Palm Beach County, Florida

Single Audit Report
September 30, 2014

PALM BEACH COUNTY, FLORIDA

SINGLE AUDIT REPORT

Fiscal Year Ended September 30, 2014

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McGladrey

Independent Auditor's Report

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

Honorable Ric L. Bradshaw
Sheriff

Honorable Sharon R. Bock
Clerk and Comptroller

Honorable Susan Bucher
Supervisor of Elections

Honorable Gary R. Nikolits
Property Appraiser

Honorable Anne Gannon
Tax Collector

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Palm Beach County, Florida (the "County"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Solid Waste Authority, the Westgate Belvedere Homes Community Redevelopment Agency, and the Housing Finance Authority, discretely presented component units, which collectively represent 99% of the total assets and 99% of the total revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Solid Waste Authority, Westgate Belvedere Homes Community Redevelopment Agency, and Housing Finance Authority, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

Member of the RSM International network of independent accounting, tax and consulting firms.

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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the Unites States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules – General Fund, Fire Rescue Special Revenue Fund and Community & Social Development Special Revenue Fund, and the schedules of funding progress as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2015, 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.

McGladrey LLP

West Palm Beach, Florida
March 26, 2015

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, 2014. We encourage reading this narrative in conjunction with the additional information provided in the transmittal letter (beginning on page i) and the accompanying financial statements (beginning on page 2).

Financial Highlights

- The County's assets and deferred outflows of resources exceeded its liabilities (net position) by approximately $3.740 billion and $3.775 billion at the close of fiscal years 2014 and 2013, respectively. Of these amounts, $2.641 billion and $2.710 billion were the net investment in capital assets. In addition, $626 million and $657 million were restricted by law, grant agreements, debt covenants, or for capital projects. As a result, $473 million and $408 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, 2014 and 2013 were $1.895 billion and $1.867 billion, respectively.

- During the year, the County's total net position decreased by $35 million, compared to an increase of $74 million during the previous fiscal year. Business-type activities increased $65 million, and governmental activities decreased by $100 million.

- As of September 30, 2014, the County's governmental funds reported a combined ending fund balance of $1.037 billion, a decrease of $6.3 million or approximately 1% from the previous year.

- As of September 30, 2014, the fund balance for the General Fund, including Constitutional Officers, was $184.1 million, a decrease of $16 million or 8% from the previous year.

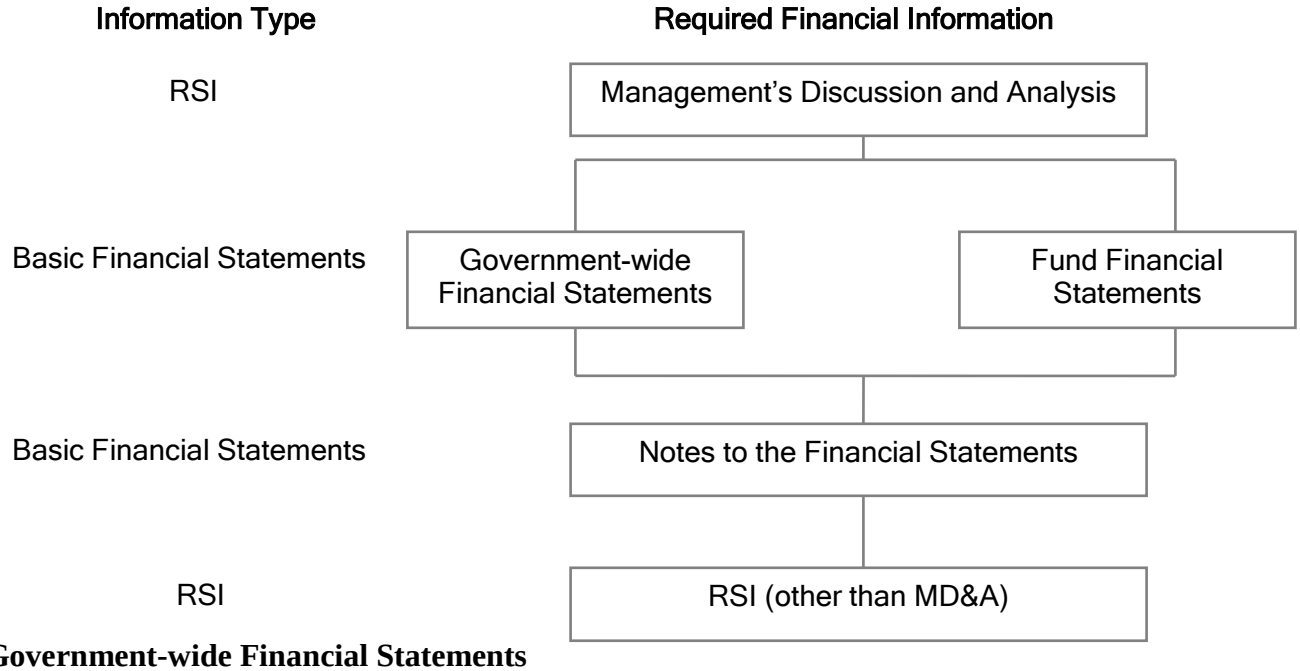
- The County's two enterprise funds had a combined increase in net position of $63.4 million. The Department of Airports increase was $23.0 million and the Water Utilities Department had an increase of $40.4 million.

- The County sold the Mecca property during fiscal year 2014. The $33 million loss on the sale is reported as a special item. See the Governmental Activities section on page xx for more information related to the sale.

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, 2014. The difference between these assets and deferred outflows and liabilities and deferred inflows is reported as net position. Changes in net position may serve as an indicator of whether the financial position of the County is improving or deteriorating. The Statement of Activities follows the Statement of Net Position and presents information showing how the County's net position changed during the fiscal year. Changes in net position are reported as soon as the underlying economic transactions occur, regardless of when cash is received or paid. Therefore, some of the revenues or expenses reported in the statement of activities will have cash flows in future fiscal periods. For example, certain sales taxes are shown as revenues although cash receipts will occur early in the following fiscal year. Alternatively, an increase in unused vacation leave is recorded as an expense although related cash outflows will occur in the future.

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

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

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

Fund Financial Statements

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

Governmental funds

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

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

Proprietary funds

The County uses both types of proprietary funds, Enterprise and Internal Service Funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the

government-wide financial statements. The County uses enterprise funds to account for its Airports 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 budget to actual comparisons for the General Fund and major special revenue funds. The combining statements for the nonmajor funds, internal service funds, agency funds, as well as individual fund budget and actual comparison schedules are found in the *Combining and Individual Fund Statements and Schedules* section of this report.

Government-wide Financial Analysis

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 70.6% and 71.8% as of September 30, 2014 and 2013, 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.

As shown on the following chart, the County reported positive balances at September 30, 2014 and 2013, in all three categories of net position, governmental activities, business-type activities, as well as the County as a whole.

Palm Beach County, Florida
Net Position at Year-End (in millions)

	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2014	2013	2014	2013	2014	2013
Assets						
Current and other assets	$ 1,312	$ 1,297	$ 498	$ 453	$ 1,810	$ 1,750
Capital assets	2,455	2,528	1,343	1,337	3,798	3,865
Total assets	3,767	3,825	1,841	1,790	5,608	5,615
Total deferred outflows of resources	18	17	9	10	27	27
Liabilities						
Current	276	252	54	47	330	299
Long-term debt due in more than one year	1,276	1,257	289	311	1,565	1,568
Total liabilities	1,552	1,509	343	358	1,895	1,867
Net Position						
Net investment in capital assets	1,578	1,665	1,063	1,045	2,641	2,710
Restricted	538	576	88	81	626	657
Unrestricted	117	92	356	316	473	408
Total net position	$ 2,233	$ 2,333	$ 1,507	$ 1,442	$ 3,740	$ 3,775

Governmental activities

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

- Current and other assets for Governmental activities increased by $15 million. Much of the change is due to overall higher cash, cash and cash equivalents and investment balances on

hand at the end of the fiscal year. These higher balances are partially due to new debt issuances and the sale of the Mecca property.

- Capital assets for Governmental activities decreased by $73 million primarily as a result of the sale of the Mecca property as well as the effects of depreciation (refer to the subsequent section on Capital assets for additional detail).

- The overall increase in long-term debt for Governmental activities of $19 million is due to in part to new debt issued in the General Government Capital Projects Fund, Criminal Justice Capital Projects Fund, and new General Obligation Bonds.

Governmental activities were responsible for a $100 million decrease in the County's net position during fiscal year 2014, as compared with a $41 million decrease during the previous fiscal year. This year's $100 million decrease in net position from governmental activities is attributed to several factors:

Special item – The Statement of Activities includes a $33 million loss on the sale of land that is reported as a special item. Special items are those significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence.

During fiscal year 2014, the Board of County Commissioners approved the sale of the Mecca property to the South Florida Water Management District for $26 million. The property was originally purchased in 2004 for $59 million as part of the plan to bring the Scripps Research Institute (Scripps) to the County. Due to a complicated permitting process and major opposition from numerous environmental groups, a federal judge's ruling caused the County to stop construction on the site, and Jupiter was ultimately chosen as the new home for Scripps. Although the County held the property for several years with the hope of selling it for development, the economic downturn took its toll and the decision was made to sell the property.

Investment income increased by $20 million from the previous fiscal year due to the continued restructuring of the portfolio in order to decrease market price sensitivity. Pursuant to GASB 31, investments are required to be recorded at market or fair value based upon quoted market prices regardless of whether these changes are realized. With interest rates remaining at historic lows, interest income is diminished, leaving little flexibility to mitigate interest rate risk. Any fixed income portfolio will experience changes in fair value when rates rise or other market conditions change to affect fixed income markets.

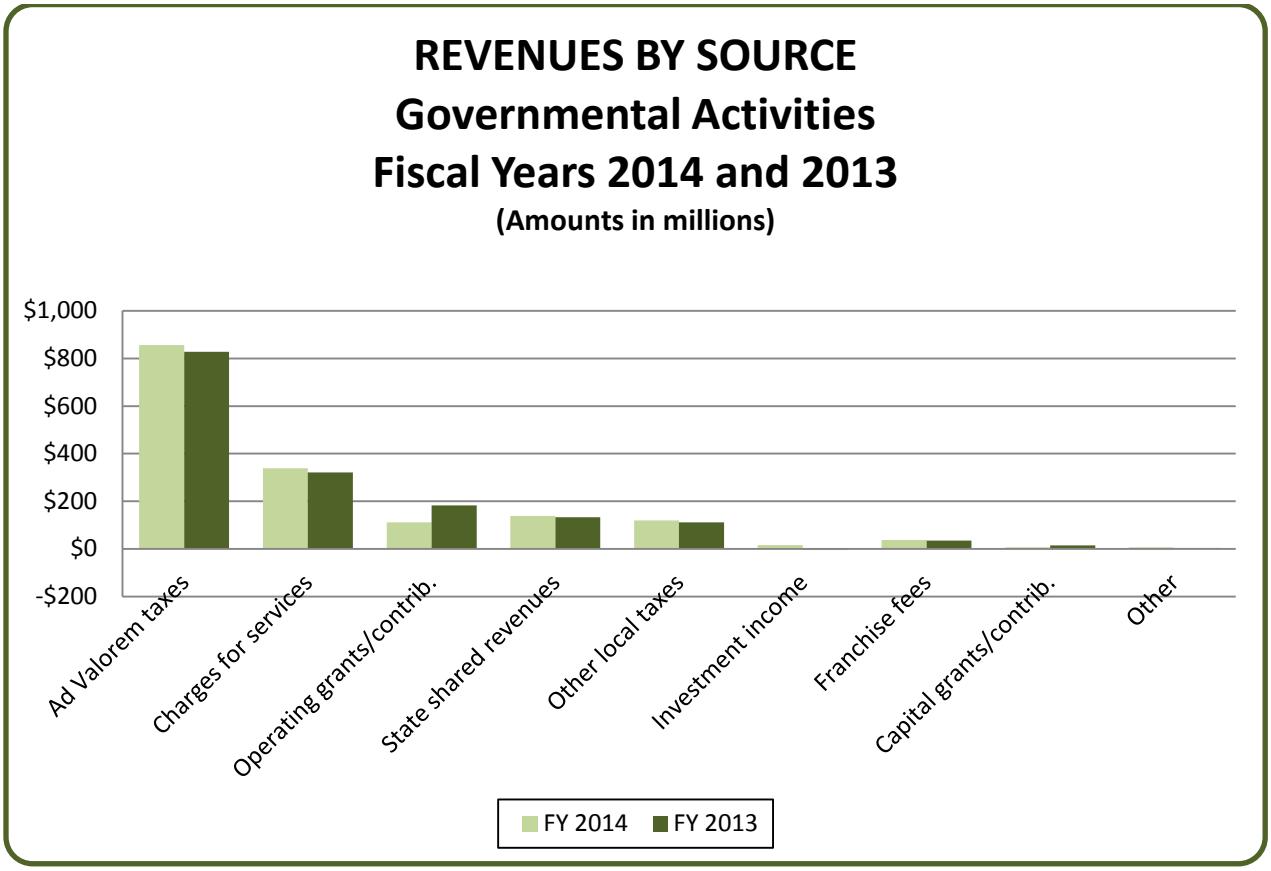
Ad-valorem tax revenue increased approximately $29 million or 3.5% from the previous fiscal year. The increase is due to higher overall taxable values.

General government expenses increased $28 million or 8.7% from the previous fiscal year due in part to some increased spending related to road projects during the fiscal year.

Public Safety expenses increased $41 million or 5.2% from the previous fiscal year. This can be attributed to higher costs associated with the operations of the Sheriff and Fire Rescue.

Economic environment expenses decreased $23 million or 25.3% from the previous fiscal year. Much of this decrease is due to a decline in fiscal activity in the Neighborhood Stabilization Program (NSP) during fiscal year 2014. The NSP grant is a special Community Development Block Grant (CDBG) allocation created to address the problem of abandoned and foreclosed residential properties. There are certain income level limitations and geographic boundary jurisdictions that apply.

The County's governmental activities had net expenses of $1.240 billion. These services are intended to be primarily funded by taxes and other general revenues as opposed to charges for service and grants. Total revenues (both program and general revenues) were less than total expenses by $100 million.



Business-type activities

The County's business-type activities reported total revenues of $298 million which exceeded total expenses by $64 million (refer to the **Proprietary funds** section of **Financial Analysis of the Government's Funds** which follows for more information on the County's business-type activities). Significant changes in the business-type activities Statement of Net Position included increases in cash as well as increases in capital assets.

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

	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues:						
Charges for services	$ 339	$ 322	$ 258	$ 244	$ 597	$ 566
Operating grants and contributions	111	183	-	-	111	183
Capital grants and contributions	7	14	35	35	42	49
	457	519	293	279	750	798
General Revenues:						
Ad valorem taxes	857	828			857	828
Other local taxes	120	112			120	112
State shared revenues	138	133			138	133
Franchise fees	37	34			37	34
Investment income	16	(4)	5	-	21	(4)
Other	6	4	-	-	6	4
Total revenues	1,631	1,626	298	279	1,929	1,905
Expenses						
General government	350	322			350	322
Public safety	827	786			827	786
Physical environment	31	38			31	38
Transportation	172	163			172	163
Economic environment	68	91			68	91
Human services	90	99			90	99
Culture and recreation	118	123			118	123
Interest expense	41	43			41	43
Department of Airports	-	-	74	75	74	75
Water Utilities Department	-	-	160	155	160	155
Total expenses	1,697	1,665	234	230	1,931	1,895
Excess of revenues over (under) expenses	(66)	(39)	64	49	(2)	10
Transfers In (Out)	(1)	(2)	1	2	-	-
Special items	(33)	-	-	64	(33)	64
Change in net position	(100)	(41)	65	115	(35)	74
Beginning net position (Restated)	2,333	2,374	1,442	1,327	3,775	3,701
Ending net position	$ 2,233	$ 2,333	$ 1,507	$ 1,442	$ 3,740	$ 3,775

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.

Changes in Fund Balance – Governmental Funds

At September 30, 2014, the County's governmental funds reported combined ending fund balances of $1.037 billion, a decrease of $6.3 million from the previous year. Below are highlights of the change in fund balance.

- The decrease in the General Fund's fund balance of $16 million is primarily attributable to expenditures outpacing revenues for the 2014 fiscal year. General government, Public safety, and Capital expenditures were higher by $8 million, $29 million, and $9 million, respectively, than the previous fiscal year.

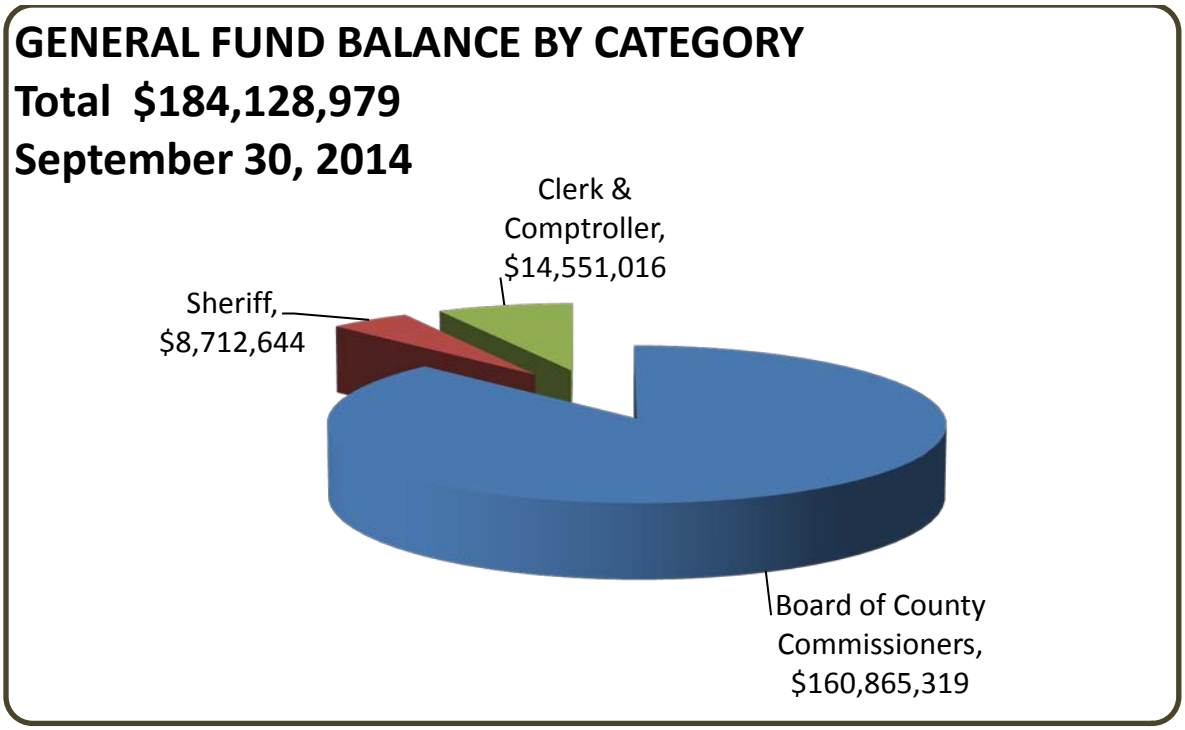
- The decrease in the Fire Rescue Special Revenue Fund of $20.1 million is attributable to a decline in overall revenues coupled with higher costs during the fiscal year.

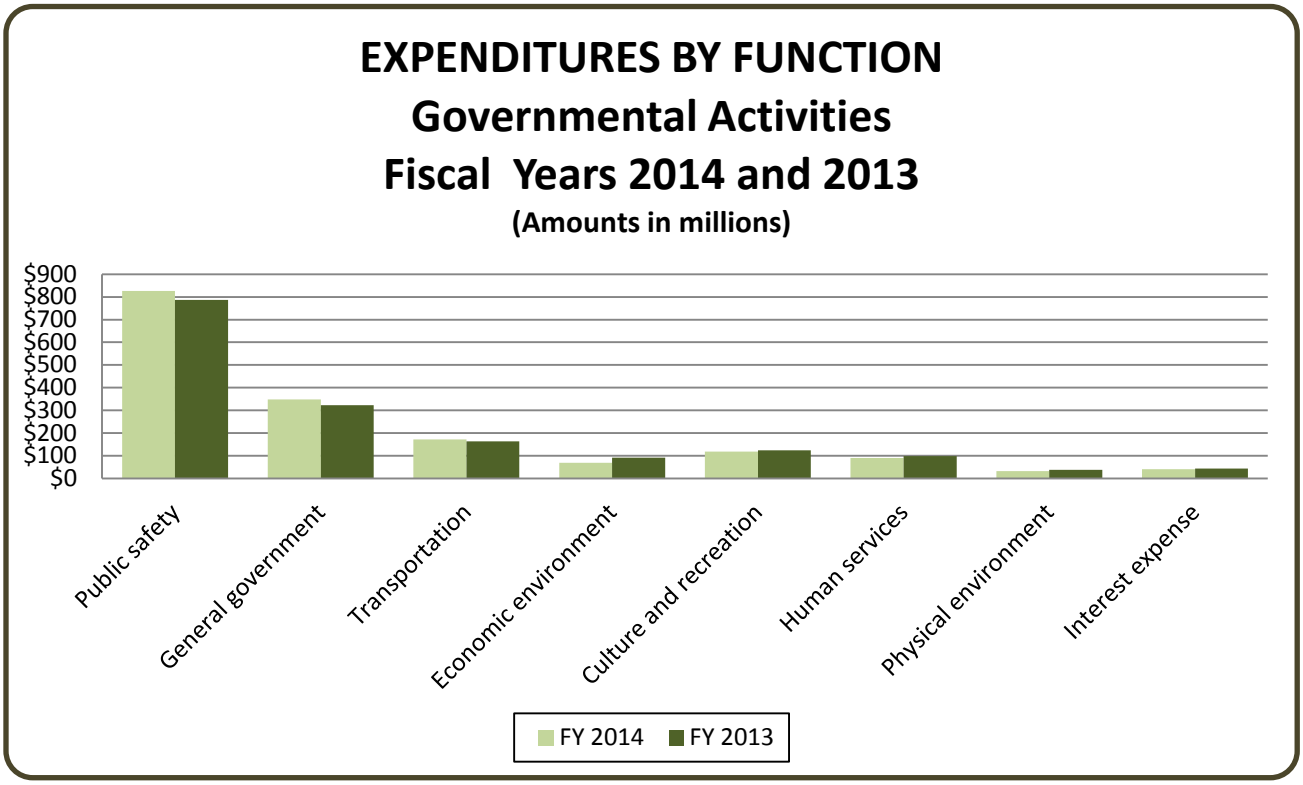
- The increase in the Community and Social Development Special Revenue Fund of $7.6 million is partially attributable to lower expenditures as a result of a decrease in loans to borrowers for the Neighborhood Stabilization Programs.

- The increase of $4.4 million in the Road Program Capital Projects Fund is related to an overall increase in Tax revenue, Special Assessments revenue and increased investment income over the prior fiscal year.

- The increase of $49.5 million in the General Government Capital Projects Fund is primarily due to the issuance of long-term debt (reported in other financing sources) during the fiscal year.

- The decrease of $31.6 million in Other Governmental Funds is due to several factors including a decrease in Intergovernmental revenue of $11 million, coupled with increases in expenditures in General Government of $2.3 million, Public Safety of $4.4 million and Transportation of $9 million.


GENERAL FUND BALANCE BY CATEGORY
Total $184,128,979
September 30, 2014
Clerk & Comptroller, $14,551,016
Sheriff, $8,712,644
Board of County Commissioners, $160,865,319


EXPENDITURES BY FUNCTION
Governmental Activities
Fiscal Years 2014 and 2013
(Amounts in millions)
$900
$800
$700
$600
$500
$400
$300
$200
$100
$0
Public safety
General government
Transportation
Economic environment
Culture and recreation
Human services
Physical environment
Interest expense
FY 2014
FY 2013

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

Department of Airports:

- Operating revenues increased 5% to $68.6 million. Concessions revenues including car rental companies and parking increased by 7% resulting in revenue increase of $2.1 million. Non-airline rentals also increased by 13% resulting in a revenue increase of $1.3 million.

- Compared to the prior year, operating expenses (excluding depreciation and amortization) increased by 2.5% or $930,000. Maintenance costs increased by 11% or $620,000; other cost areas were stable with little or no increases.

- As a result of the factors above, 2014 operating income before depreciation increased $2.2 million, or 8.6% over the prior year.

- During fiscal year 2014, hangar and building assets developed by tenants and sub-tenants at Lantana Airport were turned over to the department. The fair market value of these assets is categorized as a contribution to the department in the amount of $7 million. These assets, while now owned by the department, will be managed by a private fixed base operator and will return revenue to the department.

Water Utilities Department:

- The department's net position increased by $40.4 million, or 3.9%, compared to an increase of $103.8 million, or 11% in fiscal year 2013.

- Long-term debt (net of the current portion) decreased by $9.3 million, or 4.4%, during the year.

- Operating revenues in fiscal year 2014 totaled $169.9 million, an increase of $7.5 million or 4.6% from fiscal year 2013. Fiscal year 2014 included the effect of rate indexing and a .8% increase in the customer base.

- Operating expenses before depreciation and amortization and equity interest in net loss of joint venture totaled $111.8 million, an increase of $7.1 million or 6.8%.

- Non-operating income increased by $7.7 million, or 213.9% in fiscal year 2014.

- The department showed net income before contributions, transfers, and special item of $20.0 million for fiscal year 2014, an increase of $9.1 million or 83.5% from fiscal year 2013.

Budgetary Highlights

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

After the original budget is approved, it may be revised for a variety of reasons such as unforeseen circumstances, corrections or errors, new bond or loan proceeds, new grant awards and other revenues. During fiscal year 2014, supplemental appropriations to the Board of County Commissioners' budget excluding component units, were approximately $153 million, or 4% of the original adopted budget.

Differences between the original budget for fiscal year 2014 and the final amended budget for the General Fund can be summarized as follows:

- On March 11, 2014, 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 $11 million adjustment to the reserves for balances forward in the General Government budget, reduced the transfer to the Palm Tran Operations Fund in the amount of $.3 million, and increased the budget for an Impact Fee Consultant in the amount of $200,000.

- The remaining amendments were primarily associated with new grants and carry forward of existing grant funds.

Budget to Actual Expenditures

- The year-end General Fund reserves budget was $105.8 million, which represents 85% of the total unexpended appropriations in the fund. These unexpended funds will be carried over into fiscal year 2015 and will be re-appropriated.

- The Division of Juvenile Justice Pre-Predisposition costs were $2.2 million under budget due to a revised State allocation of the costs to counties.

- The Property Appraiser's net cost was $.5 million under budget primarily due to an increase in excess fees returned to the County.

- The Tax Collector's net cost was $2.8 million over budget primarily due to a decrease in the excess fees return to the County.

- The remaining unspent funds can be primarily attributed to County departments spending less than budgeted.

