

# **Palm Beach County, Florida**

Single Audit Report  
September 30, 2019

**PALM BEACH COUNTY, FLORIDA**

**SINGLE AUDIT REPORT**

**Fiscal Year Ended September 30, 2019**

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b>Report of Independent Certified Public Accountants</b>	i
<b>Management’s Discussion and Analysis</b>	v
<b>Basic Financial Statements</b>	
<b>Government-wide Financial Statements</b>	
Statement of Net Position	2
Statement of Activities	4
<b>Fund Financial Statements</b>	
Description of Major Funds	7
Balance Sheet – Governmental Funds	8
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position – Governmental Activities	10
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities – Governmental Activities	14
Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual for General Fund and Major Special Revenue Funds with Annually Appropriated Budgets:	
- General Fund	16
- Palm Tran Special Revenue Fund	19
- Fire Rescue Special Revenue Fund	20
Statement of Net Position – Proprietary Funds	22
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	26
Statement of Cash Flows – Proprietary Funds	28
Statement of Fiduciary Net Position – Agency Funds	32
<b>Notes to the Financial Statements</b>	33

**Required Supplementary Information:****Pension Plans**

Schedules of County's Proportionate Share of the Net Pension Liability for the	
- Florida Retirement System Pension Plan	150
- Health Insurance Subsidy Pension Plan	152
Schedules of County Contributions for the	
- Florida Retirement System Pension Plan	154
- Health Insurance Subsidy Pension Plan	156
Schedules of Solid Waste Authority's (a Component Unit) Proportionate Share of the Net Pension Liability for the	
- Florida Retirement System Pension Plan	158
- Health Insurance Subsidy Pension Plan	160
Schedules of Solid Waste Authority (a Component Unit) Contributions for the	
- Florida Retirement System Pension Plan	162
- Health Insurance Subsidy Pension Plan	164
Schedules of Changes in the Net Pension Liability and Related Ratios for the	
- Palm Tran Pension Plan	166
- Lantana Pension Plan	168
Schedules of Investment Returns for the	
- Palm Tran Pension Plan	170
- Lantana Pension Plan	171
Schedules of Contributions for the	
- Palm Tran Pension Plan	172
- Lantana Pension Plan	174

**Other Post-Employment Benefit (OPEB) Plans**

Schedules of Changes in the Total OPEB Liability and Related Ratios for the	
- County Healthcare OPEB Plan	176
- Tax Collector Healthcare OPEB Plan	177
- Property Appraiser Healthcare OPEB Plan	178
- Clerk and Comptroller Healthcare OPEB Plan	179
- Sheriff Healthcare OPEB Plan	180
Schedules of Changes in the Net OPEB Liability and Related Ratios for the	
- Fire Rescue Union Healthcare OPEB Plan	181
Schedules of Investment Returns for the	
- Fire Rescue Union Healthcare OPEB Plan	182
Schedules of Contributions for the	
- Fire Rescue Union Healthcare OPEB Plan	183
Schedules of Changes in the Total OPEB Liability and Related Ratios for the	
- Fire Rescue Supplemental Disability OPEB Plan	184
- Solid Waste Authority Healthcare OPEB Plan-A Component Unit	185

**Single Audit Report**

Schedule of Expenditures of Federal Awards and State Financial Assistance	186
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	199
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	200
Report on Compliance For Each Major Federal Program and State Project; and Report on Internal Control Over Compliance in Accordance With the Uniform Guidance and Chapter 10.550, Rules of the Auditor General	202
Schedule of Findings and Questioned Costs	205
Summary Schedule of Prior Year Audit Findings	211



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 Wendy Sartory Link  
Supervisor of Elections

Honorable Dorothy Jacks  
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, 2019, 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Palm Tran and Fire Rescue Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the pension and other post-employment benefit plan schedules 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General*, 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 basic 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 taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2020, 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  
March 23, 2020



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# MANAGEMENT'S DISCUSSION & ANALYSIS

The Management's Discussion and Analysis subsection provides a narrative introduction to and overview and analysis of the basic financial statements. It includes a description of the government-wide and fund financial statements, as well as an analysis of Palm Beach County's overall financial position and results of operations.





## **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, 2019. 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).

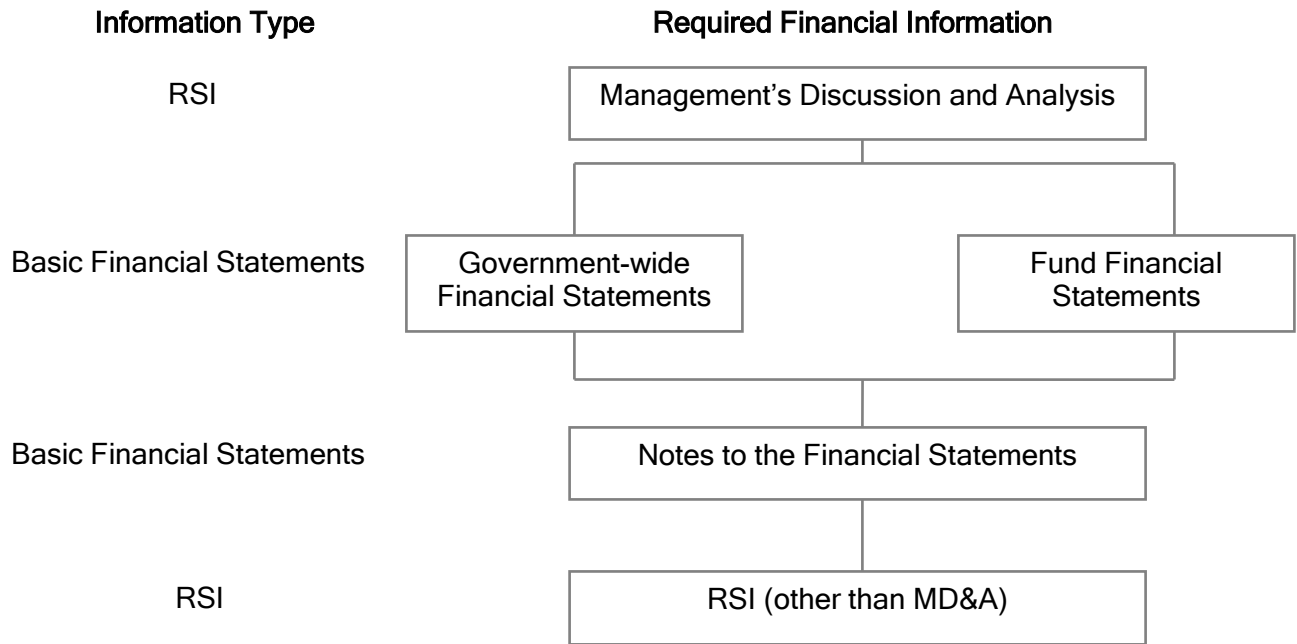
### **Financial Highlights**

- The County’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources (net position) by approximately \$3.398 billion and \$3.295 billion at the close of fiscal years 2019 and 2018, respectively. Of these amounts, \$3.136 billion and \$3.006 billion were the net investment in capital assets. In addition, \$1.052 million and \$928 million were restricted by law, grant agreements, debt covenants, or for capital projects. As a result, (\$790) million and (\$639) 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, 2019 and 2018 were \$3.610 billion and \$3.382 billion, respectively.
- During the year, the County’s total net position increased by \$103 million, compared to an increase of \$149 million during the previous fiscal year. Business-type activities increased by \$68 million, and governmental activities increased by \$35 million.
- As of September 30, 2019, the County’s governmental funds reported a combined ending fund balance of \$1.497 billion, an increase of \$210.2 million or approximately 16% from the previous year.
- As of September 30, 2019 the fund balance for the General Fund, including Constitutional Officers, was \$289.0 million, an increase of \$44.2 million from the previous year.
- The County’s two enterprise funds had a combined increase in net position of \$65.8 million. The Department of Airports increase was \$20.3 million and the Water Utilities Department had an increase of \$45.5 million.

### **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, 2019. 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 Palm Beach Transportation Planning Agency, 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 92% and 91% as of September 30, 2019 and 2018, 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, 2019 and 2018.

<b>Palm Beach County, Florida</b>						
<b>Net Position at Year-End (in millions)</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>TOTAL PRIMARY GOVERNMENT</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Assets</b>						
Current and other assets	\$ 1,821	\$ 1,614	\$ 590	\$ 557	\$ 2,411	\$ 2,171
Capital assets	2,561	2,561	1,543	1,519	4,104	4,080
Total assets	<u>4,382</u>	<u>4,175</u>	<u>2,133</u>	<u>2,076</u>	<u>6,515</u>	<u>6,251</u>
<b>Total deferred outflows of resources</b>	<u>614</u>	<u>568</u>	<u>24</u>	<u>27</u>	<u>638</u>	<u>595</u>
<b>Liabilities</b>						
Current	285	274	50	55	335	329
Long-term debt due in more than one year	1,106	1,153	229	241	1,335	1,394
Net pension liability	1,454	1,281	42	38	1,496	1,319
Net OPEB liability	443	339	1	1	444	340
Total liabilities	<u>3,288</u>	<u>3,047</u>	<u>322</u>	<u>335</u>	<u>3,610</u>	<u>3,382</u>
<b>Total deferred inflows of resources</b>	<u>141</u>	<u>164</u>	<u>4</u>	<u>5</u>	<u>145</u>	<u>169</u>
<b>Net Position</b>						
Net investment in capital assets	1,799	1,718	1,337	1,288	3,136	3,006
Restricted	963	842	89	86	1,052	928
Unrestricted (deficit)	(1,195)	(1,028)	405	389	(790)	(639)
Total net position	<u>\$ 1,567</u>	<u>\$ 1,532</u>	<u>\$ 1,831</u>	<u>\$ 1,763</u>	<u>\$ 3,398</u>	<u>\$ 3,295</u>

The (\$790) 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, 2019. Consequently, these long-term considerations have a significant impact on the resulting net position. The unrestricted deficit of (\$790) million resulted primarily from the implementation of GASB Statements No. 68 and 71 in fiscal year 2015 and GASB Statement No. 75 in fiscal year 2018. These GASB Statements required the County to record its proportionate share of net pension liabilities for its various defined benefit retirement plans for County employees as well its liabilities for its various other post-employment benefits and the related deferred outflows and inflows for each. The increase in the unrestricted deficit was directly related to the increase in the net pension liability and the net OPEB liability. Net pension liabilities and OPEB 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:

- Total assets for Governmental activities increased by \$207 million. This was due primarily 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 attributable to additional property tax revenue received as well as receipts from the new one-cent infrastructure surtax.
- The decrease of \$47 million in long-term debt for Governmental activities relates directly to regular scheduled debt service payments along with no new bonded debt being issued during fiscal year 2019.
- The net pension liability for Governmental activities increased \$173 million. This increase is attributed to the recording of the County's proportionate share of net pension liabilities for its various defined benefit retirement plans for County employees as determined by the plans' actuaries. This increase was caused primarily by changes in the actuarial assumptions and other assumptions used in calculating this liability.

Governmental activities were responsible for a \$35 million increase in the County's net position during fiscal year 2019, as compared with a \$76 million increase during the previous fiscal year. This year's increase in net position from governmental activities is attributed to several factors:

*Grants and contributions* revenue increased by \$10 million or 10% from the previous fiscal year. Most of this increase was the result of additional revenue received from the Federal Transit Administration for the County's bus system (Palm Tran).

*Investment income* increased by \$22 million or 73% from the previous fiscal year. Any fixed income portfolio will experience changes in fair value when rates rise or other market conditions change to affect fixed income markets. As such, the portfolio has been structured in order to be able to quickly adjust to rising interest rates as well as to minimize 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.

*Ad-valorem tax* revenue increased approximately \$71 million to a record high of \$1.216 billion, or 6% from the previous fiscal year. The increase is due to higher overall taxable values.

*State shared revenues* increased approximately \$5 million, or 2% from the previous fiscal year. This increase was primarily attributable to receipts of the new one-cent infrastructure surtax which became effective January 1, 2017. Fiscal year 2019 was the second full year of collecting this revenue.

*General government* expenses increased \$24 million or 6% over the previous fiscal year. This is attributable primarily to higher costs with the Supervisor of Elections office in preparing for the upcoming 2020 election as well as a 23% increase over the prior fiscal year related to additional spending on capital items for general government facilities.

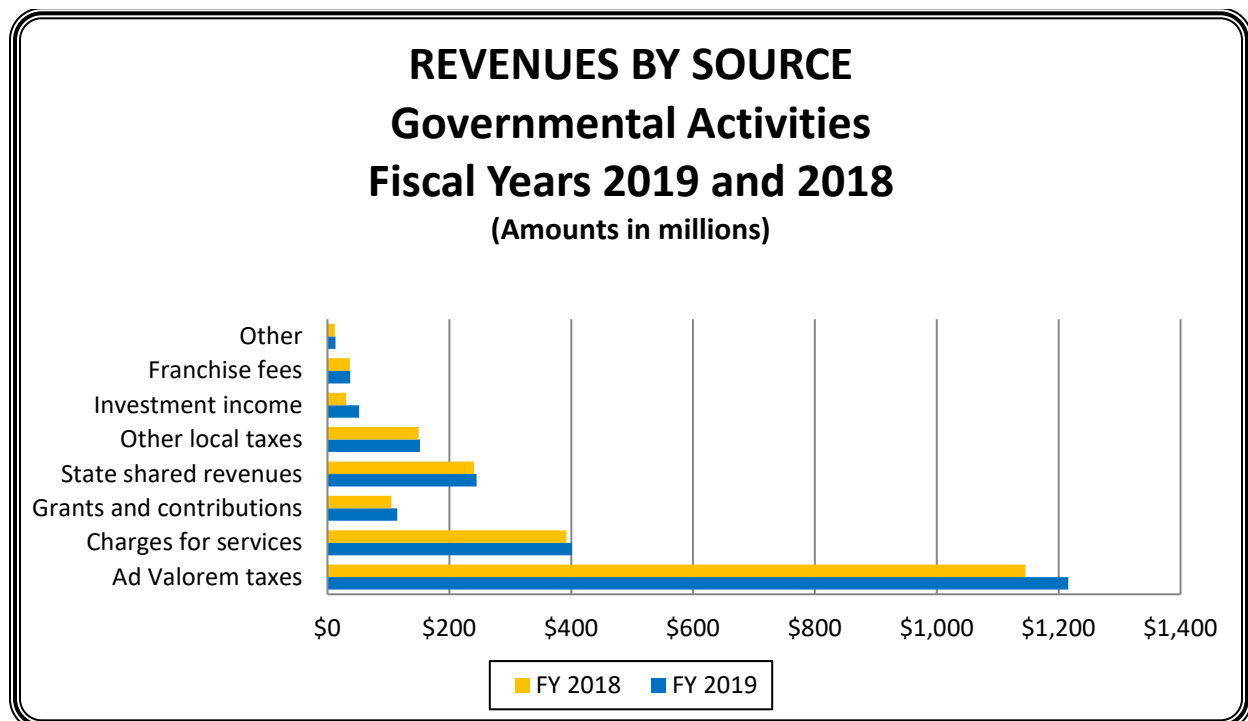
*Public safety* expenses increased \$90 million or 8% over the previous fiscal year. This is attributable to higher overall operating expenses for the Sheriff which were up approximately 4%, as well as Fire-Rescue services which were also up approximately 4%.

*Transportation* expenses were up \$20 million or 11% over the previous fiscal year. This is primarily due to higher operating costs of the County’s public bus system, Palm Tran. These costs were up \$4.4 million, or approximately 5% over the previous fiscal year. Spending on the County’s road program capital projects were up \$3.5 million over the prior fiscal year as well.

*Culture and recreation* expenses increased by \$10 million or 8% from the previous fiscal year. Much of this increase is attributable to additional spending related to the County’s library system which included some upgrades to library facilities. These costs were up \$2.5 million over the prior fiscal year.

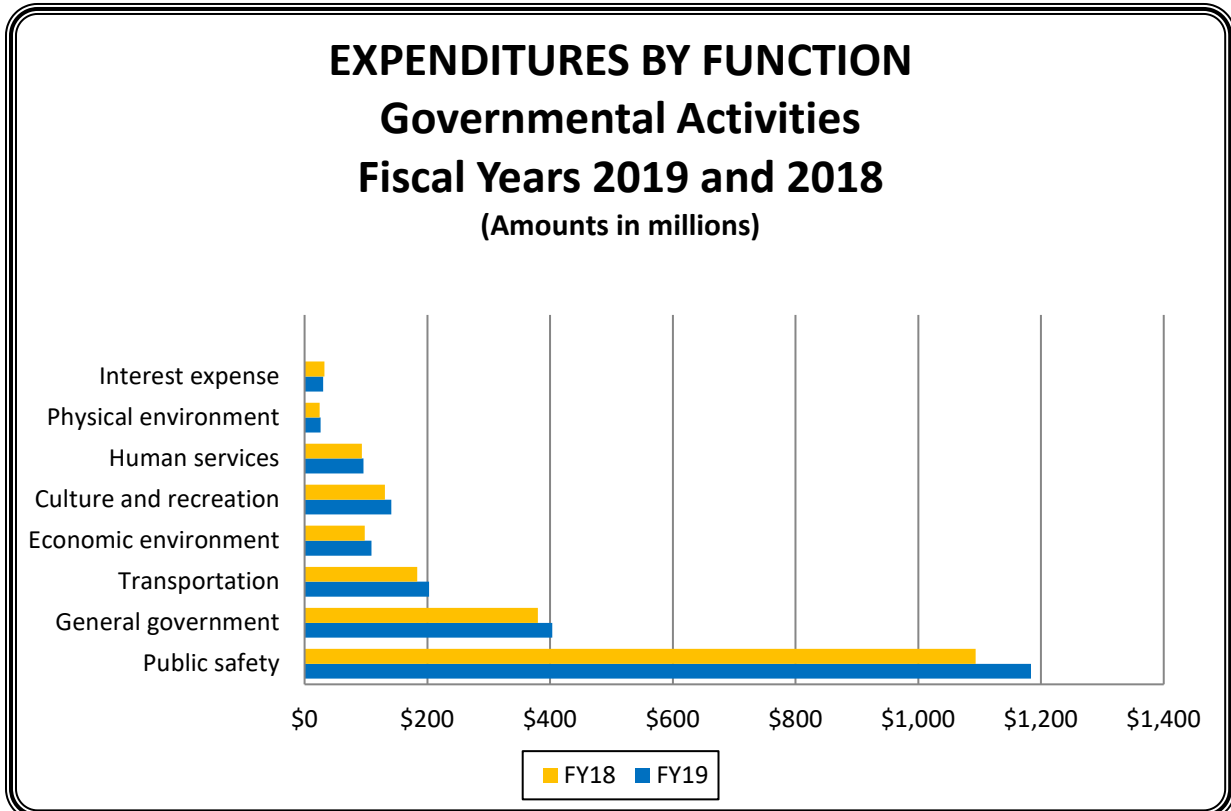
*Interest expense* decreased \$2 million, or approximately 1% from the previous fiscal year. This is a result of the County’s overall reduction in debt which translates into fewer annual debt service payments.

The County’s governmental activities had net expenses of \$1.678 billion. These services are intended to be primarily funded by taxes and other general revenues as opposed to charges for services and grants. Total revenues (program and general revenues) were greater than total expenses by \$37 million.



## Business-type activities

The County's business-type activities reported total revenues of \$352 million which exceeded total expenses by \$66 million (refer to the **Proprietary funds** section of **Financial Analysis of the Government's Funds** which follows for more information on the changes in the County's business-type activities). Significant changes in the business-type activities Statement of Net Position included an increase in current and other assets of \$33 million, an increase in capital assets of \$24 million and a decrease in long-term debt of \$12 million.





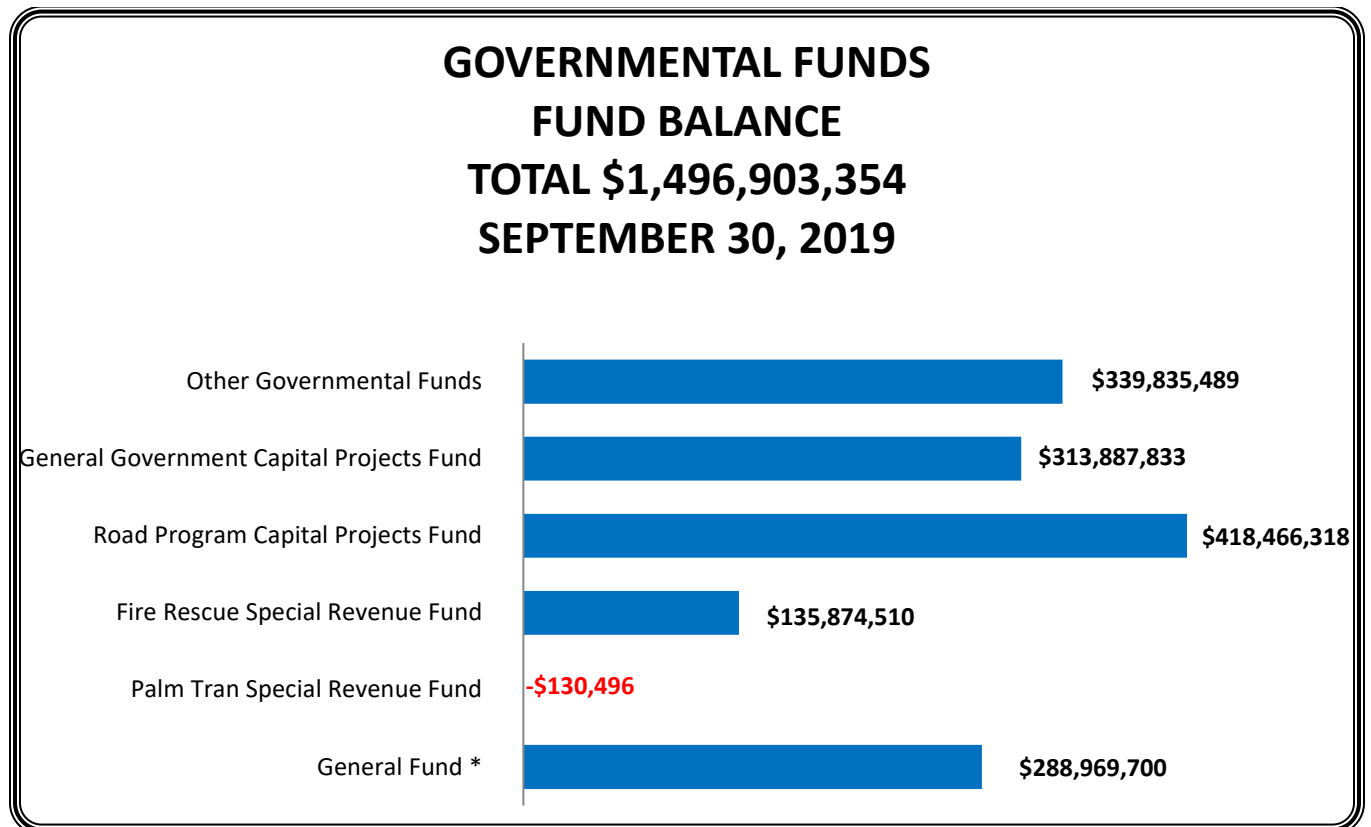
**Palm Beach County, Florida**  
**Changes in Net Position (in millions)**

	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 401	\$ 394	\$ 279	\$ 289	\$ 680	\$ 683
Operating grants and contributions	112	101	-	-	112	101
Capital grants and contributions	2	3	60	33	62	36
	<u>515</u>	<u>498</u>	<u>339</u>	<u>322</u>	<u>854</u>	<u>820</u>
General Revenues:						
Ad valorem taxes	1,216	1,145	-	-	1,216	1,145
Other local taxes	152	150	-	-	152	150
State shared revenues	245	240	-	-	245	240
Franchise fees	37	37	-	-	37	37
Investment income	52	30	13	8	65	38
Other	13	12	-	-	13	12
Total revenues	<u>2,230</u>	<u>2,112</u>	<u>352</u>	<u>330</u>	<u>2,582</u>	<u>2,442</u>
<b>Expenses</b>						
General government	405	381	-	-	405	381
Public safety	1,183	1,093	-	-	1,183	1,093
Physical environment	26	25	-	-	26	25
Transportation	203	183	-	-	203	183
Economic environment	109	98	-	-	109	98
Human services	96	93	-	-	96	93
Culture and recreation	141	131	-	-	141	131
Interest expense	30	32	-	-	30	32
Department of Airports	-	-	76	80	76	80
Water Utilities Department	-	-	210	177	210	177
Total expenses	<u>2,193</u>	<u>2,036</u>	<u>286</u>	<u>257</u>	<u>2,479</u>	<u>2,293</u>
<b>Excess of revenues over (under) expenses</b>						
	37	76	66	73	103	149
Transfers In (Out)	(2)	-	2	-	-	-
<b>Change in net position</b>	<u>35</u>	<u>76</u>	<u>68</u>	<u>73</u>	<u>103</u>	<u>149</u>
Beginning net position	1,532	1,456	1,763	1,690	3,295	3,146
<b>Ending net position</b>	<u>\$ 1,567</u>	<u>\$ 1,532</u>	<u>\$ 1,831</u>	<u>\$ 1,763</u>	<u>\$ 3,398</u>	<u>\$ 3,295</u>

## 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.



\* Includes Board of County Commissioners, Sheriff and the Clerk & Comptroller

### *Changes in Fund Balance – Governmental Funds*

At September 30, 2019, the County's governmental funds reported combined ending fund balances of \$1.497 billion, an increase of \$210.2 million from the previous year. Below are highlights of the change in fund balance.

- The increase of \$44.2 million in the General Fund's fund balance is comprised of revenues outpacing expenditures and transfers out in the Board of County Commissioner's (BOCC) General Fund. Overall, the BOCC portion of the General Fund increased \$37.5 million during fiscal year 2019. The Sheriff's General Fund had overall revenues and transfers in outpace

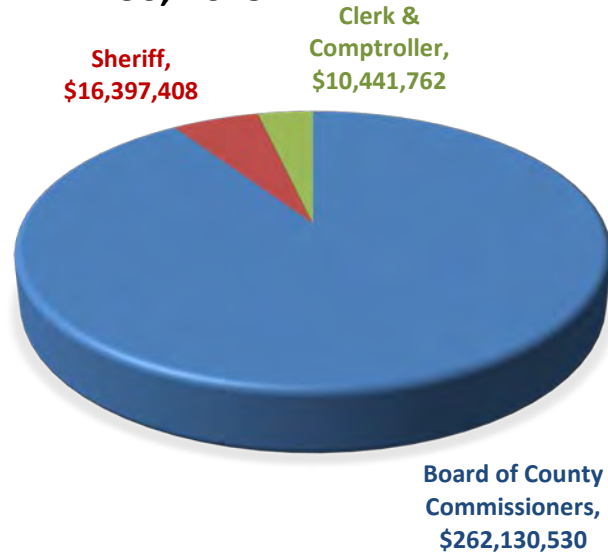
expenditures and transfers out by \$7.0 million. Total revenues in the BOCC General Fund were \$1.247 billion, an increase of \$68 million or 6% over the previous year. Most of this increase was related to Tax revenue, which increased \$49 million or 6%.

- The increase in the Palm Tran Special Revenue Fund of \$23.7 million is due primarily to additional intergovernmental (grant) revenue being received in fiscal year 2019. This was attributed to timing issues related to filing of certain grants along with the respective receipt of these revenues in the prior fiscal year.
- The increase in the Fire Rescue Special Revenue Fund of \$22.8 million is attributable to an increase in overall revenues, primarily from Taxes which went up \$14.6 million over the previous year, or 6%. Expenditures were \$301.1 million, up 3% from the previous year due primarily to an increase in overall costs for the department.
- The increase of \$11.0 million in the Road Program Capital Projects Fund is primarily due to increased revenue from Special Assessments. These revenues increased \$7.2 million or 23% over the prior year due to increased activity. Capital outlay expenditures were \$42.7 million for fiscal year 2019, which was a slight decrease from fiscal year 2018 which were \$46.1 million. This can be attributed to the timing of certain road and bridge improvements. While most revenue sources were similar to last year, investment income increased by almost \$8 million from the previous year, or 46%.
- The increase of \$73.5 million in the General Government Capital Projects Fund is primarily due to increased intergovernmental revenue, which is composed mainly of the one-cent infrastructure surtax. This was the second full year of collecting this new surtax. Overall intergovernmental revenues were up \$2.9 million over the previous year, or 3%. Total revenues in this fund category were \$99.8 million, up \$7.7 million from the previous year, or 8%.
- The increase of \$35.0 million in Other Governmental Funds is due to several factors. Significant impacts include an increase in total Tax revenues, which were \$140.4 million dollars, or 3% higher than fiscal year 2018. Total revenues for Other Governmental Funds were \$307.3 million, which was 4% higher than fiscal year 2018. Part of this increase is related to higher bed tax revenues, as well as higher interest income. Interest income increased \$4 million, or 53% from fiscal year 2018. Economic environment expenditures increased \$7.7 million to \$62.4 million for fiscal 2019, an increase of 14%. This is attributable to efforts being made to increase tourism in Palm Beach County, as well as activities associated with bringing additional jobs to the County.

## GENERAL FUND BALANCE BY CATEGORY

TOTAL \$288,969,700

SEPTEMBER 30, 2019



**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 \$20.3 million in fiscal year 2019, compared to an increase of \$13.9 million in fiscal year 2018.
- ➔ Compared to the prior year, operating revenues increased to \$71.7 million, an increase of \$500,000. Revenue increases were primarily driven by increased passenger growth in the areas of car rental concessions and other concessions. Each ground transportation component (parking, car rental, and transportation companies) showed increased revenues. Cumulatively, ground transportation revenues accounted for \$31 million of revenue.
- ➔ Compared to the prior year, operating expenses (excluding depreciation and amortization) increased 5% or \$2.4 million. Maintenance costs increased by 8% for a total cost of \$9.2 million, largely for the upkeep of terminal systems and structures.
- ➔ Investment earnings increased by \$1.8 million (64% increase) for a total of \$4.7 million. Investments are managed by the Clerk & Comptroller under County approved guidelines.

Water Utilities Department:

- ◆ The Department's net position increased by \$45.5 million in fiscal year 2019, compared to an increase of \$57.1 million in fiscal year 2018.
- ◆ Long-term debt (net of the current portion) decreased by \$7.7 million, or 4.7%, 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 2019 totaled \$205.0 million, an increase of \$7.8 million or 3.9% from fiscal year 2018. Fiscal year 2019 included the effect of rate indexing and a 1.2% increase in the customer base.
- ◆ Operating expenses before depreciation and amortization and equity interest in net loss of joint venture totaled \$158.2 million, an increase of \$31.2 million or 24.6%.
- ◆ Non-operating income increased by \$3.5 million in fiscal year 2019, compared to a fiscal year 2018 increase of \$.7 million.
- ◆ The Department showed net income before capital contributions and transfers of \$2.2 million for fiscal year 2019, a decrease of \$22.0 million from fiscal year 2018.

**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 2019, supplemental appropriations to the Board of County Commissioners' budget for all funds, excluding component units, were approximately \$172 million, or 3.6% of the original adopted budget.

Differences between the original budget for FY 2019 and the final amended budget for the General Fund can be summarized as follows:

- On March 12, 2019, 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 \$37.8 million adjustment to the reserves for balances forward in the General Government budget, and other miscellaneous adjustments.

- 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 96.2% 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 \$11.0 million.
- Major Revenues
  - ✓ Actual Electric Utility Service Tax and Franchise Fee revenues were 3.2% under budget. This revenue source is based on usage and is affected by area temperatures. Actual revenues are difficult to project. However, actual FY 2019 revenues were 2.5% above actual FY 2018.
  - ✓ Actual Communications Services Tax revenue was 14.1% under budget. These revenues have been steadily declining in recent years. The FY 2020 Budget has been reduced, and if recent legislation passes, this revenue source may continue to decline.
  - ✓ While the Sales Tax collections were under budget by 1.1%, actual collections for FY 2019 were 1.8% over the FY 2018 amounts.
  - ✓ Overall, the major revenues budget was set at a total of \$232.5 million, or 3.4% greater than the actual FY 2018 collections. FY 2019 actual collections came in at \$227.1, or 1.0% over FY 2018 actual.
- Sheriff actual revenues were \$5 million, or 5.7%, over budget. Revenue estimates will be revised for future years.
- Investment income was approximately \$5.3 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 2020 budget has been adjusted to reflect current rate of return.
- The remaining variance is primarily associated with Department specific revenues.

### *Budget to Actual Expenditures*

- The year-end General Fund reserves budget was \$163.4 million, which represents 75.8% of the total unexpended appropriations in the fund. These unexpended funds will be carried over into FY 2020 and re-appropriated.
- The Property Appraiser's and Tax Collector's net cost was \$9.7 million under budget primarily due to an increase in excess fees returned to the County.

- The actual interfund transfer to the Office of Inspector General Fund was down \$112,508. This is due to position vacancies and unexpended operating expenses and reserves.
- General Government Utilities expenses were \$704,000 under budget.
- The remaining unspent funds can be primarily attributed to County departments spending less than budgeted. Actual expenses were \$23.0 million, or 7.9%, 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 \$11.9 million, \$10.4 million more than the budget, primarily due to the Sheriff returning more than expected.
- Transfers-out
  - ✓ The remaining unspent funds can be primarily attributed to County departments spending less than budgeted and other available funding sources.

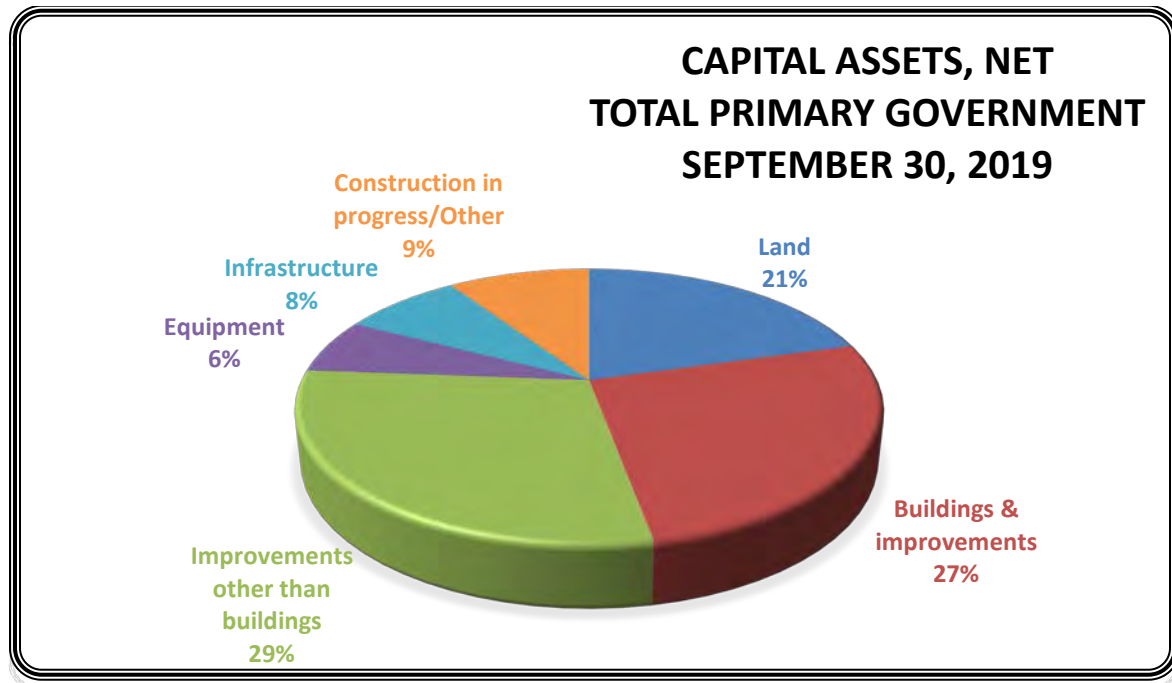
**Capital Assets and Debt Administration**

**Capital assets.** The County’s capital assets for its governmental and business-type activities as of September 30, 2019, amounts to \$4.103 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 2019 increased by \$23 million; governmental activities decreased \$1 million and business-type activities increased by \$24 million.

Palm Beach County, Florida						
Capital Assets, net of Accumulated Depreciation at Year-End (in millions)						
	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2019	2018	2019	2018	2019	2018
Land	\$ 710	\$ 707	\$ 136	\$ 135	\$ 846	\$ 842
Buildings & improvements	830	860	255	266	1,085	1,126
Improvements other than buildings	195	206	1,000	998	1,195	1,204
Equipment	230	220	34	36	264	256
Infrastructure	327	324	-	-	327	324
Intangible - easement rights	-	-	9	10	9	10
Construction in progress	268	244	109	74	377	318
<b>TOTALS</b>	<b>\$ 2,560</b>	<b>\$ 2,561</b>	<b>\$ 1,543</b>	<b>\$ 1,519</b>	<b>\$ 4,103</b>	<b>\$ 4,080</b>

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

- Governmental activities Net Capital Assets decreased by \$1 million to \$2.560 billion. This change was primarily due to the effects of current year depreciation.
- Business-type activities Net Capital Assets increased overall by \$24 million to \$1.543 billion, primarily attributable to a \$35 million (net) increase in *Construction in progress*. Since the County Water Utilities Department 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 improvements to Water Treatment Plant No. 11 for \$3.2 million and sewer rehabilitation of Century Village and Westgate for \$2.9 million.
- The Department of Airports expended \$21.8 million on capital activities. Completed projects during 2019 totaling \$2.9 million were transferred from *Construction in Progress* to their respective capital accounts. One major project completed in FY 2019 were updates to the North County Airport Hangers for \$1.1 million.



