

Palm Beach County, Florida

Single Audit Report
September 30, 2020

PALM BEACH COUNTY, FLORIDA

SINGLE AUDIT REPORT

Fiscal Year Ended September 30, 2020

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Independent Auditor's Report

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

Honorable Joseph Abruzzo
Clerk and Comptroller

Honorable Dorothy Jacks
Property Appraiser

Honorable Ric L. Bradshaw
Sheriff

Honorable Wendy Sartory Link
Supervisor of Elections

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, 2020, 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 100% of the total assets and 100% 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Palm Tran, Fire Rescue and COVID-19 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 26, 2021, 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 26, 2021



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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, 2020. We encourage reading this narrative and the accompanying financial statements (beginning on page I-2).

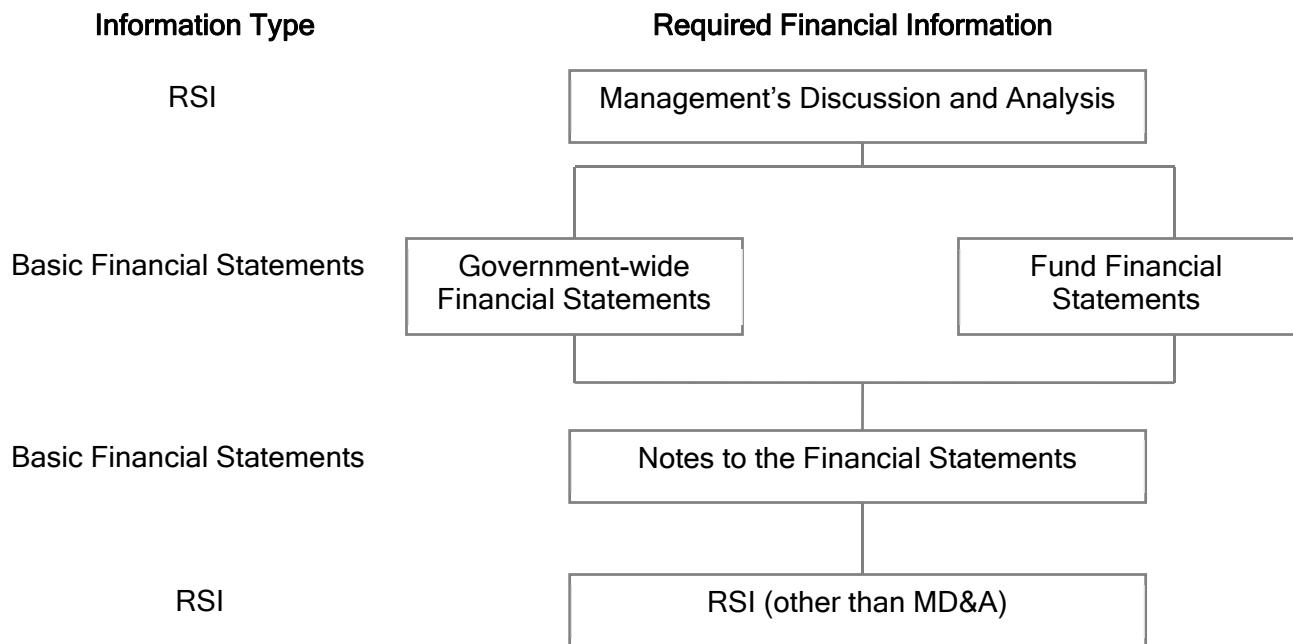
Financial Highlights

- The County’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources (net position) by approximately \$3.361 billion and \$3.398 billion at the close of fiscal years 2020 and 2019, respectively. Of these amounts, \$3.242 billion and \$3.136 billion were the net investment in capital assets. In addition, \$1.115 million and \$1.052 million were restricted by law, grant agreements, debt covenants, or for capital projects. As a result, (\$996) million and (\$790) 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, 2020 and 2019 were \$4.198 billion and \$3.610 billion, respectively.
- During the year, the County’s total net position decreased by \$37 million, compared to an increase of \$103 million during the previous fiscal year. Business-type activities increased by \$82 million, and governmental activities decreased by \$119 million.
- As of September 30, 2020, the County’s governmental funds reported a combined ending fund balance of \$1.655 billion, an increase of \$158.5 million or approximately 11% from the previous year.
- As of September 30, 2020 the fund balance for the General Fund, including Constitutional Officers, was \$314.4 million, an increase of \$25.5 million from the previous year.
- The County’s two enterprise funds had a combined increase in net position of \$79.2 million. The Department of Airports increase was \$14.4 million and the Water Utilities Department had an increase of \$64.8 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, 2020. 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 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 96% and 92% as of September 30, 2020 and 2019, 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, 2020 and 2019.

Palm Beach County, Florida Net Position at Year-End (in millions)						
	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	\$ 2,163	\$ 1,821	\$ 627	\$ 590	\$ 2,790	\$ 2,411
Capital assets	2,566	2,561	1,583	1,543	4,149	4,104
Total assets	4,729	4,382	2,210	2,133	6,939	6,515
Total deferred outflows of resources	707	614	26	24	733	638
Liabilities						
Current	448	285	49	50	497	335
Long-term debt due in more than one year	1,169	1,106	217	229	1,386	1,335
Net pension liability	1,814	1,454	53	42	1,867	1,496
Net OPEB liability	446	443	2	1	448	444
Total liabilities	3,877	3,288	321	322	4,198	3,610
Total deferred inflows of resources	111	141	2	4	113	145
Net Position						
Net investment in capital assets	1,872	1,799	1,370	1,337	3,242	3,136
Restricted	1,036	963	79	89	1,115	1,052
Unrestricted (deficit)	(1,460)	(1,195)	464	405	(996)	(790)
Total net position	\$ 1,448	\$ 1,567	\$ 1,913	\$ 1,831	\$ 3,361	\$ 3,398

The (\$996) 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, 2020. Consequently, these long-term considerations have a significant impact on the resulting net position. The unrestricted deficit of (\$996) 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 \$347 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, CARES Act funding, as well as receipts from the one-cent infrastructure surtax.
- The increase of \$63 million in long-term debt for Governmental activities relates directly to 2 new debt issuance made during fiscal year 2020 as well as an increase in the Sheriff's workers compensation liability.
- The net pension liability for Governmental activities increased \$360 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 including the discount rate and mortality tables.

Governmental activities were responsible for a \$119 million decrease in the County's net position during fiscal year 2020, as compared with a \$35 million increase during the previous fiscal year. This year's decrease in net position from governmental activities is attributed to several factors:

Operating grants and contributions revenue increased by \$139 million or 124% from the previous fiscal year. Most of this increase was the result of the additional revenue of approximately \$261 million received from the CARES Act that was used for individual and business assistance related to COVID-19. As of September 30, 2020, \$155.4 million of the CARES Act revenue is reported as unearned revenue in the Statement of Net Position since these funds were received in advance of incurring eligible expenditures.

Ad-valorem tax revenue increased approximately \$63 million to a record high of \$1.279 billion, or 5% from the previous fiscal year. The increase is due to higher overall taxable values. Fiscal year 2020 was the 9th straight year that the County's operating millage remained at 4.7815.

State shared revenues decreased approximately \$13 million, or 5% from the previous fiscal year. This decrease was primarily attributable to lower receipts of regular sales tax and the one-cent infrastructure surtax due to the effects of COVID-19.

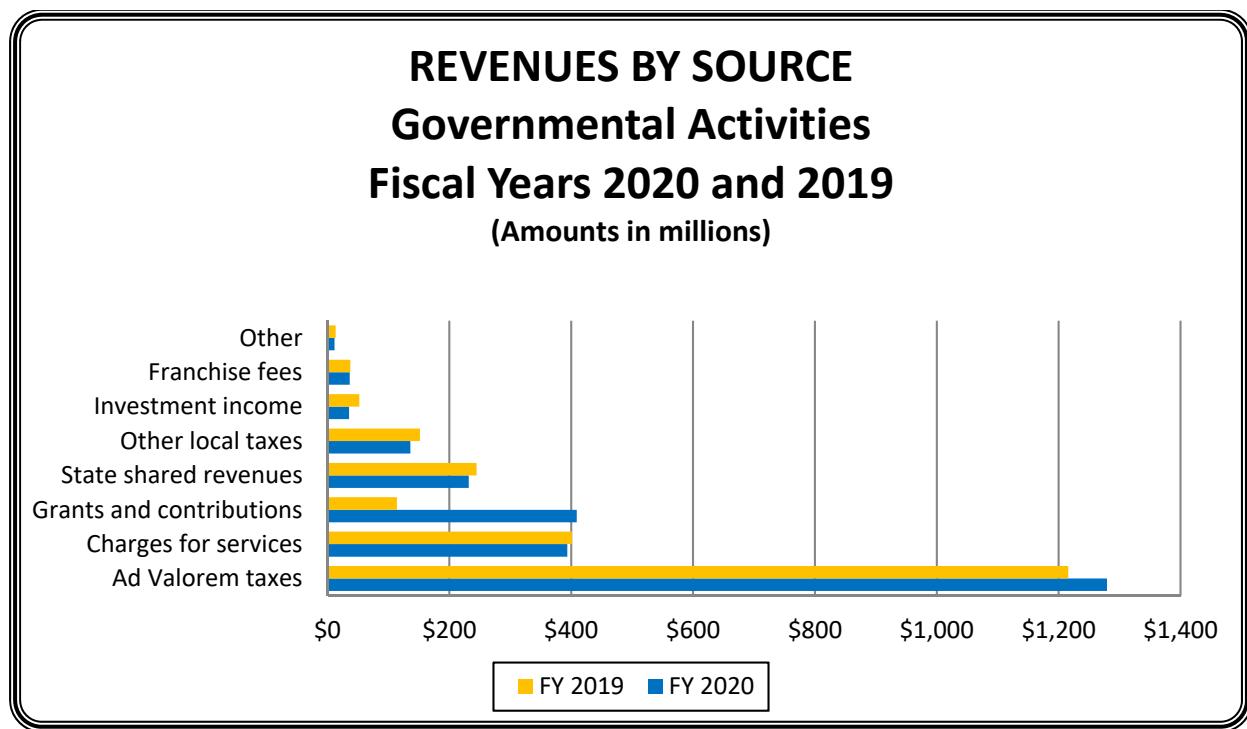
General government expenses increased \$22 million or 5% over the previous fiscal year. This is attributable primarily to higher costs with the Supervisor of Elections which were up 35% over fiscal year 2019. The primary cause of the increase was due to additional expenses related to the

2020 General Election. There was also a 15% increase over the prior fiscal year related to additional spending on capital items related to road and infrastructure improvements.

Public safety expenses increased \$285 million or 24% 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 5%. Additionally, there was an increase in this category related to expenses for handling the COVID-19 pandemic.

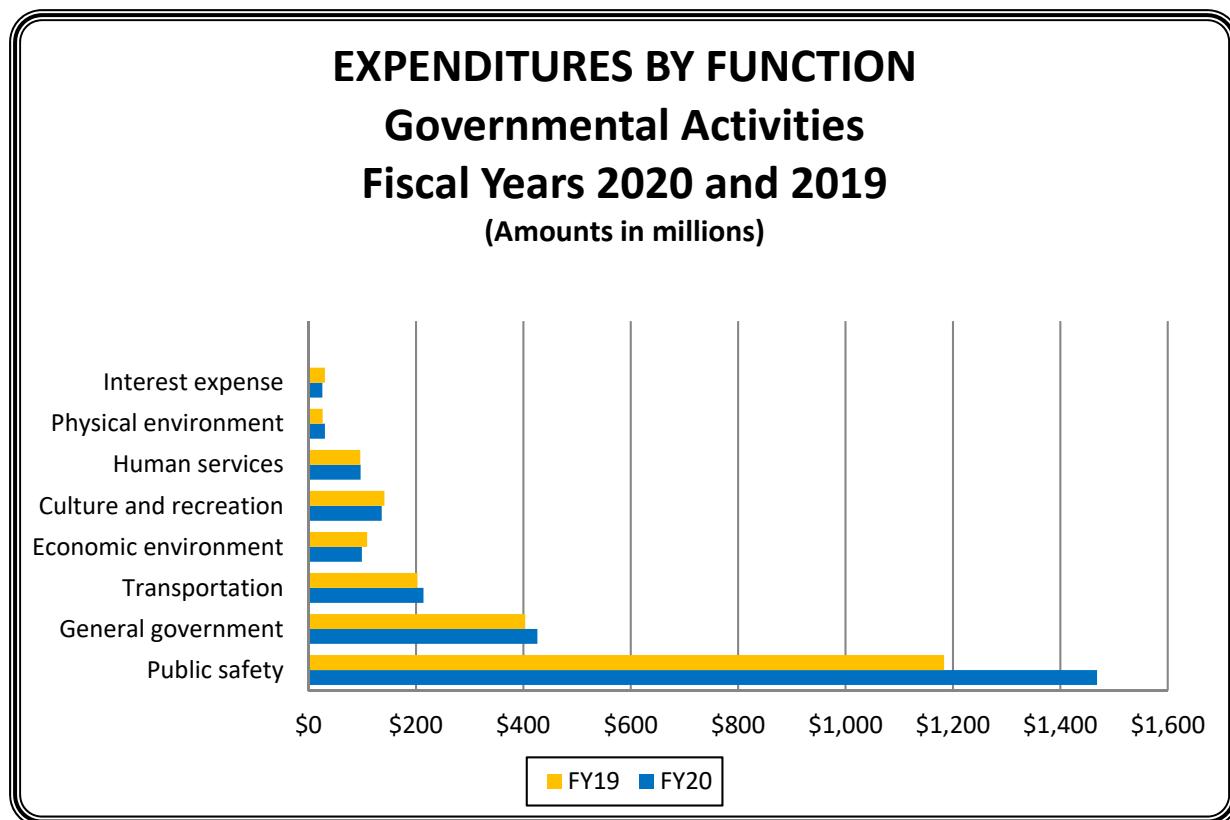
Interest expense decreased \$4 million, or approximately 13% from the previous fiscal year. This is a result of the County's overall reduction in debt which translates into fewer annual debt service payments and related interest payments.

The County's governmental activities had net expenses of \$1.850 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 less than total expenses by \$119 million.



Business-type activities

The County's business-type activities reported total revenues of \$354 million which exceeded total expenses by \$82 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 \$37 million, an increase in capital assets of \$40 million and a decrease in long-term debt of \$12 million.



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

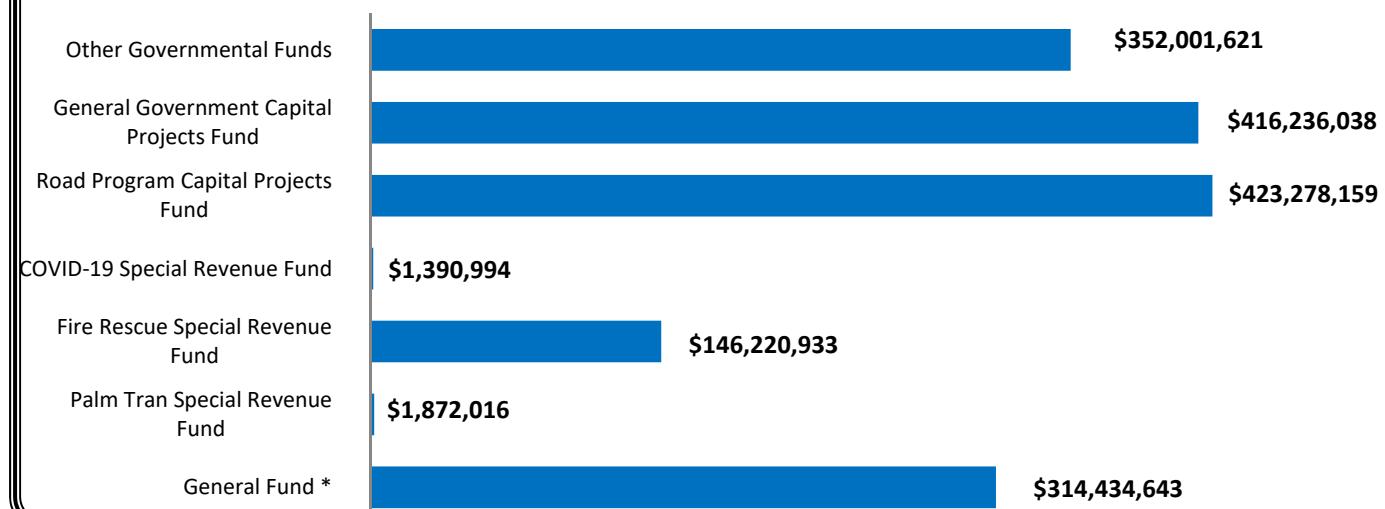
	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues:						
Charges for services	\$ 393	\$ 401	\$ 293	\$ 279	\$ 686	\$ 680
Operating grants and contributions	251	112	-	-	251	112
Capital grants and contributions	3	2	53	60	56	62
	<hr/> 647	<hr/> 515	<hr/> 346	<hr/> 339	<hr/> 993	<hr/> 854
General Revenues:						
Ad valorem taxes	1,279	1,216	-	-	1,279	1,216
Other local taxes	136	152	-	-	136	152
State shared revenues	232	245	-	-	232	245
Franchise fees	36	37	-	-	36	37
Investment income	36	52	8	13	44	65
Other	12	13	-	-	12	13
Total revenues	<hr/> 2,378	<hr/> 2,230	<hr/> 354	<hr/> 352	<hr/> 2,732	<hr/> 2,582
Expenses						
General government	427	405	-	-	427	405
Public safety	1,468	1,183	-	-	1,468	1,183
Physical environment	30	26	-	-	30	26
Transportation	214	203	-	-	214	203
Economic environment	99	109	-	-	99	109
Human services	97	96	-	-	97	96
Culture and recreation	136	141	-	-	136	141
Interest expense	26	30	-	-	26	30
Department of Airports	-	-	77	76	77	76
Water Utilities Department	-	-	195	210	195	210
Total expenses	<hr/> 2,497	<hr/> 2,193	<hr/> 272	<hr/> 286	<hr/> 2,769	<hr/> 2,479
Excess of revenues over (under) expenses						
Transfers In (Out)	(119)	37	82	66	(37)	103
	<hr/> -	<hr/> (2)	<hr/> -	<hr/> 2	<hr/> -	<hr/> -
Change in net position	(119)	35	82	68	(37)	103
Beginning net position	1,567	1,532	1,831	1,763	3,398	3,295
Ending net position	\$ 1,448	\$ 1,567	\$ 1,913	\$ 1,831	\$ 3,361	\$ 3,398

Financial Analysis of the Government's Funds

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

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

GOVERNMENTAL FUNDS FUND BALANCE TOTAL \$1,655,434,404 SEPTEMBER 30, 2020



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

Changes in Fund Balance – Governmental Funds

At September 30, 2020, the County's governmental funds reported combined ending fund balances of \$1.655 billion, an increase of \$158.5 million from the previous year. Below are highlights of the change in fund balance.

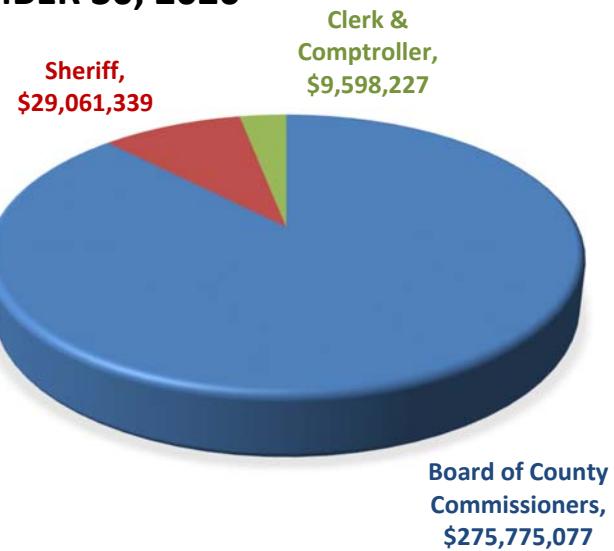
- The increase of \$25.5 million in the General Fund's fund balance is comprised of revenues outpacing expenditures and transfers out in the Board of County Commissioner's (BOCC) General Fund. Overall, the BOCC portion of the General Fund increased \$13.6 million during

fiscal year 2020. The Sheriff's General Fund had overall revenues and transfers in outpace expenditures and transfers out by \$12.7 million. Total revenues in the BOCC General Fund were \$1.277 billion, an increase of \$29 million or 2% over the previous year. Most of this increase was related to Tax revenue, which increased \$51 million or 5%.

- The increase in the Palm Tran Special Revenue Fund of \$2.0 million is due primarily to additional transfers in from other funds being received in fiscal year 2020. Transfers in were \$60.8 million, compared with \$30.6 in fiscal year 2019.
- The increase in the Fire Rescue Special Revenue Fund of \$10.3 million is attributable to an increase in overall revenues, primarily from Taxes which went up \$15.7 million over the previous year, or 6%. Expenditures were \$325.6 million, up 8% from the previous year due primarily to an increase in overall costs for the department.
- The increase in the COVID-19 Special Revenue Fund of \$1.4 million is attributable primarily to the receipt of approximately \$261 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding in fiscal year 2020. This fund is used to provide relief to individuals and businesses that have suffered financial impacts due to the pandemic.
- The increase of \$4.8 million in the Road Program Capital Projects Fund is primarily due to a decrease in total expenditures. Total expenditures were \$38.1 million for fiscal year 2020, which was a decrease from \$50.8 million fiscal year 2019. This can be attributed to the timing of certain road and bridge improvements.
- The increase of \$102.3 million in the General Government Capital Projects Fund is primarily due to intergovernmental revenue, which is composed mainly of the one-cent infrastructure surtax. This was the third full year of collecting this new surtax. Overall intergovernmental revenues were \$84 million. Capital outlay was up in fiscal year 2020 by \$14.6 million, or 75% due primarily to additional road paving and other transportation updates being funded by the infrastructure surtax.
- The increase of \$12.2 million in Other Governmental Funds is due primarily to several factors; Although tax revenue was down by \$17.2 million, or 14% due to the effects of the COVID-19 pandemic, Special Assessments revenue was up \$12.7 million, or 50% due to increased activity. Total revenues for Other Governmental Funds was down \$11.6 million, or 4%. Total expenses were also down, however, by \$25.7 million or 8% from fiscal year 2019. The biggest change in expenditures was Economic Environment, which went down \$14.2 million or 29% from the previous year.

GENERAL FUND BALANCE BY CATEGORY

**TOTAL \$314,434,643
SEPTEMBER 30, 2020**



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 \$14.4 million in fiscal year 2020, compared to an increase of \$20.3 million in fiscal year 2019.
- The United States State Department and other governmental and quasi-governmental authorities have issued sweeping travel restrictions and warnings that have had and will have a continuing and direct impact on travel, both domestic and international. The outbreak of COVID-19 and numerous U.S. and international travel restrictions or bans has had a negative impact on Palm Beach International Airport (PBIA) and the air carriers that utilize its facilities. As a result of these impacts, the Department has taken steps to significantly reduce expenditures, including expenditures on airport funded capital projects.
- Compared to the prior year, operating revenues decreased to \$61.9 million, a decrease of \$9.9 million. Revenue decreases were primarily driven by reductions in air carrier flight operations as a result of COVID-19. The reduction in air carrier flight operations impacted PBIA by reducing variable revenue streams that are tied to passenger traffic, such as airline operational activity fees and revenues generated by passenger activity such as parking fees, car rentals and other airport concessions.

- The Department was awarded approximately \$36.7 million in FAA Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding. Under the CARES Act, an airport owner/sponsor may use these funds for any purpose for which airport revenues may be lawfully used, including for payment of debt service and operating and maintenance costs.
- Investment earnings decreased by \$2.1 million (45% decrease) for a total of \$2.6 million. Investments are managed by the Clerk & Comptroller under County approved guidelines.

Water Utilities Department:

- ◆ The Department's net position increased by \$64.8 million in fiscal year 2020, compared to an increase of \$45.5 million in fiscal year 2019.
- ◆ Long-term debt (net of the current portion) decreased by \$7.6 million, or 4.8%, during the year. This decrease was due to the annual debt service payments being made in accordance with the debt service schedules.
- ◆ Operating revenues in fiscal year 2020 totaled \$218 million, an increase of \$13 million or 6.3% from fiscal year 2019. Fiscal year 2020 included the effect of rate indexing and a .97% increase in the customer base.
- ◆ Operating expenses before depreciation and amortization and equity interest in net loss of joint venture totaled \$143 million, a decrease of \$15.2 million or 9.6%.
- ◆ Non-operating income decreased by \$2.1 million in fiscal year 2020, compared to a fiscal year 2019 increase of \$3.5 million.
- ◆ The Department showed net income before capital contributions and transfers of \$26.3 million for fiscal year 2020, an increase of \$24 million from fiscal year 2019.

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 2020, supplemental appropriations to the Board of County Commissioners' budget for all funds, excluding component units, were approximately \$689 million, or 13.3% of the original adopted budget.

Differences between the original budget for FY 2020 and the final amended budget for the General Fund can be summarized as follows:

- On March 17, 2020, 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 \$28.0 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 \$11.2 million.
- Major Revenues
 - ✓ Actual Electric Utility Service Tax and Franchise Fee revenues were 1.9% under budget. This revenue source is based on usage and is affected by area temperatures. Actual revenues are difficult to project. However, actual FY 2020 revenues were 0.2% above actual FY 2019.
 - ✓ Actual Communications Services Tax revenue was 12.9% under budget. These revenues have been steadily declining in recent years. The FY 2021 Budget has been reduced.
 - ✓ Sales Tax collections were under budget by 7.3%, actual collections for FY 2020 were 6.2% under the FY 2019 amounts. This is a direct result of the COVID-19 pandemic.
 - ✓ Overall, the major revenues budget was set at a total of \$230.9 million, or 1.6% greater than the actual FY 2019 collections. FY 2020 actual collections came in at \$217.6, or 4.2% below FY 2019 actual. This is a direct result of the COVID-19 pandemic.
- Sheriff actual revenues were \$879 thousand, or 1.0%, under budget. Revenue estimates will be revised for future years.
- Investment income was approximately \$663 thousand under 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. Future budget years will be 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 \$195.9 million, which represents 80.7% of the total unexpended appropriations in the fund. These unexpended funds will be carried over into FY 2021 and re-appropriated.
- The Property Appraiser's and Tax Collector's net cost was \$6.4 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 \$486 thousand. This is due to position vacancies and unexpended operating expenses and reserves.
- General Government Utilities expenses were \$1.3 million under budget.
- The remaining unspent funds can be primarily attributed to County departments spending less than budgeted. Actual expenses were \$27.3 million, or 9.5%, 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 \$21.4 million, \$19.9 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, 2020, amounts to \$4.149 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 2020 increased by \$46 million; governmental activities increased by \$6 million over the previous fiscal year, while business-type activities increased by \$40 million.

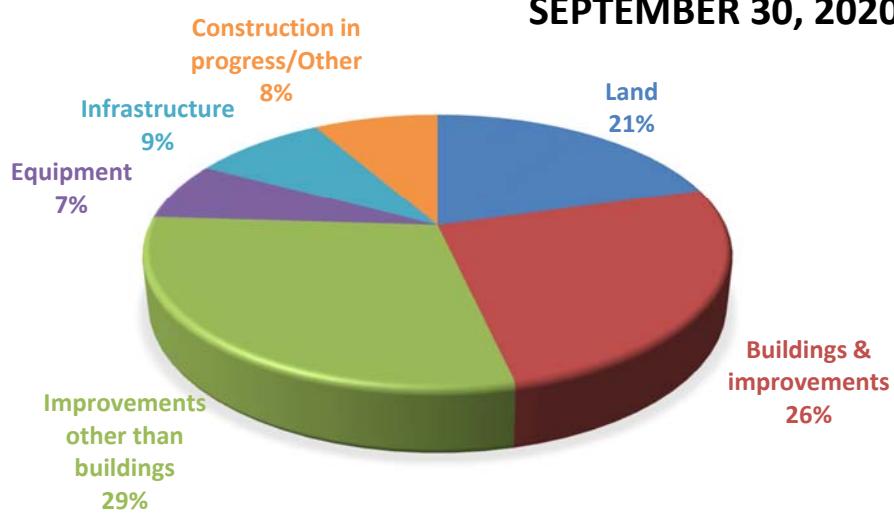
Palm Beach County, Florida
Capital Assets, net of Accumulated Depreciation at Year-End (in millions)

	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2020	2019	2020	2019	2020	2019
Land	\$ 714	\$ 710	\$ 139	\$ 136	\$ 853	\$ 846
Buildings & improvements	811	830	263	255	1,074	1,085
Improvements other than buildings	199	195	1,027	1,000	1,226	1,195
Equipment	253	230	33	34	286	264
Infrastructure	368	327	-	-	368	327
Intangible - easement rights	-	-	9	9	9	9
Construction in progress	221	268	112	109	333	377
TOTALS	\$ 2,566	\$ 2,560	\$ 1,583	\$ 1,543	\$ 4,149	\$ 4,103

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

- Governmental activities Net Capital Assets increased by \$6 million to \$2.566 billion during the fiscal year. Completed projects of \$123 million were transferred to their respective category. Included in those completed projects were improvements to Camino Real Road/Boca Club Bridge over the Intracoastal Waterway (\$12.1 million) and improvements to Haverhill Road South of the Lake Worth Canal to Lake Worth Road (\$6.3 million).
- Business-type activities Net Capital Assets increased overall by \$40 million to \$1.583 billion, primarily attributable to a \$27 million (net) increase in *Improvements other than buildings*. 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 Water Main Improvements for \$10.3 million and Collections System Rehabilitation for \$8 million.
- The Department of Airports expended \$36.5 million on capital activities. Completed projects during 2020 totaling \$37.1 million were transferred from *Construction in Progress* to their respective capital accounts. Major projects completed in FY 2020 included improvements to the 3rd level of the Airport Terminal (\$9.5 million), Concourse furniture (\$6.1 million), Lantana South Side Hangers (\$6.1 million) and Lantana South Side Pavement Hangers (\$4.7 million).

