

The credit quality ratings of the investments held at September 30, 2015 are as follows:

	Fair Value	Credit Quality Ratings	
		S&P	Moody's
Money Market mutual funds	\$ 219,091,592	AAAm	Aaa
Florida Prime	178,915,450	AAAm	Not Rated

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 SWA's investment policy addresses the concentration of credit risk by limiting the maximum amount that may be invested in certain investments and in any one issuer, except for investments in Florida Prime, U.S. Treasury

PALM BEACH COUNTY, FLORIDA
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obligations and money market mutual funds which are not limited. Time and savings deposits are limited to 20% of the portfolio value, but no more than 5% per issuer. U.S. Government Agency and Instrumentality securities are limited to 40% of the portfolio value. Guaranteed investment contracts are limited to the total debt service reserve balance. Interest rate swap and repurchase agreements are generally limited to 50% of the portfolio fair value and must be fully collateralized or otherwise insured.

The SWA was in compliance with these limitations at September 30, 2015.

At September 30, 2015 certain individual investments exceeded 5% of the total investment portfolio (including cash and cash equivalents) as follows:

	Fair Value	Total Investment Portfolio
	<hr/>	<hr/>
Florida Prime	\$ 178,915,450	33.4%
Money market mutual funds		
Dreyfus Government	143,759,113	26.9%
Fidelity Government	75,332,479	14.0%

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 in the SWA's investments at September 30, 2015.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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3. CAPITAL ASSETS

A summary of changes in capital assets follows:

Primary Government

	Beginning Balance	Additions	Deductions	Ending Balance
Governmental Activities:				
Non-depreciable assets:				
Land	\$ 687,931,808	\$ 1,228,695	\$ (303,594)	\$ 688,856,909
Construction In Progress	211,771,742	52,339,454	(37,815,336)	226,295,860
Total non-depreciable assets	<u>899,703,550</u>	<u>53,568,149</u>	<u>(38,118,930)</u>	<u>915,152,769</u>
Depreciable assets:				
Buildings and improvements	1,149,118,201	3,092,423	(69,750)	1,152,140,874
Improvements other than buildings	427,133,413	2,679,538	(589,347)	429,223,604
Equipment	670,813,187	78,303,864	(45,638,658)	703,478,393
Infrastructure	1,498,605,599	14,957,551	-	1,513,563,150
Total depreciable assets	<u>3,745,670,400</u>	<u>99,033,376</u>	<u>(46,297,755)</u>	<u>3,798,406,021</u>
Less accumulated depreciation for:				
Buildings and improvements	(388,804,149)	(27,270,257)	344	(416,074,062)
Improvements other than buildings	(225,609,657)	(12,990,650)	395,187	(238,205,120)
Equipment	(476,564,248)	(56,601,796)	43,325,348	(489,840,696)
Infrastructure	(1,099,591,083)	(29,768,587)	-	(1,129,359,670)
Total accumulated depreciation	<u>(2,190,569,137)</u>	<u>(126,631,290)</u>	<u>43,720,879</u>	<u>(2,273,479,548)</u>
Total capital assets, being depreciated, net	<u>1,555,101,263</u>	<u>(27,597,914)</u>	<u>(2,576,876)</u>	<u>1,524,926,473</u>
Total governmental capital assets, net	<u>\$ 2,454,804,813</u>	<u>\$ 25,970,235</u>	<u>\$ (40,695,806)</u>	<u>\$ 2,440,079,242</u>

PALM BEACH COUNTY, FLORIDA
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	Beginning Balance *	Additions	Deductions	Ending Balance
Business-type Activities:				
Non-depreciable assets:				
Land	\$ 116,647,186	\$ 7,059,493	\$ (99,601)	\$ 123,607,078
Intangible - easement rights	1,660,856	-	-	1,660,856
Construction In Progress	62,017,778	100,120,122	(53,046,734)	109,091,166
Total non-depreciable assets	<u>180,325,820</u>	<u>107,179,615</u>	<u>(53,146,335)</u>	<u>234,359,100</u>
Depreciable assets:				
Buildings and improvements	484,612,856	5,173,735	(1,897,295)	487,889,296
Improvements other than buildings	1,553,356,785	53,308,547	-	1,606,665,332
Equipment	114,998,752	7,188,146	(3,080,716)	119,106,182
Intangible - easement rights	13,754,957	-	-	13,754,957
Total depreciable assets	<u>2,166,723,350</u>	<u>65,670,428</u>	<u>(4,978,011)</u>	<u>2,227,415,767</u>
Less accumulated depreciation for:				
Buildings and improvements	(253,655,597)	(18,155,451)	1,754,086	(270,056,962)
Improvements other than buildings	(661,891,238)	(43,640,925)	-	(705,532,163)
Equipment	(88,781,457)	(6,240,351)	2,772,813	(92,248,995)
Intangible - easement rights	(4,534,792)	(343,874)	-	(4,878,666)
Total accumulated depreciation	<u>(1,008,863,084)</u>	<u>(68,380,601)</u>	<u>4,526,899</u>	<u>(1,072,716,786)</u>
Total capital assets, being depreciated, net	<u>1,157,860,266</u>	<u>(2,710,173)</u>	<u>(451,112)</u>	<u>1,154,698,981</u>
Total business-type capital assets, net	<u>\$ 1,338,186,086</u>	<u>\$ 104,469,442</u>	<u>\$ (53,597,447)</u>	<u>\$ 1,389,058,081</u>

* Beginning balance has been adjusted since Goodwill is now considered a Deferred Outflow as a result of GASB Statement No. 65. As such, Goodwill in the amount of \$6,915,903 and related accumulated depreciation of \$1,747,120 is now reported as Deferred Outflow in the Proprietary fund financial statements.

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

Governmental activities:

General government	\$ 23,174,961
Public safety	31,435,964
Physical environment	1,735,340
Transportation	43,282,563
Economic environment	501,505
Human services	1,145,984
Culture and recreation	18,356,335

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 assets.

Total increases to accumulated depreciation 6,998,638

Total increases to accumulated depreciation \$ 126,631,290

Business-type Activities:

Department of Airports	\$ 27,443,447
Water Utilities Department	40,937,154
Total depreciation expense - business-type activities	<u>\$ 68,380,601</u>

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COMPONENT UNIT – Solid Waste Authority

A summary of changes in capital assets for the Solid Waste Authority follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Non-depreciable assets:				
Land	\$ 50,626,126	\$ -	\$ -	\$ 50,626,126
Construction In Progress	762,122,884	73,374,599	(812,134,746)	23,362,737
Total non-depreciable assets	<u>812,749,010</u>	<u>73,374,599</u>	<u>(812,134,746)</u>	<u>73,988,863</u>
Depreciable assets:				
Buildings and improvements	560,172,746	221,190,164	-	781,362,910
Improvements other than buildings	112,736,388	39,480,865	-	152,217,253
Equipment	188,379,270	558,129,240	(3,615,618)	742,892,892
Total depreciable assets	<u>861,288,404</u>	<u>818,800,269</u>	<u>(3,615,618)</u>	<u>1,676,473,055</u>
Less accumulated depreciation for:				
Buildings and improvements	(193,343,909)	(22,158,989)	-	(215,502,898)
Improvements other than buildings	(51,356,274)	(5,787,716)	-	(57,143,990)
Equipment	(136,255,689)	(15,737,087)	3,591,075	(148,401,701)
Total accumulated depreciation	<u>(380,955,872)</u>	<u>(43,683,792)</u>	<u>3,591,075</u>	<u>(421,048,589)</u>
Total capital assets, being depreciated, net	<u>480,332,532</u>	<u>775,116,477</u>	<u>(24,543)</u>	<u>1,255,424,466</u>
Total component unit capital assets, net	<u>\$ 1,293,081,542</u>	<u>\$ 848,491,076</u>	<u>\$ (812,159,289)</u>	<u>\$ 1,329,413,329</u>

4. 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 2015 was \$16,697,854.

5. MAJOR CUSTOMERS

A significant portion of the Department of Airports' earnings and revenues are directly or indirectly attributed to a number of major airlines operating out of Palm Beach International Airport (PBI). The Department of Airports' earnings and revenues could be materially and adversely affected should any of those airlines discontinue operations and not be replaced with other airlines providing similar activity. Five airlines account for 95% of the total enplaned passengers at PBI as follows: Delta Airlines – 26.8%, Jet Blue – 25.8%, American – 21.2%, Southwest – 11.1%, and United – 10.1%.

PALM BEACH COUNTY, FLORIDA
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6. INTERFUND RECEIVABLE AND PAYABLE BALANCES

Interfund balances at September 30, 2015, are expected to be repaid within one year. Interfund receivable and payable balances at September 30, 2015 were as follows:

Payable Fund	Receivable Fund			
	General Fund	Fire Rescue Special Revenue Fund	Road Program Capital Projects	General Government Capital Projects
General Fund	\$ -	\$ 2,821,344	\$ 850	\$ 741,151
Fire Rescue Special Revenue Fund	-	-	-	-
Road Program Capital Projects	538	-	-	-
General Government Capital Projects	-	-	-	-
Nonmajor Governmental Funds	24,447,682	-	743,820	11,900,001
Airports	51	-	-	-
Water Utilities	4,979	-	-	-
Internal Service	7,394	-	-	-
Total	\$ 24,460,644	\$ 2,821,344	\$ 744,670	\$ 12,641,152

The outstanding balances between funds result mainly from the time lag between dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, (3) payments are made between funds, (4) temporary loans are used to cover deficit cash.

Payable To	Receivable From - Primary Government			
	General Fund	Fleet Management	Combined Insurance	Total
Primary Government:				
General Fund	\$ -	\$ -	\$ -	\$ -
Nonmajor Governmental Funds	-	-	-	-
Airports	-	-	-	-
Component Units:				
Metropolitan Planning Organization	-	-	3,508	3,508
Solid Waste Authority	351,966	578	-	352,544
Total	\$ 351,966	\$ 578	\$ 3,508	\$ 356,052

**PALM BEACH COUNTY, FLORIDA
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Receivable Fund

Nonmajor Governmental Funds	Total Governmental Funds	Airports	Water Utilities	Total Enterprise Funds	Internal Service	Total
\$ 12,428,234	\$ 15,991,579	\$ -	\$ 6,557	\$ 6,557	\$ 2,699,515	\$ 18,697,651
-	-	-	274	274	128,574	128,848
-	538	-	-	-	44,271	44,809
-	-	-	-	-	10,308	10,308
1,574,935	38,666,438	76,849	1,191	78,040	1,259,924	40,004,402
-	51	-	559	559	114,862	115,472
-	4,979	30,332	-	30,332	745,971	781,282
-	7,394	-	87	87	21,207	28,688
<u>\$ 14,003,169</u>	<u>\$ 54,670,979</u>	<u>\$ 107,181</u>	<u>\$ 8,668</u>	<u>\$ 115,849</u>	<u>\$ 5,024,632</u>	<u>\$ 59,811,460</u>

Receivable From - Component Units

Housing Finance Authority	Metropolitan Planning Organization	Solid Waste Authority	Total
\$ 8,037,743	\$ 43,103	\$ 4,320,919	\$ 12,401,765
-	-	643	643
-	-	757	757
-	-	-	-
-	-	-	-
<u>\$ 8,037,743</u>	<u>\$ 43,103</u>	<u>\$ 4,322,319</u>	<u>\$ 12,403,165</u>

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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7. INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2015, were as follows:

Transfers In	Transfers Out		
	General Fund	Fire Rescue Special Revenue Fund	Road Program Capital Projects
General Fund	\$ -	\$ -	\$ -
Fire Rescue Special Revenue Fund	7,289,425	-	-
Road Program Capital Projects	-	-	-
General Government Capital Projects	12,461,016	288,799	-
Nonmajor Governmental Funds	118,477,156	417,610	1,035,336
Total	\$ 138,227,597	\$ 706,409	\$ 1,035,336

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.
5. Provide funding for various capital projects by means of transfers.

**PALM BEACH COUNTY, FLORIDA
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General Governments Capital Projects	Nonmajor Governmental Funds	Airports	Water Utilities	Internal Service Funds	Total
\$ 5,761,994	\$ 13,539,745	\$ -	\$ 12,499,999	\$ -	\$ 31,801,738
-	14,880,556	-	-	-	22,169,981
-	1,500,000	-	-	-	1,500,000
-	12,308,698	36,999	43,553	7,611	25,146,676
3,413,487	12,538,384	19,485	67,837	-	135,969,295
<u>\$ 9,175,481</u>	<u>\$ 54,767,383</u>	<u>\$ 56,484</u>	<u>\$ 12,611,389</u>	<u>\$ 7,611</u>	<u>\$216,587,690</u>

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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8. LEASES

Leases Receivable: Enterprise Funds

The Department of Airports leases a major portion of its property to airlines, rental car companies and concessionaires. Certain concessionaire leases provide for minimum rentals plus a contingency portion specified as a percentage of the tenants' gross revenues. Contingent rental income under such arrangements amounted to \$2,482,220 for the year ended September 30, 2015. All Department of Airports' leases are operating leases. A significant portion of the rental car companies operating leases are scheduled to expire after fiscal year 2016 resulting in a decline in minimum future receipts.

Minimum future receipts, exclusive of contingent rentals under such leases, are approximately:

Year Ended September 30	
2016	\$ 33,282,545
2017	21,747,559
2018	21,723,107
2019	21,316,082
2020	11,784,515
Thereafter	65,960,845
Total	<u><u>\$ 175,814,653</u></u>

A schedule of the carrying value of property held for lease, by major classification, as of September 30, 2015 is as follows:

Buildings	\$ 251,620,742
Less: accumulated depreciation	<u>(177,177,660)</u>
Net Buildings	74,443,082
Land	9,158,963
Total property held for lease	<u><u>\$ 83,602,045</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, 2015 amounted to \$4,824,669, comprised of \$4,708,214 for Governmental Funds, \$103,987 for Enterprise Funds, and \$12,468 for Internal Service Funds.

**PALM BEACH COUNTY, FLORIDA
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Operating Leases

Future minimum rental payments under non-cancellable operating leases as of September 30, 2015 are as follows:

Fiscal Year	Governmental Funds	Enterprise Funds	Internal Service Funds	Total
2016	\$ 2,768,541	\$ 88,576	\$ 11,456	\$ 2,868,573
2017	2,039,004	37,279	8,172	2,084,455
2018	1,197,934	9,046	2,506	1,209,486
2019	902,635	-	237	902,872
2020	751,519	-	-	751,519
Thereafter	59,521	-	-	59,521
Total	\$ 7,719,154	\$ 134,901	\$ 22,371	\$ 7,876,426

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, 2015 are as follows:

Fiscal Year	Governmental Funds
2016	\$ 409,041
2017	409,041
2018	266,605
2019	253,657
Total minimum lease payments	1,338,344
Less imputed interest	(60,292)
Present value of minimum lease payments	\$ 1,278,052

The following schedule shows the leased assets capitalized as of September 30, 2015, by major asset class:

	Capital Assets
Equipment	\$ 1,180,943
Less: accumulated depreciation for entity-wide	(457,621)
Carrying value	\$ 723,322

**PALM BEACH COUNTY, FLORIDA
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9. 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, 2015, 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. The County self-funds its Property and Liability exposures up to the amounts of \$1,000,000 for Property and \$500,000 for Liability with the exception of Palm Tran which is up to \$200,000. In addition, the County purchases a portfolio of excess insurance policies for both Property and Liability as well as numerous smaller policies for areas that are typically excluded in a standard policy or are specialized in nature. Liability exposures are limited to \$200,000 per person and \$300,000 per occurrence under Florida's sovereign immunity statute 768.28. The insurance program covers the Board of County Commissioners, the Supervisor of Elections, the Tax Collector, and the Clerk & Comptroller. In addition, the Property Appraiser participates in a small portion of the program as outlined in the Self-Insured Retention Program.

Participants in the program 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 and to establish an additional liability for claims incurred but not reported. The claims liability reported in this fund at September 30, 2015 is \$6,677,974. During claim years 2015 and 2014, changes recorded to the claims liability for property and liability insurance 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>
2014	\$4,693,687	\$4,357,893	(\$1,807,953)	\$7,243,627
2015	7,243,627	1,858,550	(2,424,203)	6,677,974

Workers' Compensation Insurance

The County self-funds its workers' compensation exposure. The fund is professionally administered by a third party claims administrator. 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 manages his own program using a third party administrator. Under the County's Self-Insurance Program, the Workers' Compensation

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Fund provides full coverage pursuant to Florida Statute 440. The County purchases excess coverage for losses above the self-insured retention limit of \$2,500,000, for each workers' compensation occurrence.

Participants in the program 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 and to establish an additional liability for claims incurred but not reported. The claims liability reported in this fund at September 30, 2015 is \$49,291,834. During claim years 2015 and 2014, 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>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2014	\$47,542,768	\$10,274,934	(\$7,510,326)	\$50,307,376
2015	50,307,376	3,360,779	(4,376,321)	49,291,834

Employee Group Health Insurance

The County provides health insurance for its employees, retirees, and eligible dependents. The County has a \$600,000 specific excess insurance policy to protect the County against catastrophic health claims. The Health Insurance Fund covers all employees of the Board of County Commissioners and the Supervisor of Elections.

Participants in the program 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 and to establish an additional liability for claims incurred but not reported. The claims liability reported in the fund at September 30, 2015 is \$3,740,062. During claim years 2015 and 2014, 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>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2014	\$3,624,079	\$56,527,362	(\$56,653,587)	\$3,497,854
2015	3,497,854	59,741,294	(59,499,086)	3,740,062

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

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program which record current activity in the Sheriff's General fund and an obligation in the government-wide financial statements. 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, 2015 is \$21,893,109. 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 2015 and 2014, changes recorded to the claims liability for general liability 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>
2014	\$14,408,539	\$9,518,185	(\$3,879,956)	\$20,046,768
2015	20,046,768	8,390,761	(6,544,420)	21,893,109

Workers' Compensation Insurance

The Sheriff's office is self-funded for its workers' compensation exposure. The claims liability reported at September 30, 2015 is \$30,267,095. 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 2015 and 2014, changes recorded to the claims liability for workers' compensation 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>
2014	\$23,195,163	\$12,135,586	(\$8,915,215)	\$26,415,534
2015	26,415,534	11,642,282	(7,790,721)	30,267,095

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. The health insurance program is accounted for as an internal service fund.

During claim years 2015 and 2014, changes recorded to the claims liability for health insurance were as follows:

<u>Fiscal Year</u>	<u>Liability</u>	<u>Estimates</u>	<u>Payments</u>	<u>Year-End</u>
2014	\$750,000	\$10,845,090	(\$10,777,090)	\$818,000
2015	818,000	10,543,783	(10,647,783)	714,000

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.

PROPERTY APPRAISER

Employee Group Health and Dental Insurance

The Property Appraiser’s office provides health and dental insurance to its employees and eligible dependents. The Property Appraiser is fully insured for its health and dental coverage.

COMPONENT UNIT - 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 \$1 billion. This is subject to various policy sub-limits, generally ranging from \$1 million to \$100 million and deductibles ranging from \$50,000 to \$500,000 per occurrence (2% for Renewable Energy Facility #1 and 5% of total property damage values at all other locations for a named windstorm, subject to a minimum of \$250,000). 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 \$45 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 \$200,000 per claim and \$300,000 per occurrence unless a higher claim is approved by the Florida Legislature. Settled claims for property damage and general liability insurance have not exceeded commercial insurance coverage in any of the last three years.

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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. 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, 2015 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>
2014	\$377,000	\$106,254	(\$223,254)	\$260,000
2015	260,000	(25,492)	(180,508)	54,000

The SWA purchases health insurance through a commercial health insurance plan.

10. RETIREMENT PLANS

The County provides retirement benefits to County employees through the following plans:

Plan Descriptions

The **Florida Retirement System (FRS) Pension Plan** and the **Retiree Health Insurance Subsidy (HIS) Program** are cost-sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement. The FRS Pension Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. These benefits are established by Chapter 121, Florida Statutes, and may only be amended by the Florida legislature.

The HIS Program benefit is a monthly payment to assist retirees of the State-administered retirement systems in paying their health insurance costs. The HIS Program was established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time.

A comprehensive annual financial report including financial information and required supplementary information on both plans is publicly available on the web site of the Florida Department of Management Services (<http://www.dms.myflorida.com>).

The **Palm Tran, Inc. Amalgamated Transit Union Local 1577 (Palm Tran) Pension Plan** is a single-employer defined benefit retirement program administered by The Resource Centers, LLC. The Palm Tran pension plan provides retirement, disability, and death benefits to plan members and beneficiaries. A comprehensive annual financial report that includes financial statements and required supplementary information for this plan is publicly available on the web at <http://www.resourcecenters.com>.

The **Town of Lantana Firefighters' Pension Fund (LFPF)** is a combined single-employer defined benefit and defined contribution pension plan covering Town of Lantana (Town) firefighters employed by Palm Beach County who elected to remain in the Town plan when

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merged into the County's Fire-Rescue department. LPPF provides a defined-benefit retirement annuity to retiring participants and a defined contribution retirement benefit in the form of share accounts, payable upon retirement, death, or disability. LPPF is governed by a separate Board of Trustees made up of representatives of the firefighters and the Town, and is administered by The Resource Centers, LLC. The LPPF issues a stand-alone, publicly available financial report that includes financial statements and required supplementary information, which is available on the web at <http://www.resourcecenters.com>.

The County contributes to the **Florida Retirement System Investment Plan (Investment Plan)**, a defined contribution plan, for its eligible employees who elect to participate in the Investment Plan in lieu of participating in the FRS Pension Plan. As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of FRS defined-benefit plan. County employees participating in the DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.) as the FRS Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. The Investment Plan is administered by the State Board of Administration (SBA), and is reported in the SBA's annual financial statements and in the State of Florida's comprehensive annual financial report. Financial information on this plan is available on the web at <http://www.sbafla.com/>.