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

**Long-term liabilities.** At September 30, 2019, the primary government had 26 issues of bonded debt totaling \$1.004 billion. Of this amount, \$67 million comprises debt backed by the full faith and credit of the government, \$709 million is special obligation debt secured by dedicated revenue sources, and \$228 million is secured by specified enterprise revenue sources. Other obligations



consist primarily of self-insurance liabilities and compensated absences. (See chart below for more information).

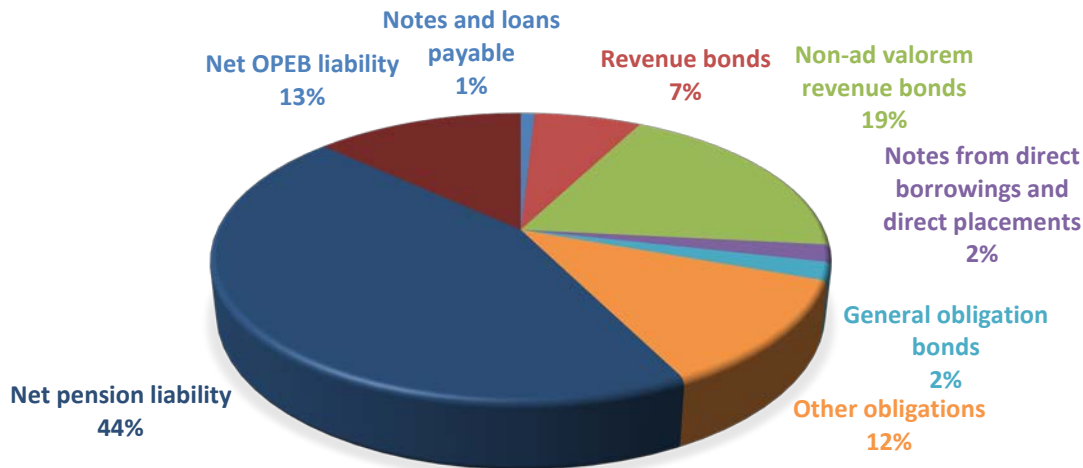
Palm Beach County, Florida						
Long-Term Liabilities at Year-End (in millions)						
	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 67	\$ 90	\$ -	\$ -	\$ 67	\$ 90
Non-ad valorem revenue bonds	644	688	-	-	644	688
Notes from direct borrowings and direct placements	65	79	-	-	65	79
Revenue bonds	-	-	228	238	228	238
Notes and loans payable	22	24	7	7	29	31
Other obligations	403	374	4	5	407	379
Net pension liability	1,454	1,281	42	38	1,496	1,319
Net OPEB liability	443	339	1	1	444	340
<b>TOTALS</b>	<b>\$ 3,098</b>	<b>\$ 2,875</b>	<b>\$ 282</b>	<b>\$ 289</b>	<b>\$ 3,380</b>	<b>\$ 3,164</b>

**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, 2019, the County’s non ad-valorem revenues were 5.56 times the debt service required in the current or any future fiscal year.

Palm Beach County, Florida, Debt Ratings at September 30, 2019			
<u>Type of Debt Issue</u>	<u>Moody's</u>	<u>Fitch Ratings</u>	<u>S&amp;P</u>
General obligation bonds	Aaa	AAA	AAA
Non-ad valorem revenue bonds	Aa1	AA+	AAA
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	A1	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, 2019**



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 1,433,417 in 2018 to 1,447,857 in 2019, an increase of 14,440 or approximately 1.0%.
- The civilian labor force for Palm Beach County increased from 729,972 on September 30, 2018 to 739,891 as of September 30, 2019. The County’s unemployment rate decreased from 3.5% on September 30, 2018 to 3.3% as of September 30, 2019.
- Gross property taxes levied increased from \$1.190 billion in 2018 to \$1.261 billion for 2019, an increase of \$71 million or 6%.
- Palm Beach County has a diversified property tax base. The ten largest property taxpayers in the County represent 12% of the total ad valorem property taxes levied. Florida Power & Light remains at the top of the list, paying just over \$101 million in property taxes.

- The median sales price for a single-family home in Palm Beach County rose from \$345,000 in 2018 to \$354,900 in 2019, an increase of 2.9%. In Florida, the median sales price for a single-family home rose from \$254,505 in 2018 to \$264,500 in 2019, an increase of 3.9%.
- Palm Beach County's local economy continues to improve. Sales tax revenue for fiscal year 2019 totaled \$93.0 million, which was an increase of \$1.6 million or 1.7% from fiscal year 2018. In addition, \$87.7 million of revenue from the new local government infrastructure one-cent surtax was received in fiscal year 2019. Fiscal year 2019 was the second full year of receiving this additional revenue.
- Property Tax revenues reached a record high for fiscal year 2019 at \$1.216 billion. This was an increase of \$70 million from fiscal year 2018, or 6%.
- The tourism industry continues to thrive in Palm Beach County. Tourist development tax increased from \$53.8 million in fiscal year 2018 to \$54.2 million in fiscal year 2019, which was the highest ever for Palm Beach County.

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, 11<sup>th</sup> 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, 2<sup>nd</sup> Floor  
West Palm Beach, FL 33401





# BASIC FINANCIAL STATEMENTS

The Basic Financial Statements subsection includes the government-wide financial statements, which incorporate governmental and business type activities of Palm Beach County and activities of component units in order to provide an overview of the financial position and results of operation for the reporting entity. This subsection also includes the fund financial statements of the County and the accompanying notes to the financial statements.



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PALM BEACH COUNTY, FLORIDA  
Statement of Net Position  
September 30, 2019

Primary Government

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash, cash equivalents, and investments	\$ 1,069,717,400	\$ 370,636,450	\$ 1,440,353,850
Interest receivable	172,912	368,830	541,742
Accounts receivable - net	21,352,281	27,243,272	48,595,553
Internal balances	(15,301,341)	15,301,341	-
Due from primary government	-	-	-
Due from other governments	50,676,599	3,597,924	54,274,523
Due from component units	814,752	-	814,752
Inventories	15,082,798	10,540,636	25,623,434
Other assets	12,364,474	1,251,150	13,615,624
Other receivables	13,172,506	10,074,882	23,247,388
Investment in joint ventures	-	60,223,178	60,223,178
Noncurrent restricted cash, cash equivalents and investments	654,030,653	90,519,682	744,550,335
Capital assets			
Non-depreciable capital assets	977,704,620	246,233,949	1,223,938,569
Depreciable capital assets, net	1,582,524,852	1,297,047,162	2,879,572,014
<b>Total assets</b>	<b>4,382,312,506</b>	<b>2,133,038,456</b>	<b>6,515,350,962</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related (Note 10)	489,132,799	13,390,006	502,522,805
OPEB related (Note 11)	100,334,208	96,321	100,430,529
Deferred charges on refunding	24,984,535	6,660,558	31,645,093
Goodwill	-	4,084,005	4,084,005
<b>Total deferred outflows of resources</b>	<b>614,451,542</b>	<b>24,230,890</b>	<b>638,682,432</b>
<b>LIABILITIES</b>			
Vouchers payable and accruals	117,696,592	27,082,705	144,779,297
Due to primary government	-	-	-
Due to other governments	17,484,617	1,195,831	18,680,448
Due to component units	11,660,800	82,185	11,742,985
Due to individuals	280,718	5,753,894	6,034,612
Accrued interest payable	11,939,202	5,003,338	16,942,540
Unearned revenue	17,077,650	571,865	17,649,515
Other current liabilities	13,811,441	-	13,811,441
Long-term liabilities			
Long-term liabilities due within one year	95,252,756	10,066,630	105,319,386
Long-term liabilities due in more than one year	1,106,181,767	229,006,635	1,335,188,402
Net pension liability	1,454,144,608	42,381,595	1,496,526,203
Net OPEB liability	442,780,490	1,325,981	444,106,471
<b>Total liabilities</b>	<b>3,288,310,641</b>	<b>322,470,659</b>	<b>3,610,781,300</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related (Note 10)	112,763,259	3,586,697	116,349,956
OPEB related (Note 11)	28,510,788	34,301	28,545,089
Other	17,835	183,875	201,710
<b>Total deferred inflows of resources</b>	<b>141,291,882</b>	<b>3,804,873</b>	<b>145,096,755</b>
<b>NET POSITION</b>			
Net investment in capital assets	1,798,361,216	1,337,341,068	3,135,702,284
Restricted for:			
Debt service	-	9,315,734	9,315,734
Capital projects	644,733,251	15,610,270	660,343,521
Library services	13,125,331	-	13,125,331
Fire rescue services	116,090,301	-	116,090,301
Tourist development programs	24,794,882	-	24,794,882
Grant and economic development programs	26,560,528	-	26,560,528
Environmental protection programs	15,843,689	-	15,843,689
Public safety and judicial programs	19,601,689	-	19,601,689
Other services and programs	102,952,328	63,822,893	166,775,221
Unrestricted (deficit)	(1,194,901,690)	404,903,849	(789,997,841)
<b>Total net position</b>	<b>\$ 1,567,161,525</b>	<b>\$ 1,830,993,814</b>	<b>\$ 3,398,155,339</b>

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

Component Units			
Palm Beach Transportation Planning Agency	Housing Finance Authority	Westgate/ Belvedere Homes Community Redevelopment Agency	Solid Waste Authority
\$ -	\$ 4,011,146	\$ 2,816,909	\$ 282,815,811
-	10,412	-	4,819,011
-	1,016,397	12,541	8,234,703
-	-	-	-
-	7,073,126	-	4,669,859
1,527,535	-	-	2,185,216
-	-	-	-
-	-	-	2,952,355
-	29,310	3,258,688	5,403,817
-	229,904	-	-
-	-	-	-
-	-	-	461,526,830
-	-	4,573,398	50,912,790
-	-	3,050,696	1,045,103,160
1,527,535	12,370,295	13,712,232	1,868,623,552
-	-	109,966	9,469,969
-	-	-	23,000
-	-	-	17,757,406
-	-	-	-
-	-	109,966	27,250,375
724,215	36,754	-	15,101,410
456,571	-	-	358,181
10,660	-	-	520,790
-	-	-	-
-	-	-	812,225
-	-	-	22,257,099
-	-	31,480	-
-	110,000	100,203	75,067
-	-	260,000	43,673,913
-	-	-	1,140,410,872
-	-	355,673	31,104,023
-	-	-	687,000
1,191,446	146,754	747,356	1,255,000,580
-	-	35,645	2,223,049
-	-	-	9,000
-	-	747,356	-
-	-	783,001	2,232,049
-	-	7,364,094	432,584,867
-	-	302,503	40,074,547
-	-	567,830	23,215,688
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	25,781,356
336,089	12,223,541	4,804,770	116,984,840
\$ 336,089	\$ 12,223,541	\$ 13,039,197	\$ 638,641,298



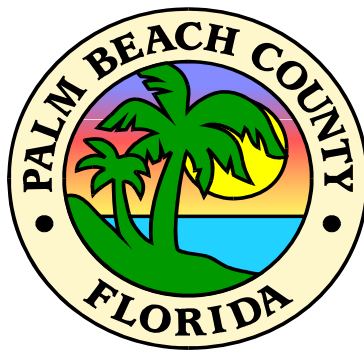
PALM BEACH COUNTY, FLORIDA  
Statement of Activities  
For the fiscal year ended September 30, 2019

	Expenses		Program Revenues		
	Direct	Indirect	Fines, Fees and Charges for Services	Operating Grants, Contributions and Restricted Interest Income	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>					
Governmental Activities					
General Government	\$ 422,256,174	\$ (18,732,617)	\$ 162,007,504	\$ 6,953,133	\$ 383,167
Public Safety	1,176,770,488	6,742,738	157,527,980	14,519,452	279,047
Physical Environment	26,209,172	-	4,666,127	172,414	413,252
Transportation	202,596,416	-	42,366,403	55,246,535	457,278
Economic Environment	108,886,606	152,086	6,343,301	15,043,401	111,642
Human Services	96,196,294	-	3,085,181	18,268,408	-
Culture and Recreation	137,436,483	3,728,784	25,111,967	2,284,353	200,000
Interest Expense	30,440,637	-	-	-	-
<b>Total Governmental Activities</b>	<b>2,200,792,270</b>	<b>(8,109,009)</b>	<b>401,108,463</b>	<b>112,487,696</b>	<b>1,844,386</b>
Business Activities					
Department of Airports	75,164,917	1,285,121	73,240,879	-	18,755,315
Water Utilities Department	202,730,015	6,709,505	205,417,723	-	41,374,174
<b>Total Business Activities</b>	<b>277,894,932</b>	<b>7,994,626</b>	<b>278,658,602</b>	<b>-</b>	<b>60,129,489</b>
<b>Total Primary Government</b>	<b>\$ 2,478,687,202</b>	<b>\$ (114,383)</b>	<b>\$ 679,767,065</b>	<b>\$ 112,487,696</b>	<b>\$ 61,973,875</b>
<b>COMPONENT UNITS</b>					
Palm Beach Transportation Planning Agency	\$ 2,986,417	\$ 97,141	\$ -	\$ 3,331,151	\$ -
Housing Finance Authority	719,860	-	446,045	604,964	-
Westgate/Belvedere Homes CRA	1,485,134	-	-	493,593	-
Solid Waste Authority	305,128,858	-	321,173,770	14,501,402	1,060,755
<b>Total Component Units</b>	<b>\$ 310,320,269</b>	<b>\$ 97,141</b>	<b>\$ 321,619,815</b>	<b>\$ 18,931,110</b>	<b>\$ 1,060,755</b>
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					
Gain on disposal of capital assets					
Transfers - net					
<b>Total general revenues and transfers</b>					
Increase (decrease) in net position					
<b>Beginning net position, October 1, 2018</b>					
<b>Ending net position, September 30, 2019</b>					

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	Palm Beach Transportation Planning Agency	Housing Finance Authority	Westgate/ Belvedere Homes	Solid Waste Authority
					Community Redevelopment Agency	
\$ (234,179,753)	\$ -	\$ (234,179,753)	\$ -	\$ -	\$ -	\$ -
(1,011,186,747)	-	(1,011,186,747)	-	-	-	-
(20,957,379)	-	(20,957,379)	-	-	-	-
(104,526,200)	-	(104,526,200)	-	-	-	-
(87,540,348)	-	(87,540,348)	-	-	-	-
(74,842,705)	-	(74,842,705)	-	-	-	-
(113,568,947)	-	(113,568,947)	-	-	-	-
(30,440,637)	-	(30,440,637)	-	-	-	-
(1,677,242,716)	-	(1,677,242,716)	-	-	-	-
-	15,546,156	15,546,156	-	-	-	-
-	37,352,377	37,352,377	-	-	-	-
-	52,898,533	52,898,533	-	-	-	-
\$ (1,677,242,716)	\$ 52,898,533	\$ (1,624,344,183)	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ 247,593	\$ -	\$ -	\$ -
-	-	-	-	331,149	-	-
-	-	-	-	-	(991,541)	-
-	-	-	-	-	-	31,607,069
\$ -	\$ -	\$ -	\$ 247,593	\$ 331,149	\$ (991,541)	\$ 31,607,069
\$ 1,215,729,274	\$ -	\$ 1,215,729,274	\$ -	\$ -	\$ 2,344,699	\$ -
44,012,007	-	44,012,007	-	-	-	-
53,445,285	-	53,445,285	-	-	-	-
54,202,758	-	54,202,758	-	-	-	-
180,736,139	-	180,736,139	-	-	-	-
37,485,726	-	37,485,726	-	-	-	-
63,892,962	-	63,892,962	-	-	-	-
51,854,317	12,784,700	64,639,017	-	-	7,971	-
306,750	73,213	379,963	-	-	-	-
9,161,871	-	9,161,871	322	-	430,348	-
3,699,216	-	3,699,216	-	-	-	-
(2,311,155)	2,311,155	-	-	-	-	-
1,712,215,150	15,169,068	1,727,384,218	322	-	2,783,018	-
34,972,434	68,067,601	103,040,035	247,915	331,149	1,791,477	31,607,069
1,532,189,091	1,762,926,213	3,295,115,304	88,174	11,892,392	11,247,720	607,034,229
\$ 1,567,161,525	\$ 1,830,993,814	\$ 3,398,155,339	\$ 336,089	\$ 12,223,541	\$ 13,039,197	\$ 638,641,298



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## 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.

**Palm Tran Special Revenue Fund** - To account for activities related to the operation of the County-owned public bus transportation system.

**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, 2019

	MAJOR FUNDS			
	General Fund	Palm Tran Special Revenue Fund	Fire Rescue Special Revenue Fund	Road Program Capital Projects
<b>ASSETS</b>				
Cash, cash equivalents, and investments	\$ 378,353,366	\$ 950	\$ 144,738,556	\$ 424,040,492
Accounts receivable, net	11,944,090	64,617	2,584,012	7,033
Due from other county funds	27,540,798	8,541,169	4,350,789	-
Due from other governments	11,377,551	10,182,704	3,349,657	1,444,517
Due from component unit	814,197	-	-	-
Inventory	6,321,898	2,282,186	1,858,136	-
Other assets	4,783,639	5,000	33,275	-
Other receivables, noncurrent	-	-	-	-
<b>Total assets</b>	<b>\$ 441,135,539</b>	<b>\$ 21,076,626</b>	<b>\$ 156,914,425</b>	<b>\$ 425,492,042</b>
<b>LIABILITIES</b>				
Vouchers payable and accrued liabilities	\$ 56,715,019	\$ 5,521,440	\$ 18,118,485	\$ 6,947,874
Due to other county funds	34,635,764	14,400,114	664,255	73,948
Due to other governments	16,510,826	8,354	12,340	3,902
Due to component unit	11,660,800	-	-	-
Due to individuals	93,696	407	-	-
Insurance claims payable	4,420,030	-	-	-
Unearned revenue	14,319,310	-	-	-
Other liabilities	13,810,394	-	-	-
<b>Total liabilities</b>	<b>152,165,839</b>	<b>19,930,315</b>	<b>18,795,080</b>	<b>7,025,724</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	1,276,807	2,244,835	-
<b>FUND BALANCES (DEFICIT)</b>				
Non-Spendable				
Inventory	6,321,898	2,282,186	1,858,136	-
Prepaid items	4,367,575	5,000	-	-
Spendable				
Restricted for:				
Debt service	-	-	-	-
Capital projects	-	-	-	326,386,246
Library services	-	-	-	-
Fire rescue services	-	-	134,016,374	-
Tourist development programs	-	-	-	-
Grant and economic development programs	-	-	-	-
Environmental protection programs	-	-	-	-
Public safety and judicial programs	18,784,624	-	-	-
Other services and programs	-	-	-	-
Assigned to:				
Capital projects	-	-	-	92,080,072
Tourist development programs	-	-	-	-
Other services and programs	-	-	-	-
Unassigned (deficit)	259,495,603	(2,417,682)	-	-
<b>Total fund balances (deficit)</b>	<b>288,969,700</b>	<b>(130,496)</b>	<b>135,874,510</b>	<b>418,466,318</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 441,135,539</b>	<b>\$ 21,076,626</b>	<b>\$ 156,914,425</b>	<b>\$ 425,492,042</b>

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

General Government Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 308,616,574	\$ 340,308,115	\$ 1,596,058,053
215	4,734,695	19,334,662
1,057,069	17,853,984	59,343,809
14,164,540	9,979,648	50,498,617
-	-	814,197
-	3,876,334	14,338,554
-	3,926,140	8,748,054
-	13,172,506	13,172,506
<u>\$ 323,838,398</u>	<u>\$ 393,851,422</u>	<u>\$ 1,762,308,452</u>
\$ 9,705,659	\$ 15,497,381	\$ 112,505,858
244,906	14,837,128	64,856,115
-	937,624	17,473,046
-	-	11,660,800
-	186,615	280,718
-	-	4,420,030
-	2,758,340	17,077,650
-	1,047	13,811,441
<u>9,950,565</u>	<u>34,218,135</u>	<u>242,085,658</u>
-	19,797,798	23,319,440
-	3,876,334	14,338,554
-	366,015	4,738,590
-	7,153,854	7,153,854
216,549,216	111,979,763	654,915,225
-	15,320,936	15,320,936
-	-	134,016,374
-	24,794,882	24,794,882
-	24,688,443	24,688,443
-	15,841,841	15,841,841
-	9,206,619	27,991,243
-	93,334,320	93,334,320
97,338,617	21,505,881	210,924,570
-	8,538,454	8,538,454
-	4,981,937	4,981,937
-	(1,753,790)	255,324,131
<u>313,887,833</u>	<u>339,835,489</u>	<u>1,496,903,354</u>
<u>\$ 323,838,398</u>	<u>\$ 393,851,422</u>	<u>\$ 1,762,308,452</u>

PALM BEACH COUNTY, FLORIDA  
 Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position - Governmental Activities  
 September 30, 2019

<b>Fund balances for total of governmental funds (page 9)</b>	\$	1,496,903,354
<b>Amounts reported for governmental activities in the statement of net position are different because:</b>		
<b>Report internal service funds as governmental activities</b>		
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	\$	104,105,373
Less amount due to business-type activities for 'look-back' allocation		<u>(16,289,649)</u>
		87,815,724
<b>Report as a liability general long-term debt obligations</b>		
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		(61,115,000)
Non-ad valorem bonds payable		(640,893,653)
Notes and loans payable		(27,036,187)
Compensated absences		(184,841,501)
Claims and judgements		(137,528,108)
Unamortized premium		(69,113,898)
Capital lease obligation		<u>(316,336)</u>
		(1,120,844,683)
<b>Report refunding losses as deferred outflows</b>		24,984,535
<b>Report refunding gain as deferred inflow</b>		(17,835)
<b>Report net deferred outflow/inflow - pension related</b>		376,369,540
<b>Report net deferred outflow/inflow - OPEB related</b>		71,823,420
<b>Report as an asset the cost of general capital assets and accumulated depreciation</b>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.		
Non-depreciable capital assets		977,704,620
Depreciable capital assets, net of accumulated depreciation		<u>1,537,967,710</u>
		2,515,672,330
<b>Report other adjustments to convert from modified accrual to full accrual</b>		
<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.		(1,454,144,608)
<i>Net OPEB Liability</i>		
Net OPEB liability that is not due and payable in the current period is not reported in the governmental fund statements.		(442,780,490)
<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.		(11,939,202)
<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.		23,319,440
		<u>(1,885,544,860)</u>
<b>Net position of governmental activities (page 2)</b>	<b>\$</b>	<b><u>1,567,161,525</u></b>

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



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PALM BEACH COUNTY, FLORIDA  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the fiscal year ended September 30, 2019

	MAJOR FUNDS			
	General Fund	Palm Tran Special Revenue Fund	Fire Rescue Special Revenue Fund	Road Program Capital Projects
<b>Revenues:</b>				
Taxes (net of discount)	\$ 931,541,240	\$ 34,051,760	\$ 272,698,965	\$ 10,882,108
Special assessments	-	-	279,046	38,256,616
Licenses and permits	37,853,788	57,282	29,336	-
Intergovernmental	135,316,272	52,113,930	612,099	457,278
Charges for services	262,227,465	12,459,612	43,837,332	1,020
Less - excess fees paid out	(51,372,851)	-	-	-
Fines and forfeitures	3,124,493	-	-	-
Interest Income	12,872,288	-	5,588,354	11,557,998
Net change in fair value of investments	17,901	1,023	44,354	83,445
Miscellaneous	12,718,684	641,725	362,257	3,240,445
<b>Total revenues</b>	<b>1,344,299,280</b>	<b>99,325,332</b>	<b>323,451,743</b>	<b>64,478,910</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	294,138,371	-	-	3,235,199
Public safety	637,148,826	50,876	295,693,801	-
Physical environment	12,859,572	-	-	-
Transportation	4,235,000	98,151,307	-	4,889,327
Economic environment	44,165,609	-	984,053	-
Human services	70,614,135	-	-	-
Culture and recreation	61,246,391	-	-	-
Capital outlay	34,828,632	7,923,272	4,374,368	42,711,344
Debt service	84,360	-	-	-
<b>Total expenditures</b>	<b>1,159,320,896</b>	<b>106,125,455</b>	<b>301,052,222</b>	<b>50,835,870</b>
<b>Excess of revenues over (under) expenditures</b>	<b>184,978,384</b>	<b>(6,800,123)</b>	<b>22,399,521</b>	<b>13,643,040</b>
<b>Other financing sources (uses):</b>				
Transfers in	21,780,394	30,647,572	9,111,689	371,885
Transfers out	(162,402,765)	(102,808)	(9,202,928)	(2,972,734)
<b>Total other financing sources (uses)</b>	<b>(140,622,371)</b>	<b>30,544,764</b>	<b>(91,239)</b>	<b>(2,600,849)</b>
<b>Net change in fund balances</b>	<b>44,356,013</b>	<b>23,744,641</b>	<b>22,308,282</b>	<b>11,042,191</b>
<b>Fund balances (deficit), October 1, 2018</b>	<b>244,777,527</b>	<b>(23,829,394)</b>	<b>113,075,490</b>	<b>407,424,127</b>
<b>Change in nonspendable fund balances</b>	<b>(163,840)</b>	<b>(45,743)</b>	<b>490,738</b>	<b>-</b>
<b>Fund balances (deficit), September 30, 2019</b>	<b>\$ 288,969,700</b>	<b>\$ (130,496)</b>	<b>\$ 135,874,510</b>	<b>\$ 418,466,318</b>

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

General Government Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 95	\$ 140,426,650	\$ 1,389,600,818
1,507,439	12,900,403	52,943,504
-	28,728,091	66,668,497
87,984,049	59,454,082	335,937,710
406,224	29,466,101	348,397,754
-	-	(51,372,851)
965,074	2,373,061	6,462,628
7,725,162	11,566,789	49,310,591
55,275	78,691	280,689
1,202,049	22,264,097	40,429,257
<u>99,845,367</u>	<u>307,257,965</u>	<u>2,238,658,597</u>
28,504,509	15,059,217	340,937,296
-	26,482,530	959,376,033
35,255	9,359,459	22,254,286
13,877,815	40,944,328	162,097,777
-	62,416,942	107,566,604
-	21,889,655	92,503,790
71,529	54,475,361	115,793,281
19,663,161	16,483,619	125,984,396
-	110,148,358	110,232,718
<u>62,152,269</u>	<u>357,259,469</u>	<u>2,036,746,181</u>
<u>37,693,098</u>	<u>(50,001,504)</u>	<u>201,912,416</u>
42,055,210	132,605,828	236,572,578
(6,283,550)	(47,904,214)	(228,868,999)
<u>35,771,660</u>	<u>84,701,614</u>	<u>7,703,579</u>
73,464,758	34,700,110	209,615,995
240,423,075	304,882,043	1,286,752,868
-	253,336	534,491
<u>\$ 313,887,833</u>	<u>\$ 339,835,489</u>	<u>\$ 1,496,903,354</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, 2019

Net change in fund balances for total governmental funds (page 13) \$ 209,615,995

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 (loss) per fund statements	\$ (919,314)	
Adjusted for current year allocation of internal service funds to business-type activities	<u>(2,251,438)</u>	(3,170,752)

***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	-	
--	---	--

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 amortization & retirement of premium / discount	7,283,238	
--	-----------	--

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 amortization & retirement of deferred refunding loss	(3,650,277)	
Current year amortization & retirement of deferred refunding gain	26,577	

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.

75,076,149

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	2,622	
Net change in estimated self-insurance obligation	(6,253,061)	
Net change in capital leases	318,366	
Net change in compensated absences liability	<u>(12,849,644)</u>	

59,953,970

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. 125,984,396

Acquisition of capital assets from contributions do not generate current financial resources and therefore are not reported in the governmental fund statements as revenue. (392,922)

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. (131,506,113)

(5,914,639)

***Report other adjustments for converting from modified accrual to full accrual***

Net change in inventory 534,490

Net change in accrued interest payable 723,630

Net change in unavailable revenue (22,686,160)

Net change in net pension liability (187,630,638)

Net change in net OPEB liability (16,453,462)

(225,512,140)

**Change in net position of governmental activities (page 5)**

**\$ 34,972,434**

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, 2019

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes (net of discount)	\$ 970,126,450	\$ 970,126,450	\$ 931,541,240	\$ (38,585,210)
Licenses and permits	39,712,718	39,014,700	37,853,788	(1,160,912)
Intergovernmental	130,751,755	132,076,790	132,078,037	1,247
Charges for services	117,476,062	119,172,930	118,133,514	(1,039,416)
Fines and forfeitures	1,627,600	1,528,100	2,751,429	1,223,329
Interest income	3,666,000	3,756,000	12,150,842	8,394,842
Net change in fair value of investments	-	-	17,901	17,901
Miscellaneous	4,978,940	10,938,365	12,685,596	1,747,231
<b>Less 5% anticipated revenues</b>	<b>(63,645,368)</b>	<b>(63,645,368)</b>	<b>-</b>	<b>63,645,368</b>
<b>Total revenues</b>	<b>1,204,694,157</b>	<b>1,212,967,967</b>	<b>1,247,212,347</b>	<b>34,244,380</b>
<b>Expenditures</b>				
Current:				
General government:				
Youth Services Department	244,199	244,199	215,950	28,249
County Administrator	2,380,562	2,379,062	2,332,900	46,162
Office of Resilience	362,122	395,122	381,038	14,084
County Attorney	5,896,835	5,962,609	5,773,126	189,483
Commission on Ethics	679,533	679,533	680,599	(1,066)
County Commission	3,618,044	3,682,541	3,429,544	252,997
Employee Relations & Personnel	3,339,125	3,336,625	2,985,725	350,900
Engineering & Public Works	4,260,972	4,260,972	4,182,638	78,334
Facilities Dev & Ops	41,465,633	41,428,971	38,206,433	3,222,538
Financial Management & Budget	3,875,319	3,875,319	3,519,543	355,776
Information Systems Services	35,565,774	35,700,184	33,891,870	1,808,314
Internal Auditor	1,183,664	1,183,664	1,072,284	111,380
Judicial	2,121,048	2,145,044	2,101,916	43,128
Planning, Zoning & Building	10,019,598	9,937,598	8,785,048	1,152,550
Public Affairs	5,271,801	5,268,301	5,011,665	256,636
Legislative Affairs	484,539	484,539	428,161	56,378
Public Safety	4,309,924	4,247,991	3,742,547	505,444
Purchasing	4,271,905	4,269,905	4,087,144	182,761
Risk Management	353,112	365,934	365,934	-
General Government Operations	30,841,792	30,820,472	20,470,284	10,350,188
Value Adjustment Board	620,000	620,000	616,483	3,517
Non-departmental specific reserves	132,364,958	163,551,134	105,747	163,445,387
Office of Small Business Assistance	1,120,321	1,111,597	976,110	135,487
<b>Total general government</b>	<b>294,650,780</b>	<b>325,951,316</b>	<b>143,362,689</b>	<b>182,588,627</b>
Public safety:				
Sheriff - PBC Expenses	285,000	285,000	223,857	61,143
Facilities Dev & Ops	3,243,912	3,243,912	3,043,271	200,641
Parks & Recreation	-	-	79,726	(79,726)
Planning, Zoning & Building	4,325,450	4,393,450	3,850,959	542,491
Public Safety	7,748,045	7,796,925	7,487,964	308,961
Medical Examiner	4,345,264	4,359,203	4,000,424	358,779
Other County Funded Programs	2,526,270	2,716,842	2,218,022	498,820
General Government Operations	541,135	541,135	630,279	(89,144)
Criminal Justice Commission	1,077,014	1,177,014	968,042	208,972
<b>Total public safety</b>	<b>24,092,090</b>	<b>24,513,481</b>	<b>22,502,544</b>	<b>2,010,937</b>

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, 2019

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Physical environment:				
County Cooperative Ext Serv	2,519,297	2,519,297	2,129,134	390,163
Engineering & Public Works	572,508	572,508	481,579	90,929
Environmental Resources Mgt	10,694,773	11,255,845	10,248,859	1,006,986
<b>Total physical environment</b>	<b>13,786,578</b>	<b>14,347,650</b>	<b>12,859,572</b>	<b>1,488,078</b>
Transportation:				
Other County Funded Programs	4,235,000	4,235,000	4,235,000	-
<b>Total transportation</b>	<b>4,235,000</b>	<b>4,235,000</b>	<b>4,235,000</b>	<b>-</b>
Economic environment:				
Department of Economic Sustainability	306,740	306,740	289,023	17,717
Community Services/Human Serv	301,860	301,860	286,460	15,400
Equal Opportunity	1,037,071	1,022,471	985,966	36,505
Office Of Comm. Revitalization	776,218	776,218	752,771	23,447
Community Redevelopment Agncys	41,885,171	41,885,171	41,715,729	169,442
General Government Operations	140,000	140,000	135,660	4,340
<b>Total economic environment</b>	<b>44,447,060</b>	<b>44,432,460</b>	<b>44,165,609</b>	<b>266,851</b>
Human services:				
Community Services	5,146,903	5,146,903	4,011,524	1,135,379
Community Services/Human Serv	12,867,206	13,748,403	11,570,331	2,178,072
Youth Services Department	8,692,365	8,692,152	8,051,081	641,071
Youth Services-Children's Services Council/Head Start	1,419,223	1,423,223	1,400,457	22,766
Youth Services-New Evidenced Based Programming	3,863,235	4,400,348	4,077,297	323,051
Environmental Resources Mgt	2,804,966	2,755,657	2,571,065	184,592
Equal Opportunity	115,913	115,913	53,526	62,387
Health Department	2,114,162	2,114,162	2,114,162	-
Public Safety	10,522,131	10,329,163	8,942,349	1,386,814
Financially Assisted Agencies	12,912,143	12,912,143	12,573,079	339,064
Other County Funded Programs	15,250,000	15,250,000	15,249,264	736
<b>Total human services</b>	<b>75,708,247</b>	<b>76,888,067</b>	<b>70,614,135</b>	<b>6,273,932</b>
Culture and recreation:				
Parks & Recreation	64,100,819	64,069,635	60,443,403	3,626,232
Parks & Rec - Grants	1,500,000	1,500,000	802,988	697,012
<b>Total culture and recreation</b>	<b>65,600,819</b>	<b>65,569,635</b>	<b>61,246,391</b>	<b>4,323,244</b>
Capital outlay:				
Community Services	3,000	3,000	2,470	530
Community Services/Human Services	-	48,000	2,251	45,749
Youth Services Department	62,100	79,679	16,762	62,917
Supervisor Of Elections	-	8,676,636	8,676,636	-
County Administrator	-	1,500	1,120	380
County Attorney	6,500	4,530	4,395	135
Commission on Ethics	2,000	2,000	-	2,000
County Commission	1,000	4,000	1,380	2,620
Employee Relations & Personnel	3,000	5,500	4,531	969
Engineering & Public Works	125,000	125,000	6,936	118,064
Environmental Resources Mgt	-	13,237	13,209	28
Facilities Dev & Ops	220,103	220,103	128,765	91,338
Financial Management & Budget	153,000	153,000	-	153,000
Information Systems Services	102,910	128,845	117,805	11,040
Parks & Recreation	62,200	95,884	127,988	(32,104)
Planning, Zoning & Building	110,000	124,000	60,177	63,823
Public Affairs	60,001	63,501	47,847	15,654

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, 2019

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Public Safety	87,872	271,272	135,617	135,655
Medical Examiner	496,690	544,110	31,881	512,229
Purchasing	-	2,000	1,311	689
Office of Small Business Assistance	-	8,724	8,724	-
<b>Total capital outlay</b>	<b>1,495,376</b>	<b>10,574,521</b>	<b>9,389,805</b>	<b>1,184,716</b>
Debt Service:				
Public Affairs	-	-	84,360	(84,360)
<b>Total Debt Service</b>	<b>-</b>	<b>-</b>	<b>84,360</b>	<b>(84,360)</b>
<b>Total expenditures</b>	<b>524,015,950</b>	<b>566,512,130</b>	<b>368,460,105</b>	<b>198,052,025</b>
<b>Excess of revenues over expenditures</b>	<b>680,678,207</b>	<b>646,455,837</b>	<b>878,752,242</b>	<b>232,296,405</b>
<b>Other financing sources (uses)</b>				
Transfers in	4,567,826	13,563,632	23,368,050	9,804,418
Transfers out	(880,849,378)	(881,957,337)	(864,430,136)	17,527,201
<b>Total other financing sources (uses)</b>	<b>(876,281,552)</b>	<b>(868,393,705)</b>	<b>(841,062,086)</b>	<b>27,331,619</b>
Net change in fund balances	(195,603,345)	(221,937,868)	37,690,156	259,628,024
Fund balances, October 1, 2018	195,603,345	221,937,868	224,604,214	2,666,346
<b>Change in nonspendable fund balance</b>	<b>-</b>	<b>-</b>	<b>(163,840)</b>	<b>(163,840)</b>
<b>Fund balances, September 30, 2019</b>	<b>\$ -</b>	<b>\$ -</b>	<b>262,130,530</b>	<b>\$ 262,130,530</b>

Perspective difference between budget basis and GAAP 26,839,170

**Fund balances, September 30, 2019 (GAAP) \$ 288,969,700**

**Reconciliation of Budget to GAAP:**

	Revenues	Expenditures	Transfers in	Transfers out	Net change in fund balance
Board of County Commissioners	\$ 1,247,212,347	\$ (368,460,105)	\$ 23,368,050	\$ (864,430,136)	\$ 37,690,156
Sheriff	2,298,770	(664,582,352)	680,603,151	(11,303,122)	7,016,447
Clerk & Comptroller	43,707,364	(58,490,433)	15,085,765	(653,286)	(350,590)
Tax Collector	27,594,863	(27,594,863)	-	-	-
Property Appraiser	22,853,324	(22,853,324)	-	-	-
Supervisor of Elections	632,612	(17,339,819)	17,820,804	(1,113,597)	-
Eliminations	-	-	(715,097,376)	715,097,376	-
<b>Totals</b>	<b>\$ 1,344,299,280</b>	<b>\$ (1,159,320,896)</b>	<b>\$ 21,780,394</b>	<b>\$ (162,402,765)</b>	<b>\$ 44,356,013</b>

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  
Palm Tran Special Revenue Fund  
For the fiscal year ended September 30, 2019

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes (net of discount)	\$ 34,182,000	\$ 34,182,000	\$ 34,051,760	\$ (130,240)
Licenses and permits	36,000	36,000	57,282	21,282
Intergovernmental	54,044,515	94,504,363	52,113,930	(42,390,433)
Charges for services	12,753,830	12,753,830	12,459,612	(294,218)
Net change in fair value of investments	-	-	1,023	1,023
Miscellaneous	1,590,000	1,590,000	641,725	(948,275)
<b>Less 5% anticipated revenues</b>	<b>(2,480,437)</b>	<b>(2,480,437)</b>	<b>-</b>	<b>2,480,437</b>
<b>Total revenues</b>	<b>100,125,908</b>	<b>140,585,756</b>	<b>99,325,332</b>	<b>(41,260,424)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	-	-	50,876	(50,876)
Transportation	101,451,979	102,633,993	98,151,307	4,482,686
Capital outlay	33,649,712	46,967,726	7,923,272	39,044,454
<b>Total expenditures</b>	<b>135,101,691</b>	<b>149,601,719</b>	<b>106,125,455</b>	<b>43,476,264</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(34,975,783)</b>	<b>(9,015,963)</b>	<b>(6,800,123)</b>	<b>2,215,840</b>
<b>Other financing sources (uses):</b>				
Transfers in	35,078,592	35,276,095	30,647,572	(4,628,523)
Transfers out	(102,809)	(102,809)	(102,808)	1
<b>Total other financing sources (uses)</b>	<b>34,975,783</b>	<b>35,173,286</b>	<b>30,544,764</b>	<b>(4,628,522)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>26,157,323</b>	<b>23,744,641</b>	<b>(2,412,682)</b>
<b>Fund balances (deficit), October 1, 2018</b>	<b>-</b>	<b>(26,157,323)</b>	<b>(23,829,394)</b>	<b>2,327,929</b>
<b>Change in nonspendable fund balance</b>	<b>-</b>	<b>-</b>	<b>(45,743)</b>	<b>(45,743)</b>
<b>Fund balances (deficit), September 30, 2019</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (130,496)</b>	<b>\$ (130,496)</b>



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, 2019

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes (net of discount)	\$ 283,081,885	\$ 283,081,885	\$ 272,698,965	\$ (10,382,920)
Special assessments	288,849	288,849	279,046	(9,803)
Licenses and permits	16,900	16,900	29,336	12,436
Intergovernmental	448,010	699,547	612,099	(87,448)
Charges for services	43,833,349	43,833,349	43,837,332	3,983
Interest income	1,444,566	1,444,566	5,588,354	4,143,788
Net change in fair value of investments	-	-	44,354	44,354
Miscellaneous	248,000	248,000	362,257	114,257
<b>Less 5% anticipated revenues</b>	<b>(16,158,124)</b>	<b>(16,158,124)</b>	<b>-</b>	<b>16,158,124</b>
<b>Total revenues</b>	<b>313,203,435</b>	<b>313,454,972</b>	<b>323,451,743</b>	<b>9,996,771</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	403,208,257	407,841,329	295,693,801	112,147,528
Economic environment	988,602	988,602	984,053	4,549
Capital outlay	19,294,747	19,367,209	4,374,368	14,992,841
<b>Total expenditures</b>	<b>423,491,606</b>	<b>428,197,140</b>	<b>301,052,222</b>	<b>127,144,918</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(110,288,171)</b>	<b>(114,742,168)</b>	<b>22,399,521</b>	<b>137,141,689</b>
<b>Other financing sources (uses):</b>				
Transfers in	12,190,035	12,237,007	9,111,689	(3,125,318)
Transfers out	(6,507,296)	(9,202,929)	(9,202,928)	1
<b>Total other financing sources (uses)</b>	<b>5,682,739</b>	<b>3,034,078</b>	<b>(91,239)</b>	<b>(3,125,317)</b>
<b>Net change in fund balances</b>	<b>(104,605,432)</b>	<b>(111,708,090)</b>	<b>22,308,282</b>	<b>134,016,372</b>
Fund balances, October 1, 2018	104,605,432	111,708,090	113,075,490	1,367,400
<b>Change in nonspendable fund balance</b>	<b>-</b>	<b>-</b>	<b>490,738</b>	<b>490,738</b>
<b>Fund balances, September 30, 2019</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 135,874,510</b>	<b>\$ 135,874,510</b>

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.