Budget to Actual Revenues

- Ad-valorem tax collections were 96% of budget, in line with the historical collection rate. Florida Statutes require revenues to be budgeted at 95% of reasonably anticipated receipts. Palm Beach County budgets a negative 5% statutory reserve to accomplish this. Ad-valorem taxes collected exceeded the budget by $5.6 million.

- Electric Utility Service Tax and Franchise Fee revenues were 10% over budget. This revenue source is based on usage and is affected by area temperatures. Actual revenues are difficult to project. The FY 2015 budget has been adjusted to reflect the current usage.

- FY 2014 budget for State Revenue Sharing and Sales Tax was set at a total of $103.7 million, or 4% greater than the actual FY 2013 collections. However, FY 2014 actual collections came in at $106.7 million or 7% over FY 2013 collections.

- Traffic Surcharge revenue was 15% under budget. This is directly due to a decline in civil traffic citations. Future budgets will be reduced to reflect current trends.

- Investment income was 26%, or $0.4 million over budget. While interest income is reasonably estimable, GASB 31 has made it difficult to project investment income that will be recognized. Fair market gains and losses cannot be projected as they are driven by real time market conditions, resulting in possible variances in recognized income.

Budget to Actual – Other financing sources

- Actual excess fees (transfers in) received from the Sheriff, Supervisor of Elections, and the Clerk amounted to $14.1 million, $1.7 million more than the budget.

- A budgeted transfer in of $2.4 million from the Capital Outlay fund was not recognized in FY 2014. This transfer in was re-budgeted and will be recognized in FY 2015.

Capital Assets and Debt Administration

Capital assets. The County's capital assets for its governmental and business-type activities as of September 30, 2014, amounts to $3.798 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 fiscal year 2014 decreased by $67 million; governmental activities decreased $73 million and business-type activities increased by $6 million.

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

	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2014	2013	2014	2013	2014	2013
Land	$ 688	$ 740	$ 117	$ 116	$ 805	$ 856
Buildings & improvements	760	549	231	239	991	788
Improvements other than buildings	202	192	891	903	1,093	1,095
Equipment	194	191	26	25	220	216
Infrastructure	399	291	-	-	399	291
Intangible - easement rights	-	-	11	11	11	11
Goodwill	-	-	5	5	5	5
Construction in progress	212	565	62	38	274	603
TOTALS	$ 2,455	$ 2,528	$ 1,343	$ 1,337	$ 3,798	$ 3,865

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

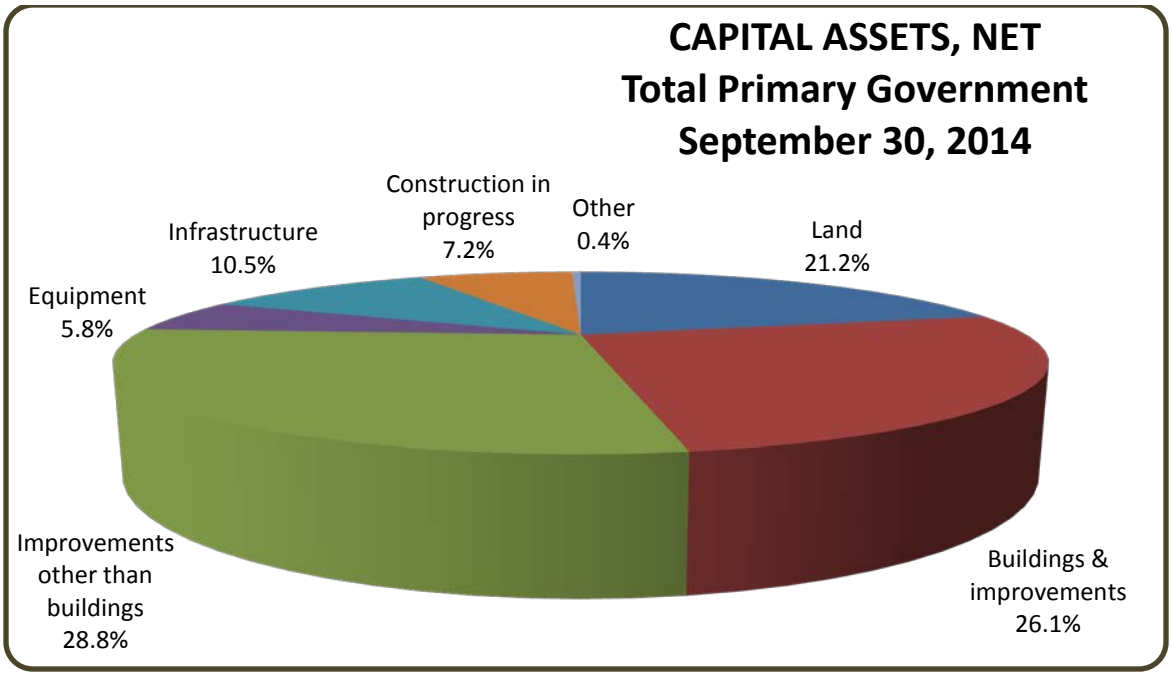
- Substantially completed projects during fiscal year 2014 included approximately $144 million in costs for the County Jail Expansion. Also, $7.2 million of improvements were made to Seminole-Pratt Road (Okeechobee/Sycamore) and also $6.4 million was spent on the Acreage Access Road (Persimmon Boulevard to 60th Street).

- Governmental activities Net Capital Assets decreased by $73 million. Major changes included a decrease in Land of $52 million, primarily due to the sale of the Mecca property, an increase in Buildings and Improvements of $211 million as well as Infrastructure of $108 million, offset by transfers from Construction in Progress of $353 million and the effects of depreciation.

- Business-type activities Net Capital Assets increased overall by $6 million to $1.343 billion, primarily attributable to increases in Construction in Progress of the Water Utilities Department.

- Major projects by the Water Utilities Department included replacement of the filters at Water Treatment Plant #2 for $16.7 million, the design and construction of an Administrative, Operations and Maintenance Complex for the Western Region for $12.9 million and replacement of the Western Region Water Distribution System for $12.2 million.

- The Department of Airports expended $18.0 million on capital activities. Completed projects during 2014 totaling $9.5 million were transferred from Construction in Progress to their respective capital accounts. The major projects completed in fiscal year 2014 involved airfield, parking garage and terminal improvements.



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

Long-term liabilities. At September 30, 2014, the primary government had 47 issues of bonded debt totaling $1.244 billion. Of this amount, $175 million comprises debt backed by the full faith and credit of the government. $773 million is special obligation debt secured by dedicated revenue sources and $296 million is secured by specified enterprise revenue sources. Other obligations consist primarily of self-insurance liabilities, compensated absences, pension obligations and other post-employment benefits (see chart below for more information).

Palm Beach County, Florida
Long-Term Liabilities at Year-End (in millions)

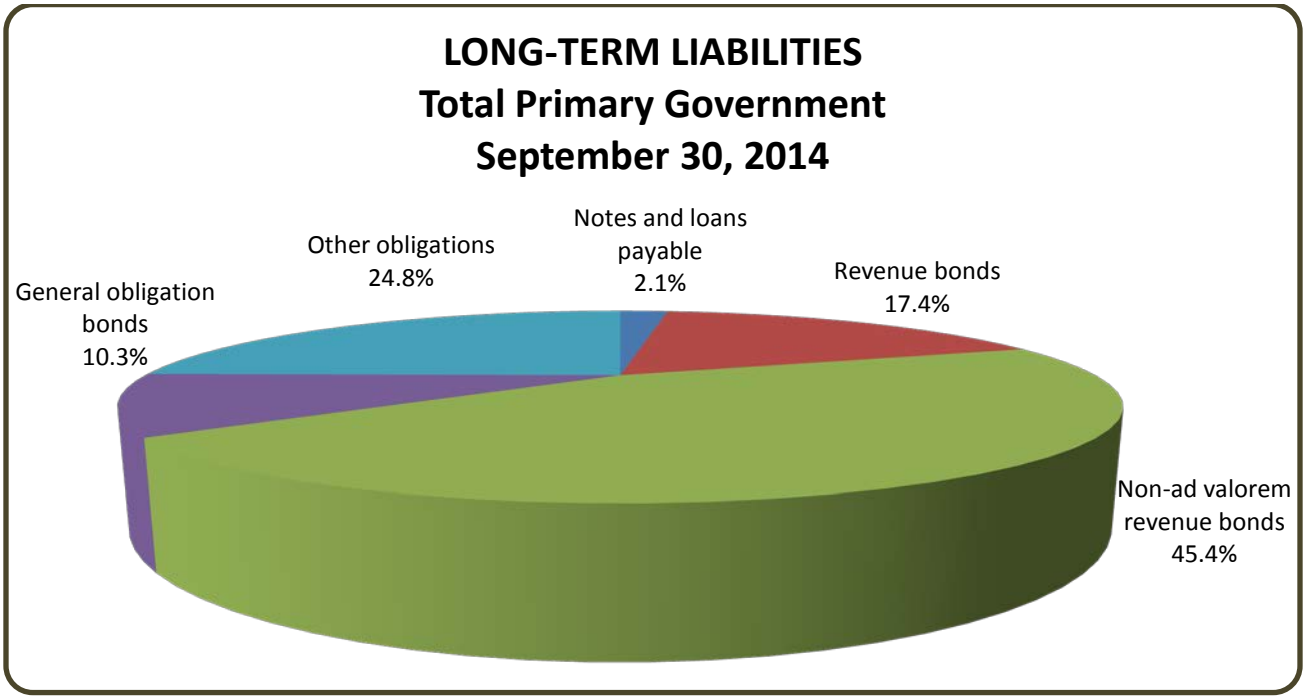
	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2014	2013	2014	2013	2014	2013
General obligation bonds	$ 175	$ 193	$ -	$ -	$ 175	$ 193
Non-ad valorem revenue bonds	773	779	-	-	773	779
Revenue bonds	-	-	296	317	296	317
Notes and loans payable	26	24	10	10	36	34
Other obligations	417	374	4	4	421	378
TOTALS	$ 1,391	$ 1,370	$ 310	$ 331	$ 1,701	$ 1,701

Bonded Debt. The County's bond issues are rated by three primary bond rating agencies: Moody's Investors Service, Standard & Poor's and Fitch Ratings. These ratings, which are listed in the following chart, are indicative of the County's strong management team, broad-based

economy, continually well-performing tax base, increasingly strong financial position, minimal debt requirements and high quality residential tax base. At September 30, 2014, the County's non ad-valorem revenues were 3.68 times the debt service required in the current or any future fiscal year.

Type of Debt Issue	Moody's	Fitch Ratings	S&P
General obligation bonds	Aaa	AAA	AAA
Non-ad valorem revenue bonds	Aa1	AA+	AA+
Water and Sewer System Enterprise revenue bonds	Aaa	AAA	AAA
Water and Wastewater System Enterprise revenue bonds	Aaa	AAA	AAA
Airport System Enterprise revenue bonds	A2	A	A

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



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 1,345,652 in 2013 to 1,360,248 in 2014, an increase of approximately 1%.

- The civilian labor force for Palm Beach County increased from 640,219 on September 30, 2013 to 669,252 as of September 30, 2014. The County's unemployment rate decreased from 7.1% on September 30, 2013 to 6.0% as of September 30, 2014.

- Gross property taxes levied for fiscal year 2014 increased from $859.5 million in 2013 to $890.7 million for 2014, an increase of $31.2 million or 3.6%.

- Palm Beach County has a diversified property tax base. The ten largest property taxpayers in the County represent 13.6% of the total ad valorem property taxes levied.

- Residential building permits issued in Palm Beach County for both single family and multi-family units fell from 5,051 in 2013 to 3,960 in 2014, a decrease of 22%.

- The median sales price for a single-family home in Palm Beach County rose from $264,000 in 2013 to $275,000 in 2014, an increase of 4%. Statewide, the median sales price rose from $169,000 in 2013 to $178,000 in 2014, an increase of 5%.

- Palm Beach County's local economy continues to show signs of improvement. Sales tax revenue for fiscal year 2014 totaled $79.4 million, which was $5.4 million or 7% higher than fiscal year 2013.

- Property Tax revenues for fiscal year 2014 were $856.8 million, an increase of $28.9 million from fiscal year 2013, or 3.5%.

- It was a strong showing for tourism in Palm Beach County during the year. Tourist development tax increased from $30.5 million in fiscal year 2013 to $33.8 million in fiscal year 2014, an increase of $3.3 million or 11%.

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

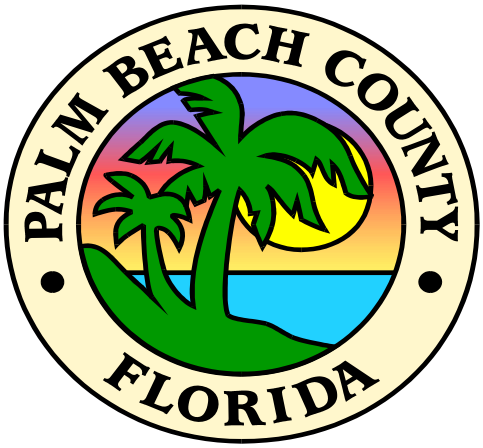
To Obtain Further Information

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

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

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

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


PALM BEACH COUNTY
FLORIDA

PALM BEACH COUNTY, FLORIDA
Statement of Net Position
September 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash, cash equivalents, and investments	$ 811,253,998	$ 321,263,893	$ 1,132,517,891
Interest receivable	762,240	595,500	1,357,740
Accounts receivable - net	22,811,610	21,395,512	44,207,122
Internal Balances	(6,621,647)	6,621,647	-
Due from primary government	-	-	-
Due from other governments	37,549,577	3,486,071	41,035,648
Due from component units	389,219	-	389,219
Inventory	14,036,194	7,034,586	21,070,780
Other assets	7,864,015	1,435,000	9,299,015
Other receivable - noncurrent	18,421,377	14,623,103	33,044,480
Investment in joint ventures	-	44,127,315	44,127,315
Noncurrent restricted cash, cash equivalents and investments	406,013,973	76,665,855	482,679,828
Capital assets			
Non-depreciable capital assets	899,703,550	180,325,820	1,080,029,370
Depreciable capital assets, net	1,555,101,263	1,163,029,049	2,718,130,312
Total assets	3,767,285,369	1,840,603,351	5,607,888,720
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	18,202,161	9,004,528	27,206,689
LIABILITIES			
Vouchers payable and accruals	78,023,258	16,234,916	94,258,174
Due to primary government	-	-	-
Due to other governments	32,866,055	979,615	33,845,670
Due to component units	10,664,830	102,886	10,767,716
Due to individuals	699,404	7,335,341	8,034,745
Accrued interest payable	14,888,636	6,831,010	21,719,646
Unearned revenue	12,058,277	649,835	12,708,112
Other current liabilities	11,103,728	-	11,103,728
Long-term liabilities			
Long-term liabilities due within one year	115,739,140	20,779,678	136,518,818
Long-term liabilities due in more than one year	1,275,999,046	289,368,680	1,565,367,726
Total liabilities	1,552,042,374	342,281,961	1,894,324,335
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows	150,853	183,875	334,728
NET POSITION			
Net investment in capital assets	1,578,473,003	1,062,570,754	2,641,043,757
Restricted for:			
Debt service	25,193,234	19,870,470	45,063,704
Capital projects	357,287,170	56,506,695	413,793,865
Library services	7,841,451	-	7,841,451
Fire rescue services	21,646,381	-	21,646,381
Tourist development programs	25,295,371	-	25,295,371
Grant and economic development programs	26,900,020	-	26,900,020
Environmental protection programs	9,911,519	-	9,911,519
Public safety and judicial programs	18,682,762	-	18,682,762
Other services and programs	45,647,501	11,758,907	57,406,408
Unrestricted	116,415,891	356,435,217	472,851,108
Total net position	$ 2,233,294,303	$ 1,507,142,043	$ 3,740,436,346

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

Component Units			
Metropolitan Planning Organization	Housing Finance Authority	Westgate/ Belvedere Homes Community Redevelopment Agency	Solid Waste Authority
$ 150	$ 5,061,757	$ 741,954	$ 385,376,613
-	9,557	-	233,955
3,908	206,894	9,088	4,583,699
-	-	-	-
60,471	6,446,374	-	4,260,871
300,647	-	-	-
-	-	-	-
-	-	-	4,380,800
22,365	436,028	2,678,587	2,580,349
-	78,867	-	-
-	-	-	-
-	-	-	150,917,475
-	-	3,646,295	812,749,010
-	-	3,082,584	480,332,532
387,541	12,239,477	10,158,508	1,845,415,304
-	-	-	-
60,117	61,146	20,715	38,693,418
2,628	38,619	-	347,972
-	-	-	-
-	-	-	-
-	-	-	509,975
-	-	-	24,322,512
-	-	-	-
-	151,899	1,500	260,000
9,649	-	554,792	19,421,473
36,518	-	1,409,505	1,172,510,797
108,912	251,664	1,986,512	1,256,066,147
-	-	2,400	-
-	-	6,468,879	459,807,835
-	-	284,133	-
-	-	89,972	18,345,492
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	19,966,967
278,629	11,987,813	1,326,612	91,228,863
$ 278,629	$ 11,987,813	$ 8,169,596	$ 589,349,157

PALM BEACH COUNTY, FLORIDA
Statement of Activities
For the fiscal year ended September 30, 2014

	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	$ 364,401,335	$ (15,902,330)	$ 143,904,381	$ 6,450,155	$ 5,440,361
Public Safety	821,232,518	5,656,968	123,114,049	8,187,279	240,352
Physical Environment	31,189,932	-	5,393,092	4,891,372	1,377,224
Transportation	171,955,805	-	38,166,842	40,767,749	-
Economic Environment	67,935,295	78,032	3,734,295	17,954,358	-
Human Services	89,516,788	673,817	3,094,407	31,431,182	-
Culture and Recreation	115,085,159	3,255,102	20,740,160	1,530,342	26,741
Interest Expense	40,903,205	-	-	-	-
Total Governmental Activities	1,702,220,037	(6,238,411)	338,147,226	111,212,437	7,084,678
Business Activities					
Department of Airports	73,295,080	926,594	80,978,685	-	15,511,199
Water Utilities Department	154,646,052	5,224,061	177,548,088	-	19,050,100
Total Business Activities	227,941,132	6,150,655	258,526,773	-	34,561,299
Total Primary Government	$ 1,930,161,169	$ (87,756)	$ 596,673,999	$ 111,212,437	$ 41,645,977
COMPONENT UNITS					
Metropolitan Planning Organization	$ 1,284,255	$ 87,756	$ -	$ 1,301,862	$ -
Housing Finance Authority	579,098	-	586,958	550,147	-
Westgate/Belvedere CRA	1,351,266	-	-	322,997	-
Solid Waste Authority	220,201,728	-	265,444,059	775,604	657,103
Total Component Units	$ 223,416,347	$ 87,756	$ 266,031,017	$ 2,950,610	$ 657,103

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 fixed assets
Transfers - net
Special item - loss on sale of land
Total general revenues, transfers and special item
Increase (decrease) in net position
Beginning net position, October 1, 2013 (restated)
Ending net position, September 30, 2014

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

Net (Expense) Revenue and Changes in Net Position						
Primary Government			Component Units			
Governmental Activities	Business-Type Activities	Total	Metropolitan Planning Organization	Housing Finance Authority	Westgate/ Belvedere Homes Community Redevelopment Agency	Solid Waste Authority
$ (192,704,108)	$ -	$ (192,704,108)	$ -	$ -	$ -	$ -
(695,347,806)	-	(695,347,806)	-	-	-	-
(19,528,244)	-	(19,528,244)	-	-	-	-
(93,021,214)	-	(93,021,214)	-	-	-	-
(46,324,674)	-	(46,324,674)	-	-	-	-
(55,665,016)	-	(55,665,016)	-	-	-	-
(96,043,018)	-	(96,043,018)	-	-	-	-
(40,903,205)	-	(40,903,205)	-	-	-	-
(1,239,537,285)	-	(1,239,537,285)	-	-	-	-
-	22,268,210	22,268,210	-	-	-	-
-	36,728,075	36,728,075	-	-	-	-
-	58,996,285	58,996,285	-	-	-	-
$ (1,239,537,285)	$ 58,996,285	$ (1,180,541,000)	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ (70,149)	$ -	$ -	$ -
-	-	-	-	558,007	-	-
-	-	-	-	-	(1,028,269)	-
-	-	-	-	-	-	46,675,038
$ -	$ -	$ -	$ (70,149)	$ 558,007	$ (1,028,269)	$ 46,675,038
$ 856,759,011	$ -	$ 856,759,011	$ -	$ -	$ 1,210,166	$ -
39,077,775	-	39,077,775	-	-	-	-
46,939,093	-	46,939,093	-	-	-	-
33,842,266	-	33,842,266	-	-	-	-
79,413,855	-	79,413,855	-	-	-	-
37,095,854	-	37,095,854	-	-	-	-
58,596,967	-	58,596,967	-	-	-	-
25,716,487	6,638,645	32,355,132	-	-	583	-
(9,104,398)	(2,204,873)	(11,309,271)	-	-	-	-
5,931,019	-	5,931,019	-	-	67,022	-
798,013	-	798,013	-	-	-	-
(1,280,226)	1,280,226	-	-	-	-	-
(33,300,538)	-	(33,300,538)	-	-	-	-
1,140,485,178	5,713,998	1,146,199,176	-	-	1,277,771	-
(99,052,107)	64,710,283	(34,341,824)	(70,149)	558,007	249,502	46,675,038
2,332,346,410	1,442,431,760	3,774,778,170	348,778	11,429,806	7,920,094	542,674,119
$ 2,233,294,303	$ 1,507,142,043	$ 3,740,436,346	$ 278,629	$ 11,987,813	$ 8,169,596	$ 589,349,157

DESCRIPTIONS OF MAJOR FUNDS

GOVERNMENTAL FUNDS

General Fund - To account for all financial resources of the general government except those required to be accounted for in other funds.The General Fund is subdivided into the following categories: Board of County Commissioners (BOCC), Sheriff, Clerk & Comptroller, Tax Collector, Property Appraiser and the Supervisor of Elections.

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

Community & Social Development Special Revenue Fund - To account for governmental grant funds and other revenues designated for community and social services.

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

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

PROPRIETARY FUNDS

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

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

PALM BEACH COUNTY, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2014

	MAJOR FUNDS		
	General Fund	Fire Rescue Special Revenue Fund	Community & Social Development Special Revenue Fund
ASSETS			
Cash, cash equivalents, and investments	$ 279,433,874	$ 75,766,884	$ 4,461,224
Accounts receivable, net	11,966,441	1,035,470	684,559
Due from other county funds	18,254,313	3,706,136	2,150,817
Due from other governments	9,745,607	2,315,786	10,329,077
Due from component unit	385,591	-	-
Inventory	6,152,299	2,484,442	-
Other assets	348,489	75	-
Other receivable, noncurrent	2,000,000	-	13,906,377
Total assets	$ 328,286,614	$ 85,308,793	$ 31,532,054
LIABILITIES			
Vouchers payable and accrued liabilities	$ 42,302,742	$ 10,121,804	$ 3,039,855
Due to other county funds	48,506,554	166,160	3,311,099
Due to other governments	15,962,792	8,321	368,908
Due to component unit	10,656,209	-	-
Due to individuals	42,037	-	573,133
Insurance claims payable	2,325,330	-	-
Unearned revenue	10,940,245	-	-
Other liabilities	11,092,425	-	-
Total liabilities	141,828,334	10,296,285	7,292,995
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	2,329,301	-	17,023,749
FUND BALANCES			
Non-Spendable			
Inventory	6,152,299	2,484,442	-
Prepaid items	222,782	-	-
Spendable			
Restricted for:			
Debt service	-	-	-
Capital projects	-	-	-
Library services	-	-	-
Fire rescue services	-	72,528,066	-
Tourist development programs	-	-	-
Grant and economic development programs	-	-	2,673,186
Environmental protection programs	-	-	-
Public safety and judicial programs	19,723,752	-	-
Other services and programs	-	-	5,018,175
Assigned to:			
Debt service	-	-	-
Capital projects	-	-	-
Tourist development programs	-	-	-
Other services and programs	-	-	-
Unassigned	158,030,146	-	(476,051)
Total fund balances	184,128,979	75,012,508	7,215,310
Total liabilities, deferred inflows of resources and fund balances	$ 328,286,614	$ 85,308,793	$ 31,532,054

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
$ 352,961,001	$ 138,392,559	$ 274,413,447	$ 1,125,428,989
-	12,911	7,675,354	21,374,735
128,920	28,483,503	13,297,688	66,021,377
2,588,061	176,676	12,244,940	37,400,147
-	-	-	385,591
-	-	4,350,053	12,986,794
-	-	805,535	1,154,099
-	-	2,515,000	18,421,377
$ 355,677,982	$ 167,065,649	$ 315,302,017	$ 1,283,173,109
$ 3,539,679	$ 2,802,216	$ 11,890,724	$ 73,697,020
43,576	1,747	17,604,012	69,633,148
40	4	16,400,397	32,740,462
-	-	8,621	10,664,830
-	-	84,234	699,404
-	-	-	2,325,330
-	-	646,284	11,586,529
-	-	11,303	11,103,728
3,583,295	2,803,967	46,645,575	212,450,451
560,262	62,400	13,253,909	33,229,621
-	-	4,350,053	12,986,794
-	-	-	222,782
-	-	39,329,356	39,329,356
260,537,281	90,868,642	84,107,086	435,513,009
-	-	10,193,291	10,193,291
-	-	-	72,528,066
-	-	25,295,371	25,295,371
-	-	23,089,801	25,762,987
-	-	9,879,999	9,879,999
-	-	5,171,082	24,894,834
-	-	28,673,304	33,691,479
-	-	374,928	374,928
90,997,144	73,330,640	19,131,876	183,459,660
-	-	5,789,015	5,789,015
-	-	6,524,150	6,524,150
-	-	(6,506,779)	151,047,316
351,534,425	164,199,282	255,402,533	1,037,493,037
$ 355,677,982	$ 167,065,649	$ 315,302,017	$ 1,283,173,109

PALM BEACH COUNTY, FLORIDA

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position - Governmental Activities

September 30, 2014

Fund balances for total of governmental funds (page 9)		$ 1,037,493,037
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	$ 55,629,619	
Less amount due to business-type activities for 'look-back' allocation	(7,380,918)	
		48,248,701
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	(163,630,000)	
Non-ad valorem bonds payable	(736,162,756)	
Notes and loans payable	(26,321,773)	
Compensated absences	(144,160,530)	
OPEB obligation	(135,978,510)	
Claims and judgments	(44,136,972)	
Unamortized premium	(48,472,387)	
Arbitrage accrued	(91,307)	
Pension obligation	(27,434,798)	
Capital lease obligation	(457,139)	
		(1,326,846,172)
Report refunding losses as deferred outflows		18,202,161
Report refunding gain as deferred inflow		(150,853)
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	899,703,550	
Depreciable capital assets, net of accumulated depreciation	1,535,570,484	
		2,435,274,034
Report other adjustments to convert from modified accrual to full accrual		
OPEB Asset		
Cumulative plan contributions in excess of ARC is reported as an asset. However, the plan contributions are reported as expenditures in the governmental fund statements.	2,690,888	
Pension Asset		
Cumulative plan contributions in excess of ARC is reported as an asset. However, the plan contributions are reported as expenditures in the governmental fund statements.	41,522	
Accrued Interest Payable		
Accrued Interest Payable that is not due and payable in the current period is not reported in the governmental fund statements.	(14,888,636)	
Unavailable revenue		
Revenue is recognized when earned. However, revenue is not available until the current financial resources are received in the governmental fund statements.	33,229,621	
		21,073,395
Net position of governmental activities (page 2)		$ 2,233,294,303