PENSION EXPENSE/EXPENDITURES

The County's aggregate pension expense/expenditures for all plans amounted to \$51,586,397 for the fiscal year ended September 30, 2015. The County's aggregate net pension liability for all plans was \$664,353,197, with balances of deferred outflows of resources related to pensions of \$272,633,349 and deferred inflows of resources related to pensions of \$295,025,513 as of September 30, 2015.

FLORIDA RETIREMENT SYSTEM (FRS) PENSION PLAN

Benefits Provided

The Florida Retirement System was created on December 1, 1970. Members enrolled in the FRS and actively employed on July 1, 2001, or first enrolled between July 1, 2001 and June 30, 2011, will be vested, or eligible to receive future benefits after 6 years of creditable service. Participants first enrolled on or after July 1, 2011 will be vested, or eligible to receive future benefits after 8 years of creditable service. Retirement, disability, and death benefits are based on age, average final compensation and years-of-service credit. For members initially enrolled in the FRS before July 1, 2011, average final compensation is the average of the five highest fiscal years of salary earned during covered employment. For members initially enrolled in the FRS on

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or after July 1, 2011, average final compensation is the average of the eight highest fiscal years of salary earned during covered employment. Members are eligible for normal retirement when they have met the minimum requirements established by their membership class. For members initially enrolled in the FRS before July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 62 or if they have 30 years of creditable service regardless of age. For members initially enrolled in the FRS on or after July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 65 or if they have 33 years of creditable 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 a stated effective annual rate. For members who entered DROP prior to July 1, 2011, the rate is 6.5%. For members who enter DROP on or after July 1, 2011, the rate is 1.3%. 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 was amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution plan is known as the FRS Investment Plan, which is described later in this note.

Contributions

The following membership classes and contribution rates, which apply to both the FRS Pension Plan and the FRS Investment Plan, were in effect at September 30, 2015:

<u>Membership Class</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate*</u>
Regular	3.00%	7.26%
Special Risk	3.00%	22.04%
State Attorney/Public Defender	3.00%	45.80%
County, City, Special District Elected Officers	3.00%	42.27%
Special Risk Administrative Support	3.00%	32.95%
Senior Management	3.00%	21.43%
Deferred Retirement Option Program	N/A	12.88%

*Employer contribution rates in the above table include a 1.26% contribution for the Retiree Health Insurance Subsidy Program.

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The County's employer contributions to the FRS Pension Plan totaled \$89.5 million and employee contributions totaled \$19.1 million for the fiscal year ended September 30, 2015. The County contributed 100 percent of its statutorily required contributions for the current and preceding two years.

Net Pension Liability, Deferrals, and Pension Expense

At September 30, 2015, the County reported a liability of \$406.2 million for its proportionate share of the FRS Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The County's proportionate share of the net pension liability was based on the County's 2014-15 fiscal year contributions relative to the 2014-15 fiscal year contributions of all participating members. At June 30, 2015, the County's proportionate share was 3.15%, which was a decrease of .49% from its proportionate share measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the County recognized pension expense of \$20.9 million related to the FRS Pension Plan. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to the FRS Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 42,883,131	\$ 9,633,926
Change of assumptions	26,961,133	-
Net difference between projected and actual earnings on pension plan investments	143,076,356	240,071,112
Changes in proportion and differences between County contributions and proportionate share of contributions	6,626,173	42,044,603
County contributions subsequent to the measurement date	25,041,233	-
Total	\$ 244,588,026	\$ 291,749,641

The County's contributions to the FRS Pension Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the FRS Pension Plan will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30:</u>	<u>Deferred Outflows/ (Inflows), net</u>
2016	\$ (19,570,971)
2017	(19,570,971)
2018	(19,570,971)
2019	(19,570,971)
2020	4,677,718
Thereafter	1,403,318

**PALM BEACH COUNTY, FLORIDA
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Actuarial Assumptions

The total pension liability in the July 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflations
Investment rate of return	7.65 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Compound</u>		<u>Standard Deviation</u>
		<u>Annual Arithmetic Return</u>	<u>Annual (Geometric) Return</u>	
Cash	1.00%	3.11%	3.10%	1.65%
Intermediate-Term Bonds	18.00%	4.18%	4.05%	5.15%
High Yield Bonds	3.00%	6.79%	6.25%	10.95%
Broad US Equities	26.50%	8.51%	6.95%	18.90%
Developed Foreign Equities	21.20%	8.66%	6.85%	20.40%
Emerging Market Equities	5.30%	11.58%	7.60%	31.15%
Private Equity	6.00%	11.80%	8.11%	30.00%
Hedge Funds/Absolute Return	7.00%	5.81%	5.35%	10.00%
Real Estate (Property)	12.00%	7.11%	6.35%	13.00%
TOTAL	<u>100.00%</u>			
Assumed inflation - Mean		2.60%		2.00%

Note: (1) As outlined in the Plan's investment policy

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. The Plan's fiduciary net position was projected to be available to make all projected benefit payments of current and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

**PALM BEACH COUNTY, FLORIDA
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Sensitivity to Changes in the Discount Rate

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.65 percent, as well as what the County's proportionate share of the net pension liability would be if were calculated using a discount rate that is 1-percentage point lower (6.65 percent) or 1-percent higher (8.65 percent) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
County's proportionate share of the Net Pension Liability	\$1,052,566,844	\$406,204,159	(\$131,675,764)

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

RETIREE HEALTH INSURANCE SUBSIDY (HIS) PROGRAM

Benefits Provided

For the fiscal year ended September 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Program is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2015, the contribution rate was 1.26 percent of payroll. The County contributed 100 percent of its statutorily required contributions for the current and preceding three years. The HIS Program contributions are deposited in a separate trust fund from which payments are authorized. The HIS Program benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

**PALM BEACH COUNTY, FLORIDA
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The County's employer contributions to the HIS Program totaled \$7.3 million for the fiscal year ended September 30, 2015. The County contributed 100 percent of its statutorily required contributions for the current and preceding two years.

Net Pension Liability, Deferrals, and Pension Expense

At September 30, 2015, the County reported a liability of \$236.4 million for its proportionate share of the HIS Program's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, and update procedures were used to determine liabilities as of July 1, 2015. The County's proportionate share of the net pension liability was based on the County's 2014-15 fiscal year contributions relative to the 2014-15 fiscal year contributions of all participating members. At June 30, 2015, the County's proportionate share was 2.32%, which was an increase of .07% from its proportionate share measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the County recognized pension expense of \$17.6 million related to the HIS Program. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to the HIS Program from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Change of assumptions	18,598,920	-
Net difference between projected and actual earnings on pension plan investments	127,972	-
Changes in proportion and differences between County contributions and proportionate share of contributions	3,347,827	3,275,872
County contributions subsequent to the measurement date	319,546	-
Total	\$ 22,394,265	\$ 3,275,872

The County's contributions to the HIS Program subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Program will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30:</u>	<u>Deferred Outflows/ (Inflows), net</u>
2016	\$ 3,043,424
2017	3,043,424
2018	3,043,424
2019	3,043,424
2020	3,011,431
Thereafter	3,613,720

**PALM BEACH COUNTY, FLORIDA
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Actuarial Assumptions

The total pension liability in the July 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflations
Municipal Bond Rate	3.80 percent

Mortality rates were based on the Generational RP-2000 with Projection Scale BB, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate

The discount rate used to measure the total pension liability was 3.80 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent of discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable bond index.

Sensitivity to Changes in the Discount Rate.

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 3.80 percent, as well as what the County's proportionate share of the net pension liability would be if were calculated using a discount rate that is 1-percentage point lower (2.80 percent) or 1-percent higher (4.80 percent) than the current rate:

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
County's proportionate share of the Net Pension Liability	\$269,372,733	\$236,405,210	\$208,915,246

**PALM BEACH COUNTY, FLORIDA
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FLORIDA RETIREMENT SYSTEM INVESTMENT PLAN

Vesting Provisions

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll, which is included in the FRS contribution rates, and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2015, the information for the amount of forfeitures was unavailable from the SBA, however, management believe that these amounts, if any, would be immaterial to the County. After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The County's employer contributions to the Investment Plan totaled \$4.1 million for the fiscal year ended September 30, 2015.

PALM TRAN, INC. – DEFINED BENEFIT PLAN

Benefits Provided

The Palm Tran Inc. Amalgamated Transit Union Local 1577 (Palm Tran) Pension Plan provides retirement, disability, and death benefits to plan members and beneficiaries. The Board of Trustees of the Palm Tran pension plan has the authority to establish and amend benefit provisions.

Membership Statistics

Number of

Inactive members or beneficiaries receiving benefits	289
Inactive members entitled to but not yet receiving benefits	100
Active Members	<u>560</u>
TOTAL	<u><u>949</u></u>

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Contributions

The contribution requirements of plan members and Palm Tran, Inc. are established by the Pension Trust Agreement and may be amended by the Board of Trustees. Plan members hired after October 1, 2013 are required to contribute 3.0% of their annual salary. Plan members hired prior to October 1, 2013 have a contribution phase in period to match those hired after this date. For employees hired prior to October 1, 2013, the employee contribution is 2.5% of annual salary through September 30, 2014. For the period October 1, 2014 – September 30, 2015, the contribution is 2.75% of salary. Employee contributions after October 1, 2015 will be 3.0% of annual salary. Employer contributions by Palm Tran, Inc. are 14.8% of annual covered payroll.

Net Pension Liability

The components of the net pension liability at December 31, 2014 were as follows:

Total pension liability	\$ 106,630,772
Plan fiduciary net position	<u>(87,951,303)</u>
Net pension liability	<u><u>\$ 18,679,469</u></u>

Plan fiduciary net position as percentage of the total pension liability: 82.5%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2015 using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	5% to 12.5%
Investment rate of return	8.0% net of investment expense, including inflation
Mortality	RP-00 fully generational with Scale AA

Assumptions are based on the results of an actuarial experience study for the period January 1, 2004 to December 31, 2008.

Discount Rate

The discount rate used to measure the total pension liability was 8%. This is the single rate that reflects the long-term expected net rate of return on pension plan investments expected to be used to finance the payment of benefits, including inflation. The fiduciary net position is projected to be sufficient to make projected benefit payments. For purposes of this determination, pension plan assets are expected to be invested using a strategy to achieve the 8.0% net discount rate.

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Sensitivity to Changes in Discount Rate

The following table illustrates the impact of interest rate sensitivity on the net pension liability for fiscal year ended September 30, 2015:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Net Pension Liability	\$30,082,361	\$18,679,469	\$8,937,689

Expected Rate of Return

The long-term expected net rate of return on investments was determined using a building-block method. Best-estimate ranges of expected future real rates of return (expected returns net of investment expenses and inflation) are developed for each major asset class. The long-term expected net rate of return on investments is the best-estimate ranges weighted by the asset allocation plus expected inflation, and, as of December 31, 2014, they are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Asset Group Contribution</u>
Domestic Equity	30%	11.14%	3.34%
International Equity	15%	6.35%	0.95%
Bonds	20%	7.64%	1.53%
TIPS	5%	6.17%	0.31%
Convertibles	10%	9.47%	0.95%
Private Real Estate	5%	7.06%	0.35%
REITS	5%	9.66%	0.48%
MLPs	5%	16.89%	0.84%
Hedge Fund	5%	7.23%	0.36%
	100%		
Long-Term Expected Real Rate of Return		9.11%	

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Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at December 31, 2013	\$ 98,038,801	\$ 80,065,768	\$ 17,973,033
Changes for the year:			
Service cost	3,517,163	-	3,517,163
Interest	7,920,953	-	7,920,953
Differences between expected and actual experience	1,780,535	-	1,780,535
Contributions - employer	-	7,205,534	(7,205,534)
Contributions - employee	-	684,731	(684,731)
Net investment income	-	4,845,252	(4,845,252)
Benefit payments, including refunds of employee contributions	(4,626,680)	(4,626,680)	-
Administrative expense	-	(223,302)	223,302
Net changes	8,591,971	7,885,535	706,436
Balances at December 31, 2014	\$ 106,630,772	\$ 87,951,303	\$ 18,679,469

Pension Expense and Deferrals

For the year ended September 30, 2015, the County recognized pension expense of \$11.9 million. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

The following table illustrates the deferred inflows and outflows under GASB 68 as of September 30, 2015:

<u>Description</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,417,161	\$ -
Change of assumptions	-	-
Net difference between projected and actual earnings	1,092,852	-
Total	\$ 2,510,013	\$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**PALM BEACH COUNTY, FLORIDA
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<u>Measurement Year Ending December 31:</u>	<u>Deferred Outflows/ (Inflows), net</u>
2015	\$ 636,587
2016	636,587
2017	636,587
2018	600,252
2019	-

TOWN OF LANTANA FIREFIGHTERS' PENSION FUND

Benefits Provided

The Town of Lantana Firefighters' Pension Fund (LFPF) 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. The LFPF members are full-time certified firefighters employed in the fire department of Palm Beach County Fire Rescue. Members are eligible to retire at age 55 with 10 or more years of credited service; or any age with 20 or more years of credited service. The pension amount is three percent (3%) of average final compensation multiplied by credited service. The normal form of benefit is a benefit payable for life with the first 10 years guaranteed. Early retirement and other benefits may be available in accordance with Town of Lantana Code, Division 3 of Chapter 14, Article IV, as amended by Town Ordinances and Palm Beach County agreements pertaining to the fund.

Membership Statistics

Number of

Retirees and Beneficiaries	17
Inactive, Nonretired members	2
Active Members	15
TOTAL	34

Contributions

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. 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. 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 insurance tax, described above, to fund the defined benefits under the Plan. The current rate is 77.3% of annual covered payroll.

PALM BEACH COUNTY, FLORIDA
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Net Pension Liability

The components of the net pension liability at September 30, 2015 were as follows:

Total pension liability	\$ 35,502,556
Plan fiduciary net position	<u>(32,438,197)</u>
Net pension liability	<u><u>\$ 3,064,359</u></u>

Plan fiduciary net position as percentage of the total pension liability: 91.4%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of September 30, 2014 using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	5.00%
Salary increases	7%, including inflation
Investment rate of return	8.00%
Mortality	RP-2000 Mortality Table for males and females

Expected Rate of Return

GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the total pension liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The plan's net position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a "risk-free" rate is required, as described in the following paragraph.

The *Single Discount Rate* (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on the Bond Buyer 20-Bond Index of general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For the purpose of this valuation, the expected rate of return on pension plan investments is 8.00%; the municipal bond rate is 4.11%; and the resulting single discount rate is 8.00%.

PALM BEACH COUNTY, FLORIDA
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Discount Rate

The discount rate used to measure the total pension liability was 8%. This is the single rate that reflects the long-term expected net rate of return on pension plan investments expected to be used to finance the payment of benefits, including inflation. The fiduciary net position is projected to be sufficient to make projected benefit payments. For purposes of this determination, pension plan assets are expected to be invested using a strategy to achieve the 8.0% net discount rate.

Sensitivity to Changes in the Discount Rate

The following table illustrates the impact of interest rate sensitivity on the net pension liability for fiscal year ended September 30, 2015:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Net Pension Liability	\$6,860,965	\$3,064,359	(\$22,412)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at September 30, 2014	\$ 33,260,167	\$ 32,889,907	\$ 370,260
Prior Period Adjustment	-	-	-
Changes for the year:			
Service cost	450,605	-	450,605
Interest	2,605,711	-	2,605,711
Differences between expected and actual experience	1,014,242	-	1,014,242
Contributions - employer and state	-	1,725,181	(1,725,181)
Contributions - employee	-	244,101	(244,101)
Net investment income	-	(550,596)	550,596
Benefit payments, including refunds of employee contributions	(1,828,169)	(1,828,169)	-
Administrative expense/Other	-	(42,227)	42,227
Net changes	2,242,389	(451,710)	2,694,099
Balances at September 30, 2015	\$ 35,502,556	\$ 32,438,197	\$ 3,064,359

PALM BEACH COUNTY, FLORIDA
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Pension Expense and Deferrals

For the year ended September 30, 2015, the County recognized pension expense of \$1.1 million. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

The following table illustrates the deferred inflows and outflows under GASB 68 as of September 30, 2015:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 592,450	\$ -
Net difference between projected and actual earnings on pension plan investments	2,548,595	-
Total	\$ 3,141,045	\$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30:</u>	<u>Deferred outflows/ (inflows), net</u>
2016	\$ 1,058,941
2017	807,806
2018	637,149
2019	637,149

OTHER PENSION PAYMENTS

The County entered into agreements with the City of Lake Worth (City) for law enforcement services, effective October 1, 2008, and fire rescue services, effective October 1, 2009. Employees of the City who became County employees had the choice to remain in the appropriate City-sponsored retirement plan or to become a member of the Florida Retirement System (FRS). The County contributes to the City-sponsored plans the equivalent amount that would be required by FRS. The County's contributions for employees who elected to remain with the City-sponsored plans were \$691,605 for the year ended September 30, 2015.

COMPONENT UNIT – Solid Waste Authority (SWA)

Like the Primary Government, the SWA also participates in the **Florida Retirement System (FRS) Pension Plan**, the **Retiree Health Insurance Subsidy (HIS) Program** and the **Florida Retirement System Investment Plan**. Refer to those sections within this note for information on plan descriptions, contribution rates, actuarial assumptions and discount rates.

**PALM BEACH COUNTY, FLORIDA
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FLORIDA RETIREMENT SYSTEM (FRS) PENSION PLAN

SWA contributions to the FRS Pension Plan totaled \$1,426,153 for the fiscal year ended September 30, 2015.

At September 30, 2015, the SWA reported a liability of \$8,090,343 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The SWA's proportionate share of the net pension liability was based on the SWA's 2014-15 plan year contributions relative to the 2014-15 plan year contributions of all participating members. At June 30, 2015, the SWA's proportionate share was 0.0626365 percent, which was a decrease of .0004014 percent from its proportionate share measured as of June 30, 2014. For the fiscal year ended September 30, 2015, the SWA recognized pension expense of \$658,638 related to the Plan.

The SWA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 854,101	\$ 191,878
Change of assumptions	536,983	-
Net difference between projected and actual earnings on pension plan investments	-	1,931,838
Change in proportion and differences between SWA pension plan contributions and proportionate share of contributions	503,815	52,684
Pension plan contributions subsequent to the measurement date	403,994	-
Total	<u>\$ 2,298,893</u>	<u>\$ 2,176,400</u>

The deferred outflows of resources related to the Pension Plan, totaling \$403,994 resulting from SWA contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

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<u>Fiscal Year Ending September 30:</u>	<u>Deferred outflows/ (inflows), net</u>
2016	\$ (532,782)
2017	(532,782)
2018	(532,782)
2019	1,061,045
2020	210,439
Thereafter	45,361
	<u>\$ (281,501)</u>

Sensitivity of the SWA's Proportionate Share of the Net Position Liability to Changes in the Discount Rate:

The following represents the SWA's proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what the SWA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.65%) or one percentage point higher (8.65%) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Proportionate share of the net pension liability	\$20,963,908	\$8,090,343	(\$2,622,578)

RETIREE HEALTH INSURANCE SUBSIDY (HIS) PROGRAM

SWA's contributions to the HIS Plan totaled \$310,975 for the fiscal year ended September 30, 2015.

At September 30, 2015, the SWA reported a liability of \$7,542,309 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The SWA's proportionate share of the net pension liability was based on the SWA's 2014-15 plan year contributions relative to the 2014-15 plan year contributions of all participating members. At June 30, 2015, the SWA's proportionate share was .00739559 percent, which was a decrease of 0.0006198 percent from its proportionate share measured as of June 30, 2014. For the fiscal year ended September 30, 2015, the SWA recognized pension expense of \$565,163.

Deferred Outflows and Inflows of Resources Related to Pensions: In addition the SWA reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

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<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change of assumptions	\$ 593,383	\$ -
Net difference between projected and actual earnings on pension plan investments	4,083	-
Change in proportion and differences between SWA pension plan contributions and proportionate share of contributions	57,316	48,105
Pension plan contributions subsequent to the measurement date	102,731	-
Total	<u>\$ 757,513</u>	<u>\$ 48,105</u>

The deferred outflows of resources related to the HIS Plan, totaling \$102,731 resulting from Authority contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30:</u>	<u>Deferred outflows/ (inflows), net</u>
2016	\$ 106,599
2017	106,599
2018	106,599
2019	105,769
2020	105,371
Thereafter	75,740
	<u>\$ 606,677</u>

Sensitivity of the SWA's Proportionate Share of the Net Position Liability to Changes in the Discount Rate:

The following represents the SWA's proportionate share of the net pension liability calculated using the discount rate of 3.80%, as well as what the SWA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.80%) or one percentage point higher (4.80%) than the current rate:

	<u>1% Decrease (2.80%)</u>	<u>Discount Rate (3.80%)</u>	<u>1% Increase (4.80%)</u>
Proportionate share of the net pension liability	\$8,594,110	\$7,542,309	\$6,665,265

INVESTMENT PLAN

The SWA's Investment Plan pension expense totaled \$195,470 for the fiscal year ended September 30, 2015.

**PALM BEACH COUNTY, FLORIDA
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11. 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) BOCC
 - (b) Supervisor of Elections
 - (c) Metropolitan Planning Organization
2. Tax Collector
3. Property Appraiser
4. Clerk & Comptroller
5. Sheriff
6. Fire Rescue Union

B. Long Term Disability Plan:

1. Fire Rescue Taxing District

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 County 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.

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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 plans do not issue separate standalone financial reports.