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PALM BEACH COUNTY, FLORIDA  
Statement of Net Position  
Proprietary Funds  
September 30, 2019

	Business-type Activities -	
	Airports	Water Utilities
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 100,052,887	\$ 251,144,200
Cash and cash equivalents - restricted	275,865	14,412,626
Cash with fiscal agent - restricted	4,750,872	-
Interest receivable - restricted	-	368,830
Accounts receivable, net	4,605,928	20,504,759
Due from other county funds	48,067	249,652
Due from other governments	1,737,366	1,860,558
Due from component unit	-	-
Inventory	1,875,681	8,664,955
Current portion of other receivables	-	974,448
Other assets	854,948	396,202
<b>Total current assets</b>	<b>114,201,614</b>	<b>298,576,230</b>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	79,256,003	11,263,679
Accounts receivable, net	2,132,585	-
<b>Total noncurrent restricted assets</b>	<b>81,388,588</b>	<b>11,263,679</b>
Capital assets:		
Land	119,939,513	15,626,971
Buildings	453,504,046	141,872,792
Improvements other than buildings	296,173,681	1,604,115,119
Furniture, fixtures and equipment	42,304,482	91,268,242
Intangible - easement rights	13,754,957	1,678,030
Accumulated depreciation and amortization	(548,838,647)	(797,107,510)
Construction in progress	38,165,565	70,823,870
<b>Total capital assets</b>	<b>415,003,597</b>	<b>1,128,277,514</b>
Investment in joint ventures	-	60,223,178
Other receivables, noncurrent	-	9,100,434
<b>Total noncurrent assets</b>	<b>496,392,185</b>	<b>1,208,864,805</b>
<b>Total assets</b>	<b>\$ 610,593,799</b>	<b>\$ 1,507,441,035</b>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	\$ 3,203,491	\$ 10,186,515
OPEB related	21,655	74,666
Deferred charges on refunding	631,730	6,028,828
Goodwill	-	4,084,005
<b>Total deferred outflows of resources</b>	<b>\$ 3,856,876</b>	<b>\$ 20,374,014</b>

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

<u>Enterprise Funds</u>		Governmental Activities Internal Service Funds
Totals		
\$ 351,197,087	\$ 127,690,000	
14,688,491	-	
4,750,872	-	
368,830	-	
25,110,687	2,190,531	
297,719	6,585,335	
3,597,924	177,982	
-	555	
10,540,636	744,244	
974,448	-	
1,251,150	3,616,422	
<u>412,777,844</u>	<u>141,005,069</u>	
90,519,682	-	
2,132,585	-	
<u>92,652,267</u>	<u>-</u>	
135,566,484	-	
595,376,838	206,558	
1,900,288,800	512,286	
133,572,724	104,031,014	
15,432,987	-	
(1,345,946,157)	(60,192,714)	
108,989,435	-	
<u>1,543,281,111</u>	<u>44,557,144</u>	
60,223,178	-	
9,100,434	-	
<u>1,705,256,990</u>	<u>44,557,144</u>	
\$ 2,118,034,834	\$ 185,562,213	
\$ 13,390,006	\$ -	
96,321	-	
6,660,558	-	
4,084,005	-	
<u>\$ 24,230,890</u>	<u>\$ -</u>	

PALM BEACH COUNTY, FLORIDA  
Statement of Net Position  
Proprietary Funds  
September 30, 2019

	Business-type Activities -	
	Airports	Water Utilities
<b>LIABILITIES</b>		
Current liabilities payable from current assets:		
Vouchers payable and accrued liabilities	\$ 11,879,182	\$ 14,579,630
Due to other county funds	180,914	1,105,113
Due to other governments	79,376	1,116,455
Due to component unit	1,005	81,180
Unearned revenue	571,865	-
Compensated absences	122,521	279,000
Insurance claims payable	-	-
Other liabilities	609,709	14,184
<b>Total current liabilities payable from current assets</b>	<b>13,444,572</b>	<b>17,175,562</b>
Current liabilities payable from restricted assets:		
Customers' deposits	275,864	5,478,030
Accounts and contracts payable	-	-
Current portion of long-term debt	3,145,000	6,520,109
Interest payable on bonds	1,605,873	3,397,465
<b>Total current liabilities payable from restricted assets</b>	<b>5,026,737</b>	<b>15,395,604</b>
<b>Total current liabilities</b>	<b>18,471,309</b>	<b>32,571,166</b>
Noncurrent liabilities:		
Compensated absences	1,097,244	3,087,535
Revenue bonds payable, net	70,201,004	154,620,852
Insurance claims payable	-	-
Net pension liability	10,139,581	32,242,014
Total OPEB liability	298,112	1,027,869
<b>Total noncurrent liabilities</b>	<b>81,735,941</b>	<b>190,978,270</b>
<b>Total liabilities</b>	<b>\$ 100,207,250</b>	<b>\$ 223,549,436</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related	\$ 858,099	\$ 2,728,598
OPEB related	7,712	26,589
Other	-	183,875
<b>Total deferred inflows of resources</b>	<b>\$ 865,811</b>	<b>\$ 2,939,062</b>
<b>NET POSITION</b>		
Net investment in capital assets	\$ 341,657,591	\$ 995,683,477
Restricted for:		
Debt service	3,778,604	5,537,130
Capital projects	14,610,270	1,000,000
Grants and other	63,822,893	-
Unrestricted	89,508,256	299,105,944
<b>Total net position</b>	<b>\$ 513,377,614</b>	<b>\$ 1,301,326,551</b>

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.

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
Totals	
\$ 26,458,812	\$ 5,190,734
1,286,027	84,721
1,195,831	11,571
82,185	-
571,865	-
401,521	-
-	16,601,340
623,893	-
<u>30,620,134</u>	<u>21,888,366</u>
5,753,894	-
-	-
9,665,109	-
5,003,338	-
<u>20,422,341</u>	-
<u>51,042,475</u>	<u>21,888,366</u>
4,184,779	724,247
224,821,856	-
-	58,844,227
42,381,595	-
1,325,981	-
<u>272,714,211</u>	<u>59,568,474</u>
<u>\$ 323,756,686</u>	<u>\$ 81,456,840</u>
\$ 3,586,697	\$ -
34,301	-
183,875	-
<u>\$ 3,804,873</u>	<u>\$ -</u>
\$ 1,337,341,068	\$ 44,557,144
9,315,734	-
15,610,270	-
63,822,893	-
<u>388,614,200</u>	<u>59,548,229</u>
1,814,704,165	<u>\$ 104,105,373</u>
16,289,649	
<u>\$ 1,830,993,814</u>	

PALM BEACH COUNTY, FLORIDA  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the fiscal year ended September 30, 2019

	Business-type Activities -	
	Airports	Water Utilities
Operating revenues:		
Charges for services	\$ 70,076,272	\$ 199,847,203
Miscellaneous	1,671,625	5,126,768
<b>Total operating revenues</b>	<b>71,747,897</b>	<b>204,973,971</b>
Operating expenses:		
Aviation services	50,278,898	-
Water and sewer services	-	158,226,435
Transportation services	-	-
Self-insurance services	-	-
Equity interest in net gain of joint ventures	-	(2,351,641)
Depreciation and amortization	23,248,733	51,452,772
<b>Total operating expenses</b>	<b>73,527,631</b>	<b>207,327,566</b>
<b>Operating income (loss)</b>	<b>(1,779,734)</b>	<b>(2,353,595)</b>
Nonoperating revenues (expenses):		
Interest income	4,663,818	8,120,882
Net change in fair value of investments	25,682	47,531
Interest expense	(3,211,745)	(4,074,054)
Other revenues (expenses)	1,492,982	443,752
<b>Total nonoperating revenues (expenses)</b>	<b>2,970,737</b>	<b>4,538,111</b>
<b>Income before capital contributions and transfers</b>	<b>1,191,003</b>	<b>2,184,516</b>
Capital contributions	18,755,315	41,374,174
Transfers in	448,717	2,114,024
Transfers out	(79,091)	(172,495)
<b>Change in net position</b>	<b>20,315,944</b>	<b>45,500,219</b>
<b>Net position, October 1, 2018</b>	<b>493,061,670</b>	<b>1,255,826,332</b>
<b>Net position, September 30, 2019</b>	<b>\$ 513,377,614</b>	<b>\$ 1,301,326,551</b>

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>	
\$ 269,923,475	\$ 144,016,358
6,798,393	-
<u>276,721,868</u>	<u>144,016,358</u>
50,278,898	-
158,226,435	-
-	20,004,749
-	112,809,608
(2,351,641)	-
<u>74,701,505</u>	<u>11,488,479</u>
<u>280,855,197</u>	<u>144,302,836</u>
<u>(4,133,329)</u>	<u>(286,478)</u>
12,784,700	3,474,218
73,213	26,061
(7,285,799)	-
<u>1,936,734</u>	<u>5,881,619</u>
<u>7,508,848</u>	<u>9,381,898</u>
3,375,519	9,095,420
60,129,489	-
2,562,741	-
<u>(251,586)</u>	<u>(10,014,734)</u>
65,816,163	(919,314)
	<u>105,024,687</u>
	<u>\$ 104,105,373</u>
2,251,438	
<u>\$ 68,067,601</u>	



PALM BEACH COUNTY, FLORIDA  
Statement of Cash Flows  
Proprietary Funds  
For the fiscal year ended September 30, 2019

	<u>Business-type Activities -</u>	
	Airports	Water Utilities
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 71,958,008	\$ 200,496,594
Cash received from other funds for goods and services	-	-
Cash payments to vendors for goods and services	(14,344,079)	(91,250,509)
Cash payments to employees for services	(13,231,493)	(35,042,116)
Cash payments to other funds	(17,873,773)	(27,579,914)
Claims paid	-	-
Other receipts	-	4,719,470
<b>Net cash provided by operating activities</b>	<b>26,508,663</b>	<b>51,343,525</b>
<b>Cash flows from noncapital financing activities:</b>		
Cash contributed to joint ventures	-	(2,874,849)
Operating grants and other	496,903	-
Transfers in	369,626	1,876,158
Transfers out	-	(172,495)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>866,529</b>	<b>(1,171,186)</b>
<b>Cash flows from capital and related financing activities:</b>		
Proceeds from sale of capital assets	84,661	92,366
Contributed capital	6,073,393	21,588,699
Purchase and construction of capital assets	(32,547,056)	(58,489,315)
Principal payments on debt	(2,980,000)	(6,255,452)
Interest payments on debt	(3,298,775)	(7,024,875)
Paying agent fees	-	(2,700)
Passenger facility charges received	13,587,253	-
Cash contributed by other governments	-	3,798,309
<b>Net cash (used in) capital and related financing activities</b>	<b>(19,080,524)</b>	<b>(46,292,968)</b>
<b>Cash flows from investing activities:</b>		
Interest and gains or losses on investments	4,689,500	8,215,199
<b>Net cash provided by investing activities</b>	<b>4,689,500</b>	<b>8,215,199</b>
<b>Net increase in cash and cash equivalents</b>	<b>12,984,168</b>	<b>12,094,570</b>
<b>Cash and cash equivalents, October 1, 2018</b>	<b>171,351,459</b>	<b>264,725,935</b>
<b>Cash and cash equivalents, September 30, 2019</b>	<b>\$ 184,335,627</b>	<b>\$ 276,820,505</b>

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

<u>Enterprise Funds</u>	Governmental Activities Internal Service Funds
Totals	
\$ 272,454,602	\$ 12,395,902
-	130,781,755
(105,594,588)	(27,098,383)
(48,273,609)	(7,503,943)
(45,453,687)	(2,318,984)
-	(85,829,421)
4,719,470	3,035,995
<u>77,852,188</u>	<u>23,462,921</u>
(2,874,849)	-
496,903	-
2,245,784	-
(172,495)	(10,014,734)
<u>(304,657)</u>	<u>(10,014,734)</u>
177,027	2,901,463
27,662,092	-
(91,036,371)	(16,951,627)
(9,235,452)	-
(10,323,650)	-
(2,700)	-
13,587,253	-
3,798,309	-
<u>(65,373,492)</u>	<u>(14,050,164)</u>
<u>12,904,699</u>	<u>3,500,279</u>
<u>12,904,699</u>	<u>3,500,279</u>
25,078,738	2,898,302
<u>436,077,394</u>	<u>124,791,698</u>
<u>\$ 461,156,132</u>	<u>\$ 127,690,000</u>

PALM BEACH COUNTY, FLORIDA  
Statement of Cash Flows  
Proprietary Funds  
For the fiscal year ended September 30, 2019

	<u>Business-type Activities -</u>	
	Airports	Water Utilities
Reconciliation of operating (loss) to net cash provided by operating activities:		
Operating (loss)	\$ (1,779,734)	\$ (2,353,595)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	23,248,733	51,452,772
Equity interest in net gain of joint ventures	-	(2,351,641)
Provision for doubtful accounts	41,657	(506,500)
Miscellaneous revenue	-	-
Changes in assets, deferred outflows, liabilities, and deferred inflows:		
(Increase) decrease in accounts receivable	(724,400)	522,361
(Increase) decrease in due from other county funds	74,403	1,780
Decrease in due from other governments	-	-
(Increase) decrease in inventory	(107,758)	(785,195)
(Increase) decrease in other assets	789,028	(18,568)
Decrease in deferred outflows	452,982	1,253,218
(Increase) decrease in due from component unit	-	(2,929)
Increase in vouchers payable and accrued liabilities	4,061,378	1,824,749
Increase (decrease) in due to other county funds	(73,413)	(46,825)
Increase in due to other governments	-	302,107
Increase in other current liabilities	13,957	-
(Decrease) in unearned revenue	(11,477)	-
(Decrease) in customer deposits	(79,730)	(399,925)
Increase in insurance claims payable	-	-
Increase in other long-term liabilities	-	-
(Decrease) in deferred inflows	(269,346)	(800,544)
Increase in net pension liability	866,505	3,212,599
Increase in total OPEB liability	5,878	39,661
<b>Net cash provided by operating activities</b>	<b>\$ 26,508,663</b>	<b>\$ 51,343,525</b>
Supplemental disclosure of noncash capital and related financing activities:		
Amortization of premium on bonds, including write-off	\$ 972,514	\$ 1,206,119
Amortization of bond refunding costs	\$ -	\$ 716,177
Payables related to capital asset acquisition	\$ 10,256,313	\$ 7,114,508
Receivables related to passenger facility charges	\$ 2,106,677	\$ -
Contribution of capital assets	\$ -	\$ 15,390,003
Capitalized interest	\$ -	\$ 2,362,146
Disposal of fully depreciated capital assets	\$ 2,957,581	\$ 4,349,008

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

<u>Enterprise Funds</u>	Governmental Activities Internal Service Funds
Totals	
\$ (4,133,329)	\$ (286,478)
74,701,505	11,488,479
(2,351,641)	-
(464,843)	-
-	3,035,995
(202,039)	(7,137)
76,183	(870,199)
-	31,477
(892,953)	56,788
770,460	(51,135)
1,706,200	-
(2,929)	7,159
5,886,127	316,379
(120,238)	205,273
302,107	11,428
13,957	-
(11,477)	-
(479,655)	-
-	1,612,378
-	7,912,514
(1,069,890)	-
4,079,104	-
45,539	-
<u>\$ 77,852,188</u>	<u>\$ 23,462,921</u>
<u>\$ 2,178,633</u>	<u>\$ -</u>
<u>\$ 716,177</u>	<u>\$ -</u>
<u>\$ 17,370,821</u>	<u>\$ -</u>
<u>\$ 2,106,677</u>	<u>\$ -</u>
<u>\$ 15,390,003</u>	<u>\$ -</u>
<u>\$ 2,362,146</u>	<u>\$ -</u>
<u>\$ 7,306,589</u>	<u>\$ 10,041,609</u>

PALM BEACH COUNTY, FLORIDA  
Statement of Fiduciary Net Position - Agency Funds  
September 30, 2019

	Total Agency Funds
<b>ASSETS</b>	
Cash, cash equivalents, and investments	\$ 90,481,564
Accounts receivable, net	1,113,401
Due from other county funds	406,905
Due from other governments	992,394
Other assets	291
<div style="text-align: right;"><b>Total assets</b></div>	
	<b>\$ 92,994,555</b>
<b>LIABILITIES</b>	
Vouchers payable and accrued liabilities	\$ 7,333,225
Due to other county funds	406,905
Due to other governments	42,069,249
Due to individuals	43,185,176
<div style="text-align: right;"><b>Total liabilities</b></div>	
	<b>\$ 92,994,555</b>

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

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**INDEX**

<b>1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES .....</b>	<b>34</b>
<b>2. CASH AND INVESTMENTS.....</b>	<b>55</b>
<b>3. CAPITAL ASSETS.....</b>	<b>63</b>
<b>4. RELATED PARTY TRANSACTIONS.....</b>	<b>65</b>
<b>5. MAJOR CUSTOMERS.....</b>	<b>65</b>
<b>6. INTERFUND RECEIVABLE AND PAYABLE BALANCES.....</b>	<b>66</b>
<b>7. INTERFUND TRANSFERS.....</b>	<b>68</b>
<b>8. LEASES .....</b>	<b>69</b>
<b>9. RISK MANAGEMENT.....</b>	<b>71</b>
<b>10. RETIREMENT PLANS .....</b>	<b>76</b>
<b>11. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB).....</b>	<b>95</b>
<b>12. REFUNDING OF DEBT .....</b>	<b>113</b>
<b>13. LONG-TERM DEBT .....</b>	<b>114</b>
<b>14. PLEDGED REVENUES .....</b>	<b>137</b>
<b>15. TAX ABATEMENTS .....</b>	<b>138</b>
<b>16. COMMITMENTS.....</b>	<b>140</b>
<b>17. DEFICIT FUND BALANCE .....</b>	<b>144</b>
<b>18. CONTINGENCIES.....</b>	<b>144</b>
<b>19. SUBSEQUENT EVENTS.....</b>	<b>146</b>

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**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.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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 organization is presented as a blended component unit 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.

**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



**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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 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.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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.

**Palm Beach Transportation Planning Agency (TPA)** – 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 TPA 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 TPA 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 TPA is reported as a governmental fund type. The TPA is a discretely presented component unit because there is a financial benefit/burden relationship with the BOCC and the TPA is fiscally dependent on the BOCC since the BOCC has the ability to modify or approve its budget. This organization was formerly known as the Metropolitan Planning Organization but formally changed its name in fiscal year 2018.

**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:

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

Palm Beach Transportation  
Planning Agency  
2300 North Jog Road, 4<sup>th</sup> 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

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**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.

**Equity Joint Ventures**

**East Central Regional Wastewater Facility**

Palm Beach County has a thirty-year joint interlocal 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, 2018, the Facility had total assets and deferred outflows of \$274,850,985 and total net position of \$132,760,996 including \$91,844,137 invested in capital, net of related debt, and \$5,152,650 of unrestricted net position. September 30, 2019 amounts are expected to approximate the above figures. As of September 30, 2019, the County's investment in this joint venture was \$57 million.

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

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, 2019, Palm Beach County had a 34.29% interest.

The participants and each entity’s interest at September 30, 2019 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

**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”.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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 \$822,400 for the year ended September 30, 2019. As of September 30, 2019, the County's investment in the BPF is \$3.2 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.

### **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.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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 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

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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 **Palm Tran Special Revenue Fund** is used to account for ad valorem taxes and intergovernmental revenues designated for the operation of the County-owned public bus transportation system.

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, 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

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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.

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.



**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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, with the exception of intergovernmental revenue associated with Palm Tran Special Revenue Fund, which considers revenue to be available if collected within 180 days. 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. 88, “*Certain disclosures related to debt, including direct borrowings and direct placements*” during fiscal year 2019. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This resulted in a modification of the long-term debt note to include the new category of direct borrowings and direct placements.

**E. Unadopted GASB Statements**

GASB has also issued new statements effective in future years. Management has not completed its analysis of the effects, if any, of these GASB Statements on the financial statements of the County.

- GASB Statement No. 84, “*Fiduciary Activities*”. This Statement provides guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and establishes criteria for identifying fiduciary activities of all state and local governments. This Statement is effective for the fiscal year ending September 30, 2020.
- GASB Statement No. 87, “*Leases*”. This Statement outlines new guidance that establishes a single approach to accounting for and reporting leases by state and local governments. The goal is to better align reporting these leases with their particular situations, as well as provide greater transparency and usefulness of financial statements. This Statement is effective for the fiscal year ending September 30, 2021.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

- GASB Statement No. 89, “*Accounting for Interest Cost Incurred Before the End of a Construction Period.*” The primary objective of this Statement is to (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and (2) simplify accounting for interest cost incurred before the end of a construction period. This Statement is effective for the fiscal year ending September 30, 2021.
- GASB Statement No. 90, “*Majority equity interests – An amendment of GASB Statements No. 14 and No 61*”. The primary objective of this Statement is to improve the consistency of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement is effective for the fiscal year ending September 30, 2020.

## **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.

### **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 money market funds and commercial paper, 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*.

Although the investments in the Florida Local Government Investment Trust Short Term Bond Fund and the Florida Cooperative Liquid Assets Securities System are external investment pools, both pools do not meet the criteria as established by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, to be reported at amortized cost. In particular, these pools are not operated in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940. Hence, the fair value of the County’s balance in these pools is determined by the fair value per share of each pool’s underlying portfolio as permitted by GASB Statement No. 31.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

Additionally, the County categorizes its applicable fair value measurements within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Types and amounts of investments held at fiscal year-end are described in a subsequent note. Normally excluded from GASB Statement No. 72 hierarchy reporting are cash equivalent investments, certificates of deposit, money market funds, commercial paper, and time deposit-like foreign bonds. 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 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 County invests in the Short Term Bond fund. The share price of this investment represents the fair value of the fund's underlying investments.

The Florida Cooperative Liquid Assets Securities System (FLCLASS) is an independent local government investment pool open to all political subdivisions, instrumentalities of political subdivisions, and State agencies in the State of Florida. FLCLASS is supervised by an appointed Board of Trustees comprised of eligible participants of the FLCLASS program. As of September 30, 2016, the Board consisted of four members. The Board appoints an external Investment Advisor-Administrator, as well as a Custodian. FLCLASS has been rated AAA by Standard and Poor's rating. 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.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**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, 2019 there was an allowance of \$23.2 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, except for the Sheriff, which is accounted for using the consumption method.

**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. 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

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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 acquisition 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 that represents a consumption of net position applicable to a future period and pension contributions subsequent to the measurement date and will not be recognized as outflows or resources (expense/expenditure) until that time. The pension related deferred outflows of resources in the Statement of Net Position represents the difference between expected and actual experience, changes in assumptions, the net difference between projected and actual earnings on pension plan investments, changes in the proportion and differences between the County’s contributions and proportionate share of contributions relating to pension plans. The OPEB related deferred outflows of resources represent the net difference between projected and actual earnings on OPEB plan investments and differences between expected and actual experience. The County has also reported the deferred loss on refunding of debt in this category. A deferred 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. All of these deferred outflows are reported in the government-wide statement of net position and the proprietary funds statement of net position.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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 pension related deferred inflows of resources in the Statement of Net Position represents the difference between expected and actual experience, changes in assumptions, the net difference between projected and actual earnings on pension plan investments, changes in the proportion and differences between the County's contributions and proportionate share of contributions relating to pension plans. The OPEB related deferred inflows or resources represent changes in assumptions or other inputs and the net difference between projected and actual earnings on OPEB plan investments. These deferred inflows related to pensions, OPEB 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.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**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.

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. 75, *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.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**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:

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 2019, supplemental appropriations amounted to a net increase of \$171,761,671, or approximately 3.6% 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



**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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 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.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**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.

**S. Encumbrances**

The County uses encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded to assign 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.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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. 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 and any related deferred inflows or outflows from refunding of debt, 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".

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**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 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, 2019.

**X. Interest Costs**

Interest cost incurred by proprietary funds for the fiscal year ended September 30, 2019 amounted to \$9,647,945, of which \$2,362,146 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).

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

At September 30, 2019, cash and investments consisted of the following:

	<u>Bank Balance</u>	<u>Carrying Value</u>	<u>Investments</u>
Deposits in Financial Institutions	\$ 247,776,690	\$ 214,945,740	\$ -
Cash on Hand		226,422	-
Internal Investment Pool		1,977,876,322	1,974,926,200
Business-Type Activities/ Constitutional Officers Cash Equivalents:			
Money Market Funds		80,755,083	80,755,083
Small Business Administration		1,582,182	1,582,182
Total		<u>\$ 2,275,385,749</u>	<u>\$ 2,057,263,465</u>

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

\$ 1,440,353,850

        Restricted Cash, Cash Equivalents & Investments

744,550,335

Statement of Fiduciary Net Position

\$ 2,184,904,185

    Agency Funds

        Cash & Cash Equivalents

\$ 90,481,564

90,481,564

\$ 2,275,385,749

Effective Duration in Years

<u>Investment Type</u>	<u>Amount</u>	<u>Less Than 2 Years</u>	<u>2 Years but Less Than 5 Years</u>	<u>5 Years but Less Than 10 Years</u>
Investments Subject to Interest Rate Risk:				
Small Business Administration	\$ 258,905,012	\$ 258,905,012	\$ -	\$ -
Florida Local Govt Investment Trust	10,970,808	10,970,808	-	-
Florida Coop. Liquid Assets Securities System	10,167,069	10,167,069	-	-
Business-Type Activities/Constitutional Officers:				
Small Business Administration	1,582,182	1,582,182	-	-
	<u>281,625,071</u>	<u>\$ 281,625,071</u>	<u>\$ -</u>	<u>\$ -</u>
Other Investments:				
Certificates of Deposit	1,413,493,830			
State of Israel Bonds *	38,000,000			
Money Market Funds	241,833,419			
Cash and Receivables	1,556,062			
Business-Type Activities/Constitutional Officers Cash Equivalents:				
Money Market Funds	80,755,083			
	<u>\$ 2,057,263,465</u>			

\* The State of Israel Bonds are carried at historic cost and not priced in the open market. They are purchased directly from the State of Israel.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

GASB Statement No. 72, *Fair Value Measurement and Application*, requires the County to categorize the fair value measurements of its applicable investments within the fair value hierarchy established by generally accepted accounting principles. Additional details of GASB Statement No. 72 are provided in the Summary of Significant Accounting Policies.

The following table summarizes the assets of the County for which fair values are determined as of September 30, 2019:

Investment	Amount	Fair Value		
		Level 1	Level 2	Level 3
Small Business Administration	\$ 258,905,012	\$ -	\$ 258,905,012	\$ -
Business-Type Activities/Constitutional Officers:				
Small Business Administration	1,582,182	-	1,582,182	-
Total Investments in the Fair Value Hierarchy	260,487,194	-	260,487,194	-
Investments Measured at the Net Asset Value:				
Florida Local Government Investment Trust	10,970,808	-	-	-
Florida Coop. Liquid Assets Securities System	10,167,069	-	-	-
Total Investments Measured at Net Asset Value*	21,137,877	-	-	-
Total Investments	\$ 281,625,071	\$ -	\$ 260,487,194	\$ -

\*In accordance with GASB 72, the investments measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy.

Additionally, the Small Business Administration investment was valued using a matrix pricing model.

Other investments (which include certificates of deposit, foreign government bonds, and money market funds) are exempt from the GASB Statement No. 72 fair value hierarchy. These investments totaled \$1,775,638,394.

**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.

**Credit Risk**

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

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

The following table summarizes the credit risk of the County's investments as of September 30, 2019:

Investments	Amount	Percentage of Total Portfolio	Standard & Poor's Investment Rating Service
Small Business Administration	\$ 258,905,012	12.6%	AA+
Certificates of Deposit	1,577,930,728	76.7%	Not rated
Florida Local Govt Investment Trust	10,970,808	0.5%	AAAf
Florida Coop. Liquid Assets Securities System	10,167,069	0.5%	AAAm
State of Israel Bonds	38,000,000	1.8%	A1
Money Market Funds	77,396,521	3.8%	AAAm
Cash and Receivables	1,556,062	0.1%	N/A
Business-Type Activities/Constitutional Officers Cash Equivalents:			
Money Market Funds	80,755,083	3.9%	AAAm
Small Business Administration	1,582,182	0.1%	AA+
	\$ 2,057,263,465	100.0%	

Ratings by Moody's were no lower than as indicated above by Standard & Poor's.

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 or 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 the 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.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

To guard against this risk, the County’s investment policy for the internal investment pool requires that all securities (including Business-Type Activities/Constitutional Officers money market funds and Small Business Administration) be insured or registered in the name of the County and held by a third party custodial institution, with capital and surplus stock of at least \$500 million and a separate custody account at the Federal Reserve Bank (FED) specifically designated by the FED as restricted for the safekeeping of the member-bank’s customer-owned securities only. All securities purchased or sold are transferred “delivery versus payment” 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	Amount	Percentage of Total
Small Business Administration	\$ 258,905,012	12.6%
TD Bank CD	443,783,623	21.5%
Synovus Bank	408,717,139	19.9%
Centennial Bank CD/MMKT	315,852,356	15.4%
City National Bank CD/MMKT	409,505,813	19.9%
Ameris Bank MMKT	71,797	0.0%
Florida Local Government Investment Trust (FLGIT)	10,970,808	0.5%
Florida Coop. Liquid Assets Securities System	10,167,069	0.5%
State of Israel Bonds	38,000,000	1.8%
Money Market Funds	77,396,521	3.8%
Cash and Receivables	1,556,062	0.1%
Business-Type Activities/Constitutional Officers Cash Equivalents:		
Money Market Funds	80,755,083	3.9%
Small Business Administration	1,582,182	0.1%
	\$ 2,057,263,465	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 25% 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



**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

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.

**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, 2019:

Bank balance of deposits with financial institutions (including customer deposits)	\$ 16,997,929
Carrying value	
Deposits with financial institutions	\$ 11,377,151
Petty Cash	11,200
Money market mutual funds	217,999,364
Florida Prime	168,172,721
Total cash and cash equivalents	<u>\$ 397,560,436</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.

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.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

The investment in Florida Prime consists of equity in an external, investment pool managed by the State of Florida that was available to be withdrawn by SWA on an overnight basis. Florida Prime meets the requirements with GASB Statement No. 79 *Certain External Investment Pools and Pool Participants*, which allows reporting the investment at amortized cost. The fair value of the position in Florida Prime was considered to be the same as SWA's account balance (amortized cost) in the pool. The money market mutual funds and Florida Prime are classified as cash equivalent in the statements of net position and statements of cash flows.

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. The SWA holds Treasury Securities – State and Local Government Series (“SLGS”) issues that are reported at historical cost (face value). U.S. Treasury SLGS were issued to meet the debt service requirements of Refunding Revenue Bonds, Series 2019 until the crossover date of October 1, 2021. There is no market for these securities as they may only be redeemed at the U.S. Department of Treasury on or before their stated maturity date at face value plus accrued interest.

Money market mutual funds and Florida Prime are exempt from the GASB 72 fair value hierarchy disclosures.

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. 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.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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. U.S. Treasury SLGS are fixed income Securities and are intended to be held to maturity and have a weighted average maturity of 1.97 years.

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 credit quality ratings of the investments held at September 30, 2019 are as follows:

	Fair Value	Credit Quality Ratings	
		S&P	Moody's
U.S. Treasury SLGS	\$ 346,782,205	AA+	Aaa
Money Market mutual funds	217,999,364	AAAm	Aaa
Florida Prime	168,172,721	AAAm	Not Rated
Total Investments	<u>\$ 732,954,290</u>		

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 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, 2019.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

At September 30, 2019 certain individual investments exceeded 5% of the total investment portfolio (including cash and cash equivalents) as follows:

	Fair Value	Percentage of Total Investment Portfolio
U.S. Treasury SLGS	\$ 346,782,205	46.6%
Florida Prime	168,172,721	22.6%
Money Market Mutual Funds:		
Dreyfus Government	171,001,043	23.0%
Fidelity Government	46,998,321	6.3%

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, 2019.