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

PALM BEACH COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the fiscal year ended September 30, 2014

	MAJOR FUNDS		
	General Fund	Fire Rescue Special Revenue Fund	Community & Social Development Special Revenue Fund
Revenues:			
Taxes (net of discount)	$ 665,977,700	$ 190,971,464	$ -
Special assessments	-	272,013	-
Licenses and permits	35,692,734	18,255	-
Intergovernmental	111,936,051	763,844	51,598,278
Charges for services	224,503,056	34,720,723	258,292
Less - excess fees paid out	(35,910,422)	-	-
Fines and forfeitures	4,213,425	-	-
Interest Income	5,063,102	2,529,208	980,731
Net change in fair value of investments	(1,614,053)	(1,025,562)	(9,300)
Miscellaneous	7,149,438	463,176	3,757,717
Total revenues	1,017,011,031	228,713,121	56,585,718
Expenditures:			
Current:			
General government	258,265,699	-	64,860
Public safety	486,713,636	249,776,131	2,334,532
Physical environment	11,401,037	-	82,760
Transportation	4,235,000	-	42,862
Economic environment	24,646,458	507,898	18,547,103
Human services	50,716,079	-	38,983,587
Culture and recreation	52,770,522	-	-
Capital outlay	28,081,394	8,358,142	487,416
Debt service	-	-	1,372,178
Total expenditures	916,829,825	258,642,171	61,915,298
Excess of revenues over (under) expenditures	100,181,206	(29,929,050)	(5,329,580)
Other financing sources (uses):			
Transfers in	18,375,774	10,384,049	11,492,891
Transfers out	(135,757,800)	(318,819)	(2,280,029)
Sale of land	1,427,219	-	-
Issuance of long-term debt	-	-	3,671,000
Discount long-term debt	-	-	-
Issuance of refunding of debt	-	-	-
Premium on refunding of debt	-	-	-
Payment to escrow agent for refunding	-	-	-
Total other financing sources (uses)	(115,954,807)	10,065,230	12,883,862
Net change in fund balances	(15,773,601)	(19,863,820)	7,554,282
Fund balances (deficit), October 1, 2013	200,122,739	95,137,270	(338,972)
Change in nonspendable fund balances	(220,159)	(260,942)	-
Fund balances (deficit), September 30, 2014	$ 184,128,979	$ 75,012,508	$ 7,215,310

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
$ 9,715,211	$ 490	$ 137,705,333	$ 1,004,370,198
21,021,874	2,894,072	10,907,199	35,095,158
-	-	21,507,733	57,218,722
1,490,400	500,219	53,029,922	219,318,714
25,136	1,525,028	37,538,673	298,570,908
-	-	-	(35,910,422)
-	1,372,445	2,795,196	8,381,066
6,747,330	2,367,433	6,256,128	23,943,932
(2,596,575)	(911,640)	(2,269,721)	(8,426,851)
617,989	384,922	9,035,351	21,408,593
37,021,365	8,132,969	276,505,814	1,623,970,018
2,571,948	27,646,783	23,502,913	312,052,203
-	-	23,462,820	762,287,119
-	7,146	17,927,520	29,418,463
1,922,666	193,399	123,337,773	129,731,700
-	133,295	24,038,019	67,872,773
-	24,388	527,702	90,251,756
-	-	46,659,787	99,430,309
27,027,714	8,136,903	27,506,315	99,597,884
-	643,969	137,057,915	139,074,062
31,522,328	36,785,883	424,020,764	1,729,716,269
5,499,037	(28,652,914)	(147,514,950)	(105,746,251)
-	19,992,072	135,715,367	195,960,153
(1,027,375)	(833,437)	(57,015,308)	(197,232,768)
-	-	25,940,625	27,367,844
-	59,085,000	10,667,000	73,423,000
-	(130,619)	-	(130,619)
-	-	39,900,000	39,900,000
-	-	6,087,994	6,087,994
-	-	(45,641,587)	(45,641,587)
(1,027,375)	78,113,016	115,654,091	99,734,017
4,471,662	49,460,102	(31,860,859)	(6,012,234)
347,062,763	114,739,180	287,026,750	1,043,749,730
-	-	236,642	(244,459)
$ 351,534,425	$ 164,199,282	$ 255,402,533	$ 1,037,493,037

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, 2014

Net change in fund balances for total governmental funds (page 13)		$ (6,012,234)
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	$ 2,943,060	
Adjusted for current year allocation of internal service funds to business-type activities	(1,311,751)	
		1,631,309
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	(113,323,000)	
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	(5,957,375)	
Current year amortization & retirement of premium / discount	5,104,220	
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	3,114,514	
Current year amortization & retirement of deferred refunding loss	(2,280,300)	
Current year amortization & retirement of deferred refunding gain	26,607	
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.	135,768,062	
The change in accrued liabilities reported as long-term obligations do not require the use of current financial resources and therefore are not reported in the governmental fund statements.		
Net change in arbitrage 'long term' accrued liability	264,377	
Net change in OPEB Obligation	(18,406,015)	
Net change in estimated self-insurance obligation	(8,525,762)	
Net change in termination benefits	187,553	
Net change in capital leases	139,448	
Net change in Net Pension Obligation	(5,560,793)	
Net change in compensated absences liability	(5,737,393)	
		(15,185,857)

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

(continued)

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.	99,597,884	
Acquisition of capital assets from contributions do not generate current financial resources and therefore are not reported in the governmental fund statements as revenue.	5,198,370	
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.	(113,500,797)	
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.	(62,843,174)	
		(71,547,717)
Report other adjustments for converting from modified accrual to full accrual		
Net change in inventory	(244,459)	
Net change in OPEB Obligation Asset	1,079,927	
Net change in accrued interest payable	596,024	
Net change in unavailable revenue	(9,369,100)	
		(7,937,608)
Change in net position of governmental activities (page 5)		$ (99,052,107)

PALM BEACH COUNTY, FLORIDA
Statement of Net Position
Proprietary Funds
September 30, 2014

	Business-type Activities -	
	Airports	Water Utilities
ASSETS		
Current assets:		
Cash and cash equivalents	$ 65,199,544	$ 221,285,988
Cash and cash equivalents - restricted	305,615	19,403,775
Cash with fiscal agent - restricted	15,068,971	-
Interest receivable - restricted	-	595,500
Accounts receivable, net	3,204,601	15,466,831
Due from other county funds	-	16,559
Due from other governments	3,486,071	-
Due from component unit	-	-
Inventory	1,343,985	5,690,601
Current portion of other receivables	74,311	842,644
Other assets	1,040,973	394,027
Total current assets	89,724,071	263,695,925
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	67,376,394	9,289,461
Accounts receivable, net	1,807,124	-
Total noncurrent restricted assets	69,183,518	9,289,461
Capital assets:		
Land	101,070,428	15,576,758
Buildings	371,358,787	113,254,069
Improvements other than buildings	240,681,194	1,312,675,591
Furniture, fixtures and equipment	42,270,671	72,728,081
Goodwill	-	6,915,903
Intangible - easement rights	13,754,957	1,660,856
Accumulated depreciation and amortization	(421,452,765)	(589,157,439)
Construction in progress	16,845,585	45,172,193
Total capital assets	364,528,857	978,826,012
Investment in joint ventures	-	44,127,315
Other receivables, noncurrent	-	14,623,103
Total noncurrent assets	433,712,375	1,046,865,891
Total assets	$ 523,436,446	$ 1,310,561,816
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding	$ -	$ 9,004,528

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

Enterprise Funds	Governmental Activities Internal Service Funds
Totals	
$ 286,485,532	$ 91,838,982
19,709,390	-
15,068,971	-
595,500	-
18,671,432	2,199,115
16,559	4,389,822
3,486,071	149,430
-	3,628
7,034,586	1,049,400
916,955	-
1,435,000	3,977,506
353,419,996	103,607,883
76,665,855	-
1,807,124	-
78,472,979	-
116,647,186	-
484,612,856	206,558
1,553,356,785	512,286
114,998,752	76,285,387
6,915,903	-
15,415,813	-
(1,010,610,204)	(57,473,452)
62,017,778	-
1,343,354,869	19,530,779
44,127,315	-
14,623,103	-
1,480,578,266	19,530,779
$ 1,833,998,262	$ 123,138,662
$ 9,004,528	$ -

PALM BEACH COUNTY, FLORIDA
Statement of Net Position
Proprietary Funds
September 30, 2014

	Business-type Activities -	
	Airports	Water Utilities
LIABILITIES		
Current liabilities payable from current assets:		
Vouchers payable and accrued liabilities	$ 4,619,686	$ 10,958,705
Due to other county funds	94,491	681,338
Due to other governments	82,827	896,788
Due to component unit	-	102,886
Unearned revenue	649,835	-
Compensated absences	65,768	195,000
Insurance claims payable	-	-
Other liabilities	563,425	-
Total current liabilities payable from current assets	6,076,032	12,834,717
Current liabilities payable from restricted assets:		
Customers' deposits	283,866	7,051,475
Accounts and contracts payable	24,461	68,639
Current portion of long-term debt	12,500,000	8,018,910
Interest payable on bonds	2,566,259	4,264,751
Total current liabilities payable from restricted assets	15,374,586	19,403,775
Total current liabilities	21,450,618	32,238,492
Noncurrent liabilities:		
Compensated absences	1,041,772	3,044,680
Revenue bonds payable, net	86,275,872	198,967,305
Insurance claims payable	-	-
Other long-term liabilities	5,249	33,802
Total noncurrent liabilities	87,322,893	202,045,787
Total liabilities	$ 108,773,511	$ 234,284,279
DEFERRED INFLOWS OF RESOURCES	$ -	$ 183,875
NET POSITION		
Net investment in capital assets	$ 265,752,985	$ 796,817,769
Restricted for:		
Debt service	12,802,087	7,068,383
Capital projects	55,506,695	1,000,000
Grants and other	11,258,907	500,000
Unrestricted	69,342,261	279,712,038
Total net position	$ 414,662,935	$ 1,085,098,190

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.

Enterprise Funds Totals	Governmental Activities Internal Service Funds
$ 15,578,391	$ 4,326,238
775,829	18,780
979,615	125,593
102,886	-
649,835	471,748
260,768	-
-	12,804,930
563,425	-
18,910,749	17,747,289
7,335,341	-
93,100	-
20,518,910	-
6,831,010	-
34,778,361	-
53,689,110	17,747,289
4,086,452	687,039
285,243,177	-
-	49,061,927
39,051	12,788
289,368,680	49,761,754
$ 343,057,790	$ 67,509,043
$ 183,875	$ -
$ 1,062,570,754	$ 19,530,779
19,870,470	-
56,506,695	-
11,758,907	-
349,054,299	36,098,840
1,499,761,125	$ 55,629,619
7,380,918	
$ 1,507,142,043	

PALM BEACH COUNTY, FLORIDA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the fiscal year ended September 30, 2014

	Business-type Activities -	
	Airports	Water Utilities
Operating revenues:		
Charges for services	$ 65,727,279	$ 164,000,761
Miscellaneous	2,865,183	5,939,291
Total operating revenues	68,592,462	169,940,052
Operating expenses:		
Aviation services	40,785,658	-
Water and sewer services	-	111,815,585
Transportation services	-	-
Self-insurance services	-	-
Equity interest in net loss of joint ventures	-	925,333
Depreciation and amortization	28,471,031	41,244,122
Total operating expenses	69,256,689	153,985,040
Operating income (loss)	(664,227)	15,955,012
Nonoperating revenues (expenses):		
Interest income	1,488,612	5,150,033
Net change in fair value of investments	(572,828)	(1,632,045)
Guaranteed revenue	-	4,422,434
Passenger facility charges	11,923,661	-
Interest expense	(5,132,523)	(7,029,286)
Other revenues (expenses)	462,562	3,185,602
Total nonoperating revenues (expenses)	8,169,484	4,096,738
Income before capital contributions, special item, and transfers	7,505,257	20,051,750
Capital contributions	15,511,199	19,083,735
Contributions to other governments	-	(34,485)
Contribution from absorption of Glades Utility Authority	-	850
Transfers in	25,000	1,383,295
Transfers out	(57,320)	(70,749)
Change in net position	22,984,136	40,414,396
Net position, October 1, 2013 (Restated)	391,678,799	1,044,683,794
Net position, September 30, 2014	$ 414,662,935	$ 1,085,098,190

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.

Enterprise Funds Totals	Governmental Activities Internal Service Funds
$ 229,728,040	$ 130,609,550
8,804,474	-
238,532,514	130,609,550
40,785,658	-
111,815,585	-
-	23,354,914
-	101,686,435
925,333	-
69,715,153	6,882,278
223,241,729	131,923,627
15,290,785	(1,314,077)
6,638,645	1,772,555
(2,204,873)	(677,547)
4,422,434	-
11,923,661	-
(12,161,809)	-
3,648,164	3,169,740
12,266,222	4,264,748
27,557,007	2,950,671
34,594,934	-
(34,485)	-
850	-
1,408,295	-
(128,069)	(7,611)
63,398,532	2,943,060
	52,686,559
	$ 55,629,619
1,311,751	
$ 64,710,283	

PALM BEACH COUNTY, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended September 30, 2014

	Business-type Activities -	
	Airports	Water Utilities
Cash flows from operating activities:		
Cash received from customers	$ 68,726,092	$ 164,997,676
Cash received from other funds for goods and services	-	-
Cash payments to vendors for goods and services	(13,300,393)	(58,259,165)
Cash payments to employees for services	(10,949,506)	(31,489,774)
Cash payments to other funds	(16,743,022)	(21,014,316)
Claims paid	-	-
Other receipts	-	6,505,549
Net cash provided by operating activities	27,733,171	60,739,970
Cash flows from noncapital financing activities:		
Cash contributed to other governments	-	(34,435)
Operating grants and other	402,895	-
Transfers in	-	3,051,857
Transfers out	(57,320)	(70,749)
Net cash provided by (used in) noncapital financing activities	345,575	2,946,673
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	52,482	110,670
Contributed capital	6,731,348	17,680,600
Purchase and construction of capital assets	(15,804,799)	(36,267,435)
Payments to joint ventures	-	(1,878,761)
Principal payments on debt	(11,645,000)	(8,292,713)
Interest payments on debt	(5,467,312)	(9,104,966)
Paying agent fees	-	(5,422)
Passenger facility charges received	11,862,001	-
Cash contributed by other governments	-	1,970,290
Net cash (used in) capital and related financing activities	(14,271,280)	(35,787,737)
Cash flows from investing activities:		
Interest and gains or losses on investments	915,784	3,592,788
Receipt of repayments on other receivables	142,451	-
Net cash provided by investing activities	1,058,235	3,592,788
Net increase (decrease) in cash and cash equivalents	14,865,701	31,491,694
Cash and cash equivalents, October 1, 2013	133,084,823	218,487,530
Cash and cash equivalents, September 30, 2014	$ 147,950,524	$ 249,979,224

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

Enterprise Funds Totals	Governmental Activities Internal Service Funds
$ 233,723,768	$ 12,978,893
-	117,694,365
(71,559,558)	(30,761,270)
(42,439,280)	(6,618,491)
(37,757,338)	(8,214,937)
-	(78,550,490)
6,505,549	2,862,911
88,473,141	9,390,981
(34,435)	-
402,895	-
3,051,857	-
(128,069)	(5,007,611)
3,292,248	(5,007,611)
163,152	1,274,230
24,411,948	-
(52,072,234)	(6,894,587)
(1,878,761)	-
(19,937,713)	-
(14,572,278)	-
(5,422)	-
11,862,001	-
1,970,290	-
(50,059,017)	(5,620,357)
4,508,572	1,095,008
142,451	-
4,651,023	1,095,008
46,357,395	(141,979)
351,572,353	91,980,961
$ 397,929,748	$ 91,838,982

PALM BEACH COUNTY, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended September 30, 2014

	Business-type Activities -	
	Airports	Water Utilities
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	$ (664,227)	$ 15,955,012
Adjustments to reconcile operating income (loss) to net cash provided by operating activities, net of absorption:		
Depreciation and amortization	28,471,031	41,244,122
Equity interest in net loss of joint ventures	-	925,333
Provision for doubtful accounts	(113,423)	375,400
Miscellaneous revenue	-	-
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(635,811)	926,832
Decrease in due from other county funds	234,710	36,870
Decrease in due from other governments	-	-
Decrease in inventory	83,989	948,570
(Increase) decrease in other assets	(17,182)	(56,800)
Decrease in due from component unit	-	24,366
Increase (decrease) in vouchers payable and accrued liabilities	(106,052)	140,168
Increase (decrease) in due to other county funds	2,900	121,708
Increase (decrease) in due to other governments	-	52,062
(Decrease) in other current liabilities	(57,495)	-
Increase in unearned revenue	506,840	-
(Decrease) in current portion of long-term debt	-	-
Increase in customer deposits	27,891	46,327
Increase in insurance claims payable	-	-
Increase in other long-term liabilities	-	-
Net cash provided by operating activities	$ 27,733,171	$ 60,739,970
Supplemental disclosure of noncash capital and related financing activities:		
Amortization of premium on bonds	$ 88,634	$ 1,294,089
Amortization of bond refunding costs	$ 56,449	$ 740,575
Payables related to capital asset acquisition	$ 2,127,464	$ 7,134,562
Contribution of capital assets	$ 7,000,000	$ 6,647,321
Capitalized interest	$ -	$ 1,355,250
Disposal of fully depreciated capital assets	$ 482,407	$ 2,652,117

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

Enterprise Funds Totals	Governmental Activities Internal Service Funds
$ 15,290,785	$ (1,314,077)
69,715,153	6,882,278
925,333	-
261,977	-
-	2,862,910
291,021	18,437
271,580	37,590
-	16,581
1,032,559	127,470
(73,982)	262,067
24,366	397
34,116	781,063
124,608	(5,500,891)
52,062	(14,699)
(57,495)	-
506,840	-
-	(16,712)
74,218	-
-	239,637
-	5,008,930
$ 88,473,141	$ 9,390,981
$ 1,382,723	$ -
$ 797,024	$ -
$ 9,262,026	$ -
$ 13,647,321	$ -
$ 1,355,250	$ -
$ 3,134,524	$ 3,402,906

PALM BEACH COUNTY, FLORIDA
Statement of Fiduciary Net Position - Agency Funds
September 30, 2014

	Total Agency Funds
ASSETS	
Cash, cash equivalents, and investments	$138,046,179
Accounts receivable, net	1,441,109
Due from other governments	774,784
Other assets	321
Total assets	$140,262,393
LIABILITIES	
Vouchers payable and accrued liabilities	$ 4,513,816
Due to other governments	34,077,222
Due to individuals	101,454,316
Other liabilities	217,039
Total liabilities	$140,262,393

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

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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 the organization's

resources; is legally obligated or has otherwise assumed the obligations to finance the deficits of, or provide financial support to, the organization; or is obligated in some manner for the debt of the organization.

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

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

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

Blended Component Units

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

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

Transportation Authority (Palm Tran, Inc.) – This corporation was created by Palm Beach County Resolution 95-1636D pursuant to Chapter 617, Florida Statutes. Its

purpose is to operate for the advancement of public transportation and lessening the burden on Palm Beach County to provide a transportation system. The Board of Palm Tran, Inc. consists of the seven members of the Board of County Commissioners of Palm Beach County. The bylaws provide that the corporation shall have a president to act as the corporation's chief executive officer who shall be the County Administrator, a secretary/treasurer who shall be the Clerk to the Board of County Commissioners or a deputy clerk designated for such purposes, and an executive director who shall be responsible for the day to day management and operations of the corporation. Palm Tran, Inc. is reported as a special revenue fund.

Discretely Presented Component Units

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

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

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

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

governmental fund type. The Board of Directors of the CRA consists of seven members appointed by the Board of County Commissioners.

Metropolitan Planning Organization (MPO) – This organization was created by Palm Beach County Resolution 79-1684 pursuant to Section 334.215, Florida Statutes, as amended by Section 339.175, Florida Statutes. The members of the MPO are appointed by the Governor and consist of five members of the Board of County Commissioners, eleven members from local municipalities, and one member from the governing board of the Port of Palm Beach. The purpose of the MPO is to administer and execute the inter-local agreement providing for short-term and long-term planning for all modes of travel in order to benefit the citizens of Palm Beach County. The MPO is reported as a governmental fund type.

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

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

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

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

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

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

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

Related Organizations

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

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

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

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

Palm Beach County Workforce Development Board, Inc. – This Board was created pursuant to Palm Beach County Resolution 96-805D, as amended by Resolutions 96-1539D and 97-510Dm as a result of the enactment by the Florida Legislature of the Workforce Florida Act of 1996. Members of the board are appointed by the Board of County Commissioners of Palm Beach County, but the County does not provide the funding, has no obligation for the debt issued by the board and cannot impose its will.

Equity Joint Ventures

East Central Regional Wastewater Facility

Palm Beach County has a thirty-year joint inter-local agreement (the Agreement) with four municipalities for the East Central Regional Wastewater Facility (the Facility) that ends in August 2022. 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, 2013, the Facility had total assets of $122,066,176 and total net assets of $91,714,266 including $71,288,518 invested in capital, net of debt, and ($5,284,819) of unrestricted net assets. September 30, 2014 amounts are expected to approximate the above figures. As of September 30, 2014, the County's investment in this joint venture is $39.4 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, 2014, Palm Beach County had a 34.29% interest. The participants and each entity's interest at September 30, 2014 are as follows:

PARTICIPANT	RESERVE CAPACITY PERCENTAGES
City of West Palm Beach	29.29%
Palm Beach County	34.29%
City of Lake Worth	17.86%
City of Riviera Beach	11.42%
Town of Palm Beach	7.14%
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, has an interlocal agreement (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 ending on August 1, 2029. 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, the Department is required to account for this arrangement as a joint venture. Therefore, an asset is reported on the Water Utilities 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. The Department's 27.5% share resulted in pro rata obligations of $9.2 million for construction costs and $580,000 annually for operating expenses for the twenty-year period. On July 16, 2013, the Department sold excess capacity shares in the BPF to the ECR for $2,817,749, leaving the Department with a 17.82% pro-rata share in the BPF's capacity. This amount was recorded as a reduction of the Department's investment in joint venture. The Department's total operating costs were

$1,117,000 for the year ended September 30, 2014. As of September 30, 2014, the County's investment in the BPF is $4.8 million, which is shown as an asset – investment in joint ventures – on the statement of net position.

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

Sunshine State Governmental Financing Commission

The Sunshine State Governmental Financing Commission (the Commission) was created in November 1985. As a joint venture among the member governmental units, the Commission enables a limited number of qualifying governments to participate in pooled debt financing with pricing and cost structures not normally available to governmental entities acting individually. The County has no current borrowings.

Financial Statements may be obtained from the Commission.

B. Basic Financial Statements

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

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

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

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

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to 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.

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: Board of County Commissioners (BOCC), Sheriff, Clerk & Comptroller, Tax Collector, Property Appraiser and the Supervisor of Elections.

Special Revenue Funds:

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

The **Community and Social Development Special Revenue Fund** is used to account for governmental grant funds and other revenues designated for community and social services.

Capital Projects Funds:

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

The **General Government Capital Projects Fund** is used to account for costs of capital improvements not included in any other category. Based on the nature of this fund's activities, management has determined it is particularly important to the financial statement users and for consistency from year to year.

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

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

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

to provide water and wastewater service are accounted for in this fund, including customer service, engineering, operations and maintenance.

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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 liabilities and deferred inflows are generally included on the balance sheet. Operating statements of these funds show increases (i.e. revenues and other financing resources) and decreases (i.e. expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, that is, when they become both measurable and available to pay liabilities of the current period. For this purpose, the County considers revenue to be available if they are collected within 60 days of year-end. Revenues not considered received within the period of availability are recorded as unavailable revenues. Property taxes when levied for, intergovernmental revenue when all

eligibility requirements have been met, franchise fees, utility taxes, licenses and permits, charges for services and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditures generally are recorded when a liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and other postemployment benefits are recorded only when payment is due.

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

The County implemented GASB Statement No. 65 *"Items Previously Reported as Assets and Liabilities"* during the fiscal year ended September 30, 2014.

This Statement addresses which assets and liabilities (previously reported) are appropriately reported in the new financial statement elements, deferred outflows of resources and deferred inflows of resources, required by GASB Statement No. 63 and also identifies certain items previously reported as assets and liabilities that the GASB determined should be recognized as revenues, expenses, or expenditures when incurred and not reported in statements of net position/balance sheets at all. (See Section K in this note for more information.)

E. Unadopted GASB Statement

GASB Statement No. 68 *"Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27"* is effective for the County for fiscal year 2015. The scope of this Statement addresses accounting and financial reporting for pensions that are provided to the employees of local governments. The adoption of this Statement will require the County to record a liability for the unfunded portion of its cost sharing plan with the State of Florida and the Palm Tran and Lantana pension plans. The amount of the County's obligation is not known at this time.

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 following which are reported at amortized cost as permitted by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools:*

- Florida Prime Investment Pool
- Money Market Mutual Funds.

State statutes and local ordinances authorize County investments in obligations of the U.S. Government, its agencies and instrumentalities, repurchase agreements, interest-bearing time deposits, savings accounts, Florida Prime Investment Pool (formerly known as the Local Government Surplus funds Trust Fund LGIP administered by the State Board of Administration), the Florida Local Government Investment Trust (FLGIT), collateralized mortgage obligations (CMO), certain corporate securities, instruments backed by the full faith and credit of the State of Israel, bankers acceptances, and money market mutual funds.

State statutes authorize Solid Waste Authority (SWA) investments in the Florida Prime Investment Pool (formerly known as the Local Government Surplus funds Trust Fund LGIP administered by the State Board of Administration), interest-bearing time deposits, savings accounts, negotiable direct obligations of or obligations unconditionally guaranteed by the U.S. Government, obligations of the Federal Farm Credit Banks, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank or its districts, interest rate swap agreements, and obligations guaranteed by the Government National Mortgage Association and obligations of the Federal National Mortgage Association and mutual funds limited to U.S. Government securities.