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. The plan does not issue a separate standalone financial report.

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 dependents) to continue participation in the group insurance 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.

At September 30, 2015 retirees receiving benefits contributed the following monthly premiums:

	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff	Fire Rescue Union
Monthly Minimum	\$ 655	\$ 786	\$ 418	\$ 653	\$ 534	\$ 574
Monthly Maximum	2,033	2,589	1,949	2,279	2,234	1,106

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.

The costs of the County-wide OPEB plan are allocated to the various operating departments based on the number of personnel and personnel costs.

In accordance with the Fire Rescue Collective Bargaining Agreement, the plan provides a post-retirement health insurance benefit. The Retirees must meet retirement eligibility criteria in order to be eligible for the full benefit. For employees who retired before September 27, 2005, the subsidy is a monthly benefit of \$75 plus \$12 per year of service. Unless otherwise precluded, for employees retiring on or after September 27, 2005, the subsidy is a monthly benefit of \$140 plus \$17 per year of service. This subsidy is payable for life and is assumed to remain fixed in the future. Employees who retire with at least ten years of service but before attaining normal

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retirement eligibility are eligible for a reduction to this benefit in the amount of 6% for each year between their age of retirement and age 55. This reduction remains fixed in the future.

Under the Sheriff's Plan, for employees who retire in good standing after six years of service and who elect to retain the Sheriff's Office group medical and/or dental coverage, the Sheriff provides a subsidy of \$16 per month per year of service toward medical and dental coverage for the retiree and eligible family members, based on years of service to the Sheriff. This subsidy ends at the death of the retiree or when the retiree discontinues coverage under the Sheriff's plan. A special subsidy of 90% of medical and dental premiums for employee or employee-plus-one coverage is offered to the Sheriff, Chief Deputy, Deputy Director, Director, and Colonel. A special subsidy of 80% of medical and dental premiums for employee or employee-plus-one coverage is offered to Majors and the Bureau Director. A special subsidy of 100% of medical and dental premiums for employee or employee-plus-one coverage is offered to employees who become disabled in the line of duty and spouses of employees who die in the line of duty.

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. A portion of the County's net OPEB asset/obligation is allocated to the enterprise and internal service fund operations.

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, 2015:

	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff	Fire Rescue Union
Annual required contribution (ARC)	\$ 768,000	\$ 351,628	\$ 28,643	\$ 517,241	\$ 15,878,000	\$ 11,777,000
Interest on net OPEB obligation	(114,000)	70,769	8,053	42,785	4,306,000	1,502,000
Adjustment to annually required contribution	99,000	(60,494)	(7,662)	(60,557)	(3,654,000)	(1,341,000)
Annual OPEB cost	753,000	361,903	29,034	499,469	16,530,000	11,938,000
Contributions made	(1,951,054)	-	-	(65,721)	(5,174,000)	(4,740,927)
Increase (decrease) in net OPEB obligation	(1,198,054)	361,903	29,034	433,748	11,356,000	7,197,073
Net OPEB obligation (asset) - beginning of year	(2,681,569)	1,476,559	208,499	999,452	95,687,000	37,547,770
Net OPEB obligation (asset) - end of year	\$ (3,879,623)	\$ 1,838,462	\$ 237,533	\$ 1,433,200	\$ 107,043,000	\$ 44,744,843

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The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation (asset) for the current and preceding two fiscal years:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
County			
9/30/2013	\$ 1,265,000	137.0 %	\$ (1,415,762)
9/30/2014	771,000	264.2	(2,681,569)
9/30/2015	753,000	259.1	(3,879,623)
Tax Collector			
9/30/2013	\$ 288,560	0.0 %	\$ 1,205,541
9/30/2014	271,018	0.0	1,476,559
9/30/2015	361,903	0.0	1,838,462
Property Appraiser			
9/30/2013	\$ 30,022	17.7 %	\$ 181,388
9/30/2014	27,111	0.0	208,499
9/30/2015	29,034	0.0	237,533
Clerk & Comptroller			
9/30/2013	\$ 487,446	38.6 %	\$ 715,636
9/30/2014	501,266	43.4	999,452
9/30/2015	499,469	13.2	1,433,200
Sheriff			
9/30/2013	\$ 22,600,000	20.5 %	\$ 84,770,000
9/30/2014	15,673,000	30.3	95,687,000
9/30/2015	16,530,000	31.3	107,043,000
Fire Rescue Union			
9/30/2013	\$ 10,602,000	48.8 %	\$ 30,424,229
9/30/2014	10,890,000	41.7	37,547,770
9/30/2015	11,938,000	39.7	44,744,843

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
Actuarial accrued liability (AAL)	\$ 10,632,000	\$ 2,161,466	\$ 238,420	\$ 6,041,155	\$ 191,022,000	\$ 186,453,000
Actuarial value of plan asset	-	-	-	-	-	45,156,000
Unfunded actuarial accrued liability (UAAL)	\$ 10,632,000	\$ 2,161,466	\$ 238,420	\$ 6,041,155	\$ 191,022,000	\$ 141,297,000
Funded ratio (actuarial value of plan / AAL)	0.0%	0.0%	0.0%	0.0%	0.0%	24.2%
Covered payroll (active plan members)	\$ 242,102,185	\$ 13,881,307	\$ 14,386,649	\$ 32,477,317	\$ 281,188,646	\$ 147,273,415
UAAL as a percentage of covered payroll	4.4%	15.6%	1.7%	18.6%	67.9%	95.9%

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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. Due to the small number of retirees in the Tax Collector's Plan, it was determined that any implicit subsidy is insignificant and conservatively reported as zero.

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
Actuarial valuation date	10/1/2013	10/1/2014	10/1/2014	10/1/2013	10/1/2013	10/1/2014
Actuarial cost method	Projected Unit Credit Actuarial Cost Method	Entry Age Normal Actuarial Cost Method	Entry Age Normal Actuarial Cost Method	Entry Age Normal Actuarial Cost Method	Projected Unit Credit Actuarial Cost Method	Projected Unit Credit Actuarial Cost Method
Actuarial amortization method	Level percentage of projected payroll on open basis	Level percentage of projected payroll on closed basis	Level percentage of projected payroll on closed basis	Level percentage of projected payroll on open basis	Level percentage of projected payroll on open basis	Level percentage of projected payroll on open basis
Remaining amortization period	30 yrs- Open	30 yrs- Closed	30 yrs- Closed	30 yrs- Open	30 yrs- Open	30 yrs- Open
Asset valuation method	na	na	na	na	na	na
Actuarial assumptions						
Investment rate of return	4.25%	5.0%	4.0%	4.0%	4.5%	4.0%
Inflation rate	3.5%	3.0%	3.0%	3.0%	3.0%	3.5%
Projected salary increases	3.5%	4.0%	4.0%	2.5%	3.5%	3.5%
Healthcare inflation rate-initial	8.0%	7.0%	7.0%	6.5%	8.0%	8.0%
Healthcare trend rate-ultimate	5.0%	5.0%	5.0%	4.5%	4.35%	4.5%

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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 Firefighters and District Chiefs totally and permanently prevented from rendering useful and efficient service as a Firefighter/District Chief incurred in the line of duty. The plan is a single employer plan which is administered by the Palm Beach County Fire Rescue Department. The plan does not issue a separate standalone financial report.

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.

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	\$ 837,230
Interest on net OPEB obligation	398
Adjustment to annual required contribution	(713)
Annual OPEB cost	836,915
Contributions made	(1,079,344)
Change in net OPEB obligation	(242,429)
Net OPEB obligation - beginning of year	9,945
Net OPEB obligation (asset) - end of year	\$ (232,484)

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
9/30/2013	\$ 768,836	109.1%	\$ 160,612
9/30/2014	744,791	120.2%	9,945
9/30/2015	836,915	129.0%	(232,484)

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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, 2015, was as follows:

Actuarial accrued liability (AAL)	\$ 9,818,416
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 9,818,416</u>
Funded ratio (actuarial value of plan / AAL)	0.0%
Covered payroll (active plan members)	\$ 147,273,415
UAAL as a percentage of covered payroll	6.7%

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 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	10/1/2014
Actuarial cost method	Projected Unit Credit Actuarial Cost Method
Amortization method	Level Percentage of Projected Payroll on Open Basis
Remaining amortization period	15 years - Open
Asset valuation method	na
Actuarial assumptions:	
Investment rate of return	4.0%
Inflation rate	3.5%
Projected salary increases	4.5%
Cost of living adjustments	None

COMPONENT UNIT - Solid Waste Authority (SWA)

Plan Description: The SWA has a single-employer defined benefit healthcare plan to provide benefits to its eligible retired employees and their beneficiaries (the “Plan”). The Plan is administered by the SWA’s Board, which also has the authority to establish and amend premiums for and the benefit provisions of the Plan. The Plan is financed on a “pay-as-you-go”

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basis and is not administered as a formal qualifying trust. The Plan does not issue a publicly available financial report.

Funding Policy: The contribution requirements of Plan members and the SWA are established and may be amended by the SWA's Board. The SWA is required by Florida Statute 112.0801 to allow retirees to buy healthcare coverage at the same group insurance rates that current employees are charged resulting in an implicit healthcare benefit. The State of Florida prohibits the Plan from separately rating retirees and active employees. The Plan therefore charges both groups an equal, blended rate premium. Although both groups are charged the same blended rate premium, GAAP requires the actuarial figures to be calculated using age adjusted premiums approximating claim costs for retirees separate from active employees. The use of age adjusted premiums results in the addition of an implicit rate subsidy into the actuarial accrued liability. Plan members receiving benefits contribute 100% of the monthly premium ranging from a minimum of \$731 to a maximum of \$2,355.

Annual OPEB Cost and Net OPEB Obligation: The annual other postemployment benefit cost is calculated based on the annual required contribution (ARC) of the employer, 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 SWA's annual OPEB cost, the annual OPEB cost contributed to the plans, and the net OPEB obligation for the years ended September 30, 2015 were as follows:

Annual required contribution	\$	64,000
Interest on net OPEB obligation		13,000
Adjustment to annual required contribution		(11,000)
		<hr/>
Annual OPEB cost		66,000
Contributions made		(34,118)
		<hr/>
Change in net OPEB obligation		31,882
Net OPEB obligation, beginning of year		315,409
		<hr/>
Net OPEB obligation, end of year	\$	<u>347,291</u>

Comparative trend data for prior years is as follows:

<u>Year Ended</u> <u>September 30,</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Actual Employer</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2015	\$ 66,000	\$ 34,118	51.7%	\$ 347,291
2014	76,000	83,541	109.9%	315,409
2013	72,000	84,049	116.7%	322,950

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Funded Status and Funding Progress: The Plan is financed on a pay-as-you-go basis. The latest actuarial valuation was done as of October 1, 2014 and the SWA intends to obtain such valuations every other year in the future. The following schedule of funding progress is based upon available information and presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits:

Date of Actuarial Valuation	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
October 1, 2014	-	\$ 742,000	\$ 742,000	0.0%	\$ 22,147,000	3.4%

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 the 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 plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The Plan uses the projected unit credit actuarial cost method. The actuarial assumptions include a 4.0% investment rate of return (net of administrative expenses), and an annual healthcare cost trend rate of 8.0%, annually reduced by decrements of 0.5% to an ultimate rate of 4.5%. The investment rate of return and the healthcare cost trend rate include an inflation assumption of 3.5% and 3.0%, respectively. The actuarial value of assets will be determined using fair value. The UAAL will be amortized as a level percentage of projected payroll on an open basis. The remaining amortization period is 30 years.

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. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Although the valuation results are based on values that management and the actuarial consultant believe are reasonable assumptions, the valuation result is only an estimate of what future costs may actually be and reflect a long-term perspective. Deviations in any of several factors, such as future interest rate discounts, medical cost inflation, Medicare coverage and changes in marital status, could result in actual costs being greater or less than estimated.

Changes in Actuarial Assumptions: Several actuarial assumptions were changed in the October 1, 2010 valuation resulting in a decrease in the AAL of approximately \$700,000. These changes include the following: (1) claim costs did not increase at the rates assumed in the prior valuation, (2) there were fewer lives in total, fewer retirees and fewer spouses covered than there were previously, (3) the trend assumption applicable to assumed administrative expenses was changed, and (4) the assumed participation rate for retirees was reduced based on the census.

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12. REFUNDING OF DEBT

Advance Refundings:

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.

On October 1, 2014 Palm Beach County issued \$72,445,000 Public Improvement Revenue Refunding Bonds, Series 2014A with an effective interest rate of 2.253% to advance a partial refund of \$8,870,000 outstanding Public Improvement Revenue Bonds, Series 2006 (Parking Facilities Expansion Project) and a partial refund of \$60,615,000 outstanding Public Improvement Revenue Bonds, Series 2007C (Biomedical Research Park Project, and \$2,005,028 of outstanding Refunding Public Improvement Biomedical Research Project, Series 2006A, and \$4,154,554 of outstanding Refunding Tax Public Improvement Biomedical Research Project, Series 2006B. The net proceeds of \$84,525,595 (after allowing for \$12,642,278 in bond premium and \$561,683 in issuance costs) were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds.

The reacquisition price exceeded the carrying amount, resulting in an accounting loss of \$5,243,756. This amount is being recorded as a deferred outflow and is being amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The County decreased its aggregate debt service payments by approximately \$8,177,888 over a period of thirteen years and incurred an economic gain of approximately \$7,237,422 (difference between the present value of the old and new debt service payments). The purpose of the refunding was to take advantage of the unusually low interest rates that were available at this time.

On March 11, 2015 Palm Beach County issued \$63,635,000 Revenue Refunding Bonds, Series 2015 with an effective interest rate of 1.969% to advance refund \$9,598,000 of outstanding Refunding Public Improvement Sunshine State Government Finance Commission, Series 2008A and a partial refund of \$58,485,000 outstanding Public Improvement Revenue Bonds, Series 2008-2. The net proceeds of \$73,449,207 (after allowing for \$10,593,067 in bond premium and \$778,860 in issuance costs) were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds.

The reacquisition price exceeded the carrying amount, resulting in an accounting loss of \$8,324,536. This amount is being recorded as a deferred outflow and being amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The County decreased its aggregate debt service payments by approximately \$11,564,897 over a period of fourteen years and incurred an economic gain of approximately \$9,850,626 (difference between the present value of the old and new debt service payments). The purpose of the refunding was to take advantage of the unusually low interest rates that were available at this time.

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On March 11, 2015 the Water Utilities Department issued \$26,930,000 Water and Sewer Revenue Refunding Bonds Series 2015 with an effective interest rate of 3.405% to advance refund \$25,300,000 of outstanding Water and Sewer Revenue Bonds Series 2006A. The net proceeds of \$27,608,488 (after allowing for \$678,488 in bond premium and \$488,932 in issuance costs) were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds.

The reacquisition price exceeded the carrying amount, resulting in an accounting loss of \$766,475. This amount is being recorded as a deferred outflow and being amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The Department decreased its aggregate debt service payments by approximately \$4,559,825 over a period of twenty-one years and incurred an economic gain of approximately \$3,467,760 (difference between the present value of the old and new debt service payments). The purpose of the refunding was to take advantage of the unusually low interest rates that were available at this time.

The amount of in-substance defeased bonds outstanding, as of September 30, 2015, consists of the following:

<u>Bond Issues</u>	<u>Amount</u>
<u>Governmental Funds:</u>	
Public Improvement Revenue Bonds (Parking Facilities Exp Project), 2006	\$ 8,870,000
Public Improvement Revenue Bonds, Series (Biomedical Res Pk Proj) 2007C	60,615,000
Public Improvement Revenue Bonds, Series 2008-2	58,485,000
General Obligation Bonds (Library District Imp), 2006	12,735,000
General Obligation Bonds (Waterfront Access), 2006	29,735,000
	<u>170,440,000</u>
<u>Proprietary Funds:</u>	
Water and Sewer Revenue Bonds, 2006A	76,260,000
Water and Sewer Revenue Bonds, 2006A	25,300,000
	<u>101,560,000</u>
 Total Defeased Bonds Outstanding	 <u><u>\$ 272,000,000</u></u>

Current Refundings:

There were no current refundings during the current fiscal year.

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13. LONG-TERM DEBT

Changes in Long-Term Obligations – The following is a summary of changes in long-term obligations for the year ended September 30, 2015 for both governmental activities and business-type activities:

Governmental activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
General obligation bonds	\$ 163,630,000	\$ -	\$ 22,025,000	\$ 141,605,000	\$ 18,845,000
Non-ad valorem revenue bonds	736,162,756	199,235,000	214,647,706	720,750,050	48,068,625
Unamortized bond premiums	48,472,387	26,492,786	10,196,918	64,768,255	-
Total bonds payable	948,265,143	225,727,786	246,869,624	927,123,305	66,913,625
Notes and loans payable	26,321,773	1,963,000	1,935,784	26,348,989	1,937,784
Arbitrage liability	91,307	6,023	80,061	17,269	11,245
Compensated absences	144,847,569	59,256,488	53,628,360	150,475,697	5,946,650
OPEB	135,991,298	19,380,700	59,230	155,312,768	-
Pension obligation	27,434,798	-	27,434,798	-	-
Capital leases	457,139	964,588	143,675	1,278,052	380,220
Estimated Self-Insurance Obligation	108,329,159	95,537,449	91,282,534	112,584,074	14,648,791
Governmental activity long-term obligations	<u>\$ 1,391,738,186</u>	<u>\$ 402,836,034</u>	<u>\$ 421,434,066</u>	<u>\$ 1,373,140,154</u>	<u>\$ 89,838,315</u>

Long-term obligations other than debt (bonds and loans) are liquidated by the governmental funds incurring the expenditure. Specifically, for compensated absences, the General Fund liquidates 82%, with Fire Rescue Special Revenue Fund, Community & Social Development Special Revenue Fund, and the Road Program Capital Projects Funds liquidating 11%, 1%, and 1%, respectively. The remaining 6% is liquidated by other special revenue funds and an Internal Service Fund. Nearly 100% of the Other Post-Employment Benefit Obligations is liquidated by the General Fund, with less than 1% being liquidated by the Fire Rescue Special Revenue Fund and an Internal Service Fund. For the estimated Self-Insurance Obligation, the Internal service funds liquidate 98%, with the remaining 2% liquidated by another special revenue Fund. The capital leases are liquidated 100% by other special revenue funds. The arbitrage liability is expected to be liquidated 72% by the General Government Capital Projects Fund and the remaining 28% is liquidated by a debt service fund and another capital projects fund.