### 3. CAPITAL ASSETS

A summary of changes in capital assets follows:

#### Primary Government

	Beginning Balance	Additions	Deductions	Ending Balance
<b>Governmental Activities:</b>				
Non-depreciable assets:				
Land	\$ 706,552,730	\$ 3,613,351	\$ (360,121)	\$ 709,805,960
Construction In Progress	243,812,226	70,680,095	(46,593,661)	267,898,660
Total non-depreciable assets	950,364,956	74,293,446	(46,953,782)	977,704,620
Depreciable assets:				
Buildings and improvements	1,368,888,198	2,197,086	-	1,371,085,284
Improvements other than buildings	486,070,985	5,835,735	-	491,906,720
Equipment	763,519,117	78,761,106	(58,395,718)	783,884,505
Infrastructure	1,539,117,018	31,090,344	-	1,570,207,362
Total depreciable assets	4,157,595,318	117,884,271	(58,395,718)	4,217,083,871
Less accumulated depreciation for:				
Buildings and improvements	(508,695,175)	(32,530,780)	-	(541,225,955)
Improvements other than buildings	(280,280,662)	(16,853,525)	-	(297,134,187)
Equipment	(543,259,105)	(65,745,362)	55,658,623	(553,345,844)
Infrastructure	(1,214,988,530)	(27,864,503)	-	(1,242,853,033)
Total accumulated depreciation	(2,547,223,472)	(142,994,170)	55,658,623	(2,634,559,019)
Total capital assets, being depreciated, net	1,610,371,846	(25,109,899)	(2,737,095)	1,582,524,852
Total governmental capital assets, net	\$ 2,560,736,802	\$ 49,183,547	\$ (49,690,877)	\$ 2,560,229,472

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

	Beginning Balance	Additions	Deductions	Ending Balance
<b>Business-type Activities:</b>				
Non-depreciable assets:				
Land	\$ 134,977,549	\$ 588,935	\$ -	\$ 135,566,484
Intangible - easement rights	1,660,856	17,174	-	1,678,030
Construction In Progress	74,527,514	78,186,285	(43,724,364)	108,989,435
Total non-depreciable assets	<u>211,165,919</u>	<u>78,792,394</u>	<u>(43,724,364)</u>	<u>246,233,949</u>
Depreciable assets:				
Buildings and improvements	591,316,561	4,060,277	-	595,376,838
Improvements other than buildings	1,847,968,010	52,320,790	-	1,900,288,800
Equipment	136,451,140	5,422,057	(8,300,473)	133,572,724
Intangible - easement rights	13,754,957	-	-	13,754,957
Total depreciable assets	<u>2,589,490,668</u>	<u>61,803,124</u>	<u>(8,300,473)</u>	<u>2,642,993,319</u>
Less accumulated depreciation for:				
Buildings and improvements	(325,578,897)	(14,804,798)	-	(340,383,695)
Improvements other than buildings	(849,776,742)	(50,341,938)	-	(900,118,680)
Equipment	(99,970,033)	(7,341,808)	8,122,221	(99,189,620)
Intangible - easement rights	(5,910,288)	(343,874)	-	(6,254,162)
Total accumulated depreciation	<u>(1,281,235,960)</u>	<u>(72,832,418)</u>	<u>8,122,221</u>	<u>(1,345,946,157)</u>
Total capital assets, being depreciated, net	<u>1,308,254,708</u>	<u>(11,029,294)</u>	<u>(178,252)</u>	<u>1,297,047,162</u>
Total business-type capital assets, net	<u>\$ 1,519,420,627</u>	<u>\$ 67,763,100</u>	<u>\$ (43,902,616)</u>	<u>\$ 1,543,281,111</u>

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

**Governmental activities:**

General government	\$ 29,312,226
Public safety	36,051,412
Physical environment	2,661,663
Transportation	40,821,478
Economic environment	1,021,290
Human services	1,048,702
Culture and recreation	20,588,920

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.

11,488,479

Total increases to accumulated depreciation

\$ 142,994,170

**Business-type Activities:**

Department of Airports	\$ 23,248,733
Water Utilities Department	49,583,685
Total depreciation expense - business-type activities	<u>\$ 72,832,418</u>

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**COMPONENT UNIT – Solid Waste Authority**

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

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>
Non-depreciable assets:				
Land	\$ 50,626,126	\$ -	\$ -	\$ 50,626,126
Construction In Progress	6,812,972	196,544	(6,722,852)	286,664
Total non-depreciable assets	<u>57,439,098</u>	<u>196,544</u>	<u>(6,722,852)</u>	<u>50,912,790</u>
Depreciable assets:				
Buildings and improvements	781,429,618	-	-	781,429,618
Improvements other than buildings	168,245,589	-	-	168,245,589
Equipment	757,405,885	9,254,553	(3,652,184)	763,008,254
Total depreciable assets	<u>1,707,081,092</u>	<u>9,254,553</u>	<u>(3,652,184)</u>	<u>1,712,683,461</u>
Less accumulated depreciation for:				
Buildings and improvements	(301,129,709)	(26,742,596)	-	(327,872,305)
Improvements other than buildings	(73,013,969)	(5,723,307)	-	(78,737,276)
Equipment	(230,607,756)	(34,066,907)	3,703,943	(260,970,720)
Total accumulated depreciation	<u>(604,751,434)</u>	<u>(66,532,810)</u>	<u>3,703,943</u>	<u>(667,580,301)</u>
Total capital assets, being depreciated, net	<u>1,102,329,658</u>	<u>(57,278,257)</u>	<u>51,759</u>	<u>1,045,103,160</u>
Total component unit capital assets, net	<u>\$ 1,159,768,756</u>	<u>\$ (57,081,713)</u>	<u>\$ (6,671,093)</u>	<u>\$ 1,096,015,950</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 2019 was \$18,732,617.

**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 91.9% of total passenger traffic (enplaned plus deplaned) at PBI as follows: Jet Blue – 28.9%, Delta Airlines – 25.7%, American – 19.2%, United – 9.2%, and Southwest – 8.9%.

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**6. INTERFUND RECEIVABLE AND PAYABLE BALANCES**

Interfund balances at September 30, 2019, are expected to be repaid within one year. Interfund receivable and payable balances at September 30, 2019 were as follows:

<b>Payable Fund</b>	<b>Receivable Fund</b>			
	<b>General Fund</b>	<b>Palm Tran Special Revenue Fund</b>	<b>Fire Rescue Special Revenue Fund</b>	<b>General Government Capital Projects</b>
General Fund	\$ -	\$ 8,541,169	\$ 4,350,789	\$ 745,049
Palm Tran Special Revenue Fund	13,905,693	-	-	70,523
Fire Rescue Special Revenue Fund	506,622	-	-	-
Road Program Capital Projects	506	-	-	-
General Government Capital Projects	171,226	-	-	-
Nonmajor Governmental Funds	12,889,492	-	-	241,448
Airports	18,566	-	-	-
Water Utilities	13,593	-	-	49
Internal Service	35,100	-	-	-
<b>Total</b>	<b>\$ 27,540,798</b>	<b>\$ 8,541,169</b>	<b>\$ 4,350,789</b>	<b>\$ 1,057,069</b>

The majority of the \$13.9 & \$12.9 million due to the General Fund from the Palm Tran Special Revenue Fund and Nonmajor Governmental Funds respectively, represent advances that will be paid upon collection of federal and state grants receivable related to Palm Tran, Law Enforcement Grants, and Community & Social Development. The \$8.5 due from the General Fund to Palm Tran Special Revenue Fund relates to operating subsidies to Palm Tran. The majority of the \$4.3 million owed by the General Fund to the Fire Rescue Special Revenue Fund relates to the return of excess fees from the Property Appraiser and Tax Collector. The majority of the \$17.6 million owed by the General Fund to the Nonmajor Governmental Funds relate to Sheriff excess appropriations and accrued revenue owed to the County's special revenue fund related to Sheriff's grants; operating subsidies to Community & Social Development and County Transportation Trust; and excess fees owed by the Constitutional Officers.

<b>Payable To</b>	<b>Receivable From - Primary Government</b>				
	<b>General Fund</b>	<b>General Government Capital Projects</b>	<b>Fleet Management</b>	<b>Combined Insurance</b>	<b>Total</b>
<b>Primary Government:</b>					
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Airports	-	-	-	-	-
Water Utilities	-	-	-	-	-
<b>Component Units:</b>					
Palm Beach Transportation Planning Agency	456,571	-	-	-	456,571
Solid Waste Authority	357,626	-	555	-	358,181
<b>Total</b>	<b>\$ 814,197</b>	<b>\$ -</b>	<b>\$ 555</b>	<b>\$ -</b>	<b>\$ 814,752</b>

The \$7.1 million due to the HFA from the General Fund relates to the HFA resources held by the County's investment pool. The \$4.6 million due from the General Fund to SWA represents the return of excess fees and undistributed taxes.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**Receivable Fund**

Nonmajor Governmental Funds	Total Governmental Funds	Airports	Water Utilities	Total Enterprise Funds	Internal Service	Total
\$ 17,564,510	\$ 31,201,517	\$ -	\$ 7,334	\$ 7,334	\$ 3,426,913	\$ 34,635,764
-	13,976,216	-	-	-	423,898	14,400,114
22,028	528,650	-	634	634	134,971	664,255
-	506	-	-	-	73,442	73,948
73,680	244,906	-	-	-	-	244,906
75,724	13,206,664	48,067	240,740	288,807	1,341,657	14,837,128
32,365	50,931	-	726	726	129,257	180,914
72,492	86,134	-	-	-	1,018,979	1,105,113
13,185	48,285	-	218	218	36,218	84,721
<b>\$ 17,853,984</b>	<b>\$ 59,343,809</b>	<b>\$ 48,067</b>	<b>\$ 249,652</b>	<b>\$ 297,719</b>	<b>\$ 6,585,335</b>	<b>\$ 66,226,863</b>

**Receivable From - Component Units**

Palm Beach Transportation Planning Agency (TPA)	Housing Finance Authority (HFA)	Westgate Belvedere Homes Community Redevelopment	Solid Waste Authority (SWA)	Total
\$ -	\$ 7,073,126	\$ -	\$ 4,587,674	\$ 11,660,800
-	-	-	1,005	1,005
-	-	-	81,180	81,180
-	-	-	-	-
-	-	-	-	-
<b>\$ -</b>	<b>\$ 7,073,126</b>	<b>\$ -</b>	<b>\$ 4,669,859</b>	<b>\$ 11,742,985</b>



**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**7. INTERFUND TRANSFERS**

Interfund transfers for the year ended September 30, 2019, were as follows:

<b>Transfers In</b>	<b>Transfers Out</b>		
	General Fund	Palm Tran Special Revenue Fund	Fire Rescue Special Revenue Fund
General Fund	\$ -	\$ -	\$ -
Palm Tran Special Revenue Fund	30,647,572	-	-
Fire Rescue Special Revenue Fund	8,971,718	-	-
Road Program Capital Projects	-	-	-
General Government Capital Projects	34,342,700	102,808	540,496
Nonmajor Governmental Funds	88,440,775	-	8,662,432
Airports	-	-	-
Water Utilities	-	-	-
<b>Total</b>	<b>\$ 162,402,765</b>	<b>\$ 102,808</b>	<b>\$ 9,202,928</b>

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  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

Road Program Capital Projects	General Governments Capital Projects	Nonmajor Governmental Funds	Airports	Water Utilities	Internal Service Funds	Total
\$ -	\$ 5,764,026	\$ 9,812,495	\$ -	\$ -	\$ 6,203,873	\$ 21,780,394
-	-	-	-	-	-	30,647,572
-	-	139,971	-	-	-	9,111,689
-	371,885	-	-	-	-	371,885
1,910,283	-	4,979,905	59,609	104,674	14,735	42,055,210
1,062,451	147,639	32,576,629	19,482	67,821	1,628,599	132,605,828
-	-	-	-	-	448,717	448,717
-	-	395,214	-	-	1,718,810	2,114,024
<u>\$ 2,972,734</u>	<u>\$ 6,283,550</u>	<u>\$ 47,904,214</u>	<u>\$ 79,091</u>	<u>\$ 172,495</u>	<u>\$ 10,014,734</u>	<u>\$ 239,135,319</u>

**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 approximately \$2,497,395 for the year ended September 30, 2019. All of the Department's leases are operating leases. A significant portion of the rental car companies' operating leases are scheduled to expire effective fiscal year 2019 resulting in a decline in minimum future receipts for fiscal year 2019 and beyond. Management expects that these rental car company agreements will be immediately reinstated with new contracts with minimum guarantees that cannot be estimated at this time.

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

Year Ended September 30	
2020	\$ 27,562,427
2021	24,810,355
2022	16,997,556
2023	16,896,282
2024	16,671,139
Thereafter	109,459,920
Total	<u>\$ 212,397,679</u>

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

A schedule of the carrying value of property held for lease, by major classification, as of September 30, 2019 is as follows:

Buildings	\$ 333,632,784
Less: accumulated depreciation	<u>(219,888,389)</u>
Net Buildings	113,744,395
Land	<u>15,429,204</u>
Total property held for lease	<u><u>\$ 129,173,599</u></u>

The land held for lease component increased significantly for the year ended September 30, 2016 as management deemed a sizeable area now available for leasing. Various parcels immediately west of the Palm Beach International Airport had been acquired from 2007 through 2016 under noise abatement funding programs for a total value of approximately \$35 million. This area is now contiguous and is suitable for certain leasing uses that are compatible with noise and runway protection zone restrictions. Additionally in 2016, the Department of Airports acquired other properties which are deemed available for lease.

**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, 2019 amounted to \$3,510,478 comprised of \$3,351,293 for Governmental Funds, \$145,394 for Enterprise Funds, and \$13,791 for Internal Service Funds.

**Operating Leases**

Future minimum rental payments under non-cancellable operating leases as of September 30, 2019 are as follows:

Fiscal Year	Governmental Funds	Enterprise Funds	Internal Service Funds	Total
2020	\$ 2,110,838	\$ 97,041	\$ 13,814	\$ 2,221,693
2021	1,325,578	60,309	8,299	1,394,186
2022	416,742	29,400	2,743	448,885
2023	202,528	-	864	203,392
2024	53,824	-	864	54,688
Thereafter	20,300	-	-	20,300
Total	<u>\$ 4,129,810</u>	<u>\$ 186,750</u>	<u>\$ 26,584</u>	<u>\$ 4,343,144</u>

**Capital Leases**

Capital leases are those which are determined to have passed substantially all of the risks and benefits of ownership to the lessee. There were no capital leases in the proprietary fund types.

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

Future minimum lease payments under capital leases as of September 30, 2019 are as follows:

<u>Fiscal Year</u>	<u>Governmental Funds</u>
2020	\$ 105,498
2021	84,360
2022	84,360
2023	70,300
Total minimum lease payments	<u>344,518</u>
Less imputed interest	<u>(28,182)</u>
Present value of minimum lease payments	<u><u>\$ 316,336</u></u>

The following schedule shows the leased assets capitalized as of September 30, 2019, by major asset class:

	<u>Governmental Funds Capital Assets</u>
Equipment	\$ 1,339,940
Less: accumulated depreciation for entity-wide	(847,294)
Carrying value	<u><u>\$ 492,646</u></u>

## **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, 2019, 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 self-insures its property and liability risks for up to \$1,000,000 and \$500,000, respectively, transferring exposure above these amounts to an insurance company. Liability claims against Palm Tran are exceptions to the forgoing and are self-insured up to \$200,000. In addition, the County purchases other specialty insurance policies for risks it deems prudent not to retain. It should be noted that in accordance with Florida Statute 768.28, tort claims against the County are limited, with some exceptions, to \$200,000 for any one person per claim and \$300,000 for all persons in any one claim. The insurance program covers the Board of County Commissioners, and constitutional officers such as the Supervisor of Elections, Tax Collector, and the Clerk &

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

Comptroller. The Property Appraiser participates in some, but not all of the program, as is more fully explained 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, 2019 is \$14,793,426. During claim years 2019 and 2018, changes recorded to the claims liability for property and liability insurance were as follows:

<u>Fiscal Year</u>	Beginning of Fiscal Year <u>Liability</u>	Claims and Changes in <u>Estimates</u>	Claim Payments	Balance at Fiscal <u>Year-End</u>
2018	\$ 6,541,098	\$ 6,198,212	\$ (2,864,447)	\$ 9,874,863
2019	9,874,863	7,243,184	(2,324,621)	14,793,426

**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 Fund provides full coverage pursuant to Florida Statute 440. The County purchases excess coverage for losses above the self-insured retention limit of \$2,000,000, 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, 2019 is \$55,728,141. During claim years 2019 and 2018, changes recorded to the claims liability for workers' compensation insurance were as follows:

<u>Fiscal Year</u>	Beginning of Fiscal Year <u>Liability</u>	Claims and Changes in <u>Estimates</u>	Claim Payments	Balance at Fiscal <u>Year-End</u>
2018	\$ 50,344,053	\$ 6,823,801	\$ (6,228,371)	\$ 50,939,483
2019	50,939,483	11,376,166	(6,587,508)	55,728,141

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**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, 2019 is \$4,294,000. During claim years 2019 and 2018, 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>
2018	\$ 4,736,321	\$ 64,824,129	\$ (65,326,450)	\$ 4,234,000
2019	4,234,000	64,502,676	(64,442,676)	4,294,000

**SHERIFF**

The Sheriff's office maintains a general liability self-insurance program, a workers' compensation self-insurance program and a commercially insured employee health insurance program which 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, 2019 is \$18,417,904. 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.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

During claim years 2019 and 2018, changes recorded to the claims liability for general liability were as follows:

<u>Fiscal Year</u>	Beginning of Fiscal Year <u>Liability</u>	Claims and Changes in <u>Estimates</u>	Claim Payments	Balance at Fiscal <u>Year-End</u>
2018	\$ 23,705,879	\$ 4,404,847	\$ (7,887,288)	\$ 20,223,438
2019	20,223,438	3,171,044	(4,976,578)	18,417,904

**Workers' Compensation Insurance**

The Sheriff's office is self-funded for its workers' compensation exposure. The claims liability reported at September 30, 2019 is \$123,530,230. 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 2019 and 2018, changes recorded to the claims liability for workers' compensation were as follows:

<u>Fiscal Year</u>	Beginning of Fiscal Year <u>Liability</u>	Claims and Changes in <u>Estimates</u>	Claim Payments	Balance at Fiscal <u>Year-End</u>
2018	\$ 53,206,585	\$ 78,615,638	\$ (17,326,552)	\$ 114,495,671
2019	114,495,671	23,536,930	(14,502,371)	123,530,230

**Employee Group Health Insurance**

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

**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. The claims liability reported in the internal service fund is \$630,000 and is actuarially determined.

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

During claim years 2019 and 2018, changes recorded to the claims liability for 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>
2018	\$ 1,382,000	\$10,342,816	\$ (10,857,816)	\$ 867,000
2019	867,000	11,143,900	(11,380,900)	630,000

**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 \$1.1 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 Renewable Energy Facility #2 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 \$10 million per occurrence and \$10 million aggregate, with excess liability coverage of \$40 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. The limits addressed in the Florida Statutes do not apply to claims filed in Federal courts. Settled claims for property damage and general liability insurance have not exceeded commercial insurance coverage in any of the last three years.

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.



**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

Changes in the claims liability amount for workers' compensation benefits for the years ended September 30, 2019 and 2018 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>
2018	\$ 319,000	\$ (59,329)	\$ (179,671)	\$ 80,000
2019	80,000	207,641	(210,941)	76,700

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 merged into the County's Fire-Rescue department. LFPF provides a defined-benefit retirement

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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 \$322,692,573 for the fiscal year ended September 30, 2019. The County's aggregate net pension liability for all plans was \$1,496,526,203, with balances of deferred outflows of resources related to pensions of \$502,522,805 and deferred inflows of resources related to pensions of \$116,349,956 as of September 30, 2019.

**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 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

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

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, 2019:

<u>Membership Class</u>	Employee Contribution Rate	Employer Contribution Rate *
Regular	3.00%	8.47%
Special Risk	3.00%	25.48%
State Attorney/Public Defender	3.00%	56.03%
County, City, Special District Elected Officers	3.00%	48.82%
Special Risk Administrative Support	3.00%	38.59%
Senior Management	3.00%	25.41%
Deferred Retirement Option Program	N/A	14.60%

\* Employer contribution rates in the above table include a 1.66% contribution for the Retiree Health Insurance Subsidy Program

The County's employer contributions to the FRS Pension Plan totaled \$122.5 million and employee contributions totaled \$22.2 million for the fiscal year ended September 30, 2019. The County contributed 100 percent of its statutorily required contributions for the current and preceding two years.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**Net Pension Liability, Deferrals, and Pension Expense**

At September 30, 2019, the County reported a liability of \$1.191 billion for its proportionate share of the FRS Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The County's proportionate share of the net pension liability was based on the County's 2018-19 fiscal year contributions relative to the 2018-19 fiscal year contributions of all participating members. At June 30, 2019, the County's proportionate share was 3.46%, which was a decrease of .15% from its proportionate share measured as of June 30, 2018.

For the fiscal year ended September 30, 2019, the County recognized pension expense of \$290.5 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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 70,652,464	\$ 739,238
Change of assumptions	305,947,019	-
Net difference between projected and actual earnings on pension plan investments	-	65,902,457
Changes in proportion and differences between County contributions and proportionate share of contributions	30,059,070	14,899,340
County contributions subsequent to the measurement date	27,302,261	-
<b>Total</b>	<b>\$ 433,960,814</b>	<b>\$ 81,541,035</b>

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 ending September 30, 2020. 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:

<b>Fiscal Year Ending September 30:</b>	<b>Deferred Outflows/ (Inflows), net</b>
2020	\$ 116,695,085
2021	40,794,077
2022	85,975,977
2023	62,204,100
2024	15,551,868
Thereafter	3,896,411

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below. The total pension liability is calculated using the Individual Entry Age Normal cost allocation method, which differs from the Ultimate Entry Age Normal cost allocation method used in the actuarial valuation for funding purposes for the System.

Valuation Date	July 1, 2019
Discount rate	6.90%
Inflation	2.60%
Salary Increases	3.25%, including inflation
Investment rate of return	6.90%, net of investment expense

Mortality rates were based on PUB2010 base table (varies by member category and sex), projected generationally with Scale MP-2018. The actuarial assumptions that determined the total pension liability as of June 30, 2019 were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1%	3.3%	3.3%	1.2%
Fixed Income	18%	4.1%	4.1%	3.5%
Global Equity	54%	8.0%	6.8%	16.5%
Real Estate	10%	6.7%	6.1%	11.7%
Private Equity	11%	11.2%	8.4%	25.8%
Strategic Investments	6%	5.9%	5.7%	6.7%
<b>TOTAL</b>	<b>100%</b>			
Assumed inflation - Mean			2.6%	1.7%

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

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90%. 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. The 6.90% rate of return and discount rate assumption used in the June 30, 2019 calculations were determined by the Plan’s consulting actuary to be reasonable and appropriate per Actuarial Standards of Practice No. 27 (ASOP 27) for accounting purposes which differs from the rate used for funding purposes which is used to establish the contribution rates for the Plan.

**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 6.90%, 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 (5.90%) or 1-percent higher (7.90%) than the current rate:

	<b>1% Decrease (5.90%)</b>	<b>Current Discount Rate (6.90%)</b>	<b>1% Increase (7.90%)</b>
County's proportionate share of the Net Pension Liability	\$ 2,059,158,559	\$ 1,191,182,897	\$ 466,276,395

**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, 2019, 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, 2019, the contribution rate was 1.66

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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.

The County's employer contributions to the HIS Program totaled \$11.4 million for the fiscal year ended September 30, 2019. 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, 2019, the County reported a liability of \$268.5 million for its proportionate share of the HIS Program's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The County's proportionate share of the net pension liability was based on the County's 2018-19 fiscal year contributions relative to the 2018-19 fiscal year contributions of all participating members. At June 30, 2019, the County's proportionate share was 2.40%, which was a decrease of .09% from its proportionate share measured as of June 30, 2018.

For the fiscal year ended September 30, 2019, the County recognized pension expense of \$21.7 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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 3,261,334	\$ 328,779
Change of assumptions	31,090,729	21,945,683
Net difference between projected and actual earnings on pension plan investments	173,264	-
Changes in proportion and differences between County contributions and proportionate share of contributions	9,560,679	4,809,667
County contributions subsequent to the measurement date	3,220,423	-
<b>Total</b>	<b>\$ 47,306,429</b>	<b>\$ 27,084,129</b>

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 ending September 30, 2020.

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

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:

<b>Fiscal Year Ending September 30</b>	<b>Deferred Outflows/ (Inflows), net</b>
2020	\$ 6,347,708
2021	5,312,341
2022	3,407,732
2023	(604,792)
2024	618,167
Thereafter	1,920,721

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected to the measurement date.

Valuation Date	July 1, 2018
Discount rate	3.50%
Inflation	2.60%
Salary Increases	3.25%, including inflation
Municipal Bond Rate	3.50%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

Because the HIS Program is funded on a pay-as-you go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

**Discount Rate**

The discount rate used to measure the total pension liability was 3.50%. 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 3.50%, as well as what the County's proportionate share of the net



**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

pension liability would be if were calculated using a discount rate that is 1-percentage point lower (2.50%) or 1-percent higher (4.50%) than the current rate:

	<b>1% Decrease (2.50%)</b>	<b>Current Discount Rate (3.50%)</b>	<b>1% Increase (4.50%)</b>
County's proportionate share of the Net Pension Liability	\$ 306,516,022	\$ 268,508,328	\$ 236,852,223

**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. Non-vested 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 0.06% 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, 2019, 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 \$5.9 million for the fiscal year ended September 30, 2019.

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**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	369
Inactive members entitled to but not yet receiving benefits	111
Active Members	581
TOTAL	1,061

**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. Prior to October 1, 2014, the Employer made contributions to the Plan as specified in the collective bargaining agreement. Effective October 1, 2014, the Employer will make the minimum required contribution as determined by the Plan actuary and approved by the Board. The County’s employer contributions to the Palm Tran Pension Plan totaled \$5.7 million for the fiscal year ended September 30, 2019.

**Net Pension Liability**

The components of the net pension liability at December 31, 2018 were as follows:

Total pension liability	\$ 133,537,811
Plan fiduciary net position	(101,334,628)
Net pension liability	\$ 32,203,183

Plan fiduciary net position as percentage of the total pension liability: 75.9%

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of January 1, 2019 using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	5% to 12.5%
Investment rate of return	7.75% net of investment expense, including inflation
Mortality	RP-00 fully generational with Scale BB

Other assumptions are based on the results of a five-year actuarial experience study performed as of January 1, 2018.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.75%. 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. A projection of cash flows used to determine the discount rate assumed that plan member contributions are made at the current contribution rate and that County contributions will be made equal to the difference between the actuarially determined contribution and the member contributions. Based on those assumptions, the pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments is applied to all periods of projected benefit payments to determine the pension liability. For purposes of this determination, pension plan assets are expected to be invested using a strategy to achieve the 7.75% discount rate.

**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, 2019:

	<b>1% Decrease (6.75%)</b>	<b>Current Discount Rate (7.75%)</b>	<b>1% Increase (8.75%)</b>
Net Pension Liability	\$ 46,368,684	\$ 32,203,183	\$ 20,154,544

**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.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

Best estimates of arithmetic real rates of return for each major asset class as provided by the investment monitor are shown 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	30.0%	7.5%	2.3%
International Equity	15.0%	2.5%	0.4%
Bonds	20.0%	3.6%	0.7%
TIPS	4.5%	2.7%	0.1%
Convertibles	10.0%	6.3%	0.6%
Private Real Estate	10.0%	4.9%	0.5%
REITS	5.0%	6.6%	0.3%
Infrastructure	5.0%	5.8%	0.3%
Cash	0.5%	0.7%	0.0%
	<u>100%</u>		
		<b>Weighted Real Return</b>	5.2%

**Changes in Net Pension Liability**

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
<b>Balances at December 31, 2017</b>	\$ 124,734,728	\$ 106,312,842	\$ 18,421,886
Changes for the year:			
Service cost	4,022,548	-	4,022,548
Interest	10,013,496	-	10,013,496
Differences between expected and actual experience	(1,801,094)	-	(1,801,094)
Change of assumptions	3,193,461	-	3,193,461
Contributions - employer	-	5,509,648	(5,509,648)
Contributions - employee	-	923,986	(923,986)
Net investment income	-	(4,414,367)	4,414,367
Benefit payments, including refunds of employee contributions	(6,625,328)	(6,625,328)	-
Administrative expense	-	(372,153)	372,153
<b>Net changes</b>	<u>8,803,083</u>	<u>(4,978,214)</u>	<u>13,781,297</u>
<b>Balances at December 31, 2018</b>	<u>\$ 133,537,811</u>	<u>\$ 101,334,628</u>	<u>\$ 32,203,183</u>

**Pension Expense and Deferrals**

For the year ended September 30, 2019, the County recognized pension expense of \$8.6 million. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions.

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

The following table illustrates the deferred inflows and outflows under GASB 68 as of September 30, 2019:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 97,500	\$ 3,365,549
Change of assumptions	2,858,518	300,794
Net difference between projected and actual earnings	12,545,499	3,060,689
Employer contributions subsequent to the measurement date	4,357,389	-
<b>Total</b>	<b>\$ 19,858,906</b>	<b>\$ 6,727,032</b>

The employer contributions to the Palm Tran Pension Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Measurement Year Ending December 31</b>	<b>Deferred Outflows/ (Inflows), net</b>
2019	\$ 3,040,117
2020	1,471,318
2021	1,383,367
2022	2,852,381
2023	27,302

**TOWN OF LANTANA FIREFIGHTERS' PENSION FUND**

**Benefits Provided**

The Town of Lantana Firefighters' Pension Fund (LFPP) 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 LFPP 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.

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**Membership Statistics**

Number of:

Retirees and Beneficiaries	23
Inactive, Nonretired members	1
Active Members	<u>9</u>
TOTAL	<u><u>33</u></u>

**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 County's employer contributions to the Lantana Pension Plan totaled \$1.4 million and employee contributions totaled \$.2 million for the fiscal year ended September 30, 2019.

**Net Pension Liability**

The components of the net pension liability at September 30, 2019 were as follows:

Total pension liability	\$ 50,068,412
Plan fiduciary net position	<u>(45,436,617)</u>
Net pension liability	<u><u>\$ 4,631,795</u></u>

Plan fiduciary net position as percentage of the total pension liability: 90.75%

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of September 30, 2018 using the following actuarial assumptions applied to all periods included in the measurement:

Price Inflation	3.00%
Salary increases	7%, including inflation
Investment rate of return	7.25%
Mortality	RP-2000 Mortality Tables with projection scale BB

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**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 7.00%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.00%.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00%. 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 7.00% 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, 2019:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$10,325,487	\$4,631,795	(\$4,254)

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**Changes in Net Pension Liability**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
<b>Balances at September 30, 2018</b>	\$ 47,982,613	\$ 44,563,796	\$ 3,418,817
Changes for the year:			
Service cost	407,991	-	407,991
Interest	3,401,092	-	3,401,092
Differences between expected and actual experience	(421,152)	-	(421,152)
Assumption Changes	1,247,869	-	1,247,869
Contributions - employer and state	-	1,546,558	(1,546,558)
Contributions - employee	-	182,155	(182,155)
Net investment income	-	1,757,509	(1,757,509)
Benefit payments, including refunds of employee contributions	(2,550,001)	(2,550,001)	-
Administrative expense/Other	-	(63,400)	63,400
<b>Net changes</b>	<b>2,085,799</b>	<b>872,821</b>	<b>1,212,978</b>
<b>Balances at September 30, 2019</b>	<b>\$ 50,068,412</b>	<b>\$ 45,436,617</b>	<b>\$ 4,631,795</b>

**Pension Expense and Deferrals**

For the year ended September 30, 2019, the County recognized pension expense of \$1.9 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, 2019:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 78,334
Changes in assumptions	232,103	-
Net difference between projected and actual earnings on pension plan investments	1,164,553	919,426
<b>Total</b>	<b>\$ 1,396,656</b>	<b>\$ 997,760</b>



**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

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

Fiscal Year Ending September 30	Deferred outflows/ (inflows), net
2020	\$ 70,188
2021	(95,096)
2022	135,544
2023	288,260

**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 \$536,729 for the fiscal year ended September 30, 2019.

**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.

**FLORIDA RETIREMENT SYSTEM (FRS) PENSION PLAN**

SWA contributions to the FRS Pension Plan totaled \$1,891,052 for the fiscal year ended September 30, 2019.

At September 30, 2019, the SWA reported a liability of \$22,183,563 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The SWA's proportionate share of the net pension liability was based on the SWA's 2018-19 plan year contributions relative to the 2018-19 plan year contributions of all participating members. At June 30, 2019, the SWA's proportionate share was 0.064414809 percent, which was an increase of .000756508 percent from its proportionate share measured as of June 30, 2018. For the fiscal year ended September 30, 2019, the SWA recognized pension expense of \$5,582,523 related to the Plan.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,315,771	\$ 13,767
Change of assumptions	5,697,693	-
Net difference between projected and actual earnings on pension plan investments	-	1,227,311
Change in proportion and differences between SWA pension plan contributions and proportionate share of contributions	296,039	119,636
Pension plan contributions subsequent to the measurement date	492,611	-
<b>Total</b>	<b>\$ 7,802,114</b>	<b>\$ 1,360,714</b>

The deferred outflows of resources related to the Pension Plan, totaling \$492,611 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 ending September 30, 2020.

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:

<b>Fiscal Year Ending September 30</b>	<b>Deferred outflows (inflows), net</b>
2020	\$ 2,162,892
2021	672,807
2022	1,541,333
2023	1,166,205
2024	322,226
Thereafter	83,326
	<b>\$ 5,948,789</b>

**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 6.90%, 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 (5.90%) or one percentage point higher (7.90%) than the current rate:

	<b>1% Decrease (5.90%)</b>	<b>Current Discount Rate (6.90%)</b>	<b>1% Increase (7.90%)</b>
Proportionate share of the net pension liability	\$ 38,347,994	\$ 22,183,563	\$ 8,683,530

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**RETIREE HEALTH INSURANCE SUBSIDY (HIS) PROGRAM**

SWA's contributions to the HIS Plan totaled \$448,920 for the fiscal year ended September 30, 2019.

At September 30, 2019, the SWA reported a liability of \$8,920,460 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The SWA's proportionate share of the net pension liability was based on the SWA's 2018-19 plan year contributions relative to the 2018-19 plan year contributions of all participating members. At June 30, 2019, the SWA's proportionate share was .079725271 percent, which was a decrease of 0.000756508 percent from its proportionate share measured as of June 30, 2018. For the fiscal year ended September 30, 2019, the SWA recognized pension expense of \$764,087.

**Deferred Outflows and Inflows of Resources Related to Pensions**

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

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 108,349	\$ 10,923
Change of assumptions	1,032,905	729,086
Net difference between projected and actual earnings on pension plan investments	5,756	-
Change in proportion and differences between SWA pension plan contributions and proportionate share of contributions	416,478	122,326
Pension plan contributions subsequent to the measurement date	104,367	-
<b>Total</b>	<b>\$ 1,667,855</b>	<b>\$ 862,335</b>

The deferred outflows of resources related to the HIS Plan, totaling \$104,367 resulting from the SWA's 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 ending September 30, 2020. 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:

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

Fiscal Year Ending September 30	Deferred outflows/ (inflows), net
2020	\$ 253,363
2021	209,914
2022	151,088
2023	(36,405)
2024	34,375
Thereafter	88,818
	\$ 701,153

**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 3.50%, 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 (2.50%) or one percentage point higher (4.50%) than the current rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Proportionate share of the net pension liability	\$ 10,183,162	\$ 8,920,460	\$ 7,868,772

**INVESTMENT PLAN**

The SWA’s Investment Plan pension expense totaled \$262,644 for the fiscal year ended September 30, 2019.

**11. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

The County provides post-employment benefits for healthcare to retirees of the County, which includes the Board of County Commissioners, as well as all Constitutional Officers and the Palm Beach Transportation Planning Agency (a Component Unit). The County also provides a Fire-Rescue Healthcare OPEB plan that provides benefits to all eligible retired employees and their dependents. In addition, the County also provides a Fire-Rescue Supplemental Disability Plan that provides disability benefits to Firefighters and District Chiefs that meet eligibility requirements.

Below is information that describes the Healthcare OPEB plans as well as the Fire-Rescue Supplemental Disability OPEB plan.

**COUNTY’S AGGREGATE NET OPEB LIABILITY, DEFERRED OUTFLOWS, DEFERRED INFLOWS, & OPEB EXPENSE**

The County’s aggregate OPEB expense for all plans amounted to \$32,923,282 for the fiscal year ended September 30, 2019. The County’s aggregate net OPEB liability for all plans was

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

\$444,106,471, with balances of deferred outflows of resources related to OPEB of \$100,430,529 and deferred inflows of resources related to OPEB of \$28,545,089, as of September 30, 2019.