The following external investment pools are not SEC-registered:

The State Board of Administration (SBA) administers the *Florida Prime Investment Pool* (formerly known as the Local Government Surplus funds Trust Fund LGIP) which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. The Florida Prime Investment Pool is an external investment pool operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The investment in the Florida Prime Investment Pool is not insured by FDIC or any other governmental agency. Regulatory oversight of the State Board of Administration is provided by three elected officials who are accountable to the electorate: the Governor of the State of Florida, as Chairman; the Chief Financial Officer of Florida, as Treasurer; and the State Comptroller, as Secretary. External oversight of the State Board of Administration is provided by the Investment Advisory Council which reviews the investments made by the staff of the Board of Administration and makes recommendations to the Board regarding investment policy, strategy, and procedures. Audit oversight is provided by the Florida Auditor General's Office.

The *Florida Local Government Investment Trust* (FLGIT) is a local government investment pool developed jointly by the Florida Association of Court Clerks and the Florida Association of Counties. The FLGIT has no regulatory oversight, but has been recognized by an Internal Revenue Service private letter ruling as a tax-exempt organization, has received a Standard and Poor's rating and is governed by a six member Board of Trustees. The share price of this investment represents the fair value of the fund's underlying investments.

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

G. Accounts and Other Receivables

Accounts receivable are recorded net of allowances for bad debts. Allowance for uncollectible receivables is based upon historical trends and the periodic aging of receivables. These allowances relate to the enterprise funds and are not significant. Billings to water utility customers are based on metered consumption which is determined at various dates each month. Estimated unbilled consumption at year-end is recognized as revenue in the Water Utilities Fund. Other receivables include low income housing loans to individuals and developers, a loan to the convention center and a contribution receivable from FAU as part of the Scripps project and Fire Rescue ambulatory services. The allowance for uncollectible receivables for Fire Rescue services is based on historic trends and analysis of current economic factors. As of September 30, 2014 there was an allowance of $18.7 million for these receivables. The allowance for uncollectible receivables for Community and Social Development housing loans is $20.2 million.

H. Inventories and Prepaid Items

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

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

I. Restricted Assets

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

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

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

J. Capital Assets

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

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

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

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

K. Deferred Outflows/Inflows of Resources

In addition to assets, there is a separate section for deferred outflows of resources which represents a consumption of net position applicable to a future period and will not be recognized as an outflow (expense/expenditure) until that time. The deferred charge on refunding is reported in the government-wide statement of net position and the proprietary funds statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, there is 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.

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

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

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

N. Self-Insurance

The County maintains a Risk Management (Workers' Compensation) self-insurance program, a Casualty self-insurance program, and an Employee health self-insurance program which are accounted for as internal service funds. The County has elected to essentially self-insure itself for health benefits to County employees and employees of component units of the County electing to participate in the plan. The plan covers approximately 4,300 participants.

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. Pension and Other Post-Employment Benefits Disclosure

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

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

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 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 2014, supplemental appropriations amounted to a net increase of $153,019,562, or approximately 4% of the original budget.

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

CLERK OF 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.

S. Encumbrances

The County uses encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation. Encumbrances represent the estimated amount of expenditures ultimately to result if unperformed contracts and open purchase orders are completed. Although encumbrances lapse at year-end, it is the County's intention to substantially honor these encumbrances under the authority provided in the subsequent year's budget. Refer to Note 7 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 Board of County Commissioners (BOCC), are classified as committed fund balances. Formal action in the form of a County Ordinance must be taken by the BOCC prior to the end of the fiscal year. The same formal action must be taken by the BOCC to remove or change the limitations placed on the funds.
>
> Amounts that are constrained by the County's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by the County Administrator. Palm Beach County is a Charter County and operates under a County Manager form of Government (as previously stated in Note 1, Section A, *Financial Reporting Entity*). The Charter of Palm Beach County, Florida, Article II, Sections 2.1 and 2.4 provide for the County Administrator to assign fund balance. As such, the County Administrator is responsible for preparing and managing the County's budget along with the establishment and classification of all its funds.
>
> Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance also includes any deficit fund balance of other governmental funds.

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

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

V. Net Position

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

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

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

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

W. Property Tax

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

Each year the total taxable valuation is established by the County Property Appraiser and the list of property assessments is submitted to the State Department of Revenue for approval. County ad valorem taxes are a lien on the property against which they are assessed from January 1 of the 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 in November 30th
3%	if paid in December 31st
2%	if paid in January 31st
1%	if paid in Februrary 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, 2014.

X. Interest Costs

Interest cost incurred by proprietary funds for the fiscal year ended September 30, 2014 amounted to $13,517,059, of which $1,355,250 was capitalized.

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, 2014, the cash and investments consisted of the following:

	Bank Balance	Carrying Value	Investments
Deposits in Financial Institutions	$ 417,772,776	$ 387,942,962	$ -
Cash on hand		323,080	-
Internal Investment Pool		1,278,599,853	1,276,171,761
Cash Equivalents		86,378,003	86,378,003
Total		$ 1,753,243,898	$ 1,362,549,764

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	$ 1,132,517,891	
Restricted cash, cash equivalents & investments	482,679,828	
Statement of Fiduciary Net Position		$ 1,615,197,719
Agency Funds		
Cash & cash equivalents	$ 138,046,179	
		138,046,179
		$ 1,753,243,898

		Effective Duration in Years		
Investment Type	Fair Value	Less Than 2 Years	2 Years but Less Than 5 Years	5 Years but Less Than 10 Years
Investments subject to interest rate risk				
Adj. Rate Securities/Small Business Administration	$ 402,736,413	$ 388,970,890	$ 8,860,251	4,905,272
Certificates of Deposit	728,597,229	-	345,383,742	383,213,487
Collateralized Mortgage Obligations	46,766,600	6,064,211	40,702,389	-
Florida Local Govt Investment Trust	30,556,275	30,556,275	-	-
Callable Bonds	23,919,500	-	-	23,919,500
Foreign Government Bonds	9,000,000	9,000,000	-	-
Indexed Amortization Notes	6,040,342	6,040,342	-	-
Mortgage Backed Securities	24,690,468	11,966,091	4,864,845	7,859,532
	1,272,306,827	$ 452,597,809	$ 399,811,227	$ 419,897,791
Other Investments				
Money Market Mutual Funds	88,212,819			
Florida Prime Investment Pool (SBA)	2,030,118			
	$ 1,362,549,764			

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.

Investments	Fair Value	Percentage of Total Portfolio	Standard & Poor's Investment Rating Service
Certificates of Deposit	$728,597,229	53.5%	Not rated
U.S. Treasuries & Guaranteed Agencies	368,145,329	27.0%	AA+
U.S Government Sponsored Enterprises (GSE)	136,007,994	10.0%	AA+
Florida Local Govt Investment Trust	30,556,275	2.2%	AAAf
Foreign Government Bonds	9,000,000	0.7%	A+
Money Market Mutual Funds and accounts	88,212,819	6.5%	AAAm
Florida Prime Investment Pool (SBA)	2,030,118	0.1%	AAAm
	$1,362,549,764	100.0%	

Ratings by Moody's or Fitch were no lower than as indicated above by Standard and Poor's. Some securities were not rated by Moody's and Fitch.

In accordance with the County's Investment Policy for the internal investment pool, investments in commercial paper and bankers acceptances are limited to ratings of A-1 or P-1 or higher by Standard and Poor's and Moody's, respectively. Investments in corporate securities are limited to ratings of AA or higher by Standard and Poor's and Moody's. Policy allows for the timely and appropriate disposal when an investment credit rating falls below a minimum threshold. Corporate securities are limited to no more than 20% of the investment pool's total market value, excluding commercial paper, which is limited to 15% of the total market value. 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 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.

Custodial Credit Risk- Investments

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

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

Concentration Risk

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

Investment Issuer		Fair Value	Percentage of Total
TD Bank Certificates of Deposit	$	728,597,229	53.3%
Small Business Administration		333,331,103	24.5%
Federal Home Loan Mortgage Company (Freddie Mac)		57,588,663	4.2%
Federal National Mortgage Association (Fannie Mae)		48,459,489	3.6%
Ginnie Mae (GNMA)		34,814,226	2.6%
Florida Local Government Investment Trust (FLGIT)		30,556,275	2.2%
Agency (Callable & Index Amortizing Notes)		29,959,842	2.2%
Foreign Government Bonds		9,000,000	0.7%
Money Market Mutual Funds		88,212,819	6.5%
Florida Prime Investment Pool (SBA)		2,030,118	0.2%
	$	1,362,549,764	100.0%

The County's investment policy for the internal investment pool limits investments in corporate securities to 2% of total pool market value per single issuer at time of purchase.

Foreign Currency Risk:

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

COMPONENT UNIT – Solid Waste Authority (SWA)

Cash and Cash Equivalents: The bank balance and carrying value of the SWA's cash and cash equivalents, including restricted balances, were as follows at September 30, 2014:

Bank balance of deposits with financial institutions	$ 9,809,945
Carrying value	
Deposits with financial institutions	$ 9,428,827
Petty cash	9,600
Money market mutual funds	258,208,107
Florida Prime	237,189,278
Total cash and cash equivalents	$ 504,835,812

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 obligations and repurchase and reverse repurchase agreements collateralized by U.S. Government and Agency obligations. Rule 2a7 allows SEC registered mutual funds to use amortized cost rather than fair value to report net assets used to compute share prices if certain conditions are met. Those conditions include restrictions on the types of investments held, restrictions on the term-to-maturity of individual investments and the dollar-weighted average of the portfolio, requirements for portfolio diversification, and requirements for divestiture considerations in the event of security downgrades and defaults, and required actions if the fair value of the portfolio deviates from amortized cost by a specified amount.

The investment in Florida Prime consists of equity in an external, "2a7-like" investment pool managed by the State of Florida that was available to be withdrawn by the SWA on an overnight basis. The fair value of the position in Florida Prime was considered to be the same as the SWA's account balance (amortized cost) in the pool. The money market mutual funds and Florida Prime are classified as cash equivalents in the statements of net position and statements

of cash flows. Cash and cash equivalents at September 30, 2014 include $1,210,000 pledged as collateral for a letter of credit issued for the SWA's workers compensation insurance program.

Investments: Florida Statutes and SWA policy authorize investments in Florida Prime and LGIP 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 the Government National Mortgage Association; obligations of the Federal National Mortgage Association; SEC registered money market funds with the highest credit quality rating; mutual funds limited to U.S. Government securities; interest rate swaps, interest rate exchange agreements, investment contracts, or contracts providing for payments based on levels of or changes in interest rates, or contracts to exchange cash flows, a series of payments, or to hedge payment rate, spread or similar exposure; and, repurchase agreements fully collateralized by SEC registered money market mutual funds with the highest credit quality ratings. The SWA's bond resolutions authorize the investment of bond proceeds in obligations of certain federal government agencies or obligations guaranteed by those agencies; obligations of the United States Government or obligations guaranteed by the United States Government; guaranteed investment contracts meeting certain restrictions; or certain certificates of deposit, repurchase agreements, and investments that are insured or collateralized and otherwise permitted by Florida law.

At September 30, 2014, the fair value of the SWA's investments, including unrestricted and restricted asset balances were as follows:

Cash equivalents	
Money market mutual funds	$ 258,208,107
Florida Prime	237,189,278
	$ 495,397,385
Investments	
Repurchase agreement	$ 31,458,276
	$ 31,458,276

Repurchase Agreement: In conjunction with the issuance of the $599,860,000 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Series 2011, the SWA entered into a master repurchase agreement (the "Agreement") with two multi-national financial institutions for an initial purchase price of $598,511,702 with no additional purchases permitted. Eligible securities under the Agreement include cash and bonds or other obligations which, as to principal and interest, constitute direct obligations of, or are unconditionally guaranteed by, the U.S. Government, including obligations of any Federal agency to the extent such obligations are unconditionally guaranteed by the U.S. Government. Repurchase dates and amounts are set forth in the Agreement with a final repurchase date of November 1, 2014.

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

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

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

The credit quality ratings of the investments held at September 30, 2014 are as follows:

	Fair Value	Credit Quality Ratings	
		S&P	Moody's
Money market mutual funds	$ 258,208,107	AAAm	Aaa
Florida Prime	237,189,278	AAAm	Not Rated

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The SWA's investment policy addresses the concentration of credit risk by limiting the maximum amount that may be invested in certain investments and in any one issuer, except for investments in Florida Prime, U.S. Treasury 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, 2014. At September 30, 2014 certain individual investments exceeded 5% of the total investment portfolio (including cash and cash equivalents) as follows:

	Fair Value	Percentage of Total Investment Portfolio
Florida Prime	$ 237,189,278	44.2%
Money market mutual funds		
Dreyfus Government	157,716,544	29.4%
Fidelity Government	99,213,560	18.5%
Repurchase agreement	31,458,276	5.9%

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, 2014.

3. RELATED PARTY TRANSACTIONS AND MAJOR CUSTOMERS

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 2014 was $15,902,330.

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 these airlines discontinue operations and not be replaced with other airlines providing similar activity. Six airlines account for 96.2% of the total enplaned passengers at PBIA as follows: Delta Airlines – 26.4%, Jet Blue – 24.4%, US Airways – 14%, Southwest – 12.1%, United – 10.5% and American - 8.8%.

4. CAPITAL ASSETS

A summary of changes in capital assets follows:

Primary Government	Beginning Balance	Additions	Deductions	Ending Balance
Governmental Activities:				
Non-depreciable assets:				
Land	$ 740,547,033	$ 6,686,897	$ (59,302,122)	$ 687,931,808
Construction In Progress	564,623,694	48,259,436	(401,111,388)	211,771,742
Total non-depreciable assets	1,305,170,727	54,946,333	(460,413,510)	899,703,550
Depreciable assets:				
Buildings and improvements	913,887,073	235,788,417	(557,289)	1,149,118,201
Improvements other than buildings	403,219,983	23,913,430	-	427,133,413
Equipment	646,455,074	59,699,823	(35,341,710)	670,813,187
Infrastructure	1,361,579,092	137,026,507	-	1,498,605,599
Total depreciable assets	3,325,141,222	456,428,177	(35,898,999)	3,745,670,400
Less accumulated depreciation for:				
Buildings and improvements	(364,565,336)	(24,641,159)	402,346	(388,804,149)
Improvements other than buildings	(211,366,093)	(14,243,564)	-	(225,609,657)
Equipment	(455,809,478)	(52,710,369)	31,955,599	(476,564,248)
Infrastructure	(1,070,817,036)	(28,774,047)	-	(1,099,591,083)
Total accumulated depreciation	(2,102,557,943)	(120,369,139)	32,357,945	(2,190,569,137)
Total capital assets, being depreciated, net	1,222,583,279	336,059,038	(3,541,054)	1,555,101,263
Total governmental capital assets, net	$ 2,527,754,006	$ 391,005,371	$ (463,954,564)	$ 2,454,804,813

	Beginning Balance	Additions	Deductions	Ending Balance
Business-type Activities:				
Non-depreciable assets:				
Land	$ 115,690,816	$ 956,370	$ -	$ 116,647,186
Intangible - easement rights	1,660,856	-	-	1,660,856
Construction In Progress	37,566,082	57,023,995	(32,572,299)	62,017,778
Total non-depreciable assets	154,917,754	57,980,365	(32,572,299)	180,325,820
Depreciable assets:				
Buildings and improvements	473,987,194	10,661,907	(36,245)	484,612,856
Improvements other than buildings	1,521,606,914	31,856,504	(106,633)	1,553,356,785
Equipment	110,999,679	7,234,641	(3,235,568)	114,998,752
Intangible - easement rights	13,754,957	-	-	13,754,957
Goodwill	6,915,903	-	-	6,915,903
Total depreciable assets	2,127,264,647	49,753,052	(3,378,446)	2,173,639,253
Less accumulated depreciation for:				
Buildings and improvements	(235,383,674)	(18,308,168)	36,245	(253,655,597)
Improvements other than buildings	(618,738,014)	(43,259,857)	106,633	(661,891,238)
Equipment	(85,611,351)	(6,367,845)	3,197,739	(88,781,457)
Intangible - easement rights	(4,190,918)	(343,874)	-	(4,534,792)
Goodwill	(1,530,164)	(216,956)	-	(1,747,120)
Total accumulated depreciation	(945,454,121)	(68,496,700)	3,340,617	(1,010,610,204)
Total capital assets, being depreciated, net	1,181,810,526	(18,743,648)	(37,829)	1,163,029,049
Total business-type capital assets, net	$ 1,336,728,280	$ 39,236,717	$ (32,610,128)	$ 1,343,354,869

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

Governmental activities:	
General government	$ 18,900,175
Public safety	31,387,222
Physical environment	1,749,578
Transportation	40,283,214
Economic environment	449,941
Human services	1,258,754
Culture and recreation	19,471,913
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.	6,882,279
Adjustments to accumulated depreciation	(13,937)
Total increases to accumulated depreciation	$ 120,369,139
Business-type Activities:	
Department of Airports	$ 28,471,031
Water Utilities Department	40,025,669
Total depreciation expense - business-type activities	$ 68,496,700

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	552,593,410	214,980,718	(5,451,244)	762,122,884
Total non-depreciable assets	603,219,536	214,980,718	(5,451,244)	812,749,010
Depreciable assets:				
Buildings and improvements	557,457,934	2,714,812	-	560,172,746
Improvements other than buildings	111,161,088	1,575,300	-	112,736,388
Equipment	190,515,373	10,762,394	(12,898,497)	188,379,270
Total depreciable assets	859,134,395	15,052,506	(12,898,497)	861,288,404
Less accumulated depreciation for:				
Buildings and improvements	(171,874,129)	(21,469,780)	-	(193,343,909)
Improvements other than buildings	(45,836,360)	(5,519,914)	-	(51,356,274)
Equipment	(135,678,373)	(12,992,850)	12,415,534	(136,255,689)
Total accumulated depreciation	(353,388,862)	(39,982,544)	12,415,534	(380,955,872)
Total capital assets, being depreciated, net	505,745,533	(24,930,038)	(482,963)	480,332,532
Total component unit capital assets, net	$ 1,108,965,069	$ 190,050,680	$ (5,934,207)	$ 1,293,081,542

5. INTERFUND TRANSFERS IN AND OUT

Interfund transfers in and out during fiscal year 2014 were as follows:

Interfund Transfers In	Interfund Transfers Out	Amount
Governmental Funds:		
Major Governmental Funds		
General Fund	Community & Social Development Special Revenue Fund	$ 577,950
	General Government Capital Projects	165,027
	Law Enforcement Grants Special Revenue Fund	4,650,153
	Other Special Revenue Fund	2,091,809
	Revenue Bonds Debt Service Fund	587
	Criminal Justice Capital Projects	10,631,767
	Environmental Lands Capital Projects	240,391
	Parks & Recreation Capital Projects	18,090
		18,375,774
Fire Rescue Special Revenue Fund	General Fund	6,887,853
	Other Special Revenue Fund	350,114
	Fire Rescue Capital Projects	3,146,082
		10,384,049
Community & Social Development Special Revenue Fund	General Fund	11,492,891
General Government Capital Projects	General Fund	3,282,578
	Fire Rescue Special Revenue Fund	271,252
	Community & Social Development Special Revenue Fund	301,134
	Tourist Development Special Revenue Fund	2,287,000
	County Transportation Trust Special Revenue Fund	37,421
	Municipal Service Taxing District Special Revenue Fund	22,833
	Library Taxing District Special Revenue Fund	9,937
	Palm Tran Special Revenue Fund	65,540
	Other Special Revenue Fund	7,231,034
	Criminal Justice Capital Projects	6,438,733
	Airports	36,999
	Fleet Management	7,611
		19,992,072
Total Major Governmental Funds		60,244,786
Nonmajor Governmental Funds		
Nonmajor Special Revenue Funds		
Law Enforcement Grants Special Revenue Fund	General Fund	5,593
County Transportation Trust Special Revenue Fund	General Fund	15,476,340
Affordable Housing Trust Fund (SHIP) Special Revenue Fund	General Fund	141,520
Palm Tran Special Revenue Fund	General Fund	18,261,712
Other Special Revenue Fund	General Fund	2,633,805
	Community & Social Development Special Revenue Fund	17,650

Interfund Transfers In	Interfund Transfers Out	Amount
	Law Enforcement Grants Special Revenue Fund	209,293
		2,860,748
Nonmajor Debt Service Funds		
General Obligation Bonds Debt Service Funds	General Fund	392,308
Revenue Bonds Debt Service Fund	General Fund	75,933,200
	Fire Rescue Special Revenue Fund	47,567
	Road Program Capital Projects	1,027,375
	General Government Capital Projects	668,410
	Tourist Development Special Revenue Fund	7,966,873
	Municipal Service Taxing District Special Revenue Fund	27,246
	Library Taxing District Special Revenue Fund	57,050
	Other Special Revenue Fund	709,695
	Criminal Justice Capital Projects	6,394,352
	Parks & Recreation Capital Projects	6,074
	Water Utilities	70,749
	Airports	20,321
		92,928,912
Other Financing Debt Service	Environmental Lands Capital Projects	857,733
Nonmajor Capital Projects Funds		
Environmental Lands Capital Projects	General Fund	250,000
	Tourist Development Special Revenue Fund	2,625,252
	Other Special Revenue Fund	915,249
		3,790,501
Parks & Recreation Capital Projects	General Fund	1,000,000
Total Nonmajor Governmental Funds		135,715,367
Proprietary Funds:		
Major Enterprise Funds		
Airports	Tourist Development Special Revenue Fund	25,000
Water Utilities	Community & Social Development Special Revenue Fund	1,383,295
Total Enterprise Funds		1,408,295
Total Interfund Transfers Primary Government		$ 197,368,448

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

6. RETIREMENT PLANS

FLORIDA RETIREMENT SYSTEM

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

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

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

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

Funding Policy - The contribution requirements are established and may be amended by the Florida Legislature. The County's required contributions to FRS for the years ended September 30, 2014, 2013, and 2012 were $90.5 million, $69.8 million and $59.1 million, respectively.

The following membership classes and rates, which apply to both the FRS Pension Plan and the FRS Investment Plan, were in effect at September 30, 2014:

Membership Class	Employee Contribution Rate	Employer Contribution Rate
Regular	3.00%	7.37%
Special Risk	3.00%	19.82%
Judges	3.00%	33.17%
Legislators	3.00%	46.26%
Governor/Lieutenant Governor/Cabinet	3.00%	46.26%
State Attorney/Public Defender	3.00%	46.26%
County, City, Special District Elected Officers	3.00%	43.24%
Special Risk Administrative Support	3.00%	42.07%
IFAS Supplemental	0.00%	18.75%
Senior Management	3.00%	21.14%
Deferred Retirement Option Program	N/A	12.28%

PALM TRAN, INC. – DEFINED BENEFIT PLAN

Plan Description – The Palm Tran, Inc. – Amalgamated Transit Union Local 1577 (Palm Tran) pension plan (the Plan) is a mandatory contribution, single-employer, defined benefit retirement program administered by the Pension Resource Center. The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. The Board of Trustees (the Board) of the Palm Tran pension plan has the authority to establish and amend benefit provisions. Palm Tran issues a stand-alone, publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the plan

administrator at Pension Resource Center LLC, 4360 Northlake Blvd., Suite 206, Palm Beach Gardens, Florida 33410 or calling 1-561-624-3277 or accessing their website at: www.resourcecenters.com. Since the County has no fiduciary responsibility for this plan, it is not included in these financial statements.

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

Annual Pension Cost and Net Pension Obligation – Per the actuarial valuation, the annual pension cost and net pension obligation as of September 30, 2014 were as follows:

Annual required contribution (ARC)	$	12,427,478
Interest on net pension obligation		1,747,974
Adjustment to ARC		(1,233,052)
Annual pension cost		12,942,400
Contributions made		(7,357,275)
Change in net pension obligation		5,585,125
Net pension obligation beginning of year		21,849,673
Net pension obligation end of year	$	27,434,798

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/12	$11,262,459	33%	$15,311,919
09/30/13	13,948,829	55	21,849,673
09/30/14	12,942,400	57	27,434,798

Funded Status and Funding Progress – As of January 1, 2014, the most recent actuarial valuation date, the plan was 75.3% funded. The actuarial accrued liability for benefits was $98.0 million, and the actuarial value of assets was $73.8 million, resulting in an unfunded actuarial accrued liability (UAAL) of $24.2 million. The covered payroll (annual payroll of active employees covered by the plan) was $24.6 million, and the ratio of the UAAL to the covered payroll was 98.1%.

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

Actuarial Methods and Assumptions – In the January 1, 2014 actuarial valuation, the Entry Age Normal actuarial cost method was used. The actuarial assumptions included (a) 8.0% investment rate of return and (b) projected salary increases ranging from 5.0% to 12.5% per year. Both (a) and (b) included an inflation component of 3.5% with no cost-of-living adjustments. The projection of benefits for financial accounting purposes does not explicitly incorporate the potential effects of the 14.8% limitation on Palm Tran's contribution rate disclosed above under "Funding Policy". The actuarial value of assets was determined using the 5-year Smoothed Market asset valuation method. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at January 1, 2014 was 30 years.

LANTANA FIREFIGHTER'S – DEFINED BENEFIT/CONTRIBUTION PLAN

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

Funding Policy – Plan members are required to contribute 10% of their salary to the Plan. Of this, 2% is allocated to the defined benefit portion of the Plan and 8% is allocated to the defined contribution portion. Pursuant to Chapter 175, Florida Statutes, the Town imposes a 1.85% tax on fire insurance premiums paid to insure real or personal property within its corporate limits. 100% of the net proceeds of this 1.85% excise tax are allocated to the defined benefit portion of the Plan. Because the County is ultimately responsible for the actuarial soundness of the Plan, the County must contribute an amount determined by the Trustees, in conjunction with the Plan's actuary, to be sufficient, along with the employees' contributions and the proceeds from the insurance tax, described above, to fund the defined benefits under the Plan. The current rate is 74.16% of annual covered payroll.

Annual Pension Cost and Net Pension Obligation – Per the actuarial valuation, the annual pension cost and net pension obligation as of September 30, 2014 were as follows:

Annual required contribution (ARC)	$	1,674,378
Interest on net pension obligation		(1,375)
Adjustment to ARC		2,598
Annual pension cost		1,675,601
Contributions made		(1,699,933)
Change in net pension obligation		(24,332)
Net pension obligation (asset) beginning of year		(17,190)
Net pension obligation (asset) end of year	$	(41,522)

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation(Asset)
09/30/12	$1,399,506	98%	$54,126
09/30/13	1,446,764	105	(17,190)
09/30/14	1,675,601	101	(41,522)

Funded Status and Funding Progress – As of September 30, 2013, the most recent actuarial valuation date, the plan was 84.0% funded. The actuarial accrued liability for benefits was $31.6 million, and the actuarial value of assets was $26.5 million, resulting in an unfunded actuarial accrued liability (UAAL) of $5.1 million. The covered payroll (annual payroll of active employees covered by the plan) was $2.1 million, and the ratio of the UAAL to the covered payroll was 239.1%.