Business-type activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Revenue bonds	\$ 278,960,823	\$ 26,930,000	\$ 45,280,972	\$ 260,609,851	\$ 10,211,785
Unamortized bond premiums	17,126,041	678,488	2,311,805	15,492,724	-
Total bonds payable	296,086,864	27,608,488	47,592,777	276,102,575	10,211,785
Notes and loans payable	9,675,223	-	537,962	9,137,261	548,128
Compensated absences	4,347,220	232,561	190,766	4,389,015	274,035
OPEB	39,051	-	39,051	-	-
Business-type activities long-term obligations	<u>\$ 310,148,358</u>	<u>\$ 27,841,049</u>	<u>\$ 48,360,556</u>	<u>\$ 289,628,851</u>	<u>\$ 11,033,948</u>

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Governmental Activities General Long-Term Debt

General long-term debt, including current maturities, at September 30, 2015 consisted of the following:

General Obligation Bonds

<p>\$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 \$1,540,000 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.</p>	<p>\$ 7,205,000</p>
<p>\$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 \$1,035,000 to \$1,665,000 through August 1, 2025, with interest rates from 4.000% 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. The County advance refunded \$12,735,000 of this issue on August 19, 2014.</p>	<p>\$ 1,140,000</p>
<p>\$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 \$2,195,000 to \$3,570,000 through August 1, 2026, with interest rates from 3.800% 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. The County advance refunded \$29,735,000 of this issue on August 19, 2014.</p>	<p>\$ 2,370,000</p>
<p>\$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 \$7,630,000 to \$11,355,000 through June 1, 2020, with interest rates from 5.798% 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.</p>	<p>\$ 49,405,000</p>

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\$19,530,000 General Obligation Refunding Bonds (Library District Improvement Project), Series 2010 were issued for paying and defeasing the County's outstanding General Obligation Bonds (Library District Improvement Project), Series 2003 maturing on and after July 1, 2014. The annual installments range from \$1,640,000 to \$2,090,000 through July 1, 2023, with interest rates from 2.000% to 3.000% 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. \$ 15,400,000

\$28,700,000 General Obligation Refunding Bonds (Recreational and Cultural Facilities), Series 2010 were issued for paying and defeasing a portion of the County's outstanding General Obligation Bonds (Recreational and Cultural Facilities), Series 2003 maturing on and after July 1, 2014 and a portion of its General Obligation Bonds (Recreational and Cultural Facilities), Series 2005 maturing on and after July 1, 2016. The annual installments range from \$1,110,000 to \$3,335,000 through July 1, 2025, with interest rates from 4.000% 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. \$ 26,185,000

\$11,865,000 General Obligation Refunding Bonds (Library District Improvement Projects), Series 2014 were issued for paying and defeasing a portion of the County's outstanding General Obligation Bonds (Library District Improvement Project), Series 2006 maturing on and after August 1, 2016. The annual installments range from \$1,080,000 to \$1,565,000 through August 1, 2025, with interest rates from 3.000% 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 \$ 11,865,000

\$28,035,000 General Obligation Refunding Bonds (Waterfront Access Projects), Series 2014 were issued for paying and defeasing a portion of the County's outstanding General Obligation Bonds (Waterfront Access Projects), Series 2006 maturing on and after August 1, 2016. The annual installments range from \$2,245,000 to \$3,350,000 through August 1, 2026, with interest rates from 3.000% 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 \$ 28,035,000

\$ 28,035,000
\$ 141,605,000

Total General Obligation Bonds

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Non-Ad Valorem Revenue Bonds

\$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 \$1,760,000 to \$2,000,000 through November 1, 2016, with interest rates from 3.750% 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. \$ 3,915,000

\$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 \$1,365,000 to \$1,605,000 through December 1, 2017, with interest rates from 3.300% 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. \$ 4,585,000

\$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 \$1,030,000 to \$1,120,000 through November 1, 2015, 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. \$ 1,120,000

\$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 \$1,835,000 to \$2,090,000 through December 1, 2016, with interest rates of 3.375% 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. \$ 4,085,000

\$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 \$615,000 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. \$ 1,355,000

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\$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 \$3,795,000 to \$7,490,000 through November 1, 2027, with interest rates from 4.250% 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. \$ 13,055,000

\$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 \$3,650,000 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. \$ 153,835,000

\$94,235,000 Public Improvement Revenue Bonds, Series 2008-2 were issued to fund a grant 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 \$3,415,000 to \$7,295,000 through November 1, 2028, with interest rates from 5.000% 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. \$ 16,210,000

\$11,598,107 Taxable Public Improvement Revenue Bonds (Convention Center Hotel Project), Series 2010 were issued to pay the principal on the County's Taxable Public Improvement Revenue Bond Anticipation Notes (Convention Center Hotel Project), Series 2007. The annual installments range from \$592,668 to \$1,066,262 through November 1, 2024, with an interest rate of 5.484% 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. \$ 8,484,351

\$30,691,407 Revenue Improvement Bond (Ocean Avenue Lantana Bridge and Max Planck Florida Corporation Projects), Series 2011 was issued to finance the costs of demolition and reconstruction of the Ocean Avenue Lantana Bridge and to fund a \$15,615,000 Grant to the Max Planck Florida Corporation. The annual installments range from \$1,195,058 to \$2,032,212 through August 1, 2031, with an interest rate of 3.172% 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. \$ 25,992,857

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\$62,775,000 Public Improvement Revenue Refunding Bonds (Convention Center Project), Series 2011 were issued to defease and pay at redemption that portion of the County's outstanding \$81,340,000 original aggregate principal amount of Public Improvement Revenue Refunding Bonds (Convention Center Project), Series 2004 maturing on November 1, 2030. The annual installments range from \$0 to \$5,560,000 through November 1, 2030, with an interest rate of 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. \$ 62,775,000

\$16,189,340 Capital Improvement Revenue Bond (Four Points and Other Public Buildings Projects), Series 2012 was issued to pay the County's Capital Improvement Bond Anticipation Notes, Series 2009. The annual installments range from \$999,712 to \$1,176,435 through March 1, 2027, with an interest rate of 2.520% payable semi-annually on March 1 and September 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 13,190,046

\$147,000,000 Public Improvement Revenue Refunding Bonds, Series 2012 were issued to defease and redeem the County's outstanding Public Improvement Revenue and Refunding Bonds, Series 2004 maturing on and after August 1, 2015 and its Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2004A maturing on and after November 1, 2015 and its Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2005A maturing on and after June 1, 2016. The annual installments range from \$0 to \$17,395,000 through June 1, 2025, 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. \$ 142,735,000

\$10,032,000 Public Improvement Revenue Bond (Unified Messaging System Project), Series 2013 was issued to finance the cost of replacing the County's existing telephone systems with a modern unified messaging system. The annual installments range from \$1,391,007 to \$1,482,340 through November 1, 2019, with an interest rate of 1.280% 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. \$ 7,226,711

\$13,180,000 Public Improvement Revenue Bond, (Max Planck3 Project), Series 2013 was issued to fund the third installment (\$13,137,000) of the grant to Max Planck Florida Corporation, and to pay the costs of issuing the Bond. The annual installments range from \$692,449 to \$1,040,229 through December 1, 2028, with an interest rate of 2.470% payable annually on December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 12,487,551

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\$10,667,000 Improvement Revenue Bond (Sheriff's Equipment Project) Series 2013 was issued to finance road patrol vehicles with radio and mobile equipment and other electronic required by the Sheriff's office, and to pay the cost of issuing the Bond. The annual installments range from \$2,073,467 to \$2,186,333 through June 1, 2019, with an interest rate of 1.180% 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.

\$ 8,593,534

\$28,075,000 Tax Public Improvement Revenue Bond (Convention Center Hotel Project), Series 2013 was issued for the purpose of providing funds to finance a portion of the costs of development, acquisition, construction and equipping of a convention center hotel to be located adjacent to the County's convention center pursuant to written agreements related to this development, and to the pay costs of issuance of the Bonds. The annual installments range from \$550,000 to \$1,705,000 through November 1, 2043, with an interest rate from 1.00% to 5.250% 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.

\$ 27,525,000

\$17,830,000 Public Improvement Revenue Bond (Palm Tran Equipment), Series 2014 was issued for the purpose of refinancing the cost of certain transportation equipment for the County's Palm Tran Paratransit transportation service and paying certain costs. The annual installments range from \$3,485,000 to \$3,650,000 through September 1, 2019, with an interest rate of 1.160% payable semi-annually on March 1 and September 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.

\$ 14,345,000

\$72,445,000 Public Improvement Revenue Refunding Bond, Series 2014A for the purpose of providing funds to refund and redeem the following outstanding obligations of the County: (a) a portion of the callable maturities of the Palm Beach County, Florida Public Improvement Revenue Bonds, Series 2006 (Parking Facilities Expansion Project), (b) a portion of the outstanding Palm Beach County, Florida Public Improvement Revenue Refunding Bonds, Series 2007A (Biomedical Research Park Project), (c) a portion of the outstanding Palm Beach County, Florida Taxable Public Improvement Revenue Refunding Bond, Series 2007B (Biomedical Research Park Project) and (d) a portion of the callable maturities of the Palm Beach County, Florida Public Improvement Revenue Bonds, Series 2007C (Biomedical Research Park Project). Proceeds of the Bonds were used to pay the cost of issuance of the bonds. The annual installments range from \$265,000 to \$8,570,000 through November 1, 2027, with an interest rate of 3% to 5% 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.

\$ 72,445,000

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

\$63,635,000 Public Improvement Revenue Refunding Bond, Series 2015 for the purpose of providing funds to refund and redeem the following outstanding obligations of the County: (a) all of the callable maturities of the Palm Beach County, Florida Refunding Public Improvement Sunshine State Government Finance Commission, Series 2008A and (b) a portion of the outstanding Palm Beach County, Florida Public Improvement Revenue Bonds, Series 2008-2. Proceeds of the bonds will also be used to pay the cost of issuance of the Bonds. The annual installments range from \$950,000 to \$6,655,000 through November 1, 2028, with an interest rate of 3% to 5% 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.

\$ 63,635,000

\$63,155,000 Public Improvement Revenue Bond (Various Public Improvements Project) series 2015A. The bond was issued by Palm Beach County for the purpose of providing funds for the construction of a public parking garage adjacent to the County Convention Center and the renovation of a portion of a County-owned office building. The annual installments range from \$2,320,000 to \$4,295,000 through November 1, 2035, with an interest rate of 2% to 4% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and payable from non-ad valorem revenues.

\$ 63,155,000

Total Non-Ad Valorem Revenue Bonds

\$ 720,750,050

Face Amount of Bonds Payable

\$ 862,355,050

Unamortized bond premiums

64,768,255

Net General Obligation and Non-Ad Valorem Revenue Bonds

\$ 927,123,305

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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 5.190% to 5.970% payable semi-annually on February 1 and August 1 of each year. The loan is a general obligation of the County. The debt service will be paid using the cash flows received by the County from the sub-recipient borrower. In the event the cash flows from the sub-recipient are not sufficient to service the HUD loan, the County is obligated to use other resources. \$ 703,000

\$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 1.042% 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. \$ 7,603,489

\$2,600,000 - HUD Section 108 Loan. \$2,600,000 is authorized leaving \$0 available for future financing. The HUD Loan was obtained to provide funding for County loans to various borrowers for the Belle Glade Avenue "A" Revitalization Project. The annual installments range from \$50,000 to \$143,900 through August 1, 2032, with a variable rate of interest in effect of 0.439% to .525% payable quarterly on February 1, May 1, August 1 and November 1 of each year. The loans are general obligations of the County. The debt service will be paid using the cash flows received by the County from the sub-recipient borrowers. In the event the cash flows from the sub-recipients are not sufficient to service the HUD loans, the County is obligated to use other resources. As of September 30, 2015 the outstanding individual loans are as follows:

\$ 199,000 - Glades Gas & Electric, 2009	\$109,000	
89,000 - Glades Home Health Care Med Ctr, 2010	44,500	
878,000 - Muslet Brothers, 2010	675,000	
21,000 - Building 172, Belle Glade, 2012	16,000	
592,000 - America's Sound, 2012	499,000	
770,000 - Old City Hall - BI Development, 2013	730,000	
51,000 - Building 172 Overrun, 2013	49,000	
		\$ 2,122,500

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

\$13,340,000 - HUD Section 108 Loan. \$13,340,000 is authorized leaving \$0 available for future financing. The HUD Loan was obtained to provide funding for County loans to various borrowers for the Community Development Business Loan Program Project. The annual installments range from \$2,000 to \$727,000 through August 1, 2035, with a variable rate of interest in effect of 0.439% to .525% payable quarterly on February 1, May 1, August 1 and November 1 of each year. The loans are general obligations of the County. The debt service will be paid using the cash flows received by the County from the sub-recipient borrowers. In the event the cash flows from the sub-recipients are not sufficient to service the HUD loans, the County is obligated to use other resources.

As of September 30, 2015 the outstanding individual loans are as follows:

\$1,000,000 - The Baron Group, 2009	\$400,000	
57,000 - Kiddie Haven Pre-School, 2010	27,000	
250,000 - Concrete Services LLC, 2010	129,000	
5,948,000 - Oxygen Development LLC, 2011	4,905,000	
265,000 - Donia Adams Roberts PA, 2011	210,000	
198,000 - Ameliascapes, 2011	132,000	
257,000 - F&T of Belle Glade, 2011	197,000	
1,412,000 - Glades Plaza Enterprises LLC, 2012	1,190,000	
473,000 - Doctors Scientific Organica, 2012	400,000	
455,000 - Schomburg Latin America LLC, 2012	280,000	
264,000 - Medical Career Institute, 2012	192,000	
244,000 - A&E Auto Sales, 2012	208,000	
244,000 - SSB Investments, 2013	218,000	
196,000 - GUS Distribution Corporation, 2014	182,000	
179,000 - Pinewood Cleaners Inc., 2014	158,000	
1,898,000 - Critical Needs Program, 2014	<u>1,898,000</u>	\$ 10,726,000

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

\$2,824,000 - HUD Section 108 Loan. \$2,824,000 is authorized leaving \$0 available for future financing. The HUD Loan was obtained to provide funding for County loans to various borrowers for the Pahokee Downtown Revitalization Project. The annual installments range from \$6,000 to \$110,000 through November 1, 2035, with a variable rate of 0.439% to 0.525% payable quarterly on February 1, May 1, August 1 and November 1 of each year. The loans are general obligations of the County. The debt service will be paid using the cash flows received by the County from the sub-recipient borrowers. In the event the cash flows from the sub-recipient are not sufficient to service the HUD loans, the County is obligated to use other resources. As of September 30, 2015 the outstanding individual loans are as follows:

\$152,000 - Circle S Pharmacy, 2010	\$120,000	
100,000 - Simco, 2012	85,000	
609,000 - HER Tech LLC, 2014	487,000	
1,963,000 - Pahokee Revitalization Program, 2015	<u>1,963,000</u>	\$ 2,655,000

\$2,558,000 - HUD Section 108 Loan. \$10,000,000 is authorized leaving \$7,442,000 available for future financing. The HUD Loan was obtained to provide additional funding for County loans to various borrowers for the Community Development Business Loan Program Project. The annual installments range from \$13,000 to \$260,000 through August 1, 2033, with a variable rate of interest in effect of 0.439% to 0.525% payable quarterly on February 1, May 1, August 1 and November 1 of each year. The loans are general obligations of the County. The debt service will be paid using the cash flows received by the County from the sub-recipient borrowers. In the event the cash flows from the sub-recipient are not sufficient to service the HUD loans, the County is obligated to use other resources. As of September 30, 2015 the outstanding individual loans are as follows:

\$2,300,000 - Jupiter CY, 2013	\$1,780,000	
258,000 - Old City Hall - Bi Development 2, 2014	<u>245,000</u>	\$ 2,025,000

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

\$400,000 – USDA Palm Beach County Relending Program (PBC IRP) funded by the U.S. Department of Agriculture. PBC IRP loans provide a dedicated, national source of low interest loans for use by individuals, a corporation, partnership, limited liability company, non-profit corporation or entity with economic development projects located in the rural areas to alleviate poverty and increase economic activity and employment. The annual installments range from \$925 to \$5,556 through April 15, 2044, with an interest rate of 1.00% payable annually on April 15 of each year. The debt service will be paid using the cash flows received by the County from the sub-recipient borrowers. In the event the cash flows from the sub-recipient are not sufficient to service the USDA loans, the County is obligated to use other resources. As of September 30, 2015 the outstanding loans are as follows:

\$150,000 - IRP BI Development Group, 2014	\$150,000	
25,000 - IRP Gus Distributing Corp, 2014	25,000	
150,000 - IRP EHR LLC, 201, 2014	150,000	
75,000 - IRP PR Local Electric, 2014	75,000	\$ 400,000

\$131,000 - HUD Section 108 Loan. \$1,568,000 is authorized leaving \$1,437,000 available for future financing. The HUD Loan was obtained to provide funding for County loans to various borrowers for the Community Development Business Loan Program Project. The annual installments range from \$3,000 to \$15,000 through August 1, 2023, with a variable rate of interest in effect of 0.439% to .525% payable quarterly on February 1, May 1, August 1 and November 1 of each year. The loans are general obligations of the County. The debt service will be paid using the cash flows received by the County from the sub-recipient borrowers. In the event the cash flows from the sub-recipients are not sufficient to service the HUD loans, the County is obligated to use other resources. As of September 30, 2014 the outstanding individual loans are as follows:

\$131,000 - Kiddie Haven Pre-School Inc., 2014	\$114,000	\$ 114,000
Total Notes and Other Loans Payable		\$ 26,348,989

Lines of Credit

The County entered into a 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 several of the County’s outstanding bond issues. Principal borrowed on the line of credit is due at maturity on May 20, 2016. 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. As of September 30, 2015, this \$7,656,938 line of credit, covering the following outstanding bond issue, had no outstanding balance on the loan payable.

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

\$98,080,000 Public Improvement Revenue Bonds (Biomedical Research Park Project) Series 2007C	\$7,565,938
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The County entered into a 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 several of the County's outstanding bond issues. Principal borrowed on the line of credit is due at maturity on June 3, 2016. 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. As of September 30, 2015, this \$2,996,178 line of credit, covering the following outstanding bond issues, had no outstanding balance on the loan payable.

\$38,895,000 Public Improvement Revenue Bonds (Biomedical Research Park Project) Series 2004A	\$1,869,178
\$14,685,000 Public Improvement Revenue Bonds (Parking Facilities Expansion Project) Series 2006	<u>\$1,127,000</u> \$2,996,178

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.

	<u>\$ 17,269</u>
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**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

Compensated Absences

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

General Fund

Board of County Commissioners	\$	15,031,773	
Sheriff		105,555,473	
Tax Collector		1,343,539	
Property Appraiser		2,742,548	
Supervisor of Elections		259,708	
Total General Fund		\$ 124,933,041	
Special Revenue Funds		24,082,737	
Capital Project Funds		751,017	
Internal Service Funds		708,902	
	\$		150,475,697
OPEB (see note on OPEB)			155,312,768
Capital Leases (see note on Leases)			1,278,052
Estimated Self-Insurance Obligation (see note on Risk Management)			112,584,074
Total governmental activities general long-term debt including current portion			\$ 1,373,140,154

Business-type Activities Long-Term Debt

Business-type long-term debt, including current portion, at September 30, 2015 consisted of the following:

Revenue Bonds

\$8,515,000 Pahokee Arcadia Pool Revenue Bonds, Series 2004 were assumed by the County on May 1, 2013 under the terms of the County's absorption of the Glades Utility Authority (GUA). The annual installments range from \$660,000 to \$765,000 through December 1, 2017, with interest rates from 3.600% to 4.250% payable semi-annually on June 1 and December 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.

\$ 2,210,000

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

\$125,850,000 Water and Sewer 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 \$0 to \$7,760,000 through October 1, 2036, with interest rates from 4.000% 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. The County advance refunded \$76,260,000 of this issue on February 27, 2013. \$ 5,710,000

\$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 \$1,915,000 to \$2,245,000 through October 1, 2017, with interest rates from 4.000% 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. \$ 6,470,000

\$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 \$0 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. \$ 55,720,000

\$9,385,488 Belle Glade Restructuring Loan, Series 2009 was assumed by the County on May 1, 2013 under the terms of the County's absorption of the Glades Utility Authority (GUA). The annual installments range from \$871,910 to \$1,134,151 through April 1, 2020, with an interest rate of 4.480% 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. \$ 5,204,851

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

\$72,430,000 Water and Sewer Revenue Refunding Bonds, Series 2013 were issued to pay the cost of advance refunding a portion of the County's Water and Sewer Revenue Bonds, Series 2006A. The annual installments range from \$0 to \$6,330,000 through October 1, 2033, with interest rates from 4.000% 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 fees. \$ 72,430,000

\$26,930,000 Water and Sewer Revenue Refunding Bonds, Series 2015 was issued to partially refund the Series 2006A Bonds through an in-substance defeasance. The Department placed into irrevocable trusts funds sufficient to meet future principal and interest payments on the defeased bonds, outstanding principal of which was \$25,300,000. The annual installments range from \$3,545,000 to \$8,080,000 through October 1, 2036, with an interest rate of 3.125% to 4.0% 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 accounts pledged under the bond resolution. \$ 26,930,000

\$69,080,000 Airport System Revenue 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 \$0 to \$6,055,000 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 \$0 to \$3,225,000 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

Total face value of revenue bonds payable	\$ 260,609,851
Unamortized bond premiums	15,492,724
Net Revenue Bonds, Business-Type Activities	<u>\$ 276,102,575</u>

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

Notes and Loans Payable

\$9,706,342 – Florida Department of Environmental Protection Loans. These State Revolving Fund Loans were assumed by the County on May 1, 2013 under the terms of the County’s absorption of the Glades Utility Authority (GUA). The annual installments range from \$20,888 to \$674,537 through May 15, 2033, with interest rates from 1.640% to 2.820% payable semi-annually. 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. As of September 30, 2015 the outstanding individual loans are as follows:

\$ 430,015 - Pahokee SRF Loan	\$ 377,641	
722,989 - Belle Glade SRF Loan	672,909	
6,515,388 - Belle Glade SRF Loan	6,131,154	
2,037,950 - Belle Glade SRF Loan	<u>1,955,557</u>	<u>\$ 9,137,261</u>

Compensated Absences

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

Business-Type Fund

Water Utilities Department	\$ 3,265,276	
Department of Airports	<u>1,123,739</u>	<u>\$ 4,389,015</u>

Total Business-Type Activities Long-Term Debt, including current portion	<u>\$ 289,628,851</u>
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PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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		Notes and Loans Payable		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2016	\$ 18,845,000	\$ 6,878,560	\$ 48,068,625	\$ 30,934,401	\$ 1,937,784	\$ 213,238	\$ 106,877,608
2017	19,455,000	5,931,820	51,144,710	29,010,399	2,044,266	197,647	107,783,842
2018	20,455,000	4,920,698	46,635,208	27,135,505	2,162,599	179,554	101,488,564
2019	21,735,000	3,846,737	47,450,288	25,249,011	2,162,599	160,722	100,604,357
2020	16,375,000	2,708,619	43,192,997	23,346,481	1,984,598	141,820	87,749,515
2021-2025	41,390,000	5,215,650	220,283,601	87,073,794	8,398,496	449,491	362,811,032
2026-2030	3,350,000	100,500	142,457,409	43,076,273	6,074,731	152,363	195,211,276
2031-2035	-	-	73,917,212	20,890,534	1,457,073	26,425	96,291,244
2036-2040	-	-	41,275,000	5,695,298	74,070	4,861	47,049,229
2041-2045	-	-	6,325,000	685,519	52,773	1,222	7,064,514
Total	\$ 141,605,000	\$ 29,602,584	\$ 720,750,050	\$ 293,097,215	\$ 26,348,989	\$ 1,527,343	\$ 1,212,931,181

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		Notes and Loans Payable		Total
	Principal	Interest	Principal	Interest	
2016	\$ 10,211,785	\$ 12,316,703	\$ 548,128	\$ 175,797	\$ 23,252,413
2017	10,714,423	11,807,751	558,524	165,404	\$ 23,246,102
2018	11,698,973	11,266,503	569,124	154,805	\$ 23,689,405
2019	8,555,519	10,778,953	579,933	143,994	\$ 20,058,399
2020	8,974,151	10,338,193	590,958	132,969	\$ 20,036,271
2021-2025	43,340,000	45,272,587	3,127,998	491,637	\$ 92,232,222
2026-2030	54,375,000	33,458,550	2,750,794	187,285	\$ 90,771,629
2031-2035	70,390,000	17,966,228	411,802	19,899	\$ 88,787,929
2036-2040	38,125,000	2,968,000	-	-	\$ 41,093,000
2041-2045	4,225,000	105,625	-	-	\$ 4,330,625
Total	\$ 260,609,851	\$ 156,279,093	\$ 9,137,261	\$ 1,471,790	\$ 427,497,995

CONDUIT DEBT

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, three series of Industrial Development Bonds were issued with an aggregate par value of \$20 million. As of September 30, 2015, there were forty-five series of Industrial Development Bonds outstanding, with an estimated aggregate principal amount payable of \$632 million.