Below is a summary of the net OPEB liability, deferred outflows and deferred inflows for each of the County's OPEB plans:

<b>Healthcare Plans:</b>	<b>Total OPEB Liability</b>	<b>Plan Net Position</b>	<b>Net OPEB Liability</b>	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>	<b>OPEB Expense</b>
County	\$ 8,705,593	\$ -	\$ 8,705,593	\$ 632,385	\$ 225,199	\$ 687,360
Tax Collector	4,350,957	-	4,350,957	2,981,106	3,275,952	567,093
Property Appraiser	2,674,321	-	2,674,321	1,735,462	150,668	584,071
Clerk & Comptroller	8,133,452	-	8,133,452	202,747	1,610,386	377,444
Sheriff	279,442,958	-	279,442,958	51,352,555	12,941,242	19,783,916
Fire-Rescue Union	195,171,710	(72,767,190)	122,404,520	37,255,660	9,223,699	9,880,760
<b>Supplemental</b>						
<b>Disability Plan:</b>						
Fire-Rescue	18,394,670	-	18,394,670	6,270,614	1,117,943	1,042,638
<b>Totals</b>	<b>\$ 516,873,661</b>	<b>\$ (72,767,190)</b>	<b>\$ 444,106,471</b>	<b>\$ 100,430,529</b>	<b>\$ 28,545,089</b>	<b>\$ 32,923,282</b>

**HEALTHCARE OPEB PLANS (BOARD OF COUNTY COMMISSIONERS AND CONSTITUTIONAL OFFICERS)**

**Plan Description**

The County's defined benefit post-employment healthcare OPEB plans provide OPEB to all eligible retired employees and their dependents. The plans are single employer plans which are administered by the employer for their employees. Regarding the County plan, the Supervisor of Elections (a Constitutional Officer) and the Palm Beach Transportation Planning Agency participate in this plan. The remaining Constitutional Officers (Clerk & Comptroller, Tax Collector, Property Appraiser, and Sheriff) each have separate OPEB plans. The authority to establish and amend the benefit terms and financing requirements is granted to the County Board, as well as each Constitutional Officer. 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. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75. Additionally, there are no legal documents referencing a trust. The healthcare benefits OPEB plans do not issue separate standalone financial reports.

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**Benefits Provided**

Retirees of all the healthcare benefit OPEB plans must be offered the same coverage as is offered to active employees at a premium cost of no more than the premium cost applicable for active employees which results in an implicit subsidy. In addition to the ‘implicit benefit’, the Sheriff’s healthcare OPEB plan provides a subsidy that retirees can use to partially or fully offset the cost of health insurance.

In particular, for Sheriff 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’s Healthcare OPEB plan 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.

**Employees Covered By Benefit Terms**

At September 30, 2019, the following employees were covered by the benefit terms:

	<b>Tax County</b>	<b>Property Collector</b>	<b>Appraiser</b>	<b>Clerk &amp; Comptroller</b>	<b>Sheriff</b>
Retirees and Beneficiaries	173	6	4	30	1,008
Active Members	4,215	281	193	668	3,522
<b>Totals</b>	<b>4,388</b>	<b>287</b>	<b>197</b>	<b>698</b>	<b>4,530</b>

**Total OPEB Liability**

The total healthcare OPEB liability amount consisted of the following:

	<b>County</b>	<b>Tax Collector</b>	<b>Property Appraiser</b>	<b>Clerk &amp; Comptroller</b>	<b>Sheriff</b>
Total OPEB Liability	\$8,705,593	\$4,350,957	\$2,674,321	\$8,133,452	\$279,442,958
Measurement Date	9/30/2019	9/30/2019	9/30/2019	9/30/2018	9/30/2019
Actuarial Valuation Date	9/30/2018	9/30/2019	9/30/2019	9/30/2017	9/30/2018

**Actuarial Assumptions and Other Inputs**

The total healthcare OPEB liability in the September 30, 2019 actuarial valuation was determined using several actuarial assumptions and other inputs, applied to all periods included in the

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

measurement, unless otherwise specified. The actuarial valuation method utilized was the entry age normal level percentage of pay. Other assumptions specific to each plan are noted below.

	<b>County</b>	<b>Tax Collector</b>	<b>Property Appraiser</b>	<b>Clerk &amp; Comptroller</b>	<b>Sheriff</b>
Inflation	3.00%	4.00%	4.00%	2.50%	3.00%
Salary increases	3.50%	4.00%	4.00%	2.50%	3.50%
Discount Rate	2.66%	3.68%	3.68%	4.18%	2.66%

The source of the discount rates were as follows:

<b>County:</b>	Bond Buyer 20-Bond GO Index
<b>Tax Collector:</b>	S&P Municipal Bond 20-Year High Grade Index
<b>Property Appraiser:</b>	S&P Municipal Bond 20-Year High Grade Index
<b>Clerk &amp; Comptroller:</b>	Bond Buyer 20-Bond Index
<b>Sheriff:</b>	Bond Buyer 20-Bond GO Index

Healthcare cost trend rates were based as follows:

<b>County:</b>	Initially 6.5% to grade uniformly to 4.5% over a 4-year period
<b>Tax Collector:</b>	Initially 7.5% to grade uniformly to 6.75% over a 3-year period
<b>Property Appraiser:</b>	Initially 7.5% to grade uniformly to 6.75% over a 3-year period
<b>Clerk &amp; Comptroller:</b>	Initially 8.5% to grade uniformly to 4.0% over a 55-year period
<b>Sheriff:</b>	Initially 6.5% to grade uniformly to 4.5% over a 4-year period

Mortality rates were based as follows:

<b>County:</b>	RP-2014 Generational, Scale MP-18
<b>Tax Collector:</b>	RP-2014 Total Dataset, Scale MP-2018
<b>Property Appraiser:</b>	RP-2014 Generational, Scale MP-2018
<b>Clerk &amp; Comptroller:</b>	RP-2000 Generational, Scale BB
<b>Sheriff:</b>	RP-2014 Generational, Scale MP-17

Formal experience studies were not performed; however the actuarial assumptions used in the specified valuations above were consistent with the following:

<b>County:</b>	Florida Retirement System
<b>Tax Collector:</b>	Reasonableness/consistency with typical industry standards
<b>Property Appraiser:</b>	Reasonableness/consistency with typical industry standards
<b>Clerk &amp; Comptroller:</b>	Florida Retirement System
<b>Sheriff:</b>	Florida Retirement System

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>				
	<b>County</b>	<b>Tax Collector</b>	<b>Property Appraiser</b>	<b>Clerk &amp; Comptroller</b>	<b>Sheriff</b>
<b>Balance at September 30, 2018</b>	\$ 8,499,329	\$ 4,180,395	\$ 574,260	\$ 8,595,922	\$ 214,213,171
Changes for the year:					
Service cost	306,536	449,592	163,264	306,313	6,792,711
Interest	349,340	166,642	24,609	320,696	9,082,529
Experience losses(gains)	-	(3,821,944)	(188,335)	-	-
Change of assumptions	683,798	3,477,957	2,169,327	(903,998)	56,795,524
Benefit payments	(1,133,410)	(101,685)	(68,804)	(185,481)	(7,440,977)
<b>Net changes</b>	<b>206,264</b>	<b>170,562</b>	<b>2,100,061</b>	<b>(462,470)</b>	<b>65,229,787</b>
<b>Balance at September 30, 2019</b>	<b>\$ 8,705,593</b>	<b>\$ 4,350,957</b>	<b>\$ 2,674,321</b>	<b>\$ 8,133,452</b>	<b>\$ 279,442,958</b>

There have been no significant changes to the assumptions since the prior measurement date except for the discount rate. Refer to the Required Supplementary Information section for more detail.

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following table presents the total OPEB liability for each healthcare OPEB plan, as well as what each plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percent lower or 1-percent higher than the current discount rate:

	<b>County</b>		
	<b>1% Decrease (1.66%)</b>	<b>Current Discount Rate (2.66%)</b>	<b>1% Increase (3.66%)</b>
<b>Total OPEB Liability</b>	\$ 9,184,000	\$ 8,705,593	\$ 8,309,000
	<b>Tax Collector</b>		
	<b>(2.68%)</b>	<b>(3.68%)</b>	<b>(4.68%)</b>
<b>Total OPEB Liability</b>	\$ 4,733,977	\$ 4,350,957	\$ 3,997,369
	<b>Property Appraiser</b>		
	<b>(2.68%)</b>	<b>(3.68%)</b>	<b>(4.68%)</b>
<b>Total OPEB Liability</b>	\$ 2,863,797	\$ 2,674,321	\$ 2,495,888
	<b>Clerk &amp; Comptroller</b>		
	<b>(3.18%)</b>	<b>(4.18%)</b>	<b>(5.18%)</b>
<b>Total OPEB Liability</b>	\$ 9,926,640	\$ 8,133,452	\$ 6,779,176
	<b>Sheriff</b>		
	<b>(1.66%)</b>	<b>(2.66%)</b>	<b>(3.66%)</b>
<b>Total OPEB Liability</b>	\$325,000,000	\$ 279,442,958	\$ 238,939,000



**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability for each healthcare OPEB plan, as well as what each plans total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the assumed trend rate:

	<b>County</b>		
	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
	5.5% decreasing to 3.5% over 4 years	6.5% decreasing to 4.5% over 4 years	7.5% decreasing to 5.5% over 4 years
<b>Total OPEB Liability</b>	<b>\$ 7,756,000</b>	<b>\$ 8,705,593</b>	<b>\$ 9,925,000</b>

	<b>Tax Collector</b>		
	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
	6.50% decreasing to 5.75% over 3 years	7.50% decreasing to 6.75% over 3 years	8.50% decreasing to 7.75% over 3 years
<b>Total OPEB Liability</b>	<b>\$ 3,804,509</b>	<b>\$ 4,350,957</b>	<b>\$ 5,007,177</b>

	<b>Property Appraiser</b>		
	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
	6.50% decreasing to 5.75% over 3 years	7.50% decreasing to 6.75% over 3 years	8.50% decreasing to 7.75% over 3 years
<b>Total OPEB Liability</b>	<b>\$ 2,407,235</b>	<b>\$ 2,674,321</b>	<b>\$ 2,982,134</b>

	<b>Clerk &amp; Comptroller</b>		
	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
	7.5% decreasing to 3.0% over 55 years	8.5% decreasing to 4.0% over 55 years	9.5% decreasing to 5.0% over 55 years
<b>Total OPEB Liability</b>	<b>\$ 6,671,454</b>	<b>\$ 8,133,452</b>	<b>\$ 10,084,295</b>

	<b>Sheriff</b>		
	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
	5.5% decreasing to 3.5% over 4 years	6.5% decreasing to 4.5% over 4 years	7.5% decreasing to 5.5% over 4 years
<b>Total OPEB Liability</b>	<b>\$ 239,944,000</b>	<b>\$ 279,442,958</b>	<b>\$ 322,618,000</b>

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the fiscal year ended September 30, 2019, these Healthcare OPEB plans recognized OPEB expense of \$21,999,884. At September 30, 2019, these plans reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>				
	<b>County</b>	<b>Tax Collector</b>	<b>Property Appraiser</b>	<b>Clerk &amp; Comptroller</b>	<b>Sheriff</b>
Changes of assumptions or other inputs	\$ 632,385	\$ 2,981,106	\$ 1,735,462	\$ -	\$ 51,352,555
Contributions subsequent to measurement date	-	-	-	202,747	-
<b>Totals</b>	<b>\$ 632,385</b>	<b>\$ 2,981,106</b>	<b>\$ 1,735,462</b>	<b>\$ 202,747</b>	<b>\$ 51,352,555</b>

	<b>Deferred Inflows of Resources</b>				
	<b>County</b>	<b>Tax Collector</b>	<b>Property Appraiser</b>	<b>Clerk &amp; Comptroller</b>	<b>Sheriff</b>
Change of assumptions or other inputs	\$ 225,199	\$ -	\$ -	\$ 1,610,386	\$ 12,941,242
Experience losses(gains)	-	3,275,952	150,668	-	-
<b>Totals</b>	<b>\$ 225,199</b>	<b>\$ 3,275,952</b>	<b>\$ 150,668</b>	<b>\$ 1,610,386</b>	<b>\$ 12,941,242</b>

Contributions to the applicable plans subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2020.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the healthcare OPEB will be recognized in OPEB expense as follows:

	<b>Deferred Outflows/(Inflows), net</b>				
	<b>County</b>	<b>Tax Collector</b>	<b>Property Appraiser</b>	<b>Clerk &amp; Comptroller</b>	<b>Sheriff</b>
<b>Year ending September 30:</b>					
2020	\$ 31,484	\$ (49,141)	\$ 396,198	\$ (249,565)	\$ 3,908,676
2021	31,484	(49,141)	396,198	(249,565)	3,908,676
2022	31,484	(49,141)	396,198	(249,565)	3,908,676
2023	31,484	(49,141)	396,200	(249,565)	3,908,676
2024	31,484	(49,141)	-	(249,564)	3,908,676
Thereafter	249,766	(49,141)	-	(362,562)	18,867,933

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**FIRE-RESCUE UNION HEALTHCARE OPEB PLAN**

**Plan Description**

The Fire-Rescue Union Healthcare OPEB is a defined benefit post-employment healthcare OPEB plan that provides OPEB to all eligible retired employees and their dependents. The plan is a single employer plan which is administered by the Fire-Rescue Union for the employees. The authority to establish and amend the benefit terms and financing requirements is granted to the Fire-Rescue Union. Florida Statute 112.0801 allows retirees (and eligible dependents) to continue participation in the group insurance plan. Assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75. The Fire-Rescue Union Healthcare OPEB plan does not issue a separate standalone financial report.

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 plan is a trust, the County is not entitled to nor does it have the ability to otherwise access the economic resources received or held by the plan and the County has no reversionary interest in the economic resources received or held by the plan, nor is the County responsible for custody of the assets of the plan. Therefore, the plan is not reported as a fiduciary fund of the County. The Fire-Rescue Union Healthcare OPEB plan does not issue a separate standalone financial report.

**Benefits provided**

Retirees of the Fire-Rescue Union healthcare OPEB plan must be offered the same coverage as is offered to active employees at a premium cost of no more than the premium cost applicable for active employees which results in an implicit subsidy. In addition to the ‘implicit benefit’, the plan offers an explicit benefit. Specifically, the Fire-Rescue healthcare OPEB plan provides a subsidy that retirees can use to partially or fully offset the cost of health insurance. 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 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.

**Employees Covered by Benefit Terms**

At September 30, 2019, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	675
Active Members	<u>1,489</u>
TOTAL	<u><u>2,164</u></u>

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**Net OPEB Liability**

The Fire-Rescue's net OPEB liability was measured as of September 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2019.

**Actuarial Assumptions and Other Inputs**

The Fire-Rescue total healthcare OPEB liability in the September 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary increases	3.5%
Discount rate	3.19%
Healthcare cost trend rate	6.0% to grade uniformly to 4.5% over 3-year period
Actuarial cost method	Entry Age Normal based on level percentage of projected salary

Mortality rates were based on the PUB-2010 table, scaled using MP-2018 and applied on a gender-specific basis.

A formal experience study was not performed; however the actuarial assumptions used in the specified valuation above were consistent with the FRS valuation as of July 1, 2017.

There have been no significant changes to the assumptions since the prior measurement date except the discount rate, which decreased from 5.20% to 3.19%, and mortality rates, which were updated from the RP-2014 generational table to the PUB-2010 table.

The long-term expected rate of return on the plan's investments was determined by weighting the expected future real rates of return (which included an additional 3.0% for inflation) by the target asset allocation percentage. The real rates of return and target allocation percentage for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Returns (with inflation) *</b>
Domestic equity	48.7%	10%
International Equity	15.3%	6%
Domestic Fixed Income	18.4%	4%
Global Fixed Income	3.8%	1%
Real Return	4.8%	3%
Real Estate	9.0%	9%
Total	100%	7.0%

\* Target returns are 8%.

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.19%. This was based on a blend of the plan's estimated long-term rate of return and the 20-year Bond Buyer GO index.

**Changes in the Net OPEB Liability**

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
<b>Balances at September 30, 2018</b>	\$ 156,987,135	\$ 68,243,803	\$ 88,743,332
Changes for the year:			
Service Cost	4,149,539	-	4,149,539
Interest	8,193,937	-	8,193,937
Differences between expected and actual experience	(8,869,299)	-	(8,869,299)
Changes in assumptions or other inputs	39,132,189	-	39,132,189
Contributions-employer	-	1,425,000	(1,425,000)
Net investment income	-	3,261,852	(3,261,852)
Benefit payments	(4,421,791)	-	(4,421,791)
Administrative expense	-	(163,465)	163,465
<b>Net changes</b>	<b>38,184,575</b>	<b>4,523,387</b>	<b>33,661,188</b>
<b>Balances at September 30, 2019</b>	<b>\$ 195,171,710</b>	<b>\$ 72,767,190</b>	<b>\$ 122,404,520</b>

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the Fire-Rescue Healthcare plan, as well as what the plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percent lower (2.19%) or 1-percent higher (4.19%) than the current discount rate.

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>(2.19%)</b>	<b>Discount Rate</b>	<b>(4.19%)</b>
	<b>(2.19%)</b>	<b>(3.19%)</b>	<b>(4.19%)</b>
<b>Net OPEB liability</b>	\$ 152,166,000	\$ 122,404,520	\$ 98,346,000

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the net OPEB liability of the Fire-Rescue Healthcare plan, as well as what the plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that were 1-percent lower (5.50 percent decreasing to 3.50 percent) or 1-percentage-point higher (7.50 percent decreasing to 5.50 percent ) than the current healthcare cost trend rates:

	<b>Healthcare Cost Trend Rates</b>		
	<b>1% Decrease (5.00% decreasing to 3.50%) over 3 years</b>	<b>Current (6.00% decreasing to 4.50%) over 3 years</b>	<b>1% Increase (7.00% decreasing to 5.50%) over 3 years</b>
<b>Net OPEB liability</b>	\$ 108,850,000	\$ 122,404,520	\$ 139,625,000

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended September 30, 2019, the County recognized OPEB expense of \$9,880,760 regarding the Fire-Rescue Healthcare plan.

At September 30, 2019, the Fire Rescue Healthcare plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 8,007,847
Changes of assumptions	35,331,378	-
Net difference between projected and actual earnings on OPEB plan investments	1,924,282	1,215,852
Total	\$ 37,255,660	\$ 9,223,699

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

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

<b>Year ending September 30:</b>	<b>Deferred Outflows/ (Inflows), net</b>
2020	\$ 2,826,785
2021	2,826,785
2022	3,434,711
2023	3,377,581
2024	2,939,358
Thereafter	12,626,741

**FIRE-RESCUE SUPPLEMENTAL DISABILITY OPEB PLAN**

**Plan description**

The Fire-Rescue’s supplemental disability OPEB is a defined benefit plan, as well as, a single employer plan which is administered by the Palm Beach County Fire-Rescue Department. The authority to establish and amend the benefit terms and financing requirements is granted through collective bargaining between Palm Beach County and the Professional Firefighters/Paramedics of Palm Beach County, Local 2928, IAFF, Inc. The earmarked funding, related earnings, expenditures, and administrative costs are recorded in a special revenue fund. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75. Additionally, there are no legal documents referencing a trust. The long-term disability OPEB plan does not issue a separate standalone financial report.

**Benefits Provided**

The plan 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.

**Employees Covered by Benefit Terms**

At September 30, 2019, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	61
Active Members	1,253
TOTAL	1,314

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**Total OPEB Liability**

The total supplemental disability OPEB liability of \$18,394,670 was measured as of October 1, 2018, and was determined by an actuarial valuation as of October 1, 2018.

**Actuarial Assumptions and Other Inputs**

The total supplemental disability OPEB liability in the September 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Projected salary increases	5.0% - 7.8%
Discount Rate	3.83%
Actuarial Cost Method	Entry Age Normal based on level percent of pay

The discount rate was based on the Fidelity 20-Year Municipal GO AA Index - daily rate closest or equal to but not later than the respective measurement date.

Mortality rates were based on the RP-2000 Combined Healthy Participant Mortality Table Scale BB.

The actuarial assumptions used in the specified valuation was based on the results of an actuarial experience study conducted by the Florida Retirement System as of July 1, 2014.

There have been no significant changes to the assumptions since the prior measurement date except the discount rate, which increased from 3.50% to 3.83%.

**Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
<b>Balance at September 30, 2018</b>	<u>\$15,612,338</u>
Changes for the year:	
Service cost	127,209
Interest	520,764
Differences between expected and actual experience	4,467,181
Assumption changes	(611,644)
Benefit payments	<u>(1,721,178)</u>
<b>Net change</b>	<u>2,782,332</u>
<b>Balance at September 30, 2019</b>	<u><u>\$18,394,670</u></u>



**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability for the supplemental disability OPEB plan, as well as what the supplemental disability OPEB plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percent lower (2.83%) or 1-percent higher (4.83%) than the current discount rate:

	<b>1% Decrease (2.83%)</b>	<b>Current Discount Rate (3.83%)</b>	<b>1% Increase (4.83%)</b>
<b>Total OPEB liability</b>	\$ 20,373,360	\$ 18,394,670	\$16,749,744

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the fiscal year ended September 30, 2019, the Fire-Rescue supplemental disability OPEB plan recognized OPEB expenses of \$1,042,638. At September 30, 2019, the supplemental disability plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 6,270,614	\$ -
Changes of assumptions	-	1,117,943
Total	\$ 6,270,614	\$ 1,117,943

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

<b>Year ending September 30:</b>	<b>Deferred Outflows/ (Inflows), net</b>
2020	\$ 386,252
2021	386,252
2022	386,252
2023	386,252
2024	386,252
Thereafter	3,221,411

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**COMPONENT UNIT – Solid Waste Authority (SWA)**

Retirees of the SWA pay an amount equal to the actual premium for health insurance charged by the carrier. The premium charged includes an implied subsidy, as the amount charged for all participants (active employee or retiree) is the same, regardless of age. Under GASB 75, an implied subsidy is considered other post-employment benefits (OPEB).

**Plan Description**

The SWA provides a single employer defined benefit health care plan to all of its employees and the plan is administered by the SWA. The plan has no assets and does not issue a separate financial report.

**Benefits Provided**

The plan allows its employees and their beneficiaries, at their own cost, to obtain medical/Rx and other insurance benefits upon retirement. The benefits of the plan are in accordance with Florida Statutes, which are the legal authority for the plan.

**Employees Covered by Benefit Terms**

At September 30, 2019, the following employees were covered by the benefit terms:

Active Employees	386
Inactive employees currently receiving benefits	<u>15</u>
TOTAL	<u><u>401</u></u>

**Contributions**

The SWA does not make direct contributions to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group health rates as active employees. However, the SWA's actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits as an employer contribution, based upon an implicit rate subsidy. This offset equals the total annual age-adjusted costs paid by the SWA, or its active employees, for coverage of the retirees and their dependents net of the retiree's own payments for the year.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**Total OPEB Liability**

The SWA's total OPEB liability of \$687,000 was measured as of September 30, 2019, and was determined by the actuarial valuation as of September 30, 2018.

**Actuarial Assumptions and Methods**

The total OPEB liability was determined using the following actuarial assumptions and other methods:

Valuation Date:	September 30, 2018
Discount Rate:	2.66% per annum Source: Bond Buyer 20-Bond GO Index
Salary Increase Rate:	3.0% per annum
Medical Consumer Price Index Trend:	3.0% per annum
Inflation Rate:	3.0% per annum
Census Data:	The census was provided by the SWA as of May 2018.
Marriage Rate/Participation:	The assumed number of eligible dependents is based on the current portions of single and family contracts in the census provided. The spousal participation assumed at retirement is 15%.
Spouse Age:	Spouse dates of birth were provided by the SWA. Where this information is missing, male spouses are assumed to be three years older than female spouses.
Medicare Eligibility:	All current and future retirees are assumed to be eligible for Medicare at age 65.
Actuarial Cost Method:	Entry Age Normal based on level percentage of projected salary.
Amortization Method:	<i>Experience/Assumptions</i> gains and losses are amortized over the closed period of 10.5 years starting on October 1, 2017, equal to the average remaining service of active and inactive plan members (who have no future service).
Plan Participation Percentage:	The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 20% of future retirees will participate in the pre-65 retiree medical plan and 5% continue upon Medicare eligibility. This assumes that a one-time irrevocable election to participate is made at retirement.
Mortality Rates:	RP-2014 generational table scaled using MP-18 and applied on a gender-specific basis.

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**Discount Rate**

The SWA does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate is a yield or index rate for 20-year, tax-exempt municipal bonds. As a result, the calculation used a rate of 2.66%, as of September 30, 2019.

**Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
<b>Balance at September 30, 2018</b>	<b>\$ 707,000</b>
Changes for the year:	
Service cost	22,000
Interest	28,000
Assumption changes	26,000
Benefit payments	(96,000)
<b>Net change</b>	<b>(20,000)</b>
<b>Balance at September 30, 2019</b>	<b>\$ 687,000</b>

**Changes in Assumptions**

All assumptions, methods, and results are based on the fiscal year 2018 GASB 75 actuarial report dated November 13, 2018. There have been no significant changes to the assumptions since the report except the discount rate, which decreased from 4.18% to 2.66%.

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the SWA, as well as what the SWA's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.66%) or 1-percentage-point higher (3.66%) than the current discount rate:

	<b>1.0% Decrease (1.66%)</b>	<b>Discount Rate (2.66%)</b>	<b>1.0% Increase (3.66%)</b>
Total OPEB Liability	\$ 706,000	\$ 687,000	\$ 665,000

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rates**

The following presents the total OPEB liability of the SWA, as well as what the SWA's total OPEB liability would be if it were calculated using healthcare cost trends that are 1-percentage-point lower (5.50% decreasing to 3.50%) or 1-percentage-point higher (7.50% decreasing to 5.50%) than the current healthcare cost trend rates:

	<b>1.0% Decrease (5.50% decreasing to 3.50%)</b>	<b>Healthcare cost Trend Rates (6.5% decreasing to 4.50%)</b>	<b>1.0% Increase (7.50% decreasing to 5.50%)</b>
Total OPEB Liability	\$ 626,000	\$ 687,000	\$ 756,000

**OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB**

For the fiscal year ended September 30, 2019, the SWA recognized OPEB expense of \$52,000. At September 30, 2019, the SWA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of Assumptions/Inputs	\$23,000	\$9,000
Total	\$23,000	\$9,000

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending:</u>	
September 30, 2020	\$ 1,400
September 30, 2021	1,400
September 30, 2022	1,400
September 30, 2023	1,400
September 30, 2024	1,400
Thereafter	7,000
	<hr/>
	\$ 14,000
	<hr/>

**12. REFUNDING OF DEBT**

Advance Refunding:

There were no advanced refundings during the year ended September 30, 2019.

There was no outstanding balance of in-substance defeased bonds for governmental or proprietary funds as of September 30, 2019.

Current Year Refundings:

There were no current year refundings during the year ended September 30, 2019.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**13. LONG-TERM DEBT**

Changes in Long-Term Liabilities – The following is a summary of changes in long-term liabilities for the year ended September 30, 2019 for both governmental activities and business-type activities:

<b>Governmental activities:</b>	Beginning Balance *	Additions	Reductions	Ending Balance	Due within One Year
<b>Bonds payable:</b>					
General obligation bonds	\$ 82,850,000	\$ -	\$ 21,735,000	\$ 61,115,000	\$ 16,375,000
* Notes from direct borrowings and direct placements	79,240,746		13,913,139	65,327,607	6,654,187
* Non-ad valorem revenue bonds	618,610,000	-	37,780,000	580,830,000	40,747,340
Unamortized bond premiums	76,397,136	-	7,283,238	69,113,898	-
<b>Total bonds payable</b>	<b>857,097,882</b>	<b>-</b>	<b>80,711,377</b>	<b>776,386,505</b>	<b>63,776,527</b>
*Notes and loans payable	23,420,243	-	1,648,010	21,772,233	1,884,715
Arbitrage liability	2,622	-	2,622	-	-
Compensated absences	172,721,433	72,921,671	60,077,356	185,565,748	8,477,101
Capital leases	634,702	-	318,366	316,336	93,043
Estimated Self-Insurance liability	200,634,456	120,973,900	104,214,655	217,393,701	21,021,370
Sub-total	1,254,511,338	193,895,571	246,972,386	1,201,434,523	95,252,756
Net pension liability	1,281,164,535	172,980,073	-	1,454,144,608	-
Net OPEB liability	339,138,306	103,642,184	-	442,780,490	-
<b>Governmental activities long-term liabilities</b>	<b>\$ 2,874,814,179</b>	<b>\$ 470,517,828</b>	<b>\$ 246,972,386</b>	<b>\$ 3,098,359,621</b>	<b>\$ 95,252,756</b>

\* These amounts are reclassified as a result of the implementation of GASB No.88 regarding Direct Borrowing and Direct Placements.

Long-term liabilities other than debt (bonds and loans) are liquidated by the governmental funds incurring the expenditure. Specifically for compensated absences, the General Fund liquidates 84%, with Fire Rescue Special Revenue Fund liquidating 11%, Community & Social Development Special Revenue Fund and the Road Program Capital Projects Funds liquidate less than 1%. The remaining 4% is liquidated by other Special Revenue Funds and an Internal Service Fund. For the estimated Self-Insurance liability, the Internal Service Funds liquidate 94%, with the remaining 6% liquidated by another Special Revenue Fund. The capital leases are liquidated 100% by other Special Revenue Funds. The arbitrage liability was liquidated 100% by the General Government Capital Projects Fund. The net pension liability and net OPEB liability are liquidated in the respective General Fund, Special Revenue Fund or Internal Service Fund which incur personnel expenditures.

<b>Business-type activities:</b>	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>Bonds payable:</b>					
Revenue bonds	\$ 215,874,671	\$ -	\$ 8,655,520	\$ 207,219,151	\$ 9,074,151
Unamortized bond premiums	22,568,374	-	2,178,633	20,389,741	-
<b>Total bonds payable</b>	<b>238,443,045</b>	<b>-</b>	<b>10,834,153</b>	<b>227,608,892</b>	<b>9,074,151</b>
Notes and loans payable	7,458,005	-	579,932	6,878,073	590,958
Compensated absences	4,545,574	302,183	261,457	4,586,300	401,521
Sub-total	250,446,624	302,183	11,675,542	239,073,265	10,066,630
Net pension liability	38,302,491	4,079,104	-	42,381,595	-
Total OPEB liability	1,280,442	45,539	-	1,325,981	-
<b>Business-type activities long-term liabilities</b>	<b>\$ 290,029,557</b>	<b>\$ 4,426,826</b>	<b>\$ 11,675,542</b>	<b>\$ 282,780,841</b>	<b>\$ 10,066,630</b>

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**Governmental Activities General Long-Term Debt**

General long-term debt, including current maturities, at September 30, 2019 consisted of the following:

**General Obligation Bonds**

<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 5.898% 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>\$ 7,630,000</p>
<p>\$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 \$2,050,000 to \$2,090,000 through July 1, 2023, with an interest rate of 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.</p>	<p>\$ 8,100,000</p>
<p>\$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 \$1,725,000 to \$3,335,000 through July 1, 2025, with an interest rate of 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.</p>	<p>\$ 15,960,000</p>



**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

<p>\$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 \$1,190,000 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.</p>	\$ 8,465,000
<p>\$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 \$2,355,000 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.</p>	\$ 20,960,000
<p>Total General Obligation Bonds</p>	\$ 61,115,000

**Notes from Direct Borrowings and Direct Placements**

<p>\$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 \$816,452 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.</p>	\$ 5,621,505
<p>\$16,189,340 Capital Improvement Revenue Bonds (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 \$1,064,301 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.</p>	\$ 9,011,644

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

<p>\$10,032,000 Public Improvement Revenue Bonds (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 \$1,463,605 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.</p>	\$ 1,482,340
<p>\$13,180,000 Public Improvement Revenue Bonds, (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 \$815,008 to \$1,039,969 through December 1, 2028, with an interest rate of 3.000% 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.</p>	\$ 9,343,164
<p>\$18,805,000 Public Improvement Revenue Bonds (Max Planck3 Project), series 2015B was issued to fund the fifth installment of the grant to Max Planck Florida Corporation, and to pay the costs of issuing the Bond. The annual installments range from \$1,755,000 to \$2,115,000 through December 1, 2025, with an interest rate of 2.730% 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.</p>	\$ 13,685,000
<p>\$22,540,000 Revenue Improvement Refunding Bonds (Ocean Avenue Lantana Bridge and Max Planck Florida Corporation Projects), series 2018 was issued for paying the County's outstanding Revenue Improvement Bonds (Ocean Avenue Lantana Bridge and Max Planck Florida Corporation Projects), series 2011. The annual installments range from \$1,540,000 to \$1,960,000 through August 1, 2031, with an interest rate of 2.890% payable semi-annually on February 1 and August 1 of each year. The bonds are not general obligations of the County and payable from non-ad valorem revenues.</p>	\$ 20,920,000
<p>\$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 2.320% 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.</p>	\$ <u>5,263,954</u>
<p>Total Notes from Direct Borrowing and Direct Placements</p>	\$ <u>65,327,607</u>

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**Non-Ad Valorem Bonds**

\$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 \$3,210,000 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. \$ 51,435,000

\$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 \$14,395,000 to \$17,395,000 through June 1, 2025, with an interest rate of 5.000% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 88,945,000

\$28,075,000 Tax Public Improvement Revenue Bonds (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 \$590,000 to \$1,705,000 through November 1, 2043, with an interest rate from 2.500% 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. \$ 25,265,000

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

\$72,445,000 Public Improvement Revenue Refunding Bonds, 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 \$6,055,000 to \$8,570,000 through November 1, 2027, with an interest rate from 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. \$ 65,730,000

\$63,635,000 Public Improvement Revenue Refunding Bonds, 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 \$5,385,000 to \$6,655,000 through November 1, 2028, with an interest rate from 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. \$ 57,030,000

\$63,155,000 Public Improvement Revenue Bonds (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 \$2,485,000 to \$4,295,000 through November 1, 2035, with an interest rate from 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. \$ 55,960,000

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

<p>\$65,360,000 Public Improvement Revenue Bonds (Professional Sports Franchise Facility Project), series 2015C was issued for the purpose to finance the cost of the construction and equipping of a professional sports franchise facility. The annual installments range from \$2,535,000 to \$3,425,000 through December 1, 2045, with an interest rate from 2.054% to 4.698% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and payable from non-ad valorem revenues.</p>	<p>\$ 62,445,000</p>
<p>\$56,645,000 Public Improvement Revenue Bonds (Professional Sports Franchise Facility Project), Taxable series 2015D was issued for the purpose to finance the cost of the construction and equipping of a professional sports franchise facility. The annual installments range from \$1,530,000 to \$3,910,000 through December 1, 2045, with an interest rate of 5.000% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and payable from non-ad valorem revenues.</p>	<p>\$ 56,645,000</p>
<p>\$121,035,000 Public Improvement Revenue Refunding Bonds, series 2016 were issued for paying and defeasing the county's outstanding Public Improvement Revenue Bond, series 2008 . The annual installments range from \$3,660,000 to \$9,250,000 through May 1, 2038, 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 payable from non-ad valorem revenues.</p>	<p>\$ 117,375,000</p>
<p>Total Non-Ad Valorem Revenue Bonds</p>	<p><u>\$ 580,830,000</u></p>
<p>Total Face Amount of Bonds Payable</p>	<p>\$ 707,272,607</p>
<p>Unamortized bond premiums</p>	<p><u>\$ 69,113,898</u></p>
<p>Total Governmental Activities Bonds Payable</p>	<p><u>\$ 776,386,505</u></p>

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**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 a variable interest rate in effect of 5.760% 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. \$ 355,000

\$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 \$1,000 to \$47,000 through August 1, 2033, with a variable rate of interest in effect of 2.285% 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, 2019 the outstanding individual loans are as follows:

\$	199,000 - Glades Gas & Electric, 2009	\$ 45,000
	89,000 - Glades Home Health Care Med Ctr, 2010	8,900
	878,000 - Muslet Brothers, 2010	495,000
	21,000 - Building 172, Belle Glade, 2012	12,000
	592,000 - America's Sound, 2012	375,000
	770,000 - Old City Hall - BI Development, 2013	570,000
	51,000 - Building 172 Overrun, 2013	<u>41,000</u>
		<b>\$ 1,546,900</b>

\$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 \$3,000 to \$327,000 through August 1, 2034, with a variable rate of interest in effect of 2.285% 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.