**CAPITAL ASSETS, NET
TOTAL PRIMARY GOVERNMENT
SEPTEMBER 30, 2020**



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

Long-term liabilities. At September 30, 2020, the primary government had 24 issues of bonded debt totaling \$920 million. Of this amount, \$49 million comprises debt backed by the full faith and credit of the government, \$656 million is special obligation debt secured by dedicated revenue sources, and \$215 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	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 49	\$ 67	\$ -	\$ -	\$ 49	\$ 67
Non-ad valorem revenue bonds	599	644	-	-	599	644
Notes from direct borrowings and direct placements	57	65	-	-	57	65
Revenue bonds	-	-	215	228	215	228
Notes and loans payable	20	22	6	7	26	29
Other obligations	532	403	5	4	537	407
Net pension liability	1,814	1,454	54	42	1,868	1,496
Net OPEB liability	446	443	2	1	448	444
TOTALS	\$ 3,517	\$ 3,098	\$ 282	\$ 282	\$ 3,799	\$ 3,380

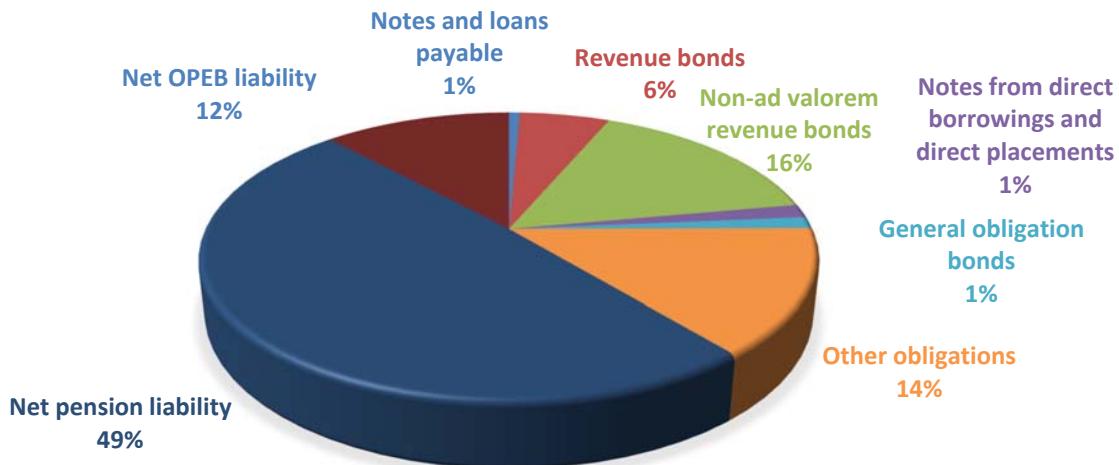
Bonded Debt. The County's bond issues are rated by three primary bond rating agencies: Moody's Investors Service, Standard & Poor's and Fitch Ratings. These ratings, which are listed in the following chart, are indicative of the County's strong management team, broad-based economy, continually well-performing tax base, increasingly strong financial position, minimal debt requirements and high quality residential tax base. At September 30, 2020, the County's non ad-valorem revenues were 3.12 times the debt service required in the current or any future fiscal year.

Palm Beach County, Florida, Debt Ratings at September 30, 2020

Type of Debt Issue	Moody's	Fitch Ratings	S&P
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, 2020**



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 1,447,857 in 2019 to 1,466,494 in 2020, an increase of 18,637 or approximately 1.3%.
- The civilian labor force for Palm Beach County decreased from 739,891 at September 30, 2019 to 701,775 at September 30, 2020. The County's unemployment rate increased from 3.3% for fiscal year 2019 to 7.5% for fiscal year 2020. These changes were a direct result from COVID-19 and its effects on the local economy.
- Gross property taxes levied increased from \$1.261 billion in 2019 to \$1.327 billion for 2020, an increase of \$66 million or 5%.

- Palm Beach County has a diversified property tax base. The ten largest property taxpayers in the County represent 13% of the total ad valorem property taxes levied. Florida Power & Light remains at the top of the list, paying just over \$111 million in property taxes.
- The median sales price for a single-family home in Palm Beach County rose from \$364,000 in 2019 to \$425,000 in 2020, an increase of 16.8%. In Florida, the median sales price for a single-family home rose from \$270,000 in 2019 to \$309,000 in 2020, an increase of 14.4%.
- Palm Beach County's local economy felt the effects of the COVID-19 pandemic. Sales tax revenue for fiscal year 2020 totaled \$87 million, which was a decrease of \$6 million from fiscal year 2019. In addition, the local government infrastructure one-cent surtax declined from \$88 million in fiscal year 2019 to \$84 million for fiscal year 2020. Both of these sales taxes were down a total of \$10 million, or 5% from the prior year. Fiscal year 2020 was the third full year of receiving this additional revenue. Local Option Gas Tax revenues also fell by 11% in fiscal year 2020.
- Property Tax revenues for the County reached a record high for fiscal year 2020 at \$1.279 billion. This was an increase of \$64 million from fiscal year 2019, or 5%. The primary reason contributing to higher property tax revenues was due to higher overall taxable property values.
- The County's tourism industry was significantly impacted by the COVID-19 pandemic in the second half of 2020. The first half of FY 2020 was at record levels, exceeding all projections for revenue collections and hotel occupancy. Tourist Development Tax revenues declined from \$54 million in fiscal year 2019 to \$43 million in fiscal year 2020, or by 20%. The recovery for FY 2021 is expected to be slower than most industries, as tourism is impacted by visitors and their willingness to travel until vaccines are more readily available.

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

To Obtain Further Information

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

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

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

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



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PALM BEACH COUNTY, FLORIDA

Statement of Net Position

September 30, 2020

Primary Government

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash, cash equivalents, and investments	\$ 1,322,041,834	\$ 409,326,759	\$ 1,731,368,593
Interest receivable	145,389	300,323	445,712
Accounts receivable - net	26,218,152	26,944,352	53,162,504
Internal balances	(17,705,748)	17,705,748	-
Due from primary government	-	-	-
Due from other governments	55,753,610	3,141,388	58,894,998
Due from component units	345,734	-	345,734
Inventories	20,058,909	13,117,461	33,176,370
Other assets	10,879,572	1,394,221	12,273,793
Other receivables	11,543,093	8,919,933	20,463,026
Investment in joint ventures	-	62,283,529	62,283,529
Noncurrent restricted cash, cash equivalents and investments	733,492,662	83,986,598	817,479,260
Capital assets			
Non-depreciable capital assets	935,488,261	252,745,686	1,188,233,947
Depreciable capital assets, net	1,630,588,980	1,329,832,351	2,960,421,331
Total assets	4,728,850,448	2,209,698,349	6,938,548,797
DEFERRED OUTFLOWS OF RESOURCES			
Pension related (Note 10)	555,012,966	15,431,658	570,444,624
OPEB related (Note 11)	131,100,378	386,711	131,487,089
Deferred charges on refunding	21,241,626	5,917,342	27,158,968
Goodwill	-	3,867,050	3,867,050
Total deferred outflows of resources	707,354,970	25,602,761	732,957,731
LIABILITIES			
Vouchers payable and accruals	127,277,714	26,361,922	153,639,636
Due to primary government	-	-	-
Due to other governments	21,424,308	1,267,002	22,691,310
Due to component units	12,029,177	73,727	12,102,904
Due to individuals	266,909	5,243,000	5,509,909
Accrued interest payable	10,049,107	4,419,139	14,468,246
Unearned revenue	174,808,526	1,102,680	175,911,206
Other current liabilities	14,452,884	-	14,452,884
Long-term liabilities			
Long-term liabilities due within one year	88,957,645	9,291,323	98,248,968
Long-term liabilities due in more than one year	1,168,310,484	217,181,607	1,385,492,091
Net pension liability due in more than one year	1,813,907,623	53,581,684	1,867,489,307
Net OPEB liability due in more than one year	446,085,876	1,654,523	447,740,399
Total liabilities	3,877,570,253	320,176,607	4,197,746,860
DEFERRED INFLOWS OF RESOURCES			
Pension related (Note 10)	36,101,312	1,223,659	37,324,971
OPEB related (Note 11)	74,331,183	33,173	74,364,356
Other	-	1,031,296	1,031,296
Total deferred inflows of resources	110,432,495	2,288,128	112,720,623
NET POSITION			
Net investment in capital assets	1,872,106,483	1,369,913,013	3,242,019,496
Restricted for:			
Debt service	-	9,017,258	9,017,258
Capital projects	722,121,928	15,723,277	737,845,205
Library services	16,166,714	-	16,166,714
Fire rescue services	121,609,461	-	121,609,461
Tourist development programs	25,770,711	-	25,770,711
Grant and economic development programs	28,824,321	-	28,824,321
Environmental protection programs	15,949,269	-	15,949,269
Public safety and judicial programs	20,987,380	-	20,987,380
Other services and programs	84,701,828	54,619,775	139,321,603
Unrestricted (deficit)	(1,460,035,425)	463,563,052	(996,472,373)
Total net position	\$ 1,448,202,670	\$ 1,912,836,375	\$ 3,361,039,045

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

Component Units			
Housing Finance Authority	Westgate/ Belvedere Homes Community Redevelopment Agency	Solid Waste Authority	
\$ 4,943,399	\$ 2,294,794	\$ 296,729,835	
2,681	-	4,363,459	
477,551	62,048	5,459,786	
-	-	-	
7,200,269	-	4,902,635	
-	-	383,436	
-	-	2,985,727	
14,210	4,741,267	3,119,197	
269,923	-	-	
-	-	459,887,190	
-	3,939,404	52,065,860	
-	3,629,862	988,153,703	
12,908,033	14,667,375	1,818,050,828	
-	93,525	11,479,585	
-	-	321,000	
-	-	14,937,248	
-	-	-	
-	93,525	26,737,833	
232,205	48,037	19,549,450	
-	-	345,734	
-	-	509,882	
-	-	-	
-	-	960,775	
-	-	21,316,187	
55,000	31,480	-	
55,000	12,419	114,871	
-	-	45,599,959	
-	-	1,070,960,090	
-	328,099	38,926,577	
-	-	770,000	
287,205	420,035	1,199,053,525	
-	66,684	752,684	
-	-	193,000	
-	-	-	
-	66,684	945,684	
-	-	-	
-	7,569,266	443,189,473	
-	306,043	41,915,428	
-	651,821	29,547,936	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
-	-	26,881,625	
12,620,828	5,747,051	103,254,990	
\$ 12,620,828	\$ 14,274,181	\$ 644,789,452	

PALM BEACH COUNTY, FLORIDA
Statement of Activities
For the fiscal year ended September 30, 2020

	Expenses		Program Revenues		
	Direct	Indirect	Fines, Fees and Charges for Services	Operating Grants, Contributions and Restricted Interest Income	Capital Grants and Contributions
PRIMARY GOVERNMENT					
Governmental Activities					
General Government	\$ 444,028,212	\$ (18,030,208)	\$ 164,072,585	\$ 8,523,641	\$ 252,169
Public Safety	1,461,892,693	6,466,385	164,211,134	126,388,035	279,467
Physical Environment	30,440,272	-	4,068,748	2,183,162	1,117,300
Transportation	214,042,060	-	33,396,938	84,398,728	741,170
Economic Environment	99,185,249	159,044	4,905,524	11,619,972	-
Human Services	96,894,446	79,896	2,607,085	16,766,558	-
Culture and Recreation	132,724,840	3,542,595	20,418,021	1,493,136	-
Interest Expense	25,545,448	-	-	-	-
Total Governmental Activities	2,504,753,220	(7,782,288)	393,680,035	251,373,232	2,390,106
Business Activities					
Department of Airports	76,041,391	1,250,987	74,369,732	-	15,185,477
Water Utilities Department	188,072,970	6,531,301	217,976,818	-	38,303,201
Total Business Activities	264,114,361	7,782,288	292,346,550	-	53,488,678
Total Primary Government	\$ 2,768,867,581	\$ -	\$ 686,026,585	\$ 251,373,232	\$ 55,878,784
COMPONENT UNITS					
Housing Finance Authority	\$ 719,266	\$ -	\$ 710,633	\$ 405,920	\$ -
Westgate/Belvedere Homes CRA	1,340,914	-	-	37,794	-
Solid Waste Authority	317,459,944	-	311,408,031	12,200,067	-
Total Component Units	\$ 319,520,124	\$ -	\$ 312,118,664	\$ 12,643,781	\$ -
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					
Total general revenues and transfers					
Increase (decrease) in net position					
Beginning net position, October 1, 2019					
Ending net position, September 30, 2020					

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	Housing	Westgate/ Belvedere Homes	Community	Solid
			Finance Authority	Redevelopment Agency	Redevelopment Agency	Waste Authority
\$ (253,149,609)	\$ -	\$ (253,149,609)	\$ -	\$ -	\$ -	\$ -
(1,177,480,442)	-	(1,177,480,442)	-	-	-	-
(23,071,062)	-	(23,071,062)	-	-	-	-
(95,505,224)	-	(95,505,224)	-	-	-	-
(82,818,797)	-	(82,818,797)	-	-	-	-
(77,600,699)	-	(77,600,699)	-	-	-	-
(114,356,278)	-	(114,356,278)	-	-	-	-
(25,545,448)	-	(25,545,448)	-	-	-	-
(1,849,527,559)	-	(1,849,527,559)	-	-	-	-
- 12,262,831		12,262,831	-	-	-	-
- 61,675,748		61,675,748	-	-	-	-
- 73,938,579		73,938,579	-	-	-	-
\$ (1,849,527,559)	\$ 73,938,579	\$ (1,775,588,980)	\$ -	\$ -	\$ -	\$ -
\$ - \$ -		\$ - \$ -	\$ 397,287	\$ - (1,303,120)	\$ - 6,148,154	\$ -
\$ - \$ -		\$ - \$ -	\$ 397,287	\$ (1,303,120)	\$ 6,148,154	\$ -
\$ 1,279,403,264	\$ -	\$ 1,279,403,264	\$ -	\$ 2,465,166	\$ -	\$ -
44,989,772	-	44,989,772	-	-	-	-
47,671,712	-	47,671,712	-	-	-	-
43,311,723	-	43,311,723	-	-	-	-
171,011,749	-	171,011,749	-	-	-	-
36,408,423	-	36,408,423	-	-	-	-
60,872,399	-	60,872,399	-	-	-	-
37,177,222	8,208,442	45,385,664	-	3,800	-	-
(1,744,504)	(376,460)	(2,120,964)	-	-	-	-
10,296,255	-	10,296,255	-	69,138	-	-
1,242,689	-	1,242,689	-	-	-	-
(72,000)	72,000	-	-	-	-	-
1,730,568,704	7,903,982	1,738,472,686	-	2,538,104	-	-
(118,958,855)	81,842,561	(37,116,294)	397,287	1,234,984	6,148,154	
1,567,161,525	1,830,993,814	3,398,155,339	12,223,541	13,039,197	638,641,298	
\$ 1,448,202,670	\$ 1,912,836,375	\$ 3,361,039,045	\$ 12,620,828	\$ 14,274,181	\$ 644,789,452	



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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.

COVID-19 Special Revenue Fund - To account for activities related to the funding received from the U.S Treasury and other sources under the CARES Act for COVID-19 as well as the distribution of these funds to individuals and businesses.

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, 2020

MAJOR FUNDS					
	General Fund	Palm Tran Special Revenue Fund	Fire Rescue Special Revenue Fund	COVID-19 Special Revenue Fund	
ASSETS					
Cash, cash equivalents, and investments	\$ 403,291,163	\$ 550	\$ 153,788,475	\$ 168,733,341	
Accounts receivable, net	15,152,421	54,553	2,907,375	-	
Due from other county funds	25,876,438	7,888,120	5,298,749	24,649	
Due from other governments	10,157,982	18,768,232	2,898,649	-	
Due from component unit	344,808	-	-	-	
Inventory	11,041,538	2,392,321	3,438,828	-	
Other assets	1,049,093	5,000	38,975	-	
Other receivables, noncurrent	-	-	-	-	
Total assets	\$ 466,913,443	\$ 29,108,776	\$ 168,371,051	\$ 168,757,990	
LIABILITIES					
Vouchers payable and accrued liabilities	\$ 53,240,319	\$ 8,322,284	\$ 20,148,997	\$ 11,696,360	
Due to other county funds	34,436,343	14,649,583	125,280	276,941	
Due to other governments	20,461,597	2,434	9,314	-	
Due to component unit	12,025,241	-	-	-	
Due to individuals	86,735	406	-	-	
Insurance claims payable	2,284,375	-	-	-	
Unearned revenue	15,492,353	350,000	-	155,393,695	
Other liabilities	14,451,837	-	-	-	
Total liabilities	152,478,800	23,324,707	20,283,591	167,366,996	
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	3,912,053	1,866,527	-	
FUND BALANCES					
Non-Spendable					
Inventory	11,041,538	2,392,321	3,438,828	-	
Prepaid items	768,333	5,000	-	-	
Spendable					
Restricted for:					
Debt service	-	-	-	-	
Capital projects	-	-	-	-	
Library services	-	-	-	-	
Fire rescue services	-	-	142,782,105	-	
Tourist development programs	-	-	-	-	
Grant and economic development programs	-	-	-	1,390,994	
Environmental protection programs	-	-	-	-	
Public safety and judicial programs	32,290,799	-	-	-	
Other services and programs	-	-	-	-	
Assigned to:					
Capital projects	-	-	-	-	
Tourist development programs	-	-	-	-	
Other services and programs	-	-	-	-	
Unassigned (deficit)	270,333,973	(525,305)	-	-	
Total fund balances	314,434,643	1,872,016	146,220,933	1,390,994	
Total liabilities, deferred inflows of resources and fund balances	\$ 466,913,443	\$ 29,108,776	\$ 168,371,051	\$ 168,757,990	

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

PALM BEACH COUNTY, FLORIDA

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position - Governmental Activities
September 30, 2020

Fund balances for total of governmental funds (page 9) \$ 1,655,434,404

Amounts reported for governmental activities in the statement of net position are different because:

Report internal service funds as governmental activities

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

Net position per fund statements	\$ 113,381,896
Less amount due to business-type activities for 'look-back' allocation	(18,896,136)
	94,485,760

Report as a liability general long-term debt obligations

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

General obligation bonds payable	(44,740,000)
Non-ad valorem bonds payable	(597,637,009)
Notes and loans payable	(24,613,040)
Compensated absences	(204,320,265)
Claims and judgements	(242,779,626)
Unamortized premium	(58,443,154)
Capital lease obligation	(223,293)
	(1,172,756,387)

Report refunding losses as deferred outflows

21,241,626

Report net deferred outflow/inflow - pension related

518,911,654

Report net deferred outflow/inflow - OPEB related

56,769,195

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

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

Non-depreciable capital assets	935,488,261
Depreciable capital assets, net of accumulated depreciation	1,585,789,588
	2,521,277,849

Report other adjustments to convert from modified accrual to full accrual

Net Pension Liability

Net pension liability that is not due and payable in the current period is not reported in the governmental fund statements.

(1,813,907,623)

Net OPEB Liability

Net OPEB liability that is not due and payable in the current period is not reported in the governmental fund statements.

(446,085,876)

Accrued Interest Payable

Accrued interest payable that is not due and payable in the current period is not reported in the governmental fund statements.

(10,049,107)

Unavailable revenue

Revenue is recognized when earned. However, revenue is not available until the current financial resources are received in the governmental fund statements.

22,881,175

(2,247,161,431)

Net position of governmental activities (page 2)

\$ 1,448,202,670

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, 2020

	MAJOR FUNDS			
	General Fund	Palm Tran Special Revenue Fund	Fire Rescue Special Revenue Fund	COVID-19 Special Revenue Fund
Revenues:				
Taxes (net of discount)	\$ 982,346,600	\$ 32,471,935	\$ 288,448,111	\$ -
Special assessments	-	-	279,467	-
Licenses and permits	36,142,548	46,682	12,792	-
Intergovernmental	128,410,545	26,069,051	1,639,738	147,537,715
Charges for services	258,587,231	7,778,794	43,851,010	-
Less - excess fees paid out	(53,142,165)	-	-	-
Fines and forfeitures	3,023,391	-	-	-
Interest Income	8,799,878	-	3,873,322	1,391,024
Net change in fair value of investments	(339,387)	-	(219,807)	(30)
Miscellaneous	12,621,210	1,289,737	223,570	-
Total revenues	1,376,449,851	67,656,199	338,108,203	148,928,709
Expenditures:				
Current:				
General government	304,181,692	-	-	-
Public safety	664,647,867	37,866	309,803,605	108,107,661
Physical environment	13,192,975	-	-	-
Transportation	4,235,000	103,003,402	-	-
Economic environment	47,912,671	-	1,034,612	68,512
Human services	71,838,379	-	-	2,500
Culture and recreation	58,299,081	-	-	-
Capital outlay	36,797,089	23,385,154	14,778,310	1,085,922
Debt service	84,360	-	-	-
Total expenditures	1,201,189,114	126,426,422	325,616,527	109,264,595
Excess of revenues over (under) expenditures	175,260,737	(58,770,223)	12,491,676	39,664,114
Other financing sources (uses):				
Transfers in	14,537,657	60,765,073	10,349,901	-
Transfers out	(166,696,418)	(102,473)	(14,075,846)	(38,273,120)
Issuance of long-term debt	-	-	-	-
Issuance of refunding of debt	-	-	-	-
Premium on refunding of debt	-	-	-	-
Payment to escrow agent for refunding	-	-	-	-
Total other financing sources (uses)	(152,158,761)	60,662,600	(3,725,945)	(38,273,120)
Net change in fund balances	23,101,976	1,892,377	8,765,731	1,390,994
Fund balances (deficit), October 1, 2019	288,969,700	(130,496)	135,874,510	-
Change in nonspendable fund balances	2,362,967	110,135	1,580,692	-
Fund balances (deficit), September 30, 2020	\$ 314,434,643	\$ 1,872,016	\$ 146,220,933	\$ 1,390,994

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

Road Program Capital Projects	General Government Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 9,655,602	\$ 80	\$ 123,226,077	\$ 1,436,148,405
26,595,510	1,670,838	25,626,689	54,172,504
-	-	31,399,847	67,601,869
741,170	83,960,931	60,172,519	448,531,669
82,528	476,871	27,080,362	337,856,796
-	-	-	(53,142,165)
-	775,183	1,615,060	5,413,634
7,313,441	6,637,685	7,281,110	35,296,460
(400,435)	(365,174)	(320,367)	(1,645,200)
1,551,980	1,434,560	19,528,571	36,649,628
45,539,796	94,590,974	295,609,868	2,366,883,600
3,734,875	33,405,257	8,596,836	349,918,660
-	1,035,895	28,350,684	1,111,983,578
-	-	13,157,058	26,350,033
10,536,700	9,748,077	42,588,530	170,111,709
-	575,482	48,206,796	97,798,073
-	-	21,661,480	93,502,359
-	229,049	53,748,379	112,276,509
23,863,034	34,353,309	17,979,325	152,242,143
-	-	97,302,360	97,386,720
38,134,609	79,347,069	331,591,448	2,211,569,784
7,405,187	15,243,905	(35,981,580)	155,313,816
1,123,111	92,147,731	140,648,005	319,571,478
(3,716,457)	(5,043,431)	(91,720,998)	(319,628,743)
-	-	313,000	313,000
-	-	67,010,000	67,010,000
-	-	640,157	640,157
-	-	(69,317,980)	(69,317,980)
(2,593,346)	87,104,300	47,572,184	(1,412,088)
4,811,841	102,348,205	11,590,604	153,901,728
418,466,318	313,887,833	339,835,489	1,496,903,354
-	-	575,528	4,629,322
\$ 423,278,159	\$ 416,236,038	\$ 352,001,621	\$ 1,655,434,404

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, 2020

Net change in fund balances for total governmental funds (page 13) \$ 153,901,728

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

Report internal service funds as governmental activities

Internal service funds are used by management to charge the cost of certain activities, such as vehicles and insurance to individual funds. The net income of the internal service funds is reported with governmental activities.

Net income per fund statements	\$ 9,276,523
Adjusted for current year allocation of internal service funds to business-type activities	(2,606,487)
	6,670,036

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	(67,323,000)
--	--------------

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

Current year (premium) discount on debt issued	(640,157)
Current year amortization and retirement of premium / discount	11,310,900

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

Current year refunding loss deferred	(216,778)
Current year amortization and retirement of deferred refunding loss	(3,526,131)
Current year amortization and retirement of deferred refunding gain	17,836

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.

Payment to escrow agent for refunding of debt	60,059,261
	69,317,980

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 estimated self-insurance obligation	(105,251,520)
Net change in capital leases	93,086
Net change in compensated absences liability	(19,478,258)
	(55,636,781)

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. 152,242,144

Acquisition of capital assets from contributions do not generate current financial resources and therefore are not reported in the governmental fund statements as revenue. 3,357,240

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. (134,950,160)

Retirement of capital assets

In the statement of activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance.

(15,043,703)

5,605,521

Report other adjustments for converting from modified accrual to full accrual

Net change in inventory

4,629,322

Net change in accrued interest payable

1,890,095

Net change in unavailable revenue

(438,264)

Net change in net pension liability

(217,220,902)

Net change in net OPEB liability

(18,359,610)

(229,499,359)

Change in net position of governmental activities (page 5)

\$ (118,958,855)

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, 2020

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues				
Taxes (net of discount)	\$ 1,021,810,856	\$ 1,021,810,856	\$ 982,346,600	\$ (39,464,256)
Licenses and permits	38,348,844	38,348,844	36,142,548	(2,206,296)
Intergovernmental	131,604,355	133,740,608	123,609,930	(10,130,678)
Charges for services	117,455,188	120,685,053	111,957,378	(8,727,675)
Fines and forfeitures	2,212,500	2,212,500	2,310,939	98,439
Interest income	7,869,000	7,869,000	8,442,956	573,956
Net change in fair value of investments	-	-	(339,387)	(339,387)
Miscellaneous	4,856,221	9,020,723	12,147,038	3,126,315
Less 5% anticipated revenues	(66,427,217)	(66,427,217)	(50)	66,427,167
Total revenues	1,257,729,747	1,267,260,367	1,276,617,952	9,357,585
Expenditures				
Current:				
General government:				
Youth Services Department	251,094	251,094	217,118	33,976
County Administrator	2,621,117	2,615,117	2,597,510	17,607
Office of Resilience	433,085	433,085	414,842	18,243
County Attorney	5,845,397	5,889,897	5,863,466	26,431
Commission on Ethics	709,573	709,573	694,758	14,815
County Commission	3,627,162	3,633,993	3,460,452	173,541
Employee Relations & Personnel	3,393,281	3,393,281	3,084,238	309,043
Engineering & Public Works	4,756,998	4,756,998	4,786,550	(29,552)
Facilities Dev & Ops	42,213,660	42,242,660	39,250,833	2,991,827
Financial Management & Budget	4,031,413	4,014,673	3,675,917	338,756
Information Systems Services	33,884,562	34,052,622	31,986,797	2,065,825
Internal Auditor	1,181,702	1,180,402	1,046,099	134,303
Judicial	2,574,025	2,580,577	2,445,121	135,456
Planning, Zoning & Building	10,327,303	10,281,303	9,048,723	1,232,580
Public Affairs	5,340,074	5,179,824	4,660,662	519,162
Legislative Affairs	489,016	489,016	435,537	53,479
Public Safety	3,827,944	4,227,632	3,255,871	971,761
Purchasing	4,258,974	4,250,574	3,741,199	509,375
Risk Management	368,936	373,098	371,841	1,257
General Government Operations	34,287,077	32,822,233	25,958,293	6,863,940
Value Adjustment Board	655,000	655,000	584,876	70,124
Non-departmental specific reserves	156,511,141	195,927,672	-	195,927,672
Office of Small Business Assistance	1,271,029	1,268,045	1,265,622	2,423
Total general government	322,859,563	361,228,369	148,846,325	212,382,044
Public safety:				
Sheriff - PBC Expenses	285,000	285,000	225,813	59,187
Facilities Dev & Ops	3,138,729	3,159,979	2,985,152	174,827
Parks & Recreation	-	-	2,700	(2,700)
Planning, Zoning & Building	4,153,476	4,199,476	4,113,308	86,168
Public Affairs	-	-	1,008	(1,008)
Public Safety	8,028,221	8,026,526	7,533,130	493,396
Medical Examiner	4,332,598	4,379,802	4,271,787	108,015
Other County Funded Programs	2,500,960	2,500,960	2,413,563	87,397
General Government Operations	541,136	541,136	1,777,181	(1,236,045)
Criminal Justice Commission	1,075,644	1,073,144	931,802	141,342
Total public safety	24,055,764	24,166,023	24,255,444	(89,421)

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, 2020

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Physical environment:				
County Cooperative Ext Serv	2,606,158	2,604,288	2,229,793	374,495
Engineering & Public Works	527,815	527,815	474,610	53,205
Environmental Resources Mgt	10,898,866	10,926,052	10,488,572	437,480
Total physical environment	14,032,839	14,058,155	13,192,975	865,180
Transportation:				
Other County Funded Programs	4,235,000	4,235,000	4,235,000	-
Total transportation	4,235,000	4,235,000	4,235,000	-
Economic environment:				
Department of Economic Sustainability	306,740	454,681	454,681	-
Community Services/Human Serv	304,733	298,733	294,708	4,025
Equal Opportunity	1,037,287	1,106,430	853,327	253,103
Office Of Comm. Revitalization	792,167	861,938	861,938	-
Community Redevelopment Agncys	45,399,799	45,399,799	45,308,287	91,512
General Government Operations	141,100	141,100	139,730	1,370
Total economic environment	47,981,826	48,262,681	47,912,671	350,010
Human services:				
Community Services	6,259,989	2,641,238	2,526,498	114,740
Behavioral Health Programs	-	4,818,751	2,493,071	2,325,680
Community Services/Human Serv	12,963,880	15,763,008	12,823,069	2,939,939
Youth Services Department	9,031,765	8,967,441	7,893,478	1,073,963
Youth Services-Children's Services Council/Head Start	1,471,878	1,471,878	1,408,010	63,868
Youth Services-New Evidenced Based Programming	3,863,235	4,186,294	3,875,033	311,261
Environmental Resources Mgt	2,969,126	2,939,957	2,784,588	155,369
Equal Opportunity	107,915	107,915	34,017	73,898
Health Department	2,114,162	2,114,162	2,114,162	-
Public Safety	10,598,045	10,662,977	8,906,271	1,756,706
Financially Assisted Agencies	13,299,507	13,349,507	11,750,808	1,598,699
Other County Funded Programs	15,250,000	15,250,000	15,229,374	20,626
Total human services	77,929,502	82,273,128	71,838,379	10,434,749
Culture and recreation:				
Parks & Recreation	64,939,552	64,732,719	58,299,081	6,433,638
Parks & Rec - Grants	-	697,013	-	697,013
Total culture and recreation	64,939,552	65,429,732	58,299,081	7,130,651
Capital outlay:				
Community Services	3,000	3,000	2,500	500
Community Services/Human Services	46,173	50,773	50,773	-
Youth Services Department	56,250	122,876	109,448	13,428
County Administrator	-	6,000	-	6,000
County Attorney	2,000	7,500	4,508	2,992
Commission on Ethics	8,000	8,000	7,646	354
County Commission	500	2,000	6,865	(4,865)
County Cooperative Ext Serv	-	1,870	1,870	-
Employee Relations & Personnel	3,001	3,001	3,000	1
Engineering & Public Works	62,500	62,500	22,733	39,767
Environmental Resources Mgt	-	17,835	17,495	340
Facilities Dev & Ops	228,603	199,603	65,689	133,914
Financial Management & Budget	153,000	169,740	-	169,740
Information Systems Services	100,500	100,500	58,920	41,580
Internal Auditor	-	1,300	1,200	100
Parks & Recreation	-	326,000	236,053	89,947
Planning, Zoning & Building	80,000	80,000	35,735	44,265
Public Affairs	116,677	276,927	228,260	48,667