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

COMPONENT UNIT – Solid Waste Authority (SWA)

Note Payable

On January 9, 2008, the SWA entered into an \$80 million Subordinated Improvement Revenue Note, Series 2008 (the “Series 2008 Note”) with CitiCapital Municipal Finance to finance costs incurred in connection with the relocation of facilities and improvements to the solid waste system. Interest on the outstanding principal balance of the Series 2008 Note accrues at a rate equivalent to 65% of the one month LIBOR rate plus 82 basis points (approximately 0.94% at September 30, 2015) and is due semi-annually in arrears on April 1st and October 1st. The outstanding principal balance on the Series 2008 Note was \$52 million at September 30, 2015 and is payable in annual installments of \$4 million on October 1st through maturity on October 1, 2027. Borrowings on the Series 2008 Note are payable from and secured by a pledge of the net revenues of the solid waste system and all monies and amounts held under the SWA’s trust indenture, subordinate to the lien and pledge of net revenues and trust amounts for repayment of the SWA’s bonds. The Series 2008 Note may be prepaid by the SWA on any principal or interest payment date.

Revenue Bonds Payable

Revenue bonds payable by the SWA at September 30, 2015 are summarized as follows:

Series 2015	\$	50,330,000
Series 2011		570,000,000
Series 2009		250,955,000
Unamortized premium and discount, net		53,593,763
Net revenue bonds payable		924,878,763
Less current maturities		(8,140,000)
 Revenue bonds payable, long-term portion	 \$	 916,738,763

Series 2015: \$50,330,000 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Series 2015 dated February 19, 2015. The Series 2015 Bonds, in conjunction with approximately \$83.8 million in the SWA’s 2008B Project Account, \$3.0 million from the 2008B Interest Account, and \$6.2 million from the Debt Service Reserve Fund provided funding to advance refund and defease all of the SWA’s outstanding Improvement Revenue Bonds, Series 2008B and pay the cost of issuance of the Series 2015 Bonds.

The advance refunding of the Series 2008B by the SWA reduced its aggregate debt service payments by approximately \$47,004,000 over the life of the bonds and produced an economic gain (the difference between the present values of the old and new debt service payments) of approximately \$20,385,000. Interest on the Series 2015 Bonds is payable semiannually on April 1st and October 1st and principal payments are due on October 1st, with the final payment due on October 1, 2028.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

The debt service requirements and interest rates of the Series 2015 Bonds are as follows:

Year Ending September 30	Interest Rate	Principal	Interest	Total
2016	5.00%	\$ -	\$ 2,810,092	\$ 2,810,092
2017	5.00	-	2,516,500	2,516,500
2018	5.00	-	2,516,500	2,516,500
2019	5.00	-	2,516,500	2,516,500
2020	5.00	-	2,516,500	2,516,500
2021	5.00	-	2,516,500	2,516,500
2022	5.00	-	2,516,500	2,516,500
2023	5.00	-	2,516,500	2,516,500
2024	5.00	-	2,516,500	2,516,500
2025	5.00	-	2,516,500	2,516,500
2026	5.00	10,870,000	2,244,750	13,114,750
2027	5.00	11,525,000	1,684,875	13,209,875
2028	5.00	12,130,000	1,093,500	13,223,500
2029	5.00	15,805,000	395,125	16,200,125
		<u>\$ 50,330,000</u>	<u>\$ 30,876,842</u>	<u>\$ 81,206,842</u>

Series 2011: \$599,860,000 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Series 2011 dated October 26, 2011. The Series 2011 Bonds, in conjunction with the refunded Series 2010 Bonds, provided funding for the acquisition and construction of the Renewable Energy Facility #2 (REF #2) mass burn facility, funding for the corresponding Debt Service Reserve Account, and funds for the cost of issuance of the Series 2011 Bonds.

Interest on the Series 2011 Bonds is payable semi-annually on April 1st and October 1st and principal payments are due on October 1st, with the final payment due on October 1, 2031.

The debt service requirements and interest rates of the Series 2011 Bonds are as follows:

Year Ending September 30	Interest Rate	Principal	Interest	Total
2016	3.00-5.00	\$ 5,045,000	\$ 28,012,275	\$ 33,057,275
2017	3.00	4,620,000	27,855,650	32,475,650
2018	3.50-5.00	15,045,000	27,419,000	42,464,000
2019	4.00-5.00	16,750,000	26,652,900	43,402,900
2020	4.00-5.00	18,515,000	25,811,275	44,326,275
2021	3.00-5.00	21,370,000	24,869,900	46,239,900
2022	4.00-5.00	20,340,000	23,882,900	44,222,900
2023	4.00-5.00	21,285,000	22,864,025	44,149,025
2024	5.00	22,310,000	21,775,900	44,085,900
2025	5.00	33,095,000	20,390,775	53,485,775
2026	5.00	42,045,000	18,512,275	60,557,275
2027	4.25-5.00	44,310,000	16,354,881	60,664,881
2028	4.25-5.00	46,600,000	14,085,094	60,685,094
2029	4.25-5.00	52,045,000	11,621,931	63,666,931
2030	4.25-5.00	65,545,000	8,685,144	74,230,144
2031	4.25-5.00	68,820,000	5,329,000	74,149,000
2032	4.25-5.00	72,260,000	1,805,000	74,065,000
		<u>\$ 570,000,000</u>	<u>\$ 325,927,925</u>	<u>\$ 895,927,925</u>

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Series 2009: \$261,545,000 Solid Waste Authority of Palm Beach County Improvement Revenue Bonds, Series 2009 dated April 23, 2009. The Series 2009 Bonds proceeds were used for funding various solid waste system projects, funding a deposit to the Debt Service Reserve Account, purchasing a bond insurance policy on the Series 2009 Bonds, and paying the costs of issuance for the Series 2009 Bonds. Interest on the Series 2009 Bonds is payable semi-annually on April 1st and October 1st and principal payments are due on October 1st, with the final payment due on October 1, 2028. For marketing purposes, the 2009 bonds maturing on October 1, 2017 through October 1, 2023 were offered with two different coupon rates and prices producing identical yields.

The debt service requirements and interest rates of the Series 2009 Bonds are as follows:

Year Ending September 30	Interest Rate	Principal	Interest	Total
2016	3.10%	\$ 3,095,000	\$ 12,808,708	\$ 15,903,708
2017	3.40	3,650,000	12,698,685	16,348,685
2018	4.00-5.00	22,485,000	12,096,635	34,581,635
2019	4.00-5.25	23,690,000	10,955,991	34,645,991
2020	4.00-5.25	25,025,000	9,732,879	34,757,879
2021	4.25-5.50	26,400,000	8,406,410	34,806,410
2022	4.50-5.25	27,935,000	6,973,166	34,908,166
2023	4.60-5.50	29,525,000	5,437,318	34,962,318
2024	4.75-5.50	31,270,000	3,775,306	35,045,306
2025	5.00	22,410,000	2,359,650	24,769,650
2026	5.00	7,920,000	1,601,400	9,521,400
2027	5.00	8,335,000	1,195,025	9,530,025
2028	5.00	8,855,000	765,275	9,620,275
2029	5.25	10,360,000	271,950	10,631,950
		<u>\$ 250,955,000</u>	<u>\$ 89,078,398</u>	<u>\$ 340,033,398</u>

Advance Refundings

Series 2008B: \$131,565,000 Solid Waste Authority of Palm Beach County Improvement Revenue Bonds, Series 2008B dated November 25, 2008. The Series 2008B Bonds provided funding for various solid waste system projects, a deposit to the Debt Service Reserve Account, and the costs of issuance for the Series 2008B Bonds. On February 19, 2015, the proceeds of the sale of the Series 2015 Bonds, together with funds contributed by the SWA, after payment of costs of issuance, were deposited into the Series 2008B special fund, an irrevocable trust with an independent trustee created under the Indenture. The trustee of the Special Fund invested the amounts on deposit in cash and U.S. Government Securities to provide for all future debt service payments when due. As a result, the Series 2008B Bonds are considered to be “defeased” and do not constitute a debt or indebtedness of the SWA, nor is the SWA obligated for repayment of these bonds. During 2015, the SWA incurred a loss of approximately \$24,584,000 on the defeasance of Series 2008B Bonds.

Series 2002: \$30,560,000 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Series 2002A and \$39,869,386 Revenue Bonds, Series 2002B, both dated November 7,

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2002. The Series 2002B Bonds include term bonds of \$1,135,000 and capital appreciation bonds of \$38,734,386. The Series 2002 Bonds proceeds were used for currently refunding the Series 1992 bonds due on December 1, 2003 and thereafter, for capital improvements to the solid waste system, and paying the costs of issuance for the Series 2002 Bonds.

Net proceeds of approximately \$31.3 million from the Series 2002A Bonds plus approximately \$740,000 of sinking fund monies were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide sufficient funds to call and retire the remaining \$30,530,000 Series 1992 Bonds on December 12, 2002. The advance refunding of the Series 1992 Bonds by the SWA reduced its aggregate debt service payments by approximately \$1,984,000 over the life of the bonds and produced an economic gain (the difference between the present values of the old and new debt service payments) of approximately \$1,162,000. Interest on the Series 2002 Bonds, except for the \$38,734,386 Series 2002B capital appreciation bonds, is payable semi-annually on April 1st and October 1st and principal payments are due October 1st.

On September 6, 2013, the SWA deposited approximately \$24.3 million of available SWA monies into an escrow account to defease \$13,769,586 of 2002B Bonds that have a scheduled maturity date of October 1, 2014. This transaction resulted in a loss on extinguishment of the debt in the amount of approximately \$1,195,000.

On September 11, 2014, the SWA deposited approximately \$24.3 million of available SWA monies into an escrow account to defease \$12,961,000 of 2002B Bonds that have a scheduled maturity date of October 1, 2015. This transaction resulted in a loss on extinguishment of the debt in the amount of approximately \$1,195,000.

On September 14, 2015, the SWA deposited approximately \$24 million of available SWA monies into an escrow account to defease \$12,003,800 of 2002B Bonds that have a scheduled maturity date of October 1, 2016. This transaction resulted in a loss on extinguishment of the debt in the amount of approximately \$1,108,000. As of September 30, 2015, the entire Series 2002B Bonds Payable has been defeased.

Annual Maturities: The aggregate maturities for the outstanding bonds of the SWA, including total interest of \$445,883,165 are as follows:

Year Ending September 30	Revenue Bonds
2016	\$ 51,771,075
2017	51,340,835
2018	79,562,135
2019	80,565,391
2012	81,600,654
2021-2025	409,257,850
2026-2030	414,856,225
2031-2032	148,214,000
	\$ 1,317,168,165

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Interest Expense: Total interest costs incurred on all SWA debt for the years ended September 30, 2015 and 2014 were \$46,842,199 and \$51,267,999, respectively. For the years ended September 30, 2015 and 2014, net interest costs (net of interest revenue on construction funds of \$10,588 and \$182,017 in 2015 and 2014, respectively) of \$23,419,811 and \$28,460,431, respectively, were capitalized on construction in progress and \$23,411,800 and \$22,625,551, respectively, was expensed.

Defeased Bonds: In 2012, the SWA defeased \$11,479,972 Refunding Revenue Bonds, Series 1998A, by placing available cash in an irrevocable trust to provide for all future debt service payments on these bonds. In 2014, the defeased Series 1998A Bonds were paid in full. In 2014 and 2015, the SWA defeased \$12,961,000 and \$12,003,800 of Revenue Bonds, Series 2002B, respectively, by placing cash in an irrevocable trust to provide for all future debt service payments on these bonds. At September 30, 2015, defeased Series 2002B Revenue Bonds totaling \$24,964,800 remain outstanding. In 2015, the SWA defeased \$131,565,000 of Revenue Bonds, Series 2008B by placing cash in an irrevocable trust to provide for all future debt service payments on these bonds. At September 30, 2015, defeased Series 2008B Refunding Bonds totaling \$131,565,000 remain outstanding.

Changes in Noncurrent Liabilities

Changes in long-term debt for the year ended September 30, 2015 are summarized as follows:

September 30, 2015	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Compensated absences	\$ 4,627,277	\$ 2,754,592	\$ 2,422,532	\$ 4,959,337	\$ 283,178
Advance capacity payment	56,643,942	-	621,096	56,022,846	2,981,260
Landfill closure and postclosure care costs	45,672,184	2,955,278	339,833	48,287,629	332,050
Note Payable, Series 2008	56,000,000	-	4,000,000	52,000,000	4,000,000
Accrued interest payable on capital appreciation bonds	9,726,691	1,062,335	10,789,026	-	-
Revenue Bonds					
Series 2015		50,330,000	-	50,330,000	-
Series 2011	580,700,000	-	10,700,000	570,000,000	5,045,000
Series 2009	253,850,000	-	2,895,000	250,955,000	3,095,000
Series 2008B	131,565,000	-	131,565,000	-	-
Series 2002B	12,003,800	-	12,003,800	-	-
Totals	<u>\$ 1,150,788,894</u>	<u>\$ 57,102,205</u>	<u>\$ 175,336,287</u>	1,032,554,812	<u>\$ 15,736,488</u>
Unamortized premium and discount, net				53,593,763	
Current maturities				<u>(15,736,488)</u>	
Net Long-term debt				<u>\$ 1,070,412,087</u>	

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14. PLEDGED REVENUES

The County has pledged a portion of future non-ad valorem revenues to repay \$728.3 million in revenue bonds, notes and loans issued between July 10, 1990 and May 20, 2015. A ten year history of the pledged revenues is 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 Nov 1, 2043. Total principal and interest remaining to be paid on the bonds is \$1 billion with annual requirements ranging from \$81.2 million in fiscal year 2017 decreasing to \$1.8 million in fiscal year 2044. The pledged non-ad valorem revenues, from which the appropriations will be made, have averaged \$380.5 million per year over the last 10 years. Principal and interest paid for the current year and total pledged non-ad valorem revenues were \$102.1 million and \$400.5 million, respectively.

The County has pledged future airport revenues net of specified operating expenses to repay \$85.9 million in airport revenue bonds issued between July 3, 2002 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 \$140.2 million with annual requirements ranging from \$6.8 million in fiscal year 2016 decreasing to \$6.2 million in fiscal year 2037. Annual principal and interest payments on the bonds are expected to require less than 27% of projected future net revenues. Principal and interest paid for the current year and net operating income before interest expense were \$6.8 million and \$22.9 million, respectively.

The County has pledged future water utility revenues net of specified operating expenses to repay \$183.8 million in water and sewer revenue bonds issued between July 8, 2003 and March 11, 2015. 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 \$287.3 million with annual requirements ranging from \$16.9 million in fiscal year 2018 decreasing to \$211,250 in fiscal years 2039 and 2040. 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 \$16.2 million and \$83.5 million, respectively.

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15. COMMITMENTS

Outstanding Purchase Orders and Contracts

Purchase orders and contracts (including construction contracts) had been executed, but goods and services were not received in the amounts shown below as of September 30, 2015:

Governmental Activities:	Amount
Major funds:	
General Fund	\$ 2,266,169
Fire Rescue Special Revenue Fund	5,120,004
Road Program Capital Projects Fund	31,107,842
General Government Capital Projects Fund	64,814,275
Total major funds	103,308,290
Nonmajor governmental activities	
Total governmental activities	37,776,910
	141,085,200
Business-type Activities:	
Airports	38,956,141
Water Utilities	41,080,000
Total business-type activities	80,036,141
Total commitments	\$ 221,121,341

Because the budget authority for these amounts lapses at fiscal year-end, they are not reported as either encumbrances or liabilities in the financial statements. Funds are appropriated at the beginning of each fiscal year to provide for these commitments. These amounts are presented as restricted, committed, or assigned in the Statement of Net Position or Balance Sheets, as appropriate, based on the purpose of the funding.

County Home

The County has an inter-local agreement with the Palm Beach County Health Care District (the District) regarding the Medicaid Match and the County Home and General Care Facility (County Home). The agreement ends in July 2035 and provides that the County will make a fixed annual payment 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.

Max Planck

The County has 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 ends in July 2023. The County, MPFC and FAU entered into a sublease agreement to lease a portion of the John D. MacArthur Campus of FAU

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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 \$78.5 million towards this commitment through September 30, 2015.

Tri-County Commuter Rail Authority

Pursuant to Chapter 343 of the Florida Statutes, the South Florida Regional Transportation Authority (SFRTA) was created and established as an agency of the State to own, operate, maintain, and manage a transit system in the tri-county area of Miami-Dade, Broward, and Palm Beach Counties.

A state-authorized, local option recurring funding source available to the tri-counties is directed to SFRTA to fund its capital, operating, and maintenance expenses if the counties dedicate and transfer annually not less than \$2.67 million. In addition, each county shall continue to annually fund the operations of SFRTA in an amount not less than \$1.565 million. The total annual commitment for Palm Beach County is \$4.235 million.

COMPONENT UNIT - Solid Waste Authority (SWA)

Contract Commitments: SWA has several uncompleted construction contracts for improvements to the solid waste system. The construction is being funded primarily from existing capital improvement funds and bond proceeds. At September 30, 2015 the uncompleted contracts are summarized as follows:

	<u>Contract Amount</u>	<u>Approved Payments</u>	<u>Retainage Payable</u>	<u>Remaining Contract Commitment</u>
Bond Funds	<u>\$678,944,516</u>	<u>\$611,991,550</u>	<u>\$22,526,708</u>	<u>\$44,426,258</u>

In addition to the construction contract commitments, SWA also had outstanding purchase commitments for various equipment, goods and services totaling approximately \$12.1 million at September 30, 2015.

Interlocal Agreement: SWA entered into an interlocal agreement with Palm Beach County to provide funding for a hazardous materials emergency response team to provide regional hazardous materials investigation and mitigation services through the fiscal year ending September 30, 2017.

SWA paid \$1,996,069 for 2015. SWA is required to pay \$2,055,951 under this agreement for the fiscal year ended September 30, 2016. The amount due each year can increase up to 3% per year.

Lease Commitments: SWA owns approximately 1,600 acres of farmland in western Palm Beach County, which is held as a replacement waste disposal site. SWA has an operating lease expiring in 2018 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, 2015 was approximately \$260,000. The

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carrying value of the land subject to the lease was approximately \$8 million at September 30, 2015. The lease also provides the option to extend the term for three additional periods of four years each (through 2030), under the same terms and conditions. SWA retains the right to terminate the lease, in part, for areas designated for landfill 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, 2015 was approximately \$150,000. The minimum future rental payments based on an annual increase of 3 percent, under this operating lease at September 30, 2015 were as follows:

Year Ending September 30,	Amount
2016	\$ 154,239
2017	158,866
2018	163,632
2019	168,541
2020	<u>173,597</u>
	<u>\$ 818,875</u>

Landfill Closure and Postclosure Care Costs

The SWA operated one active landfill site for the year ended September 30, 2015. In addition, the SWA is responsible for two landfill sites closed after 1991 and three landfill sites closed prior to 1991. 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 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 position date.

Landfill closure and postclosure care liabilities at September 30, 2015 are as follows:

Accrued closure and postclosure care costs	\$ 44,967,125
Accrued postclosure care for closed landfills	3,320,504
Total Accrued Landfill Closure Costs	<u>\$ 48,287,629</u>

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The \$44,967,125 of accrued closure and postclosure care liabilities at September 30, 2015 represents the cumulative cost based on the use of 44.3% of the estimated capacity of the operating landfill. The SWA will recognize the remaining estimated cost of closure and postclosure care of approximately \$67.3 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 2015. Based on current demographic information and engineering estimates of landfill consumption, the SWA expects to close the landfill in approximately 2047. 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, 2015 cash and cash equivalents of \$31,596,648 were held for these purposes. These amounts are reported as noncurrent restricted assets on the statements of net position. 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.

At September 30, 2015, the statutorily required escrow account balances were as follows:

Site	
Site 7 closure costs	\$ 29,062,990
Dyer landfill long-term care	332,050
	\$ 29,395,040

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, 2015; 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.

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. 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,

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based upon consultation with legal counsel, that the outcome of these matters would not have a material adverse effect 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.

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.

COMPONENT UNIT - 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.

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17. RESTATEMENTS AND RECLASSIFICATIONS

Restatement for Adoption of New Accounting Standard

The County implemented GASB Statement No. 68, “*Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*” and GASB Statement No. 71, “*Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*” during the fiscal year ended September 30, 2015. As a result of the implementation of these statements, the County was required to restate Net Position in the Government-Wide financial statements and the Proprietary fund financial statements to report the County’s net pension liability and related pension amounts for the defined benefit plans. Accordingly, beginning Net Position has been restated as follows:

Government-Wide Financial Statements:

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Westgate CRA	Solid Waste Authority
Net position, as originally reported, October 1, 2014	\$2,233,294,303	\$1,507,142,043	\$3,740,436,346	\$8,169,596	\$589,349,157
Cumulative effect of GASB Statements No. 68 and 71 implementation	(706,878,615)	(23,670,174)	(730,548,789)	(219,085)	(15,391,134)
Other adjustments	187,798	-	187,798	-	-
Net position, as restated, October 1, 2014	<u>\$1,526,603,486</u>	<u>\$1,483,471,869</u>	<u>\$3,010,075,355</u>	<u>\$7,950,511</u>	<u>\$573,958,023</u>

The implementation of GASB Statement Nos. 68 and 71 resulted in the County recording deferred outflows of \$68,810,401, deferred inflows of \$378,790,286, and a net pension liability of \$420,568,904 as of October 1, 2014, related to their pension plans in the Government-Wide financial statements for the Primary Government.