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

As of September 30, 2019 the outstanding individual loans are as follows:

\$	57,000 - Kiddie Haven Pre-School, 2010	\$ 3,000
	250,000 - Concrete Services LLC, 2010	29,000
	5,948,000 - Oxygen Development LLC, 2011	3,597,000
	265,000 - Donia Adams Roberts PA, 2011	154,000
	198,000 - Ameliascapes, 2011	44,000
	257,000 - F&T of Belle Glade, 2011	143,000
	1,412,000 - Glades Plaza Enterprises LLC, 2012	894,000
	473,000 - Doctor's Scientific Organica, 2012	300,000
	264,000 - Medical Career Institute, 2012	96,000
	244,000 - A&E Auto Sales, 2012	156,000
	244,000 - SSB Investments, 2013	166,000
	196,000 - GUS Distribution Corporation, 2014	128,000
	179,000 - Pinewood Cleaners Inc., 2014	74,000
	1,898,000 - Critical Needs Program, 2014	<u>1,678,000</u>
		\$ 7,462,000

\$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 \$5,000 to \$110,000 through August 1, 2035, with a variable rate of interest in effect of 2.285% 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.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

As of September 30, 2019 the outstanding individual loans are as follows:

\$	152,000 - Circle S Pharmacy, 2010	\$	88,000
	100,000 - Simco, 2012		65,000
	609,000 - EHR Tech LLC, 2014		243,000
	1,963,000 - Pahokee Revitalization Program, 2015		<u>1,663,000</u>
		\$	2,059,000

\$10,000,000 - HUD Section 108 Loan. \$10,000,000 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 \$13,000 to \$421,000 through August 1, 2037, with a variable rate of interest in effect of 2.285% 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, 2019, the outstanding individual loans are as follows:

\$	2,300,000 - Jupiter CY, 2013	\$	740,000
	258,000 - Old City Hall - BI Development 2, 2014		193,000
	7,442,000 - Final Draw, 17		<u>7,442,000</u>
		\$	8,375,000

\$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 \$819 to \$6,887 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, 2019 the outstanding individual loans are as follows:

\$	150,000 - IRP DI Development Group, 2014	\$	135,304
	25,000 - IRP Gus Distributing Corp, 2014		22,551
	150,000 - IRP EHR LLC, 2014		135,304
	75,000 - IRP PR Local Electric, 2014		<u>67,652</u>
		\$	360,811



**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

\$1,000,000 - USDA Palm Beach County Relending Program (PBC IRP) funded by the U.S. Department of Agriculture. \$1,000,000 is authorized leaving \$809,478.00 available for future financing. 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 \$3,353 to \$3,704 through November 13, 2047, with an interest rate of 1.00% payable annually on November 13 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, 2019 the outstanding individual loans are as follows:

\$	100,000 - IRP Glades Plaza Enterprises LLC	\$	100,000
	90,522 - IRP Madina Sod Corporation		<u>90,522</u>
		\$	<u>190,522</u>

\$1,568,000 - HUD Section 108 Loan. \$1,568,000 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 \$14,000 to \$72,000 through August 1, 2038, with a variable rate of interest in effect of 2.285% 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, 2019 the outstanding loans are as follows:

\$	131,000 - Kiddie Haven Pre-School Inc., 2014	\$	58,000
	1,437,000 - Economic Development Loan Project Fund, 2018		<u>1,365,000</u>
		\$	<u>1,423,000</u>

Total Notes and Other Loans Payable	\$ <u>21,772,233</u>
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**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**Line of Credit**

The County does not have any outstanding line of credit agreements

\$                   -

**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.

\$                   -

**Compensated Absences**

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

General Fund

Board of County Commissioners	\$ 15,017,051	
Clerk & Comptroller	-	
Sheriff	136,889,609	
Tax Collector	1,228,987	
Property Appraiser	2,159,007	
Supervisor of Elections	<u>236,727</u>	
Total General Fund	\$ 155,531,381	
Special Revenue Funds	28,611,217	
Capital Project Funds	698,903	
Internal Service Funds	<u>724,247</u>	
		\$ 185,565,748
Capital Leases (see note on Leases)		316,336
Estimated Self-Insurance Obligation (see note on Risk Management)		<u>217,393,701</u>
Total governmental activities general long-term debt including current portion		<u><u>\$ 1,201,434,523</u></u>

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**Business-type Activities Long-Term Debt**

Business-type long-term debt, including current portion, at September 30, 2019 consisted of the following:

**Revenue Bonds**

\$68,115,000 Water and Sewer Revenue Bonds, Series 2009 (FPL Reclaimed Water Project) were issued to finance the acquisition and construction of additions to the County's Water and Sewer System and to reimburse Florida Power and Light for costs advanced by them. The annual installments range from \$1,515,000 to \$4,225,000 through October 1, 2040, with interest rates from 5.000% 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. \$ 50,270,000

\$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 \$1,085,520 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. \$ 1,134,151

\$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 \$3,140,000 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. \$ 69,290,000

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

\$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 installments range from \$7,535,000 to \$8,080,000 through October 1, 2036, with an interest rate from 3.125% to 4.000% 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 accounts pledged under the bond resolution. \$ 23,385,000

\$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 \$3,045,000 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. \$ 6,270,000

\$57,070,000 Airport System Revenue Refunding Bonds, Series 2016 were issued to advance refund the Airport System Revenue Bonds, Series 2006B. The annual installments range from \$100,000 to \$4,980,000 through October 1, 2036, with an interest rate 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 payable solely from and secured from the net revenues available for Debt Service and the funds and accounts pledged under the bond resolution. \$ 56,870,000

Total face value of Revenue Bonds Payable	\$ 207,219,151
Unamortized bond premiums	<u>20,389,741</u>
Net Revenue Bonds, Business-Type Activities	<u>\$ 227,608,892</u>

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**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 \$11,378 to \$245,218 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, 2019 the outstanding loans are as follows:

\$ 430,015	- Pahokee SRF Loan	\$ 289,161	
722,989	- Belle Glade SRF Loan	463,786	
6,515,388	- Belle Glade SRF Loan	4,523,212	
2,037,950	- Belle Glade SRF Loan	<u>1,601,914</u>	
			<u>\$ 6,878,073</u>

**Compensated Absences**

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

Business-Type Fund

Water Utilities Department	\$ 3,366,535	
Department of Airports	<u>1,219,765</u>	
		<u>\$ 4,586,300</u>

Total Business-Type Activities Long-Term Debt, including current portion	<u><u>\$ 239,073,265</u></u>
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**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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 from Direct Borrowings and Direct Placements		Notes and Loans Payable		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2020	\$ 16,375,000	\$ 2,708,619	\$ 39,265,000	\$ 26,512,643	\$ 8,136,528	\$ 1,865,049	\$ 2,152,715	\$ 498,765	\$ 97,514,319
2021	9,040,000	1,858,500	41,125,000	24,714,031	6,818,169	1,649,327	1,756,815	441,437	87,403,279
2022	9,450,000	1,445,900	41,800,000	22,844,536	6,985,286	1,437,161	1,702,872	401,481	86,067,236
2023	9,880,000	1,014,000	43,740,000	20,878,679	7,160,689	1,218,907	1,472,872	362,850	85,727,997
2024	6,395,000	561,800	39,275,000	18,787,101	7,339,534	994,397	1,362,873	329,474	75,045,179
2025-2029	9,975,000	435,950	160,940,000	68,182,844	25,007,402	2,216,391	6,789,361	1,184,411	274,731,359
2030-2034	-	-	89,955,000	41,034,757	3,880,000	168,776	4,655,355	482,641	140,176,529
2035-2039	-	-	75,790,000	20,934,954	-	-	1,751,351	85,616	98,561,921
2040-2044	-	-	37,245,000	7,296,666	-	-	99,792	4,155	44,645,613
2045-2049	-	-	11,695,000	571,172	-	-	28,226	706	12,295,104
Total	<u>\$ 61,115,000</u>	<u>\$ 8,024,769</u>	<u>\$ 580,830,000</u>	<u>\$ 251,757,383</u>	<u>\$ 65,327,608</u>	<u>\$ 9,550,008</u>	<u>\$ 21,772,232</u>	<u>\$ 3,791,536</u>	<u>\$ 1,002,168,536</u>

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

**Business-type Activities Long-Term Debt**

Year Ending September 30	Revenue Bonds		Notes and Loans Payable		Total
	Principal	Interest	Principal	Interest	
2020	\$ 9,074,151	\$ 9,759,212	\$ 590,958	\$ 132,970	\$ 19,557,291
2021	8,360,000	9,271,637	602,201	121,725	18,355,563
2022	7,670,000	8,874,794	613,669	110,256	17,268,719
2023	8,015,000	8,528,144	625,366	98,562	17,267,072
2024	8,370,000	8,155,744	637,297	86,631	17,249,672
2025-2029	48,450,000	33,999,813	3,244,250	247,306	85,941,369
2030-2034	61,855,000	20,179,650	564,332	34,345	82,633,327
2035-2039	51,200,000	4,787,808	-	-	55,987,808
2040-2044	4,225,000	316,875	-	-	4,541,875
Total	<u>\$ 207,219,151</u>	<u>\$ 103,873,677</u>	<u>\$ 6,878,073</u>	<u>\$ 831,795</u>	<u>\$ 318,802,696</u>

**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 \$125 million. As of September 30, 2019, there were Fifty-One series of Industrial Development Bonds outstanding, with an estimated aggregate principal amount payable of \$828 million.

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**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 accrued at a rate equivalent to 65% of the one month LIBOR rate plus 82 basis points and was due semi-annually in arrears on April 1<sup>st</sup> and October 1<sup>st</sup>. The outstanding principal balance of \$36 million was retired by SWA on April 1, 2019. The Series 2008 Note was considered debt from direct borrowings.

**Revenue Bonds Payable**

Revenue bonds payable by the SWA at September 30, 2019 are summarized as follows:

	2019
Direct Placement Revenue Bonds	
Series 2019	\$ 347,605,000
Revenue Bonds	
Series 2017	107,985,000
Series 2015	50,330,000
Series 2011 (1)	522,355,000
Series 2009	19,770,000
Unamortized premium and discount, net	34,186,032
Net revenue bonds payable	1,082,231,032
Less current maturities	(39,990,000)
Revenue bonds payable, long-term portion	\$ 1,042,241,032

- (1) On October 1, 2021, funds held in escrow will refund Series 2011 Refunding Revenue Bonds in the amount of \$336,665,000 and \$5,085,000 of the Series 2011 Refunding Revenue Bonds will be defeased from SWA’s debt service reserve fund.

Series 2019: \$347,605,000 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Series 2019 dated February 20, 2019. The Series 2019 Bonds provided funding to purchase U.S. Treasury Securities that were placed in an irrevocable trust to (i) pay the interest coming due on the Series 2019 Bonds through October 1, 2021 (the “Crossover Date”), (ii) on the Crossover Date, retire \$336,665,000 of SWA’s outstanding Refunding Revenue Bonds, Series 2011 maturing on October 1, 2031, and (iii) pay costs of issuing the Series 2019 Bonds. As a result, the Series 2011 Bonds will not be defeased at the time of issuance of the Series 2019 Bonds, and will remain outstanding for all purposes until the Crossover Date on which date the Series 2011 Bonds will be redeemed and discharged. The Series 2019 Bonds were initially issued at the Taxable Interest Rate of 3.65%. On or prior to the Crossover Date, SWA shall obtain and provide to the registered owners of the Series 2019 Bonds an unqualified

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

opinion of bond counsel to the effect that as of the Crossover Date the interest thereafter payable on the Series 2019 Bonds is excluded from the gross income of the holders thereof for federal income tax purposes, then after the Crossover Date Series 2019 Bonds shall bear interest at the Tax-Exempt Interest Rate of 2.88%. The Series 2019 Bonds are considered debt from direct placements.

Interest on the Series 2019 Bonds is payable semiannually on April 1<sup>st</sup> and October 1<sup>st</sup> and principal payments are due on October 1<sup>st</sup>, with the final payment due on October 1, 2031.

The debt service requirements and interest rates of the Series 2019 Bonds are as follows:

Year Ending September 30	Interest Rate %	Principal	Interest	Total
2020	3.65	\$ -	\$ 12,687,583	\$ 12,687,583
2021	3.65	-	12,687,583	12,687,583
2022	3.65	-	12,687,583	12,687,583
2023	3.65	1,780,000	12,655,098	14,435,098
2024	3.65	1,845,000	12,588,941	14,433,941
2025	3.65	1,910,000	12,520,413	14,430,413
2026	3.65	1,980,000	12,449,420	14,429,420
2027	3.65	39,875,000	11,685,566	51,560,566
2028	3.65	46,700,000	10,105,573	56,805,573
2029	3.65	49,390,000	8,351,930	57,741,930
2030	3.65	65,605,000	6,253,271	71,858,271
2031	3.65	68,010,000	3,814,798	71,824,798
2032	3.65	70,510,000	1,286,805	71,796,805
		<u>\$ 347,605,000</u>	<u>\$ 129,774,564</u>	<u>\$ 477,379,564</u>

Debt service requirements based on taxable interest rate of 3.65%

Series 2017: \$107,985,000 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Federally Taxable Series 2017 dated August 30, 2017. The Series 2017 Bonds, in conjunction with approximately \$16.2 million in the SWA's Debt Service Reserve Fund and \$2.3 million from the Debt Service Fund provided funding to advance refund and defease \$104,280,000 of the SWA's outstanding Improvement Revenue Bonds, Series 2009 and pay the cost of issuance of the Series 2017 Bonds.

Interest on the Series 2017 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, 2024.



**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

The debt service requirements and interest rates of the Series 2017 Bonds are as follows:

Year Ending September 30	Interest Rate %	Principal	Interest	Total
2020	1.59	\$ 1,705,000	\$ 2,382,654	\$ 4,087,654
2021	1.79	20,545,000	2,185,367	22,730,367
2022	2.08	22,975,000	1,762,307	24,737,307
2023	2.28	23,530,000	1,254,428	24,784,428
2024	2.44	24,135,000	691,869	24,826,869
2025	2.64	15,095,000	198,952	15,293,952
		<u>\$ 107,985,000</u>	<u>\$ 8,475,577</u>	<u>\$ 116,460,577</u>

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.

Interest on the Series 2015 Bonds is payable semiannually on April 1<sup>st</sup> and October 1<sup>st</sup> and principal payments are due on October 1<sup>st</sup>, with the final payment due on October 1, 2028.

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

Year Ending September 30	Interest Rate %	Principal	Interest	Total
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>\$ 20,517,250</u>	<u>\$ 70,847,250</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.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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
2020	4.00-5.00	\$ 18,515,000	\$ 25,502,025	\$ 44,017,025
2021	3.00-5.00	21,370,000	24,560,650	45,930,650
2022	4.00-5.00	362,090,000	15,029,900	377,119,900
2023	4.00-5.00	21,285,000	5,467,275	26,752,275
2024	5.00	22,310,000	4,379,150	26,689,150
2025	5.00	33,095,000	2,994,025	36,089,025
2026	5.00	41,310,000	1,133,900	42,443,900
2027	4.25-5.00	395,000	92,756	487,756
2028	4.25-5.00	395,000	75,969	470,969
2029	4.25-5.00	395,000	59,181	454,181
2030	4.25-5.00	395,000	42,394	437,394
2031	4.25-5.00	400,000	25,500	425,500
2032	4.25-5.00	400,000	8,500	408,500
		<b>\$ 522,355,000</b>	<b>\$ 79,371,225</b>	<b>\$ 601,726,225</b>

On September 1, 2016 SWA deposited approximately \$7.5 million of available SWA monies into an escrow account to defease \$735,000 of 2011 Refunding Revenue Bonds that have a scheduled maturity date of October 1, 2025 and to defease \$5,450,000 of 2011 Refunding Revenue Bonds that have a schedule maturity date of October 1, 2031 for a total defeasance of \$6,185,000 of 2011 Refunding Revenue Bonds. On October 1, 2021, funds held in escrow will refund Series 2011 Refunding Revenue Bonds in the amount of \$336,665,000 and \$5,085,000 of the Series 2011 Refunding Revenue Bonds will be defeased from SWA's debt service reserve fund.

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, 2025. 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.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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

Year Ending September 30	Interest Rate %	Principal	Interest	Total
2020	4.00-5.25	\$ 19,770,000	\$ 484,525	\$ 20,254,525

On September 1, 2016, SWA deposited approximately \$92.7 million of available SWA monies into an escrow account to defease \$80,760,000 of 2009 Revenue Bonds.

On August 30, 2017, the proceeds of the sale of the Series 2017 Bonds, together with funds contributed by the SWA, after payment of costs of issuance, were deposited into the Series 2009 special fund, an irrevocable escrow fund 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 refunding all future debt service payments when due. As a result, the \$104,280,000 of the Series 2009 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. Schedule of defeased maturity dates listed below.

Maturity Date	Defeased Principal	Refunded Principal	Total
10/01/2019	\$ 5,255,000	\$ -	\$ 5,255,000
10/02/2020	7,590,000	18,810,000	26,400,000
10/01/2021	6,070,000	21,865,000	27,935,000
10/01/2022	6,445,000	23,080,000	29,525,000
10/01/2023	6,860,000	24,410,000	31,270,000
10/01/2024	6,295,000	16,115,000	22,410,000
10/01/2025	7,920,000	-	7,920,000
10/01/2026	8,335,000	-	8,335,000
10/01/2027	8,855,000	-	8,855,000
10/01/2028	10,360,000	-	10,360,000
	<u>\$ 73,985,000</u>	<u>\$ 104,280,000</u>	<u>\$ 178,265,000</u>

In accordance with the requirements of the bond documents, revenues are first applied to the Operating Account in an amount sufficient to cover operating expenses. Revenues are next used for the required payments of principal and interest on the outstanding revenue bonds and then the subordinated indebtedness. Revenues are next used to fund the operating reserve and then for the renewal, replacement and capital improvement of the solid waste system. Remaining revenues are deposited in the General Reserve Account.

The Series 2019 Bonds include a provision that during the continuance of an event of default or rating event, at the option of the Registered Owner, exercised in writing delivered by it to the Authority, the Interest Rate shall be increased to 12% per annum. If any payment due is not paid within fifteen days after the due date, SWA shall pay the Registered Owner on demand a rate equal to 4% of the overdue payment.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

All other revenue bonds include a provision in the event of default that either the Trustee or the Holders of not less than twenty-five percent (25%) in principal amount of the bonds outstanding shall declare the principal of all the bonds then outstanding, and accrued interest thereon, to be due and payable immediately. If an event of default is not remedied, then SWA, upon the demand of the Trustee, will pay the net revenues pledged by the bond covenants to the trustee.

The Series 2011 Bonds includes an Extraordinary Optional Redemption clause allowing for redemption of prior to maturity at a redemption price of one hundred percent (100%) of the principal amount, plus accrued interest, if any, to the redemption date, in whole or in part at any time, in the event of damage, condemnation or loss of title of the Renewable Energy Facility #1 and Renewable Energy Facility #2.

Annual Maturities: Maturities for the outstanding bonds of the SWA are as follows:

Year Ending September 30,	Revenue Bonds			
	Principal	Interest	Escrow Funds	Total
2020	\$ 39,990,000	\$ 30,885,704	\$ -	\$ 70,875,704
2021	41,915,000	29,262,517	-	71,177,517
2022	385,065,000	19,308,707	(336,665,000)	67,708,707
2023	44,815,000	9,238,203	-	54,053,203
2024	46,445,000	7,587,519	-	54,032,519
2025-2029	141,015,000	12,489,533	-	153,504,533
2030-2032	1,195,000	76,394	-	1,271,394
	<u>\$ 700,440,000</u>	<u>\$ 108,848,577</u>	<u>\$ (336,665,000)</u>	<u>\$ 472,623,577</u>

**Series 2019 Refunding Revenue Bonds**

Year Ending September 30,	Direct Placement			
	Principal	Interest	Escrow Funds	Total
2020	\$ -	\$ 12,687,583	\$ (12,687,583)	\$ -
2021	-	12,687,583	(12,687,583)	-
2022	-	12,687,583	(6,343,791)	6,343,792
2023	1,780,000	12,655,098	-	14,435,098
2024	1,845,000	12,588,941	-	14,433,941
2025-2029	139,855,000	55,112,902	-	194,967,902
2030-2032	204,125,000	11,354,874	-	215,479,874
	<u>\$ 347,605,000</u>	<u>\$ 129,774,564</u>	<u>\$ (31,718,957)</u>	<u>\$ 445,660,607</u>

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

The Series 2019 Bond Escrow Account will be used to supplement the annual debt service requirements of the Series 2019 Refunding Revenue Bonds until October 1, 2019 (the Crossover Date”) in the amount of \$31,718,956 of interest. On October 1, 2021, funds held in escrow will refund Series 2011 Refunding Revenue Bonds in the amount of \$336,665,000 and \$5,085,000 of the Series 2011 Refunding Revenue Bonds will be defeased from SWA’s debt service reserve fund.

Interest Expense: Total interest costs incurred on all SWA debt for the year ended September 30, 2019 and 2018 were \$39,949,108 and \$34,515,649, respectively. For the years ended September 30, 2019 and 2018, net interest costs (net of revenue on construction funds of \$329,265 and \$258,904 in 2019 and 2018, respectively) and \$39,619,843 and \$34,256,745, respectively was expensed.

Defeased Bonds: In 2015, the SWA defeased \$131,565,000 of Revenue Bonds, Series 2008B by placing cash in an irrevocable escrow fund to provide for all future debt service payments on these bonds. At September 30, 2019, defeased Series 2008B Revenue Bonds totaling \$131,565,000 remain outstanding. In 2016, the SWA defeased \$80,760,000 of Revenue Bonds, Series 2009 by placing cash in an irrevocable escrow fund to provide for all future debt service payments on these bonds and in 2017, the SWA defeased \$104,280,000 of Revenue Bonds, Series 2009 by placing cash in an irrevocable escrow fund to provide for all future debt service payments on these bonds. At September 30, 2019, defeased Series 2009 Revenue Bonds totaling \$178,265,000 remain outstanding. In 2016, the SWA defeased \$6,185,000 of Refunding Revenue Bonds, Series 2011 by placing cash in an irrevocable escrow fund to provide for all future debt service payments on these bonds. At September 30, 2019, defeased Series 2011 Refunding Revenue Bonds totaling \$6,185,000 remain outstanding.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**Changes in Noncurrent Liabilities**

Changes in long-term debt for the year ended September 30, 2019 are summarized as follows:

September 30, 2019	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Compensated absences	\$ 5,235,597	\$ 3,122,510	\$ (2,844,723)	\$ 5,513,384	\$ 349,549
Net pension liability	27,472,550	3,631,473	-	31,104,023	-
Total other postemployment liability	707,000	76,000	(96,000)	687,000	-
Advanced capacity payment	47,079,066	-	(2,981,260)	44,097,806	2,981,260
Landfill closure and postclosure care costs	55,310,463	-	(3,067,900)	52,242,563	353,104
Note Payable, Series 2008	40,000,000	-	(40,000,000)	-	-
Revenue Bond, Series 2019	-	347,605,000	-	347,605,000	-
Revenue Bonds					
Series 2017	107,985,000	-	-	107,985,000	1,705,000
Series 2015	50,330,000	-	-	50,330,000	-
Series 2011	539,105,000	-	(16,750,000)	522,355,000	18,515,000
Series 2009	39,475,000	-	(19,705,000)	19,770,000	19,770,000
Totals	<u>\$ 912,699,676</u>	<u>\$ 354,434,983</u>	<u>\$ (85,444,883)</u>	1,181,689,776	<u>\$ 43,673,913</u>
Unamortized premium and discount, net				34,186,032	
Current maturities				<u>(43,673,913)</u>	
Net long-term debt				<u>\$ 1,172,201,895</u>	

**14. PLEDGED REVENUES**

The County has pledged a portion of future non-ad valorem revenues to repay \$646.1 million in revenue bonds, notes and loans issued between July 10, 2006 and September 28, 2019. 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 December 1, 2045. Total principal and interest remaining to be paid on the bonds is \$1.0 billion with annual requirements ranging from \$76.1 million in fiscal year 2020 decreasing to \$6.1 million in fiscal year 2046. The pledged non-ad valorem revenues, from which the appropriations will be made, have averaged \$402.8 million per year over the last 10 years. Principal and interest paid for the current year and total pledged non-ad valorem revenues were \$80.2 million and \$456.0 million, respectively.

The County has pledged future airport revenues net of specified operating expenses to repay \$63.1 million in airport revenue bonds issued between May 17, 2006 and July 26, 2016. Proceeds from the bonds provided financing for the addition, improvements and expansion of the airport facilities,

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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 \$94.7 million with annual requirements ranging from \$6.3 million in fiscal year 2020 decreasing to \$5.1 million in fiscal year 2037. Annual principal and interest payments on the bonds are expected to require less than 20% of projected future net revenues. Principal and interest paid for the current year and net operating income before interest expense were \$6.2 million and \$24.0 million, respectively.

The County has pledged future water utility revenues net of specified operating expenses to repay \$150.9 million in water and sewer revenue bonds issued between July 22, 2009 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 \$224.0 million with annual requirements ranging from \$13.2 million in fiscal year 2020 decreasing to \$211,250 in fiscal years 2039 and 2040. Annual principal and interest payments on the bonds are expected to require less than 25% of projected future net revenues. Principal and interest paid for the current year and net operating income before interest expense were \$13.4 million and \$76.2 million, respectively.

## **15. TAX ABATEMENTS**

### **Economic Development Tax Exemption**

Palm Beach County enters into property tax abatement agreements with local businesses under Ordinance 2013-022, the “Economic Development Ad Valorem Tax Exemption Ordinance of Palm Beach County, Florida”. Article VII, Section 3, of the Constitution of the State of Florida and Section 196.1995, Florida Statutes, empowers the County to grant economic development ad valorem tax exemptions after the electors of the County authorized such exemptions in a referendum held in November 2012. These ad valorem exemptions apply to new businesses relocating to Palm Beach County as well as to the expansions of businesses already situated in the County. The exemption applies only to taxes levied by Palm Beach County. The exemption does not apply to taxes levied by a municipality, school district, or water management district. This ordinance will expire August 31, 2024.

A business granted an exemption for improvements to real and/or tangible personal property must have a positive economic impact on the County’s economy, including the creation and maintenance of new full time jobs. Retail operations are ineligible for ad valorem tax exemptions. For any year that taxes may have been exempted and the County finds that the business was not entitled to the exemption, such taxes may be recovered and the Property Appraiser will assist the Board to recover any taxes exempted.

Any exemption granted may apply up to one hundred (100%) percent of the assessed value of all improvements to real property made by or for the use of a new business and of all tangible personal property of such new business, or up to one hundred (100%) of the assessed value of all added improvements to real property made to facilitate the expansion of an existing business and of the net increase in all tangible personal property acquired to facilitate such expansion of an existing

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

business, provided that the improvements to real property are made or the tangible personal property is added or increased on or after the effective date of the ordinance specifically granting a business an exemption.

For the fiscal year ended September 30, 2019, the County abated property taxes totaling \$718,278 under this program.

**Historic Property Tax Exemption**

Article VII, Section 3 of the Florida Constitution authorizes counties and municipalities to grant a partial ad-valorem tax exemption to owner(s) of historic properties for improvements to such properties which are the result of the restoration, renovation or rehabilitation of historic properties. On October 17, 1995, the Board of County Commissioners (BCC) adopted a historic property tax exemption ordinance, Ordinance No. 95-41, applicable countywide. The ordinance allows a qualifying local government to enter into an inter-local agreement with the County to perform review functions necessary to implement the ordinance within its municipal boundary. Currently, the following municipalities participate in the program; the cities of Boynton Beach, Delray Beach, Lake Park, Lake Worth, West Palm Beach, and the Town of Palm Beach.

As a result, the BCC approved an ad-valorem tax exemption to property owners for a ten (10) year period on that portion of ad-valorem County taxes levied on the increase in assessed value resulting from the renovation, restoration, and rehabilitation of qualifying properties. Properties must meet the requirements for tax exemption under Section 196.1997, Florida Statutes. Prior to the ad-valorem exemption being effective, the property owners must execute and record a restrictive covenant in the form established by the State of Florida, Department of State, Division of Historical Resources, requiring the qualifying improvements be maintained during the period that the tax exemption is granted.

In the event of the non-performance or violation of the maintenance provision of the covenant by the owner or any successor-in-interest during the term of the covenant, the Local Historic Preservation Office will report such violation to the Property Appraiser and Tax Collector who shall take action pursuant to s. 196.1997 (7), F.S. The Owner shall be required to pay the difference between the total amount of taxes which would have been due in March in each of the previous years in which the covenant was in effect had the property not received the exemption and the total amount of taxes actually paid in those years, plus interest on the difference calculated as provided in s. 212.12 (3) F.S.

For the fiscal year ended September 30, 2019, the County abated property taxes totaling \$152,704 under this program.



**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**16. 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, 2019:

<b>Governmental Activities:</b>	Amount
<b>Major funds:</b>	
General Fund	\$ 5,282,457
Fire Rescue Special Revenue Fund	13,457,586
Road Program Capital Projects Fund	53,485,633
General Government Capital Projects Fund	55,225,719
Total major funds	127,451,395
<b>Nonmajor governmental activities</b>	38,580,358
Total governmental activities	166,031,753
 <b>Business-type Activities:</b>	
Airports	46,092,063
Water Utilities	58,331,000
Total business-type activities	104,423,063
Total commitments	\$ 270,454,816

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

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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 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 fulfilled its commitment and paid \$86.9 million through September 30, 2019.

**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.

**McMurrain Farms Property**

In June 2000, the County and the South Florida Waste Management District (SFWMD) entered into an Interlocal Agreement providing for the joint purchase of the McMurrain Farm Property. The purchase price was \$23,073,600 for 627 acres of real property and the transaction closed on July 21, 2000. In 2002, the County and SFWMD entered into the first amendment to the Interlocal Agreement revising the acreage of the joint purchase from approximately 627 acres to approximately 570 acres to accommodate the proposed sale of 52 acres to the existing farmer, Pero Family Farms, with a corresponding reduction in SFWMD's share of the purchase price. In March 2006, the Board approved the sale of 57 acres to Pero Family Farms.

The property was initially purchased for interim agricultural use with plans for SFWMD to construct an above ground reservoir as part of SFWMD's Agricultural Reserve Reservoir program. SFWMD subsequently determined that the Ag Reserve Reservoir program was not feasible and terminated the program. SFWMD decided to sell its interest in the property to recover its investment. SFWMD obtained an appraisal valuing its interest in the property at \$8,926,380. The BOCC allocated \$9,000,000 in funding over 3 years to acquire SFWMD's interest.

On December 19, 2017, a third amendment to the Interlocal Agreement was approved providing for the County to purchase SFWMD's interest at the appraised value of \$8,926,380. Payment will be made in three (3) equal installments of \$2,975,460 each, with payments due on March 31, 2018, November 1, 2018 and November 1, 2019. Each payment acquires one-third of the District's

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

holding. SFWMD will continue to manage the property until all installment payments have been paid.

The McMurrain Farms Property continues to be leased to the Pero Family Farms. The County's share of the rental revenue will increase proportionately with the increase in the County's percentage ownership. In November, 2018, the County's share of the rental revenue increased from \$179,012 to \$259,085.

The County has paid \$5,950,920 towards this commitment through September 30, 2019.

**COMPONENT UNIT - Solid Waste Authority (SWA)**

Contract Commitments: SWA had outstanding purchase commitments for various equipment, goods and services totaling approximately \$4.8 million at September 30, 2019.

Inter-local Agreement: SWA entered into an inter-local 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, 2022.

SWA paid \$2,246,594 for 2019. SWA is required to pay \$2,313,992 under this agreement for the fiscal year ending September 30, 2020. 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 2022 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, 2019 was approximately \$264,000. The carrying value of the land subject to the lease was approximately \$8 million at September 30, 2019. The lease also provides the option to extend the term for two 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 fiscal year ended September 30, 2019 was approximately \$99,000.

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

The minimum future rental payments based on an annual increase of 3 percent, under this operating lease at September 30, 2019 were as follows:

Year Ending September 30,	Amount
2020	<u>\$ 99,000</u>

**Landfill Closure and Post-closure Care Costs**

The SWA operated one active landfill site for the year ended September 30, 2019. 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 post-closure 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 post-closure 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 post-closure care liabilities at September 30, 2019 are as follows:

Accrued closure and postclosure care costs	\$ 50,123,939
Accrued postclosure care for closed landfills	<u>2,118,624</u>
Total Accrued Landfill Closure Costs	<u>\$ 52,242,563</u>

The \$50,123,939 of accrued closure and postclosure care liabilities at September 30, 2019 represents the cumulative cost based on the use of 47.3% of the estimated capacity of the operating landfill. The SWA will recognize the remaining estimated cost of closure and postclosure care of approximately \$74.9 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 post-closure care in 2019. Based on current demographic information and engineering estimates of landfill consumption, the SWA expects to close the landfill in approximately 2051. 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, 2019 cash and cash equivalents of \$38,655,551 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.

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

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, 2019, the statutorily required escrow account balances were as follows:

Site	
Site 7 closure costs	\$ 34,583,424
Dyer landfill long-term care	353,104
	\$ 34,936,528

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, 2019; 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.

**17. DEFICIT FUND BALANCE**

Major Governmental Funds – The Palm Tran Special Revenue Fund has a deficit fund balance of \$130,496 as of September 30, 2019. This amount relates to grant reimbursable expenses. Palm Tran management has reported it is a timing issue related to the reimbursement from grantors.

**18. 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, 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.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**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 Agreements**

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 2<sup>nd</sup> of each year of any deficiency amount that the Agency expects to exist on the next succeeding November 1<sup>st</sup>. At present, the County has not been made aware of any deficiency amount.

On January 11, 2011 the Board of County Commissioners approved an interlocal agreement between the County and Westgate/Belvedere Homes Community Redevelopment Agency (Agency), for the repayment of match funds associated with the construction of a Stormwater Pump on the County's L-2 Canal. The amount of the required match funds is \$852,121 of which the Agency has agreed to a loan from the County of \$752,121. The loan is to be repaid \$100,000 annually for six years, by January 15<sup>th</sup> of each year, with a final payment of \$152,121 due on or before January 15, 2018. The loan is paid in full as of September 30, 2019.

**Bond Guaranty**

On October 17, 2000 the Board of County Commissioners approved a trust agreement between the County and U.S. 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 1<sup>st</sup> and on or before June 5<sup>th</sup> 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.

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**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.

**19. SUBSEQUENT EVENTS**

**COMPONENT UNIT**

Effective October 1, 2019, the Palm Beach Transportation Planning Agency (TPA), formerly known as the Metropolitan Planning Organization (MPO), became an independent entity separate from the County. The TPA Governing Board adopted Resolution 2017-08 to formally pursue an organizational model that provides more flexibility and allow it to operate with greater independence in its development and provision of transportation related planning programs and services. As a result of this change, the TPA Board approved annual member dues for all TPA Local Governments to facilitate the restructuring and transition of the TPA from an organization previously hosted by Palm Beach County to one that would be independently responsible for all of the financial functions and operations of the agency. The County will no longer provide revolving loan funds to the TPA.

As such, future requests for financial information should be directed to the offices of the TPA at the following address:

Palm Beach Transportation Planning Agency  
301 Datura Street  
West Palm Beach, Florida 33401

**REFUNDINGS**

On November 26, 2019, the County issued \$25,180,000 Public Improvement Revenue Refunding Bonds (Convention Center Hotel Project), Federally Taxable Series 2019B. The bonds are being issued by the County (1) to currently refund a portion of the County's Taxable Public Improvement Revenue Bonds, (Convention Center Hotel Project), Series 2013 and (2) to pay costs of issuance.

On November 26, 2019, the County issued \$44,105,000 Water and Sewer Revenue Refunding Bonds (FPL Reclaimed Water Project), Series 2019. The bonds are being issued by the County (1) to currently refund the County's outstanding Water and Sewer Revenue Bonds, Series 2009 (FPL Reclaimed Water Project) and (2) to pay costs of issuance.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

On February 13, 2020, the County issued \$41,830,000 Public Improvement Revenue Refunding Bonds (Convention Center Project), Federally Taxable Series 2019A. The bonds are being issued by the County (1) to finance the cost of advance refunding a portion of its outstanding Public Improvement Revenue Refunding Bonds, (Convention Center Project), Series 2011 and (2) to pay costs of issuance.

**CORONAVIRUS**

In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the County could be significantly adversely affected. The extent to which the coronavirus may impact governmental activity, business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.





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# REQUIRED SUPPLEMENTARY INFORMATION

The Required Supplementary Information subsection includes the following schedules:

## **PENSION**

Palm Beach County and the Solid Waste Authority (A Component Unit) Florida Retirement System and Health Insurance Subsidy Pension Plans:

- Schedules of the Proportionate Share of the Net Pension Liability
- Schedules of Contributions

## **Palm Tran and Lantana Pension Plans**

- Schedules of Changes in the Net Pension Liability and Related Ratios
- Schedules of Investment Returns
- Schedules of Contributions

## **OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

Schedules of Changes in the Total OPEB Liability and Related Ratios, Schedules of Investment Returns, and Schedules of Contributions for:

- County Healthcare Plan
- Clerk & Comptroller Healthcare Plan
- Tax Collector Healthcare Plan
- Property Appraiser Healthcare Plan
- Sheriff Healthcare Plan
- Fire-Rescue Healthcare Plan
- Fire-Rescue Supplemental Disability Plan
- Solid Waste Authority (A Component Unit) Healthcare Plan





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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)

	<b>2019</b>	<b>2018</b>	<b>2017</b>
County's proportion of the FRS net pension liability	3.46%	3.46%	3.48%
County's proportionate share of the FRS net pension liability	\$ 1,191,182,897	\$ 1,043,413,647	\$ 1,030,547,249
County's covered payroll	\$ 677,246,998	\$ 664,620,014	\$ 641,557,064
County's proportionate share of the FRS net pension liability as a percentage of its covered payroll	175.9%	157.0%	160.6%
FRS Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%

**Notes to Schedule:**

- (1) GASB Statement No. 68, "Accounting and Financial Reporting for Pensions", was implemented in fiscal year 2015 requiring ten-year trend data. Additional years will be displayed as the data becomes available.
- (2) Amounts are as of June 30 of each year.

	<b>2016</b>	<b>2015</b>	<b>2014</b>
	3.37%	3.15%	3.16%
\$	850,558,352	\$406,204,159	\$ 192,829,398
\$	606,858,696	\$585,549,661	\$ 575,072,943
	140.2%	69.4%	33.5%
	84.88%	92.00%	96.09%

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>2019</u>	<u>2018</u>	<u>2017</u>
County's proportion of the HIS net pension liability	2.40%	2.40%	2.39%
County's proportionate share of the HIS net pension liability	\$ 268,508,328	\$ 254,212,376	\$ 255,558,701
County's covered payroll	\$ 677,246,998	\$ 664,620,014	\$ 641,557,064
County's proportionate share of the HIS net pension liability as a percentage of its covered payroll	39.6%	38.2%	39.8%
HIS Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%

**Notes to Schedule:**

- (1) GASB Statement No. 68, "Accounting and Financial Reporting for Pensions", was implemented in fiscal year 2015 requiring ten-year trend data. Additional years will be displayed as the data becomes available.
- (2) Amounts are as of June 30 of each year.