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, 2020

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Legislative Affairs	-	-	-	-
Public Safety	132,500	244,940	160,808	84,132
Medical Examiner	506,620	459,200	451,322	7,878
Purchasing	-	8,400	-	8,400
General Government Operations	1,100,000	-	-	-
Criminal Justice Commission	-	2,500	2,394	106
Office of Small Business Assistance	-	2,984	-	2,984
Total capital outlay	2,599,324	2,157,449	1,467,219	690,230
Debt Service:				
Public Affairs	-	-	84,360	(84,360)
Total Debt Service	-	-	84,360	(84,360)
Total expenditures	558,633,370	601,810,537	370,131,454	231,679,083
Excess of revenues over expenditures	699,096,377	665,449,830	906,486,498	241,036,668
Other financing sources (uses)				
Transfers in	5,350,019	8,897,398	27,604,051	18,706,653
Transfers out	(936,268,665)	(933,975,252)	(922,808,969)	11,166,283
Total other financing sources (uses)	(930,918,646)	(925,077,854)	(895,204,918)	29,872,936
Net change in fund balances	(231,822,269)	(259,628,024)	11,281,580	270,909,604
Fund balances, October 1, 2019	231,822,269	259,628,024	262,130,530	2,502,506
Change in nonspendable fund balance	-	-	2,362,967	2,362,967
Fund balances, September 30, 2020	\$ -	\$ -	\$ 275,775,077	\$ 275,775,077
Perspective difference between budget basis and GAAP			<u>38,659,566</u>	
Fund balances, September 30, 2020 (GAAP)			\$ 314,434,643	
Reconciliation of Budget to GAAP:				Net change in fund balance
	Revenues	Expenditures	Transfers in	Transfers out
Board of County Commissioners	\$ 1,276,617,952	\$ (370,131,454)	\$ 27,604,051	\$ (922,808,969)
Sheriff	2,565,717	(702,295,708)	730,373,728	(17,979,806)
Clerk & Comptroller	41,733,160	(57,347,001)	16,739,601	(1,969,295)
Tax Collector	30,086,464	(30,086,464)	-	-
Property Appraiser	24,109,859	(24,109,859)	-	-
Supervisor of Elections	1,336,699	(17,218,628)	18,182,172	(2,300,243)
Eliminations	-	-	(778,361,895)	778,361,895
Totals	\$ 1,376,449,851	\$ (1,201,189,114)	\$ 14,537,657	\$ (166,696,418)
				\$ 23,101,976

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, 2020

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 34,711,000	\$ 34,711,000	\$ 32,471,935	\$ (2,239,065)
Licenses and permits	36,000	36,000	46,682	10,682
Intergovernmental	58,745,184	81,029,530	26,069,051	(54,960,479)
Charges for services	12,960,701	8,285,949	7,778,794	(507,155)
Miscellaneous	1,590,000	1,590,000	1,289,737	(300,263)
Less 5% anticipated revenues	(2,454,285)	(2,454,285)	-	2,454,285
Total revenues	105,588,600	123,198,194	67,656,199	(55,541,995)
Expenditures:				
Current:				
Public safety	-	-	37,866	(37,866)
Transportation	105,786,220	114,873,239	103,003,402	11,869,837
Capital outlay	44,131,433	80,420,071	23,385,154	57,034,917
Total expenditures	149,917,653	195,293,310	126,426,422	68,866,888
Excess of revenues over (under) expenditures	(44,329,053)	(72,095,116)	(58,770,223)	13,324,893
Other financing sources (uses):				
Transfers in	44,431,862	74,610,607	60,765,073	(13,845,534)
Transfers out	(102,809)	(102,809)	(102,473)	336
Total other financing sources (uses)	44,329,053	74,507,798	60,662,600	(13,845,198)
Net change in fund balances	-	2,412,682	1,892,377	(520,305)
Fund balances (deficit), October 1, 2019	-	(2,412,682)	(130,496)	2,282,186
Change in nonspendable fund balance	-	-	110,135	110,135
Fund balances, September 30, 2020	\$ -	\$ -	\$ 1,872,016	\$ 1,872,016

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

PALM BEACH COUNTY, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Fire Rescue Special Revenue Fund
For the fiscal year ended September 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 299,525,745	\$ 299,525,745	\$ 288,448,111	\$ (11,077,634)
Special assessments	288,849	288,849	279,467	(9,382)
Licenses and permits	16,900	16,900	12,792	(4,108)
Intergovernmental	483,664	2,245,683	1,639,738	(605,945)
Charges for services	41,832,750	41,832,750	43,851,010	2,018,260
Interest income	2,722,570	2,722,570	3,873,322	1,150,752
Net change in fair value of investments	-	-	(219,807)	(219,807)
Miscellaneous	248,000	447,395	223,570	(223,825)
Less 5% anticipated revenues	(16,928,544)	(16,928,544)	-	16,928,544
Total revenues	328,189,934	330,151,348	338,108,203	7,956,855
Expenditures:				
Current:				
Public safety	424,290,998	435,562,849	309,803,605	125,759,244
Economic environment	1,037,139	1,037,139	1,034,612	2,527
Capital outlay	25,984,280	26,382,659	14,778,310	11,604,349
Total expenditures	451,312,417	462,982,647	325,616,527	137,366,120
Excess of revenues over (under) expenditures	(123,122,483)	(132,831,299)	12,491,676	145,322,975
Other financing sources (uses):				
Transfers in	12,477,572	12,541,022	10,349,901	(2,191,121)
Transfers out	(13,726,096)	(13,726,096)	(14,075,846)	(349,750)
Total other financing sources (uses)	(1,248,524)	(1,185,074)	(3,725,945)	(2,540,871)
Net change in fund balances	(124,371,007)	(134,016,373)	8,765,731	142,782,104
Fund balances, October 1, 2019	124,371,007	134,016,373	135,874,510	1,858,137
Change in nonspendable fund balance	-	-	1,580,692	1,580,692
Fund balances, September 30, 2020	\$ -	\$ -	\$ 146,220,933	\$ 146,220,933

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.

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
COVID-19 Special Revenue Fund
For the fiscal year ended September 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$	-	\$ 329,955,569	\$ 147,537,715
Interest income		-	1,000,000	1,391,024
Net change in fair value of investments		-	(30)	391,024
Total revenues		-	330,955,569	148,928,709
				(182,026,860)
Expenditures:				
Current:				
Public safety		-	256,460,238	108,107,661
Economic environment		-	15,393,059	68,512
Human Services		-	1,027,049	2,500
Capital outlay		-	4,778,215	1,085,922
Total expenditures		-	277,658,561	109,264,595
				168,393,966
Excess of revenues over (under) expenditures		-	53,297,008	39,664,114
				(13,632,894)
Other financing sources (uses):				
Transfers out		-	(53,297,008)	(38,273,120)
Total other financing sources (uses)		-	(53,297,008)	(38,273,120)
				15,023,888
Net change in fund balances		-	-	1,390,994
Fund balances, October 1, 2019		-	-	1,390,994
Fund balances, September 30, 2020	\$	-	\$ 1,390,994	\$ 1,390,994

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

PALM BEACH COUNTY, FLORIDA
Statement of Net Position
Proprietary Funds
September 30, 2020

Business-type Activities -		
	Airports	Water Utilities
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 104,595,798	\$ 286,201,621
Cash and cash equivalents - restricted	272,774	13,417,583
Cash with fiscal agent - restricted	4,838,983	-
Interest receivable - restricted	-	300,323
Accounts receivable, net	3,585,752	22,794,161
Due from other county funds	35,733	248,729
Due from other governments	2,133,245	1,008,143
Due from component unit	-	-
Inventory	1,916,476	11,200,985
Current portion of other receivables	-	996,573
Other assets	959,110	435,111
Total current assets	118,337,871	336,603,229
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	73,097,073	10,889,525
Accounts receivable, net	564,439	-
Total noncurrent restricted assets	73,661,512	10,889,525
Capital assets:		
Land	123,604,943	15,626,971
Buildings	477,132,305	141,872,792
Improvements other than buildings	305,985,663	1,671,101,629
Furniture, fixtures and equipment	42,414,242	94,385,080
Intangible - easement rights	13,754,957	1,678,030
Accumulated depreciation and amortization	(570,972,878)	(845,841,439)
Construction in progress	36,332,801	75,502,941
Total capital assets	428,252,033	1,154,326,004
Investment in joint ventures	-	62,283,529
Other receivables, noncurrent	-	7,923,360
Total noncurrent assets	501,913,545	1,235,422,418
Total assets	\$ 620,251,416	\$ 1,572,025,647
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	\$ 3,629,901	\$ 11,801,757
OPEB related	87,206	299,505
Deferred charges on refunding	571,618	5,345,724
Goodwill	-	3,867,050
Total deferred outflows of resources	\$ 4,288,725	\$ 21,314,036

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

<u>Enterprise Funds</u>	<u>Governmental Activities</u>
<u>Totals</u>	<u>Internal Service Funds</u>
\$ 390,797,419	\$ 141,689,314
13,690,357	-
4,838,983	-
300,323	-
26,379,913	2,318,123
284,462	6,520,587
3,141,388	136,014
-	926
13,117,461	473,298
996,573	-
1,394,221	4,005,840
<u>454,941,100</u>	<u>155,144,102</u>
83,986,598	-
564,439	-
<u>84,551,037</u>	<u>-</u>
139,231,914	-
619,005,097	206,558
1,977,087,292	512,286
136,799,322	111,589,985
15,432,987	-
(1,416,814,317)	(67,509,439)
111,835,742	-
<u>1,582,578,037</u>	<u>44,799,390</u>
62,283,529	-
7,923,360	-
<u>1,737,335,963</u>	<u>44,799,390</u>
<u>\$ 2,192,277,063</u>	<u>\$ 199,943,492</u>
\$ 15,431,658	\$ -
386,711	-
5,917,342	-
3,867,050	-
<u>\$ 25,602,761</u>	<u>\$ -</u>

PALM BEACH COUNTY, FLORIDA
Statement of Net Position
Proprietary Funds
September 30, 2020

	Business-type Activities -		
	Airlines	Water Utilities	
LIABILITIES			
Current liabilities payable from current assets:			
Vouchers payable and accrued liabilities	\$ 9,188,312	\$ 16,562,297	
Due to other county funds	172,938	1,301,912	
Due to other governments	78,700	1,188,302	
Due to component unit	-	73,727	
Unearned revenue	1,102,680	-	
Compensated absences	103,121	321,000	
Insurance claims payable	-	-	
Other liabilities	594,465	16,848	
Total current liabilities payable from current assets	11,240,216	19,464,086	
Current liabilities payable from restricted assets:			
Customers' deposits	272,788	4,970,212	
Current portion of long-term debt	3,325,000	5,542,202	
Interest payable on bonds	1,513,969	2,905,170	
Total current liabilities payable from restricted assets	5,111,757	13,417,584	
Total current liabilities	16,351,973	32,881,670	
Noncurrent liabilities:			
Compensated absences	1,190,075	3,360,906	
Revenue bonds payable, net	65,904,860	146,725,766	
Insurance claims payable	-	-	
Net pension liability	12,603,714	40,977,970	
Total OPEB liability	373,108	1,281,415	
Total noncurrent liabilities	80,071,757	192,346,057	
Total liabilities	\$ 96,423,730	\$ 225,227,727	
DEFERRED INFLOWS OF RESOURCES			
Pension related	\$ 287,835	\$ 935,824	
OPEB related	7,481	25,692	
Other	-	1,031,296	
Total deferred inflows of resources	\$ 295,316	\$ 1,992,812	
NET POSITION			
Net investment in capital assets	\$ 359,022,173	\$ 1,010,890,840	
Restricted for:			
Debt service	3,900,927	5,116,331	
Capital projects	15,723,277	-	
Grants and other	53,619,775	1,000,000	
Unrestricted	95,554,943	349,111,973	
Total net position	\$ 527,821,095	\$ 1,366,119,144	

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>	<u>Governmental Activities</u>
<u>Totals</u>	<u>Internal Service Funds</u>

\$ 25,750,609	\$ 4,209,290
1,474,850	49,320
1,267,002	75,619
73,727	-
1,102,680	-
424,121	-
-	17,432,263
611,313	-
<u>30,704,302</u>	<u>21,766,492</u>

5,243,000	-
8,867,202	-
4,419,139	-
<u>18,529,341</u>	<u>-</u>
<u>49,233,643</u>	<u>21,766,492</u>

4,550,981	799,254
212,630,626	-
-	63,995,850
53,581,684	-
1,654,523	-
<u>272,417,814</u>	<u>64,795,104</u>
<u>\$ 321,651,457</u>	<u>\$ 86,561,596</u>

\$ 1,223,659	\$ -
33,173	-
1,031,296	-
<u>\$ 2,288,128</u>	<u>\$ -</u>

\$ 1,369,913,013	\$ 44,799,390
9,017,258	-
15,723,277	-
54,619,775	-
444,666,916	68,582,506
<u>1,893,940,239</u>	<u>\$ 113,381,896</u>

18,896,136
<u>\$ 1,912,836,375</u>

PALM BEACH COUNTY, FLORIDA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the fiscal year ended September 30, 2020

	Business-type Activities -	
	Airports	Water Utilities
Operating revenues:		
Charges for services	\$ 59,752,292	\$ 213,330,647
Miscellaneous	2,140,036	4,646,171
Total operating revenues	61,892,328	217,976,818
Operating expenses:		
Aviation services	51,296,140	-
Water and sewer services	-	143,044,280
Transportation services	-	-
Self-insurance services	-	-
Equity interest in net gain of joint ventures	-	(810,705)
Depreciation and amortization	23,296,316	51,977,357
Total operating expenses	74,592,456	194,210,932
Operating income (loss)	(12,700,128)	23,765,886
Nonoperating revenues (expenses):		
Interest income	2,699,060	5,509,382
Net change in fair value of investments	(111,641)	(264,819)
Cares Grant	10,942,448	-
Interest expense	(3,027,936)	(2,597,287)
Other revenues (expenses)	1,534,956	(74,525)
Total nonoperating revenues (expenses)	12,036,887	2,572,751
Income (loss) before capital contributions and transfers	(663,241)	26,338,637
Capital contributions	15,185,477	38,303,201
Transfers in	-	287,226
Transfers out	(78,755)	(136,471)
Change in net position	14,443,481	64,792,593
Net position, October 1, 2019	513,377,614	1,301,326,551
Net position, September 30, 2020	\$ 527,821,095	\$ 1,366,119,144

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>	<u>Governmental Activities</u>
Totals	Internal Service Funds
\$ 273,082,939	\$ 146,118,637
<u>6,786,207</u>	<u>-</u>
<u>279,869,146</u>	<u>146,118,637</u>
51,296,140	-
143,044,280	-
-	18,398,916
-	112,264,024
(810,705)	-
<u>75,273,673</u>	<u>12,671,012</u>
268,803,388	143,333,952
<u>11,065,758</u>	<u>2,784,685</u>
8,208,442	2,239,788
(376,460)	(113,628)
10,942,448	-
(5,625,223)	-
<u>1,460,431</u>	<u>4,380,413</u>
14,609,638	6,506,573
25,675,396	9,291,258
53,488,678	-
287,226	-
(215,226)	(14,735)
79,236,074	9,276,523
	<u>104,105,373</u>
	<u>\$ 113,381,896</u>
2,606,487	
<u>\$ 81,842,561</u>	

PALM BEACH COUNTY, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended September 30, 2020

	<u>Business-type Activities -</u>	
	Aeroports	Water Utilities
Cash flows from operating activities:		
Cash received from customers	\$ 63,471,087	\$ 211,859,159
Cash received from other funds for goods and services	-	-
Cash payments to vendors for goods and services	(19,628,707)	(76,762,647)
Cash payments to employees for services	(13,489,019)	(36,336,858)
Cash payments to other funds	(19,346,249)	(27,589,313)
Claims paid	-	-
Other receipts	-	4,550,440
Net cash provided by operating activities	11,007,112	75,720,781
Cash flows from noncapital financing activities:		
Cash contributed to joint ventures	-	(2,961,095)
Operating grants and other	11,537,922	-
Transfers in	-	287,226
Transfers out	(78,755)	(136,471)
Net cash provided by (used in) noncapital financing activities	11,459,167	(2,810,340)
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	29,434	151,452
Contributed capital	6,809,330	21,921,318
Purchase and construction of capital assets	(36,687,848)	(54,259,267)
Bond issuance costs paid	-	(328,982)
Principal payments on debt	(3,145,000)	(6,516,631)
Interest payments on debt	(3,119,840)	(6,117,617)
Paying agent fees	-	(1,600)
Passenger facility charges received	9,529,227	-
Proceeds on issuance of refunding revenue bonds	-	48,753,674
Principal paid on refunded revenue bonds	-	(48,755,000)
Interest paid on refunded revenue bonds	-	(374,355)
Cash contributed by other governments	-	991,721
Net cash (used in) capital and related financing activities	(26,584,697)	(44,535,287)
Cash flows from investing activities:		
Interest and gains or losses on investments	2,587,419	5,313,070
Net cash provided by investing activities	2,587,419	5,313,070
Net increase (decrease) in cash and cash equivalents	(1,530,999)	33,688,224
Cash and cash equivalents, October 1, 2019	184,335,627	276,820,505
Cash and cash equivalents, September 30, 2020	\$ 182,804,628	\$ 310,508,729

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

<u>Enterprise Funds</u>	<u>Governmental Activities</u>
<u>Totals</u>	<u>Internal Service Funds</u>
\$ 275,330,246	\$ 12,337,341
-	133,726,111
(96,391,354)	(27,479,938)
(49,825,877)	(7,706,492)
(46,935,562)	(2,640,397)
-	(87,815,891)
<u>4,550,440</u>	<u>3,159,206</u>
<u>86,727,893</u>	<u>23,579,940</u>
(2,961,095)	-
11,537,922	-
287,226	-
<u>(215,226)</u>	<u>(14,735)</u>
8,648,827	(14,735)
180,886	1,499,210
28,730,648	-
(90,947,115)	(13,191,261)
(328,982)	-
(9,661,631)	-
(9,237,457)	-
(1,600)	-
9,529,227	-
48,753,674	-
(48,755,000)	-
(374,355)	-
991,721	-
<u>(71,119,984)</u>	<u>(11,692,051)</u>
7,900,489	2,126,160
<u>7,900,489</u>	<u>2,126,160</u>
32,157,225	13,999,314
<u>461,156,132</u>	<u>127,690,000</u>
<u>\$ 493,313,357</u>	<u>\$ 141,689,314</u>

PALM BEACH COUNTY, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended September 30, 2020

	<u>Business-type Activities -</u>	
	Airports	Water Utilities
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (12,700,128)	\$ 23,765,886
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	23,296,316	51,977,357
Equity interest in net gain of joint ventures	-	(810,705)
Provision for doubtful accounts	(32,871)	148,700
Miscellaneous revenue	-	-
Changes in assets, deferred outflows, liabilities, and deferred inflows:		
(Increase) decrease in accounts receivable	1,071,557	(2,436,498)
Decrease in due from other county funds	12,334	924
Decrease in due from other governments	-	852,415
(Increase) decrease in inventory	(40,795)	(2,536,030)
(Increase) in other assets	(104,162)	(38,909)
(Increase) in deferred outflows	(491,961)	(1,840,081)
(Increase) in due from component unit	-	(7,453)
(Decrease) in vouchers payable and accrued liabilities	(2,548,765)	(311,484)
Increase (decrease) in due to other county funds	(7,976)	196,799
Increase in due to other governments	-	71,847
Increase in other current liabilities	57,191	-
Increase in unearned revenue	530,815	-
(Decrease) in customer deposits	(3,076)	(507,818)
Increase in insurance claims payable	-	-
Increase in other long-term liabilities	-	-
(Decrease) in deferred inflows	(570,496)	(1,793,671)
Increase in net pension liability	2,464,133	8,735,956
Increase in total OPEB liability	74,996	253,546
Net cash provided by operating activities	<hr/> <hr/> \$ 11,007,112	<hr/> <hr/> \$ 75,720,781
Supplemental disclosure of noncash capital and related financing activities:		
Amortization of premium on bonds, including write-off	\$ 971,145	\$ 1,484,255
Amortization of bond refunding costs	\$ -	\$ 608,671
Payables related to capital asset acquisition	\$ 6,971,209	\$ 9,976,062
Receivables related to passenger facility charges	\$ 557,041	\$ -
Contribution of capital assets	\$ -	\$ 16,485,006
Capitalized interest	\$ -	\$ 2,526,805
Disposal of fully depreciated capital assets	\$ 1,162,088	\$ 1,230,840
Receivables related to capital grants	<hr/> <hr/> \$ 2,133,245	<hr/> <hr/> \$ -

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

<u>Enterprise Funds</u>	Governmental Activities
Totals	Internal Service Funds

\$ 11,065,758	\$ 2,784,686
75,273,673	12,671,012
(810,705)	-
115,829	-
-	3,159,206
(1,364,941)	(127,590)
13,258	30,808
852,415	41,968
(2,576,825)	270,945
(143,071)	(389,418)
(2,332,042)	-
(7,453)	(371)
(2,860,249)	(981,443)
188,823	(1,465)
71,847	64,049
57,191	-
530,815	-
(510,894)	-
-	830,923
-	5,226,630
(2,364,167)	-
11,200,089	-
328,542	-
<u>\$ 86,727,893</u>	<u>\$ 23,579,940</u>

\$ 2,455,400	\$ -
\$ 608,671	\$ -
\$ 16,947,271	\$ -
\$ 557,041	\$ -
\$ 16,485,006	\$ -
\$ 2,526,805	\$ -
\$ 2,392,928	\$ 4,860,226
<u>\$ 2,133,245</u>	<u>\$ -</u>

PALM BEACH COUNTY, FLORIDA
Statement of Fiduciary Net Position - Agency Funds
September 30, 2020

	Total Agency Funds
ASSETS	
<hr/>	
Cash, cash equivalents, and investments	\$ 93,494,201
Accounts receivable, net	1,555,149
Due from other county funds	406,905
Due from other governments	535,388
Other assets	291
<hr/>	
Total assets	\$ 95,991,934
<hr/>	
LIABILITIES	
<hr/>	
Vouchers payable and accrued liabilities	\$ 8,576,082
Due to other county funds	406,905
Due to other governments	44,287,477
Due to individuals	42,721,470
<hr/>	
Total liabilities	\$ 95,991,934
<hr/>	

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

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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.

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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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 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.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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 three (3) 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 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 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 COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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

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

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, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, 2019, the date of the most recent audited financial statements, the Facility had total assets and deferred outflows of \$348,958,840 and total net position of \$161,950,480 including \$117,429,785 invested in capital, net of related debt, and \$5,317,706 of unrestricted net position. September 30, 2020 amounts are expected to approximate the above figures. As of September 30, 2020, the County's investment in this joint venture was \$59.4 million.

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

The proportionate share for each entity is determined by the reserve capacity of the Facility allocated to each participant. At September 30, 2020, Palm Beach County had a 34.29% interest.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

The participants and each entity's interest at September 30, 2020 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".

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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

expenses for the twenty-year period. In July 2013, WUD sold excess capacity shares in the BPF to the ECR, leaving WUD with a 17.82% pro-rata share in the BPF's capacity. This amount was recorded as a reduction of WUD's investment in joint venture. WUD's total operating costs were \$1,053,400 for the year ended September 30, 2020. As of September 30, 2020, the County's investment in the BPF is \$2.9 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 from the Commission. The County has no equity interest in this joint venture.

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.

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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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 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.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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 the activities related to the operation of the County-owned public bus transportation system. Although this fund does not meet the test as a major fund based on quantitative calculations, County management has deemed it to be a major fund for consistency purposes as well as for public interest.

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

The **COVID-19 Special Revenue Fund** is to account for activities related to the funding received from the U.S Treasury and other sources under the CARES Act for COVID-19 as well as the distribution of these funds to individuals and businesses.

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 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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, 2020

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 the following GASB Statement during the fiscal year ended September 30, 2020:

- GASB Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance.*” This Statement is effective immediately and postpones the effective dates of various standards and implementation guides, including Statements No. 84, 87, 90, 91, 92, and 93 discussed below. The effective dates presented below for these Statements are the extended effective dates in accordance with Statement No. 95.

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, 2021.
- 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, 2022.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

- 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, 2022.
- 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, 2021.
- GASB Statement No. 91, “*Conduit Debt Obligations*”. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for the fiscal year ending September 30, 2023.
- GASB Statement No. 92, “*Omnibus 2020*”. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement is effective for the fiscal year ending September 30, 2022.
- GASB Statement No. 93, “*Replacement of Interbank Offered Rates*”. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing the accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate (IBOR) for agreements in which variable payments made or received depend on an IBOR. The requirements of this Statement related to the removal of LIBOR as an appropriate benchmark interest rate are effective for the fiscal year ending September 30, 2021.

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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.

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

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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.

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

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trends and analysis of current economic factors. As of September 30, 2020 there was an allowance of \$23.0 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 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.

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Depreciation is calculated using the straight-line method over estimated useful lives as follows:

Asset Classification	Estimated Useful Life (In Years)
Buildings, Utility Plants and Systems	10-50
Furniture, Fixtures and Equipment	2-15
Improvements Other Than Buildings	5-40
Infrastructure	20-30

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.

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

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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.

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 4,500 participants.

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The three-(3) self-insurance programs are designed to be self-sustaining through actuarially determined premiums established annually to cover expected claims, administration and a margin for unexpected losses or expenses. Claims are recorded as incurred with an estimate added at year-end based on an actuarially determined estimate of incurred but not reported claims.

O. Pensions and Other Post-Employment Benefits Disclosure

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

The County applies GASB Statement No. 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.

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

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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 2020, supplemental appropriations amounted to a net increase of \$689,315,689 or approximately 13.3% of the original budget.
5. It is unlawful for the Board to expend or contract for the expenditures in any fiscal year more than the amount budgeted in each individual fund's budget, and in no case shall the total appropriations of any budget be exceeded. In addition, to comply with the above statutory requirements, the Board of County Commissioners has elected to adopt management controls and approved guidelines, which provide for the budget to be controlled at a detail level greater than the statutory level of control. The effective legal budgetary control is at the department level for the General Fund and special revenue funds with approved budgets which is reflected in the budget to actual statements presented in the fund financial statements section and the combining and individual fund statements and schedules section. It should be noted that in some instances the name of the Special Revenue fund reflects the department such that further department breakout in the budget to actual schedule is not necessary – an example of this would be the Library Taxing District Special Revenue 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

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legally adopted for all governmental and proprietary fund types. Budgetary comparisons presented herein are on a basis consistent with GAAP.

CLERK OF THE CIRCUIT COURT

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

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

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

SHERIFF

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

TAX COLLECTOR AND PROPERTY APPRAISER

Chapter 195.087, Florida Statutes, governs the preparation, adoption and administration of the budgets of the Tax Collector and Property Appraiser. On or before a legally designated date each year, the Tax Collector and the Property Appraiser shall submit to the Florida Department of Revenue a budget for the ensuing fiscal year. A copy of such budget shall be furnished at the same time to the Board of County Commissioners. Final approval of the budgets is given by the Florida Department of Revenue.

SUPERVISOR OF ELECTIONS

Chapter 129, (sections .02 and .202), Florida Statutes, governs the preparation, adoption and administration of the budget of the Supervisor of Elections. On or before June 1 of each year, the Supervisor of Elections shall submit to the Board of County Commissioners a tentative budget for the ensuing fiscal year. However, the Board of County Commissioners of Palm Beach County, by resolution R-95-1195, requires the tentative budget to be submitted by May 1 of each year.

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S. Encumbrances

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

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.

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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”.

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.

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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, 2020.

X. Interest Costs

Interest cost incurred by proprietary funds for the fiscal year ended September 30, 2020 amounted to \$8,152,028, of which \$2,526,805 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.

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2. CASH AND INVESTMENTS

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

At September 30, 2020, cash and investments consisted of the following:

	Bank Balance	Carrying Value	Investments
Deposits in Financial Institutions	<u>\$ 299,730,754</u>	\$ 267,141,785	\$ -
Cash on Hand		248,817	-
Internal Investment Pool		2,301,130,813	2,299,669,700
Business-Type Activities/ Constitutional Officers Cash Equivalents:			
Money Market Funds		72,894,910	72,894,910
Small Business Administration		925,729	925,729
Total	<u>\$ 2,642,342,054</u>	<u>\$ 2,373,490,339</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	\$ 1,731,368,593		
Restricted Cash, Cash Equivalents & Investments	<u>817,479,260</u>		
Statement of Fiduciary Net Position			\$ 2,548,847,853
Agency Funds			
Cash & Cash Equivalents	<u>\$ 93,494,201</u>		
		<u>93,494,201</u>	
			<u>\$ 2,642,342,054</u>

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Investment Type	Amount	Effective Duration in Years			
		Less Than		2 Years but	5 Years but
		2 Years	Less Than 5 Years	Less Than 5 Years	Less Than 10 Years
Investments Subject to Interest Rate Risk:					
Small Business Administration	\$ 301,993,947	\$ 301,993,947	\$ -	\$ -	\$ -
Florida Local Govt Investment Trust	11,364,588	11,364,588	-	-	-
Florida Coop. Liquid Assets Securities System	50,863,096	50,863,096	-	-	-
Business-Type Activities/Constitutional Officers:					
Small Business Administration	925,729	925,729	-	-	-
	<u>365,147,360</u>	<u>\$ 365,147,360</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other Investments:					
Certificates of Deposit	1,844,723,239				
State of Israel Bonds*	40,000,000				
Money Market Funds	48,041,316				
Cash and Receivables	2,683,514				
Business-Type Activities/Constitutional Officers Cash Equivalents:					
Money Market Funds	72,894,910				
	<u><u>\$ 2,373,490,339</u></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.

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, 2020:

Investment	Amount	Fair Value		
		Level 1	Level 2	Level 3
Small Business Administration	\$ 301,993,947	\$ -	\$ 301,993,947	\$ -
Business-Type Activities/Constitutional Officers:				
Small Business Administration	925,729	-	925,729	-
Total Investments in the Fair Value Hierarchy	302,919,676	-	302,919,676	-
Investments Measured at the Net Asset Value:				
Florida Local Government Investment Trust	11,364,588	-	-	-
Florida Coop. Liquid Assets Securities System	50,863,096	-	-	-
Total Investments Measured at Net Asset Value*	62,227,684	-	-	-
Total Investments	<u>\$ 365,147,360</u>	<u>\$ -</u>	<u>\$ 302,919,676</u>	<u>\$ -</u>

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

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Additionally, the Small Business Administration investment was valued using a rules-based pricing application 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 \$2,008,342,979.

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.

The following table summarizes the credit risk of the County's investments as of September 30, 2020:

Investments	Amount	Percentage of Total Portfolio	Credit Rating
Small Business Administration	\$ 301,993,947	12.7%	AA+
Certificates of Deposit	1,844,723,239	77.6%	Not rated
Florida Local Govt Investment Trust	11,364,588	0.5%	AAAf
Florida Coop. Liquid Assets Securities System	50,863,096	2.2%	AAAm
State of Israel Bonds	40,000,000	1.7%	AA-
Money Market Funds	48,041,316	2.0%	AAAm
Cash and Receivables	2,683,514	0.2%	N/A
Business-Type Activities/Constitutional Officers Cash Equivalents:			
Money Market Funds	72,894,910	3.0%	AAAm
Small Business Administration	925,729	0.1%	AA+
	<u><u>\$ 2,373,490,339</u></u>	<u><u>100.0%</u></u>	

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

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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 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. Investments in intergovernmental investment pools do not have a minimum credit rating requirement. All securities shall be transferred "Delivery versus Payment."

Custodial Credit Risk - Investments

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

To guard against this risk, the County's investment policy for the internal investment pool requires that all securities (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.