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Fund Financial Statements:

	Governmental Fund	Proprietary Funds	
	General Fund	Airports	Water Utilities
Net position, as originally reported, October 1, 2014	\$184,128,979	\$414,662,935	\$1,085,098,190
Cumulative effect of GASB Statements No. 68 and 71 implementation	-	(5,301,591)	(18,368,583)
Other adjustments	187,798	-	-
Net position, as restated, October 1, 2014	<u>\$184,316,777</u>	<u>\$409,361,344</u>	<u>\$1,066,729,607</u>

The implementation of GASB Statement Nos. 68 and 71 resulted in the County recording deferred outflows of \$2,234,260, deferred inflows of \$12,272,123, and a net pension liability of \$13,632,311 as of October 1, 2014, related to their pension plans in the Proprietary fund financial statements.

Reclassifications

In addition, in the current year the Community & Social Development Special Revenue Fund (previously a Major Fund) was split into two separate funds; the Community & Social Development Special Revenue Fund (a Non-Major Fund) and the Housing and Economic Development Special Revenue Fund (a Non-Major Fund) for financial reporting purposes. As a result, this affected the beginning fund balance for these funds as follows:

	Major Fund	Non-Major Funds	
	Community & Social Development Special Revenue Fund	Community & Social Development Special Revenue Fund	Housing & Economic Development Special Revenue Fund
Fund balance, as originally reported, October 1, 2014	\$ 7,215,310	\$ -	\$ -
Community & Social Development Special Revenue fund	(4,255,454)	4,255,454	-
Housing & Economic Development Special Revenue fund	(2,959,856)	-	2,959,856
Fund balance, as restated, October 1, 2014	<u>\$ -</u>	<u>\$ 4,255,454</u>	<u>\$ 2,959,856</u>

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

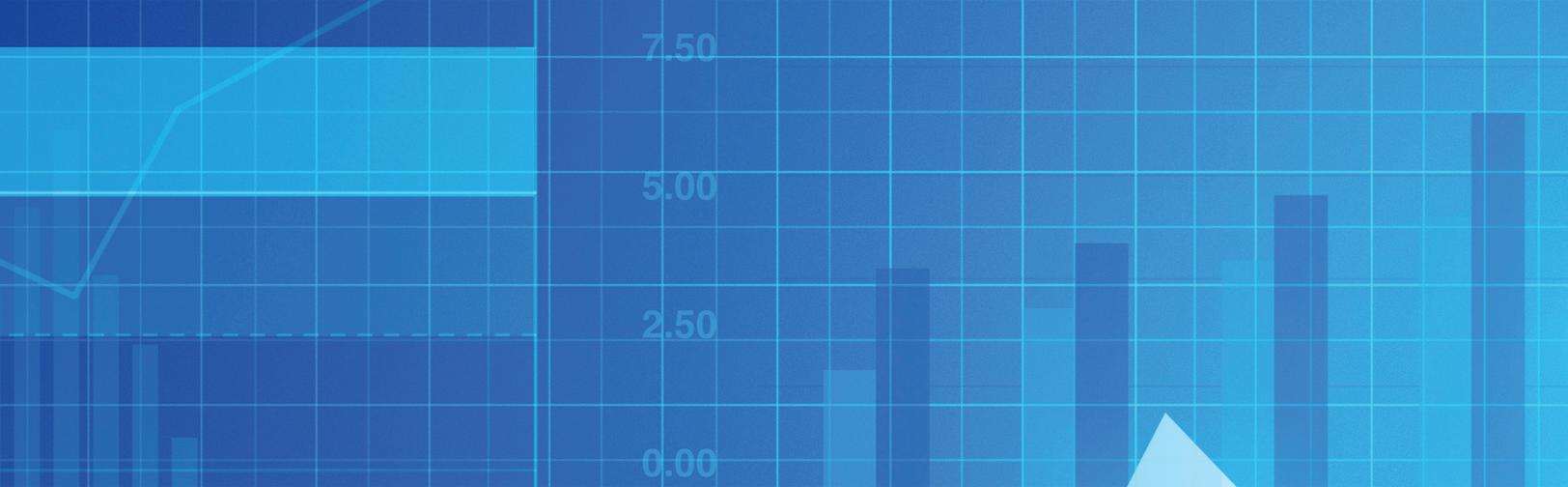
18. SUBSEQUENT EVENTS

On October 14, 2015, the County issued \$18,805,000 Public Improvement Taxable Revenue Bonds (Max Planck Project), Series 2015B as a direct bank placement. This direct bank placement loan was issued to fulfill the grant agreement between the County and the Max Planck Florida Corporation for the construction and operation of a Biomedical Research Facility in Palm Beach County.

On December 9, 2015, the County issued \$122,005,000 Public Improvement Revenue Bonds (Professional Sports Franchise Facility Project). The issuance was comprised of a \$65,360,000 Taxable Series 2015 C (the "Series 2015C Bonds") and a \$56,645,000 Tax Exempt Series 2015D (the "Series 2015D Bonds"). The bonds are being issued by the County for the purpose of providing funds, together with other legally available moneys of the County, to (i) finance the construction and equipping of a professional sports franchise facility and pay certain costs related and incidental thereto, and (ii) pay costs of issuance of the Bonds.

On April 27, 2016, the County issued \$121,035,000 Revenue Refunding Bonds, Series 2016. The bonds are being issued by the County for the purpose of providing funds, together with other available moneys, to (i) pay and defease a portion of its outstanding Public Improvement Revenue Bonds, Series 2008, and (ii) pay costs of issuance of the Bonds.





Required Supplementary Information

The Required Supplementary Information subsection includes the following schedules:

- Schedules of the Proportionate Share of the Net Pension Liability for the Florida Retirement System and Health Insurance Subsidy Pension Plans - County and Solid Waste Authority (a Component Unit)
- Schedules of Contributions for the Florida Retirement System and Health Insurance Subsidy Pension Plans - County and Solid Waste Authority (a Component Unit)
- Schedules of Changes in the Net Pension Liability and Related Ratios for the Palm Tran and Lantana Pension Plans
- Schedules of Investment Returns for the Palm Tran and Lantana Pension Plans
- Schedules of Contributions for the Palm Tran and Lantana Pension Plans
- Schedules of funding progress related to the Palm Beach County Healthcare Plans and the Fire-Rescue Long-Term Disability Plan
- Schedule of funding progress for the Solid Waste Authority's Healthcare Plan (a Component Unit)

PALM BEACH COUNTY, FLORIDA
 Schedule of the County's Proportionate Share of the Net Pension Liability-
 Florida Retirement System Pension Plan
 Last Ten Fiscal Years *
 (Required Supplementary Information)

	<u>2015</u>	<u>2014</u>
County's proportion of the FRS net pension liability	3.15%	3.16%
County's proportionate share of the FRS net pension liability	\$ 406,204,159	\$ 192,829,398
County's covered-employee payroll	\$ 585,549,661	\$ 575,072,943
County's proportionate share of the FRS net pension liability as a percentage of its covered payroll	69.4%	33.5%
FRS Plan fiduciary net position as a percentage of the total pension liability	92.00%	96.09%

* The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal years 2014 and 2015 is available.

PALM BEACH COUNTY, FLORIDA
Schedule of the County's Proportionate Share of the Net Pension Liability-
Health Insurance Subsidy Pension Plan
Last Ten Fiscal Years *
(Required Supplementary Information)

	<u>2015</u>	<u>2014</u>
County's proportion of the HIS net pension liability	2.32%	2.32%
County's proportionate share of the HIS net pension liability	\$ 236,405,210	\$ 216,601,747
County's covered-employee payroll	\$ 585,549,661	\$ 575,072,943
County's proportionate share of the HIS net pension liability as a percentage of its covered payroll	40.4%	37.7%
HIS Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.99%

* The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal years 2014 and 2015 is available.

PALM BEACH COUNTY, FLORIDA
 Schedule of County Contributions-
 Florida Retirement System Pension Plan
 Last Ten Fiscal Years
 (Required Supplementary Information)

	<u>2015</u>	<u>2014</u>
Contractually required FRS contribution	\$ 89,482,686	\$ 83,794,037
FRS contributions in relation to the contractually required contribution	<u>\$ 89,482,686</u>	<u>\$ 83,794,037</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 579,003,748	\$ 563,609,163
FRS contributions as a percentage of covered employee payroll	15.5%	14.9%

Note: The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for 2014 and 2015 is available.

PALM BEACH COUNTY, FLORIDA
 Schedule of County Contributions-
 Health Insurance Subsidy Pension Plan
 Last Ten Fiscal Years
 (Required Supplementary Information)

	<u>2015</u>	<u>2014</u>
Contractually required HIS contribution	\$ 7,295,447	\$ 6,763,310
HIS contributions in relation to the contractually required contribution	<u>\$ 7,295,447</u>	<u>\$ 6,763,310</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 579,003,748	\$ 563,609,163
HIS contributions as a percentage of covered employee payroll	1.3%	1.2%

Note: The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for 2014 and 2015 is available.

PALM BEACH COUNTY, FLORIDA
Solid Waste Authority - Component Unit
Schedule of Proportionate Share of the Net Pension Liability-
Florida Retirement System Pension Plan
Last Ten Fiscal Years *
(Required Supplementary Information)

	<u>2015</u>	<u>2014</u>
Proportion of the FRS net pension liability	0.626365%	0.630379%
Proportionate share of the FRS net pension liability	\$ 8,090,343	\$ 3,848,240
SWA's covered-employee payroll	\$ 18,723,083	\$ 19,815,911
SWA's proportionate share of the FRS net pension liability as a percentage of its covered payroll	43.21%	19.42%
FRS Plan fiduciary net position as a percentage of the total pension liability	92.00%	96.09%

* The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal years 2014 and 2015 is available.

PALM BEACH COUNTY, FLORIDA
Solid Waste Authority - Component Unit
Schedule of the Proportionate Share of the Net Pension Liability-
Health Insurance Subsidy Pension Plan
Last Ten Fiscal Years *
(Required Supplementary Information)

	<u>2015</u>	<u>2014</u>
Proportion of the HIS net pension liability	0.7395560%	0.0745754%
Proportionate share of the HIS net pension liability	\$ 7,542,309	\$ 6,972,985
SWA's covered-employee payroll	\$ 22,039,025	\$ 22,152,039
SWA's proportionate share of the HIS net pension liability as a percentage of its covered payroll	34.22%	31.48%
HIS Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.99%

* The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal years 2014 and 2015 is available.

PALM BEACH COUNTY, FLORIDA
Solid Waste Authority - Component Unit
Schedule of Employer Contributions-
Florida Retirement System Pension Plan
Last Ten Fiscal Years
(Required Supplementary Information)

	<u>2015</u>	<u>2014</u>
Contractually required FRS contribution	\$ 1,426,153	\$ 1,332,111
FRS contributions in relation to the contractually required contribution	<u>\$ 1,426,153</u>	<u>\$ 1,332,111</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
SWA's covered-employee payroll	\$ 18,723,083	\$ 19,815,911
FRS contributions as a percentage of covered employee payroll	7.62%	6.72%

Note: The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for 2014 and 2015 is available.

PALM BEACH COUNTY, FLORIDA
Solid Waste Authority - Component Unit
Schedule of Contributions-
Health Insurance Subsidy Pension Plan
Last Ten Fiscal Years
(Required Supplementary Information)

	<u>2015</u>	<u>2014</u>
Contractually required HIS contribution	\$ 310,975	\$ 257,664
HIS contributions in relation to the contractually required contribution	<u>\$ 310,975</u>	<u>\$ 257,664</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
SWA's covered-employee payroll	\$ 22,039,025	\$ 22,152,039
HIS contributions as a percentage of covered employee payroll	1.41%	1.16%

Note: The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for 2014 and 2015 is available.

PALM BEACH COUNTY, FLORIDA
Schedule of Changes in the Net Pension Liability and Related Ratios
Palm Tran Pension Plan
September 30, 2015
(Required Supplementary Information)

	2014
Total pension liability	
Service cost	\$ 3,517,163
Interest	7,920,953
Changes of benefit terms	-
Differences between expected and actual experience	1,780,535
Change of assumptions	-
Benefit payments, including refunds of member contributions	(4,626,680)
Net change in total pension liability	8,591,971
Total pension liability- beginning	98,038,801
Total pension liability- ending (a)	106,630,772
 Plan fiduciary net position	
Contributions - employer	7,205,534
Contributions - employee	684,731
Net investment income	4,845,252
Benefit payments, including refunds of member contributions	(4,626,680)
Administrative expense	(223,302)
Other	-
Net change in plan fiduciary net position	7,885,535
Plan fiduciary net position - beginning	80,065,768
Plan fiduciary net position - ending (b)	87,951,303
 Net pension liability - ending (a) - (b)	\$ 18,679,469
 Plan fiduciary net position as a percentage of the total pension liability	82.5%
 Covered payroll	\$ 24,661,404
 Net pension liability as a percentage of covered employee payroll	75.7%

Notes:

- (1) This schedule will be updated each year until a 10-year history is accumulated.
- (2) Amounts are as of December 31 of each year.

PALM BEACH COUNTY, FLORIDA
Schedule of Changes in the Net Pension Liability and Related Ratios
Lantana Pension Plan
September 30, 2015
(Required Supplementary Information)

	2015	2014
Total pension liability		
Service cost	\$ 450,605	\$ 535,323
Interest	2,605,711	2,494,851
Changes of benefit terms	-	-
Differences between expected and actual experience	1,014,242	-
Change of assumptions	-	-
Benefit payments, including refunds of member contributions	(1,828,169)	(1,375,968)
Net change in total pension liability	2,242,389	1,654,206
Total pension liability- beginning	33,260,167	31,605,961
Total pension liability- ending (a)	35,502,556	33,260,167
Plan fiduciary net position		
Contributions - employer and state	1,725,181	1,761,403
Contributions - employee	244,101	263,191
Net investment income	(550,596)	2,671,295
Benefit payments, including refunds of member contributions	(1,828,169)	(1,375,968)
Administrative expense	(60,354)	(48,365)
Other	18,127	13,310
Net change in plan fiduciary net position	(451,710)	3,284,866
Plan fiduciary net position - beginning	32,889,907	28,314,454
Prior Period Adjustment	-	1,290,587
Plan fiduciary net position - ending (b)	32,438,197	32,889,907
Net pension liability - ending (a) - (b)	\$ 3,064,359	\$ 370,260
Plan fiduciary net position as a percentage of the total pension liability	91.4%	98.9%
Covered payroll	\$ 1,914,133	\$ 2,119,708
Net pension liability as a percentage of covered employee payroll	160.1%	17.5%

Notes:

- (1) This schedule will be updated each year until a 10-year history is accumulated.
- (2) Amounts are as of September 30 of each year.

PALM BEACH COUNTY, FLORIDA
Schedule of Investment Returns
Palm Tran Pension Plan
September 30, 2015
(Required Supplementary Information)

	2014
Annual money-weighted rate of return, net of investment expense	<u>6.6%</u>

- Notes: (1) This schedule will be updated each year until a 10-year history is accumulated.
(2) The above is as provided by the investment monitor.
(3) Amounts are as of December 31 of each year.

PALM BEACH COUNTY, FLORIDA
Schedule of Investment Returns
Lantana Pension Plan
September 30, 2015
(Required Supplementary Information)

	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	8.0%	8.0%

Notes: (1) This schedule will be updated each year until a 10-year history is accumulated.
(2) Amounts are as of September 30 of each year.

PALM BEACH COUNTY, FLORIDA
Schedule of Contributions
Palm Tran Pension Plan
September 30, 2015
(Required Supplementary Information)

Year Ending September 30,	2015
Actuarially determined contribution	\$ 5,029,111
Contributions in relation to the actuarially determined contribution	5,148,840
Contribution deficiency (excess)	<u>\$ (119,729)</u>
Covered-employee payroll	\$ 28,129,612
Actuarially determined contribution as a percentage of covered-employee payroll	17.9%
Actual contributions as a percentage of covered employee payroll	18.3%

This schedule will be updated until a 10-year history is accumulated.

Notes to Schedule:

Methods and assumptions used to determine contributions:

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	17 year equivalent single amortization period as of January 1, 2014.
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	5% to 12.5%, including inflation
Investment rate of return	8.0%, net of investment expenses, including inflation
Retirement age	Tier 1 Members are assumed to retire at the earliest of age 65 with 5 years of service, age 62 with 10 years of service, or when age plus service equals 85. Tier 2 and 3 Members are assumed to retire at the earliest of 65 with 5 years of service, age 62 with 10 years of service, or at 33 years of service regardless of age. Tier 4 Members are assumed to retire at the earliest of 65 with 8 years of service or 62 with 10 years of service.
Mortality	RP-2000 Combined Mortality Table Fully Generational using Scale AA.

PALM BEACH COUNTY, FLORIDA
Schedule of Contributions
Lantana Pension Plan
September 30, 2015
(Required Supplementary Information)

	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,697,036	\$ 1,721,439
Contributions in relation to the actuarially determined contribution	1,697,036	1,721,439
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 1,914,133	\$ 2,119,708
Actuarially determined contribution as a percentage of covered-employee payroll	88.7%	81.2%
Actual contributions as a percentage of covered employee payroll	88.7%	81.2%

Notes to Schedule:

- (1) Amounts are as of September 30 of each year.
(2) This schedule will be updated each year until a 10-year history is accumulated.

Valuation Date September 30, 2014

Methods and assumptions used to determine contributions:

Actuarial cost method	Entry age Normal
Amortization method	Level Percent-of-Payroll, closed
Remaining amortization period	2-12 years, beginning October 1, 2015
Asset valuation method	5-year smoothed market
Wage Inflation	5.00%
Salary increases	7% including inflation
Investment rate of return	8.00%
Long-Term Municipal Bond Rate	3.71%
Retirement age	Age and Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2000 Mortality Table for males and females. There is no provision for future mortality improvement.

Other Information:

Notes	There were no benefit changes or assumption changes reflected in the TPL as of September 30, 2015.
Cost-of-Living Adjustment	For members receiving a retirement benefit and entering retirement on or after October 1, 2005, retirement income will be increased by 3.0% on October 1 of each year after the later of the date on which the retiree attains age 55 or one year after retirement.

REQUIRED SUPPLEMENTARY INFORMATION

Palm Beach County Primary Government Healthcare Plans Schedule of Funding Progress

County	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial 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	10/1/2009	\$ -	\$ 14,760,000	\$ 14,760,000	0.0%	\$ 253,793,723	5.8%
	10/1/2011	-	16,267,000	16,267,000	0.0%	241,965,767	6.7%
	10/1/2013	-	10,632,000	10,632,000	0.0%	242,102,185	4.4%
Tax Collector	10/1/2009	-	1,208,095	1,208,095	0.0%	10,945,091	11.0%
	10/1/2012	-	2,017,870	2,017,870	0.0%	13,184,831	15.3%
	10/1/2014	-	2,161,466	2,161,466	0.0%	13,881,307	15.6%
Property Appraiser	10/1/2009	-	348,156	348,156	0.0%	14,286,192	2.4%
	10/1/2012	-	192,396	192,396	0.0%	13,971,954	1.4%
	10/1/2014	-	238,420	238,420	0.0%	14,386,649	1.7%
Clerk & Comptroller	10/1/2009	-	5,202,000	5,202,000	0.0%	27,581,451	18.9%
	10/1/2011	-	6,200,857	6,200,857	0.0%	31,154,225	19.9%
	10/1/2013	-	6,041,155	6,041,155	0.0%	32,477,317	18.6%
Sheriff	1/1/2010	-	190,600,000	190,600,000	0.0%	269,750,942	70.7%
	1/1/2012	-	240,478,000	240,478,000	0.0%	257,194,182	93.5%
	10/1/2013	-	191,022,000	191,022,000	0.0%	281,188,646	67.9%
Fire Rescue Union	10/1/2010	23,359,477	129,760,000	106,400,523	18.0%	138,684,968	76.7%
	10/1/2012	39,708,000	173,654,000	133,946,000	22.9%	143,944,458	93.1%
	10/1/2014	45,156,000	186,453,000	141,297,000	24.2%	147,273,415	95.9%

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial 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)
10/1/2012	\$ -	\$ 9,026,331	\$ 9,026,331	0.0%	\$ 144,075,816	6.3%
10/1/2013	-	8,737,834	8,737,834	0.0%	143,944,458	6.1%
10/1/2014	-	9,818,416	9,818,416	0.0%	147,273,415	6.7%

Solid Waste Authority Healthcare Plan - Component Unit Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial 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)
10/1/2010	\$ -	\$ 724,000	\$ 724,000	0.0%	\$ 22,391,000	3.2%
10/1/2012	-	726,000	726,000	0.0%	21,558,000	3.4%
10/1/2014	-	742,000	742,000	0.0%	22,147,000	3.4%