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

Actuarial Methods and Assumptions – In the September 30, 2013 actuarial valuation, the Individual Entry Age actuarial cost method was used. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0% per year compounded annually, (b) projected salary increases of 7.0% per year compounded annually, and (c) the assumption that benefits will not increase after retirement. Both (a) and (b) included an inflation component of 5.0%. The actuarial value of assets was determined using the 5-year Smoothed Market asset valuation method. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The weighted average remaining amortization period at September 30, 2013 was 7 years.

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 $730,589 for the year ended September 30, 2014.

A copy of the City's pension fund financial statements may be obtained by contacting the Plan Administrators for the Lake Worth Pension Funds: Pension Resource Center LLC, at 4360 Northlake Blvd., Suite 206, Palm Beach Gardens, Florida 33410 or calling 1-561-624-3277 or accessing their website at: www.resourcecenters.com. Since the County has no fiduciary responsibility for this plan, it is not included in these financial statements.

COMPONENT UNIT – Solid Waste Authority (SWA)

Like the Primary Government, the SWA also participates in the Florida Retirement System (FRS), a contributory, cost-sharing, multi-employer, public employee retirement system administered by the Florida Department of Management Services, Division of Retirement.

The contribution requirements for plan members and participating governments are established by State statute. The SWA's contributions to the FRS for the years ended September 30, 2014, 2013 and 2012 were $1,817,907, $1,308,604, and $1,081,074, respectively, and were equal to the required contributions for each year.

7. 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, 2014:

	Amount
Governmental Activities:	
Major funds:	
General Fund	$ 1,295,866
Fire Rescue Special Revenue Fund	2,771,177
Community & Social Development Special Revenue Fund	9,348,934
Road Program Capital Projects Fund	21,732,763
General Government Capital Projects Fund	27,617,597
Total major funds	62,766,337
Nonmajor governmental activities	38,256,507
Total governmental activities	101,022,844
Business-type Activities:	
Airports	10,889,917
Water Utilities	44,849,000
Total business-type activities	55,738,917
Total commitments	$ 156,761,761

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 Statements of Net Position or Balance Sheets, as appropriate, based on the purpose of the funding.

County Home

The County has an inter-local agreement with the Palm Beach County Health Care District (the District) regarding the Medicaid Match and the County Home and General Care Facility (County Home). The agreement ends in July 2035 and provides that the County will make a fixed annual payment of $15 million to the District in exchange for the District's agreement to operate and manage the County Home and to pay 100% of the Medicaid Match funding as required by the State for hospital and nursing home care.

Max Planck

The County has an economic development grant agreement with Max Planck Florida Corporation (MPFC) providing funding for approximately $86.9 million for the construction and operation of an approximate 100,000 square foot Biomedical Research Facility in the County. Under the terms of the agreement, a maximum of $60 million will be spent towards the construction costs for the Permanent Facility and $26.9 million towards the reimbursement of operational costs. The term of the agreement ends in July 2023. The County, MPFC and FAU entered into a sublease agreement to lease a portion of the John D. MacArthur Campus of FAU to MPFC for construction of its permanent Florida facilities. The execution of the FAU sublease is a condition to the disbursement of the grant funds. The County has paid $68 million towards this commitment through September 30, 2014.

Tri-County Commuter Rail Authority

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

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

COMPONENT UNIT - Solid Waste Authority (SWA)

Contract Commitments: SWA has several uncompleted construction contracts for improvements to the solid waste system. The construction is being funded primarily from existing capital

improvement funds and bond proceeds. At September 30, 2014 the uncompleted contracts are summarized as follows:

	Contract Amount	Remaining Contract Commitment
Bond Funds	$678,944,516	$ 39,057,560

In addition to the construction contract commitments, SWA also had outstanding purchase commitments for various equipment, goods and services totaling approximately $20.8 million at September 30, 2014.

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

SWA paid $1,937,931 for 2014. SWA is required to pay $1,996,069 under this agreement for the fiscal year ended September 30, 2015. The amount due each year can increase up to 3% per year.

Lease Commitments: SWA owns approximately 1,600 acres of farmland in western Palm Beach County, which is held as a replacement waste disposal site. SWA has an operating lease expiring in 2018 with the former owner to maintain and continue farming the property. The lease provides for annual rental payments to SWA adjusted each year based on the change in the producer price index for raw cane sugar, provided that the total annual rent shall not exceed $450,000. Rental income from this lease for the year ended September 30, 2014 was approximately $273,000. The carrying value of the land subject to the lease was approximately $8 million at September 30, 2014. The lease also provides the option to extend the term for three additional periods of four years each (through 2030), under the same terms and conditions. SWA retains the right to terminate the lease, in part, for areas designated for landfill development by SWA after the initial lease term. Management expects the operating lease to be renewed until the property is utilized for its intended purpose as a replacement waste disposal site.

SWA leases the current site of the Delray Beach transfer station from the City of Delray Beach under a 20 year operating lease expiring September 30, 2020 with an option to renew for an additional 20 years under the existing terms. The lease provides for annual rental payments increased by the annual change in the consumer price index. Rent expense for the year ended September 30, 2014 was approximately $145,000. The minimum future rental payments, based on an annual increase of 3 percent, under this operating lease at September 30, 2014 were as follows:

Year Ending September 30,	Amount
2015	$ 149,746
2016	154,239
2017	158,866
2018	163,632
2019	168,541
2020	173,597
	$ 968,621

Landfill Closure and Postclosure Care Costs

The SWA operated one active landfill site for the year ended September 30, 2014. In addition, the SWA is responsible for two landfill sites closed after 1991 and three landfill sites closed prior to 1991.

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

Landfill closure and postclosure care liabilities at September 30, 2014 are as follows:

Accrued closure and postclosure care costs	$ 41,934,024
Accrued postclosure care for closed landfills	3,738,160
Total Accrued Landfill Closure Costs	$ 45,672,184

The $41,934,024 of accrued closure and postclosure care liabilities at September 30, 2014 represents the cumulative cost based on the use of 3.4 percent of the estimated capacity of the operating landfill. The SWA will recognize the remaining estimated cost of closure and postclosure care of approximately $67.3 million for the operating landfill as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2014. Based on current demographic information and engineering estimates of landfill consumption, the SWA expects to close the landfill in approximately 2048. 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, 2014 cash and cash equivalents of $31,593,488 were held for these purposes. This amount is reported as noncurrent restricted assets on the statement 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, 2014, the statutorily required escrow account balances were as follows:

Site	
Site 7 closure costs	$ 25,687,485
Dyer landfill long-term care	339,833
	$ 26,027,318

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, 2014; 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.

8. RISK MANAGEMENT

The County maintains various self-insurance programs which are accounted for as internal service funds. Following is a brief description of each of the County's insurance programs. The claims liability reported in each of the funds at September 30, 2014, 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 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.

Property and Liability

The County is exposed to various risks of loss related to torts; theft, damage and destruction of assets; errors and omissions; and natural disasters. The County self-funds its Property and Liability exposures up to the amounts of $1,000,000 for Property and $500,000 for Liability with the exception of Palm Tran which is up to $200,000. In addition, the County purchases a portfolio of excess insurance policies for both Property and Liability as well as numerous smaller policies for areas that are typically excluded in a standard policy or are specialized in nature. Liability exposures are limited to $200,000 per person and $300,000 per occurrence under Florida's sovereign immunity statute 768.28. The insurance program covers the Board of County Commissioners, the Supervisor of Elections, and the Tax Collector. In addition, the Property

Appraiser participates in a small portion of the program as outlined in the Self Insured Retention Program.

Participants in the program make payments to the Property and Liability Insurance Fund, included in the Combined Insurance Fund, based on estimates of the amounts needed to pay prior and current year claims and to establish an additional liability for claims incurred but not reported. The claims liability reported in this fund at September 30, 2014 is $7,243,627. During claim years 2014 and 2013, changes recorded to the claims liability for property and liability insurance were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2013	$3,626,688	$7,162,497	($6,095,498)	$4,693,687
2014	4,693,687	4,357,893	(1,807,953)	7,243,627

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 $2,500,000, for each workers' compensation occurrence.

Participants in the program make payments to the Workers' Compensation Insurance Fund, included in the Combined Insurance Fund, based on estimates of the amounts needed to pay prior and current year claims and to establish an additional liability for claims incurred but not reported. The claims liability reported in this fund at September 30, 2014 is $50,307,376. During claim years 2014 and 2013, changes recorded to the claims liability for workers' compensation insurance were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2013	$47,131,013	$5,343,528	($4,931,773)	$47,542,768
2014	47,542,768	10,274,934	(7,510,326)	50,307,376

Employee Group Health Insurance

The County provides health insurance for its employees, retirees, and eligible dependents. The County has a $600,000 per claim 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, 2014 is $3,497,854. During claim years 2014 and 2013, changes recorded to the claims liability for employee health insurance were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2013	$3,964,976	$52,897,827	($53,238,724)	$3,624,079
2014	3,624,079	56,527,362	(56,653,587)	3,497,854

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, 2014 is $20,046,768. This amount is based on the requirements of GASB 10 which specifies that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

During claim years 2014 and 2013, changes recorded to the claims liability for general liability were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2013	$12,702,551	$5,217,901	($3,511,913)	$14,408,539
2014	14,408,539	9,518,185	(3,879,956)	20,046,768

Workers' Compensation Insurance

The Sheriff's office is self-funded for its workers' compensation exposure. The claims liability reported at September 30, 2014 is $26,415,534. 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 2014 and 2013, changes recorded to the claims liability for workers' compensation were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2013	$22,716,366	$8,154,744	($7,675,947)	$23,195,163
2014	23,195,163	12,135,586	(8,915,215)	26,415,534

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.

During claim years 2014 and 2013, changes recorded to the claims liability for health insurance were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2013	$750,000	$9,422,041	($9,422,041)	$750,000
2014	750,000	10,845,090	(10,777,090)	818,000

TAX COLLECTOR

Employee Group Health and Dental Insurance

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

PROPERTY APPRAISER

Employee Group Health and Dental Insurance

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

COMPONENT UNIT - Solid Waste Authority (SWA)

The SWA is exposed to various risks of loss related to torts; theft, damage and destruction of assets; errors and omissions; injuries to employees; life and health of employees; and natural disasters. The SWA purchases commercial insurance for property damage with coverage up to a maximum of approximately $1 billion. This is subject to various policy sub-limits, generally ranging from $1 million to $100 million and deductibles ranging from $50,000 to $500,000 per occurrence (2% for Renewable Energy Facility #1 and 5% of total property damage values at all other locations for a named windstorm; subject to a minimum of $250,000). The SWA also purchases commercial insurance for general liability claims with coverage up to $5 million per occurrence and $5 million aggregate, with excess liability coverage of $45 million, all subject to various deductibles up to $50,000 per occurrence. General liability claims are limited by the Florida constitutional doctrine of sovereign immunity to $200,000 per claim and $300,000 per occurrence unless a higher claim is approved by the Florida Legislature.

The SWA purchases commercial insurance for workers' compensation benefits with a $1,000,000 per occurrence and per employee policy limit, subject to a deductible of $250,000 per occurrence. Settled claims have not exceeded commercial coverage in any of the last three years. Changes in the claims liability amount for workers' compensation benefits for the years ended September 30, 2014 and 2013 were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2013	$494,000	$387,784	($504,784)	$377,000
2014	377,000	106,254	(223,254)	260,000

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

9. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Overview

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

A. Healthcare Plans:

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

B. Long Term Disability Plan:

1. Fire Rescue Taxing District

Healthcare Benefits Provided to Retirees

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

1. Currently retired or terminated employees and their beneficiaries and dependents.

2. Active employees and their beneficiaries and dependents after retirement from service with participating employers.

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

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

Plan Description: The defined benefit post-employment healthcare plans provide medical benefits to eligible retired employees and their dependents. The plans are single employer plans which are administered by the employer for their employees. The Supervisor of Elections and Metropolitan Planning Organization participate in the County plan. The plans do not issue separate standalone financial reports.

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

Funding Policy: The contribution requirements of plan members and the employer are established and may be amended by the employer or by the union for Fire Rescue. All entities of the Primary Government are required by Florida Statute 112.0801 to allow their retirees (and eligible dependents) to continue participation in the group insurance plan. Retirees must be offered the same coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees which results in an implicit subsidy as defined by GASB 45.

At September 30, 2014 retirees receiving benefits contributed the following monthly premiums:

	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff	Fire Rescue Union
Monthly Minimum	$ 655	$ 786	$ 409	$ 653	$ 534	$ 333
Monthly Maximum	2,033	2,589	1,542	2,279	2,234	611

In addition to the 'implicit' benefit, two of the plans offer an explicit benefit. The Sheriff and Fire Rescue Plans provide a subsidy that retirees can use to partially or fully offset the cost of health insurance.

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

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

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

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

OPEB Cost and Net OPEB Obligation: The annual other post-employment benefit cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and the amortization of any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. A portion of the County's net OPEB asset/obligation is allocated to the enterprise and internal service fund operations.

The following table shows the components of the annual OPEB cost for the year, the amount contributed to the plan, and changes in the net OPEB obligation as of fiscal year ended September 30, 2014:

	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff	Fire Rescue Union
Annual required contribution (ARC)	$ 779,000	$ 266,087	$ 25,270	$ 512,969	$ 15,095,000	$ 10,721,000
Interest on net OPEB obligation	(60,000)	57,047	9,467	29,998	3,815,000	1,293,000
Adjustment to annually required contribution	52,000	(52,116)	(7,626)	(41,701)	(3,237,000)	(1,124,000)
Annual OPEB cost	771,000	271,018	27,111	501,266	15,673,000	10,890,000
Contributions made	(2,036,807)	-	-	(217,450)	(4,756,000)	(3,766,459)
Increase (decrease) in net OPEB obligation	(1,265,807)	271,018	27,111	283,816	10,917,000	7,123,541
Net OPEB obligation (asset) - beginning of year	(1,415,762)	1,205,541	181,388	715,636	84,770,000	30,424,229
Net OPEB obligation (asset) - end of year	$ (2,681,569)	$ 1,476,559	$ 208,499	$ 999,452	$ 95,687,000	$ 37,547,770

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
County			
9/30/2012	1,238,000	142.0 %	$ (948,198)
9/30/2013	1,265,000	137.0	(1,415,762)
9/30/2014	771,000	264.2	(2,681,569)
Tax Collector			
9/30/2012	$ 270,209	0.0 %	$ 916,981
9/30/2013	288,560	0.0	1,205,541
9/30/2014	271,018	0.0	1,476,559
Property Appraiser			
9/30/2012	$ 29,081	36.2 %	$ 156,672
9/30/2013	30,022	17.7	181,388
9/30/2014	27,111	0.0	208,499
Clerk & Comptroller			
9/30/2012	$ 486,892	50.1 %	$ 416,111
9/30/2013	487,446	38.6	715,636
9/30/2014	501,266	43.4	999,452
Sheriff			
9/30/2012	$ 21,260,000	21.5 %	$ 66,810,000
9/30/2013	22,600,000	20.5	84,770,000
9/30/2014	15,673,000	30.3	95,687,000
Fire Rescue Union			
9/30/2012	$ 10,425,000	42.7 %	$ 24,991,229
9/30/2013	10,602,000	48.8	30,424,229
9/30/2014	10,890,000	41.7	37,547,770

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

	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff	Fire Rescue Union
Actuarial accrued liability (AAL)	$ 10,632,000	$ 2,017,870	$ 231,568	$ 6,041,155	$ 191,022,000	$ 133,946,000
Actuarial value of plan asset	-	-	-	-	-	-
Unfunded actuarial accrued liability (UAAL)	$ 10,632,000	$ 2,017,870	$ 231,568	$ 6,041,155	$ 191,022,000	$ 133,946,000
Funded ratio (actuarial value of plan / AAL)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered payroll (active plan members)	$ 242,102,185	$ 13,184,831	$ 13,971,954	$ 32,477,317	$ 281,188,646	$ 143,944,458
UAAL as a percentage of covered payroll	4.4%	15.3%	1.7%	18.6%	67.9%	93.1%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Due to the small number of retirees in the Tax Collector's Plan, it was determined that any implicit subsidy is insignificant and conservatively reported as zero.

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

	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff	Fire Rescue Union
Actuarial valuation date	10/1/2013	10/1/2012	10/1/2012	10/1/2013	10/1/2013	10/1/2012
Actuarial cost method	Projected Unit Credit Actuarial Cost Method	Entry Age Normal Actuarial Cost Method	Entry Age Normal Actuarial Cost Method	Entry Age Normal Actuarial Cost Method	Projected Unit Credit Actuarial Cost Method	Projected Unit Credit Actuarial Cost Method
Actuarial amortization method	Level percentage of projected payroll on open basis	Level percentage of projected payroll on closed basis	Level percentage of projected payroll on closed basis	Level percentage of projected payroll on open basis	Level percentage of projected payroll on open basis	Level percentage of projected payroll on open basis
Remaining amortization period	30 yrs- Open	30 yrs- Closed	30 yrs- Closed	30 yrs- Open	30 yrs- Open	30 yrs- Open
Asset valuation method	na	na	na	na	na	na
Actuarial assumptions						
Investment rate of return	4.25%	5.0%	4.0%	4.0%	4.5%	4.25%
Inflation rate	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%
Projected salary increases	3.5%	4.0%	4.0%	2.5%	3.5%	3.5%
Healthcare inflation rate-initial	8.5%	7.0%	8.0%	6.5%	8.0%	8.5%
Healthcare trend rate-ultimate	5.0%	5.0%	5.0%	4.5%	4.35%	5.0%

Long Term Disability Benefits Provided to Retirees

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

the Palm Beach County Fire Rescue Department. The plan does not issue a separate standalone financial report.

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

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

Annual required contribution	$ 749,880
Interest on net OPEB obligation	6,424
Adjustment to annual required contribution	(11,513)
Annual OPEB cost	744,791
Contributions made	(895,458)
Change in net OPEB obligation	(150,667)
Net OPEB obligation - beginning of year	160,612
Net OPEB obligation - end of year	$ 9,945

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2012	$ 762,128	81.7%	$ 230,591
9/30/2013	768,836	109.1%	160,612
9/30/2014	744,791	120.2%	9,945

Funded Status and Funding Progress: The plan is financed on a 'pay-as-you-go' basis. The funded status of the plan as of September 30, 2014, was as follows:

Actuarial accrued liability (AAL)	$ 8,737,834
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	$ 8,737,834
Funded ratio (actuarial value of plan / AAL)	0.0%
Covered payroll (active plan members)	$ 143,944,458
UAAL as a percentage of covered payroll	6.1%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, disability occurrences, and workmen's compensation payments. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

Actuarial valuation date	10/1/2013
Actuarial cost method	Projected Unit Credit Actuarial Cost Method
Amortization method	Level Percentage of Projected Payroll on Open Basis
Remaining amortization period	15 years- Open
Asset valuation method	na
Actuarial assumptions:	
Investment rate of return	4.0%
Inflation rate	3.0%
Projected salary increases	4.5%
Cost of living adjustments	None

COMPONENT UNIT - Solid Waste Authority (SWA)

Plan Description: The SWA has a single-employer defined benefit healthcare plan to provide benefits to its eligible retired employees and their beneficiaries (the "Plan"). The Plan is administered by the SWA's Board, which also has the authority to establish and amend premiums for and the benefit provisions of the Plan. The Plan is financed on a "pay-as-you-go" basis and is not administered as a formal qualifying trust. The Plan does not issue a publicly available financial report.

Funding Policy: The contribution requirements of Plan members and the SWA are established and may be amended by the SWA's Board. The SWA is required by Florida Statute 112.0801 to allow retirees to buy healthcare coverage at the same *group insurance rates* that current employees are charged resulting in an *implicit* healthcare benefit. The State of Florida prohibits the Plan from separately rating retirees and active employees. The Plan therefore charges both groups an equal, blended rate premium. Although both groups are charged the same blended rate premium, GAAP requires the actuarial figures to be calculated using age adjusted premiums

approximating claim costs for retirees separate from active employees. The use of age adjusted premiums results in the addition of an implicit rate subsidy into the actuarial accrued liability. Plan members receiving benefits contribute 100% of the monthly premium ranging from a minimum of $716 to a maximum of $2,308.

Annual OPEB Cost and Net OPEB Obligation: The annual other postemployment benefit cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and the amortization of any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The SWA's annual OPEB cost, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation for the year ended September 30, 2014 were as follows:

Annual required contribution	$ 71,000
Interest on net OPEB obligation	22,000
Adjustment to annual required contribution	(17,000)
Annual OPEB cost	76,000
Contributions made	(83,541)
Change in net OPEB obligation	(7,541)
Net OPEB obligation, beginning of year	322,950
Net OPEB obligation, end of year	$ 315,409

The year ended September 30, 2008 was the year of implementation of GASB 45 and the Authority elected to implement prospectively. Three year comparative data is as follows:

Year Ended September 30,	Annual OPEB Cost	Actual Employer Contribution	Percentage Contributed	Net OPEB Obligation
2014	$ 76,000	$ 83,541	109.9%	$ 315,409
2013	72,000	84,049	116.7%	322,950
2012	80,000	72,560	90.7%	334,999

Funded Status and Funding Progress: The Plan is financed on a pay-as-you-go basis. The latest actuarial valuation was done as of October 1, 2012 and the SWA intends to obtain such valuations every other year in the future. The following schedule of funding progress is based upon available information relative to the actuarial accrued liability for benefits:

Date of Actuarial Valuation October 1,	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2012	$ 0	$ 726,000	$ 726,000	0.0%	$ 21,558,000	3.4%

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

The Plan uses the projected unit credit actuarial cost method. The actuarial assumptions include a 6.0% investment rate of return (net of administrative expenses), and an annual healthcare cost trend rate of 8.5%, annually reduced by decrements of 0.5% to an ultimate rate of 5%. The investment rate of return and the healthcare cost trend rate include an inflation assumption of 3.5% and 3.0%, respectively. The actuarial value of assets will be determined using fair value. The UAAL will be amortized as a level percentage of projected payroll on an open basis. The remaining amortization period is 30 years.

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

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

10. LEASES

Leases Receivable: Enterprise Funds

The Department of Airports leases a major portion of its property to airlines, rental car companies and concessionaires. Certain concessionaire leases provide for minimum rentals plus a contingency portion specified as a percentage of the tenants' gross revenues. Contingent rental income under such arrangements amounted to $2,279,883 for the year ended September 30, 2014. All Department of Airports' leases are operating leases. A significant portion of the rental car companies operating leases are scheduled to expire after fiscal year 2016 resulting in a decline in minimum future receipts.

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

Year Ended September 30	Amount
2015	$ 32,974,071
2016	32,366,740
2017	21,382,247
2018	21,249,011
2019	21,069,350
Thereafter	65,056,038
Total	$ 194,097,457

A schedule of the carrying value of property held for lease, by major classification, as of September 30, 2014 is as follows:

Buildings	$ 249,768,457
Less: accumulated depreciation	(166,427,547)
Net buildings	83,340,910
Land	9,158,963
Total property held for lease	$ 92,499,873

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, 2014 amounted to $5,099,278, comprised of $4,993,118 for Governmental Funds, $95,126 for Enterprise Funds, and $11,034 for Internal Service Funds.

Operating Leases

Future minimum rental payments under non-cancellable operating leases as of September 30, 2014 are as follows:

Fiscal Year	Governmental Funds	Enterprise Funds	Internal Service Funds	Total
2015	$ 3,115,676	$ 87,993	$ 11,536	$ 3,215,205
2016	1,632,927	61,398	8,206	1,702,531
2017	854,897	11,839	5,325	872,061
2018	206,653	-	-	206,653
2019	97,904	-	-	97,904
Thereafter	1,079,797	-	-	1,079,797
Total	$ 6,987,854	$ 161,230	$ 25,067	$ 7,174,151

Capital Leases

Capital leases are those which are determined to have passed substantially all of the risks and benefits of ownership to the lessee. There were no capital leases in the proprietary fund types. Future minimum lease payments under capital leases as of September 30, 2014 are as follows:

Fiscal Year	Governmental Activities
2015	$ 155,385
2016	155,385
2017	155,385
2018	12,949
Total minimum lease payments	479,104
Less amounts representing interest	(21,965)
Present value of minimum lease payments	$ 457,139

The following schedule shows the leased assets capitalized as of September 30, 2014, by major asset class:

	Governmental Activities Capital Assets
Equipment	$ 722,603
Less: accumulated depreciation	(294,365)
Carrying value	$ 428,238

11. REFUNDING OF DEBT

Advance Refundings:

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

On August 19, 2014, Palm Beach County issued $11,865,000 Library District Improvement Projects Refunding Bonds, Series 2014 with an effective interest rate of 1.848% to advance refund $12,735,000 of outstanding Library District Improvement Projects, Series 2006. The net proceeds of $13,679,482 (after allowing for $1,928,381 in bond premium and $113,899 in issuance costs) were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds.

The reacquisition price exceeded the carrying amount, resulting in an accounting loss of $814,244. This amount is now reported as a deferred outflow of resources and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The County decreased its aggregate debt service payments by approximately $1,149,452 over a

period of eleven years and incurred an economic gain of approximately $1,008,825 (difference between the present value of the old and new debt service payments). The purpose of the refunding was to take advantage of the unusually low interest rates that were available at this time.

On August 19, 2014, Palm Beach County issued $28,035,000 Waterfront Access Projects Refunding Bonds, Series 2014 with an effective interest rate of 1.969% to advance refund $29,735,000 of outstanding Waterfront Access Projects, Series 2006. The net proceeds of $31,962,105 (after allowing for $4,159,613 in bond premium and $232,508 in issuance costs) were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds.

The reacquisition price exceeded the carrying amount, resulting in an accounting loss of $2,300,269. This amount is now reported as a deferred outflow of resources and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The County decreased its aggregate debt service payments by approximately $2,907,256 over a period of twelve years and incurred an economic gain of approximately $2,525,289 (difference between the present value of the old and new debt service payments). The purpose of the refunding was to take advantage of the unusually low interest rates that were available at this time.

The amount of in-substance defeased bonds outstanding, as of September 30, 2014, consists of the following:

Bond Issues	Amount
Governmental Funds:	
Public Improvement Revenue Bonds (Biomedical Rsrch Park Proj), 2004A	$ 22,725,000
Public Improvement Revenue Bonds (Biomedical Rsrch Park Proj), 2005A	82,625,000
General Obligation Bonds (Recreational and Cultural Facilities), 2005	15,080,000
General Obligation Bonds (Library District Imp,), 2006	12,735,000
General Obligation Bonds (Waterfront Access,), 2006	29,735,000
	162,900,000
Proprietary Funds:	
Airport Refunding Revenue Bonds, 2002	4,000,000
Water and Sewer Revenue Bonds, 2006A	76,260,000
	80,260,000
Total Defeased Bonds Outstanding	$ 243,160,000

Current Refundings:

There were no current refundings during the current fiscal year.