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Investment Issuer	Amount	Percentage of Total
Small Business Administration	\$ 301,993,947	12.8%
TD Bank CD/MMKT	831,082,878	35.1%
Synovus Bank	475,657,338	20.1%
Centennial Bank CD/MMKT	301,668,244	12.7%
City National Bank CD/MMKT	176,150,527	7.5%
Ameris Bank MMKT	75,519	0.0%
Bank United MMKT	60,088,733	2.6%
Florida Local Government Investment Trust (FLGIT)	11,364,588	0.4%
Florida Coop. Liquid Assets Securities System	50,863,096	2.1%
State of Israel Bonds	40,000,000	1.6%
Money Market Funds	48,041,316	2.0%
Cash and Receivables	2,683,514	0.1%
Business-Type Activities/Constitutional Officers Cash Equivalents:		
Money Market Funds	72,894,910	3.0%
Small Business Administration	925,729	0.0%
	<hr/> <u>\$ 2,373,490,339</u>	<hr/> <u>100.0%</u>

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

Foreign Currency Risk:

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

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COMPONENT UNIT – Solid Waste Authority (SWA)

Cash and Cash Equivalents: The bank balance and carrying value of the SWA's cash and cash equivalents, including restricted balances, were as follows at September 30, 2020:

Bank balance of deposits with financial institutions (including customer deposits)	\$ <u>14,548,488</u>
Carrying value	
Deposits with financial institutions	\$ 14,617,384
Petty Cash	11,200
Money market mutual funds	226,905,847
Florida Prime	172,267,878
Total cash and cash equivalents	<u>\$ 413,802,309</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.

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.

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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.

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.

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

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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, 2020 are as follows:

	Fair Value	Credit Quality Ratings	
		S&P	Moody's
U.S. Treasury SLGS	\$ 342,814,716	AA+	Aaa
Money Market mutual funds	226,905,847	AAAm	Aaa-mf
Florida Prime	172,267,878	AAAm	Not Rated
Total Investments	<u>\$ 741,988,441</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, 2020.

At September 30, 2020, 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	\$ 342,814,716	45.3%
Florida Prime	172,267,878	22.8%
Money Market Mutual Funds:		
Dreyfus Government	174,318,983	23.0%
Fidelity Government	52,586,864	7.0%

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. There was no exposure to foreign currency risk in the SWA's investments at September 30, 2020.

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3. CAPITAL ASSETS

A summary of changes in capital assets follows:

Primary Government

	Beginning Balance	Additions	Deductions	Ending Balance
Governmental Activities:				
Non-depreciable assets:				
Land	\$ 709,805,960	\$ 5,003,627	\$ (211,414)	\$ 714,598,173
Construction In Progress	267,898,660	75,856,976	(122,865,548)	220,890,088
Total non-depreciable assets	<u>977,704,620</u>	<u>80,860,603</u>	<u>(123,076,962)</u>	<u>935,488,261</u>
Depreciable assets:				
Buildings and improvements	1,371,085,284	13,987,680	-	1,385,072,964
Improvements other than buildings	491,906,720	18,582,505	-	510,489,225
Equipment	783,884,505	99,959,378	(45,218,994)	838,624,889
Infrastructure	1,570,207,362	73,311,474	-	1,643,518,836
Total depreciable assets	<u>4,217,083,871</u>	<u>205,841,037</u>	<u>(45,218,994)</u>	<u>4,377,705,914</u>
Less accumulated depreciation for:				
Buildings and improvements	(541,225,955)	(33,136,345)	-	(574,362,300)
Improvements other than buildings	(297,134,187)	(14,551,332)	-	(311,685,519)
Equipment	(553,345,844)	(67,127,083)	35,063,257	(585,409,670)
Infrastructure	(1,242,853,033)	(32,806,412)	-	(1,275,659,445)
Total accumulated depreciation	<u>(2,634,559,019)</u>	<u>(147,621,172)</u>	<u>35,063,257</u>	<u>(2,747,116,934)</u>
Total capital assets, being depreciated, net	<u>1,582,524,852</u>	<u>58,219,865</u>	<u>(10,155,737)</u>	<u>1,630,588,980</u>
Total governmental capital assets, net	<u><u>\$ 2,560,229,472</u></u>	<u><u>\$ 139,080,468</u></u>	<u><u>\$ (133,232,699)</u></u>	<u><u>\$ 2,566,077,241</u></u>

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	Beginning Balance	Additions	Deductions	Ending Balance
Business-type Activities:				
Non-depreciable assets:				
Land	\$ 135,566,484	\$ 3,665,430	\$ -	\$ 139,231,914
Intangible - easement rights	1,678,030	-	-	1,678,030
Construction In Progress	108,989,435	90,453,561	(87,607,254)	111,835,742
Total non-depreciable assets	<u>246,233,949</u>	<u>94,118,991</u>	<u>(87,607,254)</u>	<u>252,745,686</u>
Depreciable assets:				
Buildings and improvements	595,376,838	23,628,259	-	619,005,097
Improvements other than buildings	1,900,288,800	76,798,492	-	1,977,087,292
Equipment	133,572,724	5,787,550	(2,560,952)	136,799,322
Intangible - easement rights	13,754,957	-	-	13,754,957
Total depreciable assets	<u>2,642,993,319</u>	<u>106,214,301</u>	<u>(2,560,952)</u>	<u>2,746,646,668</u>
Less accumulated depreciation for:				
Buildings and improvements	(340,383,695)	(15,229,715)	-	(355,613,410)
Improvements other than buildings	(900,118,680)	(50,235,761)	-	(950,354,441)
Equipment	(99,189,620)	(7,535,919)	2,477,109	(104,248,430)
Intangible - easement rights	(6,254,162)	(343,874)	-	(6,598,036)
Total accumulated depreciation	<u>(1,345,946,157)</u>	<u>(73,345,269)</u>	<u>2,477,109</u>	<u>(1,416,814,317)</u>
Total capital assets, being depreciated, net	<u>1,297,047,162</u>	<u>32,869,032</u>	<u>(83,843)</u>	<u>1,329,832,351</u>
Total business-type capital assets, net	<u>\$ 1,543,281,111</u>	<u>\$ 126,988,023</u>	<u>\$ (87,691,097)</u>	<u>\$ 1,582,578,037</u>

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

Governmental activities:

General government	\$ 30,382,988
Public safety	36,528,110
Physical environment	2,500,952
Transportation	44,684,294
Economic environment	1,068,487
Human services	1,003,410
Culture and recreation	18,781,919
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.	<u>12,671,012</u>
Total increases to accumulated depreciation	<u>\$ 147,621,172</u>

Business-type Activities:

Department of Airports	\$ 23,296,316
Water Utilities Department	50,048,953
Total depreciation expense - business-type activities	<u>\$ 73,345,269</u>

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COMPONENT UNIT – Solid Waste Authority

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

	Beginning Balance	Additions	Deductions	Ending Balance
Non-depreciable assets:				
Land	\$ 50,626,126	\$ -	\$ -	\$ 50,626,126
Construction In Progress	286,664	1,153,070	-	1,439,734
Total non-depreciable assets	<u>50,912,790</u>	<u>1,153,070</u>	<u>-</u>	<u>52,065,860</u>
Depreciable assets:				
Buildings and improvements	781,429,618	-	-	781,429,618
Improvements other than buildings	168,245,589	-	-	168,245,589
Equipment	763,008,254	5,731,655	(6,160,085)	762,579,824
Total depreciable assets	<u>1,712,683,461</u>	<u>5,731,655</u>	<u>(6,160,085)</u>	<u>1,712,255,031</u>
Less accumulated depreciation for:				
Buildings and improvements	(327,872,305)	(26,502,716)	-	(354,375,021)
Improvements other than buildings	(78,737,276)	(5,718,221)	-	(84,455,497)
Equipment	(260,970,720)	(30,460,175)	6,160,085	(285,270,810)
Total accumulated depreciation	<u>(667,580,301)</u>	<u>(62,681,112)</u>	<u>6,160,085</u>	<u>(724,101,328)</u>
Total capital assets, being depreciated, net	<u>1,045,103,160</u>	<u>(56,949,457)</u>	<u>-</u>	<u>988,153,703</u>
Total component unit capital assets, net	<u><u>\$ 1,096,015,950</u></u>	<u><u>\$ (55,796,387)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,040,219,563</u></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 2020 was \$18,030,208.

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 (PBIA). 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 89.4% of total passenger traffic (enplaned plus deplaned) at PBIA as follows: Jet Blue – 26.8%, American – 22.0%, Delta Airlines – 21.6%, United – 10.6%, and Southwest – 8.4%.

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

Interfund balances at September 30, 2020, are expected to be repaid within one year. Interfund receivable and payable balances at September 30, 2020 were as follows:

Payable Fund	Receivable Fund					
	General Fund	Palm Tran Special Revenue Fund	Fire Rescue Special Revenue Fund	COVID-19 Special Revenue Fund	General Government Capital Projects	
General Fund	\$ -	\$ 7,888,120	\$ 5,298,749	\$ 19,125	\$ 395,177	-
Palm Tran Special Revenue Fund	14,183,231					
Fire Rescue Special Revenue Fund	239	-	-	-	-	-
COVID-19 Special Revenue Fund	222,054	-	-	-	-	-
Road Program Capital Projects	-	-	-	-	-	-
General Government Capital Projects	376,209	-	-	-	-	-
Nonmajor Governmental Funds	11,001,262	-	-	5,524	1,238,730	
Airports	2,162	-	-	-	-	-
Water Utilities	85,112	-	-	-	-	3,901
Internal Service	6,169	-	-	-	-	-
Total	<u>\$25,876,438</u>	<u>\$ 7,888,120</u>	<u>\$ 5,298,749</u>	<u>\$ 24,649</u>	<u>\$ 1,637,808</u>	

The majority of the \$14.2 & \$11 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 \$7.9 due from the General Fund to Palm Tran Special Revenue Fund relates to operating subsidies to Palm Tran. The majority of the \$5.3 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 \$17.9 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.

Payable To	Receivable From - Primary Government					
	General Fund	General Government Capital Projects	Nonmajor Governmental Funds	Fleet Management	Combined Insurance	Total
Primary Government:						
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonmajor Governmental Funds	-	-	-	-	-	-
Airports	-	-	-	-	-	-
Water Utilities	-	-	-	-	-	-
Component Units:						
Metropolitan Planning Organization	-	-	-	-	-	-
Solid Waste Authority	345,734	-	-	-	-	345,734
Total	<u>\$ 345,734</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 345,734</u>

The \$7.2 million due to the HFA from the General Fund relates to the HFA resources held by the County's investment pool. The \$4.8 million due from the General Fund to SWA represents the return of excess fees and undistributed taxes.

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Receivable Fund

Nonmajor Governmental Funds	Total Governmental Funds	Airports	Water Utilities	Total Enterprise Funds	Internal Service	Total
\$ 17,959,512	\$ 31,560,683	\$ -	\$ 7,945	\$ 7,945	\$ 2,867,715	\$ 34,436,343
-	14,183,231	-	-	-	466,352	14,649,583
-	239	-	-	-	125,041	125,280
54,887	276,941	-	-	-	-	276,941
-	-	-	-	-	81,483	81,483
-	376,209	-	-	-	-	376,209
1,215,645	13,461,161	35,733	239,667	275,400	1,554,287	15,290,848
-	2,162	-	941	941	169,835	172,938
-	89,013	-	-	-	1,212,899	1,301,912
-	6,169	-	176	176	42,975	49,320
\$ 19,230,044	\$ 59,955,808	\$ 35,733	\$ 248,729	\$ 284,462	\$ 6,520,587	\$ 66,760,857

Receivable From - Component Units

Housing Finance Authority (HFA)	Westgate Belvedere Homes Community Redevelopment	Solid Waste Authority (SWA)	Total
\$ 7,200,269	\$ -	\$ 4,824,972	\$ 12,025,241
-	-	3,936	3,936
-	-	-	-
-	-	73,727	73,727
-	-	-	-
-	-	-	-
\$ 7,200,269	\$ -	\$ 4,902,635	\$ 12,102,904

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7. INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2020, were as follows:

Transfers In	Transfers Out				COVID-19 Special Revenue Fund
	General Fund	Palm Tran Special Revenue Fund	Fire Rescue Special Revenue Fund		
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 202,465
Palm Tran Special Revenue Fund	23,150,425	-	-	-	37,614,648
Fire Rescue Special Revenue Fund	10,197,641	-	-	-	-
Road Program Capital Projects	-	-	-	-	-
General Government Capital Projects	37,758,736	102,473	890,247	-	-
Nonmajor Governmental Funds	95,589,616	-	13,185,599	-	456,007
Water Utilities	-	-	-	-	-
Total	\$ 166,696,418	\$ 102,473	\$ 14,075,846	\$ 38,273,120	

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.

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Road Program Capital Projects	General Governments Capital Projects	Nonmajor Governmental Funds	Airports	Water Utilities	Internal Service Funds	Total
\$ -	\$ 3,819,859	\$ 10,515,333	\$ -	\$ -	\$ -	\$ 14,537,657
-	-	-	-	-	-	60,765,073
-	-	152,260	-	-	-	10,349,901
-	1,123,111	-	-	-	-	1,123,111
2,665,609	-	50,588,007	59,274	68,650	14,735	92,147,731
1,050,848	100,461	30,178,172	19,481	67,821	-	140,648,005
-	-	287,226	-	-	-	287,226
\$ 3,716,457	\$ 5,043,431	\$ 91,720,998	\$ 78,755	\$ 136,471	\$ 14,735	\$ 319,858,704

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 \$345,128 for the year ended September 30, 2020. 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 2020 resulting in a decline in minimum future receipts for fiscal year 2020 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 <u>September 30</u>	
2021	\$ 37,783,206
2022	29,518,803
2023	29,456,893
2024	29,181,927
2025	8,748,931
Thereafter	156,434,336
Total	\$ 291,124,096

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A schedule of the carrying value of property held for lease, by major classification, as of September 30, 2020 is as follows:

Buildings	\$ 357,261,043
Less: accumulated depreciation	(228,443,198)
Net Buildings	<u>128,817,845</u>
Land	59,547,775
Total property held for lease	<u><u>\$ 188,365,620</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, 2020 amounted to \$3,593,997 comprised of \$3,400,732 for Governmental Funds, \$180,012 for Enterprise Funds, and \$13,253 for Internal Service Funds.

Operating Leases

Future minimum rental payments under non-cancellable operating leases as of September 30, 2020 are as follows:

Fiscal Year	Internal			Total
	Governmental Funds	Enterprise Funds	Service Funds	
2021	\$ 1,724,204	\$ 167,232	\$ 12,413	\$ 1,903,849
2022	814,914	128,111	7,232	950,257
2023	525,554	40,276	4,763	570,593
2024	175,693	-	921	176,614
2025	84,103	-	-	84,103
Thereafter	15,000	-	-	15,000
Total	<u><u>\$ 3,339,468</u></u>	<u><u>\$ 335,619</u></u>	<u><u>\$ 25,329</u></u>	<u><u>\$ 3,700,416</u></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.

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Future minimum lease payments under capital leases as of September 30, 2020 are as follows:

<u>Fiscal Year</u>	<u>Governmental Funds</u>
2021	\$ 84,360
2022	84,360
2023	<u>70,300</u>
Total minimum lease payments	239,020
Less imputed interest	<u>(15,727)</u>
Present value of minimum lease payments	<u><u>\$ 223,293</u></u>

The following schedule shows the leased assets capitalized as of September 30, 2020, by major asset class:

	<u>Governmental Funds</u>
	<u>Capital Assets</u>
Equipment	\$ 1,339,940
Less: accumulated depreciation for entity-wide	<u>(150,306)</u>
Carrying value	<u><u>\$ 1,189,634</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, 2020, 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 & Comptroller. The Property Appraiser participates in some, but not all of the program, as is more fully explained in the Self-Insured Retention Program.

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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, 2020 is \$14,616,332. During claim years 2020 and 2019, changes recorded to the claims liability for property and liability insurance were as follows:

<u>Fiscal Year</u>	Beginning of Fiscal Year	Claims and Changes in <u>Liability</u> <u>Estimates</u>	Claim <u>Payments</u>	Balance at Fiscal Year-End
2019	\$ 9,874,863	\$ 7,243,184	\$ (2,324,621)	14,793,426
2020	14,793,426	2,877,093	(3,054,187)	14,616,332

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, 2020 is \$62,393,781. During claim years 2020 and 2019, changes recorded to the claims liability for workers' compensation insurance were as follows:

<u>Fiscal Year</u>	Beginning of Fiscal Year	Claims and Changes in <u>Liability</u> <u>Estimates</u>	Claim <u>Payments</u>	Balance at Fiscal Year-End
2019	\$ 50,939,483	\$ 11,376,166	\$ (6,587,508)	\$ 55,728,141
2020	55,728,141	14,008,206	(7,342,566)	62,393,781

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Employee Group Health Insurance

The County provides health insurance for its employees, retirees, and eligible dependents. The County has a \$625,000 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, 2020 is \$3,900,000. During claim years 2020 and 2019, changes recorded to the claims liability for employee health insurance were as follows:

<u>Fiscal Year</u>	Beginning of Fiscal Year <u>Liability</u>	Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	Balance at Fiscal <u>Year-End</u>
2019	\$ 4,234,000	\$ 64,502,676	\$ (64,442,676)	\$ 4,294,000
2020	4,294,000	64,156,029	(64,550,029)	3,900,000

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, 2020 is \$19,643,000. 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.

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During claim years 2020 and 2019, changes recorded to the claims liability for general liability were as follows:

<u>Fiscal Year</u>	Beginning of Fiscal Year	Claims and Changes in <u>Estimates</u>	Claim Payments	Balance at Fiscal <u>Year-End</u>
<u>Liability</u>	<u>Liability</u>	<u>Estimates</u>	<u>Payments</u>	<u>Year-End</u>
2019	\$ 20,223,438	\$ 3,171,044	\$ (4,976,578)	\$ 18,417,904
2020	18,417,904	12,806,056	(11,580,960)	19,643,000

Workers' Compensation Insurance

The Sheriff's office is self-funded for its workers' compensation exposure. The claims liability reported at September 30, 2020 is \$225,421,000. 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 2020 and 2019, changes recorded to the claims liability for workers' compensation were as follows:

<u>Fiscal Year</u>	Beginning of Fiscal Year	Claims and Changes in <u>Estimates</u>	Claim Payments	Balance at Fiscal <u>Year-End</u>
<u>Liability</u>	<u>Liability</u>	<u>Estimates</u>	<u>Payments</u>	<u>Year-End</u>
2019	\$ 114,495,671	\$ 23,536,930	\$ (14,502,371)	\$ 123,530,230
2020	123,530,230	115,900,323	(14,009,553)	225,421,000

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 \$518,000 and is actuarially determined.

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During claim years 2020 and 2019, changes recorded to the claims liability for health insurance were as follows:

<u>Fiscal Year</u>	Beginning of Fiscal Year	Claims and Changes in <u>Liability</u>	Claim <u>Estimates</u>	Payments	Balance at Fiscal <u>Year-End</u>
2019	\$ 867,000	11,143,900	\$ (11,380,900)	\$ 630,000	
2020	630,000	10,033,025	(10,145,025)	518,000	

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.

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Changes in the claims liability amount for workers' compensation benefits for the years ended September 30, 2020 and 2019 were as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2019	\$ 80,000	\$ 207,641	\$ (210,941)	\$ 76,700
2020	76,700	332,496	(294,296)	114,900

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 annuity to retiring participants and a defined contribution retirement benefit in the form of share

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accounts, payable upon retirement, death, or disability. LFPF 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 LFPF 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 \$365,090,444 for the fiscal year ended September 30, 2020. The County's aggregate net pension liability for all plans was \$1,867,489,307, with balances of deferred outflows of resources related to pensions of \$570,444,624 and deferred inflows of resources related to pensions of \$37,324,971 as of September 30, 2020.

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 minimum requirements established by their membership class. For members initially enrolled in

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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, 2020:

<u>Membership Class</u>	Employee Contribution Rate	Employer Contribution Rate *
Regular	3.00%	10.00%
Special Risk	3.00%	24.45%
State Attorney/Public Defender	3.00%	58.91%
County, City, Special District Elected Officers	3.00%	49.18%
Special Risk Administrative Support	3.00%	35.84%
Senior Management	3.00%	27.29%
Deferred Retirement Option Program	N/A	16.98%

* 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 \$132.8 million and employee contributions totaled \$22.2 million for the fiscal year ended September 30, 2020. The County contributed 100 percent of its statutorily required contributions for the current and preceding two years.

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Net Pension Liability, Deferrals, and Pension Expense

At September 30, 2020, the County reported a liability of \$1.533 billion for its proportionate share of the FRS Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The County's proportionate share of the net pension liability was based on the County's 2019-20 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the County's proportionate share was 3.54%, which was an increase of 2.2% from its proportionate share measured as of June 30, 2019.

For the fiscal year ended September 30, 2020, the County recognized pension expense of \$329.6 million related to the FRS Pension Plan. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to the FRS Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 58,673,943	\$ -
Change of assumptions	277,535,558	-
Net difference between projected and actual earnings on pension plan investments	91,280,827	-
Changes in proportion and differences between County contributions and proportionate share of contributions	36,955,859	9,505,689
County contributions subsequent to the measurement date	29,368,417	-
Total	\$ 493,814,604	\$ 9,505,689

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, 2021. 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:

Fiscal Year Ending September 30:	De ferred Outflows/ (Inflows), net
2021	\$ 99,163,158
2022	143,722,924
2023	120,350,110
2024	72,658,993
2025	20,425,669
Thereafter	(1,380,356)
	\$ 454,940,498

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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, 2020
Discount rate	6.80%
Inflation	2.40%
Salary Increases	3.25%, including inflation
Investment rate of return	6.80%, 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, 2020 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:

Asset Class	Target Allocation (1)	Compound		
		Annual Arithmetic	Annual (Geometric)	Standard Deviation
		Return	Return	Deviation
Cash	1.0%	2.2%	2.2%	1.2%
Fixed Income	19.0%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	17.1%
Real Estate	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%
TOTAL	100.0%			
Assumed inflation - Mean			2.4%	1.7%

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

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Discount Rate

The discount rate used to measure the total pension liability was 6.80%. 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 6.80% rate of return and discount rate assumption used in the June 30, 2020 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 6.80%, 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 (5.80%) or 1-percent higher (7.80%) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
County's proportionate share of the Net Pension Liability	\$ 2,448,064,948	\$ 1,533,076,137	\$ 768,873,502

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, 2020, 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, 2020, the contribution rate was 1.66

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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 \$11.9 million for the fiscal year ended September 30, 2020. 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, 2020, the County reported a liability of \$295.2 million for its proportionate share of the HIS Program's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The County's proportionate share of the net pension liability was based on the County's 2019-20 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the County's proportionate share was 2.42%, which was an increase of .76% from its proportionate share measured as of June 30, 2019.

For the fiscal year ended September 30, 2020, the County recognized pension expense of \$25.7 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,077,143	\$ 227,760
Change of assumptions	31,746,808	17,167,107
Net difference between projected and actual earnings on pension plan investments	235,722	-
Changes in proportion and differences between County contributions and proportionate share of contributions	9,393,880	4,086,521
County contributions subsequent to the measurement date	3,339,416	-
Total	\$ 56,792,969	\$ 21,481,388

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, 2021.

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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:

Fiscal Year Ending September 30	Deferred Outflows/ (Inflows), net
2021	\$ 8,785,080
2022	6,866,047
2023	2,823,407
2024	4,061,337
2025	5,004,238
Thereafter	4,432,056
	<hr/> <u>\$ 31,972,165</u>

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, 2020
Discount rate	2.21%
Inflation	2.40%
Salary Increases	3.25%, including inflation
Municipal Bond Rate	2.21%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018.

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 2.21%. 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.

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

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 2.21%, 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 (1.21%) or 1-percent higher (3.21%) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
County's proportionate share of the			
Net Pension Liability	\$ 341,285,326	\$ 295,240,919	\$ 257,553,707

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, 2020, 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 \$6.8 million for the fiscal year ended September 30, 2020.

PALM BEACH COUNTY, FLORIDA
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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	389
Inactive members entitled to but not yet receiving benefits	108
Active Members	583
TOTAL	<u><u>1,080</u></u>

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 \$6.2 million for the fiscal year ended September 30, 2020.

Net Pension Liability

The components of the net pension liability at December 31, 2019 were as follows:

Total pension liability	\$ 156,102,159
Plan fiduciary net position	(119,658,658)
Net pension liability	<u><u>\$ 36,443,501</u></u>

Plan fiduciary net position as percentage of the total pension liability: 76.65%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2020 using the following actuarial assumptions applied to all periods included in the measurement:

PALM BEACH COUNTY, FLORIDA
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Inflation	2.00%
Salary increases	5% to 12.5%
Investment rate of return	6.5% net of investment expense, including inflation
Mortality	Pub-2010 fully generational mortality improvements using sex distinct Scale MP-2018.

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 6.5%. 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 6.5% 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, 2020:

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
Net Pension Liability	\$ 53,951,020	\$ 36,443,501	\$ 21,659,978

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
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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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Asset Group Contribution
Domestic Equity	30.0%	7.6%	2.3%
International Equity	15.0%	2.9%	0.4%
Bonds	24.5%	3.5%	0.9%
Convertibles	10.0%	6.6%	0.7%
Private Real Estate	10.0%	4.9%	0.5%
REITS	5.0%	7.4%	0.4%
Infrastructure	5.0%	8.2%	0.4%
Cash	0.5%	0.5%	0.0%
	100%		
		Weighted Real Return	5.6%

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at December 31, 2018	\$ 133,537,811	\$ 101,334,628	\$ 32,203,183
Changes for the year:			
Service cost	4,040,432	-	4,040,432
Interest	10,357,277	-	10,357,277
Differences between expected and actual experience	(1,085,883)	-	(1,085,883)
Change of assumptions	16,457,786	-	16,457,786
Contributions - employer	-	5,809,852	(5,809,852)
Contributions - employee	-	943,170	(943,170)
Net investment income	-	19,052,799	(19,052,799)
Benefit payments, including refunds of employee contributions	(7,205,264)	(7,205,264)	-
Administrative expense	-	(276,527)	276,527
Net changes	22,564,348	18,324,030	4,240,318
Balances at December 31, 2019	\$ 156,102,159	\$ 119,658,658	\$ 36,443,501

PALM BEACH COUNTY, FLORIDA
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Pension Expense and Deferrals

For the year ended September 30, 2020, the County recognized pension expense of \$9.8 million. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions.

The following table illustrates the deferred inflows and outflows under GASB 68 as of September 30, 2020:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 43,332	\$ 2,859,577
Change of assumptions	15,040,177	189,388
Net difference between projected and actual earnings	-	3,047,480
Employer contributions subsequent to the measurement date	4,753,542	-
Total	\$ 19,837,051	\$ 6,096,445

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:

Measurement Year Ending December 31	Deferred Outflows/ (Inflows), net
2020	\$ 2,362,920
2021	2,274,969
2022	3,743,983
2023	605,192
	<u>\$ 8,987,064</u>

TOWN OF LANTANA FIREFIGHTERS' PENSION FUND

Benefits Provided

The Town of Lantana Firefighters' Pension Fund (LFPF) provides a defined benefit retirement annuity to retiring participants and also provides a defined contribution retirement benefit in the form of share accounts, payable upon retirement, death or disability. The LFPF members are full-time certified firefighters employed in the fire department of Palm Beach County Fire Rescue. Members are eligible to retire at age 55 with 10 or more years of credited service; or any age with 20 or more years of credited service. The pension amount is three percent (3%) of average final compensation multiplied by credited service. The normal form of benefit is a benefit payable for life with the first 10 years guaranteed. Early retirement and other benefits may be available in

PALM BEACH COUNTY, FLORIDA
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accordance with Town of Lantana Code, Division 3 of Chapter 14, Article IV, as amended by Town Ordinances and Palm Beach County agreements pertaining to the fund.

Membership Statistics

Number of:

Retirees and Beneficiaries	23
Inactive, Nonretired members	1
Active Members	9
TOTAL	<u>33</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 \$1.2 million and employee contributions totaled \$.2 million for the fiscal year ended September 30, 2020.

Net Pension Liability

The components of the net pension liability at September 30, 2020 were as follows:

Total pension liability	\$ 51,098,337
Plan fiduciary net position	(48,369,587)
Net pension liability	<u>\$ 2,728,750</u>

Plan fiduciary net position as percentage of the total pension liability: 94.66%

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Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of September 30, 2019 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	7.00%
Mortality	RP-2000 Mortality Tables with projection scale BB

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 2.41%, 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.

PALM BEACH COUNTY, FLORIDA
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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, 2020:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$8,499,153	\$2,728,750	(\$1,985,277)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
	\$ 50,068,412	\$ 45,436,617	\$ 4,631,795
Balances at September 30, 2019			
Changes for the year:			
Service cost	442,804	-	442,804
Interest	3,440,516	-	3,440,516
Differences between expected and actual experience	(574,240)	-	(574,240)
Assumption Changes	-	-	-
Contributions - employer and state	-	1,351,331	(1,351,331)
Contributions - employee	-	166,072	(166,072)
Net investment income	-	3,762,711	(3,762,711)
Benefit payments, including refunds of employee contributions	(2,279,155)	(2,279,155)	-
Administrative expense/Other	-	(67,989)	67,989
Net changes	1,029,925	2,932,970	(1,903,045)
Balances at September 30, 2020	\$ 51,098,337	\$ 48,369,587	\$ 2,728,750

Pension Expense and Deferrals

For the year ended September 30, 2020, the County recognized pension expense of (\$71,978) million. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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The following table illustrates the deferred inflows and outflows under GASB 68 as of September 30, 2020:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 81,203
Changes in assumptions	- -	-
Net difference between projected and actual earnings on pension plan investments	- -	160,246
Total	\$ -	\$ 241,449

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
2021	\$ (298,537)
2022	13,306
2023	166,022
2024	(122,240)
	\$ (241,449)

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 \$523,497 for the fiscal year ended September 30, 2020.

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.

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FLORIDA RETIREMENT SYSTEM (FRS) PENSION PLAN

SWA contributions to the FRS Pension Plan totaled \$2,186,868 for the fiscal year ended September 30, 2020.

At September 30, 2020, the SWA reported a liability of \$28,999,693 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The SWA's proportionate share of the net pension liability was based on the SWA's 2019-20 plan year contributions relative to the 2019-20 plan year contributions of all participating members. At June 30, 2020, the SWA's proportionate share was 0.066909799 percent, which was an increase of .002494990 percent from its proportionate share measured as of June 30, 2019. For the fiscal year ended September 30, 2020, the SWA recognized pension expense of \$6,267,407 related to the Plan.

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,109,877	\$ -
Change of assumptions	5,249,867	-
Net difference between projected and actual earnings on pension plan investments	1,726,670	-
Change in proportion and differences between SWA pension plan contributions and proportionate share of contributions	713,130	78,310
Pension plan contributions subsequent to the measurement date	639,861	-
Total	\$ 9,439,405	\$ 78,310

The deferred outflows of resources related to the Pension Plan, totaling \$639,861 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, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

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Fiscal Year Ending	Deferred outflows/ (inflows), net
September 30	
2021	\$ 1,815,438
2022	2,718,602
2023	2,328,958
2024	1,451,896
2025	406,340
Thereafter	-
	\$ 8,721,234

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 6.80%, as well as what the SWA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Proportionate share of the net pension liability	\$ 40,307,636	\$ 28,999,693	\$ 14,544,024

RETIREE HEALTH INSURANCE SUBSIDY (HIS) PROGRAM

SWA's contributions to the HIS Plan totaled \$474,046 for the fiscal year ended September 30, 2020.