Palm Beach County, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2015**

<u>Grantor</u>	<u>Program Title</u>	<u>CFDA CSFA</u>	<u>Contract/Grant #</u>	<u>ARRA</u>	<u>Expenditures</u>	<u>Pass Through to Subrecipients</u>
FEDERAL GRANTS						
<u>Child Nutrition Cluster</u>						
<u>US Dept of Agriculture</u>						
Passed Through: FL Dept of Agriculture and Consumer Services						
	2015 Summer Food Program	10.559	040781 (GY15)	NO	\$ 648,686	\$ -
	Total US Dept of Agriculture				648,686	-
	Total Child Nutrition Cluster				648,686	-
<u>Economic Development Cluster</u>						
<u>US Dept of Commerce</u>						
Direct Programs:						
	Economic Works Program / Regional Wastewater Improvements	11.307	04-79-06327	NO	18,115	-
	Total US Dept of Commerce				18,115	-
	Total Economic Development Cluster				18,115	-
<u>CDBG - Entitlement Grants Cluster</u>						
<u>US Dept of Housing & Urban Dev</u>						
Direct Programs:						
	NEIGHBORHOOD STABILIZATION PROGRAM	14.218	B-08-UN-12-0013	NO	177,837	45,504
	NEIGHBORHOOD STABILIZATION PROGRAM - 3	14.218	B11UN120013	NO	142,949	47,549
	FY13 Community Development Block Grant	14.218	B12UC120004	NO	1,412,952	1,412,952
	FY14 Community Development Block Grant	14.218	B13UC120004	NO	5,849,081	4,111,874
	Total US Dept of Housing & Urban Dev				7,582,819	5,617,879
	Total CDBG - Entitlement Grants Cluster				7,582,819	5,617,879
<u>CDBG - State-Administered CDBG Cluster</u>						
<u>US Dept of Housing & Urban Dev</u>						
Passed Through: FL Dept of Economic Opportunity						
	CDBG DISASTER RECOVERY INITIATIVE	14.228	07DB3V106001Z07	NO	988,604	988,604
	CDBG DISASTER RECOVERY INITIATIVE	14.228	08DBD3106001A07	NO	721,530	703,899
	CDBG DISASTER RECOVERY INITIATIVE	14.228	10DBK4106001K29	NO	986,078	964,659
	CDBG DISASTER RECOVERY INITIATIVE	14.228	12DBP5106001K43	NO	551,670	534,450
	Total US Dept of Housing & Urban Dev				3,247,882	3,191,612
	Total CDBG - State-Administered CDBG Cluster				3,247,882	3,191,612
<u>Fish and Wildlife Cluster</u>						
<u>US Dept of the Interior</u>						
Passed Through: FL Fish and Wildlife Conservation Commission						
	Juno Pier Site Artificial Reef (Federal Portion)	15.605	14020 (F)	NO	40,000	-
	Total US Dept of the Interior				40,000	-
	Total Fish and Wildlife Cluster				40,000	-

Palm Beach County, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2015**

JAG Program Cluster

US Dept of Justice

Direct Programs:

FY 2011 Justice Assistance Grant	16.738	2011DJBX2709	NO	8,958	-
FY13 Justice Assistance Grant	16.738	2013DJBX0144	NO	20,010	20,010
FY14 Criminal Justice Commission Initiatives	16.738	2014DJBX0381	NO	139,520	139,520
Passed Through: FL Dept of Law Enforcement					
Law Enforcement Exchange	16.738	2014JAGCPALM1E5214	NO	99,759	99,759
14-15 Drug Court	16.738	2015JAGCPALM1R3164	NO	168,606	168,606
14-15 Ex-Offender Reentry	16.738	2015JAGCPALM2R3188	NO	100,635	100,635
14-15 Law Enforcement Exchange	16.738	2015JAGCPALM3R3162	NO	38,163	38,163

Total US Dept of Justice

575,651 566,693

Total JAG Program Cluster

575,651 **566,693**

Highway Planning and Construction Cluster

US Dept of Transportation

Passed Through: FL Dept of Transportation

Hwy. Planning & Constr. -FHWA Surface Transportation Program	20.205	229253-3-54-01	NO	406,634	-
Historic Jupiter-Indiantown Trail Riverbend Pk to CCNA	20.205	42525925801	NO	548,068	-
Pantano Trail from Lox. Slough to Riverbend Park	20.205	42765425801	NO	72,809	-
CR880 Eastern Most 1.5 Miles/Design	20.205	43396113801	NO	(4,024)	-
CR880 Eastern Most 1.5 Miles/Construction	20.205	433961158/6801	NO	1,823,453	-
15-16 FHWA Planning Funds	20.205	PL009752A5359	NO	628,732	-
16-20 FHWA Planning Funds	20.205	PL009752G0276	NO	221,638	-

Total

3,697,310 -

US Dept of Transportation

Passed Through: FL Dept of Environmental Protection

Winding Waters Passive Recreational Facilities	20.219	T13009	NO	142,573	-
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Total

142,573 -

Total Highway Planning and Construction Cluster

3,839,883 -

Federal Transit Cluster

US Dept of Transportation

Direct Programs:

Fed. Transit Capital Investment - FY09 Section 5309	20.500	FL040094	NO	2,344	-
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Total

2,344 -

US Dept of Transportation

Direct Programs:

Fed. Transit Formula Grants - FY07 Section 5307	20.507	FL90X625	NO	3,206	-
Fed. Transit Formula Grants - FY08 Section 5307	20.507	FL90X673	NO	80,075	-
Fed. Transit Formula Grants - FY09 Section 5307	20.507	FL90X705	NO	344,676	-
Fed. Transit Formula Grants - FY10 Section 5307	20.507	FL90X735	NO	676,706	-
Fed. Transit Formula Grants - FY11 Section 5307	20.507	FL90X760	NO	256,983	-
Fed. Transit Formula Grants - FY12 Section 5307	20.507	FL90X812	NO	359,319	-
Fed. Transit Formula Grants - FY13 Section 5307	20.507	FL90X839	NO	6,928,777	-
Fed. Transit Formula Grants - FY14 Section 5307	20.507	FL90X84200	NO	5,896,527	-
Countywide Bus Purchase	20.507	FL95X06700	NO	3,000,000	-

Total

17,546,269 -

Total Federal Transit Cluster

17,548,613 -

Transit Services Programs Cluster

US Dept of Transportation

Passed Through: OTHER - South FL Regional Transit Authority

Route 94 Operations	20.516	FL37X05200	NO	30,702	-
Job Access - Reverse Commute (JARC), Route Improvements	20.516	FL37X08200	NO	54,232	-

Total US Dept of Transportation

84,934 -

Total Transit Services Programs Cluster

84,934 -

Palm Beach County, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2015**

Highway Safety Cluster

US Dept of Transportation

Passed Through: OTHER - University of South Florida

USF High Visibility Enforcement 20.600 BDV25 NO 123,934 -

Total US Dept of Transportation 123,934 -

Total Highway Safety Cluster 123,934 -

Aging Cluster

US Dept of Health & Human Svcs

Passed Through: OTHER - Area Agency on Aging of Palm Beach/Treasure Coast

2014 OAA Title III B Support Services 93.044 IA0139500(3B)(GY14) NO 232,149 -

2015 OAA Title III B Support Services 93.044 IA0139500(3B)(GY15) NO 440,488 -

FY13 & 14 Older Americans Act Title III-B 93.044 VA0139635 NO 84,932 -

CY15 Older Americans Act Title III-B 93.044 VA0149635 NO 240,448 -

Total 998,017 -

US Dept of Health & Human Svcs

Passed Through: OTHER - Area Agency on Aging of Palm Beach/Treasure Coast

2014 OAA Title III C1 Congregate Meals 93.045 IA0139500(3C1)(GY14) NO 33,388 -

2015 OAA Title III C1 Congregate Meals 93.045 IA0139500(3C1)(GY15) NO 422,704 -

2014 OAA Title III C2 Home Delivered Meals 93.045 IA0139500(3C2)(GY14) NO 126,997 -

2015 OAA Title III C2 Home Delivered Meals 93.045 IA0139500(3C2)(GY15) NO 398,381 -

Total 981,470 -

US Dept of Health & Human Svcs

Passed Through: OTHER - Area Agency on Aging of Palm Beach/Treasure Coast

13-14 Nutrition Services Incentive Program 93.053 IU0139500(GY13-GY14) NO 12,680 -

14-15 Nutrition Services Incentive Program 93.053 IU0139500(GY14-GY15) NO 181,707 -

Total 194,387 -

Total Aging Cluster 2,173,874 -

TANF Cluster

US Dept of Health & Human Svcs

Passed Through: FL Dept Children & Families

Homeless Prevention Grant 93.558 IPZ03 NO 57,912 -

Total US Dept of Health & Human Svcs 57,912 -

Total TANF Cluster 57,912 -

CSBG Cluster

US Dept of Health & Human Svcs

Passed Through: FL Dept of Economic Opportunity

2014 Community Services Block Grant 93.569 15SB0D106001021 NO 790,226 -

Total US Dept of Health & Human Svcs 790,226 -

Total CSBG Cluster 790,226 -

Foster Grandparent/Senior Companion Cluster

US Corp for Natl & Community Service

Passed Through: FL Dept of Elder Affairs

14-15 Senior Companion Program (SCP) 94.016 XI313 (GY14) NO 1,140 -

Total US Corp for Natl & Community Service 1,140 -

Total Foster Grandparent/Senior Companion Cluster 1,140 -

Homeland Security Cluster

US Dept of Homeland Security

Passed Through: FL Dept of Law Enforcement

Metadata Planner Information Sharing 97.067 2015LETPPALM1L9002 NO 34,802 -

Passed Through: FL Div of Emergency Management

FY13 STATE HOMELAND SECURITY GRANT 97.067 14DSL5106001450 NO 34,435 -

FY13 State Homeland Security Grant 97.067 14DSL5106023270 NO 148,249 -

FY13 Operation Stonegarden 97.067 15DSL3106023166 NO 118,921 -

Palm Beach County, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2015**

FEMA National Preparedness Directorate FY14	97.067	15DSP4106001396	NO	350	-
State Homeland Security Grant Program III - FY 14	97.067	15DSP4106023388	NO	36,716	-
FY14 Operation StoneGarden	97.067	15DSP9106023426	NO	5,111	-
Passed Through: OTHER - City of Miami					
2013 Urban Area Security Initiative	97.067	14DSL2112302413	NO	325,275	-
FY13 UASI Homeland Security Grant Prgm	97.067	14DSL2112302413	NO	167,396	-
2014 Urban Area Security initiative	97.067	15DSP8112302453	NO	199,278	-
FY11 UASI Homeland Security Grant Prgm	97.067	USAI FY11	NO	90,000	90,000
Total US Dept of Homeland Security				<u>1,160,533</u>	<u>90,000</u>
Total Homeland Security Cluster				<u>1,160,533</u>	<u>90,000</u>
<u>Emergency Food and Shelter Program Cluster</u>					
<u>US Dept of Homeland Security</u>					
Passed Through: OTHER - United Way of Palm Beach County					
FY14 -15 Emergency Food & Shelter National Board Program	97.024	32168600019	NO	226,874	-
Total US Dept of Homeland Security				<u>226,874</u>	<u>-</u>
Total Emergency Food and Shelter Program Cluster				<u>226,874</u>	<u>-</u>
<u>Non-Clustered Grants</u>					
<u>US Dept of Agriculture</u>					
Passed Through: FL Dept of Elder Affairs					
14-15 Adult Care Food Program	10.558	119 (FY15)	NO	21,009	-
Total US Dept of Agriculture				<u>21,009</u>	<u>-</u>
<u>US Dept of Housing & Urban Dev</u>					
Direct Programs:					
FY13 Emergency Shelter Grant Program	14.231	E12UC120016	NO	1,199	-
FY14 Emergency Shelter Grant Program	14.231	E13UC120016	NO	38,593	19,653
FY15 Emergency Shelter Grant Program	14.231	E14UC120016	NO	430,541	399,663
Total				<u>470,333</u>	<u>419,316</u>
<u>US Dept of Housing & Urban Dev</u>					
Direct Programs:					
FY11 HOME Investment Partnership	14.239	M11UC120215	NO	662,894	662,894
FY13 HOME Investment Partnership	14.239	M12UC120215	NO	382,435	167,996
Total				<u>1,045,329</u>	<u>830,890</u>
<u>US Dept of Housing & Urban Dev</u>					
Direct Programs:					
Brownfield Economic Development Initiative	14.246	B09BD128009	NO	37,259	37,259
Total				<u>37,259</u>	<u>37,259</u>
<u>US Dept of Housing & Urban Dev</u>					
Direct Programs:					
HUD 108 LOAN AVE A	14.248	B07UC120004 (SEC108)	NO	247,220	-
CDBG-Section 108 Loan Program - Pahokee	14.248	B09UC120004 (SEC108)	NO	76,363	-
FY10 HUD Section 108 Loan	14.248	B10UC120004 (SEC108)	NO	215,089	-
Total				<u>538,672</u>	<u>-</u>
<u>US Dept of Housing & Urban Dev</u>					
Direct Programs:					
NEIGHBORHOOD STABILIZATION PROGRAM - 2	14.256	B09LNFL0021	YES	909,057	773,191
Total				<u>909,057</u>	<u>773,191</u>
<u>US Dept of Housing & Urban Dev</u>					
Direct Programs:					
Fair Housing Assistance Program - State & Local	14.401	FF204K154023	NO	227,189	-
Fair Housing Assistance Program - State & Local	14.401	FF204K164023	NO	36,811	-
Total				<u>264,000</u>	<u>-</u>
<u>US Dept of the Interior</u>					
Direct Programs:					
Jupiter Inlet Lighthouse Outstanding Natural Areas	15.231	L11AC20221	NO	66,281	-
Total US Dept of the Interior				<u>66,281</u>	<u>-</u>

Palm Beach County, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2015**

<u>US Dept of Justice</u>						
Direct Programs:						
	FY14 Solving Cold Cases with DNA	16.560	2014DNBXK082	NO	53,365	-
Total					<u>53,365</u>	<u>-</u>
<u>US Dept of Justice</u>						
Passed Through: FL Dept of Legal Affairs and Attorney General						
	FY14-15 Victims of Crime Act	16.575	V11614021	NO	63,223	-
	FY 12-13 Victims of Crime Act	16.575	V12149	NO	91	-
	FY 14-15 Victims of Crime Act	16.575	V14149	NO	139,378	-
Total					<u>202,692</u>	<u>-</u>
<u>US Dept of Justice</u>						
Direct Programs:						
	PBC Adult Drug Court Enhancement Program	16.585	2011DCBX0029	NO	31,419	31,419
Total					<u>31,419</u>	<u>31,419</u>
<u>US Dept of Justice</u>						
Direct Programs:						
	FY12 State Criminal Alien Assistance	16.606	2012APBX0227	NO	6,377	-
	FY13 State Criminal Alien Assistance	16.606	2013H2934FLAP	NO	165,893	-
	FY14 State Criminal Alien Assistance	16.606	2014H1682FLAP	NO	13,335	-
Total					<u>185,605</u>	<u>-</u>
<u>US Dept of Justice</u>						
Direct Programs:						
	Child Sexual Predator Program	16.710	2010CSWX0016	NO	22,192	-
Total					<u>22,192</u>	<u>-</u>
<u>US Dept of Justice</u>						
Direct Programs:						
	FY13 DNA Backlog Reduction Program	16.741	2013DNBX0047	NO	173,136	-
	FY14 DNA Backlog Reduction Program	16.741	2014DNBX0019	NO	124,971	-
Total					<u>298,107</u>	<u>-</u>
<u>US Dept of Justice</u>						
Passed Through: FL Dept of Law Enforcement						
	2013 Paul Coverdell FSIG	16.742	2013CDBX0018	NO	17,352	-
	FY15 Forensic Odontology Services	16.742	2014CDBX0054	NO	2,525	-
	2014 Paul Coverdell FSIG	16.742	2014CDBX0054	NO	30,652	-
Total					<u>50,529</u>	<u>-</u>
<u>US Dept of Justice</u>						
Direct Programs:						
	Juvenile Justice System Co-Occurring Disorders Program	16.745	2012MOBX0028	NO	88,423	88,423
	Strategically Tracking and Assessment Response Team	16.745	2013MOBX0002	NO	95,539	-
Total					<u>183,962</u>	<u>88,423</u>
<u>US Dept of Justice</u>						
Direct Programs:						
	FY12 Second Chance Act Prisoner Reentry Initiative	16.812	2012CZBX0016	NO	828,911	747,531
	FY13 Second Chance Act Prisoner Reentry Initiative	16.812	2013CZBX0008	NO	477,743	396,654
Total					<u>1,306,654</u>	<u>1,144,185</u>
<u>US Dept of Justice</u>						
Direct Programs:						
	Equitable Sharing - Justice Dept	16.XXX	FLOR050000	NO	287,653	-
Total					<u>287,653</u>	<u>-</u>
<u>US Dept of Labor</u>						
Passed Through: FL Dept of Education						
	13-14 Farmworker Jobs & Education Program	17.264	7604054A4CFJ1	NO	11,531	-
	14-15 Farmworker Jobs & Education Program	17.264	7604055B5CFJ1	NO	166,511	-
	15-16 Farmworker Jobs & Education Program	17.264	7604056B6CFJ1	NO	60,564	-
Total US Dept of Labor					<u>238,606</u>	<u>-</u>

Palm Beach County, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2015**

<u>US Dept of Transportation</u>						
Direct Programs:						
AIP - Glades Apron Rehab and Airfield Electrical Design	20.106	31200600032011-	NO	604	-	
AIP - Design of Automated Weather Observation System	20.106	31200600042013	NO	8,653	-	
AIP - Design Air Handler in Terminal Bldg &	20.106	31200850572013	NO	69,915	-	
AIP - PBI Master Plan Update	20.106	31200850582014	NO	804,523	-	
AIP - Restroom Renovations (Phase 2)	20.106	31200850592014	NO	1,394,187	-	
AIP - Rehab RW 03/21 and 09/27 Intersection Apron Taxiway AT	20.106	31200860122012	NO	98,212	-	
AIP - Design Runway Marking re-Designation	20.106	31200860142014	NO	29,580	-	
Total				<u>2,405,674</u>	<u>-</u>	
<u>US Dept of Transportation</u>						
Passed Through: FL Dept of Transportation						
Fed Transit Metro Plan Grants - Fed Transit Authority 5303	20.505	AQ288	NO	464,662	-	
Total				<u>464,662</u>	<u>-</u>	
<u>US Dept of Transportation</u>						
Passed Through: FL Dept of Transportation						
Section 5311 Formula Grant - Rural	20.509	40718428401	NO	336,679	-	
Total				<u>336,679</u>	<u>-</u>	
<u>US Dept of the Treasury</u>						
Direct Programs:						
Equitable Sharing - Treasury Dept	21.XXX	NA	NO	546,596	-	
Total US Dept of the Treasury				<u>546,596</u>	<u>-</u>	
<u>US Dept of Energy</u>						
Direct Programs:						
Energy Efficiency and Conserv Grant	81.128	DEEE0000793	YES	96,685	96,685	
Total US Dept of Energy				<u>96,685</u>	<u>96,685</u>	
<u>US Election Assistance Commission</u>						
Passed Through: FL Dept of State and Secretary of State						
Federal Elections Activities-15	90.401	M201420150001R	NO	139,759	-	
Total US Election Assistance Commission				<u>139,759</u>	<u>-</u>	
<u>US Dept of Health & Human Svcs</u>						
Passed Through: OTHER - Area Agency on Aging of Palm Beach/Treasure Coast						
2014 OAA Title III E Services	93.052	IA0139500 (3E)(GY14)	NO	47,757	-	
2015 OAA Title III E Services	93.052	IA0139500 (3E)(GY15)	NO	96,245	-	
Total				<u>144,002</u>	<u>-</u>	
<u>US Dept of Health & Human Svcs</u>						
Passed Through: FL Dept of Revenue						
Child Support Enforcement	93.563	COC50	NO	1,001,276	-	
Total				<u>1,001,276</u>	<u>-</u>	
<u>US Dept of Health & Human Svcs</u>						
Passed Through: FL Dept of Economic Opportunity						
14-15 Low Incom Home Energy Assistance Program	93.568	14EA0F106001023	NO	1,596,744	-	
15-16 Low Incom Home Energy Assistance Program	93.568	15EA0F106001023	NO	2,166,516	-	
Passed Through: FL Dept of Elder Affairs						
14-15 Emergency Home Energy Assistance for the Elderly Progr	93.568	IP0129500 (GY14)	NO	3,059	-	
Total				<u>3,766,319</u>	<u>-</u>	
<u>US Dept of Health & Human Svcs</u>						
Direct Programs:						
14-15 HIV Em Relief Grant Formula/Supplemental/MAI	93.914	H89HA000342100	NO	4,886,415	4,454,405	
15-16 HIV Em Relief Grant Formula/Supplemental/MAI	93.914	H89HA000342200	NO	3,904,444	3,369,815	
Total				<u>8,790,859</u>	<u>7,824,220</u>	
<u>US Dept of Health & Human Svcs</u>						
Passed Through: FL Dept of Health						
Services to Victims of Sex Offenses	93.991	COHB6	NO	40,484	-	
Total				<u>40,484</u>	<u>-</u>	