<b>2016</b>	<b>2015</b>	<b>2014</b>
2.32%	2.32%	2.32%
\$ 270,836,258	\$ 236,405,210	\$ 216,601,747
\$ 606,858,696	\$ 585,549,661	\$ 575,072,943
44.6%	40.4%	37.7%
0.97%	0.50%	0.99%



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

	2019	2018	2017	2016	2015
Contractually required FRS contribution	\$ 122,515,156	\$ 111,481,570	\$ 103,862,641	\$ 95,494,431	\$ 89,482,686
FRS contributions in relation to the contractually required contribution	\$ 122,515,156	\$ 111,481,570	\$ 103,862,641	\$ 95,494,431	\$ 89,482,686
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 684,295,776	\$ 663,077,145	\$ 638,616,378	\$ 612,666,217	\$ 579,003,748
FRS contributions as a percentage of covered payroll	17.9%	16.8%	16.3%	15.6%	15.5%

**Notes to Schedule:**

(1) GASB Statement No. 68, "Accounting and Financial Reporting for Pensions", was implemented in fiscal year 2015 requiring ten-year trend data. Additional years will be displayed as the data becomes available.

**2014**

\$ 83,794,037

\$ 83,794,037

\$ -

\$563,609,163

14.9%

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

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required HIS contribution	\$ 11,359,310	\$ 11,007,081	\$ 10,601,032	\$ 10,170,259	\$ 7,295,447
HIS contributions in relation to the contractually required contribution	\$ 11,359,310	\$ 11,007,081	\$ 10,601,032	\$ 10,170,259	\$ 7,295,447
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 684,295,776	\$ 663,077,145	\$ 638,616,378	\$ 612,666,217	\$ 579,003,748
HIS contributions as a percentage of covered payroll	1.7%	1.7%	1.7%	1.7%	1.3%

**Notes to Schedule:**

(1) GASB Statement No. 68, "Accounting and Financial Reporting for Pensions", was implemented in fiscal year 2015 requiring ten-year trend data. Additional years will be displayed as the data becomes available.

**2014**

\$ 6,763,310

\$ 6,763,310

\$ -

\$ 563,609,163

1.2%

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)

	<b>2019</b>	<b>2018</b>	<b>2017</b>
Proportion of the FRS net pension liability	0.0644148%	0.0636583%	0.0635171%
Proportionate share of the FRS net pension liability	\$ 22,183,563	\$ 19,174,210	\$ 18,787,926
SWA's covered payroll	\$ 23,546,088	\$ 22,671,421	\$ 21,795,240
SWA's proportionate share of the FRS net pension liability as a percentage of its covered payroll	94.21%	84.57%	86.20%
FRS Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%

**Notes to Schedule:**

- (1) GASB Statement No. 68, "Accounting and Financial Reporting for Pensions", was implemented in fiscal year 2015 requiring ten-year trend data. Additional years will be displayed as the data becomes available.
- (2) Amounts are as of June 30 of each year.

<b>2016</b>	<b>2015</b>	<b>2014</b>
0.0648132%	0.0626365%	0.0630379%
\$ 16,365,396	\$ 8,090,343	\$ 3,848,240
\$ 21,647,567	\$ 19,555,196	\$ 19,815,911
75.60%	41.37%	19.42%
84.88%	92.00%	96.09%

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)

	<b>2019</b>	<b>2018</b>	<b>2017</b>
Proportion of the HIS net pension liability	0.0797253%	0.0784037%	0.0776703%
Proportionate share of the HIS net pension liability	\$ 8,920,460	\$ 8,298,340	\$ 8,304,865
SWA's covered payroll	\$ 26,663,556	\$ 25,608,028	\$ 24,772,565
SWA's proportionate share of the HIS net pension liability as a percentage of its covered payroll	33.46%	32.41%	33.52%
HIS Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%

**Notes to Schedule:**

- (1) GASB Statement No. 68, " Accounting and Financial Reporting for Pensions", was implemented in fiscal year 2015 requiring ten-year trend data. Additional years will be displayed as the data becomes available.
- (2) Amounts are as of June 30 of each year.

<b>2016</b>	<b>2015</b>	<b>2014</b>
0.0795028%	0.0739556%	0.0745754%
\$ 9,265,726	\$ 7,542,309	\$ 6,972,985
\$ 24,543,064	\$ 22,039,025	\$ 22,152,039
37.75%	34.22%	31.48%
0.97%	0.50%	0.99%



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)

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required FRS contribution	\$ 1,891,052	\$ 1,717,280	\$ 1,570,296	\$ 1,429,340	\$ 1,426,153
FRS contributions in relation to the contractually required contribution	\$ 1,891,052	\$ 1,717,280	\$ 1,570,296	\$ 1,429,340	\$ 1,426,153
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
SWA's covered payroll	\$23,834,076	\$22,823,877	\$22,024,734	\$21,051,861	\$ 20,091,083
FRS contributions as a percentage of covered payroll	7.93%	7.52%	7.13%	6.79%	7.10%

**Notes to Schedule:**

(1) GASB Statement No. 68, "Accounting and Financial Reporting for Pensions", was implemented in fiscal year 2015 requiring ten-year trend data. Additional years will be displayed as the data becomes available.

**2014**

\$ 1,332,111

\$ 1,332,111

\$ -

\$ 19,353,243

6.88%

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

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required HIS contribution	\$ 448,920	\$ 427,278	\$ 415,575	\$ 396,210	\$ 310,975
HIS contributions in relation to the contractually required contribution	\$ 448,920	\$ 427,278	\$ 415,575	\$ 396,210	\$ 310,975
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
SWA's covered payroll	\$27,043,385	\$25,739,685	\$25,034,650	\$23,868,058	\$22,716,328
HIS contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.37%

**Notes to Schedule:**

(1) GASB Statement No. 68, " Accounting and Financial Reporting for Pensions", was implemented in fiscal year 2015 requiring ten-year trend data. Additional years will be displayed as the data becomes available.

**2014**  
\$ 257,664

\$ 257,664

\$ -

\$ 21,703,910

1.19%

PALM BEACH COUNTY, FLORIDA  
Schedule of Changes in the Net Pension Liability and Related Ratios  
Palm Tran Pension Plan  
Last Ten Fiscal Years  
(Required Supplementary Information)

	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Total pension liability</b>			
Service cost	\$ 4,022,548	\$ 3,657,542	\$ 3,614,568
Interest	10,013,496	9,655,384	9,070,466
Differences between expected and actual experience	(1,801,094)	(2,489,675)	260,004
Change of assumptions	3,193,461	(523,606)	-
Benefit payments, including refunds of member contributions	(6,625,328)	(5,898,029)	(5,467,344)
<b>Net change in total pension liability</b>	<b>8,803,083</b>	<b>4,401,616</b>	<b>7,477,694</b>
<b>Total pension liability- beginning</b>	<b>124,734,728</b>	<b>120,333,112</b>	<b>112,855,418</b>
<b>Total pension liability- ending (a)</b>	<b>133,537,811</b>	<b>124,734,728</b>	<b>120,333,112</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	5,509,648	5,421,844	5,589,705
Contributions - employee	923,986	912,362	867,999
Net investment income	(4,414,367)	12,590,071	5,754,084
Benefit payments, including refunds of member contributions	(6,625,328)	(5,898,029)	(5,467,344)
Administrative expense	(372,153)	(213,695)	(157,019)
<b>Net change in plan fiduciary net position</b>	<b>(4,978,214)</b>	<b>12,812,553</b>	<b>6,587,425</b>
<b>Plan fiduciary net position - beginning</b>	<b>106,312,842</b>	<b>93,500,289</b>	<b>86,912,864</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>101,334,628</b>	<b>106,312,842</b>	<b>93,500,289</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 32,203,183</b>	<b>\$ 18,421,886</b>	<b>\$ 26,832,823</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>75.9%</b>	<b>85.2%</b>	<b>77.7%</b>
<b>Covered payroll</b>	<b>\$ 30,674,568</b>	<b>\$ 30,402,375</b>	<b>\$ 30,061,310</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>105.0%</b>	<b>60.6%</b>	<b>89.3%</b>

**Notes to Schedule:**

- (1) GASB Statement No. 68, "Accounting and Financial Reporting for Pensions", was implemented in fiscal year 2015 requiring ten-year trend data. Additional years will be displayed as the data becomes available.
- (2) Amounts are as of December 31 of each year.

<u>2015</u>	<u>2014</u>
\$ 3,699,372	\$ 3,517,163
8,602,255	7,920,953
(2,653,460)	1,780,535
1,585,562	-
(5,009,083)	(4,626,680)
6,224,646	8,591,971
106,630,772	98,038,801
112,855,418	106,630,772

5,215,491	7,205,534
777,273	684,731
(1,839,676)	4,845,252
(5,009,083)	(4,626,680)
(182,444)	(223,302)
(1,038,439)	7,885,535
87,951,303	80,065,768
86,912,864	87,951,303

\$ 25,942,554	\$ 18,679,469
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77.0%	82.5%
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\$ 27,512,115	\$ 24,661,404
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94.3%	75.7%
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PALM BEACH COUNTY, FLORIDA  
Schedule of Changes in the Net Pension Liability and Related Ratios  
Lantana Pension Plan  
Last Ten Fiscal Years  
(Required Supplementary Information)

	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total pension liability</b>			
Service cost	\$ 407,991	\$ 452,953	\$ 357,804
Interest	3,401,092	3,192,834	2,973,158
Differences between expected and actual experience	(421,152)	1,077,328	125,354
Change of assumptions	1,247,869	-	3,182,878
Benefit payments, including refunds of member contributions	(2,550,001)	(1,106,244)	(915,763)
<b>Net change in total pension liability</b>	<b>2,085,799</b>	<b>3,616,871</b>	<b>5,723,431</b>
<b>Total pension liability- beginning</b>	<b>47,982,613</b>	<b>44,365,742</b>	<b>38,642,311</b>
<b>Total pension liability- ending (a)</b>	<b>50,068,412</b>	<b>47,982,613</b>	<b>44,365,742</b>
<b>Plan fiduciary net position</b>			
Contributions - employer and state	1,546,558	1,343,726	1,411,935
Contributions - employee	182,155	206,043	222,479
Net investment income	1,757,509	3,710,228	3,954,054
Benefit payments, including refunds of member contributions	(2,550,001)	(1,106,244)	(915,763)
Administrative expense	(71,412)	(59,078)	(59,121)
Other	8,012	35,938	18,471
<b>Net change in plan fiduciary net position</b>	<b>872,821</b>	<b>4,130,613</b>	<b>4,632,055</b>
<b>Plan fiduciary net position - beginning</b>	<b>44,563,796</b>	<b>40,433,183</b>	<b>35,801,128</b>
Prior Period Adjustment	-	-	-
<b>Plan fiduciary net position - ending (b)</b>	<b>45,436,617</b>	<b>44,563,796</b>	<b>40,433,183</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 4,631,795</b>	<b>\$ 3,418,817</b>	<b>\$ 3,932,559</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>90.7%</b>	<b>92.9%</b>	<b>91.1%</b>
<b>Covered payroll</b>	<b>\$ 1,315,467</b>	<b>\$ 1,442,292</b>	<b>\$ 1,334,186</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>352.1%</b>	<b>237.0%</b>	<b>294.8%</b>

**Notes to Schedule:**

- (1) GASB Statement No. 68, "Accounting and Financial Reporting for Pensions", was implemented in fiscal year 2015 requiring ten-year trend data. Additional years will be displayed as the data becomes available.
- (2) Amounts are as of September 30 of each year.

	2016	2015	2014
\$	470,342	\$ 450,605	\$ 535,323
	2,823,508	2,605,711	2,494,851
	(977,800)	1,014,242	-
	1,711,466	-	-
	(887,761)	(1,828,169)	(1,375,968)
	3,139,755	2,242,389	1,654,206
	35,502,556	33,260,167	31,605,961
	38,642,311	35,502,556	33,260,167
	1,478,818	1,725,181	1,761,403
	235,009	244,101	263,191
	2,569,228	(550,596)	2,671,295
	(887,761)	(1,828,169)	(1,375,968)
	(52,104)	(60,354)	(48,365)
	19,741	18,127	13,310
	3,362,931	(451,710)	3,284,866
	32,438,197	32,889,907	28,314,454
	-	-	1,290,587
	35,801,128	32,438,197	32,889,907
\$	2,841,183	\$ 3,064,359	\$ 370,260

92.6%	91.4%	98.9%
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\$	1,847,095	\$ 1,914,133	\$ 2,119,708
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153.8%	160.1%	17.5%
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PALM BEACH COUNTY, FLORIDA  
 Schedule of Investment Returns  
 Palm Tran Pension Plan  
 Last Ten Fiscal Years  
 (Required Supplementary Information)

	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	-4.0%	14.0%	7.4%	-1.6%	6.6%

**Notes to Schedule:**

- (1) GASB Statement No. 68, "Accounting and Financial Reporting for Pensions", was implemented in fiscal year 2015 requiring ten-year trend data. Additional years will be displayed as the data becomes available.
- (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  
Last Ten Fiscal Years  
(Required Supplementary Information)

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Annual money-weighted rate of return, net of investment expense	3.86%	9.01%	10.80%	7.66%	-1.81%	8.84%

**Notes to Schedule:**

- (1) GASB Statement No. 68, "Accounting and Financial Reporting for Pensions", was implemented in fiscal year 2015 requiring ten-year trend data. Additional years will be displayed as the data becomes available.
- (2) Amounts are as of September 30 of each year.

PALM BEACH COUNTY, FLORIDA  
Schedule of Contributions  
Palm Tran Pension Plan  
Last Ten Fiscal Years  
(Required Supplementary Information)

Year Ending September 30,	2019	2018	2017	2016
Actuarially determined contribution	\$ 5,734,801	\$ 5,487,697	\$ 5,436,974	\$ 5,392,773
Contributions in relation to the actuarially determined contribution	5,734,801	5,487,697	5,436,974	5,392,773
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
<b>Covered payroll</b>	<b>\$ 31,302,673</b>	<b>\$ 30,734,855</b>	<b>\$ 31,146,308</b>	<b>\$ 28,194,510</b>
<b>Actuarially determined contribution as a percentage of covered payroll</b>	18.3%	17.9%	17.5%	19.1%
<b>Actual contributions as a percentage of covered payroll</b>	18.3%	17.9%	17.5%	19.1%

**Notes to Schedule:**

GASB Statement No. 68, "Accounting and Financial Reporting for Pensions", was implemented in fiscal year 2015 requiring ten-year trend data. Additional years will be displayed as the data becomes available.

**Methods and assumptions used to determine contributions:**

Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Remaining amortization period	14 year equivalent single amortization period as of January 1, 2018.
Asset valuation method	5-year smoothed market
Inflation	2.3% (changed to 2.6% at January 1, 2017)
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	Both the healthy male and female mortality rates are fully generational from 2000 using Scale BB.

**2015**

\$ 5,029,111

5,148,840

\$ (119,729)

\$ 28,129,612

17.9%

18.3%

PALM BEACH COUNTY, FLORIDA  
Schedule of Contributions  
Lantana Pension Plan  
Last Ten Fiscal Years  
(Required Supplementary Information)

	2019	2018	2017	2016
Actuarially determined contribution	\$ 1,550,859	\$ 1,363,707	\$ 1,370,424	\$ 1,413,772
Contributions in relation to the actuarially determined contribution	1,550,859	1,363,707	1,370,424	1,413,772
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
<b>Covered payroll</b>	<b>\$ 1,315,467</b>	<b>\$ 1,442,292</b>	<b>\$ 1,334,186</b>	<b>\$ 1,847,095</b>
<b>Actuarially determined contribution as a percentage of covered payroll</b>	<b>117.9%</b>	<b>94.6%</b>	<b>102.7%</b>	<b>76.5%</b>
<b>Actual contributions as a percentage of covered payroll</b>	<b>117.9%</b>	<b>94.6%</b>	<b>102.7%</b>	<b>76.5%</b>

**Notes to Schedule:**

- (1) GASB Statement No. 68, "Accounting and Financial Reporting for Pensions", was implemented in fiscal year 2015 requiring ten-year trend data. Additional years will be displayed as the data becomes available.  
(2) Amounts are as of September 30 of each year.

**Valuation Date** September 30, 2018

**Methods and assumptions used to determine contributions:**

Actuarial cost method	Entry-Age Normal
Amortization method	Level Percent-of-Payroll, closed
Remaining amortization period	1-14 years
Asset valuation method	5-year smoothed market
Price Inflation	3.00%
Salary increases	7% including inflation
Investment rate of return	7.25%
Long-Term Municipal Bond Rate	2.75%
Retirement age	Age and Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2000 Mortality Table with projection scale BB.

**Other Information:**

Notes The Employer Contribution for FYE 9/30/19 was determined in the 9/30/17 actuarial valuation report dated January 25, 2018.

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.

<b>2015</b>	<b>2014</b>
\$1,697,036	\$ 1,721,439
1,697,036	1,721,439
<u>\$ -</u>	<u>\$ -</u>
\$1,914,133	\$ 2,119,708
88.7%	81.2%
88.7%	81.2%

PALM BEACH COUNTY, FLORIDA  
Schedule of Changes in the Total OPEB Liability and Related Ratios  
County Healthcare OPEB Plan  
Last Ten Fiscal Years  
(Required Supplementary Information)

	2019	2018
<b>Total OPEB liability</b>		
Service cost	\$ 306,536	\$ 294,067
Interest	349,340	374,513
Change of assumptions	683,798	(265,057)
Benefit payments	(1,133,411)	(885,972)
<b>Net change in total OPEB liability</b>	206,263	(482,449)
<b>Total OPEB liability- beginning</b>	8,499,330	8,981,779
<b>Total OPEB liability- ending</b>	\$ 8,705,593	\$ 8,499,330
<b>Covered-employee payroll</b>	\$ 270,894,495	\$ 263,004,364
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	3.2%	3.2%

**Notes to Schedule:**

- (1) GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", was implemented in fiscal year 2018 requiring ten-year trend data. Additional years will be displayed as the data becomes available.
- (2) Amounts are as of September 30 of each year.
- (3) No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.
- (4) Changes of assumptions: changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2019	2.66%
2018	4.24%

PALM BEACH COUNTY, FLORIDA  
Schedule of Changes in the Total OPEB Liability and Related Ratios  
Tax Collector Healthcare OPEB Plan  
Last Ten Fiscal Years  
(Required Supplementary Information)

	2019	2018
<b>Total OPEB liability</b>		
Service cost	\$ 449,592	\$ 295,336
Interest	166,642	146,822
Experience losses (gains)	(3,821,944)	-
Change of assumptions	3,477,957	-
Benefit payments	(101,685)	(104,149)
<b>Net change in total OPEB liability</b>	170,562	338,009
<b>Total OPEB liability- beginning</b>	4,180,395	3,842,386
<b>Total OPEB liability- ending</b>	<u>\$ 4,350,957</u>	<u>\$ 4,180,395</u>

**Covered-employee payroll** \$ 13,184,797    \$ 14,485,421

**Total OPEB liability as a percentage of covered-employee payroll** 33.0%                      28.9%

**Notes to Schedule:**

(1) GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", was implemented in fiscal year 2018 requiring ten-year trend data. Additional years will be displayed as the data becomes available.

(2) Amounts are as of September 30 of each year.

(3) No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

(4) Change in assumptions: changes of assumptions and other inputs reflect the effects of changes in the discount rate, medical claims aging table, assumed trend rate for medical claims, and mortality rate.

- The following are the discount rates used in each period:

2019	3.68%
2018	3.64%

- The following are the medical claims aging table used in each period:

2019	Dale Yamamoto study released by Society of Actuaries in June 2013.
2018	Prior industry data set at a flat 2.5% per year of age.

- The following are the assumed trend rate for the medical claims used in each period:

2019	Updated to 7.5% grading uniformly to 6.75% over 3 years, and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075.
2018	8% graded down to 5% over 10 years.

- The following are the mortality tables used in each period:

2019	RP-2014 Total Dataset Adjusted to 2006 with Scale MP-2018.
2018	RP-2014 projected generationally using Scale MP-2016.



PALM BEACH COUNTY, FLORIDA  
Schedule of Changes in the Total OPEB Liability and Related Ratios  
Property Appraiser Healthcare OPEB Plan  
Last Ten Fiscal Years  
(Required Supplementary Information)

	2019	2018
<b>Total OPEB liability</b>		
Service cost	\$ 163,264	\$ 49,905
Interest	24,609	16,618
Experience losses (gains)	(188,335)	-
Change of assumptions	2,169,327	-
Benefit payments	(68,804)	(9,692)
<b>Net change in total OPEB liability</b>	2,100,061	56,831
<b>Total OPEB liability- beginning</b>	574,260	517,429
<b>Total OPEB liability- ending</b>	\$ 2,674,321	\$ 574,260
<b>Covered-employee payroll</b>	\$ 15,235,971	\$ 12,276,256
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	17.6%	4.7%

**Notes to Schedule:**

- (1) GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", was implemented in fiscal year 2018 requiring ten-year trend data. Additional years will be displayed as the data becomes available.
- (2) Amounts are as of September 30 of each year.
- (3) No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.
- (4) Change in assumptions: changes of assumptions and other inputs reflect the effects of changes in the discount rate, medical claims aging table, assumed trend rate for medical claims, and mortality rate.
  - The following are the discount rates used in each period:

2019	3.68%
2018	2.98%
  - The following are the medical claims aging table used in each period:

2019	Dale Yamamoto study released by Society of Actuaries in June 2013.
2018	Prior industry data set at a flat 2.5% per year of age.
  - The following are the assumed trend rate for the medical claims used in each period:

2019	Updated to 7.5% grading uniformly to 6.75% over 3 years, and following the Getzen model thereafter until reaching an ultimate rate of 3.90% in the year 2076.
2018	8% graded down uniformly to 5% over 10 years.
  - The following are the mortality rates used in each period:

2019	RP-2014 adjusted to 2006 generational using Scale MP-2018.
2018	RP-2014 adjusted to 2006 generational using Scale MP-2016.

PALM BEACH COUNTY, FLORIDA  
Schedule of Changes in the Total OPEB Liability and Related Ratios  
Clerk and Comptroller Healthcare OPEB Plan  
Last Ten Fiscal Years  
(Required Supplementary Information)

	2019	2018
<b>Total OPEB liability</b>		
Service cost	\$ 306,313	\$ 362,040
Interest	320,696	290,214
Change of assumptions	(903,998)	(1,092,518)
Benefit payments	(185,481)	(170,557)
<b>Net change in total OPEB liability</b>	(462,470)	(610,821)
<b>Total OPEB liability- beginning</b>	8,595,922	9,206,743
<b>Total OPEB liability- ending</b>	\$ 8,133,452	\$ 8,595,922
<b>Covered-employee payroll</b>	\$ 32,369,379	\$ 30,809,641
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	25.1%	27.9%

**Notes to Schedule:**

- (1) GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", was implemented in fiscal year 2018 requiring ten-year trend data. Additional years will be displayed as the data becomes available.
- (2) Amounts are as of September 30 of each year.
- (3) No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.
- (4) Changes of assumptions: changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2019	4.18%
2018	3.64%

PALM BEACH COUNTY, FLORIDA  
Schedule of Changes in the Total OPEB Liability and Related Ratios  
Sheriff Healthcare OPEB Plan  
Last Ten Fiscal Years  
(Required Supplementary Information)

	2019	2018
<b>Total OPEB liability</b>		
Service cost	\$ 6,792,711	\$ 6,520,168
Interest	9,082,529	9,372,090
Change of assumptions	56,795,524	(16,009,828)
Benefit payments	(7,440,977)	(6,723,270)
<b>Net change in total OPEB liability</b>	65,229,787	(6,840,840)
<b>Total OPEB liability- beginning</b>	214,213,171	221,054,011
<b>Total OPEB liability- ending</b>	\$ 279,442,958	\$ 214,213,171
<b>Covered-employee payroll</b>	\$ 287,690,000	\$ 274,322,952
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	97.1%	78.1%

**Notes to Schedule:**

- (1) GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", was implemented in fiscal year 2018 requiring ten-year trend data. Additional years will be displayed as the data becomes available.
- (2) Amounts are as of September 30 of each year.
- (3) No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.
- (4) Changes of assumptions: changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2019	2.66%
2018	4.18%

PALM BEACH COUNTY, FLORIDA  
Schedule of Changes in the Net OPEB Liability and Related Ratios  
Fire-Rescue Union Healthcare OPEB Plan  
Last Ten Fiscal Years  
(Required Supplementary Information)

	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>		
Service cost	\$ 4,149,539	\$ 3,942,933
Interest	8,193,937	7,914,881
Differences between expected and actual experience	(8,869,299)	-
Change of assumptions	39,132,189	-
Benefit payments	(4,421,791)	(6,274,000)
<b>Net change in total OPEB liability</b>	<u>38,184,575</u>	<u>5,583,814</u>
<b>Total OPEB liability- beginning</b>	<u>156,987,135</u>	<u>151,403,321</u>
<b>Total OPEB liability- ending (a)</b>	<u>195,171,710</u>	<u>156,987,135</u>
<b>Plan fiduciary net position</b>		
Contributions - employer	1,425,000	5,287,973
Net investment income	3,261,852	5,173,323
Benefit payments	-	(3,756,640)
Administrative expense	(163,465)	(58,974)
<b>Net change in plan fiduciary net position</b>	<u>4,523,387</u>	<u>6,645,682</u>
<b>Plan fiduciary net position - beginning</b>	<u>68,243,803</u>	<u>61,598,121</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>72,767,190</u>	<u>68,243,803</u>
<b>Net OPEB liability - ending (a) - (b)</b>	<u>\$ 122,404,520</u>	<u>\$ 88,743,332</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	37.3%	43.5%
<b>Covered payroll</b>	\$ 151,027,985	\$ 172,274,026
<b>Net OPEB liability as a percentage of covered payroll</b>	81.0%	51.5%

**Notes to Schedule:**

- (1) GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", was implemented in fiscal year 2018 requiring ten-year trend data. Additional years will be displayed as the data becomes available.
- (2) Amounts are as of September 30 of each year.
- (3) Changes of assumptions and other inputs reflect the effects of changes in the discount rate and mortality rates. The discount rate changed to 3.19% in fiscal year 2019 from 5.20% in fiscal year 2018. Also, the mortality rates in fiscal year 2019 utilized the PUB-2010 scaled using MP-2018 and applied on a gender-specific basis; whereas for fiscal year 2018, the mortality rates utilized the RP-2014 generational table, scaled back to 2006, then forward using scale MP-17.

PALM BEACH COUNTY, FLORIDA  
Schedule of Investment Returns  
Fire-Rescue Union Healthcare OPEB Plan  
Last Ten Fiscal Years  
(Required Supplementary Information)

	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	4.5%	8.4%

**Notes to Schedule:**

- (1) GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", was implemented in fiscal year 2018 requiring ten-year trend data. Additional years will be displayed as the data becomes available.
- (2) Amounts are as of September 30 of each year.

PALM BEACH COUNTY, FLORIDA  
Schedule of Contributions  
Fire-Rescue Union Healthcare OPEB Plan  
Last Ten Fiscal Years  
(Required Supplementary Information)

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 5,508,571	\$ 9,846,994
Contributions in relation to the actuarially determined contribution	1,425,000	6,274,000
Contribution deficiency (excess)	<u>\$ 4,083,571</u>	<u>\$ 3,572,994</u>
<b>Covered payroll</b>	<b>\$ 151,027,985</b>	<b>\$ 172,274,026</b>
<b>Actual contributions as a percentage of covered payroll</b>	<b>0.9%</b>	<b>3.6%</b>

**Notes to Schedule:**

- (1) GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", was implemented in fiscal year 2018 requiring ten-year trend data. Additional years will be displayed as the data becomes available.
- (2) Amounts are as of September 30 of each year.

**Valuation Date** 2019: 9/30/19  
2018: 9/30/17

**Methods and assumptions used to determine contributions:**

Actuarial cost method	Entry-Age Normal based on level percentage of projected salary
Amortization method	2019: Experience gains and losses are amortized over a closed period of 10.3 years 2018: Experience gains and losses are amortized over a closed period of 9.7 years
Asset valuation method	Fair Market Value
Inflation	2019: 3.0% 2018: 2.5%
Healthcare cost trend rates	6.0% initial, decreasing .5 percent per year to an ultimate rate of 4.5 percent
Salary increases	3.50%
Investment rate of return	2019: 4.5% 2018: 8.4%
Long-Term Municipal Bond Rate	2019: 3.19% 2018: 5.20%
Retirement age	2019: Annual retirement probabilities have been determined based on the FRS actuarial valuation as of July 1, 2018. 2018: Annual retirement probabilities have been determined based on the FRS actuarial valuation as of July 1, 2017.
Mortality	2019: PUB-2010 scaled using MP-2018 and applied on a gender-specific basis 2018: RP-2014 generational table, scaled back to 2006, then forward using scale MP-17

PALM BEACH COUNTY, FLORIDA  
Schedule of Changes in the Total OPEB Liability and Related Ratios  
Fire-Rescue Supplemental Disability OPEB Plan  
Last Ten Fiscal Years  
(Required Supplementary Information)

	<b>2019</b>	<b>2018</b>
<b>Total OPEB liability</b>		
Service cost	\$ 127,209	\$ 127,083
Interest	520,764	434,063
Differences between expected and actual experience	4,467,181	2,442,940
Change of assumptions	(611,644)	(635,227)
Benefit payments	(1,721,178)	(1,262,950)
<b>Net change in total OPEB liability</b>	2,782,332	1,105,909
<b>Total OPEB liability- beginning</b>	15,612,338	14,506,429
<b>Total OPEB liability- ending</b>	\$ 18,394,670	\$ 15,612,338
<b>Covered-employee payroll</b>	\$ 126,347,132	\$ 125,516,712
<b>Total OPEB liability as a percentage of covered- employee payroll</b>	14.6%	12.4%

**Notes to Schedule:**

- (1) GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", was implemented in fiscal year 2018 requiring ten-year trend data. Additional years will be displayed as the data becomes available.
- (2) Amounts are as of September 30 of each year.
- (3) No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.
- (4) Changes of assumptions: changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2019	3.83%
2018	3.50%

PALM BEACH COUNTY, FLORIDA  
Solid Waste Authority - Component Unit  
Schedule of Changes in the Total OPEB Liability and Related Ratios  
Healthcare OPEB Plan  
Last Ten Fiscal Years  
(Required Supplementary Information)

	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>		
Service cost	\$ 22,000	\$ 21,000
Interest	28,000	30,000
Change of assumptions	26,000	(11,000)
Benefit payments, including refunds of member contributions	(96,000)	(79,000)
<b>Net change in total OPEB liability</b>	<u>(20,000)</u>	<u>(39,000)</u>
<b>Total OPEB liability- beginning</b>	<u>707,000</u>	<u>746,000</u>
<b>Total OPEB liability- ending</b>	<u><u>\$ 687,000</u></u>	<u><u>\$ 707,000</u></u>
<b>Covered-employee payroll</b>	\$ 25,841,000	\$ 23,959,000
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	2.7%	3.0%

**Notes to Schedule:**

- (1) GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", was implemented in fiscal year 2018 requiring ten-year trend data. Additional years will be displayed as the data becomes available.
- (2) Amounts are as of September 30 of each year.
- (3) No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.
- (4) Change of assumptions - All assumptions, methods, and results are based on the fiscal year 2018 GASB 75 actuarial report dated November 13, 2018. There have been no significant changes to the assumptions since the report except the discount rate which decreased from 4.18% to 2.66%.



Palm Beach County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance  
For the Year Ended September 30, 2019

Grantor	Program Title	CFDA/ CSFA	Contract/ Grant #	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
<b>FEDERAL GRANTS</b>						
<b><u>Child Nutrition Cluster</u></b>						
<b><u>US Dept of Agriculture</u></b>						
Passed Through: FL Dept of Agriculture and Consumer Services						
	2019 Summer Food Program	10.559	1153 (GY19)	1153 (GY19)	\$ 582,826	\$ -
<b>Total Child Nutrition Cluster</b>					<b>582,826</b>	<b>-</b>
<b><u>CDBG - Entitlement Grants Cluster</u></b>						
<b><u>US Dept of Housing &amp; Urban Dev</u></b>						
Direct Programs:						
	NEIGHBORHOOD STABILIZATION PROGRAM	14.218	B08UN120013	N/A	201,742	72,907
	NEIGHBORHOOD STABILIZATION PROGRAM - 3	14.218	B11UN120013	N/A	23,835	-
	FY15 Community Development Block Grant	14.218	B14UC120004	N/A	1,459,804	1,459,804
	FY16 Community Development Block Grant	14.218	B15UC120004	N/A	402,586	402,586
	FY17 Community Development Block Grant	14.218	B16UC120004	N/A	289,317	196,454
	FY18 Community Development Block Grant	14.218	B17UC120004	N/A	919,448	712,608
	FY19 Community Development Block Grant	14.218	B18UC120004	N/A	3,558,370	2,917,420
<b>Total CDBG - Entitlement Grants Cluster</b>					<b>6,855,102</b>	<b>5,761,779</b>
<b><u>Highway Planning and Construction Cluster</u></b>						
<b><u>US Dept of Transportation</u></b>						
Passed Through: FL Dept of Transportation						
	PBC Overhead Flashing School Zone Signs	20.205	43693015801	43693015801	462,230	-
	GY 19-20 FHWA Planning Funds	20.205	PL009752G0Y84	PL009752G0Y84	1,803,439	-
Passed Through: Other - University of North FL						
	UNF High Visibility Enforcement FY18	20.205	G0023 UNF	G0023 UNF	69,256	-
<b>Total Highway Planning and Construction Cluster</b>					<b>2,334,925</b>	<b>-</b>

**Palm Beach County, Florida**

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)  
For the Year Ended September 30, 2019**

<b>Grantor</b>	<b>Program Title</b>	<b>CFDA/ CSFA</b>	<b>Contract/ Grant #</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b><u>CCDF Cluster</u></b>						
<b><u>US Dept of Health &amp; Human Svcs</u></b>						
	Passed Through: OTHER - Early Learning Coalition					
	Investigative Services	93.596	ELCMOU	ELCMOU	129,216	-
<b>Total CCDF Cluster</b>					<b>129,216</b>	<b>-</b>
<b><u>Non-Clustered Grants</u></b>						
<b><u>US Dept of Housing &amp; Urban Dev</u></b>						
	Direct Programs:					
	FY18 Emergency Solutions Grant Program	14.231	E17UC120004	N/A	50,055	46,804
	FY19 Emergency Solutions Grant Program	14.231	E18UC120004	N/A	435,154	417,081
Total 14.231					485,209	463,885
	Direct Programs:					
	FY15 HOME Investment Partnership	14.239	M14UC120215	N/A	455,442	45,442
	FY16 HOME Investment Partnership	14.239	M15UC120215	N/A	39,295	39,295
	FY17 HOME Investment Partnership	14.239	M16UC120215	N/A	334,386	334,386
	FY18 HOME Investment Partnership	14.239	M17UC120215	N/A	248,137	248,137
	FY19 HOME Investment Partnership	14.239	M18UC120215	N/A	67,580	-
Total HOME					1,144,840	667,260
	Direct Programs:					
	HUD Section 108 Loan	14.248	B08UC120004 - 108	N/A	43,574	-
	FY10 HUD Section 108 Loan	14.248	B10UC120004 - 108	N/A	753,388	-
Total 14.248					796,962	-
	Direct Programs:					
	NEIGHBORHOOD STABILIZATION PROGRAM-2	14.256	B09LNFL0021	N/A	2,449,787	2,398,425
	Continuum of Care Program Grant GY18	14.267	FL0710L4D051700	N/A	153,758	-
	Fair Housing Assistance Program - State & Local	14.401	FF204K184023	N/A	283,300	-
Total US Dept of Housing & Urban Dev					5,313,856	3,529,570
<b><u>US Dept of the Interior</u></b>						
	Direct Programs:					
	Jupiter Inlet Lighthouse Outstanding Natural Areas	15.231	L16AC00163	N/A	34,731	-
	Passed Through: FL Dept of Environmental Protection					
	Loxahatchee Slough Natural Areas Trail	15.916	LW638		181,396	-
Total US Dept of the Interior					216,127	-

Palm Beach County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)  
For the Year Ended September 30, 2019

Grantor	Program Title	CFDA/ CSFA	Contract/ Grant #	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
<b><u>CCDF Cluster</u></b>						
<u>US Dept of Health &amp; Human Svcs</u>						
Passed Through: OTHER - Early Learning Coalition						
	Investigative Services	93.596	ELCMOU	ELCMOU	129,216	-
<b>Total CCDF Cluster</b>					<b>129,216</b>	<b>-</b>
<b><u>Non-Clustered Grants</u></b>						
<u>US Dept of Housing &amp; Urban Dev</u>						
Direct Programs:						
	FY18 Emergency Solutions Grant Program	14.231	E17UC120004	N/A	50,055	46,804
	FY19 Emergency Solutions Grant Program	14.231	E18UC120004	N/A	435,154	417,081
Total 14.231					485,209	463,885
Direct Programs:						
	FY15 HOME Investment Partnership	14.239	M14UC120215	N/A	455,442	45,442
	FY16 HOME Investment Partnership	14.239	M15UC120215	N/A	39,295	39,295
	FY17 HOME Investment Partnership	14.239	M16UC120215	N/A	334,386	334,386
	FY18 HOME Investment Partnership	14.239	M17UC120215	N/A	248,137	248,137
	FY19 HOME Investment Partnership	14.239	M18UC120215	N/A	67,580	-
Total HOME					1,144,840	667,260
Direct Programs:						
	HUD Section 108 Loan	14.248	B08UC120004 - 108	N/A	43,574	-
	FY10 HUD Section 108 Loan	14.248	B10UC120004 - 108	N/A	753,388	-
Total 14.248					796,962	-
Direct Programs:						
	NEIGHBORHOOD STABILIZATION PROGRAM-2	14.256	B09LNFL0021	N/A	2,449,787	2,398,425
	Continuum of Care Program Grant GY18	14.267	FL0710L4D051700	N/A	153,758	-
	Fair Housing Assistance Program - State & Local	14.401	FF204K184023	N/A	283,300	-
Total US Dept of Housing & Urban Dev					5,313,856	3,529,570
<u>US Dept of the Interior</u>						
Direct Programs:						
	Jupiter Inlet Lighthouse Outstanding Natural Areas	15.231	L16AC00163	N/A	34,731	-
Passed Through: FL Dept of Environmental Protection						
	Loxahatchee Slough Natural Areas Trail	15.916	LW638		181,396	-
Total US Dept of the Interior					216,127	-