12. INTERFUND RECEIVABLE AND PAYABLE BALANCES

Interfund balances at September 30, 2014 are expected to be repaid within one year. Interfund receivable and payable balances at September 30, 2014 were as follows:

Interfund Receivable Fund	Interfund Payable Fund	Amount
Governmental Funds:		
Major Governmental Funds		
General Fund	Palm Tran Special Revenue Fund	$ 9,255,610
	Community & Social Development Special Revenue Fund	3,092,018
	County Transportation Trust	2,619,981
	Law Enforcement Grant Special Revenue Fund	2,426,198
	Other Special Revenue Funds	501,791
	Criminal Justice Capital Projects	319,254
	Environmental Lands Capital Projects	30,864
	Fire Rescue Special Revenue Fund	3,987
	Water Utilities	3,272
	Airports	1,000
	Road Program Capital Projects	220
	Municipal Taxing District	61
	Clerk & Comptroller Insurance Fund	57
		18,254,313
Fire Rescue Special Revenue Fund	General Fund	3,703,736
	Fire Rescue Capital Projects	2,400
		3,706,136
Community & Social Development Special Revenue Fund	General Fund	1,723,743
	Affordable Housing Trust Fund (SHIP) Special Revenue Fund	420,428
	Water Utilities	6,646
		2,150,817
Road Program Capital Projects	General Fund	128,920
General Government Capital Projects	General Fund	28,355,988
	Community & Social Development Special Revenue Fund	127,515
		28,483,503
Total Major Governmental Funds		52,723,689
Nonmajor Governmental Funds		
Nonmajor Special Revenue Funds		
Law Enforcement Grants Special Revenue Fund	General Fund	3,906,362
County Transportation Trust Special Revenue Fund	General Fund	2,880,113
	Road Program Capital Projects	720
		2,880,833
Library Taxing District Special Revenue Fund	General Fund	490,545

Interfund Receivable Fund	Interfund Payable Fund	Amount
Affordable Housing Trust Fund (SHIP) Special Revenue Fund	General Fund	141,520
	Community & Social Development Special Revenue Fund	42,582
		184,102
Palm Tran Special Revenue Fund	General Fund	4,465,239
Other Special Revenue Funds	General Fund	495,395
	Law Enforcement Grant Special Revenue Fund	51,191
		546,586
Nonmajor Capital Projects Funds		
Environmental Lands Capital Projects	Tourist Development Special Revenue Fund	820,391
Street & Drainage Capital Projects	General Fund	3,630
Total Nonmajor Governmental Funds		13,297,688
Proprietary Funds:		
Enterprise Funds		
Water Utilities	General Fund	12,896
	Community & Social Development Special Revenue Fund	2,284
	Library Taxing District Special Revenue Fund	658
	Fire Rescue Special Revenue Fund	547
	County Transportation Trust Special Revenue	87
	Fleet Management	87
		16,559
Total Enterprise Funds		16,559
Internal Service Funds		
Fleet Management	General Fund	1,299,256
	County Transportation Trust Special Revenue Fund	553,247
	Water Utilities	483,400
	Fire Rescue Special Revenue Fund	148,378
	Palm Tran Special Revenue Fund	58,742
	Airports	44,957
	Municipal Service Taxing District Special Revenue Fund	35,567
	Other Special Revenue Funds	30,117
	Road Program Capital Projects	19,132
	Library Taxing District Special Revenue Fund	12,755
	Community & Social Development Special Revenue Fund	4,415
	General Government Capital Projects	1,747
	Combined Insurance Fund	63
		2,691,776
Combined Insurance Fund	General Fund	646,448
	Water Utilities	188,020
	Palm Tran Special Revenue Fund	181,055
	Library Taxing District Special Revenue Fund	117,116
	County Transportation Trust Special Revenue Fund	104,152

Interfund Receivable Fund	Interfund Payable Fund	Amount
	Airports	48,534
	Community & Social Development Special Revenue Fund	42,285
	Municipal Service Taxing District Special Revenue Fund	35,306
	Other Special Revenue Funds	25,097
	Road Program Capital Projects Fund	23,504
	Fleet Management	18,573
	Fire Rescue Special Revenue Fund	13,248
	Tourist Development Special Revenue Fund	1,526
	Law Enforcement Grants Special Revenue Fund	418
		1,445,282
Clerk & Comptroller Insurance Fund	General Fund	252,764
Total Internal Service Funds		4,389,822
Total Interfund Receivables and Payables Primary Government		$ 70,427,758

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

Receivables and Payables Between Primary Government and Component Units:

Due from Component Unit	Due to Primary Government	Amount
General Fund	Solid Waste Authority	$ 346,972
General Fund	Housing Finance Authority	38,619
Combined Insurance Fund	Metropolitan Planning Organization	2,628
Fleet Management	Solid Waste Authority	1,000
		389,219

Due from Primary Government	Due to Component Unit	Amount
Housing Finance Authority	General Fund	6,446,374
Metropolitan Planning Organization	General Fund	60,471
Solid Waste Authority	General Fund	4,149,364
	County Transportation Trust Special Revenue Fund	8,621
	Water Utilities	102,886
		10,767,716
Total Receivables and Payables Between Primary Government and Component Units		$ 11,156,935

13. LONG-TERM DEBT

Changes in Long-Term Obligations – The following is a summary of changes in long-term obligations for the year ended September 30, 2014 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	$ 187,210,000	$ 39,900,000	$ 63,480,000	$ 163,630,000	$ 22,025,000
Non-ad valorem revenue bonds	736,861,034	69,752,000	70,450,278	736,162,756	71,233,539
Unamortized bond premiums	47,619,231	6,092,299	5,239,143	48,472,387	-
Total bonds payable	971,690,265	115,744,299	139,169,421	948,265,143	93,258,539
Notes and loans payable	24,488,557	3,671,000	1,837,784	26,321,773	1,935,784
Arbitrage liability	355,684	251	264,628	91,307	73,846
Compensated absences	139,098,590	56,381,798	50,632,819	144,847,569	5,197,036
OPEB	117,593,693	18,627,435	229,830	135,991,298	-
Pension obligation	21,849,673	12,942,400	7,357,275	27,434,798	-
Termination benefits	204,264	-	204,264	-	-
Capital lease	596,587	-	139,448	457,139	143,675
Estimated Self-Insurance Obligation	94,214,236	103,659,050	89,544,127	108,329,159	15,130,260
Governmental activity long-term obligations	$ 1,370,091,549	$ 311,026,233	$ 289,379,596	$ 1,391,738,186	$ 115,739,140

* Certain amounts in Beginning Balance, as previously reported, have been reclassified for (1) Implementation of GASB Statement No. 65 which now requires unamortized gain/loss on bond refundings to be reported as a deferred inflow/outflow in the Statement of Net Position ($17,190,487) and (2) a Pension Obligation asset is now reported in Other Assets in the Statement of Net Position ($17,190).

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

Business-type activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Revenue bonds	$ 298,877,733	$ -	$ 19,916,910	$ 278,960,823	$ 19,980,972
Unamortized bond premiums	18,508,764	-	1,382,723	17,126,041	-
Total bonds payable	317,386,497	-	21,299,633	296,086,864	19,980,972
Notes and loans payable	9,696,026	-	20,803	9,675,223	537,938
Arbitrage liability	-	-	-	-	-
Compensated absences	4,269,570	311,319	233,669	4,347,220	260,768
OPEB	129,340	-	90,289	39,051	-
Termination benefits	34,649	-	34,649	-	-
Advance from developer	57,461	-	57,461	-	-
Business-type activities long-term obligations	$ 331,573,543	$ 311,319	$ 21,736,504	$ 310,148,358	$ 20,779,678

Governmental Activities General Long-Term Debt

General long-term debt, including current maturities, at September 30, 2014 consisted of the following:

General Obligation Bonds

$45,625,000 General Obligation Refunding Bonds, Series 1998 were issued to pay the cost of refunding a portion of the County's General Obligation Bonds, Series 1994 and Series 1991. The annual installments range from $3,825,000 to $4,030,000 through December 1, 2014; with an interest rate of 5.500% payable semi-annually on June 1 and December 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues.	$ 4,030,000
$16,025,000 General Obligation Refunding Bonds (Recreational and Cultural Facilities Program), Series 2005A were issued for paying and defeasing the County's outstanding General Obligation Bonds (Recreational and Cultural Facilities Program), Series 1999A maturing on and after August 1, 2010. The annual installments range from $1,540,000 to $1,920,000 through August 1, 2019; with interest rates from 3.500% to 5.000% payable semi-annually on February 1 and August 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues.	$ 8,810,000
$25,000,000 General Obligation Bonds (Recreational and Cultural Facilities), Series 2005 were issued for financing certain recreational and cultural facilities within the County. The annual installments range from $1,115,000 to $1,155,000 through July 1, 2015; with interest rates from 3.500% to 4.000% 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. The County advance refunded $15,080,000 of this issue on October 6, 2010.	$ 1,155,000
$22,335,000 General Obligation Bonds (Library District Improvements), Series 2006 were issued for financing additional library facilities and renovation of existing facilities within the County. The annual installments range from $1,035,000 to $1,665,000 through August 1, 2025; with interest rates from 4.000% to 5.000% payable semi-annually on February 1 and August 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues. The County advance refunded $12,735,000 of this issue on August 19, 2014.	$ 2,225,000

$50,000,000 General Obligation Bonds (Waterfront Access Projects), Series 2006 were issued for financing the purchase of waterfront access within the County. The annual installments range from $2,195,000 to $3,570,000 through August 1, 2026; with interest rates from 3.800% to 5.000% payable semi-annually on February 1 and August 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues. The County advance refunded $29,735,000 of this issue on August 19, 2014.	$ 4,650,000
$115,825,000 Taxable General Obligation Refunding Bonds, Series 2006 were issued for paying and defeasing the County's outstanding General Obligation Bonds (Land Acquisition Program), Series 1999B and paying and defeasing the County's outstanding General Obligation Bonds (Land Acquisition Program), Series 2001A. The annual installments range from $7,630,000 to $11,355,000 through June 1, 2020; with interest rates from 5.798% to 5.938% payable semi-annually on June 1 and December 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues.	$ 58,440,000
$19,530,000 General Obligation Refunding Bonds (Library District Improvement Project), Series 2010 were issued for paying and defeasing the County's outstanding General Obligation Bonds (Library District Improvement Project), Series 2003 maturing on and after July 1, 2014. The annual installments range from $1,640,000 to $2,090,000 through July 1, 2023; with interest rates from 2.000% to 3.000% payable semi-annually on January 1 and July 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues.	$ 17,075,000
$28,700,000 General Obligation Refunding Bonds (Recreational and Cultural Facilities), Series 2010 were issued for paying and defeasing a portion of the County's outstanding General Obligation Bonds (Recreational and Cultural Facilities), Series 2003 maturing on and after July 1, 2014 and a portion of its General Obligation Bonds (Recreational and Cultural Facilities), Series 2005 maturing on and after July 1, 2016. The annual installments range from $1,110,000 to $3,335,000 through July 1, 2025; with interest rates from 4.000% to 5.000% payable semi-annually on January 1 and July 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues.	$ 27,345,000

$11,865,000 General Obligation Refunding Bonds (Library District Improvement Projects), Series 2014 were issued for paying and defeasing a portion of the County's outstanding General Obligation Bonds (Library District Improvement Project), Series 2006 maturing on and after August 1, 2016. The annual installments range from $1,080,000 to $1,565,000 through August 1, 2025; with interest rates from 3.000% to 5.000% payable semi-annually on February 1 and August 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues.	$ 11,865,000
$28,035,000 General Obligation Refunding Bonds (Waterfront Access Projects), Series 2014 were issued for paying and defeasing a portion of the County's outstanding General Obligation Bonds (Waterfront Access Projects), Series 2006 maturing on and after August 1, 2016. The annual installments range from $2,245,000 to $3,350,000 through August 1, 2026; with interest rates from 3.000% to 5.000% payable semi-annually on February 1 and August 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues.	$ 28,035,000
Total General Obligation Bonds	$ 163,630,000

Non-Ad Valorem Revenue Bonds

$233,620,000 Criminal Justice Facilities Revenue Bonds, Series 1990 were issued to pay the cost of the construction of improvements, extensions and additions to the County's jails, courthouses and related justice facilities. The annual installments range from $18,300,000 to $19,615,000 through June 1, 2015; with an interest rate of 7.200% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. The County advance refunded $120,770,000 of this issue on June 29, 1993 and $33,550,000 on August 21, 1997.	$ 19,615,000
$18,560,000 Criminal Justice Facilities Revenue Refunding Bonds, Series 2002 were issued to pay the cost of advance refunding a portion of the County's outstanding Criminal Justice Facilities Revenue Bonds, Series 1994. The final installment of $2,015,000 is due June 1, 2015; 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.	$ 2,015,000

$81,340,000 Public Improvement Revenue Refunding Bonds (Convention Center Project), Series 2004 were issued to finance the costs of advance refunding the County's Public Improvement Revenue Bonds, Series 2001 (Convention Center Bonds). The final installment of $2,850,000 is due November 1, 2014; with interest rates from 3.125% to 5.000% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. The County advance refunded $64,005,000 of this issue on August 31, 2011.	$ 2,850,000
$38,895,000 Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2004A were issued to pay the outstanding principal and interest on the County's Public Improvement Revenue Bond Anticipation Notes (Biomedical Research Park Project), Series 2004B. The final installment of $1,835,000 is due November 1, 2014; with interest rates from 3.375% to 3.500% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. The County advance refunded $22,725,000 of this issue on June 28, 2012.	$ 1,835,000
$24,427,515 Taxable Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2004B were issued to pay the outstanding principal and interest on the County's Taxable Public Improvement Revenue Bond Anticipation Notes (Biomedical Research Park Project), Series 2004C. The annual installments are $2,442,751 through November 1, 2014; with a variable rate of interest in effect of 0.278% which is calculated on a daily basis payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.	$ 2,442,751
$17,455,000 Parks and Recreation Facilities Revenue Refunding Bonds, Series 2005 were issued to pay the cost of refunding the County's Parks and Recreation Facilities Revenue Bonds, Series 1996 maturing on and after November 1, 2007. The annual installments range from $1,760,000 to $2,000,000 through November 1, 2016; with interest rates from 3.750% to 5.000% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.	$ 5,755,000

$13,485,000 Revenue Refunding Bonds (North County Courthouse and Sheriff's Motor Pool Facility Projects), Series 2005 were issued to pay the cost of defeasing a portion of the County's outstanding Revenue Improvement Bonds, Series 1997 (North County Courthouse and Sheriff's Motor Pool Facilities Projects). The annual installments range from $1,365,000 to $1,605,000 through December 1, 2017; with interest rates from 3.300% to 5.000% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.	$ 5,985,000
$9,520,000 Public Improvement Revenue Refunding Bonds, Judicial Center Parking Facilities, Series 2005 were issued to pay the cost of refunding the County's Public Improvement Revenue Bonds, Judicial Parking Facilities, Series 1995 maturing on and after November 1, 2006. The annual installments range from $1,030,000 to $1,120,000 through November 1, 2015; with interest rates from 4.000% to 5.000% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.	$ 2,190,000
$133,935,000 Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2005A were issued to pay the cost of funding a grant to The Scripps Research Institute to enable Scripps to pay a portion of the cost of acquiring, constructing, improving and equipping the "Permanent Facilities" and paying the outstanding principal and interest due on the County's $20,000,000 Public Improvement Revenue Bond Anticipation Notes, Series 2004. The annual installments range from $5,960,000 to $6,255,000 through June 1, 2015; 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. The County advance refunded $82,625,000 of this issue on June 28, 2012.	$ 6,255,000
$20,070,000 Stadium Facilities Revenue Refunding Bonds, Series 2005 were issued to pay the cost of refunding all of the County's outstanding Stadium Facilities Revenue Bonds, Series 1996. The annual installments range from $1,835,000 to $2,090,000 through December 1, 2016; with interest rates of 3.375% to 5.000% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.	$ 5,980,000

$14,685,000 Public Improvement Revenue Bonds (Parking Facilities Expansion Project), Series 2006 were issued to pay the costs of construction related to the expansion of the Judicial Center Parking Garage. The annual installments range from $615,000 to $1,085,000 through December 1, 2026; with interest rates of 4.000% to 5.000% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.	$ 10,865,000
$2,582,648 Public Improvement Revenue Refunding Bond (Biomedical Research Park Project), Series 2007A was issued to pay the County's outstanding Public Improvement Revenue Note (Biomedical Research Park Infrastructure Project), Series 2006A and Taxable Public Improvement Revenue Note (Biomedical Research Park Infrastructure Project), Series 2006B. The annual installments range from $105,315 to $182,616 through November 1, 2027; with an interest rate of 4.010% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.	$ 2,005,028
$5,180,949 Taxable Public Improvement Revenue Refunding Bond (Biomedical Research Park Project), Series 2007B was issued to pay the County's outstanding Public Improvement Revenue Note (Biomedical Research Park Infrastructure Project), Series 2006A and Taxable Public Improvement Revenue Note (Biomedical Research Park Infrastructure Project), Series 2006B. The annual installments range from $193,139 to $411,965 through November 1, 2027; with an interest rate of 5.560% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.	$ 4,154,554
$98,080,000 Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2007C were issued to redeem the County's Public Improvement Revenue Bond Anticipation Notes (Biomedical Research Park Project), Series 2006, to fund a grant to the Scripps Research Institute to enable Scripps to pay a portion of the cost of their permanent facilities, and to pay for the preparation of the Briger Site for development. The annual installments range from $3,795,000 to $7,490,000 through November 1, 2027; with interest rates from 4.250% to 5.000% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.	$ 77,630,000

$29,476,000 Public Improvement Revenue Refunding Bonds, Series 2008A were issued to refund three variable rate loans with the Sunshine State Governmental Financing Commission. The annual installments range from $1,093,000 to $2,491,000 through December 1, 2020; with an interest rate of 3.497% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.	$ 11,998,000
$176,585,000 Public Improvement Revenue Bonds, Series 2008 were issued to pay for additional criminal justice (law enforcement) facilities. The annual installments range from $3,650,000 to $10,730,000 through May 1, 2038; with interest rates from 4.000% to 5.000% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.	$ 157,630,000
$94,235,000 Public Improvement Revenue Bonds, Series 2008-2 were issued to fund a grant to Max Planck Florida Corporation to establish a biomedical research facility in the County and also to refinance the County's five Series J variable rate loans with the Sunshine State Governmental Financing Commission. The annual installments range from $3,415,000 to $7,295,000 through November 1, 2028; with interest rates from 5.000% to 5.500% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.	$ 78,275,000
$11,598,107 Taxable Public Improvement Revenue Bonds (Convention Center Hotel Project), Series 2010 were issued to pay the principal on the County's Taxable Public Improvement Revenue Bond Anticipation Notes (Convention Center Hotel Project), Series 2007. The annual installments range from $592,668 to $1,066,262 through November 1, 2024; with an interest rate of 5.484% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.	$ 9,109,522
$30,691,407 Revenue Improvement Bond (Ocean Avenue Lantana Bridge and Max Planck Florida Corporation Projects), Series 2011 was issued to finance the costs of demolition and reconstruction of the Ocean Avenue Lantana Bridge and to fund a $15,615,000 Grant to the Max Planck Florida Corporation. The annual installments range from $1,195,058 to $2,032,212 through August 1, 2031; with an interest rate of 3.172% payable semi-annually on February 1 and August 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.	$ 27,225,827

$62,775,000 Public Improvement Revenue Refunding Bonds (Convention Center Project), Series 2011 were issued to defease and pay at redemption that portion of the County's outstanding $81,340,000 original aggregate principal amount of Public Improvement Revenue Refunding Bonds (Convention Center Project), Series 2004 maturing on November 1, 2030. The annual installments range from $0 to $5,560,000 through November 1, 2030; with an interest rate of 5.000% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.	$ 62,775,000
$16,189,340 Capital Improvement Revenue Bond (Four Points and Other Public Buildings Projects), Series 2012 was issued to pay the County's Capital Improvement Bond Anticipation Notes, Series 2009. The annual installments range from $999,712 to $1,176,435 through March 1, 2027; with an interest rate of 2.520% payable semi-annually on March 1 and September 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.	$ 14,202,355
$147,000,000 Public Improvement Revenue Refunding Bonds, Series 2012 were issued to defease and redeem the County's outstanding Public Improvement Revenue and Refunding Bonds, Series 2004 maturing on and after August 1, 2015 and its Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2004A maturing on and after November 1, 2015 and its Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2005A maturing on and after June 1, 2016. The annual installments range from $0 to $17,395,000 through June 1, 2025; with interest rates from 3.000% to 5.000% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.	$ 147,000,000
$10,032,000 Public Improvement Revenue Bond (Unified Messaging System Project), Series 2013 was issued to finance the cost of replacing the County's existing telephone systems with a modern unified messaging system. The annual installments range from $1,391,007 to $1,482,340 through November 1, 2019; with an interest rate of 1.280% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.	$ 8,617,719

$13,180,000 Public Improvement Revenue Bond, (Max Planck3 Project), Series 2013 was issued to fund the third installment ($13,137,000) of the grant to Max Planck Florida Corporation, and to pay the costs of issuing the Bond. The annual installments range from $692,449 to $1,040,229 through December 1, 2028; with an interest rate of 2.470% payable annually on December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.	$ 13,180,000
$10,667,000 Improvement Revenue Bond (Sheriff's Equipment Project) Series 2013 was issued to finance road patrol vehicles with radio and mobile equipment and other electronic required by the Sheriff's office, and to pay the cost of issuing the Bond. The annual installments range from $2,073,467 to $2,186,333 through June 1, 2019; with an interest rate of 1.180% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.	$ 10,667,000
$28,075,000 Tax Public Improvement Revenue Bond (Convention Center Hotel Project), Series 2013 was issued for the purpose of providing funds to finance a portion of the costs of development, acquisition, construction and equipping of a convention center hotel to be located adjacent to the County's convention center pursuant to written agreements related to this development, and to the pay costs of issuance of the Bonds. The annual installments range from $550,000 to $1,705,000 through November 1, 2043; with an interest rate from 1.00% to 5.250% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.	$ 28,075,000
$17,830,000 Public Improvement Revenue Bond (Palm Tran Equipment), Series 2014 was issued for the purpose of refinancing the cost of certain transportation equipment for the County's Palm Tran Paratransit transportation service and paying certain costs. The annual installments range from $3,485,000 to $3,650,000 through September 1, 2019; with an interest rate of 1.160% payable semi-annually on March 1 and September 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.	$ 17,830,000
Total Non-Ad Valorem Revenue Bonds	$ 736,162,756

Face Amount of Bonds Payable	$ 899,792,756
Unamortized bond premiums	48,472,387
Net General Obligation and Non-Ad Valorem Revenue Bonds	$ 948,265,143

Notes and Loans Payable

$1,660,000 - HUD Section 108 Loan #1, 2004, payable to the Secretary of Housing and Urban Development due in annual installments ranging from $87,000 to $94,000 through August 1, 2023; with interest rates of 5.190% to 5.970% payable semi-annually on February 1 and August 1 of each year. The loan is a general obligation of the County. The debt service will be paid using the cash flows received by the County from the sub-recipient borrower. In the event the cash flows from the sub-recipient are not sufficient to service the HUD loan, the County is obligated to use other resources.		$ 790,000
$11,697,676 Public Improvement Revenue Note (Environmentally Sensitive Land Acquisition Project) Series 2008 was issued to pay the cost of the acquisition of environmentally sensitive land in Palm Beach County. The annual installments are $584,884 through August 1, 2028; with a variable rate of interest in effect of 1.042% payable semiannually on February 1 and August 1 of each year. The note is not a general obligation of the County and is payable from non-ad valorem revenues.		$ 8,188,373
$2,600,000 - HUD Section 108 Loan. $2,600,000 is authorized leaving $0 available for future financing. The HUD Loan was obtained to provide funding for County loans to various borrowers for the Belle Glade Avenue "A" Revitalization Project. The annual installments range from $50,000 to $143,900 through August 1, 2032; with a variable rate of interest in effect of 0.439% payable quarterly on February 1, May 1, August 1 and November 1 of each year. The loans are general obligations of the County. The debt service will be paid using the cash flows received by the County from the sub-recipient borrowers. In the event the cash flows from the sub-recipients are not sufficient to service the HUD loans, the County is obligated to use other resources. As of September 30, 2014 the outstanding individual loans are as follows:		
$199,000 - Glades Gas & Electric, 2009	$ 124,000	
89,000 - Glades Home Health Care Med Ctr, 2010	53,400	
878,000 - Muslet Brothers, 2010	720,000	
21,000 - Building 172, Belle Glade, 2012	17,000	
592,000 - America's Sound, 2012	530,000	
770,000 - Old City Hall – BI Development, 2013	770,000	
51,000 - Building 172 Overrun, 2013	51,000	$ 2,265,400

$13,340,000 - HUD Section 108 Loan. $13,340,000 is authorized leaving $0 available for future financing. The HUD Loan was obtained to provide funding for County loans to various borrowers for the Community Development Business Loan Program Project. The annual installments range from $2,000 to $727,000 through August 1, 2035; with a variable rate of interest in effect of 0.439% payable quarterly on February 1, May 1, August 1 and November 1 of each year. The loans are general obligations of the County. The debt service will be paid using the cash flows received by the County from the sub-recipient borrowers. In the event the cash flows from the sub-recipients are not sufficient to service the HUD loans, the County is obligated to use other resources. As of September 30, 2014 the outstanding individual loans are as follows:

$1,000,000 - The Baron Group, 2009	$ 500,000	
57,000 - Kiddie Haven Pre-School, 2010	33,000	
250,000 - Concrete Services LLC, 2010	154,000	
5,948,000 - Oxygen Development LLC, 2011	5,232,000	
265,000 - Donia Adams Roberts PA, 2011	224,000	
198,000 - Ameliascapes, 2011	154,000	
257,000 - F&T of Belle Glade, 2011	211,000	
1,412,000 - Glades Plaza Enterprises LLC, 2012	1,264,000	
473,000 - Doctors Scientific Organica, 2012	425,000	
455,000 - Schomburg Latin America LLC, 2012	350,000	
264,000 - Medical Career Institute, 2012	216,000	
244,000 - A&E Auto Sales, 2012	221,000	
244,000 - SSB Investments, 2013	231,000	
196,000 - GUS Distribution Corporation, 2014	194,000	
179,000 - Pinewood Cleaners Inc., 2014	179,000	
1,898,000 - Critical Needs Program, 2014	1,898,000	$ 11,486,000

$861,000 - HUD Section 108 Loan. $2,824,000 is authorized leaving $1,963,000 available for future financing. The HUD Loan was obtained to provide funding for County loans to various borrowers for the Pahokee Downtown Revitalization Project. The annual installments range from $6,000 to $61,000 through August 1, 2031; with a variable rate of interest in effect of 0.439% 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, 2014 the outstanding individual loans are as follows:

$152,000 - Circle S Pharmacy, 2010	$ 128,000	
100,000 - Simco, 2012	90,000	
609,000 - HER Tech LLC, 2014	548,000	$ 766,000

$2,300,000 - HUD Section 108 Loan. $10,000,000 is authorized leaving $7,700,000 available for future financing. The HUD Loan was obtained to provide additional funding for County loans to various borrowers for the Community Development Business Loan Program Project. The annual installments range from $13,000 to $260,000 through August 1, 2033; with a variable rate of interest in effect of 0.439% 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, 2014 the outstanding individual loans are as follows:

$2,300,000 - Jupiter CY, 2013	$2,040,000	
258,000 - Old City Hall – Bi Development 2, 2014	258,000	$ 2,298,000

$400,000 – HUD Section 108 Loan. $1,000,000 is authorized leaving $600,000 available for future financing. The HUD was obtained to provide businesses located in the County's western communities to alleviate poverty and increase economic activity and employment. The annual installments range from $925 to $5,556 through April 15, 2044; with an interest rate of 1.00% payable annually on April 15 of each year. The 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, 2014 the outstanding individual loans are as follows:

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

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

$131,000 - Kiddie Haven Pre-School Inc., 2014	$ 128,000
Total Notes and Other Loans Payable	$ 26,321,773

Lines of Credit

The County has entered into a line of credit agreement with a financial institution to support the issuance of letters of credit to satisfy the debt service reserve funding requirements for several of the County's outstanding bond issues. Principal borrowed on the line of credit is due at maturity on May 20, 2015. Interest on the principal balance accrues at a rate equivalent to the one-month LIBOR rate plus 1.500% and is paid quarterly. The County does not anticipate that any draws on the letters of credit will occur. The County will use non-ad valorem revenues to fund the letter of credit fees. As of September 30, 2014, this $33,709,177 line of credit, covering the following outstanding bond issues, had no outstanding balance on the loan payable.