At September 30, 2020, the SWA reported a liability of \$9,926,884 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The SWA's proportionate share of the net pension liability was based on the SWA's 2019-20 plan year contributions relative to the 2019-20 plan year contributions of all participating members. At June 30, 2020, the SWA's proportionate share was .081302344 percent, which was a decrease of 0.001577073 percent from its proportionate share measured as of June 30, 2019. For the fiscal year ended September 30, 2020, the SWA recognized pension expense of \$920,280.

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:

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Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 406,070	\$ 7,658
Change of assumptions	1,067,423	577,210
Net difference between projected and actual earnings on pension plan investments	7,926	-
Change in proportion and differences between SWA pension plan contributions and proportionate share of contributions	448,760	89,506
Pension plan contributions subsequent to the measurement date	110,001	-
Total	\$ 2,040,180	\$ 674,374

The deferred outflows of resources related to the HIS Plan, totaling \$110,001 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, 2021. 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:

Fiscal Year Ending September 30	Deferred outflows/ (inflows), net	
2021	\$ 342,613	
2022	282,545	
2023	92,456	
2024	164,527	
2025	203,522	
Thereafter	170,142	
	\$ 1,255,805	

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 2.21%, 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 (1.21%) or one percentage point higher (3.21%) than the current rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Proportionate share of the net pension liability	\$ 11,475,035	\$ 9,926,884	\$ 8,659,727

INVESTMENT PLAN

The SWA's Investment Plan pension expense totaled \$322,961 for the fiscal year ended September 30, 2020.

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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 \$34,294,812 for the fiscal year ended September 30, 2020. The County's aggregate net OPEB liability for all plans was \$447,740,399, with balances of deferred outflows of resources related to OPEB of \$131,487,089 and deferred inflows of resources related to OPEB of \$74,364,356, as of September 30, 2020.

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

Healthcare Plans:	Total OPEB	Plan		Net			OPEB Expense
	Liability	Net	Position	OPEB Liability	Deferred Outflows	Deferred Inflows	
County	\$ 10,237,871	\$	-	\$ 10,237,871	\$ 2,392,892	\$ 205,269	\$ 710,515
Tax Collector	4,887,183		-	4,887,183	2,484,255	2,729,960	596,396
Property Appraiser	2,873,786		-	2,873,786	1,301,597	113,001	669,627
Clerk & Comptroller	7,511,512		-	7,511,512	295,440	2,263,199	233,620
Sheriff	274,891,006		-	274,891,006	79,618,957	59,628,823	20,895,378
Fire-Rescue Union	205,572,133	(80,145,339)		125,426,794	35,564,718	8,391,401	9,693,036
 <u>Supplemental Disability Plan:</u>							
Fire-Rescue	21,912,247		-	21,912,247	9,829,230	1,032,703	1,496,240
TOTALS	\$ 527,885,738	\$ (80,145,339)		\$ 447,740,399	\$ 131,487,089	\$ 74,364,356	\$ 34,294,812

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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) participates 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.

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.

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Employees Covered By Benefit Terms

At September 30, 2020, the following employees were covered by the benefit terms:

	Tax County	Property Collector	Clerk & Appraiser	Comptroller	Sheriff
Retirees and Beneficiaries	174	6	4	21	1,119
Active Members	4,241	281	193	643	3,606
TOTAL	4,415	287	197	664	4,725

Total OPEB Liability

The total healthcare OPEB liability amount consisted of the following:

	Tax County	Property Collector	Clerk & Appraiser	Comptroller	Sheriff
Total OPEB Liability	\$10,237,871	\$ 4,887,183	\$ 2,873,786	\$ 7,511,512	\$274,891,006
Measurement Date	9/30/2020	9/30/2020	9/30/2020	9/30/2019	9/30/2020
Actuarial Valuation Date	9/30/2020	9/30/2019	9/30/2019	9/30/2019	9/30/2020

Actuarial Assumptions and Other Inputs

The total healthcare OPEB liability in these actuarial valuations was determined using several actuarial assumptions and other inputs, applied to all periods included in the 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.

	Tax County	Property Collector	Clerk & Appraiser	Comptroller	Sheriff
Inflation	3.00%	4.00%	4.00%	2.50%	3.00%
Salary increases	3.50%	4.00%	4.00%	2.50%	3.00%
Discount Rate	2.21%	3.68%	3.68%	3.58%	2.21.%

The source of the discount rates were as follows:

County:	Bond Buyer 20-Bond GO Index
Tax Collector:	S&P Municipal Bond 20-Year High Grade Index
Property Appraiser:	S&P Municipal Bond 20-Year High Grade Index
Clerk & Comptroller:	S&P Municipal Bond 20-Year High Grade Index
Sheriff:	Bond Buyer 20-Bond GO Index

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Healthcare cost trend rates were based as follows:

County:	Initially 6.0% to grade uniformly to 4.5% over a 3-year period
Tax Collector:	Initially 7.5% grading ultimately to 3.94% over a 56-year period
Property Appraiser:	Initially 7.5% to grading ultimately to 3.90% over a 57-year period
Clerk & Comptroller:	Initially 7.5% grading ultimately to 4.0% over a 55-year period
Sheriff:	Initially 6.0% to grade uniformly to 4.5% over a 3-year period

Mortality rates were based as follows:

County:	PUB-2010 Generational, Scale MP-19
Tax Collector:	RP-2014 Total Dataset, Scale MP-2018
Property Appraiser:	RP-2014 Generational, Scale MP-2018
Clerk & Comptroller:	RP-2000 Generational, Scale BB
Sheriff:	PUB-2010 Generational, Scale MP-19

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

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

Changes in the Total OPEB Liability

	Total OPEB Liability				
	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff
Balance at September 30, 2019	\$ 8,705,593	\$ 4,350,957	\$ 2,674,321	\$ 8,133,452	\$ 279,442,958
Changes for the year:					
Service cost	309,920	472,072	171,427	263,756	10,442,576
Interest	227,062	173,465	102,002	346,840	7,617,507
Experience losses(gains)	831,102	-	-	(839,792)	(51,788,487)
Change of assumptions	1,122,868	-	-	(191,497)	36,202,604
Benefit payments	(958,674)	(109,311)	(73,964)	(201,247)	(7,026,152)
Net changes	1,532,278	536,226	199,465	(621,940)	(4,551,952)
Balance at September 30, 2020	\$ 10,237,871	\$ 4,887,183	\$ 2,873,786	\$ 7,511,512	\$ 274,891,006

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:

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County		
1%	Current	1%
Decrease	Discount Rate	Increase
(1.21%)	(2.21%)	(3.21%)
Total OPEB Liability	\$ 10,954,660	\$ 10,237,871
		\$ 9,623,720

Tax Collector		
(2.68%)	(3.68%)	(4.68%)
Total OPEB Liability	\$ 5,317,299	\$ 4,887,183
		\$ 4,492,109

Property Appraiser		
(2.68%)	(3.68%)	(4.68%)
Total OPEB Liability	\$ 3,069,319	\$ 2,873,786
		\$ 2,689,968

Clerk & Comptroller		
(2.58%)	(3.58%)	(4.58%)
Total OPEB Liability	\$ 9,000,310	\$ 7,511,512
		\$ 6,368,978

Sheriff		
(1.21%)	(2.21%)	(3.21%)
Total OPEB Liability	\$ 326,531,000	\$ 274,891,006
		\$ 234,457,000

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:

County		
1% Decrease	Current Rate	1% Increase
5.0% decreasing to 3.5% over 3 years	6.0% decreasing to 4.5% over 3 years	7.0% decreasing to 5.5% over 3 years
Total OPEB Liability	\$ 9,316,580	\$ 10,237,871
		\$ 11,364,180

Tax Collector		
1% Decrease	Current Rate	1% Increase
6.50% decreasing to 2.94% over 56 years	7.50% decreasing to 3.94% over 56 years	8.50% decreasing to 4.94% over 56 years
Total OPEB Liability	\$ 4,247,947	\$ 4,887,183
		\$ 5,658,985

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Property Appraiser			
	1% Decrease	Current Rate	1% Increase
	6.50% decreasing to 2.90% over 57 years	7.50% decreasing to 3.90% over 57 years	8.50% decreasing to 4.90% over 57 years
Total OPEB Liability	\$ 2,579,008	\$ 2,873,786	\$ 3,214,106

Clerk & Comptroller			
	1% Decrease	Current Rate	1% Increase
	6.5% decreasing to 3.0% over 55 years	7.5% decreasing to 4.0% over 55 years	8.5% decreasing to 5.0% over 55 years
Total OPEB Liability	\$ 6,321,271	\$ 7,511,512	\$ 9,069,592

Sheriff			
	1% Decrease	Current Rate	1% Increase
	5.0% decreasing to 3.5% over 3 years	6.0% decreasing to 4.5% over 3 years	7.0% decreasing to 5.5% over 3 years
Total OPEB Liability	\$ 251,312,000	\$ 274,891,006	\$ 306,101,000

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

For the fiscal year ended September 30, 2020, these Healthcare OPEB plans recognized OPEB expense of \$23,105,536. At September 30, 2020, these plans reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	Deferred Outflows of Resources				
	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff
Changes of assumptions or other inputs	\$ 1,622,209	\$ 2,484,255	\$ 1,301,597	\$ -	\$ 79,618,957
Experience losses(gains)	770,683	-	-	-	-
Contributions subsequent to the measurement date	-	-	-	295,440	-
Total	\$ 2,392,892	\$ 2,484,255	\$ 1,301,597	\$ 295,440	\$ 79,618,957

	Deferred Inflows of Resources				
	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff
Change of assumptions or other inputs	\$ 205,269	\$ -	\$ -	\$ 1,528,381	\$ 11,406,948
Experience losses(gains)	-	2,729,960	113,001	734,818	48,221,875
Total	\$ 205,269	\$ 2,729,960	\$ 113,001	\$ 2,263,199	\$ 59,628,823

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, 2021.

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:

Year ending September 30:	Deferred Outflows/(Inflows), net				
	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff
2021	\$ 173,533	\$ (49,141)	\$ 396,198	\$ (378,476)	\$ 2,835,295
2022	173,533	(49,141)	396,198	(378,476)	2,835,295
2023	173,533	(49,141)	396,200	(378,476)	2,835,295
2024	173,533	(49,141)	-	(378,476)	2,835,295
2025	173,533	(49,141)	-	(378,474)	2,835,295
Thereafter	1,319,958	-	-	(370,821)	5,813,659
Totals	\$ 2,187,623	\$ (245,705)	\$ 1,188,596	\$ (2,263,199)	\$ 19,990,134

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

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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, 2020, the following employees were covered by the benefit terms:

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

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Net OPEB Liability

The Fire-Rescue's net OPEB liability was measured as of September 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 20, 2019.

Actuarial Assumptions and Other Inputs

The Fire-Rescue total healthcare OPEB liability based on the September 20, 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	2.99%
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, 2018.

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:

Asset Class	Target Allocation	Returns (with inflation) *
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	<hr/> 100%	<hr/> 7.0%

* Target returns are 8%.

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Discount Rate

The discount rate used to measure the total OPEB liability was 2.99%. 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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
	\$ 195,171,710	\$ 72,767,190	\$ 122,404,520
Balances at September 30, 2019			
Changes for the year:			
Service Cost	6,048,097	-	6,048,097
Interest	6,299,432	-	6,299,432
Differences between expected and actual experience	-	-	-
Changes in assumptions or other inputs	2,885,481	-	2,885,481
Contributions-employer	-	5,812,118	(5,812,118)
Net investment income	-	6,423,430	(6,423,430)
Benefit payments	(4,832,587)	(4,832,587)	-
Administrative expense	-	(24,812)	24,812
Net changes	10,400,423	7,378,149	3,022,274
Balances at September 30, 2020	\$ 205,572,133	\$ 80,145,339	\$ 125,426,794

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 (1.99%) or 1-percent higher (3.99%) than the current discount rate.

	Current		
	1% Decrease (1.99%)	Discount Rate (2.99%)	1% Increase (3.99%)
	(1.99%)	(2.99%)	(3.99%)
Net OPEB liability	\$ 155,923,000	\$ 125,426,794	\$ 100,774,000

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 (4.50 percent decreasing to 3.50 percent) or 1-percentage-point higher (6.50 percent decreasing to 5.50 percent) than the current healthcare cost trend rates:

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	Cost Trend Rates		
	1% Decrease (4.50% decreasing to 3.50%) over 2 years	Current (5.5% decreasing to 4.50%) over 2 years	1% Increase (6.50% decreasing to 5.50%) over 2 years
Net OPEB liability	\$ 111,537,000	\$ 125,426,794	\$ 143,072,000

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

For the year ended September 30, 2020, the County recognized OPEB expense of \$9,693,036 regarding the Fire-Rescue Healthcare plan.

At September 30, 2020, the Fire Rescue Healthcare plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 7,146,394
Changes of assumptions	34,135,789	-
Net difference between projected and actual earnings on OPEB plan investments	183,922	-
Total	\$ 34,319,711	\$ 7,146,394

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

Year ending September 30:	Deferred Outflows/ (Inflows), net
2021	\$ 2,947,774
2022	3,555,700
2023	3,498,570
2024	3,060,347
2025	3,219,617
Thereafter	<u>10,891,309</u>
	<u><u>\$ 27,173,317</u></u>

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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, 2020, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	62
Active Members	<u>1,298</u>
TOTAL	<u>1,360</u>

Total OPEB Liability

The total supplemental disability OPEB liability of \$21,912,247 was measured as of October 1, 2019, and was determined by an actuarial valuation as of October 1, 2019.

Actuarial Assumptions and Other Inputs

The total supplemental disability OPEB liability in the September 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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Inflation	2.60%
Projected salary increases	5.0% - 7.8%
Discount Rate	2.74%
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.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at September 30, 2019	<u><u>\$ 18,394,670</u></u>
Changes for the year:	
Service cost	129,198
Interest	678,538
Changes of benefit terms	5,355
Differences between expected and actual experience	2,075,188
Assumption changes	2,244,232
Benefit payments	(1,614,934)
Net change	<u><u>3,517,577</u></u>
Balance at September 30, 2020	<u><u>\$ 21,912,247</u></u>

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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 (1.74%) or 1-percent higher (3.74%) than the current discount rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
	(1.74%)	(2.74%)	(3.74%)
Total OPEB liability	\$ 24,459,846	\$ 21,912,247	\$ 19,818,954

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

For the fiscal year ended September 30, 2020, the Fire-Rescue supplemental disability OPEB plan recognized OPEB expenses of \$1,496,240. At September 30, 2020, the supplemental disability plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,735,315	\$ -
Changes of assumptions	2,093,915	1,032,703
Total	\$ 9,829,230	\$ 1,032,703

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

Year ending September 30:	Deferred Outflows/ (Inflows), net
2021	\$ 675,564
2022	675,564
2023	675,564
2024	675,564
2025	675,564
Thereafter	<u>5,418,707</u>
	<u><u>\$ 8,796,527</u></u>

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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, 2020, the following employees were covered by the benefit terms:

Active Employees	387
Inactive employees currently receiving benefits	12
TOTAL	<u>399</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.

Total OPEB Liability

The SWA's total OPEB liability of \$770,000 was measured as of September 30, 2020, and was determined by the actuarial valuation as of September 30, 2020.

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Actuarial Assumptions and Methods

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

Valuation Date:	September 30, 2020
Discount Rate:	2.21% 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 October 2020.
Marriage Rate:	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 9.4 years starting the current fiscal year, 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 1% continue upon Medicare eligibility. This assumes that a one-time irrevocable election to participate is made at retirement.
Mortality Rates:	Pub-2010 mortality table with generational scale MP-2019.

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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 2.21%, as of September 30, 2020.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at September 30, 2019	\$ 687,000
Changes for the Year:	
Service Cost	28,000
Interest Cost	18,000
Differences Between Expected and Actual Experience	(206,000)
Changes of Assumptions and Other Inputs	336,000
Benefit Payment	(93,000)
Net Change in Total OPEB Liability	<u>83,000</u>
Balance at September 30, 2020	\$ 770,000

Changes in Assumptions

As of September 30, 2020, all assumptions, methods, and results are based on the fiscal year 2020 GASB 75 actuarial report dated December 22, 2020. Changes to the assumptions since the actuarial report dated November 30, 2018 are as follows:

- The discount rate was updated from 2.66% to 2.21%.
- The mortality assumption was updated from RP-2014 mortality table with generational scale MP-2018 to Pub-2010 mortality table with generational scale MP-2019 to reflect the Society of Actuaries' recent mortality study.
- The plan participation rate for Medicare-eligible retirees was reduced from 5% to 1% based on recent experience.
- The Excise Tax (ACA Cadillac Tax) on high cost employer sponsored health plans was replaced by a bill in December 2019. The Excise Tax assumption was removed from the valuation which decreased the liability by \$195,000.
- There were significant changes to the retirement and termination assumptions based on the 2020 FRS Actuarial Valuation. Termination rates are not extended much further out in both age and service grading down to a much lower rate of 0.5% (compared to 3% from prior years). Retirement rates have, in general, increased across the board.

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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 (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	1.0% Decrease (1.21%)	Discount Rate (2.21%)	1.0% Increase (3.21%)
Total OPEB Liability	\$ 797,000	\$ 770,000	\$ 741,000

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 (5.0% decreasing to 3.50%) or 1-percentage-point higher (7.0% decreasing to 5.50%) than the current healthcare cost trend rates:

	Healthcare cost Trend Rates	
	1.0% Decrease (5.0% decreasing to 3.50%)	1.0% Increase (7.0% decreasing to 5.50%)
Total OPEB Liability	\$ 719,000	\$ 770,000

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

For the fiscal year ended September 30, 2020, the SWA recognized OPEB expense of \$61,000. At September 30, 2020, the SWA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience Changes of Assumptions/Inputs	\$ - <u>321,000</u>	\$ 185,000 <u>8,000</u>
Total	<u>\$ 321,000</u>	<u>\$ 193,000</u>

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

Fiscal Year Ending:

September 30, 2021	\$ 15,000
September 30, 2022	15,000
September 30, 2023	15,000
September 30, 2024	15,000
September 30, 2025	15,000
Thereafter	53,000
	<hr/>
	<u>\$ 128,000</u>

12. REFUNDING OF DEBT

Current Refundings:

On November 26, 2019 Palm Beach County issued \$44,105,000 Series 2019 Water and Sewer Revenue Refunding Bonds for the purpose of current refunding the remaining \$48,755,000 of Series 2009 Water and Sewer Revenue Bonds outstanding. The Series 2009 bonds were called for redemption effective November 26, 2019. Outstanding principal and accrued interest up to the redemption date was paid to the bondholders on this date through a fiscal agent. As a result, the Department recognized an accounting gain of \$870,781 and realized an economic gain (net present value of cash flow savings) of \$12,505,536.

Advance Refundings:

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

On November 26, 2019 Palm Beach County issued \$25,180,000 Public Improvement Revenue Refunding Bonds (Convention Center Hotel Project), Federally Taxable Series 2019B to advance refund \$22,140,000 of outstanding Taxable Public Improvement Revenue Bonds (Convention Center Hotel Project), Series 2013. The net proceeds of \$24,861,525 (after allowing for \$353,712 issuance premium and \$672,187 in issuance costs) were utilized to pay off a portion of the outstanding Series 2013 Bonds. The reacquisition price exceeded the carrying amount, resulting in an accounting loss of \$2,638,146. This netted against the new debt and amortized over the remaining life of the refunded debt. The County decreased its aggregate debt service payments by approximately \$3,907,562 over a period of 23 years and obtained an economic gain of approximately \$2,221,965 (difference between the present value of the old and new debt service

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payments). The purpose of the refunding was to take advantage of unusually low interest rates that were available at this time.

On February 13, 2020 Palm Beach County issued \$41,830,000 Public Improvement Revenue Refunding Bonds (Convention Center Project), Federally Taxable Series 2019A to advance refund \$41,310,000 of outstanding Public Improvement Revenue Refunding Bonds (Convention Center Project), Series 2011. The net proceeds of \$41,780,017 (after allowing for \$286,445 issuance premium and \$336,428 in issuance costs) were utilized to pay off a portion of the outstanding Series 2011 Bonds. The reacquisition price was less than the carrying amount, resulting in an accounting gain of \$1,807,189. This netted against the new debt and amortized over the remaining life of the refunded debt. The County decreased its aggregate debt service payments by approximately \$9,005,887 over a period of 10 years and obtained an economic gain of approximately \$5,538,927 (difference between the present value of the old and new debt service payments). The purpose of the refunding was to take advantage of unusually low interest rates that were available at this time.

The amount of in-substance defeased bonds outstanding, as of September 30, 2020, consists of the following:

<u>Bond Issues</u>	<u>Amount</u>
Governmental Funds:	\$63,450,000
Proprietary Funds:	-
Total Defeased Bonds Outstanding	<u>\$63,450,000</u>

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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, 2020 for both governmental activities and business-type activities:

Governmental activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
General obligation bonds	\$ 61,115,000	\$ -	\$ 16,375,000	\$ 44,740,000	\$ 9,040,000
Notes from direct borrowings and direct placements	65,327,607	-	8,136,527	57,191,080	6,818,168
Non-ad valorem revenue bonds	580,830,000	67,010,000	102,715,000	545,125,000	41,990,000
Unamortized bond premiums	69,113,898	640,156	11,310,900	58,443,154	-
Total bonds payable	776,386,505	67,650,156	138,537,427	705,499,234	57,848,168
Notes and loans payable	21,772,233	313,000	2,151,263	19,933,970	1,756,816
Compensated absences	185,565,748	74,238,506	54,684,735	205,119,519	9,560,599
Capital leases	316,336	-	93,043	223,293	75,424
Estimated Self-Insurance liability	217,393,701	218,058,006	108,959,594	326,492,113	19,716,638
Sub-total	1,201,434,523	360,259,668	304,426,062	1,257,268,129	88,957,645
Net pension liability	1,454,144,608	359,763,015	-	1,813,907,623	-
Net OPEB liability	442,780,490	3,305,386	-	446,085,876	-
Governmental activities long-term liabilities	\$ 3,098,359,621	\$ 723,328,069	\$ 304,426,062	\$ 3,517,261,628	\$ 88,957,645

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 83%, with the Fire Rescue Special Revenue Fund liquidating 11% and the Road Program Capital Projects Fund liquidating less than 1%. The remaining 5% is liquidated by the Palm Tran Special Revenue Fund, other Special Revenue Funds, and the Internal Service Funds. For the estimated Self-Insurance liability, the General Fund liquidates 75% with the remaining 25% liquidated by the Internal Service Funds. The capital leases are liquidated 100% by the General 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.

Business-type activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Revenue bonds	\$ 207,219,151	\$ 44,105,000	\$ 57,829,151	\$ 193,495,000	\$ 8,265,000
Unamortized bond premiums	20,389,741	4,648,675	3,326,181	21,712,235	-
Total bonds payable	227,608,892	48,753,675	61,155,332	215,207,235	8,265,000
Notes and loans payable	6,878,073	-	587,480	6,290,593	602,202
Compensated absences	4,586,300	663,023	274,221	4,975,102	424,121
Sub-total	239,073,265	49,416,698	62,017,033	226,472,930	9,291,323
Net pension liability	42,381,595	11,200,089	-	53,581,684	-
Total OPEB liability	1,325,981	328,542	-	1,654,523	-
Business-type activities long-term liabilities	\$ 282,780,841	\$ 60,945,329	\$ 62,017,033	\$ 281,709,137	\$ 9,291,323

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Governmental Activities General Long-Term Debt

General long-term debt, including current maturities, at September 30, 2020 consisted of the following:

General Obligation Bonds

\$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 \$2,010,000 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.

\$ 6,090,000

\$28,700,000 General Obligation Refunding Bonds (Recreational and Cultural Facilities), Series 2010 were issued for paying and defeasing a portion of the County's outstanding General Obligation Bonds (Recreational and Cultural Facilities), Series 2003 maturing on and after July 1, 2014 and a portion of its General Obligation Bonds (Recreational and Cultural Facilities), Series 2005 maturing on and after July 1, 2016. The annual installments range from \$1,725,000 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.

\$ 13,075,000

\$11,865,000 General Obligation Refunding Bonds (Library District Improvement Projects), Series 2014 were issued for paying and defeasing a portion of the County's outstanding General Obligation Bonds (Library District Improvement Project), Series 2006 maturing on and after August 1, 2016. The annual installments range from \$1,250,000 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.

\$ 7,215,000

\$28,035,000 General Obligation Refunding Bonds (Waterfront Access Projects), Series 2014 were issued for paying and defeasing a portion of the County's outstanding General Obligation Bonds (Waterfront Access Projects), Series 2006 maturing on and after August 1, 2016. The annual installments range from \$2,600,000 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.

\$ 18,360,000

Total General Obligation Bonds

\$ 44,740,000

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Notes from Direct Borrowings and Direct Placements

\$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.	\$ 4,805,052
\$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 \$1,077,712 to \$1,176,435 through March 1, 2027, with an interest rate of 2.520% payable semi-annually on March 1 and September 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.	\$ 7,933,932
\$13,180,000 Public Improvement Revenue Bonds, (Max Planck 3 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 \$835,139 to \$1,039,969 through December 1, 2028, with an interest rate of 2.47% 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.	\$ 8,508,025
\$18,805,000 Public Improvement Revenue Bonds (Max Planck 3 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 \$1,800,000 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.	\$ 11,885,000
\$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 are payable from non-ad valorem revenues.	\$ 19,380,000

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\$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.

\$ 4,679,071

Total Notes from Direct Borrowing and Direct Placements

\$ 57,191,080

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. This was partially refunded in fiscal year 2020. The annual installments range from \$3,370,000 to \$3,545,000 through May 1, 2022, 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.

\$ 6,915,000

\$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 \$15,110,000 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.

\$ 73,835,000

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\$28,075,000 Taxable 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. This was partially refunded in fiscal year 2020. The annual installments range from \$605,000 to \$665,000 through November 1, 2023, with an interest rate from 2.75% to 3.75% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 2,535,000

\$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. \$ 59,675,000

\$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. \$ 51,645,000

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\$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 \$2,535,000 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 are payable from non-ad valorem revenues.	\$ 53,425,000
\$65,360,000 Public Improvement Revenue Bonds (Professional Sports Franchise Facility Project), Series 2015C was issued for the purpose of financing 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 are payable from non-ad valorem revenues.	\$ 59,910,000
\$56,645,000 Public Improvement Revenue Bonds (Professional Sports Franchise Facility Project), Taxable series 2015D was issued for the purpose of financing 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 are payable from non-ad valorem revenues.	\$ 56,645,000
\$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 \$3,845,000 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 are payable from non-ad valorem revenues.	\$ 113,530,000
\$41,830,000 Taxable Public Improvement Revenue Bond (Convention Center Project), Series 2019A was issued in Fiscal Year 2020 as a non-ad valorem bond to partially refund the Public Improvement Revenue Refunding Bonds, Series 2011 for the Convention Center Project. The annual installments range from \$495,000 to \$4,910,000 through November 1, 2030 with an interest rate of 2.00% payable semi-annually on May 1 and November 1 of each year. The bond is not a general obligation and is payable from non-ad valorem revenues.	\$ 41,830,000

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\$25,180,000 Taxable Public Improvement Revenue Bond (Convention Center Project), Series 2019B was issued in Fiscal Year 2020 as a non-ad valorem bond to partially refund the Public Improvement Revenue Refunding Bond, Series 2013 for the Convention Center Hotel Project. The annual installments range from \$330,000 to \$1,425,000 through November 1, 2043 with an interest rate of 3.00% payable semi-annually on May 1 and November 1 of each year. The bond is not a general obligation and is payable from non-ad valorem revenues.

\$ 25,180,000

Total Non-Ad Valorem Revenue Bonds	<u>\$ 545,125,000</u>
Total Face Amount of Bonds Payable	<u>\$ 647,056,080</u>
Unamortized bond premiums	<u>\$ 58,443,154</u>
Total Governmental Activities Bonds Payable	<u>\$ 705,499,234</u>

Notes and Loans Payable

\$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, 2020 the outstanding individual loans are as follows:

\$ 199,000	- Glades Gas & Electric, 2009	\$ 39,000
878,000	- Muslet Brothers, 2010	450,000
21,000	- Building 172, Belle Glade, 2012	11,000
592,000	- America's Sound, 2012	344,000
770,000	- Old City Hall - BI Development, 2013	530,000
51,000	- Building 172 Overrun, 2013	<u>39,000</u>
		\$ 1,413,000

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\$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.

As of September 30, 2020 the outstanding individual loans are as follows:

\$ 5,948,000	- Oxygen Development LLC, 2011	\$ 3,270,000
265,000	- Donia Adams Roberts PA, 2011	140,000
198,000	- Ameliascapes, 2011	22,000
257,000	- F&T of Belle Glade, 2011	130,000
1,412,000	- Glades Plaza Enterprises LLC, 2012	820,000
473,000	- Doctor's Scientific Organica, 2012	275,000
264,000	- Medical Career Institute, 2012	72,000
244,000	- A&E Auto Sales, 2012	143,000
244,000	- SSB Investments, 2013	153,000
196,000	- GUS Distribution Corporation, 2014	113,000
179,000	- Pinewood Cleaners Inc., 2014	53,000
1,898,000	- Critical Needs Program, 2014	<u>1,568,000</u>
		\$ 6,759,000

\$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.

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As of September 30, 2020 the outstanding individual loans are as follows:

\$ 152,000	- Circle S Pharmacy, 2010	\$ 80,000
100,000	- Simco, 2012	60,000
609,000	- EHR Tech LLC, 2014	182,000
1,963,000	- Pahokee Revitalization Program, 2015	<u>1,563,000</u>
		\$ 1,885,000

\$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, 2020, the outstanding individual loans are as follows:

\$ 2,300,000	- Jupiter CY, 2013	\$ 480,000
258,000	- Old City Hall - BI Development 2, 2014	180,000
7,442,000	- Final Draw, 17	<u>7,029,000</u>
		\$ 7,689,000

\$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, 2020 the outstanding individual loans are as follows:

\$ 150,000	- IRP DI Development Group, 2014	\$ 130,293
25,000	- IRP Gus Distributing Corp, 2014	21,716
150,000	- IRP EHR LLC, 2014	130,293
75,000	- IRP PR Local Electric, 2014	<u>65,146</u>
		\$ 347,448

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\$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 \$0 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, 2020 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>
	\$ 190,522

\$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, 2020 the outstanding loans are as follows:

\$ 131,000 - Kiddie Haven Pre-School Inc., 2014	\$ 44,000
1,437,000 - Economic Development Loan Project Fund, 2018	<u>1,293,000</u>
	\$ 1,337,000

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\$313,000 - USDA Palm Beach County Relending Program (PBC IRP) funded by the U.S. Department of Agriculture. \$313,000 is authorized leaving \$0.00 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 21, 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 of cash flows from the sub-recipient are not sufficient to service the USDA loans, the County is obligated to use other resources.

\$	150,000	- IRP - ARK 305, LLC, 2020	\$	150,000
	100,000	- IRP - ARC Realty Holding LLC, 2020		100,000
	34,000	- IRP - ARC Development Global LLC, 2020		34,000
	29,000	- IRP - Myr's Management Services LLC, 2020		<u>29,000</u>
				\$ 313,000
		Total Notes and Other Loans Payable	\$	<u>19,933,970</u>
		Line of Credit		

The County does not have any outstanding line of credit agreements.