Palm Beach County, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2015**

<u>US Executive Office Of The President</u>						
Direct Programs:						
	Palm Beach Narcotics Task Force FY13	95.001	G13MI0011A	NO	24,074	-
	Palm Beach Narcotics Task Force FY14	95.001	G14MI0011A	NO	68,849	-
	FY15 High Intensity Drug Trafficking Area	95.001	G15MI0011A	NO	78,694	-
Passed Through: OTHER - South Florida HIDTA						
	HIDTA Operation Pot Luck	95.001	OPERATION POT LUCK	NO	13,411	-
	Operation Pot of Gold	95.001	POTOFGOLD	NO	932	-
Total US Executive Office Of The President					<u>185,960</u>	<u>-</u>
<u>US Dept of Homeland Security</u>						
Passed Through: FL Div of Emergency Management						
	Public Assistance Grants - FRA/JNE	97.036	05-G%-10-60-02-987	NO	(3,408,357)	-
	Public Assistance Grants - WILMA	97.036	06-WL-&K-10-60-01-61	NO	(57,104)	-
	Federal Public Assistance Grants - Fay	97.036	08PAB910601363	NO	592,945	-
	Public Assistance Grants - Isaac - Federal	97.036	13IS3S10600252	NO	2,063	-
	Public Assistance Grants - Isaac - State	97.036	13IS3S10600252 STATE	NO	343	-
Total					<u>(2,870,110)</u>	<u>-</u>
<u>US Dept of Homeland Security</u>						
Passed Through: FL Div of Emergency Management						
	FY14 Homeland Security Grant Prgm-Citizen Corp	97.042	15CCN2106002442	NO	4,870	-
	FY15 Community Emergency Response	97.042	15CIN2106002441	NO	5,350	-
	FY15 Emergency Mgmt Preparedness Grant	97.042	15FG4D106001117	NO	256,187	-
	15-16 Emergency Mgmt Preparedness Grant	97.042	16FG5A106001117	NO	19,091	-
Total					<u>285,498</u>	<u>-</u>
<u>US Dept of Homeland Security</u>						
Passed Through: OTHER - Port of Palm Beach District						
	FY13 Port Security Grant	97.056	EMW2013PU00037	NO	290,499	-
Total					<u>290,499</u>	<u>-</u>
Total Non-Clustered Grants					<u>21,837,566</u>	<u>11,245,588</u>
<u>Others</u>						
<u>US Dept of Agriculture</u>						
Direct Programs:						
	PBC Intermediary Relending Program	10.767	PBCIRP	NO	130,492	130,492
Total US Dept of Agriculture					<u>130,492</u>	<u>130,492</u>
<u>US Dept of Defense</u>						
Direct Programs:						
	Grassy Flats Habitat Restoration	12.130	TBD USACE GRASSY FLA	NO	390,878	-
Total US Dept of Defense					<u>390,878</u>	<u>-</u>
<u>US Dept of Housing & Urban Dev</u>						
Direct Programs:						
	Shelter Plus Care Project Northside GY14	14.267	FL0277L4D051301	NO	84,405	84,405
	Shelter Plus Care GY14 Flagler Project	14.267	FL0281L4D051306	NO	250,357	250,357
	Supportive Housing Program GY14	14.267	FL0292L4D051205	NO	108,233	108,233
	Continuum of Care Collaborative Planning GY14	14.267	FL0468L4D051200	NO	33,364	-
Total					<u>476,359</u>	<u>442,995</u>
<u>US Dept of Housing & Urban Dev</u>						
Direct Programs:						
	HUD Community Challenge Planning Grant	14.704	CCPFL0049-11	NO	357,118	19,629
Total					<u>357,118</u>	<u>19,629</u>
<u>US Dept of the Interior</u>						
Passed Through: FL Fish and Wildlife Conservation Commission						
	Grassy Flats Restoration Project within LWL	15.614	13104	NO	566,366	-
Total					<u>566,366</u>	<u>-</u>
<u>US Dept of the Interior</u>						
Passed Through: FL Dept of Agriculture and Consumer Services						
	Asimina tetramera Monitoring at Juno Dunes	15.615	021813	NO	8,703	-
Total					<u>8,703</u>	<u>-</u>

Palm Beach County, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2015**

<u>US Dept of Justice</u>						
Direct Programs:						
Grant To Encourage Arrest Policies and Enforcement of Protec	16.590	2014WEAX0011	NO	231,158	-	
Total US Dept of Justice				<u>231,158</u>	<u>-</u>	
<u>US National Endowment for the Arts</u>						
Direct Programs:						
Bryant Park Living Shoreline Art installation	45.024	1341007090	NO	31,500	-	
Total US National Endowment for the Arts				<u>31,500</u>	<u>-</u>	
<u>US Environmental Protection Agency</u>						
Direct Programs:						
Brownfields Revolving Loan Fund	66.818	00D12713	NO	16,728	-	
Total US Environmental Protection Agency				<u>16,728</u>	<u>-</u>	
<u>US Dept of Homeland Security</u>						
Direct Programs:						
Law Enforcement Officer Reimbursement Program	97.007	HSTS0213HSLR043	NO	308,000	-	
Total US Dept of Homeland Security				<u>308,000</u>	<u>-</u>	
Total Others				<u>2,517,302</u>	<u>593,116</u>	
Total Federal Grants - All Departments				<u>62,475,944</u>	<u>21,304,888</u>	
STATE GRANTS						
<u>Non-Clustered Grants</u>						
<u>FL Dept of Environmental Protection</u>						
Direct Programs:						
Beach Erosion Control Program - Singer Island	37.003	06PB2	NO	198,431	-	
Beach Erosion Control Program - Juno Beach	37.003	08PB4	NO	34,667	-	
South Lake Worth Inlet Mgmt Plan	37.003	11PB1	NO	209,906	-	
Jupiter Carlin Shore Protection	37.003	14PB1	NO	2,495,104	-	
Singer Island Storm Repair Project	37.003	14PB5	NO	396,224	-	
Ocean Ridge Beach renourishment	37.003	15PB3	NO	718,541	-	
Delray Beach Shore Protection	37.003	15PB4	NO	905,452	-	
Total				<u>4,958,325</u>	<u>-</u>	
<u>FL Dept of Environmental Protection</u>						
Direct Programs:						
Petroleum Storage Tank Cleanup	37.024	S0485	NO	530,179	-	
Total				<u>530,179</u>	<u>-</u>	
<u>FL Dept of Environmental Protection</u>						
Direct Programs:						
Artificial Reef in Lake Worth lagoon	37.039	14PB6	NO	127,362	-	
Glades Region Infrastructure Restoration & Repair	37.039	LP50200	NO	569,780	-	
Sandhill Crane West Restoration Project	37.039	S0689	NO	126,000	-	
North Jupiter Flatwoods Restoration Project II	37.039	S0748	NO	375,000	-	
Cypress Creek Habitat Restoration	37.039	S0781	NO	200,000	-	
Total				<u>1,398,142</u>	<u>-</u>	
<u>FL Dept of Legal Affairs and Attorney General</u>						
Passed Through: FL Council Against Sexual Violence						
FY15-16 Sexual Violence Recovery Services	41.010	15OAG26	NO	13,207	-	
Passed Through: OTHER - FL Council Against Sexual Violence						
FY14-15 Sexual Violence Recovery Services	41.010	14OAG26	NO	6,061	-	
Total FL Dept of Legal Affairs and Attorney General				<u>19,268</u>	<u>-</u>	
<u>FL Dept of Agriculture & Consumer Services</u>						
Direct Programs:						
FY15 Mosquito Control	42.003	021283	NO	43,009	-	
Total FL Dept of Agriculture & Consumer Services				<u>43,009</u>	<u>-</u>	
<u>FL Dept of State and Secretary of State</u>						
Direct Programs:						
FY14-15 State Aid to libraries	45.030	15ST56	NO	1,551,565	-	
Total FL Dept of State and Secretary of State				<u>1,551,565</u>	<u>-</u>	

Palm Beach County, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2015**

<u>FL Housing Finance Corporation</u>						
Direct Programs:						
State Housing Initiatives Partnership Prgm 11/12- CAH	52.901	HFC0112	NO	715,413	714,420	
State Housing Initiatives Partnership Prgm 12/13- CAH	52.901	HFC0113	NO	1,633,775	1,588,784	
State Housing Initiatives Partnership Prgm 14/15- CAH	52.901	HFC0114	NO	843,963	390,126	
Total FL Housing Finance Corporation				<u>3,193,151</u>	<u>2,693,330</u>	
<u>FL Dept of Transportation</u>						
Direct Programs:						
GY15 Commission for the Transportation Disadvantaged	55.001	ARG63	NO	2,436,903	-	
GY16 Commission for the Transportation Disadvantaged	55.001	G0181	NO	273,307	-	
Total				<u>2,710,210</u>	<u>-</u>	
<u>FL Dept of Transportation</u>						
Direct Programs:						
14-15 Transportation Disadvantaged	55.002	ARI21	NO	37,059	-	
15-16 Transportation Disadvantaged	55.002	G0249	NO	12,995	-	
Total				<u>50,054</u>	<u>-</u>	
<u>FL Dept of Transportation</u>						
Direct Programs:						
Aviation Dev Grant - Security Impv (formerly Relocate VOR)	55.004	41629619401APA55	NO	440,979	-	
Aviation Dev Grant - PBIA Apron Taxilanes/Taxiway	55.004	41817819401AR121	NO	1,719	-	
Aviation Dev Grant - EIS Design Runway Extension PBIA	55.004	42034019401AOY72	NO	22,563	-	
Aviation Dev Grant - Upgrade & Expand Baggage PBIA	55.004	42037419401AQE59	NO	4,135,400	-	
Aviation Dev Grant - Construct Hangars - N PB Gen Aviation	55.004	42246619401AQE58	NO	241	-	
Aviation Dev Grant - Southside pavement PBC Park Lantana	55.004	42246719401AQE56	NO	232,422	-	
Aviation Dev Grant - Rehabilitate Itinerant Apron	55.004	42396119401AQR74	NO	615,870	-	
Aviation Dev Grant - Rehabilitate Taxiway C at PBIA	55.004	42572419401ARA51	NO	13,344	-	
Aviation Dev Grant - PBIA Master Plan Update	55.004	42575619401ARD02	NO	134,087	-	
Aviation Dev Grant - Golfview Apron, Taxilanes, Infrs PBIA	55.004	42790219401AQR76	NO	18,649	-	
Aviation Dev Grant - PBIA Security Enhancements	55.004	42791119401APZ40	NO	2,856,119	-	
Aviation Dev Grant - PBIA Air Cargo Apron Expansion & Rehab	55.004	42791419401APZ43	NO	900,676	-	
Aviation Dev Grant - Lantana Westside Hangars Dev Phase 1	55.004	42791519401APZ45	NO	347,818	-	
Aviation Dev Grant - Misc Taxiway Rehad & Repair PBIA	55.004	42970519401AQE61	NO	568,618	-	
Aviation Dev Grant - Concourse B Term Ramp & Taxilane - PBIA	55.004	42970619401AQE55	NO	413,411	-	
Total				<u>10,701,916</u>	<u>-</u>	
<u>FL Dept of Transportation</u>						
Direct Programs:						
CIGP-Intersection Military Trail and Northlake Blvd	55.008	43164513801	NO	17,407	-	
CIGP-Congress Ave ext Northlake to Alt A1A	55.008	43306413801	NO	43,040	-	
Total				<u>60,447</u>	<u>-</u>	
<u>FL Dept of Transportation</u>						
Direct Programs:						
Public Transit Block Grant - Operating	55.010	40718828401	NO	4,944,697	-	
Total				<u>4,944,697</u>	<u>-</u>	
<u>FL Dept of Transportation</u>						
Direct Programs:						
Routes 47 & 48 Belle Glade & Pahokee Service	55.013	43029618401	NO	585,758	-	
Total				<u>585,758</u>	<u>-</u>	
<u>FL Dept of Health</u>						
Direct Programs:						
EMERGENCY MEDICAL SERVICES	64.005	C0050 (FY 14-15)	NO	149,944	-	
EMERGENCY MEDICAL SERVICES	64.005	C0050 (FY13-14)	NO	75,057	-	
Total				<u>225,001</u>	<u>-</u>	
<u>FL Dept of Health</u>						
Passed Through: FL Council Against Sexual Violence						
FY 13-14 Sexual Battery Recovery Services	64.061	13RCP26	NO	65,082	-	
Total				<u>65,082</u>	<u>-</u>	

Palm Beach County, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2015**

<u>FL Dept of Elder Affairs</u>						
Passed Through: OTHER - Area Agency on Aging of Palm Beach/Treasure Coast						
13-14 Home Care for the Elderly	65.001	IH0129500 (GY13)	NO	(2,768)	-	
14-15 Home Care for the Elderly	65.001	IH0129500 (GY14)	NO	27,853	-	
15-16 Home Care for the Elderly	65.001	IH0159500 (GY15)	NO	5,116	-	
Total				<u>30,201</u>	<u>-</u>	
<u>FL Dept of Elder Affairs</u>						
Passed Through: OTHER - Area Agency on Aging of Palm Beach/Treasure Coast						
14-15 Alzheimer's Disease Initiative	65.004	IZ0129500 (GY14)	NO	628,516	-	
15-16 Alzheimer's Disease Initiative	65.004	IZ0159500 (GY15)	NO	334,211	-	
Total				<u>962,727</u>	<u>-</u>	
<u>FL Dept of Elder Affairs</u>						
Passed Through: OTHER - Area Agency on Aging of Palm Beach/Treasure Coast						
14-15 Respite for Elders Living in Everyday Families	65.006	IR0129500 (GY14)	NO	116,400	-	
15-16 Respite for Elders Living in Everyday Families	65.006	IR0159500 (GY15)	NO	57,600	-	
Total				<u>174,000</u>	<u>-</u>	
<u>FL Dept of Elder Affairs</u>						
Passed Through: OTHER - Area Agency on Aging of Palm Beach/Treasure Coast						
14-15 Community Care for the Elderly	65.010	IC0129500 (GY14)	NO	1,275,417	-	
15-16 Community Care for the Elderly	65.010	IC0159500 (GY15)	NO	371,206	-	
Total				<u>1,646,623</u>	<u>-</u>	
<u>FL Dept of Law Enforcement</u>						
Direct Programs:						
Statewide Criminal Analysis Lab System GY14-15	71.002	1602601 (GY14-15)	NO	426,533	-	
Total FL Dept of Law Enforcement				<u>426,533</u>	<u>-</u>	
<u>FL Dept of Hwy Safety & Motor Veh</u>						
Passed Through: OTHER - Sea Turtle Conservancy						
Dark Sky Festival	76.070	15-016R	YES	6,422	-	
Total FL Dept of Hwy Safety & Motor Veh				<u>6,422</u>	<u>-</u>	
<u>FL Fish and Wildlife Conservation Commission</u>						
Direct Programs:						
Installation of Mooring Buoys	77.006	FWC11152	NO	(248)	-	
Total				<u>(248)</u>	<u>-</u>	
<u>FL Fish and Wildlife Conservation Commission</u>						
Direct Programs:						
PBC Artificial Reef Monitoring 2014-15	77.007	13248	NO	9,347	-	
Juno Pier Site Artificial Reef (State Portion)	77.007	14020 (S)	NO	17,312	-	
Total				<u>26,659</u>	<u>-</u>	
<u>FL Dept of Juvenile Justice</u>						
Direct Programs:						
Gulfstream Goodwill Industries Youth Alt Care Pgm	80.XXX	X1684	NO	(3,394)	-	
Total FL Dept of Juvenile Justice				<u>(3,394)</u>	<u>-</u>	
Total Non-Clustered Grants				<u>34,306,327</u>	<u>2,693,330</u>	
<u>Others</u>						
<u>FL Executive Office of the Governor</u>						
Direct Programs:						
FY14 Emergency Mangement Program	31.063	15BG83106001050	NO	83,985	7,000	
Passed Through: FL Div of Emergency Management						
15-16 Emergency Mangement Program	31.063	16BG83106001050	NO	12,644	-	
Total				<u>96,629</u>	<u>7,000</u>	
<u>FL Executive Office of the Governor</u>						
Direct Programs:						
FY13 Hazardous Materials Contingency Plan	31.067	13CP11106001204	NO	21,241	-	
FY14 Hazardous Materials Contingency Plan	31.067	14CP11106001236	NO	15,474	-	
Passed Through: FL Div of Emergency Management						
14-15 Hazardous Materials Plan & Prevent	31.067	15CP11106001356	NO	19,891	-	
Total				<u>56,606</u>	<u>-</u>	

Palm Beach County, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2015**

<u>FL Dept of Environmental Protection</u>						
Direct Programs:						
	Lake Worth Lagoon Restoration Projects	37.037	S0751	NO	1,171,692	-
Total FL Dept of Environmental Protection					<u>1,171,692</u>	<u>-</u>
<u>FL Dept of Transportation</u>						
Direct Programs:						
	Routes 73 Expansion Military Trail to 441	55.012	AR651	NO	94,279	-
Total FL Dept of Transportation					<u>94,279</u>	<u>-</u>
<u>FL Dept of Health</u>						
Direct Programs:						
	EMERGENCY MEDICAL SERVICES Matching	64.003	M4007	NO	104,259	-
Total					<u>104,259</u>	<u>-</u>
<u>FL Dept of Health</u>						
Passed Through: FL Council Against Sexual Violence						
	FY 13-14 Rape Crisis Center	64.069	13GR26	NO	93,567	-
Total					<u>93,567</u>	<u>-</u>
<u>FL Dept of Health</u>						
Direct Programs:						
	SART Program	64.121	COH8Z	NO	287,054	-
Total					<u>287,054</u>	<u>-</u>
<u>FL Dept of Hwy Safety & Motor Veh</u>						
Direct Programs:						
	Fall Family Festival and 4-H Open House	76.064	FLAGINCLASSROOM	NO	12	-
Total FL Dept of Hwy Safety & Motor Veh					<u>12</u>	<u>-</u>
<u>FL Fish and Wildlife Conservation Commission</u>						
Direct Programs:						
	Loxahatchee Slough - Sandhill Crane Wetland Restoration	77.016	14273	NO	150,000	-
Total FL Fish and Wildlife Conservation Commission					<u>150,000</u>	<u>-</u>
Total Others					<u>2,054,098</u>	<u>7,000</u>
Total State Grants - All Departments					<u>36,360,425</u>	<u>2,700,330</u>
TOTAL FEDERAL AND STATE GRANTS					<u>98,836,369</u>	<u>24,005,218</u>

See notes to schedule of expenditures of federal awards and state financial assistance

Palm Beach County, Florida

**Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2015**

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the grant activity of certain federal award programs and state financial assistance projects of Palm Beach County, Florida (the County) for the year ended September 30, 2015. The federal awards and state financial assistance received by the Solid Waste Authority, a major discretely presented component unit, the Westgate Belvedere Homes Community Redevelopment Agency, a discretely presented component unit, and the Housing Finance Authority, a discretely presented component unit, are not included in the Schedule. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, *Rules of the Auditor General of the State of Florida*. Because this schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

2. Summary of Significant Accounting Policies

The Schedule is presented using the modified accrual basis of accounting for expenditures accounted for in governmental type funds and on the accrual basis of accounting for expenses of the proprietary fund types. Such expenditures/expenses are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures/expenses are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.



**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**

RSM US LLP

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, in accordance with the 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, 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, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 18, 2016. Our report includes a reference to other auditors who audited the financial statements of the Solid Waste Authority, a major discretely presented component unit, the Westgate Belvedere Homes Community Redevelopment Agency, a discretely presented component unit, and the Housing Finance Authority, a discretely presented component unit, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters reported on separately by those auditors. Our report included an emphasis of a matter paragraph due to the adoption of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, and its amendment, GASB Statement No. 71.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* 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 *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

West Palm Beach, Florida
May 18, 2016

Report On Compliance For Each Major Federal Program and State Project; Report on Internal Control Over Compliance; and Report On the Schedule of Expenditures of Federal Awards and State Financial Assistance Required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, State of Florida

RSM US LLP

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

Report of Compliance for Each Major Federal Program and State Project

We have audited Palm Beach County, Florida's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2015. 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.

The County's basic financial statements include the operations of the Solid Waste Authority, a major discretely presented component unit, the Westgate Belvedere Homes Community Redevelopment Agency, a discretely presented component unit, and the Housing Finance Authority, a discretely presented component unit, which received federal awards and state projects which are not included in the schedule of expenditures of federal awards and state financial assistance during the year ended September 30, 2015. Our audit, described below, did not include the operations of the Solid Waste Authority, the Westgate Belvedere Homes Community Redevelopment Agency, and the Housing Finance Authority because other auditors were engaged to perform an audit in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General of the State of Florida*.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. 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 of the State of Florida. Those standards, OMB Circular A-133 and Chapter 10.550 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 on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2015.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, 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.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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 material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

RSM US LLP

West Palm Beach, Florida
June 21, 2016

Palm Beach County, Florida

**Schedule of Findings and Questioned Costs
Year Ended September 30, 2015**

I - Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ X	No
Significant deficiency(ies) identified?	_____ Yes	_____ X	None Reported
Noncompliance material to financial statements noted?	_____ Yes	_____ X	No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	_____ Yes	_____ X	No
Significant deficiency(ies) identified?	_____ Yes	_____ X	None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

	_____ Yes	_____ X	No
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The programs tested as major included the following:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program
20.205/20.219	Highway Planning and Construction Cluster
93.044/93.045/93.053	Aging Cluster
93.914	HIV Emergency Relief Project Grants

Dollar threshold used to distinguish between type A and type B programs: \$ 1,874,278

Auditee qualified as low-risk auditee? _____ X Yes _____ No

(Continued)

Palm Beach County, Florida

Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2015

Internal control over major state projects:

Material weakness(es) identified?	_____	X	No
Significant deficiency(ies) identified?	_____ Yes	X	None Reported

Type of auditor's report issued on compliance for major state projects:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, *Rules of the Auditor General of the State of Florida*?

_____ Yes	X	No
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The projects tested as major included the following:

<u>CSFA Number(s)</u>	<u>Name of State Financial Assistance Project</u>
37.003	Beach Erosion
37.037	Water Management District Operations
37.039	Statewide Surface Water Restoration
45.030	State Aid to Libraries
52.901	State Housing Initiatives Partnership Program (SHIPP)
55.004	Aviation Development Grant

Dollar threshold used to distinguish between type A and type B projects:

\$ 1,090,813

(Continued)

Palm Beach County, Florida

**Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2015**

II - Financial Statement Findings

None

II - Federal Award and State Financial Assistance Findings and Questioned Costs

None

Palm Beach County, Florida

**Summary Schedule of Prior Year Audit Findings
Year Ended September 30, 2015**

I – Financial Statement Findings

None

II – Federal Award and State Financial Assistance Findings and Questioned Costs

None