$233,620,000 Criminal Justice Facilities Revenue Bonds, Series 1990	$21,029,880
$ 18,560,000 Criminal Justice Facilities Revenue Refunding Bonds, Series 2002	2,116,750
$ 81,340,000 Public Improvement Revenue Refunding Bonds (Convention Center Project), Series 2004	2,905,609
$ 98,080,000 Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2007C	7,656,938
	$33,709,177

The County has entered into a line of credit agreement with a financial institution to support the issuance of standby letters of credit to satisfy the debt service reserve funding requirements for several of the County's outstanding bond issues. Principal borrowed on the line of credit is due at maturity on June 3, 2014. Interest on the principal balance accrues at a rate per year equal to the sum of (i) the Prime Rate plus (ii) for the first 30 days such amount is outstanding, 0%; for the 31st through 60th day such amount is outstanding, 0.5%; for the 61st through 90th day such amount is outstanding, 1.0%; and after the 90th day, 2.0%. The County does not anticipate that any draws on the letters of credit will occur. The County will use non-ad valorem revenues to fund the letter of credit fees. As of September 30, 2014, this $14,935,978 line of credit, covering the following outstanding bond issues, had no outstanding balance on the loan payable.

$ 38,895,000 Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2004A	$ 1,869,178
$133,935,000 Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2005A	6,570,750
$ 94,300,000 Public Improvement Revenue and Refunding Bonds, Series 2004	5,357,250
$ 14,685,000 Public Improvement Revenue Bonds (Parking Facilities Expansion Project), Series 2006	1,138,800
	$14,935,978

Arbitrage Liability

Certain County debt obligations are subject to Section 148 of the Internal Revenue Code which requires that interest earned on proceeds from tax-exempt debt be rebated to the federal government to the extent that those earnings exceed the interest cost of the related tax-exempt debt. The arbitrage rebate must be calculated and paid to the federal government every five years from the date of issue until the debt matures. The County employs a consultant to make computations on an annual basis. However, since the rebate is cumulative (excess earnings in one year can be offset with deficit earnings in another year), the annually computed estimate may change significantly (increase or decrease) before the actual due date. $ 91,307

Compensated absences

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

General Fund:		
Board of County Commissioners	$ 15,263,970	
Sheriff	100,084,779	
Tax Collector	1,281,899	
Property Appraiser	2,697,223	
Supervisor of Elections	257,557	
Total General Fund	119,585,428	
Special Revenue Funds	23,795,292	
Capital Project Funds	779,810	
Internal Service Funds	687,039	
		$ 144,847,569
OPEB (see note on OPEB)		135,991,298
Net pension obligation (see note on retirement plans)		27,434,798
Capital leases (see note on leases)		457,139
Estimated self-insurance obligation (see note on risk management)		108,329,159
Total governmental activities general long-term debt including current portion		$1,391,738,186

Business-type Activities Long-Term Debt

Business-type long-term debt, including current portion, at September 30, 2014 consisted of the following:

Revenue Bonds

$8,515,000 Pahokee Arcadia Pool Revenue Bonds, Series 2004 were assumed by the County on May 1, 2013 under the terms of the County's absorption of the Glades Utility Authority (GUA). The annual installments range from $660,000 to $765,000 through December 1, 2017; with interest rates from 3.600% to 4.250% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Sewer system and a first lien on and pledge of the connection fees.	$ 2,895,000

$125,850,000 Water and Sewer Revenue Bonds, Series 2006A were issued to pay a portion of the costs of constructing certain additions and improvements to the County's water and wastewater facilities and acquisition of certain water and wastewater assets from the Village of Royal Palm Beach, Florida. The annual installments range from $0 to $7,760,000 through October 1, 2036; with interest rates from 4.000% to 5.000% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Wastewater System and a first lien on and pledge of the connection charges of the system. The County advance refunded $76,260,000 of this issue on February 27, 2013.	$ 33,690,000
$12,485,000 Water and Sewer Revenue Refunding Bonds, Series 2006B were issued to pay for the refunding of the County's Water and Sewer Revenue Bonds, Series 1998 maturing on and after October 1, 2012. The annual installments range from $1,915,000 to $2,245,000 through October 1, 2017; with interest rates from 4.000% to 4.250% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Sewer system and a first lien on and pledge of the connection charges of the system.	$ 8,465,000
$68,115,000 Water and Sewer Revenue Bonds, Series 2009 (FPL Reclaimed Water Project) were issued to finance the acquisition and construction of additions to the County’s Water and Sewer System and to reimburse Florida Power and Light for costs advanced by them. The annual installments range from $0 to $4,225,000 through October 1, 2040; with interest rates from 4.000% to 5.250% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Sewer System and a first lien on and pledge of the connection fees.	$ 56,930,000
$9,385,488 Belle Glade Restructuring Loan, Series 2009 was assumed by the County on May 1, 2013 under the terms of the County’s absorption of the Glades Utility Authority (GUA). The annual installments range from $871,910 to $1,134,151 through April 1, 2020; with an interest rate of 4.480% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Sewer system and a first lien on and pledge of the connection fees.	$ 6,115,823

$72,430,000 Water and Sewer Revenue Refunding Bonds, Series 2013 were issued to pay the cost of advance refunding a portion of the County's Water and Sewer Revenue Bonds, Series 2006A. The annual installments range from $0 to $6,330,000 through October 1, 2033; with interest rates from 4.000% to 5.000% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Sewer system and a first lien on and pledge of the connection fees.	$ 72,430,000
$60,150,000 Airport System Revenue Refunding Bonds, Series 2002 were issued to refund the Airport System Revenue Bonds, Series 1992 maturing October 1, 2014. The annual installments range from $11,645,000 to $12,500,000 through October 1, 2014; with an interest rate of 5.750% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are payable solely from and secured from the net revenues available for Debt Service and the funds and accounts pledged under the bond resolution.	$ 12,500,000
$69,080,000 Airport System Revenue Bonds, Series 2006A were issued to pay a portion of the costs of constructing certain facilities and improvements to the Airport System. The annual installments range from $0 to $6,055,000 through October 1, 2036; with interest rates from 4.700% to 5.000% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are payable solely from and secured from the net revenues available for Debt Service and the funds and accounts pledged under the bond resolution.	$ 69,080,000
$16,855,000 Airport System Revenue Refunding Bonds, Series 2006B were issued to advance refund a portion of the Airport System Revenue Bonds, Series 2001 and a portion of the Airport System Revenue Bonds, Series 2002. The annual installments range from $0 to $3,225,000 through October 1, 2020; with an interest rate of 5.905% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are payable solely from and secured from the net revenues available for Debt Service and the funds and accounts pledged under the bond resolution.	$ 16,855,000
Total face value of revenue bonds payable	$ 278,960,823
Unamortized bond premiums	17,126,041
Net Revenue Bonds, Business-Type Activities	$ 296,086,864

Notes and Loans Payable

$9,706,342 – Florida Department of Environmental Protection Loans. These State Revolving Fund Loans were assumed by the County on May 1, 2013 under the terms of the County’s absorption of the Glades Utility Authority (GUA). The annual installments range from $20,888 to $674,537 through

May 15, 2033; with interest rates from 1.640% to 2.820% payable semi-annually. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Sewer system and a first lien on and pledge of the connection fees. As of September 30, 2014 the outstanding individual loans are as follows:

$ 430,015 - Pahokee SRF Loan	$ 398,896	
722,989 - Belle Glade SRF Loan	722,989	
6,515,388 - Belle Glade SRF Loan	6,515,388	
2,037,950 - Belle Glade SRF Loan	2,037,950	$ 9,675,223

Compensated absences

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

Business-Type Activities		
Water Utilities Department	$ 3,239,680	
Department of Airports	1,107,540	
		$ 4,347,220
OPEB (see note on OPEB)		39,051
Total Business-Type Activities Long-Term Debt, including current portion		$ 310,148,358

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

Governmental Activities General Long-Term Debt

	General Obligation Bonds		Non-Ad Valorem Revenue Bonds		Notes and Loans Payable		
Year Ending September 30	Principal	Interest	Principal	Interest	Principal	Interest	Total
2015	$ 22,025,000	$ 7,773,003	$ 71,233,539	$ 33,086,334	$ 1,935,784	$ 205,647	$ 136,259,307
2016	18,845,000	6,878,560	48,244,768	29,704,741	1,937,784	190,653	105,801,506
2017	19,455,000	5,931,820	49,001,387	27,731,954	1,944,266	174,384	104,238,811
2018	20,455,000	4,920,698	45,116,267	25,940,286	2,062,599	157,954	98,652,804
2019	21,735,000	3,846,737	73,186,624	24,117,424	2,062,599	140,883	125,089,267
2020-2024	51,140,000	7,588,819	208,807,017	92,089,729	8,426,395	456,583	368,508,543
2025-2029	9,975,000	435,950	127,256,217	45,940,089	6,165,614	155,855	189,928,725
2030-2034	-	-	59,656,937	21,103,715	1,645,075	23,763	82,429,490
2035-2039	-	-	45,945,000	7,934,885	74,070	5,601	53,959,556
2040-2044	-	-	7,715,000	1,054,068	67,587	1,898	8,838,553
Total	$ 163,630,000	$ 37,375,587	$ 736,162,756	$ 308,703,225	$ 26,321,773	$ 1,513,221	$ 1,273,706,562

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

Business-type Activities Long-Term Debt

	Revenue Bonds		Notes and Loans Payable		
Year Ending September 30	Principal	Interest	Principal	Interest	Total
2015	$ 19,980,972	$ 13,362,326	$ 537,938	$ 185,988	$ 34,067,224
2016	10,211,783	12,595,384	548,132	175,796	$ 23,531,095
2017	10,714,423	12,086,433	558,525	165,403	$ 23,524,784
2018	11,223,973	11,557,060	569,125	154,803	$ 23,504,961
2019	8,555,520	11,081,384	579,934	143,993	$ 20,360,831
2020-2024	42,929,152	48,898,337	3,069,497	550,137	$ 95,447,123
2025-2029	51,815,000	37,624,044	3,247,734	247,298	$ 92,934,076
2030-2034	73,225,000	22,845,231	564,338	34,423	$ 96,668,992
2035-2039	46,080,000	5,413,555	-	-	$ 51,493,555
2040-2044	4,225,000	316,875	-	-	$ 4,541,875
Total	$ 278,960,823	$ 175,780,629	$ 9,675,223	$ 1,657,841	$ 466,074,516

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, five series of Industrial Development Bonds were issued with an aggregate par value of $90 million. As of September 30, 2014, there were forty-three series of Industrial Development Bonds outstanding, with an estimated aggregate principal amount payable of $641 million.

COMPONENT UNIT – Solid Waste Authority (SWA)

Note Payable

On January 9, 2008, the SWA entered into an $80 million Subordinated Improvement Revenue Note, Series 2008 (the "Series 2008 Note") with CitiCapital Municipal Finance to finance costs incurred in connection with the relocation of facilities and improvements to the solid waste system. Interest on the outstanding principal balance of the Series 2008 Note accrues at a rate equivalent to 65% of the one month LIBOR rate plus 82 basis points (approximately 0.92% at September 30, 2014) and is due semi-annually in arrears on April 1st and October 1st. The outstanding principal balance on the Series 2008 Note was $56 million at September 30, 2014 and is payable in annual installments of $4 million on October 1st through maturity on October 1, 2027. Borrowings on the Series 2008 Note are payable from and secured by a pledge of the net revenues of the solid waste system and all moneys and amounts held under the SWA's trust indenture, subordinate to the lien and pledge of net revenues and trust amounts for repayment of the SWA's bonds. The Series 2008 Note may be prepaid by the SWA on any principal or interest payment date.

Revenue Bonds Payable

Revenue bonds payable by the SWA at September 30, 2014 are summarized as follows:

Series 2011	$	580,700,000
Series 2009		253,850,000
Series 2008B		131,565,000
Series 2002B		12,003,800
Unamortized premium and discount, net		40,827,967
Net revenue bonds payable		1,018,946,767
Less current maturities		(13,595,000)
Revenue bonds payable, long-term portion	$	1,005,351,767

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 semiannually on April 1st and October 1st and principal payments are due on October 1st, beginning October 1, 2012 with the final payment due on October 1, 2031.

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

Year Ending September 30	Interest Rate	Principal	Interest	Total
2015	3.00-5.00%	$ 10,700,000	$ 28,279,850	$ 38,979,850
2016	3.00-5.00	5,045,000	28,012,275	33,057,275
2017	3.00	4,620,000	27,855,650	32,475,650
2018	3.50-5.00	15,045,000	27,419,000	42,464,000
2019	4.00-5.00	16,750,000	26,652,900	43,402,900
2020	4.00-5.00	18,515,000	25,811,275	44,326,275
2021	3.00-5.00	21,370,000	24,869,900	46,239,900
2022	4.00-5.00	20,340,000	23,882,900	44,222,900
2023	4.00-5.00	21,285,000	22,864,025	44,149,025
2024	5.00	22,310,000	21,775,900	44,085,900
2025	5.00	33,095,000	20,390,775	53,485,775
2026	5.00	42,045,000	18,512,275	60,557,275
2027	4.25-5.00	44,310,000	16,354,881	60,664,881
2028	4.25-5.00	46,600,000	14,085,094	60,685,094
2029	4.25-5.00	52,045,000	11,621,931	63,666,931
2030	4.25-5.00	65,545,000	8,685,144	74,230,144
2031	4.25-5.00	68,820,000	5,329,000	74,149,000
2032	4.25-5.00	72,260,000	1,805,000	74,065,000
		$ 580,700,000	$ 354,207,775	$ 934,907,775

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 were issued for the purpose of 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, beginning October 1, 2011 with the final payment due on October 1, 2028. For marketing purposes, the 2009 bonds maturing on October 1, 2017 through October 1, 2023 were offered with two different coupon rates and prices producing identical yields. The debt service requirements and interest rates of the Series 2009 Bonds are as follows:

Year Ending September 30	Interest Rate	Principal	Interest	Total
2015	3.00%	$ 2,895,000	$ 12,900,105	$ 15,795,105
2016	3.10	3,095,000	12,808,708	15,903,708
2017	3.40	3,650,000	12,698,685	16,348,685
2018	4.00-5.00	22,485,000	12,096,635	34,581,635
2019	4.00-5.25	23,690,000	10,955,991	34,645,991
2020	4.00-5.25	25,025,000	9,732,879	34,757,879
2021	4.25-5.50	26,400,000	8,406,410	34,806,410
2022	4.50-5.25	27,935,000	6,973,166	34,908,166
2023	4.60-5.50	29,525,000	5,437,318	34,962,318
2024	4.75-5.50	31,270,000	3,775,306	35,045,306
2025	5.00	22,410,000	2,359,650	24,769,650
2026	5.00	7,920,000	1,601,400	9,521,400
2027	5.00	8,335,000	1,195,025	9,530,025
2028	5.00	8,855,000	765,275	9,620,275
2029	5.25	10,360,000	271,950	10,631,950
		$ 253,850,000	$ 101,978,503	$ 355,828,503

Series 2008B: $131,565,000 Solid Waste Authority of Palm Beach County Improvement Revenue Bonds, Series 2008B dated November 25, 2008. The Series 2008B Bonds provided funding for various solid waste system projects, a deposit to the Debt Service Reserve Account, and the costs of issuance for the Series 2008B Bonds.

Interest on the Series 2008B Bonds is payable semi-annually on April 1st and October 1st and principal payments are due on October 1st, beginning October 1, 2024 with the final payment due on October 1, 2028.

The debt service requirements and interest rates of the Series 2008B bonds are as follows:

Year Ending September 30	Interest Rate	Principal	Interest	Total
2015	5.50%	$ -	$ 7,241,394	$ 7,241,394
2016	5.50	-	7,241,394	7,241,394
2017	5.50	-	7,241,394	7,241,394
2018	5.50	-	7,241,394	7,241,394
2019	5.50	-	7,241,394	7,241,394
2020	5.50	-	7,241,394	7,241,394
2021	5.50	-	7,241,394	7,241,394
2022	5.50	-	7,241,394	7,241,394
2023	5.50	-	7,241,394	7,241,394
2024	5.50	-	7,241,394	7,241,394
2025	5.50	10,700,000	6,944,484	17,644,484
2026	5.50	27,035,000	5,904,113	32,939,113
2027	5.50	28,630,000	4,373,325	33,003,325
2028	5.50	30,235,000	2,754,538	32,989,538
2029	5.50	34,965,000	961,534	35,926,534
		$ 131,565,000	$ 93,351,934	$ 224,916,934

Series 2002: $30,560,000 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Series 2002A and $39,869,386 Revenue Bonds, Series 2002B, both dated November 7, 2002. The Series 2002B Bonds include term bonds of $1,135,000 and capital appreciation bonds of $38,734,386. The Series 2002 Bonds were issued for the purpose of currently refunding the Series 1992 bonds due on December 1, 2003 and thereafter, for capital improvements to the solid waste system, and paying the costs of issuance for the Series 2002 Bonds.

Net proceeds of approximately $31.3 million from the Series 2002A Bonds plus approximately $740,000 of sinking fund monies were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide sufficient funds to call and retire the remaining $30,530,000 Series 1992 Bonds on December 12, 2002.

The advance refunding of the series 1992 Bonds by the Authority reduced its aggregate debt service payments by approximately $1,984,000 over the life of the bonds and produced an economic gain (the difference between the present values of the old and new debt service payments) of approximately $1,162,000. Interest on the Series 2002 Bonds, except for the $38,734,386 Series 2002B capital appreciation bonds, is payable semi-annually on April 1st and October 1st and principal payments are due October 1st.

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

On September 11, 2014, the SWA deposited approximately $24.3 million of available SWA monies into an escrow account to defease $12,961,000 of 2002B Bonds that have a schedule

maturity date of October 1, 2015. This transaction resulted in a loss on extinguishment of the debt in the amount of approximately $1,195,000.

The debt service requirements and interest rates of the remaining Series 2002B Bonds are as follows:

Year Ending September 30	Interest Rate	Principal	Interest	Total
2017	5.05	$ 12,003,800	$ 12,006,200	$ 24,010,000

Annual Maturities: The aggregate maturities for the outstanding bonds of the SWA, including total interest of $561,544,412, are as follows:

Year Ending September 30	Revenue Bonds
2015	$ 62,016,349
2016	56,202,377
2017	80,075,729
2018	84,287,029
2019	85,290,285
2020-2024	433,711,049
2025-2029	515,636,250
2030-2032	222,444,144
	$ 1,539,663,212

Interest Expense: Total interest costs incurred on all SWA debt for the year ended September 30, 2014 were $51,267,999. For the year ended September 30, 2014, net interest costs (net of interest revenue on construction funds of $182,017) of $28,460,431 were capitalized on construction in progress and $22,625,551 was expensed.

Defeased Bonds: In 2012, the SWA defeased $11,479,972 Refunding Revenue Bonds, Series 1998A, by placing available cash in an irrevocable trust to provide for all future debt service payments on these bonds. At September 30, 2014, defeased Series 1998A were paid in full. In 2013 and 2014, SWA defeased $13,769,586 and $12,961,000 of Revenue Bonds, Series 2002B, respectively, by placing cash in an irrevocable trust to provide for all future debt service payments on these bonds. At September 30, 2014, defeased Series 2002B Refunding Bonds totaling $26,730,586 remain outstanding.

Changes in Noncurrent Liabilities

Changes in long-term debt for the year ended September 30, 2014 are summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Compensated absences	$ 5,152,555	$ 2,381,140	$ 2,906,418	$ 4,627,277	$ 249,873
OPEB	322,950	-	7,541	315,409	-
Advance capacity payment	-	56,643,942	-	56,643,942	1,236,767
Landfill closure and postclosure care costs	43,406,703	2,600,292	334,811	45,672,184	339,833
Note Payable, Series 2008	60,000,000	-	4,000,000	56,000,000	4,000,000
Accrued interest payable on capital appreciation bonds	17,794,375	2,105,750	10,173,434	9,726,691	-
Revenue Bonds					
Series 2011	591,210,000	-	10,510,000	580,700,000	10,700,000
Series 2009	256,545,000	-	2,695,000	253,850,000	2,895,000
Series 2008B	131,565,000	-	-	131,565,000	-
Series 2002B	24,964,800	-	12,961,000	12,003,800	-
Totals	$ 1,130,961,383	$ 63,731,124	$ 43,588,204	1,151,104,303	$ 19,421,473
Unamortized premium and discount, net				40,827,967	
Current maturities				(19,421,473)	
Net Long-term debt				$ 1,172,510,797	

14. 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 disallowed expenditures. Based upon prior experience, management does not believe that such disallowances, if any, would have a material adverse effect on the financial position of the County.

Interlocal Agreement

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

Bond Guaranty

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

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

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

15. PLEDGED REVENUES

The County has pledged a portion of future non-ad valorem revenues to repay $744 million in revenue bonds, notes and loans issued between July 1, 1990 and June 12, 2014. A ten year history of the pledged revenues is reported in statistical table X. Proceeds from the debt provided financing for capital additions, improvements, and expansion of County facilities, equipment and infrastructure. The bonds are payable solely from available non-ad valorem revenues and are payable through Nov 1, 2043. Total principal and interest remaining to be paid on the bonds is $1.1 billion with annual requirements ranging from $13 million in fiscal year 2038 to $105 million in fiscal year 2015. The pledged non-ad valorem revenues, from which the appropriations will be made, have averaged $373 million per year over the last 10 years. Principal and interest paid for the current year and total pledged non-ad valorem revenues were $107 million and $393 million, respectively.

The County has pledged future airport revenues net of specified operating expenses, to repay $98 million in airport revenue bonds issued between July 3, 2002 and May 17, 2006. Proceeds from the bonds provided financing for the addition, improvements and expansion of the airport facilities, equipment and infrastructure. The bonds are payable solely from the airport net revenues and are payable through October 1, 2036. Total principal and interest remaining to be paid on the bonds is $158 million with annual requirements ranging from $6 million in fiscal year 2037 to $17 million in fiscal year 2015. Annual principal and interest payments on the bonds are expected to require less than 27% of projected future net revenues. Principal and interest paid for the current year and net operating income before interest expense were $18 million and $33 million, respectively.

The County has pledged future water utility revenues net of specified operating expenses, to repay $190 million in water & sewer revenue bonds issued between July 8, 2003 and May 1, 2013. 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 $309 million with annual requirements ranging from $211 thousand in fiscal years 2039 and 2040 to $17 million in fiscal year 2015. Annual principal and interest payments on the bonds are expected to require less than 28% of projected future net revenues. Principal and interest paid for the current year and net operating income before interest expense were $17 million and $77 million, respectively.

16. PRIOR PERIOD ADJUSTMENTS

Restatement for Adoption of New Accounting Standard

The County implemented GASB Statement No. 65, *"Items Previously Reported as Assets and Liabilities"* in Fiscal Year 2014. The following schedules explain prior period adjustments to beginning net position:

Government-Wide Financial Statements:

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Westgate CRA	Solid Waste Authority
Net position, as originally reported, October 1, 2013	$2,338,343,474	$1,444,859,075	$3,783,202,549	$8,210,042	$554,382,938
GASB 65 implementation debt issuance costs used to be reported as deferred charges but are now expensed in the period incurred. This removes beginning deferred balances.	(5,997,064)	(2,427,315)	(8,424,379)	(44,516)	(11,708,819)
Other adjustments	-	-	-	(245,432)	-
Net position, as restated, October 1, 2013	$2,332,346,410	$1,442,431,760	$3,774,778,170	$7,920,094	$542,674,119

Fund Financial Statements:

	Airports	Water Utilities	Total
Net position, as originally reported, October 1, 2013	$392,898,492	$1,045,891,416	$1,438,789,908
GASB 65 implementation debt issuance costs used to be reported as deferred charges but are now expensed in the period incurred. This removes beginning deferred balances.	(1,219,693)	(1,207,622)	(2,427,315)
Net position, as restated, October 1, 2013	$391,678,799	$1,044,683,794	$1,436,362,593

17. SPECIAL ITEM

The Statement of Activities includes a $33 million loss on the sale of land that is reported as a special item. Special items are those significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence.

During fiscal year 2014, the Board of County Commissioners approved the sale of the Mecca property to the South Florida Water Management District for $26 million. The property was originally purchased in 2004 for $59 million as part of the plan to bring the Scripps Research Institute (Scripps) to the County. Due to a complicated permitting process and major opposition from numerous environmental groups, a federal judge's ruling caused the County to stop construction on the site, and Jupiter was ultimately chosen as the new home for Scripps. Although the County held the property for several years with the hope of selling it for development, the economic downturn took its toll and the decision was made to sell the property to the South Florida Water Management District.

18. SUBSEQUENT EVENTS

On October 1, 2014, the County issued $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) all 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) all of the callable maturities of the Palm Beach County, Florida Public Improvement Revenue Bonds, Series 2007C (Biomedical Research Park Project). Proceeds of the Bonds will also be used to pay the cost of issuance of the Bonds.

On March 11, 2015, the County issued $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.

On March 11, 2015, the Water Utilities Department issued $26,930,000 Series 2015 Water and Sewer Revenue Refunding Bonds 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 Department recognized an accounting loss of $766,475, which will be deferred and amortized over the life of the refunding bonds. Cash outflows for the debt service were reduced by $4,559,825, and an economic gain of $3,464,263 was realized. The funds placed in trust have been invested in securities backed by the United States government.