Certain County debs

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.

PALM BEACH COUNTY, FLORIDA
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Compensated Absences

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

General Fund

Board of County Commissioners	\$ 16,744,612	
Clerk & Comptroller	-	
Sheriff	149,970,858	
Tax Collector	1,320,784	
Property Appraiser	2,531,524	
Supervisor of Elections	218,168	
<hr/>	<hr/>	
Total General Fund	\$ 170,785,946	
Special Revenue Funds	32,814,787	
Capital Project Funds	719,532	
Internal Service Funds	<hr/> <u>799,254</u>	
		\$ 205,119,519
Capital Leases (see note on Leases)		223,293
Estimated Self-Insurance Obligation (see note on Risk Management)		326,492,113
Total governmental activities general long-term debt including current portion		<hr/> <u>\$ 1,257,268,129</u>

Business-type Activities Long-Term Debt

Business-type long-term debt, including current portion, at September 30, 2020 consisted of the following:

Revenue Bonds

\$44,105,000 Water and Sewer Revenue Refunding Bonds, Series 2019 (FPL Reclaimed Water Project) were issued to pay the cost of refunding the County's Water and Sewer Revenue Bonds, Series 2009 (FPL Reclaimed Water Project) which financed 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 \$1,495,000 to \$3,455,000 through October 1, 2040, with interest rates from 2.500% to 5.000% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Sewer System and a first lien on and pledge of the connection fees.

\$ 44,105,000

\$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 \$3,280,000 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.

\$ 66,010,000

PALM BEACH COUNTY, FLORIDA
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\$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. \$ 3,225,000

\$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. \$ 56,770,000

Total face value of Revenue Bonds Payable	\$ 193,495,000
Unamortized bond premiums	<u>21,712,235</u>
Net Revenue Bonds, Business-Type Activities	<u><u>\$ 215,207,235</u></u>

PALM BEACH COUNTY, FLORIDA
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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 \$11,471 to \$243,127 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, 2020 the outstanding loans are as follows:

\$ 430,015	- Pahokee SRF Loan	\$ 266,123
722,989	- Belle Glade SRF Loan	409,228
6,515,388	- Belle Glade SRF Loan	4,108,104
2,037,950	- Belle Glade SRF Loan	<u>1,507,138</u>
		\$ 6,290,593

Compensated Absences

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

Business-Type Fund

Water Utilities Department	\$ 3,681,906
Department of Airports	<u>1,293,196</u>
	\$ 4,975,102
Total Business-Type Activities Long-Term Debt, including current portion	<u>\$ 226,472,930</u>

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

Governmental Activities General Long-Term Debt

Year Ending September 30	General Obligation Bonds		Non-Ad Valorem Revenue Bonds		Notes from Direct Borrowings and Direct Placements		Notes and Loans Payable		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2021	\$ 9,040,000	\$ 1,858,500	\$ 41,990,000	\$ 23,153,208	\$ 6,818,168	\$ 1,649,327	\$ 1,756,815	\$ 92,029	\$ 86,358,047
2022	9,450,000	1,445,900	42,630,000	21,263,264	6,985,286	1,437,161	1,702,871	84,230	84,998,712
2023	9,880,000	1,014,000	44,535,000	19,333,682	7,160,689	1,218,907	1,472,871	76,625	84,691,774
2024	6,395,000	561,800	39,975,000	17,338,378	7,339,534	994,397	1,383,130	69,816	74,057,055
2025	6,625,000	335,450	41,705,000	15,561,388	7,521,987	763,313	1,384,130	63,484	73,959,752
2026-2030	3,350,000	100,500	140,575,000	56,451,166	19,405,416	1,565,210	6,881,647	222,670	228,551,609
2031-2035	-	-	88,355,000	35,194,802	1,960,000	56,644	3,988,554	89,505	129,644,505
2036-2040	-	-	65,030,000	16,201,689	-	-	1,218,852	19,080	82,469,621
2041-2045	-	-	34,345,000	5,195,649	-	-	123,931	3,575	39,668,155
2046-2050	-	-	5,985,000	144,453	-	-	21,169	423	6,151,045
Total	<u>\$ 44,740,000</u>	<u>\$ 5,316,150</u>	<u>\$ 545,125,000</u>	<u>\$ 209,837,679</u>	<u>\$ 57,191,080</u>	<u>\$ 7,684,959</u>	<u>\$ 19,933,970</u>	<u>\$ 721,437</u>	<u>\$ 890,550,275</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		
	Principal	Interest	Principal	Interest	Total
2021	\$ 8,265,000	\$ 8,539,712	\$ 602,202	\$ 121,665	\$ 17,528,579
2022	7,575,000	8,147,619	613,670	110,197	16,446,486
2023	7,920,000	7,796,944	625,366	98,501	16,440,811
2024	8,280,000	7,420,394	637,296	86,571	16,424,261
2025	8,685,000	7,006,018	649,464	74,403	16,414,885
2026-2030	50,355,000	27,892,594	2,750,793	187,045	81,185,432
2031-2035	64,665,000	14,105,197	411,802	19,901	79,201,900
2036-2040	34,295,000	1,923,637	-	-	36,218,637
2041-2045	3,455,000	51,825	-	-	3,506,825
Total	<u>\$ 193,495,000</u>	<u>\$ 82,883,940</u>	<u>\$ 6,290,593</u>	<u>\$ 698,283</u>	<u>\$ 283,367,816</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, two (2) series of Industrial Development Bonds were issued with an aggregate par value of \$130 million. As of September 30, 2020, there were fifty-three (53) series of Industrial Development Bonds outstanding, with an estimated aggregate principal amount payable of \$958 million.

PALM BEACH COUNTY, FLORIDA
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COMPONENT UNIT – Solid Waste Authority (SWA)

Revenue Bonds Payable

Revenue bonds payable by the SWA at September 30, 2020 are summarized as follows:

Direct Placement Revenue Bonds:		
Series 2019	\$	347,605,000
Revenue Bonds:		
Series 2017		
Series 2017		83,305,000
Series 2015		50,330,000
Series 2011 (1)		503,840,000
Unamortized premium and discount, net		<u>31,048,845</u>
Net revenue bonds payable		1,016,128,845
Less current maturities		(41,915,000)
Revenue bonds payable, long-term portion	\$	<u>974,213,845</u>

- (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 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 1st and October 1st and principal payments are due on October 1st, with the final payment due on October 1, 2031.

PALM BEACH COUNTY, FLORIDA
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The debt service requirements and interest rates of the Series 2019 Bonds are as follows:

Year Ending September 30	Interest Rate %	Principal	Interest	Total
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
		\$ 347,605,000	\$ 117,086,981	\$ 464,691,981

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.

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

Year Ending September 30	Interest Rate %	Principal	Interest	Total
2021	1.79	\$ 20,545,000	\$ 1,706,798	\$ 22,251,798
2022	2.08	-	1,523,023	1,523,023
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
		\$ 83,305,000	\$ 5,375,070	\$ 88,680,070

PALM BEACH COUNTY, FLORIDA
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On July 15, 2020, the SWA deposited approximately \$23.6 million of available Authority monies into an escrow account to defease \$22,975,000 of Federally Taxable Series 2017 Refunding Revenue Bonds that have a scheduled maturity date of October 1, 2021.

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 1st and October 1st and principal payments are due on October 1st, 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
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
		\$ 50,330,000	\$ 18,000,750	\$ 68,330,750

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

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

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

Year Ending September 30	Interest Rate %	Principal	Interest	Total
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
		\$ 503,840,000	\$ 53,869,200	\$ 557,709,200

Defeased Debt

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. The principal balance of \$19,770,000 for the Series 2009 Bonds was retired October 1, 2019.

Defeased Debt:

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.

PALM BEACH COUNTY, FLORIDA
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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	2016 Defeased Principal	2017 Defeased Principal	Total
10/01/2020	\$ 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>\$ 68,730,000</u>	<u>\$ 104,280,000</u>	<u>\$ 173,010,000</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.

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 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

PALM BEACH COUNTY, FLORIDA
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time, in the event of damage, condemnation or loss of title of the REF#1 and REF#2 renewable energy facilities.

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

Year Ending September 30,	Revenue Bonds				Total
	Principal	Interest	Escrow Funds		
2021	\$ 41,915,000	\$ 28,783,948	\$ -	\$ 70,698,948	
2022	362,090,000	19,069,423	(336,665,000)	44,494,423	
2023	44,815,000	9,238,203	-	54,053,203	
2024	46,445,000	7,587,519	-	54,032,519	
2025	48,190,000	5,709,477	-	53,899,477	
2026-2030	93,220,000	6,822,450	-	100,042,450	
2031-2032	800,000	34,000	-	834,000	
	\$ 637,475,000	\$ 77,245,020	\$ (336,665,000)	\$ 378,055,020	

Series 2019 Refunding Revenue Bonds
 Direct Placement

Year Ending September 30,	Series 2019 Refunding Revenue Bonds Direct Placement				Total
	Principal	Interest	Escrow Funds		
2021	\$ -	\$ 12,687,583	\$ (12,687,583)	\$ -	-
2022	-	12,687,583	(12,687,583)	-	-
2023	1,780,000	12,655,098	(6,343,791)	8,091,307	
2024	1,845,000	12,588,941	-	14,433,941	
2025	1,910,000	12,520,413	-	14,430,413	
2026-2030	203,550,000	48,845,760	-	252,395,760	
2031-2032	138,520,000	5,101,603	-	143,621,603	
	\$ 347,605,000	\$ 117,086,981	\$ (31,718,957)	\$ 432,973,024	

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, 2020 was \$42,569,379. For the year ended September 30, 2020, net interest costs (net of revenue on construction funds of \$114,456) \$42,454,923 was expensed.

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NOTES TO THE FINANCIAL STATEMENTS
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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, 2020, 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, 2020, defeased Series 2009 Revenue Bonds totaling \$173,010,000 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, 2020, defeased Series 2011 Refunding Revenue Bonds totaling \$6,185,000 remain outstanding. In 2020, the SWA defeased \$22,975,000 of Refunding Revenue Bonds, Series 2017 by placing cash in an irrevocable escrow fund to provide for all future debt service payments on these bonds. At September 30, 2020, defeased Series 2011 Refunding Revenue Bonds totaling \$22,975,000 remain outstanding.

Changes in Noncurrent Liabilities

Changes in long-term debt for the year ended September 30, 2020 are summarized as follows:

September 30, 2020	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Compensated absences	\$ 5,513,384	\$ 3,161,738	\$ (2,597,667)	\$ 6,077,455	\$ 344,592
Net pension liability	31,104,023	7,822,554	-	38,926,577	-
Total other postemployment liability	687,000	382,000	(299,000)	770,000	
Advance capacity payment	44,097,806	-	(2,981,260)	41,116,546	2,981,260
Landfill closure and postclosure care costs	52,242,563	994,640	-	53,237,203	359,107
Notes and bonds from direct borrowings and placements:					
Revenue Bond, Series 2019	347,605,000	-	-	347,605,000	-
Revenue bonds:					
Series 2017	107,985,000	-	(24,680,000)	83,305,000	20,545,000
Series 2015	50,330,000	-	-	50,330,000	-
Series 2011	522,355,000	-	(18,515,000)	503,840,000	21,370,000
Series 2009	19,770,000	-	(19,770,000)	-	-
Totals	<u>\$ 1,181,689,776</u>	<u>\$ 12,360,932</u>	<u>\$ (68,842,927)</u>	<u>1,125,207,781</u>	<u>\$ 45,599,959</u>
Unamortized premium and discount, net				31,048,845	
Current maturities				<u>(45,599,959)</u>	
Net long-term debt				<u>\$ 1,110,656,667</u>	

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

14. PLEDGED REVENUES

The County has pledged a portion of future non-ad valorem revenues to repay \$665.7 million in revenue bonds, notes and loans issued between November, 13 2008 and February 13, 2020. 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 \$915.3 million with annual requirements ranging from \$79 million in fiscal year 2023 decreasing to \$6.1 million in fiscal year 2046. The pledged non-ad valorem revenues, from which the appropriations will be made, have averaged \$407 million per year over the last 10 years. Principal and interest paid for the current year and total pledged non-ad valorem revenues were \$74.6 million and \$430.8 million, respectively.

The County has pledged future airport revenues net of specified operating expenses to repay \$59.9 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, 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 \$88.4 million with annual requirements ranging from \$6.2 million in fiscal year 2021 decreasing to \$5.1 million in fiscal year 2035. Annual principal and interest payments on the bonds are expected to require less than 27% of projected future net revenues. Principal and interest paid for the current year and net operating income before interest expense were \$6.2 million and \$23.5 million, respectively.

The County has pledged future water utility revenues net of specified operating expenses to repay \$140 million in water and sewer revenue bonds issued between February 27, 2013 and November 26, 2019. 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 \$194.9 million with annual requirements ranging from \$0.1 million in fiscal years 2039 and 2040 to \$11.3 million in fiscal years 2021 and 2022. Annual principal and interest payments on the bonds are expected to require less than 25% of projected future net revenues and connection fees. Principal and interest paid for the current year and utility system net revenues and connection fees were \$12.3 million and \$101.9 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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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 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, 2020, the County abated property taxes totaling \$983,401 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.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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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, 2020, the County abated property taxes totaling \$260,595 under this program.

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, 2020:

Governmental Activities:	Amount
Major funds:	
General Fund	\$ 7,683,948
Fire Rescue Special Revenue Fund	11,326,531
Road Program Capital Projects Fund	72,731,907
General Government Capital Projects Fund	<u>48,203,657</u>
Total major funds	<u>139,946,043</u>
Nonmajor governmental activities	<u>88,264,964</u>
Total governmental activities	<u><u>228,211,007</u></u>

Business-type Activities:

Airports	37,805,009
Water Utilities	<u>59,375,000</u>
Total business-type activities	<u>97,180,009</u>
Total commitments	<u><u>\$ 325,391,016</u></u>

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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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Home). The agreement ends in July 2035 and provides that the County will make a fixed annual payment of \$15 million to the District in exchange for the District's agreement to operate and manage the County Home and to pay 100% of the Medicaid Match funding as required by the State for hospital and nursing home care.

Max Planck

The County has an economic development grant agreement with Max Planck Florida Corporation (MPFC) providing funding for approximately \$86.9 million for the construction and operation of an approximate 100,000 square foot Biomedical Research Facility in the County. Under the terms of the agreement, a maximum of \$60 million will be spent towards the construction costs for the Permanent Facility and \$26.9 million towards the reimbursement of operational costs. The term of the agreement ends in July 2023. The County, MPFC and FAU entered into a sublease agreement to lease a portion of the John D. MacArthur Campus of FAU 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, 2020.

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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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 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. On November 1, 2019, SFWMD conveyed to the County its remaining 21.1% interest in the Property and executed the assignment. The County now owns 100% of the fee interest in the Property. The current semi-annual rental revenue is \$200,324.

The County has paid \$8,926,380 towards this commitment through September 30, 2020.

COMPONENT UNIT - Solid Waste Authority (SWA)

Contract Commitments: SWA had outstanding purchase commitments for various equipment, goods and services totaling approximately \$7.0 million at September 30, 2020.

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 \$2,313,992 for 2020. SWA is required to pay \$2,383,412 under this agreement for the fiscal year ended September 30, 2021. 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, 2020 was approximately \$275,000. The carrying value of the land subject to the lease was approximately \$8 million at September 30, 2020. 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 starting on October 1, 2020. The lease provides for

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

annual rental payments increased by the annual change in the consumer price index. Rent expense for the fiscal year ended September 30, 2020 was approximately \$151,835.

The minimum future rental payments based on an annual increase of 3 percent, under this operating lease at September 30, 2020 were as follows:

Year Ending September 30,	Amount
2021	<u>\$ 155,381</u>

Landfill Closure and Post-closure Care Costs

The SWA operated one active landfill site for the year ended September 30, 2020. 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, 2020 are as follows:

Accrued closure and postclosure care costs	\$ 51,441,666
Accrued postclosure care for closed landfills	<u>1,795,537</u>
Total Accrued Landfill Closure Costs	<u>\$ 53,237,203</u>

The \$51,441,666 of accrued closure and postclosure care liabilities at September 30, 2020 represents the cumulative cost based on the use of 47.7% of the estimated capacity of the operating landfill. The SWA will recognize the remaining estimated cost of closure and postclosure care of approximately \$76.1 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 2020. Based on current demographic information and engineering estimates of landfill consumption, the SWA expects to close the landfill in approximately 2054. 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, 2020 cash and cash equivalents of \$40,989,403 were held for these purposes and exceeds the minimum required escrow amount as shown on the next page. These amounts are reported as noncurrent restricted

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

assets on the statements of net position. The SWA expects that future inflation costs will be paid from interest earnings on these invested amounts and subsequent annual contributions.

However, if interest earnings are inadequate or additional closure or postclosure care requirements are determined (due to changes in technology or applicable laws or regulations), these costs may need to be covered by charges to future users of the solid waste system or from future non-ad valorem assessments.

At September 30, 2020, the statutorily required escrow account balances were as follows:

Site	
Site 7 closure costs	\$ 33,746,675
Dyer landfill long-term care	<u>359,107</u>
	<u><u>\$ 34,105,782</u></u>

State laws and regulations specify that required landfill escrow account balances must be calculated using either the “Pay-in” or the “Balance” method, as they are statutorily defined. During 2006 the SWA changed from the Pay-in method to the Balance method. The SWA will be required to continue using the Balance method through the remaining design life of the Site 7 landfill. Although the SWA is not legally required by state or federal laws and regulations to provide funding for the landfill sites closed prior to 1991, the SWA has accepted financial responsibility for these sites. The annual long-term care funding requirements for these sites were not estimated or accrued at September 30, 2020; 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. 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.

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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

Bond Guaranty

On October 17, 2000 the Board of County Commissioners approved a trust agreement between the County and 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 1st and on or before June 5th of each year of the deficiency amount, if any, as of such date. At present, the County has not been made aware of any deficiency amount.

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

COMPONENT UNIT - Solid Waste Authority (SWA) - Environmental Liabilities:

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

18. SUBSEQUENT EVENTS

Debt:

On October 27, 2020, the County issued \$59,375,000 Series 2020 Water and Sewer Revenue Refunding Bonds for the purpose of advance refunding \$51,325,000 of Series 2013 Water & Sewer Revenue Refunding Bonds maturing on or after October 1, 2024. The County placed into an irrevocable trust funds sufficient to pay interest on said bonds and redeem those bonds on the October 1, 2023 call date. As a result, the County recognized an accounting loss of \$4,833,851 but realized an economic gain (net present value of cash flow savings) of \$7,708,533.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

On March 9, 2021, the County approved a resolution authorizing the issuance of not to exceed \$64,000,000 in Public Improvement Revenue Bonds, Series 2021A (Supervisor of Elections Operations Building) for the purpose of financing and refinancing the acquisition, design, construction, development and equipping a Supervisor of Elections Operations Building and related facilities and paying certain costs of issuance. The resolution also included authorizing the issuance of Public Improvement Revenue Refunding Bonds, Federally Taxable Series 2021B, in the principal amount of not to exceed \$47,000,000 for the purpose of financing the costs of the refunding of all or a portion of the County's Public Improvement Revenue Refunding Bonds, Series 2012 and paying certain costs of issuance. The resolution also included authorizing the issuance of Public Improvement Revenue Refunding Bonds, Federally Taxable Series 2021C (professional sports franchise facility project), in the principal amount of not to exceed \$71,000,000 for the purpose of financing the costs of the refunding all or a portion of the County's Public Improvement Revenue Bonds (professional sports franchise facility project), tax-exempt Series 2015D and paying certain costs of issuance.

COVID-19:

On January 21, 2021 the County received \$45,196,000 in funding as part of the Emergency Rental Assistance Program. This program was established under the federal COVID-19 relief legislation, signed into law on December 27, 2020. Funds can be used for rent and utility assistance for renter households in which at least one or more individuals meet certain criteria. Funds must be obligated by September 30, 2021 and spent by December 31, 2021.

The County also received an additional allocation of Coronavirus Relief Funds (CRF) from the Department of Housing and Economic Sustainability in the amount of \$2.25 million.

The American Rescue Plan (ARP) Act of 2021 is a \$1.9 trillion economic stimulus bill passed by Congress and signed into law by the President of the United States on March 11, 2021. The intent of the plan is to deliver direct relief to the American people, rescue the American economy and contain COVID-19. Palm Beach County is expected to receive approximately \$291 million as part of the ARP. The funds will be used for rental and utility assistance programs as well as grants for small businesses. Funds are expected sometime mid-April and mid-June of 2021.



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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)

	2020	2019	2018
County's proportion of the FRS net pension liability	3.54%	3.46%	3.46%
County's proportionate share of the FRS net pension liability	\$ 1,533,076,137	\$ 1,191,182,897	\$ 1,043,413,647
County's covered payroll	\$ 709,843,999	\$ 677,246,998	\$ 664,620,014
County's proportionate share of the FRS net pension liability as a percentage of its covered payroll	216.0%	175.9%	157.0%
FRS Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%

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.

2017	2016	2015	2014
3.48%	3.37%	3.15%	3.16%
\$ 1,030,547,249	\$ 850,558,352	\$ 406,204,159	\$ 192,829,398
\$ 641,557,064	\$ 606,858,696	\$ 585,549,661	\$ 575,072,943
160.6%	140.2%	69.4%	33.5%
83.89%	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)

	2020	2019	2018
County's proportion of the HIS net pension liability	2.42%	2.40%	2.40%
County's proportionate share of the HIS net pension liability	\$ 295,240,919	\$ 268,508,328	\$ 254,212,376
County's covered payroll	\$ 709,843,999	\$ 677,246,998	\$ 664,620,014
County's proportionate share of the HIS net pension liability as a percentage of its covered payroll	41.6%	39.6%	38.2%
HIS Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%

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.

2017	2016	2015	2014
-------------	-------------	-------------	-------------

2.39%	2.32%	2.32%	2.32%
-------	-------	-------	-------

\$ 255,558,701 \$ 270,836,258 \$ 236,405,210 \$ 216,601,747

\$ 641,557,064 \$ 606,858,696 \$ 585,549,661 \$ 575,072,943

39.8%	44.6%	40.4%	37.7%
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1.64%	0.97%	0.50%	0.99%
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PALM BEACH COUNTY, FLORIDA
Schedule of County Contributions-
Florida Retirement System Pension Plan
Last Ten Fiscal Years
(Required Supplementary Information)

	2020	2019	2018	2017	2016
Contractually required FRS contribution	\$132,801,047	\$ 122,515,156	\$ 111,481,570	\$ 103,862,641	\$ 95,494,431
FRS contributions in relation to the contractually required contribution	<u>\$132,801,047</u>	<u>\$ 122,515,156</u>	<u>\$ 111,481,570</u>	<u>\$ 103,862,641</u>	<u>\$ 95,494,431</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$714,839,553	\$ 684,295,776	\$ 663,077,145	\$ 638,616,378	\$ 612,666,217
FRS contributions as a percentage of covered payroll	18.6%	17.9%	16.8%	16.3%	15.6%

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.

2015	2014
\$ 89,482,686	\$ 83,794,037

\$ 89,482,686	\$ 83,794,037
<hr/>	<hr/>
\$ -	\$ -

\$ 579,003,748 \$ 563,609,163

15.5% 14.9%

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

	2020	2019	2018	2017	2016
Contractually required HIS contribution	\$ 11,866,337	\$ 11,359,310	\$ 11,007,081	\$ 10,601,032	\$ 10,170,259
HIS contributions in relation to the contractually required contribution	<u>\$ 11,866,337</u>	<u>\$ 11,359,310</u>	<u>\$ 11,007,081</u>	<u>\$ 10,601,032</u>	<u>\$ 10,170,259</u>
HIS contribution deficiency (excess)	<u><u>\$ -</u></u>				
County's covered payroll	\$ 714,839,553	\$ 684,295,776	\$ 663,077,145	\$ 638,616,378	\$ 612,666,217
HIS contributions as a percentage of covered payroll	1.7%	1.7%	1.7%	1.7%	1.7%

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.

2015	2014
\$ 7,295,447	\$ 6,763,310

\$ 7,295,447	\$ 6,763,310
<hr/>	<hr/>

\$ 579,003,748 \$ 563,609,163

1.3% 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)

	2020	2019	2018
Proportion of the FRS net pension liability	0.0669098%	0.0644148%	0.0636583%
Proportionate share of the FRS net pension liability	\$ 28,999,693	\$ 22,183,563	\$ 19,174,210
SWA's covered payroll	\$ 24,654,558	\$ 23,546,088	\$ 22,671,421
SWA's proportionate share of the FRS net pension liability as a percentage of its covered payroll	117.62%	94.21%	84.57%
FRS Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%

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.

2017	2016	2015	2014
0.0635171%	0.0648132%	0.0626365%	0.0630379%
\$ 18,787,926	\$ 16,365,396	\$ 8,090,343	\$ 3,848,240
\$ 21,795,240	\$ 21,647,567	\$ 19,555,196	\$ 19,815,911
86.20%	75.60%	41.37%	19.42%
83.89%	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)

	2020	2019	2018
Proportion of the HIS net pension liability	0.0813023%	0.0797253%	0.0784037%
Proportionate share of the HIS net pension liability	\$ 9,926,884	\$ 8,920,460	\$ 8,298,340
SWA's covered payroll	\$ 28,213,241	\$ 26,663,556	\$ 25,608,028
SWA's proportionate share of the HIS net pension liability as a percentage of its covered payroll	35.19%	33.46%	32.41%
HIS Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%

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.

2017	2016	2015	2014
0.0776703%	0.0795028%	0.0739556%	0.0745754%

\$ 8,304,865 \$ 9,265,726 \$ 7,542,309 \$ 6,972,985

\$ 24,772,565 \$ 24,543,064 \$ 22,436,802 \$ 22,152,039

33.52% 37.75% 33.62% 31.48%

1.64% 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)

	2020	2019	2018	2017	2016
Contractually required FRS contribution	\$ 2,186,868	\$ 1,903,110	\$ 1,717,280	\$ 1,570,296	\$ 1,429,340
FRS contributions in relation to the contractually required contribution	<u>\$ 2,186,868</u>	<u>\$ 1,903,110</u>	<u>\$ 1,717,280</u>	<u>\$ 1,570,296</u>	<u>\$ 1,429,340</u>
FRS contribution deficiency (excess)	<u>\$ -</u>				
SWA's covered payroll	\$24,883,857	\$23,834,076	\$22,823,877	\$22,024,734	\$ 21,051,861
FRS contributions as a percentage of covered payroll	8.79%	7.98%	7.52%	7.13%	6.79%

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.

2015	2014
\$ 1,426,153	\$ 1,332,111

\$ 1,426,153	\$ 1,332,111
--------------	--------------

\$ -	\$ -
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\$ 20,091,083	\$ 19,772,903
---------------	---------------

7.10%	6.74%
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PALM BEACH COUNTY, FLORIDA
 Solid Waste Authority - Component Unit
 Schedule of Contributions-
 Health Insurance Subsidy Pension Plan
 Last Ten Fiscal Years
 (Required Supplementary Information)

	2020	2019	2018	2017	2016
Contractually required HIS contribution	\$ 474,046	\$ 448,920	\$ 427,278	\$ 415,575	\$ 396,210
HIS contributions in relation to the contractually required contribution	<u>\$ 474,046</u>	<u>\$ 448,920</u>	<u>\$ 427,278</u>	<u>\$ 415,575</u>	<u>\$ 396,210</u>
HIS contribution deficiency (excess)	<u>\$ -</u>				
SWA's covered payroll	\$28,556,970	\$27,043,385	\$25,739,685	\$25,034,650	\$23,868,058
HIS contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.66%

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.

	2015	2014
\$	310,975	\$ 257,664

\$	310,975	\$ 257,664
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\$	-	\$	-
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\$ 22,716,328	\$ 22,185,466
---------------	---------------

1.37%	1.16%
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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)

	2019	2018	2017
Total pension liability			
Service cost	\$ 4,040,432	\$ 4,022,548	\$ 3,657,542
Interest	10,357,277	10,013,496	9,655,384
Differences between expected and actual experience	(1,085,883)	(1,801,094)	(2,489,675)
Change of assumptions	16,457,786	3,193,461	(523,606)
Benefit payments, including refunds of member contributions	(7,205,264)	(6,625,328)	(5,898,029)
Net change in total pension liability	22,564,348	8,803,083	4,401,616
Total pension liability- beginning	133,537,811	124,734,728	120,333,112
Total pension liability- ending (a)	156,102,159	133,537,811	124,734,728
 Plan fiduciary net position			
Contributions - employer	5,809,852	5,509,648	5,421,844
Contributions - employee	943,170	923,986	912,362
Net investment income	19,052,799	(4,414,367)	12,590,071
Benefit payments, including refunds of member contributions	(7,205,264)	(6,625,328)	(5,898,029)
Administrative expense	(276,527)	(372,153)	(213,695)
Net change in plan fiduciary net position	18,324,030	(4,978,214)	12,812,553
Plan fiduciary net position - beginning	101,334,628	106,312,842	93,500,289
Plan fiduciary net position - ending (b)	119,658,658	101,334,628	106,312,842
 Net pension liability - ending (a) - (b)	\$ 36,443,501	\$ 32,203,183	\$ 18,421,886
 Plan fiduciary net position as a percentage of the total pension liability	76.7%	75.9%	85.2%
 Covered payroll	\$ 31,395,399	\$ 30,674,568	\$ 30,402,375
 Net pension liability as a percentage of covered payroll	116.1%	105.0%	60.6%

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) Amounts are as of December 31 of each year.

	2016	2015	2014
\$	3,614,568	\$ 3,699,372	\$ 3,517,163
9,070,466	8,602,255	7,920,953	
260,004	(2,653,460)	1,780,535	
-	1,585,562	-	
(5,467,344)	(5,009,083)	(4,626,680)	
7,477,694	6,224,646	8,591,971	
112,855,418	106,630,772	98,038,801	
<u>120,333,112</u>	<u>112,855,418</u>	<u>106,630,772</u>	

5,589,705	5,215,491	7,205,534
867,999	777,273	684,731
5,754,084	(1,839,676)	4,845,252
(5,467,344)	(5,009,083)	(4,626,680)
(157,019)	(182,444)	(223,302)
6,587,425	(1,038,439)	7,885,535
86,912,864	87,951,303	80,065,768
<u>93,500,289</u>	<u>86,912,864</u>	<u>87,951,303</u>
\$ 26,832,823	\$ 25,942,554	\$ 18,679,469

77.7% 77.0% 82.5%

\$ 30,061,310 \$ 27,512,115 \$ 24,661,404

89.3% 94.3% 75.7%

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

	2020	2019	2018
Total pension liability			
Service cost	\$ 442,804	\$ 407,991	\$ 452,953
Interest	3,440,516	3,401,092	3,192,834
Differences between expected and actual experience	(574,240)	(421,152)	1,077,328
Change of assumptions	-	1,247,869	-
Benefit payments, including refunds of member contributions	(2,279,155)	(2,550,001)	(1,106,244)
Net change in total pension liability	1,029,925	2,085,799	3,616,871
Total pension liability- beginning	50,068,412	47,982,613	44,365,742
Total pension liability- ending (a)	51,098,337	50,068,412	47,982,613
Plan fiduciary net position			
Contributions - employer and state	1,351,331	1,546,558	1,343,726
Contributions - employee	166,072	182,155	206,043
Net investment income	3,762,711	1,757,509	3,710,228
Benefit payments, including refunds of member contributions	(2,279,155)	(2,550,001)	(1,106,244)
Administrative expense	(69,001)	(71,412)	(59,078)
Other	1,012	8,012	35,938
Net change in plan fiduciary net position	2,932,970	872,821	4,130,613
Plan fiduciary net position - beginning	45,436,617	44,563,796	40,433,183
Prior Period Adjustment	-	-	-
Plan fiduciary net position - ending (b)	48,369,587	45,436,617	44,563,796
Net pension liability - ending (a) - (b)	\$ 2,728,750	\$ 4,631,795	\$ 3,418,817
Plan fiduciary net position as a percentage of the total pension liability	94.7%	90.7%	92.9%
Covered payroll	\$ 1,342,839	\$ 1,315,467	\$ 1,442,292
Net pension liability as a percentage of covered payroll	203.2%	352.1%	237.0%

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.