**Palm Beach County, Florida**

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)  
For the Year Ended September 30, 2019**

<b>Grantor</b>	<b>Program Title</b>	<b>CFDA/ CSFA</b>	<b>Contract/ Grant #</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<u>US Dept of Justice</u>						
Passed Through: FL Dept of Legal Affairs and Attorney General						
	FY19 Victims of Crime Act	16.575	O00269	O00269	384,844	-
	FY18-19 Victims of Crime Act	16.575	VOCA2018PBSO00360	VOCA2018PBSO00360	108,961	-
Total 16.575					<u>493,805</u>	<u>-</u>
Direct Programs:				N/A		
	FY17 COPS Hiring	16.710	2017ULWX0031	N/A	663,340	-
	PBC Violence Prevention Task Force FY19	16.745	2018MOBX0009	N/A	72,314	-
	FY18 Second Chance Act Prisoner Reentry Initiative	16.812	2017CZBX0003	N/A	149,926	60,260
	Equitable Sharing Justice Dept	16.XXX	FLOR050000	N/A	908,968	-
Direct Programs:						
	FY18 Criminal Justice Commission Initiatives	16.738	2018DJBX0606	N/A	86,428	86,428
Passed Through: FL Dept of Law Enforcement						
	2018 PBC Ex-Offender Reentry	16.738	2019JAGCPALM1N2143	2019JAGCPALM1N214	22,437	-
	17-18 FUSE Project Position	16.738	2017JAGCPALM4F9226	2017JAGCPALM4F9226	197,479	47,587
Total 16.738					<u>306,344</u>	<u>134,015</u>
Direct Programs:						
	FY16 DNA Backlog Reduction Program	16.741	2016DNBX0070	N/A	180,524	-
	FY17 DNA Backlog Reduction Program	16.741	2017DNBX0095	N/A	47,388	-
	FY18 DNA Capacity Enhancement and Backlog Reduction Program	16.741	2018DNBX0133	N/A	40,567	-
Total 16.741					<u>268,479</u>	<u>-</u>
Passed Through: FL Dept of Law Enforcement						
	2017 Paul Coverdell FSIG	16.742	2017CDBX0010	2017CDBX0010	1,912	-
	PCFSI Paul Coverdell Forensic Service Improvement	16.742	2018CDBX0017	2018CDBX0017	2,375	-
	2018 Paul Coverdell FSIG	16.742	2018CDBX0017	2018CDBX0017	74,452	-
Total 16.742					<u>78,739</u>	<u>-</u>
Total US Dept of Justice					<u>2,941,915</u>	<u>194,275</u>

**Palm Beach County, Florida**

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)  
For the Year Ended September 30, 2019**

<b>Grantor</b>	<b>Program Title</b>	<b>CFDA/ CSFA</b>	<b>Contract/ Grant #</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<u>US Department of Labor</u>						
Passed Through: FL Dept. of Education						
	18-19 Farmworker Jobs & Education Program	17.264	7604058B8CFJ1	7604059B9CFJ1	22,643	-
	19-20 Farmworker Jobs & Education Program	17.264	7604059B9CFJ1	7604050B0CFJ1	203,303	-
Total US Department of Labor					<u>225,946</u>	<u>-</u>
<u>US Dept of Transportation</u>						
Direct Programs:						
	AIP Glades Airport Master Plan Update	20.106	31200600052016	N/A	75,036	-
	AIP PBC Park Master Plan Update	20.106	31200860152016	N/A	92,914	-
	AIP North Palm Beach Master Plan Update	20.106	31201130172016	N/A	108,629	-
Total 20.106					<u>276,579</u>	<u>-</u>
Passed Through: FL Dept of Transportation						
	FTA Section 5305	20.505	G0357	G0357	764,322	-
	Transportation Planning and Non-Metro Planning and Research	20.505	G1726	G1726	319,436	-
Total 20.505					<u>1,083,758</u>	<u>-</u>
Passed Through: FL Dept of Transportation						
	Section 5311 Formula Grant - Rural	20.509	G1574	G1574	210,163	-
Total US Dept of Transportation					<u>1,570,500</u>	<u>-</u>
<u>US Dept of the Treasury</u>						
Direct Programs:						
	Equitable Sharing Treasury Dept	21.XXX	NA	N/A	212,981	-
Total US Department of the Treasury					<u>212,981</u>	<u>-</u>
<u>US Environmental Protection Agency</u>						
Direct Programs:						
	PW11 Lake region Water Treatment Plant	66.202	XP00D38715	N/A	147,014	-
Total US Environmental Protection Agency					<u>147,014</u>	<u>-</u>

**Palm Beach County, Florida**

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)  
For the Year Ended September 30, 2019**

<b>Grantor</b>	<b>Program Title</b>	<b>CFDA/ CSFA</b>	<b>Contract/ Grant #</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<u>US Election Assistance Commission</u>						
Passed Through: FL Dept of State and Secretary of State						
	Federal Elections Activities-18	90.401	M201720180001PAL	M201720180001PAL	95,381	-
Passed Through: FL Dept of State, Division of Elections						
	Elections Security Grant	90.401	MOA20182019001	MOA20182019001	6,762	-
	Albert Network Monitoring Solutions Grant	90.401	MOA20182019002	MOA20182019002	18,353	-
Total US Election Assistance Commission					120,496	-
<u>US Dept of Health &amp; Human Svcs</u>						
Passed Through: OTHER - Area Agency on Aging of Palm Beach/Treasure Coast						
	2018 OAA Title III E Services	93.052	IA0169500 (3E)(GY18)	IA0169500 (3E)(GY18)	77,394	-
	2019 OAA Title III E Services	93.052	IA0199500 (3E)(GY19)	IA0199500 (3E)(GY19)	126,184	-
Total 93.052					203,578	-
Passed Through: FL Dept of Revenue						
	Child Support Enforcement	93.563	COC50	COC50	919,714	-
Passed Through: FL Dept of Economic Opportunity						
	17-18 Low Income Home Energy Assistance Program	93.568	17EA0F106001023	17EA0F106001023	3,242,375	-
Passed Through: FL Dept of Elder Affairs						
	18-19 Emergency Home Energy Assistance for the Elderly Program	93.568	IP0189500	IP0189500	8,300	-
Total 93.568					3,250,675	-
Direct Programs:						
	18-19 HIV Em Relief Grant Formula/Supplemental/MAI	93.914	H89HA000342500	N/A	3,746,100	3,313,785
	19-20 HIV Em Relief Grant Formula/Supplemental/MAI	93.914	H89HA000342600	N/A	2,902,424	2,387,096
Total 93.914					6,648,524	5,700,881
Total US Dept of Health & Human Services					11,022,491	5,700,881
<u>US Executive Office Of The President</u>						
Direct Programs:						
	FY17 High Intensity Drug Trafficking Area	95.001	G17MI0011A	N/A	18,756	-
	FY18 High Intensity Drug Trafficking Area	95.001	G18MI0011A	N/A	167,213	-
	FY19 High Intensity Drug Trafficking Area	95.001	G19MI0011A	N/A	19,031	-
Total US Executive Office of the President					205,000	-

**Palm Beach County, Florida**

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)  
For the Year Ended September 30, 2019**

<b>Grantor</b>	<b>Program Title</b>	<b>CFDA/ CSFA</b>	<b>Contract/ Grant #</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<u>US Dept of Homeland Security</u>						
Passed Through: FL Div of Emergency Management						
	Public Assistance Grants - Matthew	97.036	17PAU5106002119	17PAU5106002119	2,113,556	-
	Public Assistance Grants - Matthew-STATE	97.036	17PAU5106002119	17PAU5106002119	352,259	-
	Public Assistance Grants - Wilma	97.036	06WL&K10600161	06WL&K10600161	(106,039)	-
	Public Assistance Grants - Fay	97.036	08PAB910601363	08PAB910601363	1,074,087	-
	Public Assistance Grants - IRMA	97.036	Z0596	Z0596	22,678,947	-
	Public Assistance Grants - Irma'-STATE	97.036	Z0596	Z0596	1,259,942	-
Total 97.036					<u>27,372,752</u>	<u>-</u>
Passed Through: FL Div of Emergency Management						
	18-19 Emergency Mgmt Performance Grant	97.042	19FGAF106001098	18FG7A106001194	229,538	-
	19-20 Emergency Mgmt Performance Grant	97.042	G0059	G0059	42,395	-
Passed Through: OTHER - Volunteer Florida						
	18-19 Citizen Corp	97.042	18CTZNCORP	18CTZNCORP	5,000	-
Total 97.042					<u>276,933</u>	<u>-</u>
Direct Programs:						
	FY17 Assistance to Firefighters Grant Program Award	97.044	EMW2017FO03782	N/A	87,117	-
Total US Dept of Homeland Security					<u>27,736,802</u>	<u>-</u>
<b>Total Non-Clustered Grants</b>					<b><u>49,713,128</u></b>	<b><u>9,424,726</u></b>
<u>Others</u>						
<u>US Dept. of Justice (DOJ)</u>						
Passed Through: Florida Council Against Sexual Violence (FCASV): Sexual Assault Services Pr						
	Sexual Assault Services Program Formula Grant	16.017	18SAS26	N/A	111,665	-
Direct Programs:						
	2017 Enhanced Collaborative Model to Combat Human Trafficking	16.320	2016VTBXX003	N/A	334,551	-
Direct Programs:						
	Enhanced Response to DUI/Impaired Driving Related Deaths	16.582	2016XVGXK018	N/A	171,367	-
Passed Through: FL Dept of Health						
	Florida Council Against Sexual Violence FY18	16.588	18STO68	18STO68	120,832	-
Direct Programs:						
	Improve Criminal Justice Responses - ARREST Prog.	16.590	2017WEAX0034	N/A	248,225	-
	City of Lake Worth - South End Crime Reduction Strategy FY19	16.817	2018BJBX0004	N/A	62,725	-
Total US Dept of Justice					<u>1,049,365</u>	<u>-</u>

**Palm Beach County, Florida**

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)  
For the Year Ended September 30, 2019**

<b>Grantor</b>	<b>Program Title</b>	<b>CFDA/ CSFA</b>	<b>Contract/ Grant #</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<u>US Dept of Transportation</u>						
Direct Programs:						
	PBSO Strategy for Reducing Railroad Trespassing FY19	20.301	69A36518500270LELFL	N/A	72,189	-
Total US Dept of Transportation					<u>72,189</u>	<u>-</u>
<u>FL Dept Children &amp; Families</u>						
Direct Programs:						
	Homeless Services Consolidation Grant	60.021	IP003	N/A	241,455	-
	2019 Unified Homeless Grant	60.021	IP004	N/A	3,558	-
Total FL Dept Children & Families					<u>245,013</u>	<u>-</u>
<u>US Environmental Protection Agency</u>						
Direct Programs:						
	Brownfields Revolving Loan Fund	66.818	00D12713	N/A	171,241	153,258
Total US Environmental Protection Agency					<u>171,241</u>	<u>153,258</u>
<u>US Dept of Health &amp; Human Svcs</u>						
Passed Through: FL Dept of Health						
	Green Dot Strategy Implementation	93.136	COHJ3	COHJ3	129,386	-
Passed Through: FL Dept of Economic Opportunity						
	2016-18 Community Services Block Grant	93.569	17SB0D106001121	17SB0D106001121	1,218,846	-
Passed Through: OTHER - RAND Corporation						
	Addressing HIV CARE	93.145	9920160083	9920160083	20,981	-
Total US Dept of Health & Human Svcs					<u>1,369,213</u>	<u>-</u>
<u>US Dept of Homeland Security</u>						
Direct Programs:						
	Law Enforcement Officer Reimbursement Program	97.007	HSTS0216HSLR765	N/A	292,000	-
	FY16 Preparing Communities for CCTA Grant Program	97.133	EMW2016GR00097S01	N/A	12,964	-
	CCTA Grant Program 2016	97.133	EMW2016GR00097S01	N/A	30,712	-
	FY18 Presidential Residence Grant	97.134	EMW2018GR00059S01	N/A	5,623,392	-
Passed Through: OTHER - United Way of Palm Beach County						
	18-19 Emergency Food & Shelter National Board Program	97.024	35168600	35168600	203,473	-
Passed Through: FL Div of Emergency Management						
	Operation Stonegarden FY16	97.067	17DSW1106023234	17DSW1106023234	104,436	-
	State Homeland Security Grant Program FY17	97.067	18DSX1106023203	18DSX1106023203	175,033	-
	FY18 Operation StoneGarden	97.067	19DS0611106023257	19DS0611106023257	104,536	-
	State Homeland Security Grant Program - FY 18	97.067	19SDL106023192	19SDL106023192	262,258	-
	FY17 Homeland Security Grant (HSGP)	97.067	18XDSX1106001246		98,025	-
Passed Through: OTHER - City of Miami						
	FY17 Urban Area Security initiative Grant Prgm	97.067	18DSX3112302376	18DSX3112302376	23,113	-
	FY17 Urban Area Security Initiative	97.067	18DSX3112302376	18DSX3112302376	422,335	-
	FY18 Urban Area Security Initiative	97.067	19DS04112302319	19DS04112302319	200,238	-
Total 97.067					<u>1,389,974</u>	<u>-</u>
Total US Dept of Homeland Security					<u>7,552,515</u>	<u>-</u>
<b>Total Others</b>					<b>10,459,536</b>	<b>153,258</b>
<b>Total Federal Grants - All Departments</b>					<b>\$ 89,210,965</b>	<b>\$ 15,339,763</b>



**Palm Beach County, Florida**

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)  
For the Year Ended September 30, 2019**

Grantor	Program Title	CFDA/ CSFA	Contract/ Grant #	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
<b>STATE GRANTS</b>						
<u>Non-Clustered Grants</u>						
<u>FL Dept of Environmental Protection</u>						
Direct Programs:						
	Jupiter Carlin Shore Protection Monitoring	37.003	17PB5	N/A	\$ 14,726	\$ -
	Juno Beach Renourishment	37.003	18PB8	N/A	80,856	-
	SLW Management Plan Implementation	37.003	18PB6	N/A	29,498	-
	South Lake Worth Inlet Management Plan Implement	37.003	19PB11	N/A	14,385	-
	South Lake Worth Inlet Management Plan Implement	37.003	20PB11	N/A	21,162	-
Total 37.003					160,627	-
Direct Programs:						
	Lake Worth Lagoon Initiative	37.039	LP50202	N/A	28,838	-
	Red Tide Management	37.039	18-275	N/A	18,276	-
	Upgrade Potable Water Infrastructure SW Belle Glade	37.039	LP50207	N/A	148,857	-
Total 37.039					195,971	-
Total FL Dept of Environmental Protection					356,598	-
<u>FL Dept of Legal Affairs and Attorney General</u>						
Passed Through: FL Council Against Sexual Violence						
	FY18-19 Sexual Violence Recovery Services	41.010	18OAG26	17OAG26	2,369	-
	FY19-20 Sexual Violence Recovery Services	41.010	19OAG26	18OAG26	18,206	-
Total FL Dept of Legal Affairs and Attorney General					20,575	-
<u>FL Department of Agriculture and Consumer Services</u>						
Direct Programs:						
	FY19 Mosquito Control-B	42.003	25119	N/A	41,646	-
Total FL Dept of Agriculture and Consumer Services					41,646	-
<u>FL Dept of State and Secretary of State</u>						
Direct Programs:						
	FY18-19 State Aid to Libraries	45.030	19ST54	N/A	1,002,522	-
Total FL Dept of State and Secretary of State					1,002,522	-

**Palm Beach County, Florida**

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)  
For the Year Ended September 30, 2019**

<b>Grantor</b>	<b>Program Title</b>	<b>CFDA/ CSFA</b>	<b>Contract/ Grant #</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<u>FL Dept of Transportation</u>						
Direct Programs:						
	TD Planning Grant for TPA	55.001	43202718401	N/A	33,234	-
	GY19 Commission for the Transportation Disadvantaged	55.001	G1A55	N/A	783,310	-
	GY19 Commission for the Transportation Disadvantaged	55.001	GOX52	N/A	2,883,342	-
Total 55.001					3,699,886	-
Direct Programs:						
	Aviation Dev Grant Construct Hangars NPB Gen Aviation	55.004	42246619401AQE58	N/A	582,336	-
	Aviation Dev Grant Security Improvements at Lantana	55.004	42572319401ARA58	N/A	175,851	-
	Aviation Dev Grant PBIA Master Plan Update	55.004	42575619401ARD02	N/A	1,345	-
	Aviation Dev Grant Pahokee Fuel Farm Improvements	55.004	42789219401ARS89	N/A	18,345	-
	Aviation Dev Grant Lantana Pavement Rehab	55.004	42973019401GOA14	N/A	28,714	-
	Aviation Dev Grant Perimeter Fence Improvements N/C	55.004	43095019401ARA54	N/A	45,094	-
	Aviation Dev Grant PBIA Upgrade Access Roadway Signage	55.004	43099219401GOA15	N/A	44,697	-
	Aviation Dev Grant PBIA Taxiway C Drainage	55.004	43099319401GO805	N/A	295,825	-
	Aviation Dev Grant PBIA Parking Revenue Center	55.004	43103019401GOL09	N/A	24,834	-
	Aviation Dev Grant Lantana Construct Hangars	55.004	43460019401ARR14	N/A	2,166,898	-
	Aviation Dev Grant PBIA Cargo Facility Improvements	55.004	43460719401GOL08	N/A	279,938	-
	Aviation Dev Grant PBIA Misc Taxiway Rehab	55.004	43621619401ARS86	N/A	347,166	-
	Aviation Dev Grant PBIA ARFF Facility Improvement	55.004	43638919401GOA16	N/A	33,172	-
	Aviation Dev Grant Pahokee Rehab Runway 17.35 and Taxiway	55.004	43639019401GOA21	N/A	76,646	-
	Aviation Dev Grant - Pahokee Construct Hangars at PBC Glades	55.004	43103119401GOI97	N/A	30,308	-
	Aviation Dev Grant LN Construct Fuel Farm and Wash Rack	55.004	44133519401GON37	N/A	74,843	-
	Aviation Dev Grant Roadway Access Imprvmnt Hotel Parc PH1	55.004	44161319401GOR00	N/A	406,748	-
Total Aviation Development Grants					4,632,760	-
<u>FL Dept of Transportation</u>						
Direct Programs:						
	CIGP-Intersection Military Trail and Northlake Blvd	55.008	43164515401	N/A	370,287	-
	CIGP-Congress Ave ext Northlake to Alt A1A	55.008	43306413801	N/A	11,695	-
	ROW Acq -Congress Ave ext Northlake to Alt A1A	55.008	43306414401	N/A	9,879	-
	MILITARY TRAIL AND FOREST HILL, INTERSECTION	55.008	43787814B42434501	N/A	78,475	-
	CIGP-Intersection Military Trail and Forest hill	55.008	4378781320102	N/A	39,001	-
	CIGP-SR-7 at Weisman Way Intersection Improvements	55.008	44045613401		8,096	-
Total 55.008					517,433	-
Direct Programs:						
	Public Transit Block Grant - Operating	55.010	G1573	N/A	5,162,020	-
Total FL Dept of Transportation					14,012,099	-

**Palm Beach County, Florida**

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)  
For the Year Ended September 30, 2019**

Grantor	Program Title	CFDA/ CSFA	Contract/ Grant #	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
<u>FL Dept of Health</u>						
	Direct Programs:					
	EMERGENCY MEDICAL SERVICES	64.005	C6050	N/A	38,000	38,000
	Passed Through: FL Dept of Health					
	19-20 Emergency Medical Services	64.005	C7050	N/A	130,805	130,805
	Total 64.005				168,805	168,805
	Passed Through: FL Council Against Sexual Violence					
	Rape Crisis Program Trust Fund	64.061	16TFGR26 (TF)	16TFGR26 (TF)	54,455	-
	Total FL Dept of Health				223,260	168,805
<u>FL Dept of Elder Affairs</u>						
	Passed Through: OTHER - Area Agency on Aging of Palm Beach/Treasure Coast					
	18-19 Home Care for the Elderly	65.001	IH0189500 (GY18)	IH0189500 (GY18)	114,349	-
	19-20 Home Care for the Elderly	65.001	IH0199500 (GY19)	IH0199500 (GY19)	36,865	-
	Total 65.001				151,214	-
	Passed Through: OTHER - Area Agency on Aging of Palm Beach/Treasure Coast					
	18-19 Alzheimer's Disease Initiative	65.004	IZ0189500 (GY18)	IZ0189500 (GY18)	802,853	-
	19-20 Alzheimer's Disease Initiative	65.004	IZ0199500 (GY19)	IZ0199500 (GY19)	248,125	-
	Total Alzheimer's Disease Initiative				1,050,978	-
	Passed Through: OTHER - Area Agency on Aging of Palm Beach/Treasure Coast					
	18-19 Respite for Elders Living in Everyday Families	65.006	IR0189500 (GY18)	IR0189500 (GY18)	54,216	-
	19-20 Respite for Elders Living in Everyday Families	65.006	IR0199500 (GY19)	IR0199500 (GY19)	10,020	-
	Total Respite for Elders Living in Everyday Families				64,236	-
	Passed Through: OTHER - Area Agency on Aging of Palm Beach/Treasure Coast					
	18-19 Community Care for the Elderly	65.010	IC0189500 (GY18)	IC0189500 (GY18)	1,187,708	-
	19-20 Community Care for the Elderly	65.010	IC0199500 (GY19)	IC0199500 (GY19)	387,634	-
	Total Community Care for the Elderly				1,575,342	-
	Total FL Dept of Elder Affairs				2,841,770	-

**Palm Beach County, Florida**

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)  
For the Year Ended September 30, 2019**

<b>Grantor</b>	<b>Program Title</b>	<b>CFDA/ CSFA</b>	<b>Contract/ Grant #</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<u>FL Dept of Law Enforcement</u>						
Direct Programs:						
	FY 19 Statewide Criminal Analysis Lab System	71.002	2019SFACL508A003	N/A	370,175	-
Total FL Dept of Law Enforcement					<u>370,175</u>	<u>-</u>
<u>FL Fish and Wildlife Conservation Commission</u>						
Direct Programs:						
	Juno Mid Depth Artificial Reef	77.007	FWC18105	N/A	60,000	-
Total FL Fish and Wildlife Conservation Commission					<u>60,000</u>	<u>-</u>
<b>Total Non-Clustered Grants</b>					<b><u>18,928,645</u></b>	<b><u>168,805</u></b>
<u>Others</u>						
<u>FL Executive Office of the Governor</u>						
Passed Through: FL Div of Emergency Management						
	18-19 Emergency Management Program	31.063	19BG21106001112	19BG21106001112	76,288	-
	18-19 Hazardous Materials Plan & Prevent	31.067	19CP11106001154	19CP11106001154	21,827	-
Total FL Executive Office of the Governor					<u>98,115</u>	<u>-</u>
<u>Office of the Florida Attorney General</u>						
Direct Programs:						
	Western Union Grant	00.000	Western Union	N/A	5,130	-
Total Office of the Attorney General					<u>5,130</u>	<u>-</u>
<u>FL Housing Finance Corporation</u>						
Direct Programs:						
	State Housing Initiatives Partnership Prgm 16/17-CAH	40.901	HFC0116	N/A	4,522,686	4,309,082
	State Housing Initiatives Partnership Prgm 17/18-CAH	40.901	HFC0117	N/A	2,792,989	2,278,684
	State Housing Initiatives Partnership Prgm 17/18-CAH	40.901	HFC0118	N/A	996,394	996,394
Total SHIP					<u>8,312,069</u>	<u>7,584,160</u>
<u>FL Dept of Education</u>						
Direct Programs:						
	Safe Schools Security Guard Training Program	48.140	97K902100D001	N/A	125,246	-
Total FL Dept of Education					<u>125,246</u>	<u>-</u>

**Palm Beach County, Florida**

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)  
For the Year Ended September 30, 2019**

Grantor	Program Title	CFDA/ CSFA	Contract/ Grant #	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
<u>FL Dept of Transportation</u>						
Direct Programs:						
	Public Transit Service Develop Prog - Paratransit	55.012	44466819401	N/A	712,726	-
	Public Transit Service Develop Prog - GG Capital	55.012	44467119401	N/A	839,862	-
	Public Transit Service Develop Prog - RPM	55.012	44467218401	N/A	251,545	-
	Public Transit Service Develop Prog - GG Operating	55.012	44519418401	N/A	587,993	-
Total FL Dept of Transportation					2,392,126	-
<u>FL Dept of Health</u>						
Direct Programs:						
	EMERGENCY MEDICAL SERVICES Matching Grant	64.003	M6063	N/A	121,626	-
	Sexual Assault Services	64.121	COHO3	N/A	279,341	-
Passed Through: FL Council Against Sexual Violence						
	Rape Crisis Center	64.069	16TFGR26 (GR)	16TFGR26 (GR)	91,449	-
Total FL Dept of Health					492,416	-
<u>FL Dept of Corrections</u>						
Direct Programs:						
	DOC RESTORE B3AE2F	70.011	B3AE2FDOCFY19	N/A	245,051	245,051
Total Florida Dept of Corrections					245,051	245,051
<u>FL Dept of Economic Opportunity</u>						
Direct Programs:						
	Spring Training Facility Funding Agreement	73.016	SB16007	N/A	2,000,004	-
Total FL Dept of Economic Opportunity					2,000,004	-
<u>Florida Department of Health</u>						
Direct Programs:						
	FLORIDA ENHANCED STATE OPIOID OVERDOSE SURVEILLANCE	93.136	FL-ESOOS-19	N/A	30,498	-
Total Florida Department of Health					30,498	-
<b>Total Others</b>					<b>13,700,655</b>	<b>7,829,211</b>
<b>Total State Grants - All Departments</b>					<b>\$ 32,629,300</b>	<b>\$ 7,998,016</b>
<b>TOTAL FEDERAL AND STATE GRANTS</b>					<b>\$ 121,840,265</b>	<b>\$ 23,337,779</b>

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, 2019**

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**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, 2019. 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

**3. Indirect Cost Rate**

The County has elected to use a 19.8% indirect cost rate as allowed under the Uniform Guidance. The County elected not to use the 10% de minimis indirect cost rate as required by 2 CFR 200.510(b)(6).



RSM US LLP

**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**

**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 Wendy Sartory Link  
Supervisor of Elections

Honorable Dorothy Jacks  
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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 23, 2020. 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.

**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.

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  
March 23, 2020





RSM US LLP

**Report on Compliance for Each Major Federal Program and State Project; Report on Internal Control Over Compliance; Required by The Uniform Guidance and Chapter 10.550, Rules of the Auditor General, State of Florida**

**Independent Auditor's Report**

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

Honorable Sharon R. Bock  
Clerk and Comptroller

Honorable Dorothy Jacks  
Property Appraiser

Honorable Ric L. Bradshaw  
Sheriff

Honorable Wendy Sartory  
Supervisor of Elections

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 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, 2019. 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, 2019. 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 The Uniform Guidance 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 federal statutes, regulations, and the terms and conditions of its federal and state 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor*

*General of the State of Florida.* Those standards, the Uniform Guidance 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, 2019.

### **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General* and which is described in the accompanying schedule of findings and questioned costs as item 2019-002. Our opinion on each major federal program and state project is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying *schedule of findings and questioned costs*. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **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 the Uniform Guidance 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, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questions costs as item 2019-001 that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

*RSM US LLP*

West Palm Beach, Florida  
June 24, 2020

**Palm Beach County, Florida**

**Schedule of Findings and Questioned Costs  
Year Ended September 30, 2019**

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**I - Summary of Independent Auditor's Results**

***Financial Statements***

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP 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 2 CFR 200.516(a)?

\_\_\_\_\_ Yes \_\_\_\_\_ X \_\_\_\_\_ No

The programs tested as major included the following:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.568	Low-Income Home Energy Assistance
97.036	Disaster Grants - Public Assistance

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

\$ 2,676,329

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, 2019**

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Internal control over major state projects:

Material weakness(es) identified?	<u>        </u> Yes	<u>  X  </u> No
Significant deficiency(ies) identified?	<u>  X  </u> Yes	<u>        </u> 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*?

<u>  X  </u> Yes	<u>        </u> No
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The projects tested as major included the following:

<u>CSFA Number(s)</u>	Name of State Financial <u>Assistance Project</u>
40.901	State Housing Initiatives Partnership Program (SHIP)
55.001	Florida Commission for the Transportation Disadvantaged(CTD) Trip and Equipment Grant
55.004	Aviation Grant Programs
55.012	Public Transit Service Development Program
65.010	Community Care for the Elderly

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

\$ 978,879

(Continued)

**Palm Beach County, Florida**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended September 30, 2019**

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**II – Financial Statement Findings**

**No matters to report**

**III – Federal Award and State Financial Assistance Findings and Questioned Costs**

***A. Internal Control over Compliance***

**Palm Beach County, Florida**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended September 30, 2019**

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*Federal Awards*

**No matters to report**

*State Financial Assistance*

**2019-001 Special Tests**

**State of Florida Housing and Finance Corporation -  
State Housing Initiatives Partnership Program (SHIP) (CSFA No. 40.901)**

Criteria: Loans or grants for eligible rental housing constructed, rehabilitated, or otherwise assisted from the local housing assistance trust fund must be subject to recapture requirements as provided by the county or eligible municipality in its local housing assistance plan unless reserved for eligible persons for 15 years or the term of the assistance, whichever period is longer. (Florida Statutes Part VII, Section 420.9071(25) and Section 420.9075(5)(i and j)). Per the promissory notes issued by the County, the agreement states, "the property shall remain the principal residence of the Mortgagor throughout the Term of the Note. If the Mortgagor fails to occupy the dwelling as a principal residence, uses the premises for business or economic purposes, sells, leases or rents all or a portion thereof, assigns the Note and/or this Mortgage or in any manner transfers title, use, or occupancy of the dwelling before the last day of the Term of the Note, the entire principal amount of the Note becomes immediately due and payable in full. In the event of the death of the Mortgagor prior to the end of the Term of the Note, the outstanding balance of the loan becomes immediately due and payable." The County is required to monitor and evaluate the owner to ensure that the property remains the principal residence of the owner.

Condition: For 3 out of 40 loans selected for testing, the County was unable to provide evidence of their review over the residency requirement.

Questioned costs: \$88,800.

Context: As of September 30, 2019, there were more than 1500 loans with outstanding balances. We noted for the 40 loans selected for testing, one of the properties changed ownership and two of the properties we were unable to determine primary residency.

Effect: Failure to properly document and review all grant requirements may result in disallowance by the grantor of project expenditures.

Cause: Due to staff constraints, the County was unable to perform due diligence over all SHIP loans outstanding as of year-end.

Recommendation: We recommend that the County review and revise its policies and procedures over the review of all SHIP loans to provide for compliance with all grant requirements.

Views of responsible officials and planned corrective action: The Department of Housing and Economic Sustainability conducts a review of loans on an annual basis. An Annual Resident Certification was sent to all owners to certify their continued occupancy of the property. The Department also utilized Calyx Software to manage the loan portfolio. The status of a client/loan in this electronic filing system is updated at various stages of the loan (i.e. "Income Certified", "Funded", etc.). When a mortgage is satisfied, a Satisfaction of Mortgage is prepared, and once all signatures has been received, the file status in Calyx is revised to "Satisfied". This did not occur in 2 of the identified cases. The Department's Mortgage and Housing Investments Division (MHI) is currently conducting an internal audit of all loans in Calyx coded "Funded" (active) in order to identify any additional loans that should be coded "Satisfied". This task is scheduled to be completed by July 31, 2020.

**Palm Beach County, Florida**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended September 30, 2019**

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Upon review, the Department will properly document the program files and/or work with County Attorney's office, where applicable, to seek appropriate remedies in accordance with the individual contracts/agreements.

**B. Compliance**

*Federal Awards*

**No matters to report**

*State Financial Assistance*

**2019-002 Special Tests**

**State of Florida Housing and Finance Corporation -  
State Housing Initiatives Partnership Program (SHIP) (CSFA No. 40.901)**

Criteria: Loans or grants for eligible rental housing constructed, rehabilitated, or otherwise assisted from the local housing assistance trust fund must be subject to recapture requirements as provided by the county or eligible municipality in its local housing assistance plan unless reserved for eligible persons for 15 years or the term of the assistance, whichever period is longer. (Florida Statutes Part VII, Section 420.9071(25) and Section 420.9075(5)(i and j)). Per the promissory notes issued by the County, the agreement states, "the property shall remain the principal residence of the Mortgagor throughout the Term of the Note. If the Mortgagor fails to occupy the dwelling as a principal residence, uses the premises for business or economic purposes, sells, leases or rents all or a portion thereof, assigns the Note and/or this Mortgage or in any manner transfers title, use, or occupancy of the dwelling before the last day of the Term of the Note, the entire principal amount of the Note becomes immediately due and payable in full. In the event of the death of the Mortgagor prior to the end of the Term of the Note, the outstanding balance of the loan becomes immediately due and payable."

Condition: For 3 out of 40 loans selected for testing, we were unable to determine if the recipient complied with the residency requirement per recapture requirements either because there was no homestead exemption filed per review of the 2018/2019 tax bill or the recipient was no longer the owner of the property.

Questioned costs: \$88,800.

Context: As of September 30, 2019, there were more than 1500 loans with outstanding balances. We noted for the 40 loans selected for testing, one of the properties changed ownership and two of the properties we were unable to determine primary residency.

Effect: Failure to comply with grant requirements may result in disallowance by the grantor of project expenditures.

Cause: Due to staff constraints, the County was unable to perform due diligence over all SHIP loans outstanding as of year-end.

Recommendation: We recommend that the County establish policies and procedures over the review of all SHIP loans in accordance with grant requirements.



**Palm Beach County, Florida**

**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended September 30, 2019**

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Views of responsible officials and planned corrective action: An Annual Resident Certification (ARC) was sent to all owners to certify their continued occupancy of the property. For one of the loans, it appears that the borrower may have provided inaccurate information on the ARC form. The Department of Housing and Economic Sustainability has initiated the process to demand repayment of the SHIP mortgage. For the other two loans, the ARC form has not been received back from the borrower. The next step in the ARC process calls for a site visit to verify who is occupying the property. The site visits will be conducted by June 30, 2020. If it is determined that the owners have ceased to occupy their properties and are in violation of the SHIP mortgage, the Department will initiate the process to demand repayment of the mortgage.

**Palm Beach County, Florida**

**Summary Schedule of Prior Year Audit Findings  
Year Ended September 30, 2019**

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**I – Financial Statement Findings**

**No matters to report**

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

**No matters to report**



June 24, 2020

Chantelle Knowles, CPA, Manager  
RSM US LLP  
100 N.E. 3<sup>rd</sup> Avenue, Suite 300  
Ft. Lauderdale, FL 33301

RE: Palm Beach County FY 2019 Single Audit – Corrective Action Plan

Dear Ms. Knowles:

This communication is in response to your request to Palm Beach County Office of Financial Management and Budget for a corrective action plan to address the audit findings (2019-001 / 2019-002) related to the State Housing Initiatives Partnership (SHIP) Program.

The Department of Housing and Economic Sustainability utilizes Calyx Software for managing the SHIP loan portfolio. HES has corrected the instances of incorrect loan status coding identified by Finding 2019-001. Further, HES is currently conducting an internal audit of SHIP loans in Calyx to ensure that loan coding correctly reflects current loan status. Annual Resident Certifications (ARCs) have been sent to homeowners identified in Finding 2019-002. If homeowners do not provide the required documentation to verify continued residency, HES will conduct site visits. If it is determined that the owners have ceased to occupy their properties in violation of the SHIP mortgage, the County will initiate the process to demand repayment of the mortgage. These corrective actions are scheduled to be completed by July 31, 2020.

Should you have any questions, please contact me at (561) 233-3602 or [jbrown2@pbcgov.org](mailto:jbrown2@pbcgov.org). Thank you.

Sincerely,

Jonathan B. Brown, Director  
Housing and Economic Sustainability

Cc: Derrek Moore, Budget Analyst, OFMB  
Sherry Howard, Deputy Director, HES  
Carlos Serrano, SPO Director, HES

**Department of  
Housing & Economic  
Sustainability**

Strategic Planning

100 Australian Avenue - Suite #500

West Palm Beach, FL 33406

(561) 233-3600

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**Palm Beach County  
Board of County  
Commissioners**

Dave Kerner, Mayor

Robert S. Weinroth,  
Vice Mayor

Hal R. Valeche

Gregg K. Weiss

Mary Lou Berger

Melissa McKinlay

Mack Bernard

**County Administrator**

Verdenia C. Baker

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