	2017	2016	2015	2014
\$	357,804	\$ 470,342	\$ 450,605	\$ 535,323
2,973,158	2,823,508	2,605,711	2,494,851	
125,354	(977,800)	1,014,242	-	
3,182,878	1,711,466	-	-	
(915,763)	(887,761)	(1,828,169)	(1,375,968)	
5,723,431	3,139,755	2,242,389	1,654,206	
38,642,311	35,502,556	33,260,167	31,605,961	
44,365,742	38,642,311	35,502,556	33,260,167	

1,411,935	1,478,818	1,725,181	1,761,403
222,479	235,009	244,101	263,191
3,954,054	2,569,228	(550,596)	2,671,295
(915,763)	(887,761)	(1,828,169)	(1,375,968)
(59,121)	(52,104)	(60,354)	(48,365)
18,471	19,741	18,127	13,310
4,632,055	3,362,931	(451,710)	3,284,866
35,801,128	32,438,197	32,889,907	28,314,454
-	-	-	1,290,587
40,433,183	35,801,128	32,438,197	32,889,907
\$ 3,932,559	\$ 2,841,183	\$ 3,064,359	\$ 370,260

91.1% 92.6% 91.4% 98.9%

\$ 1,334,186 \$ 1,847,095 \$ 1,914,133 \$ 2,119,708

294.8% 153.8% 160.1% 17.5%

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

	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	18.9%	-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 Firefighters' Pension Plan
 Last Ten Fiscal Years
 (Required Supplementary Information)

	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	8.15%	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,	2020	2019	2018	2017
Actuarially determined contribution	\$ 6,206,005	\$ 5,734,801	\$ 5,487,697	\$ 5,436,974
Contributions in relation to the actuarially determined contribution	6,206,005	5,734,801	5,487,697	5,436,974
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 32,216,091	\$ 31,302,673	\$ 30,734,855	\$ 31,146,308
Actuarially determined contribution as a percentage of covered payroll	19.3%	18.3%	17.9%	17.5%
Actual contributions as a percentage of covered payroll	19.3%	18.3%	17.9%	17.5%

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	16 year equivalent single amortization period as of 1/1/2019.
Asset valuation method	5-year smoothed market
Inflation	2.0% (changed to 2.3% at January 1, 2018)
Salary increases	5% to 12.5%, including inflation
Investment rate of return	7.75%, net of investment expenses, including inflation (changed from 8.0% at January 1, 2018)
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.

2016	2015
\$ 5,392,773	\$ 5,029,111
5,392,773	5,148,840
<hr/> <hr/> \$ -	<hr/> <hr/> \$ (119,729)
\$ 28,194,510	\$ 28,129,612

19.1% 17.9%

19.1% 18.3%

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

	2020	2019	2018	2017
Actuarially determined contribution	\$ 1,365,725	\$ 1,550,859	\$ 1,363,707	\$ 1,370,424
Contributions in relation to the actuarially determined contribution	1,365,725	1,550,859	1,363,707	1,370,424
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,342,839	\$ 1,315,467	\$ 1,442,292	\$ 1,334,186
Actuarially determined contribution as a percentage of covered payroll	101.7%	117.9%	94.6%	102.7%
Actual contributions as a percentage of covered payroll	101.7%	117.9%	94.6%	102.7%

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, 2019

Methods and assumptions used to determine contributions:

Actuarial cost method	Entry-Age Normal
Amortization method	Level Percent-of-Payroll, closed
Remaining amortization period	1-15 years
Asset valuation method	5-year smoothed market
Price Inflation	3.00%
Salary increases	7% including inflation
Investment rate of return	7.00%
Long-Term Municipal Bond Rate	2.41%
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 9/30/20 was determined in the 9/30/18 actuarial valuation report dated 2/19/19. |
| 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. |

2016	2015	2014
\$ 1,413,772	\$ 1,697,036	\$ 1,721,439
1,413,772	1,697,036	1,721,439
<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -
\$ 1,847,095	\$ 1,914,133	\$ 2,119,708
76.5%	88.7%	81.2%
76.5%	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)

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 309,920	\$ 306,536	\$ 294,067
Interest	227,062	349,340	374,513
Experience losses (gains)	831,102	-	-
Change of assumptions	1,122,868	683,798	(265,057)
Benefit payments	(958,674)	(1,133,411)	(885,972)
Net change in total OPEB liability	1,532,278	206,263	(482,449)
Total OPEB liability- beginning	8,705,593	8,499,330	8,981,779
Total OPEB liability- ending	\$ 10,237,871	\$ 8,705,593	\$ 8,499,330

Covered-employee payroll \$ 263,004,364 \$ 270,894,495 \$ 263,004,364

Total OPEB liability as a percentage of covered-employee payroll 3.9% 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.

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

2020	2.21%
2019	2.66%
2018	4.24%

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

2020 Pub-2010 Generational, Scale MP-19
2019 RP 2014 Generational, Scale MP-18
2018 RP 2014 Generational, Scale MP-18

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)

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 472,072	\$ 449,592	\$ 295,336
Interest	173,465	166,642	146,822
Experience losses (gains)	-	(3,821,944)	-
Change of assumptions	-	3,477,957	-
Benefit payments	(109,311)	(101,685)	(104,149)
Net change in total OPEB liability	536,226	170,562	338,009
Total OPEB liability- beginning	4,350,957	4,180,395	3,842,386
Total OPEB liability- ending	\$ 4,887,183	\$ 4,350,957	\$ 4,180,395

Covered-employee payroll \$ 13,712,189 \$ 13,184,797 \$ 14,485,421

Total OPEB liability as a percentage of covered-employee payroll 35.6% 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 each period.

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

2020	3.68%
2019	3.68%
2018	3.64%

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

2020	Dale Yamamoto study released by Society of Actuaries in June 2013.
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 rates for the medical claims used in each period:

2020	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.
2019	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:

2020	RP-2014 Total Dataset Adjusted to 2006 with Scale MP-2018.
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)

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 171,427	\$ 163,264	\$ 49,905
Interest	102,002	24,609	16,618
Experience losses (gains)	-	(188,335)	-
Change of assumptions	-	2,169,327	-
Benefit payments	(73,964)	(68,804)	(9,692)
Net change in total OPEB liability	199,465	2,100,061	56,831
Total OPEB liability- beginning	2,674,321	574,260	517,429
Total OPEB liability- ending	\$ 2,873,786	\$ 2,674,321	\$ 574,260

Covered-employee payroll \$ 15,845,410 \$ 15,235,971 \$ 12,276,256

Total OPEB liability as a percentage of covered-employee payroll 18.1% 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 each period.

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

2020	3.68%
2019	3.68%
2018	2.98%

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

2020	Dale Yamamoto study released by Society of Actuaries in June 2013.
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 rates for the medical claims used in each period:

2020	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.
2019	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 to 5% over 10 years.

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

2020	RP-2014 adjusted to 2006 generational using Scale MP-2018.
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)

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 263,756	\$ 306,313	\$ 362,040
Interest	346,840	320,696	290,214
Differences between expected and actual experience	(839,792)	-	-
Change of assumptions	(191,497)	(903,998)	(1,092,518)
Benefit payments	(201,247)	(185,481)	(170,557)
Net change in total OPEB liability	(621,940)	(462,470)	(610,821)
Total OPEB liability- beginning	8,133,452	8,595,922	9,206,743
Total OPEB liability- ending	\$ 7,511,512	\$ 8,133,452	\$ 8,595,922

Covered-employee payroll \$ 31,209,684 \$ 32,369,379 \$ 30,809,641

Total OPEB liability as a percentage of covered-employee payroll 24.1% 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 and the expected long-term rate of return on plan assets.

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

2020 3.58%

2019 4.18%

2018 3.64%

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

2020 Initially 7.5% grading down to the ultimate trend rate of 4.0% in the year 2075.

2019 Initially 8.5% grading down to the ultimate trend rate of 4.0% in the year 2074.

2018 Initially 8.5% grading down to the ultimate trend rate of 4.0% in the year 2073.

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)

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 10,442,576	\$ 6,792,711	\$ 6,520,168
Interest	7,617,507	9,082,529	9,372,090
Differences between expected and actual experience	(51,788,487)	-	-
Change of assumptions	36,202,604	56,795,524	(16,009,828)
Benefit payments	(7,026,152)	(7,440,977)	(6,723,270)
Net change in total OPEB liability	(4,551,952)	65,229,787	(6,840,840)
Total OPEB liability- beginning	279,442,958	214,213,171	221,054,011
Total OPEB liability- ending	\$ 274,891,006	\$ 279,442,958	\$ 214,213,171

Covered-employee payroll \$ 303,301,000 \$ 287,690,000 \$ 274,322,952

Total OPEB liability as a percentage of covered-employee payroll 90.6% 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, mortality rates, and investment rates.

The following are the discount rates used in each period:

2030 3.31%

2019 2.66%

2018 4.18%

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

2020 Pub-2010 Generational Scale MP-19

2019 RP-2014 Generational, Scale MP-17

2018 RP-2014 Generational, Scale MP-17

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)

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 6,048,097	\$ 4,149,539	\$ 3,942,933
Interest	6,299,432	8,193,937	7,914,881
Differences between expected and actual experience	-	(8,869,299)	-
Change of assumptions	2,885,481	39,132,189	-
Benefit payments	(4,832,587)	(4,421,791)	(6,274,000)
Net change in total OPEB liability	10,400,423	38,184,575	5,583,814
Total OPEB liability- beginning	195,171,710	156,987,135	151,403,321
Total OPEB liability- ending (a)	205,572,133	195,171,710	156,987,135
 Plan fiduciary net position			
Contributions - employer	5,812,118	1,425,000	5,287,973
Net investment income	6,423,430	3,261,852	5,173,323
Benefit payments	(4,832,587)	-	(3,756,640)
Administrative expense	(24,812)	(163,465)	(58,974)
Net change in plan fiduciary net position	7,378,149	4,523,387	6,645,682
Plan fiduciary net position - beginning	72,767,190	68,243,803	61,598,121
Plan fiduciary net position - ending (b)	80,145,339	72,767,190	68,243,803
 Net OPEB liability - ending (a) - (b)	\$ 125,426,794	\$ 122,404,520	\$ 88,743,332

Plan fiduciary net position as a percentage of the total

OPEB liability	39.0%	37.3%	43.5%
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Covered payroll	\$ 156,314,000	\$ 151,027,985	\$ 172,274,026
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Net OPEB liability as a percentage of

covered payroll	80.2%	81.0%	51.5%
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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 2.99% in fiscal year 2020 from 3.19% in fiscal year 2019 and 5.20% in fiscal year 2018. Also, the mortality rates in fiscal years 2020 and 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)

	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	8.8%	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)

	2020	2019	2018
Actuarially determined contribution	\$ 5,508,571	\$ 5,508,571	\$ 9,846,994
Contributions in relation to the actuarially determined contribution	5,812,118	1,425,000	6,274,000
Contribution deficiency (excess)	<u>\$ (303,547)</u>	<u>\$ 4,083,571</u>	<u>\$ 3,572,994</u>
Covered payroll	\$ 156,314,000	\$ 151,027,985	\$ 172,274,026
Actual contributions as a percentage of covered payroll	3.7%	0.9%	3.6%

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	2020 & 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	2020 & 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	2020 & 2019: 3.0% 2018: 2.5%
Healthcare cost trend rates	5.5% initial, decreasing .5 percent per year to an ultimate rate of 4.5 percent
Salary increases	3.50%
Investment rate of return	2020: 8.8% 2019: 4.5% 2018: 8.4%
Long-Term Municipal Bond Rate	2020 & 2019: 3.19% 2018: 5.20%
Retirement age	2020 & 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	2020 & 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)

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 129,198	\$ 127,209	\$ 127,083
Interest	678,538	520,764	434,063
Changes of benefit terms	5,355	-	-
Differences between expected and actual experience	2,075,188	4,467,181	2,442,940
Change of assumptions	2,244,232	(611,644)	(635,227)
Benefit payments	(1,614,934)	(1,721,178)	(1,262,950)
Net change in total OPEB liability	3,517,577	2,782,332	1,105,909
Total OPEB liability- beginning	18,394,670	15,612,338	14,506,429
Total OPEB liability- ending	\$ 21,912,247	\$ 18,394,670	\$ 15,612,338

Covered-employee payroll \$ 136,324,750 \$ 126,347,132 \$ 125,516,712

Total OPEB liability as a percentage of covered-employee payroll 16.1% 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:

2020	2.74%
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)

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 28,000	\$ 22,000	\$ 21,000
Interest	18,000	28,000	30,000
Differences between expected and actual experience	(206,000)	-	-
Change of assumptions	336,000	26,000	(11,000)
Benefit payments, including refunds of member contributions	(93,000)	(96,000)	(79,000)
Net change in total OPEB liability	83,000	(20,000)	(39,000)
Total OPEB liability- beginning	687,000	707,000	746,000
Total OPEB liability- ending	\$ 770,000	\$ 687,000	\$ 707,000
Covered-employee payroll	\$ 26,199,000	\$ 25,841,000	\$ 23,959,000
Total OPEB liability as a percentage of covered-employee payroll	2.9%	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 - For the September 30, 2020 valuation, all assumptions, method and results are based on the fiscal year 2020 GASB 75 actuarial report dated December 22, 2020. Changes to the assumptions since the last actuarial valuation include the discount rate was decreased from 2.66% to 2.21%; mortality assumption was updated from RP-2014 mortality table with generational scale MP-2018 to Pub-2010 mortality table with generational scale MP-2019; plan participation rate for Medicare-eligible retirees was reduced from 5% to 1%; Excise Tax (ACA Cadillac Tax) on high cost employer sponsored health plans was replaced by a bill in December 2019; there were significant changes to the retirement and termination assumptions based on the 2020 FRS actuarial valuation. For the September 2019 and 2018 valuations, all assumptions, methods, and results are based on the fiscal year 2018 GASB 75 actuarial report dated November 13, 2018. There were no significant changes to the assumptions since the report dated November 13, 2018 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, 2020**

Grantor	Program Title	Federal Assistance Listing No./Catalog of State Financial Assistance No.	Contract/ Grant #	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
FEDERAL GRANTS						
Child Nutrition Cluster						
US Dept of Agriculture						
Passed Through: FL Dept of Agriculture and Consumer Services						
2020 Summer Food Program	10.559		1153 (GY20)	1153 (GY20)	\$ 428,036	\$ -
Total Child Nutrition Cluster					\$ 428,036	\$ -
CDBG - Entitlement Grants Cluster						
US Dept of Housing & Urban Dev						
Direct Programs:						
Neighborhood Stabilization Program - 3	14.218	B08UN120013	N/A	122,963	1,310	
Neighborhood Stabilization Program - 3	14.218	B11UN120013	N/A	27,887	-	
FY15 Community Development Block Grant	14.218	B14UC120004	N/A	74,096	74,096	
FY16 Community Development Block Grant	14.218	B15UC120004	N/A	12,636	12,636	
FY17 Community Development Block Grant	14.218	B16UC120004	N/A	679,717	353,040	
FY18 Community Development Block Grant	14.218	B17UC120004	N/A	1,308,193	1,034,552	
FY19 Community Development Block Grant	14.218	B18UC120004	N/A	1,628,925	1,490,996	
FY19 Community Development Block Grant	14.218	B19UC120004	N/A	2,910,399	2,052,013	
Total CDBG - Entitlement Grants Cluster					\$ 6,764,816	\$ 5,018,643
Highway Planning and Construction Cluster						
US Dept of Transportation						
Passed Through: FL Dept of Transportation						
PBC Overhead Flashing School Zone Signs	20.205	43693015801	43693015801	40,892	-	
Passed Through: Other - University of North FL						
UNF High Visibility Enforcement FY19	20.205	G1B36 UNF	G1B36 UNF	70,427	-	
Total Highway Planning and Construction Cluster					\$ 111,319	\$ -
Federal Transit Cluster						
US Dept of Transportation						
Direct Programs:						
Fed. Transit Formula Grants - FY19 Section 5307/5339 Supigrant	20.507	109820171	N/A	703,558	-	
COVID-19 fed. Transit Formula Grants - FY20	20.507	FL2020087	N/A	38,395,920	-	
CARES Act Section 5307						
FTA Formula Grants - FY15 Section 5307 2nd Apportionment	20.507	FL201804200	N/A	1,392,799	-	
Super Grant - Section 5307 F16-17-18 and FHWA Flex Cap Asset	20.507	FL201905200	N/A	1,251,358	-	
Fed. Transit Formula Grants - FY11 Section 5307	20.507	FL90X760	N/A	706,079	-	
Fed. Transit Formula Grants - FY12 Section 5307	20.507	FL90X812	N/A	788,707	-	
Fed. Transit Formula Grants - FY13 Section 5307	20.507	FL90X839	N/A	325,073	-	
Fed. Transit Formula Grants - FY14 Section 5307	20.507	FL90X84200	N/A	2,080,339	-	
Fed. Transit Formula Grants - FY15 Section 5307	20.507	FL90X881	N/A	1,415,931	-	
Palm Tran Interface with MDT and SFRTA	20.507	FL95X06300	N/A	85,030	-	
Fare Technology Supergrant	20.507	FL201907100	N/A	187,464	-	
FY17 Hurricane IRMA Reimbursement	20.507	FL2020009	N/A	1,084,553	-	
South County Expansion Supergrant	20.526	FL201905300	N/A	8,915,954	-	
Palm TranSouth County Expansion	20.526	FL201603500	N/A	2,731,481	-	
Total US Dept of Transportation					\$ 60,064,246	\$ -
Total Federal Transit Cluster					\$ 60,064,246	\$ -

(continued)

Palm Beach County, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2020**

Grantor	Program Title	Federal Assistance Listing No./Catalog of State Financial Assistance No.	Contract/ Grant #	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
Transit Services Programs Cluster						
<u>US Dept of Transportation</u>						
Passed Through: Florida Department of Transportation						
FFY16 Section 5310 Capital Assistance Program	20.513	43521049313	43521049313	436,425	-	
FFY17 Section 5310 Capital Assistance Program	20.513	43521049314	43521049314	883,244	-	
FFY18 Section 5310 Capital Assistance Program	20.513	43521049315	43521049315	1,096,966	-	
Total US Dept of Transportation				2,416,635		
Total Transit Services Programs Cluster						
Highway Safety Cluster						
<u>US Dept of Transportation</u>						
Passed Through: Florida Department of Transportation						
PBC Speed & Aggressive Driving Initiative FY20	20.600	G1D81	G1D81	48,298	-	
SPBC Occupant Protection Community-wide Strategy FY20	20.616	G1098	G1098	31,281	-	
City of Lake Worth - Impaired Driving Strategy FY20	20.616	G1E95	G1E95	14,811	-	
Total US Dept of Transportation				94,390		
Total Highway Safety Cluster						
Aging Cluster						
<u>US Dept of Health & Human Svcs</u>						
Passed Through: OTHER - Area Agency on Aging of Palm Beach/Treasure Coast						
2019 OAA Title III B Support Services	93.044	IA0199500(3B)(GY19)	IA0199500(3B)(GY19)	81,435	-	
2020 OAA Title IIIB Support Services	93.044	IA0209500(3B)(GY20)	IA0209500(3B)(GY20)	324,930	-	
DOSS-OAA Title III B	93.044	ICA0209500(3B)(GY20)	ICA0209500(3B)(GY20)	304,800	-	
Total 93.044				711,165		
Passed Through: OTHER - Area Agency on Aging of Palm Beach/Treasure Coast						
2019 OAA Title III C1 Congregate Meals	93.045	IA0199500(3C1)(GY19)	IA0199500(3C1)(GY19)	101,246	-	
2019 OAA Title III C2 Home Delivered Meals	93.045	IA0199500(3C2)(GY19)	IA0199500(3C2)(GY19)	122,622	-	
2020 OAA COVID-19 Congregate Meals	93.045	IA0209500(GY20-21)	IA0209500(GY20-21)	298,706	-	
2020 OAA COVID-19 Home Delivered Meals	93.045	IA0209500(3D)(GY20)	IA0209500(3D)(GY20)	226,149	-	
2020 OAA Title III C2 Home Delivered Meals	93.045	IA0209500(3C2)(GY20)	IA0209500(3C2)(GY20)	153,896	-	
DOSS-OAA Title III C	93.045	IA0209500(3C)(GY20)	IA0209500(3C)(GY20)	410,439	-	
2020 OAA Title III C1 Congregate Meals	93.045	IA0209500(3C1)(GY20)	IA0209500(3C1)(GY20)	190,920	-	
Total 93.045				1,503,978		
Passed Through: OTHER - Area Agency on Aging of Palm Beach/Treasure Coast						
19 Nutrition Services Incentive Program	93.053	IU0199500 (GY19)	IU0199500 (GY19)	32,685	-	
20 Nutrition Services Incentive Program	93.053	IU0209500 (GY20)	IU0209500 (GY20)	143,155	-	
Total 93.053				175,840		
Total Aging Cluster						

(Continued)

Palm Beach County, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2020**

Grantor	Program Title	Federal Assistance Listing No./Catalog of State Financial Assistance No.	Contract/ Grant #	Entity Identifying Number	Pass-Through Expenditures	Passed Through to Subrecipients
<u>CCDF Cluster</u>						
<u>US Dept of Health & Human Svcs</u>						
	Passed Through: OTHER - Early Learning Coalition Investigative Services	93.596	ELCMOU	ELCMOU	131,800	-
	Total CCDF Cluster				131,800	-
<u>Non-Clustered Grants</u>						
<u>US Dept of Agriculture</u>						
	Direct Programs:					
	PBC Intermediary Relending Program	10.767	PBCIRP	N/A	27,877	-
	PBC Intermediary Relending Program GY17	10.767	PBIR17	N/A	313,000	266,423
	Total US Dept of Agriculture				340,877	266,423
<u>US Dept of Housing & Urban Dev</u>						
	Direct Programs:					
	FY19 Emergency Solutions Grant Program	14.231	E18UC120004	N/A	92,734	82,630
	FY20 Emergency Solutions Grant Program	14.231	E19UC120004	N/A	425,806	424,262
	COVID-19 Emergency Solutions Grant Coronavirus	14.231	E20UW120004	N/A	13,625	13,625
	Total 14.231				532,165	520,517
	Direct Programs:					
	FY16 HOME Investment Partnership	14.239	M15UC120215	N/A	951,668	951,668
	FY18 HOME Investment Partnership	14.239	M17UC120215	N/A	157,015	155,324
	FY19 HOME Investment Partnership	14.239	M18UC120215	N/A	242,389	242,389
	FY20 HOME Investment Partnership	14.239	M19UC120215	N/A	92,528	-
	Total 14.239				1,443,600	1,349,381
	Direct Programs:					
	HUD Section 108 Loan	14.248	B08UC120004 - 108	N/A	314,223	-
	FY10 HUD Section 108 Loan	14.248	B10UC120004 - 108	N/A	270,090	-
	CDBG-Section 108 Loan Program - Pahokee	14.248	B09UC120004 - 108	N/A	335,852	-
	Total 14.248				920,165	-
	Direct Programs:					
	NEIGHBORHOOD STABILIZATION PROGRAM-2	14.256	B09LNFL0021	N/A	767,477	725,798
	Direct Programs:					
	Continuum of Care Program Grant GY18	14.267	FL0756L4D051800	N/A	164,403	-
	Continuum of Care Collaborative Planning GY18	14.267	FL0758Y4D051800	N/A	37,431	-
					201,834	-
	Direct Programs:					
	COVID-19 Fair Housing Assistance Program - State & Local	14.401	FF204K184023	N/A	323,743	-
	Total US Dept of Housing & Urban Dev				4,188,984	2,595,696

(Continued)

Palm Beach County, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2020**

Grantor	Program Title	Federal Assistance Listing No./Catalog of State Financial Assistance No.	Contract/ Grant #	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
<u>US Dept of the Interior</u>						
	Direct Programs:					
	Jupiter Inlet Lighthouse Outstanding Natural Areas	15.231	L16AC00163	N/A	44,674	-
	Total US Dept of the Interior				44,674	-
<u>US Dept of Justice</u>						
	Passed Through: FL Dept Council Against Sexual Violence (FCASV): Sexual Assault Services Program					
	Sexual Assault Services Program Formula Grant	16.017	18SAS26	18SAS26	101,033	-
	Total 16.017				101,033	-
	Direct Programs:					
	2019 Enhanced Collaborative Model to Combat Human Trafficking	16.320	2019VTBXX018	N/A	196,214	-
	2019 Direct Services to Support Victims of Human Trafficking	16.320	2019VTBXX029	N/A	38,343	-
	Total 16.320				234,557	-
	Passed Through: FL Dept of Legal Affairs and Attorney General					
	FY20 Victims of Crime Act	16.575	O00269 (FY19-20)	O00269 (FY19-20)	412,148	-
	FY19-20 Victims of Crime Act	16.575	VOCA2019PBS00391	VOCA2019PBS00391	147,720	-
	Total 16.575				559,868	-
	Passed Through: FL Dept of Health					
	Florida Council Against Sexual Violence FY18	16.588	18STO68	18STO68	75,001	-
	Total 16.588				75,001	-
	Direct Programs:					
	FY14 State Criminal Alien Assistance	16.606	2014H1682FLAP	N/A	117,638	-
	FY15 State Criminal Alien Assistance	16.606	2015APBX0025	N/A	390,604	-
	Total 16.606				508,242	-
	Direct Programs:					
	COVID-19 Emergency Supplemental Funding FY20	16.034	2020VDBX0346	N/A	456,007	-
	Enhanced Response to DUI/Impaired Driving Related Deaths	16.582	2016XVGXK018	N/A	101,697	-
	Improve Criminal Justice Responses - ARREST Prog	16.590	2017WEAX0034	N/A	246,597	-
	NIJ Bulletproof Vest Partnership FY18	16.607	2018BOBX18095122	N/A	158,470	-
	FY17 COPS Hiring	16.710	2017ULWX0031	N/A	676,265	-
	PBC Violence Prevention Task Force FY19	16.745	2018MOBX0009	N/A	139,830	-
	FY18 Second Chance Act Prisoner Reentry Initiative	16.812	2017CZBX0003	N/A	385,546	290,098
	City of Lake Worth - South End Crime Reduction Strategy FY19	16.817	2018BJBX0004	N/A	289,948	-
	2019 USDOJ Comprehensive Opioid Abuse Site-Based Program	16.838	2019ARBXX023	N/A	19,221	-

(Continued)

Palm Beach County, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2020**

Grantor	Program Title	Federal Assistance Listing No./Catalog of State Financial Assistance No.	Contract/ Grant #	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
Direct Programs:						
	FY17 Criminal Justice Commission Initiatives	16.738	2017DJBX0640	N/A	8,211	8,211
	FY18 Criminal Justice Commission Initiatives	16.738	2018DJBX0606	N/A	3,273	3,273
Passed Through: FL Dept of Law Enforcement						
	2018 PBC Ex-Offender Reentry	16.738	2019JAGCPALM1N2143	2019JAGCPALM1N2143	99,351	85,038
	2020 PBC Ex-Offender Reentry	16.738	2020JAGCPALM2Y5030	2020JAGCPALM2Y5030	209,771	209,771
Passed Through: US Dept of Justice						
	FY19 Criminal Justice Commission Initiatives	16.738	2019DJBX0889	2019DJBX0889	141,531	137,285
Total 16.738					<u>462,137</u>	<u>443,578</u>
Direct Programs:						
	FY16 DNA Backlog Reduction Program	16.741	2016DNBX0070	N/A	8,967	-
	FY17 DNA Backlog Reduction Program	16.741	2017DNBX0095	N/A	220,082	-
	FY18 DNA Capacity Enhancement and Backlog Reduction Program	16.741	2018DNBX0133	N/A	191,960	-
	FY19 DNA Capacity Enhancement and Backlog Reduction Program	16.741	2019DNBX0028	N/A	145,278	-
Total 16.741					<u>566,287</u>	<u>-</u>
Passed Through: FL Dept of Law Enforcement						
	2018 Paul Coverdell FSIG	16.742	2018CDBX0017	2018CDBX0017	7,036	-
	PCFSI Paul Coverdell Forensic Service Improvement	16.742	2019CDBX0011	2018CDBX0017	2,066	-
	2018 Paul Coverdell FSIG	16.742	2018CDBX0017	2018CDBX0017	11,895	-
Total 16.742					<u>20,997</u>	<u>-</u>
Direct Programs:						
	Equitable Sharing - Treasury Funds	16.922	N/A	N/A	619,065	-
	Equitable Sharing - Justice Funds	16.922	FLOR050000	N/A	283,450	-
Total 16.922					<u>902,515</u>	<u>-</u>
Total US Dept of Justice					<u>5,904,218</u>	<u>733,676</u>
US Department of Labor						
Passed Through: FL Dept. of Education						
	19-20 Farmworker Jobs & Education Program	17.264	7604059B9CFJ1	7604059B9CFJ1	107,828	-
	20-21 National Farmworker Jobs Program	17.264	7604051B1CFJ1	7604051B1CFJ1	42,055	-
Total US Department of Labor					<u>149,883</u>	<u>-</u>

(Continued)

Palm Beach County, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2020**

Grantor	Program Title	Federal Assistance Listing No./Catalog of State Financial Assistance No.	Contract/ Grant #	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
<u>US Dept of Transportation</u>						
	Direct Programs:					
	AIP - Glades Airport Master Plan Update	20.106	31200600052016	N/A	74,840	-
	COVID-19 - AIP - Pahokee (Glades) CARES Act	20.106	31200600082020	N/A	4,381	-
	AIP - PBIA Expand Service Road, Animal Relief, Terminal	20.106	31200850612019	N/A	1,658,914	-
	AIP - PBIA Sustainable Management Plan	20.106	31200850622019	N/A	36,313	-
	COVID-19 - AIP - PBIA CARES Act	20.106	31200850652020	N/A	10,883,775	-
	AIP - PBC Park Master Plan Update	20.106	31200860152016	N/A	102,702	-
	AIP - Lantana Noise Compatibility Plan Study	20.106	31200860172019	N/A	323,882	-
	COVID-19 - AIP - Lantana CARES Act	20.106	31200860182020	N/A	9,249	-
	AIP - North Palm Beach Master Plan Update	20.106	31201130172016	N/A	107,041	-
	AIP - North County Conduct Environmental Study	20.106	31201130182019	N/A	207,884	-
	COVID-19 - AIP - North County CARES Act	20.106	31201130192020	N/A	45,043	-
	Total 20.106				<u>13,454,024</u>	<u>-</u>
	Passed Through: FL Dept of Transportation					
	FY19 Section 5311 Formula Grant - Rural	20.509	G1574	G1574	113,344	-
	FY20 Section 5311 Formula Grant - Rural	20.509	G1F65	G1F65	52,341	-
	Total 20.509				<u>165,685</u>	<u>-</u>
	Total US Dept of Transportation				<u>13,619,709</u>	<u>-</u>
<u>US Dept of the Treasury</u>						
	Direct Programs:					
	COVID-19 CARES ACT Relief Fund Program	21.019	COVID19	N/A	109,396,048	-
	COVID-19 SHIP	21.019	084-2020	N/A	54,887	-
	Total US Department of the Treasury				<u>109,450,935</u>	<u>-</u>
<u>National Endowment for the Humanities</u>						
	Direct Programs:					
	FY20 Library Services and Technology Act	45.310	19LSTAB08	N/A	<u>68,387</u>	<u>-</u>
	Total National Endowment for the Humanities				<u>68,387</u>	<u>-</u>
<u>US Environmental Protection Agency</u>						
	Direct Programs:					
	Brownfields Revolving Loan Fund	66.818	00D12713	N/A	40,728	-
	Total US Environmental Protection Agency				<u>40,728</u>	<u>-</u>

(Continued)

Palm Beach County, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2020**

Grantor	Program Title	Federal Assistance Listing No./Catalog of State Financial Assistance No.	Contract/ Grant #	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
<u>US Election Assistance Commission</u>						
	Passed Through: FL Dept of State and Secretary of State					
	Federal Elections Activities-19	90.401	M201820190003	M201820190003	123,272	-
	2020 Federal Election Cybersecurity Initiatives	90.401	MOA201920200001	MOA201920200001	114,102	-
	Total 90.401				237,374	-
	Passed Through: FL Dept of State and Secretary of State					
	COVID-19 CARES ACT 2020 Federal Elections	90.404	MOA2020001	MOA2020001	315,855	-
	Total US Election Assistance Commission				553,229	-
<u>US Dept of Health & Human Svcs</u>						
	Passed Through: OTHER - Area Agency on Aging of Palm Beach/Treasure Coast					
	2019 OAA Title III E Services	93.052	IA0199500 (3E)(GY19)	IA0199500 (3E)(GY19)	43,742	-
	2020 OAA Title III E Services	93.052	IA0209500 (3E)(GY20)	IA0209500 (3E)(GY20)	84,405	-
	Doss Oaa Title Iii E	93.052			121,599	-
	Total 93.052				249,746	-
	Passed Through: FL Dept of Revenue					
	Child Support Enforcement	93.563	COC50	COC50	815,459	-
	Passed Through: FL Dept of Economic Opportunity					
	17-18 Low Income Home Energy Assistance Program	93.568	17EA0F106001023	17EA0F106001023	2,157,173	-
	Passed Through: FL Dept of Elder Affairs					
	19-20 Emergency Home Energy Assistance for the Elderly Program	93.568	IP0199500	IP0199500	6,500	-
	Total 93.568				2,163,673	-
	Direct Programs:					
	19-20 HIV Em Relief Grant Formula/Supplemental/MAI	93.914	H89HA000342600	N/A	4,440,477	3,891,925
	20-21 HIV Em Relief Grant Formula/Supplemental/MAI	93.914	H89HA000342700	N/A	2,788,166	2,192,951
	Ryan White HIV/AIDS Program Part A COVID-19 Response	93.914	H9AHA369620100	N/A	2,500	-
	Total 93.914				7,231,143	6,084,876
	Passed Through: FL Dept of Health					
	Green Dot Strategy Implementation	93.136	COHJ3	COHJ3	98,060	-
	Passed Through: FL Dept of Economic Opportunity					
	2016-18 Community Services Block Grant	93.569	17SB0D106001121	17SB0D106001121	818,003	-
	Direct Programs:					
	20-21 Ending the HIV Epidemic	93.686	UT8HA339540100	N/A	36,668	-
	Total US Dept of Health & Human Services				11,412,752	6,084,876

(Continued)

Palm Beach County, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2020**

Grantor	Program Title	Federal Assistance Listing No./Catalog of State Financial Assistance No.	Contract/ Grant #	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
<u>US Executive Office Of The President</u>						
	Direct Programs:					
	FY18 High Intensity Drug Trafficking Area	95.001	G18MI0011A	N/A	11,236	-
	FY19 High Intensity Drug Trafficking Area	95.001	G19MI0011A	N/A	203,704	-
	FY20 High Intensity Drug Trafficking Area	95.001	G20MI0011A	N/A	1,000	-
	Total US Executive Office of the President				<u>215,940</u>	<u>-</u>
<u>US Dept of Homeland Security</u>						
	Direct Programs:					
	Law Enforcement Officer Reimbursement Program	97.007	HSTS0216HSLR765	N/A	292,800	-
	Passed Through: OTHER - United Way of Palm Beach County					
	20-21 Emergency Food & Shelter National Board Program	97.024	PHASE 37	PHASE 37	5,860	-
	Total 97.024				<u>5,860</u>	<u>-</u>
	Passed Through: FL Div of Emergency Management					
	Public Assistance Grants - FRA/JNE	97.036	05G%106002987	05G%106002987	594,632	-
	Public Assistance Grants - IRMA	97.036	Z0596	Z0596	473,776	-
	Public Assistance Grants - Irma'-STATE	97.036	Z0596	Z0596	26,321	-
	Public Assistance Grants - Dorian	97.036	Z1557	Z1557	631,541	-
	Public Assistance Grants - Dorian-STATE	97.036	Z1557	Z1557	105,257	-
	Total 97.036				<u>1,831,527</u>	<u>-</u>
	Passed Through: FL Div of Emergency Management					
	Wildfire Mitigation	97.039	428326R	428326R	463,613	-
	Passed Through: FL Div of Emergency Management					
	19-20 Emergency Mgmt Performance Grant	97.042	G0059	G0059	172,381	-
	20-21 Emergency Mgmt Performance Grant	97.042	G0159	G0159	44,291	-
	Passed Through: OTHER - Volunteer Florida					
	19-20 Citizen Corp	97.042	19CTZNCORP	19CTZNCORP	4,286	-
	Total 97.042				<u>220,958</u>	<u>-</u>
	Direct Programs:					
	FY20 Assistance to Firefighters Grant Program Award	97.044	EMW2020FG00759	N/A	104,876	-
	FY19 Presidential Residence Grant	97.134	EMW2019GR00043S01	N/A	3,863,742	-

(Continued)

Palm Beach County, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2020**

Grantor	Program Title	Federal Assistance Listing No./Catalog of State Financial Assistance No.	Contract/ Grant #	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
Passed Through: FL Div of Emergency Management						
	State Homeland Security Grant Program FY17	97.067	18DSX1106023203	18DSX1106023203	7,815	-
	FY18 Operation StoneGarden	97.067	19DS061106023257	19DS061106023257	194,802	-
	State Homeland Security Grant Program - FY 18	97.067	19DSL106023192	19DSL106023192	164,954	-
	Operation Stonegarden FY17	97.067	18DSX5106023192	18DSX5106023192	150,000	-
	Operation Stonegarden FY19	97.067	R0081	R0081	76,764	-
	State Homeland Security Grant Program FY19	97.067	R0096	R0096	186,757	-
	State Homeland Security Grant Program FY17-SWAT	97.067	R0172	R0172	110,000	-
Passed Through: OTHER - City of Miami						
	FY18 Urban Area Security initiative Grant Prgm	97.067	19DS04112302319	19DS04112302319	103,360	-
	FY19 Urban Area Security Initiative	97.067	19DS04112302319	19DS04112302319	589,589	-
	FY19 Urban Area Security Initiative	97.067	R0075	R0075	149,116	-
	Total 97.067				1,733,157	-
	Total US Dept of Homeland Security				8,516,533	-
Total Non-Clustered Grants						
Total Federal Grants - All Departments						
					\$ 226,909,074	\$ 14,699,314

STATE GRANTS

FL Dept of Environmental Protection

Direct Programs:

Ocean Ridge Shore Protection Project	37.003	18PB4	N/A	\$ 23,258	\$ -
Jupiter Carlin Shore Protection Monitoring	37.003	18PB5	N/A	17,227	-
South Lake Worth Inlet Management Plan Implement	37.003	19PB11	N/A	46,773	-
Singer Island Dune Hurricane IRMA Recovery Project	37.003	19PB17	N/A	221,346	-
South Lake Worth Inlet Management Plan Implement	37.003	20PB11	N/A	16,338	-

Total 37.003

Direct Programs:

Lake Worth Lagoon Initiative	37.039	LPS0202	N/A	397,632	-
Lake Worth Lagoon Initiative - Lost Tree Village Septic Conv	37.039	LPS0206	N/A	983,744	-

Total 37.039

Direct Programs:

Western Region North WWTF Sand & Grit Removal	37.075	SG054	N/A	107,557	-
Total FL Dept of Environmental Protection				1,813,875	-

FL Dept of Legal Affairs and Attorney General

Passed Through: FL Council Against Sexual Violence

FY19-20 Sexual Violence Recovery Services	41.010	19OAG26	19OAG26	1,550	-
FY20-21 Sexual Violence Recovery Services	41.010	20OAG26	20OAG26	17,057	-

Total FL Dept of Legal Affairs and Attorney General

(Continued)

Palm Beach County, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2020**

Grantor	Program Title	Federal Assistance Listing No./Catalog of State Financial Assistance No.	Contract/ Grant #	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
<u>FL Department of Agriculture and Consumer Services</u>						
	Direct Programs:					
	FY20 Mosquito Control-B	42.003	26501	N/A	47,310	-
Total FL Dept of Agriculture and Consumer Services					<u>47,310</u>	<u>-</u>
<u>FL Dept of State and Secretary of State</u>						
	Direct Programs:					
	FY19-20 State Aid to Libraries	45.030	20ST54	N/A	1,007,606	-
Total FL Dept of State and Secretary of State					<u>1,007,606</u>	<u>-</u>
<u>FL Dept of Transportation</u>						
	Direct Programs:					
	GY19 Commission for the Transportation Disadvantaged	55.001	G1A55	N/A	2,490,858	-
	FY20-21 TD Trip & Equipment Grant	55.001	G1O22	N/A	1,251,979	-
Total 55.001					<u>3,742,837</u>	<u>-</u>
	Direct Programs:					
	Aviation Dev Grant Security Improvements at Lantana	55.004	42572319401ARA58	N/A	(9,834)	-
	Aviation Dev Grant North County Runway Pavement Rehab	55.004	42973318491AS564	N/A	102,323	-
	Aviation Dev Grant Pahokee Fuel Farm Improvements	55.004	42789219401ARS89	N/A	13,002	-
	Aviation Dev Grant Lantana Pavement Rehab	55.004	42973019401GOA14	N/A	20,408	-
	Aviation Dev Grant Perimeter Fence Improvements N/C	55.004	43095019401ARA54	N/A	718,116	-
	Aviation Dev Grant PBIA Upgrade Access Roadway Signage	55.004	43099219401GOA15	N/A	17,451	-
	Aviation Dev Grant PBIA Taxiway C Drainage	55.004	43099319401GO805	N/A	862,347	-
	Aviation Dev Grant PBIA Parking Revenue Center	55.004	43103019401GOL09	N/A	114,302	-
	Aviation Dev Grant PBIA GAFIS Facilities Improvement	55.004	43461319401GOT29	N/A	8,000	-
	Aviation Dev Grant NC Const Add Tie-down Transient	55.004	43314319401GOU40	N/A	22,660	-
	Apron					
	Aviation Dev Grant PBIA Maintenance Compound Redevelopment	55.004	43462619401GI646	N/A	48,000	-
	Aviation Dev Grant Lantana Runway 3-21 Rehab	55.004	43463119401GOL10	N/A	166,582	-
	Aviation Dev Grant PBIA Misc Taxiway Rehab	55.004	43621619401ARS86	N/A	1,682,898	-
	Aviation Dev Grant - PBIA ARFF Facility Improvement	55.004	43638919401GOA16	N/A	56,906	-
	Aviation Dev Grant - Pahokee Rehab Runway 17-35 and Taxiway	55.004	43639019401GOA21	N/A	50,498	-
	Aviation Dev Grant - Lantana Perimeter Fence Improvements	55.004	43639819401GI541	N/A	113,501	-
	Aviation Dev Grant Federal Inspection Services	55.004	43651319401ARR13	N/A	14,759	-
	Aviation Dev Grant - Pahokee Construct Hangars at PBC Glades	55.004	43103119401GOI97	N/A	15,087	-
	Aviation Dev Grant LN Construct Fuel Farm and Wash Rack	55.004	44133519401GON37	N/A	407,252	-
	Aviation Dev Grant PBIA- Public Address System Replacement	55.004	44587019401GIF85	N/A	270,047	-
Total 55.004					<u>4,694,305</u>	<u>-</u>

(Continued)

Palm Beach County, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2020**

Grantor	Program Title	Federal Assistance Listing No./Catalog of State Financial Assistance No.	Contract/ Grant #	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
Direct Programs:						
	CIGP-Intersection Military Trail and Northlake Blvd	55.008	43164515401	N/A	243,396	-
	CIGP-Congress Ave ext Northlake to Alt A1A	55.008	43306413801	N/A	55,306	-
	ROW Acq -Congress Ave ext Northlake to Alt A1A	55.008	43306414401	N/A	16,188	-
	Military Trail and Forest Hill, Intersection	55.008	43787814B42434501	N/A	464,854	-
	CIGP-Intersection Military Trail and Forest hill	55.008	4378781320102	N/A	24,902	-
	CIGP-SR-7 at Weisman Way Intersection Improvements	55.008	44045613401		23,299	-
	Total 55.008				827,945	-
Direct Programs:						
	Public Transit Service Develop Prog - Paratransit Expansion	55.012	44466819401	N/A	119,219	-
	Public Transit Service Develop Prog - RPM	55.012	44467218401	N/A	304,988	-
	Public Transit Service Develop Prog - GG Operating	55.012	44519418401	N/A	612,007	-
	Total 55.012				1,036,214	-
Total FL Dept of Transportation						
<u>FL Dept Children & Families</u>						
Direct Programs:						
	2019 Unified Homeless Grant	60.021	IP004	N/A	268,213	-
	Total FL Dept Children & Families				268,213	-
<u>FL Dept of Health</u>						
Direct Programs:						
	Emergency Medical Services Matching Grant	64.003	M6063	N/A	7,642	-
	Sexual Assault Services	64.121	COHO3	N/A	261,704	-
Passed Through: FL Dept of Health:						
	Emergency Medical Services	64.005	C8050	N/A	22,722	-
	19-20 Emergency Medical Services	64.005	C7050	N/A	44,611	-
	Total 64.005				67,333	-
Passed Through: FL Council Against Sexual Violence						
	Rape Crisis Program Trust Fund	64.061	16TFGR26 (TF)	16TFGR26 (TF)	58,138	-
	Rape Crisis Center	64.069	16TFGR26 (GR)	16TFGR26 (GR)	89,905	-
	Total FL Dept of Health				484,722	-

(Continued)

Palm Beach County, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2020**

Grantor	Program Title	Federal Assistance Listing No./Catalog of State Financial Assistance No.	Contract/ Grant #	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
<u>FL Dept of Elder Affairs</u>						
	Passed Through: OTHER - Area Agency on Aging of Palm Beach/Treasure Coast					
	19-20 Home Care for the Elderly	65.001	IH0199500 (GY19)	IH0199500 (GY19)	78,344	-
	20-21 Home Care for the Elderly	65.001	IH0209500 (GY20)	IH0209500 (GY20)	33,112	-
	Total 65.001				111,456	-
	Passed Through: OTHER - Area Agency on Aging of Palm Beach/Treasure Coast					
	19-20 Alzheimer's Disease Initiative	65.004	IZ0199500 (GY19)	IZ0199500 (GY19)	906,696	-
	20-21 Alzheimer's Disease Initiative	65.004	IZ0209500 (GY20)	IZ0209500 (GY20)	316,461	-
	Total Alzheimer's Disease Initiative				1,223,157	-
	Passed Through: OTHER - Area Agency on Aging of Palm Beach/Treasure Coast					
	19-20 Respite for Elders Living in Everyday Families	65.006	IR0199500 (GY19)	IR0199500 (GY19)	21,293	-
	20-21 Respite for Elders Living in Everyday Families	65.006	IR0209500 (GY20)	IR0209500 (GY20)	4,369	-
	Total Respite for Elders Living in Everyday Families				25,662	-
	Passed Through: OTHER - Area Agency on Aging of Palm Beach/Treasure Coast					
	19-20 Community Care for the Elderly	65.010	IC0199500 (GY19)	IC0199500 (GY19)	1,356,570	-
	20-21 Community Care for the Elderly	65.010	IC0209500 (GY20)	IC0209500 (GY20)	472,543	-
	Total Community Care for the Elderly				1,829,113	-
	Total FL Dept of Elder Affairs				3,189,388	-
<u>FL Dept of Law Enforcement</u>						
	Direct Programs:					
	FY 20 Statewide Criminal Analysis Lab System	71.002	2020SFACL50A9003	N/A	335,796	-
	FY19-20 Identity Theft & Fraud Grant Program	71.042	2020SFAITF502D003	N/A	10,000	-
	Total FL Dept of Law Enforcement				345,796	-
<u>FL Fish and Wildlife Conservation Commission</u>						
	Direct Programs:					
	Palm Beach County Artificial Reef Construction 2019-20	77.007	19044	N/A	58,199	-
	FWC Derelict Vessel Removal Grant Program	77.005	19239	N/A	72,000	-
	Total FL Fish and Wildlife Conservation Commission				130,199	-
<u>FL Executive Office of the Governor</u>						
	Passed Through: FL Div of Emergency Management					
	19-20 Emergency Management Program	31.063	A0036	A0036	97,868	-
	19-20 Hazardous Materials Plan & Prevent	31.067	T0093	T0093	21,021	-
	Total FL Executive Office of the Governor				118,889	-

(Continued)

Palm Beach County, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2020**

Grantor	Program Title	Federal Assistance Listing No./Catalog of State Financial Assistance No.	Contract/ Grant #	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
<u>Office of the Florida Attorney General</u>						
	Direct Programs:					
	Western Union Grant	00.000	Western Union	N/A	41,510	-
	Total Office of the Attorney General				<u>41,510</u>	<u>-</u>
<u>FL Housing Finance Corporation</u>						
	Direct Programs:					
	State Housing Initiatives Partnership Prgm 17/18-CAH	40.901	HFC0117	N/A	2,211,237	2,162,135
	State Housing Initiatives Partnership Prgm 18/19-CAH	40.901	HFC0118	N/A	517,237	509,672
	State Housing Initiatives Partnership Prgm 19/20-CAH	40.901	HFC0119	N/A	1,066,660	1,066,608
	Total SHIP				<u>3,795,134</u>	<u>3,738,415</u>
<u>FL Dept of Education</u>						
	Direct Programs:					
	Safe Schools Security Guard Training Program	48.140	97K902100D001	N/A	634,919	-
	Total FL Dept of Education				<u>634,919</u>	<u>-</u>
<u>FL Dept of Corrections</u>						
	Direct Programs:					
	DOC RESTORE B53AD1	70.011	B53AD1 DOC FY20	N/A	244,472	244,472
	Total Florida Dept of Corrections				<u>244,472</u>	<u>244,472</u>
<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				<u>2,000,004</u>	<u>-</u>
Total State Grants - All Departments					\$ 24,441,945	\$ 3,982,887
TOTAL FEDERAL AND STATE GRANTS					<u>\$ 251,351,019</u>	<u>\$ 18,682,201</u>

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

Palm Beach County, Florida

Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance Year Ended September 30, 2020

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, 2020. 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).

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

RSM US LLP

Independent Auditor's Report

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

Honorable Ric L. Bradshaw
Sheriff

Honorable Joseph Abruzzo
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, 2020, 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 26, 2021. 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) as a basis for designing 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 financial statements. 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 26, 2021

**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 Joseph Abruzzo
Clerk and Comptroller

Honorable Dorothy Jacks
Property Appraiser

Honorable Ric L. Bradshaw
Sheriff

Honorable Wendy Sartory Link
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, 2020. 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, 2020. 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 federal and state statutes, regulations and the terms and conditions of its federal awards and state projects 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, 2020.

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 2020-004. 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2020-001, 2020-002 and 2020-003 that we consider

to be significant deficiencies. The County's response to the internal control over compliance findings identified in our audit are 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 28, 2021

Palm Beach County, Florida

Schedule of Findings and Questioned Costs Year Ended September 30, 2020

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?

Material weakness(es) identified?
Significant deficiency(ies) identified?

Noncompliance material to financial statements noted?

X No

X No
X Not

X None Reported
X No

X NO

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

Material weakness(es) identified?
Significant deficiency(ies) identified?

Yes

X No

X No
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 No

The programs tested as major included the following:

<u>Federal Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218/14.225	CDBG – Entitlement Grants Cluster
20.106	Airport Improvement Program
20.500/20.507/20.525/20.526	Federal Transit Cluster
21.019	Coronavirus Relief Fund

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

\$ 3,000,000

Auditee qualified as low-risk auditee?

Yes No

(Continued)

Palm Beach County, Florida

Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2020

State Financial Assistance

Internal control over major state projects:

Material weakness(es) identified?

Yes

No

Significant deficiency(ies) identified?

Yes

None Reported

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

Unmodified

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

Yes

No

The projects tested as major included the following:

<u>Catalog of State Financial Assistance Number(s)</u>
37.039
40.901
55.001
55.004
55.008

**Name of State Financial
Assistance Project**

Statewide Surface Water Restoration and
Wastewater Projects

State Housing Initiatives Partnership Program
(SHIP)

Florida Commission for the Transportation
Disadvantaged(CTD) Trip and Equipment Grant
Program

Aviation Grant Programs

County Incentive Grant Program (CIGP)

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

\$ 750,000

(Continued)

Palm Beach County, Florida

Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2020

II – Financial Statement Findings

A. *Internal Control over Financial Reporting*

No matters reported.

B. *Compliance*

No matters reported.

Palm Beach County, Florida

Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2020

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

A. Internal Control over Compliance

Federal Awards

No matters to report

State Financial Assistance

2020-001 Special Tests

**State of Florida Housing and Finance Corporation -
State Housing Initiatives Partnership Program (SHIP)
(Catalog of State Financial Assistance 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 18 out of 60 loans selected for testing, the County was unable to provide evidence of their review over the residency requirement.

Questioned costs: \$184,160.

Context: As of September 30, 2020, there were more than 1500 loans with outstanding balances. We noted for the 60 loans selected for testing, four of the properties changed ownership.

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.

Palm Beach County, Florida

Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2020

Views of responsible officials and planned corrective action: The Department of Housing and Economic Development (HED) conducts a review of loans on an annual basis. An Annual Resident Certification (ARC) were sent to all owners to certify their continued occupancy of the property. HED also utilized Calyx Software to manage the mortgage loans portfolio. HED's response to the 2020 audit issues for 17 files are as follows:

- The status of a client/loan in this electronic filing system is updated at various stages of the loan (i.e. "Income Certified", "Funded", "Satisfied", 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 changed to "Satisfied". This did not occur in two (2) of the identified cases. HED staff 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".
- HED staff mailed ARCs to applicants noted as the owner on record. Six (6) of the applicants did not return their completed ARC and required documentation. HED staff will document the applicants' electronic file, and follow the process in the policies and procedures to acquire appropriate documents from the owner on record. Upon review, if it's determined that the applicant did not meet the program's requirement, staff will work in conjunction with HED's Contract Development and Quality Control staff, and the County's Attorney office where applicable, to seek appropriate remedies in accordance with the program requirements.
- Out of the applications reviewed, HED staff received ARCs from the six (6) owners on record. These applicants will be required to submit an updated ARC in 2021.
- Three (3) of the applications selected for review, are no longer the owners on record; therefore, staff will work in conjunction with HED's Contract Development and Quality Control staff, and the County's Attorney office where applicable, to seek appropriate remedies in accordance with the program requirements.

The Department of Housing and Economic Development (HED) staff will thoroughly update its current Annual Resident Certification (ARC) policy and procedures to include all processes; and designate staff to review and maintain annually.

2020-002 Cash Management

Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program (Catalog of State Financial Assistance No. 55.001)

Criteria: Per the grant agreement Section 6.40, "the grantee shall provide upon request, sufficient detailed documentation for each cost or claim for reimbursement to allow an audit trail to ensure that the services rendered or costs incurred were those which were agreed upon". The County's internal control over the reimbursement request is to have the Financial Analyst II or III review the request for accuracy and completeness prior to submission to grantor.

Condition: The County was unable to provide evidence that a review took place for all reimbursement requests tested prior to submission to the grantor.

Questioned Costs: Not applicable.

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

Palm Beach County, Florida

Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2020

Effect: Failure to properly document the review and approval of information prior to submission to the grantor could lead to inaccurate and/or incomplete information being submitted.

Cause: The County's control over this grant's cash management requirement was not operating effectively due to lack of personnel.

Recommendation: We recommend that the County establish procedures to clearly demonstrate evidence of supervisory review of the County's grant reimbursement requests to ensure the accuracy, completeness and regulatory compliance of the request prior to submission to grantors.

Views of responsible officials and planned corrective action: This was a temporary situation due to vacancies in the Administrative Services Section. The positions have been filled as of June 6, 2021. With the positions filled, the process will have the Financial Analyst III preparing the reimbursement requests, the Capital & Grants Analyst conducting a preliminary review and the Director of Administrative Services conducting a final review before authorizing the submittal of the request. If there are absences or vacancies, the Fiscal Manager II will serve the role of the vacant position.

2020-003 Matching

Florida Commission for the Transportation Disadvantaged (CTD)
Trip and Equipment Grant Program
(Catalog of State Financial Assistance No. 55.001)

Criteria: Per the Compliance Supplement, "the trip/equipment grant requires a local match. In defining local match, Rule 41-2.014(3), Florida Administrative Code, requires that grant recipients must provide at least 10 percent of the total project cost as the local share." Monthly reimbursement requests including the deduction of the 10% for the required match are prepared by the Financial Analyst I and reviewed and approved by the Financial Analyst II.

Condition: The County was unable to provide evidence that a review took place for all reimbursement requests, including the match deduction, tested prior to submission to the grantor.

Questioned Costs: Not applicable.

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

Effect: Failure to properly document the review and approval of information prior to submission to the grantor could lead to inaccurate and/or incomplete information being submitted.

Cause: The County's control over this grant's match requirement was not operating effectively due to lack of personnel.

Recommendation: We recommend that the County establish procedures to clearly demonstrate evidence of supervisory review of the County's grant reimbursement request that includes the deduction of the match, to ensure the accuracy, completeness and regulatory compliance of the request prior to submission to grantors.

Palm Beach County, Florida

Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2020

Views of responsible officials and planned corrective action: This was a temporary situation due to vacancies in the Administrative Services Section. The positions have been filled as of June 6, 2021. With the positions filled, the process will have the Financial Analyst III preparing the reimbursement requests, the Capital & Grants Analyst conducting a preliminary review and the Director of Administrative Services conducting a final review before authorizing the submittal of the request. If there are absences or vacancies, the Fiscal Manager II will serve the role of the vacant position.

B. Compliance

Federal Awards

No matters to report

State Financial Assistance

2020-004 Special Tests

**State of Florida Housing and Finance Corporation -
State Housing Initiatives Partnership Program (SHIP)
(Catalog of State Financial Assistance 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 4 out of 60 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 2019/2020 tax bill or the recipient was no longer the owner of the property.

Questioned costs: \$184,160.

Context: As of September 30, 2020, there were more than 1500 loans with outstanding balances. We noted for the 60 loans selected for testing, four of the properties changed ownership.

Effect: Failure to comply with grant requirements may result in disallowance by the grantor of project expenditures.

Palm Beach County, Florida

Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2020

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.

Views of responsible officials and planned corrective action: The Department of Housing and Economic Development (HED) conducts a review of loans on an annual basis. An Annual Resident Certification (ARC) were sent to all owners to certify their continued occupancy of the property. HED also utilized Calyx Software to manage the mortgage loans portfolio. HED's response to the 2020 audit issues for 17 files are as follows:

- The status of a client/loan in this electronic filing system is updated at various stages of the loan (i.e. "Income Certified", "Funded", "Satisfied", 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 changed to "Satisfied". This did not occur in two (2) of the identified cases. HED staff 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".
- HED staff mailed ARCs to applicants noted as the owner on record. Six (6) of the applicants did not return their completed ARC and required documentation. HED staff will document the applicants' electronic file, and follow the process in the policies and procedures to acquire appropriate documents from the owner on record. Upon review, if it's determined that the applicant did not meet the program's requirement, staff will work in conjunction with HED's Contract Development and Quality Control staff, and the County's Attorney office where applicable, to seek appropriate remedies in accordance with the program requirements.
- Out of the applications reviewed, HED staff received ARCs from the six (6) owners on record. These applicants will be required to submit an updated ARC in 2021.
- Three (3) of the applications selected for review, are no longer the owners on record; therefore, staff will work in conjunction with HED's Contract Development and Quality Control staff, and the County's Attorney office where applicable, to seek appropriate remedies in accordance with the program requirements.

The Department of Housing and Economic Development (HED) staff will thoroughly update its current Annual Resident Certification (ARC) policy and procedures to include all processes; and designate staff to review and maintain annually.

Palm Beach County, Florida

**Summary Schedule of Prior Year Audit Findings
Year Ended September 30, 2020**

I – Financial Statement Findings

No matters to report

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

Finding #	Program	Finding	Observation	
			Observation is Still Relevant	No Longer Relevant
2019-001	CSFA No. 40.901 – State Housing Initiatives Partnership Program (SHIP)	Internal Control – Special Tests (Repeated as 2020-001)	X	
2019-002	CSFA No. 40.901 – State Housing Initiatives Partnership Program (SHIP)	Compliance – Special Tests (Repeated as 2020-004)	X	



Palm Beach County Department of Housing and Economic Development 2019 Audit Response

SHIP Program Corrective Action Plan – Finding 2019-001 and 2019-002

Contact Person: Dorina Jenkins Gaskin

Completion Date: September 30, 2021

Corrective Action:

The Department of Housing and Economic Development (HED) staff will update its mortgage loans portfolio in the Calyx electronic filing system whenever the applicants' status changes at various stages (i.e. "Funded", "Satisfied", etc.). Staff will conduct a monthly review of the mortgage loan portfolio to confirm that all necessary loans have been updated to reflect their status.

Additionally, HED staff will conduct a detailed examination of all SHIP programs mortgage loans, including the files that were identified for review in the audit, to insure that the residency requirements are met during the term of the mortgage loan. Upon review, if it's determined that the applicant did not meet the program's requirement; HED staff will document the applicants' electronic file, and follow the process in the policies and procedures to acquire appropriate documents from the owner on record. Staff will work in conjunction with HED's Contract Development and Quality Control staff, and the County's Attorney office where applicable, to seek appropriate remedies in accordance with the program requirements.

The Department of Housing and Economic Development (HED) staff will thoroughly update its current Annual Resident Certification (ARC) policy and procedures to include all processes; and designate staff to review and maintain annually.