Required Supplementary Information

The Required Supplementary Information subsection includes the budgetary comparison schedule for Palm Beach County's major funds; the General Fund, the Fire Rescue Special Revenue Fund, and the Community & Social Development Special Revenue Fund. It also includes the schedules of funding progress related to the Palm Tran and Lantana Firefighter's Pension Plans, the Palm Beach County Healthcare Plans, the Fire Rescue Long-Term Disability Plan, and the schedule of funding progress for the Solid Waste Authority's Healthcare Plan (A Component Unit).

PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis)
General Fund
For the fiscal year ended September 30, 2014
(Required Supplementary Information)

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	$ 686,764,031	$ 686,764,031	$ 665,977,700	$ (20,786,331)
Licenses and permits	33,491,625	33,491,625	35,692,734	2,201,109
Intergovernmental	106,937,812	107,022,450	110,151,323	3,128,873
Charges for services	99,072,807	99,184,257	97,935,846	(1,248,411)
Fines and forfeitures	1,148,500	1,148,500	1,551,678	403,178
Interest income	2,436,715	2,436,715	4,997,537	2,560,822
Net change in fair value of investments	-	-	(1,614,053)	(1,614,053)
Miscellaneous	6,235,455	6,334,407	7,122,247	787,840
Less 5% anticipated revenues	(47,458,215)	(47,458,215)	-	47,458,215
Total revenues	888,628,730	888,923,770	921,815,012	32,891,242
Expenditures:				
Current:				
General government	214,853,457	234,164,014	126,410,511	107,753,503
Public safety	25,848,949	25,710,056	22,699,465	3,010,591
Physical environment	11,995,031	12,008,673	11,401,037	607,636
Transportation	4,235,000	4,235,000	4,235,000	-
Economic environment	24,948,044	24,998,101	24,646,458	351,643
Human services	52,311,706	52,465,208	50,716,079	1,749,129
Culture and recreation	55,102,496	55,053,063	52,770,522	2,282,541
Capital outlay	335,483	531,839	344,911	186,928
Total expenditures	389,630,166	409,165,954	293,223,983	115,941,971
Excess of revenues over expenditures	498,998,564	479,757,816	628,591,029	148,833,213
Other financing sources (uses):				
Transfers in	20,900,703	17,350,755	16,594,321	(756,434)
Transfers out	(681,288,077)	(673,135,781)	(664,065,921)	9,069,860
Sale of land	410,042	410,042	1,427,219	1,017,177
Total other financing sources (uses)	(659,977,332)	(655,374,984)	(646,044,381)	9,330,603
Net change in fund balances	(160,978,768)	(175,617,168)	(17,453,352)	158,163,816
Fund balances, October 1, 2013	160,978,768	175,617,168	178,538,830	2,921,662
Change in nonspendable fund balance	-	-	(220,159)	(220,159)
Fund balances, September 30, 2014 (budget basis)	$ -	$ -	160,865,319	$ 160,865,319
Perspective difference between budget basis and GAAP			23,263,660	
Fund balances, September 30, 2014 (GAAP)			$ 184,128,979	

Reconciliation of Budget to GAAP:

	Revenues	Expenditures	Transfers in	Transfers out	Net change in fund balance
Board of County Commissioners	$ 923,242,231	$ (293,223,983)	$ 16,594,321	$ (664,065,921)	$ (17,453,352)
Sheriff	3,223,785	(513,792,913)	523,604,506	(10,775,956)	2,259,422
Clerk & Comptroller	45,372,740	(56,278,538)	12,466,412	(2,140,285)	(579,671)
Tax Collector	25,606,708	(25,606,708)	-	-	-
Property Appraiser	20,513,581	(20,513,581)	-	-	-
Supervisor of Elections	479,205	(7,414,102)	9,252,989	(2,318,092)	-
Eliminations	-	-	(543,542,454)	543,542,454	-
Totals	$ 1,018,438,250	$ (916,829,825)	$ 18,375,774	$ (135,757,800)	$ (15,773,601)

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

PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Fire Rescue Special Revenue Fund
For the fiscal year ended September 30, 2014
(Required Supplementary Information)

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	$ 199,819,106	$ 199,819,106	$ 190,971,464	$ (8,847,642)
Special assessments	281,708	281,708	272,013	(9,695)
Licenses and permits	11,000	11,000	18,255	7,255
Intergovernmental	330,600	330,600	763,844	433,244
Charges for services	34,466,530	34,466,530	34,720,723	254,193
Interest income	1,173,936	1,173,936	2,529,208	1,355,272
Net change in fair value of investments	-	-	(1,025,562)	(1,025,562)
Miscellaneous	175,000	180,000	463,176	283,176
Less 5% anticipated revenues	(11,571,241)	(11,571,241)	-	11,571,241
Total revenues	224,686,639	224,691,639	228,713,121	4,021,482
Expenditures:				
Current:				
Public safety	319,257,049	313,888,524	249,776,131	64,112,393
Economic environment	510,742	510,742	507,898	2,844
Capital outlay	13,620,030	13,620,030	8,358,142	5,261,888
Total expenditures	333,387,821	328,019,296	258,642,171	69,377,125
Excess of revenues over (under) expenditures	(108,701,182)	(103,327,657)	(29,929,050)	73,398,607
Other financing sources (uses):				
Transfers in	11,254,822	11,254,591	10,384,049	(870,542)
Transfers out	(313,957)	(318,819)	(318,819)	-
Total other financing sources (uses)	10,940,865	10,935,772	10,065,230	(870,542)
Net change in fund balances	(97,760,317)	(92,391,885)	(19,863,820)	72,528,065
Fund balances, October 1, 2013	97,760,317	92,391,885	95,137,270	2,745,385
Change in nonspendable fund balance	-	-	(260,942)	(260,942)
Fund balances, September 30, 2014	$ -	$ -	$ 75,012,508	$ 75,012,508

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

PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Community & Social Development Special Revenue Fund
For the fiscal year ended September 30, 2014
(Required Supplementary Information)

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ 67,266,967	$ 92,697,543	$ 51,598,278	$ (41,099,265)
Charges for services	947,489	947,489	258,292	(689,197)
Interest income	1,255,466	1,255,466	980,731	(274,735)
Net change in fair value of investments	-	-	(9,300)	(9,300)
Miscellaneous	2,753,153	2,729,471	3,757,717	1,028,246
Less 5% anticipated revenues	(3,750)	(3,750)	-	3,750
Total revenues	72,219,325	97,626,219	56,585,718	(41,040,501)
Expenditures:				
Current:				
General government	180,684	217,286	64,860	152,426
Public safety	1,507,155	3,945,056	2,334,532	1,610,524
Physical environment	346,490	89,760	82,760	7,000
Transportation	52,549	46,144	42,862	3,282
Economic environment	48,630,486	56,954,940	18,547,103	38,407,837
Human services	50,998,319	58,998,490	38,983,587	20,014,903
Capital outlay	472,854	952,495	487,416	465,079
Debt service	3,095,038	2,145,140	1,372,178	772,962
Total expenditures	105,283,575	123,349,311	61,915,298	61,434,013
Excess of revenues over (under) expenditures	(33,064,250)	(25,723,092)	(5,329,580)	20,393,512
Other financing sources (uses):				
Transfers in	14,523,097	14,732,413	11,492,891	(3,239,522)
Transfers out	(1,402,004)	(3,183,350)	(2,280,029)	903,321
Issuance of long-term debt	13,591,000	14,513,000	3,671,000	(10,842,000)
Total other financing sources (uses)	26,712,093	26,062,063	12,883,862	(13,178,201)
Net change in fund balances	(6,352,157)	338,971	7,554,282	7,215,311
Fund balances (deficit), October 1, 2013	6,352,157	(338,971)	(338,972)	(1)
Fund balances, September 30, 2014	$ -	$ -	$ 7,215,310	$ 7,215,310

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

Palm Tran Pension Plan
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
1/1/12	57,037,023	88,489,140	31,452,117	64.5%	24,999,674	125.8%
1/1/13	63,314,431	96,225,707	32,911,276	65.8%	25,724,674	127.9%
1/1/14	73,836,234	98,038,801	24,202,567	75.3%	24,661,404	98.1%

Lantana Firefighter's Pension Plan
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
9/30/11	20,943,102	27,289,591	6,346,489	76.7%	2,223,670	285.4%
9/30/12	23,149,683	29,222,670	6,072,987	79.2%	2,072,894	293.0%
9/30/13	26,536,772	31,605,961	5,069,189	84.0%	2,120,113	239.1%

Palm Beach County Primary Government Healthcare Plans
Schedule of Funding Progress

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
County							
	10/1/2009	$ -	$ 14,760,000	$ 14,760,000	0.0%	$ 253,793,723	5.8%
	10/1/2011	-	16,267,000	16,267,000	0.0%	241,965,767	6.7%
	10/1/2013	-	10,632,000	10,632,000	0.0%	242,102,185	4.4%
Tax Collector							
	10/1/2007	-	1,533,513	1,533,513	0.0%	9,879,680	15.5%
	10/1/2009	-	1,208,095	1,208,095	0.0%	10,945,091	11.0%
	10/1/2012	-	2,017,870	2,017,870	0.0%	13,184,831	15.3%
Property Appraiser							
	10/1/2007	-	312,788	312,788	0.0%	14,237,382	2.2%
	10/1/2009	-	348,156	348,156	0.0%	14,286,192	2.4%
	10/1/2012	-	231,568	231,568	0.0%	13,971,954	1.7%
Clerk & Comptroller							
	10/1/2011	-	6,200,857	6,200,857	0.0%	31,154,225	19.9%
	10/1/2012	-	6,967,600	6,967,600	0.0%	31,154,225	22.4%
	10/1/2013	-	6,041,155	6,041,155	0.0%	32,477,317	18.6%
Sheriff							
	1/1/2010	-	190,600,000	190,600,000	0.0%	269,750,942	70.7%
	1/1/2012	-	240,478,000	240,478,000	0.0%	257,194,182	93.5%
	10/1/2013	-	191,022,000	191,022,000	0.0%	281,188,646	67.9%
Fire Rescue Union							
	10/1/2009	18,136,850	163,661,000	145,524,150	11.1%	119,353,006	121.9%
	10/1/2010	23,359,477	129,760,000	106,400,523	18.0%	138,684,968	76.7%
	10/1/2012	39,708,000	173,654,000	133,946,000	22.9%	143,944,458	93.1%

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
10/1/2011	$ -	$ 9,276,012	$ 9,276,012	0.0%	$ 138,684,968	6.7%
10/1/2012	-	9,026,331	9,026,331	0.0%	144,075,816	6.3%
10/1/2013	-	8,737,834	8,737,834	0.0%	112,276,222	7.8%

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
10/1/2008	$ -	$ 1,440,000	$ 1,440,000	0.0%	$ 21,254,000	6.7%
10/1/2010	-	724,000	724,000	0.0%	22,391,000	3.2%
10/1/2012	-	726,000	726,000	0.0%	21,558,000	3.4%

Palm Beach County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2014

Grantor	Program Title	CFDA CSFA	Contract/Grant #	ARRA	Expenditures	Pass Through to Subrecipients
FEDERAL GRANTS						
US Dept of Agriculture						
	Passed Through: FL Dept of Elder Affairs					
	13-14 Adult Care Food Program	10.558	Y4119	NO	$ 9,207	$ -
	Passed Through: FL Dept of Health					
	FY 13-14 Child Care Food Program	10.558	S-735 FY13-14	NO	604,766	-
Total 10.558					613,973	-
Child Nutrition Cluster						
	Passed Through: FL Dept of Agriculture					
	2014 Summer Food Service Program for Children	10.559	040781 (GY14)	NO	534,129	-
Total Child Nutrition Cluster					534,129	-
	Passed Through: FL Dept of Agriculture & Consumer Services					
	Urban & Community Forestry	10.664	019042	NO	10,537	-
	Direct Programs:					
	PBC Intermediary Relending Program	10.767	PBCIRP	NO	78,744	78,744
Total US Dept of Agriculture					1,237,383	78,744
US Dept of Commerce						
Economic Development Cluster						
	Direct Programs:					
	Economic Works Program / Regional Wastewater	11.307	04-79-06327	NO	156,231	-
Total Economic Development Cluster					156,231	-
	Passed Through: FL Dept of Environmental Protection					
	NOAA-FDEP Jupiter Beach Park Restoration	11.419	CM239	NO	26,741	-
	Passed Through: FL Dept of Environmental Protection					
	Pantano Trail from Lox. Slough to Riverbend Park	11.482	G0364	NO	110,000	-
Total US Dept of Commerce					292,972	-
US Dept of Defense						
	Direct Programs:					
	Grassy Flats Habitat Restoration	12.130	TBD USACE GRASSY FLA	NO	366,922	-

Palm Beach County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2014

Grantor	Program Title	CFDA CSFA	Contract/Grant #	ARRA	Expenditures	Pass Through to Subrecipients
US Dept of Housing & Urban Development						
CDBG - Entitlement Grants Cluster						
Direct Programs:						
	NEIGHBORHOOD STABILIZATION PROGRAM	14.218	B-08-UN-12-0013	NO	149,795	950
	FY11 Community Development Block Grant	14.218	B11UC120004	NO	638,351	638,351
	NEIGHBORHOOD STABILIZATION PROGRAM - 3	14.218	B11UN120013	NO	2,723,089	2,321,957
	FY13 Community Development Block Grant	14.218	B12UC120004	NO	3,980,813	2,969,471
	FY14 Community Development Block Grant	14.218	B13UC120004	NO	-	-
Total CDBG - Entitlement Grants Cluster					7,492,048	5,930,729
CDBG - State-Administered CDBG Cluster						
Passed Through: FL Dept of Economic Opportunity						
	CDBG DISASTER RECOVERY INITIATIVE	14.228	07DB3V106001Z07	NO	398,251	398,251
	CDBG DISASTER RECOVERY INITIATIVE	14.228	08DBD3106001A07	NO	1,930,037	1,930,037
	CDBG DISASTER RECOVERY INITIATIVE	14.228	10DBK4106001K29	NO	779,513	748,452
	CDBG DISASTER RECOVERY INITIATIVE	14.228	12DBP5106001K43	NO	1,398,172	1,383,295
Total CDBG - State-Administered CDBG Cluster					4,505,973	4,460,035
Direct Programs:						
	FY11 Emergency Shelter Grant Program	14.231	E-11-UC-12-0016	NO	88,623	77,018
	FY13 Emergency Shelter Grant Program	14.231	E12UC120016	NO	8,294	2,985
	FY14 Emergency Shelter Grant Program	14.231	E13UC120016	NO	354,898	338,046
Total 14.231					451,815	418,049
Direct Program:						
	Supportive Housing Program GY13	14.235	FL0292B4D051104	NO	126,836	126,836
Direct Programs:						
	FY11 HOME Investment Partnership	14.239	M11UC120215	NO	440,836	285,478
	FY13 HOME Investment Partnership	14.239	M12UC120215	NO	-	-
	FY14 HOME Investment Partnership	14.239	M13UC120215	NO	-	-
Total 14.239					440,836	285,478
Direct Programs:						
	Brownfield Economic Development Initiative	14.246	B09BD128009	NO	197,046	197,046
Direct Programs:						
	HUD 108 LOAN AVE A	14.248	B07UC120004 (SEC108)	NO	526,269	-
	HUD Section 108 Loan	14.248	B08UC120004 (SEC108)	NO	278,361	-
	CDBG-Section 108 Loan Program - Pahokee	14.248	B09UC120004 (SEC108)	NO	428,522	-
	FY10 HUD Section 108 Loan	14.248	B10UC120004 (SEC108)	NO	2,033,836	-
	FY11 HUD Section 108 Loan	14.248	B11UC120004 SECTION	NO	131,000	-
Total 14.248					3,397,988	-

Palm Beach County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2014

Grantor	Program Title	CFDA CSFA	Contract/Grant #	ARRA	Expenditures	Pass Through to Subrecipients
US Dept of Housing & Urban Development						
Direct Programs:						
	NEIGHBORHOOD STABILIZATION PROGRAM - 2	14.256	B09LNFL0021	YES	210,895	108,391
Direct Programs:						
	Shelter Plus Care Project Northside GY09	14.267	FL0277C4D050800	NO	59,222	59,222
	Shelter Plus Care GY13	14.267	FL0281L4D051205	NO	253,047	253,047
	Shelter Plus Care GY13 Flagler Project	14.267	FL0281L4D051306	NO	129,972	129,972
	Supportive Housing Program GY14	14.267	FL0292L4D051205	NO	333,530	333,530
	Continuum of Care Collaborative Planning GY14	14.267	FL0468L4D051200	NO	26,280	-
Total 14.267					802,051	775,771
Direct Programs:						
	Fair Housing Assistance Program - State & Local	14.401	FF204K144023	NO	149,200	-
	Fair Housing Assistance Program - State & Local	14.401	TBD (14-15)	NO	33,636	-
Total 14.401					182,836	-
Direct Programs:						
	HUD Community Challenge Planning Grant	14.704	CCPFL0049-11	NO	715,047	564,338
Total US Dept of Housing and Urban Development					18,523,371	12,866,673
US Dept of the Interior						
Direct Programs:						
	Jupiter Inlet Lighthouse Outstanding Natural Areas	15.231	L11AC20221	NO	69,094	-
Fish and Wildlife Cluster						
Passed Through: FL Fish and Wildlife Conservation Commission						
	Juno Pier Site Artificial Reef (Federal Portion)	15.605	13130 (F)	NO	50,000	-
Total Fish and Wildlife Cluster					50,000	-
Passed Through: FL Fish and Wildlife Conservation Commission						
	Grassy Flats Restoration Project within LWL	15.614	13104	NO	207,159	-
Passed Through: FL Dept of Environmental Protection						
	Pine Glades Natural Area Trail	15.916	LW608	NO	87,051	-
Total US Dept of the Interior					413,304	-

Palm Beach County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2014

Grantor	Program Title	CFDA CSFA	Contract/Grant #	ARRA	Expenditures	Pass Through to Subrecipients
US Dept of Justice						
	Direct Programs:					
	FY10 Comprehensive Approaches to Sex Offender	16.203	2010WPBX0006	NO	55,120	-
	Passed Through: FL Dept of Legal Affairs and Attorney General					
	FY13-14 Victims of Crime Act	16.575	V13021	NO	53,223	-
	FY 13-14 Victims of Crime Act	16.575	V13149	NO	128,218	-
Total 16.575					181,441	-
	Direct Programs:					
	OJP Family Drug Court	16.585	2009DCBX0115	NO	101,192	-
	PBC Adult Drug Court Enhancement Program	16.585	2011DCBX0029	NO	75,072	-
Total 16.585					176,264	-
	Direct Programs:					
	Grant To Encourage Arrest	16.590	2011-WE-AX-0027	NO	397,994	-
	Domestic Violence Homicide Prevention Demonstration	16.590	2013HIAXK012	NO	195,343	-
Total 16.590					593,337	-
	Direct Programs:					
	FY11 State Criminal Alien Assistance	16.606	2011APBX0852	NO	43,081	-
	FY12 State Criminal Alien Assistance	16.606	2012APBX0227	NO	237,631	-
	FY13 State Criminal Alien Assistance	16.606	2013H2934FLAP	NO	161,616	-
Total 16.606					442,328	-
	Direct Programs:					
	Child Sexual Predator Program	16.710	2010CSWX0016	NO	18,152	-
	COPS Hiring Program	16.710	2010ULWX0011	NO	200,462	-
Total 16.710					218,614	-
JAG Program Cluster						
	Direct Programs:					
	FY 2011 Justice Assistance Grant	16.738	2011DJBX2709	NO	3,275	-
	FY 2012 Justice Assistance Grant	16.738	2012DJBX0315	NO	70,580	-
	FY13 Justice Assistance Grant	16.738	2013DJBX0144	NO	138,783	-
	Passed Through: FL Dept of Law Enforcement					
	Juvenile Assessment Center Security - FDLE	16.738	2013JAGCPALM2D7239	NO	40,974	-
	County Wide Reentry Program	16.738	2014JAGCPALM2E5223	NO	35,137	-
	Adult Drug Court	16.738	2014JAGCPALM3E5228	NO	227,407	-
Total JAG Program Cluster					516,156	-

Palm Beach County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2014

Grantor	Program Title	CFDA CSFA	Contract/Grant #	ARRA	Expenditures	Pass Through to Subrecipients
US Dept of Justice						
	Direct Programs:					
	FY12 DNA Backlog Reduction Program	16.741	2012DNBX0035	NO	95,053	-
	FY13 DNA Backlog Reduction Program	16.741	2013DNBX0047	NO	215,645	-
Total 16.741					310,698	-
	Passed Through: FL Dept of Law Enforcement					
	2012 Paul Coverdell FSIG	16.742	2012CDBX0018	NO	22,027	-
	2013 Paul Coverdell FSIG	16.742	2013CDBX0018	NO	10,792	-
	Forensic Odontology Services	16.742	2013CDBX0018	NO	1,500	-
Total 16.742					34,319	-
	Direct Programs:					
	Juvenile Justice System Co-Occurring Disorders	16.745	2012MOBX0028	NO	115,882	-
	Strategically Tracking and Assessment Response Team	16.745	2013MOBX0002	NO	4,519	-
Total 16.745					120,401	-
	Direct Programs:					
	FY12 Second Chance Act Prisoner Reentry Initiative	16.812	2012CZBX0016	NO	543,533	-
	FY13 Second Chance Act Prisoner Reentry Initiative	16.812	2013CZBX0008	NO	147,551	-
Total 16.812					691,084	-
	Direct Programs:					
	Equitable Sharing - Justice Dept	16.XXX	FLOR050000	NO	1,084,878	-
Total US Dept of Justice					4,424,640	-
US Dept of Labor						
	Passed Through: FL Dept of Education					
	13-14 Farmworker Jobs & Education Program	17.264	7604054A4CFJ1	NO	169,601	-
	14-15 Farmworker Jobs & Education Program	17.264	7604055B5CFJ1	NO	53,446	-
Total 17.264					223,047	-
Total US Dept of Labor					223,047	-
US Dept of Transportation						
	Direct Programs:					
	AIP - Glades Apron Rehab and Airfield Electrical Design	20.106	31200600032011-	NO	56,587	-
	AIP - Design of Automated Weather Observation System	20.106	31200600042013	NO	36,644	-
	AIP - Design Air Handler in Terminal Bldg &	20.106	31200850572013	NO	579,157	-
	AIP - Wildlife Hazard Assessment	20.106	31200860112011-	NO	7,152	-
	AIP - Rehab RW 03/21 and 09/27 Intersection Apron	20.106	31200860122012	NO	181,993	-
	AIP - Design Runway Marking re-Designation	20.106	31200860142014	NO	7,570	-
	AIP - NorthParcel Taxiway Design - Wildlife Hazard	20.106	31201130152011-	NO	12,659	-
	AIP -Wetland Wildlife Mitigation Phase 1	20.106	31201130162013	NO	900,000	-
Total 20.106					1,781,762	-

Palm Beach County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2014

Grantor	Program Title	CFDA CSFA	Contract/Grant #	ARRA	Expenditures	Pass Through to Subrecipients
US Dept of Transportation						
Highway Planning and Construction Cluster						
	Passed Through: FL Dept of Transportation					
	Hwy. Planning & Constr. -FHWA Surface Transportation	20.205	229253-3-54-01	NO	500,478	-
	Countywide Advanced TrafficManagement Systems	20.205	41652525801	NO	211,183	-
	Pantano Trail from Lox. Slough to Riverbend Park	20.205	42765425801	NO	800,746	-
	CR880 Eastern Most 1.5 Miles/Design	20.205	43396113801	NO	10,304	-
	Emergency Relief Reimbursement Agreement - Isaac	20.205	4340311G801	NO	72	-
	Hwy. Plan. & Const. - Sec. 112	20.205	PL009749A5359	NO	714,772	-
	15-16 FHWA Planning Funds	20.205	PL009752A5359	NO	238,754	-
Total 20.205					2,476,309	-
	Passed Through: FL Dept of Environmental Protection					
	FDEP Recreational Trails Program Okeeheelee Park	20.219	T11005	NO	199,500	-
	Winding Waters Passive Recreational Facilities	20.219	T13009	NO	32,993	-
Total 20.219					232,493	-
Total Highway Planning and Construction Cluster					2,708,802	-
Federal Transit Cluster						
	Direct Programs:					
	Fed. Transit Capital Investment - FY09 Section 5309	20.500	FL040094	NO	901,379	-
	Direct Programs:					
	Fed. Transit Formula Grants - FY06 Section 5307	20.507	FL90X571	NO	261,547	-
	Fed. Transit Formula Grants - FY07 Section 5307	20.507	FL90X625	NO	30,577	-
	Fed. Transit Formula Grants - FY08 Section 5307	20.507	FL90X673	NO	32,924	-
	Fed. Transit Formula Grants - FY09 Section 5307	20.507	FL90X705	NO	104,323	-
	Fed. Transit Formula Grants - FY10 Section 5307	20.507	FL90X735	NO	684,008	-
	Fed. Transit Formula Grants - FY11 Section 5307	20.507	FL90X760	NO	703,075	-
	Fed. Transit Formula Grants - FY12 Section 5307	20.507	FL90X812	NO	6,255,337	-
	Fed. Transit Formula Grants - FY13 Section 5307	20.507	FL90X839	NO	5,641,158	-
Total 20.507					13,712,949	-
Total Federal Transit Cluster					14,614,328	-
	Passed Through: FL Dept of Transportation					
	Fed Transit Metro Plan Grants - Fed Transit Authority	20.505	AQ288	NO	260,227	-
	Passed Through: FL Dept of Transportation					
	Formula Grant Rural Section 5311	20.509	APS67	NO	334,230	-
US Dept of Transportation						
Transit Services Programs Cluster						
	Passed Through: Other - South FL Regional Transit Authority					
	Route 94 Operations	20.516	FL37X05200	NO	125,984	-
Total Transit Services Programs Cluster					125,984	-
Total US Dept of Transportation					19,825,333	-

Palm Beach County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2014

Grantor	Program Title	CFDA CSFA	Contract/Grant #	ARRA	Expenditures	Pass Through to Subrecipients
US Dept of the Treasury						
Direct Programs:						
	Equitable Sharing - Treasury Dept	21.XXX	NA	NO	798,109	-
National Endowment for the Arts						
Direct Programs:						
	Bryant Park Living Shoreline Art installation	45.024	1341007090	NO	8,500	-
US Environmental Protection Agency						
Direct Programs:						
	Brownfields Revolving Loan Fund	66.818	00D12713	NO	46,753	-
US Dept of Energy						
Direct Programs:						
	Energy Efficiency and Conserv Grant	81.128	DEEE0000793	YES	146,517	124,482
US Election Assistance Commission						
Passed Through: FL Dept of State and Secretary of State						
	Federal Elections Activities-14	90.401	M201320140001R	NO	145,828	-
US Dept of Health & Human Services						
Aging Cluster						
Passed Through: Area Agency on Aging						
	FY13 & 14 Older Americans Act Title III-B	93.044	VA0139635	NO	350,319	21,756
Passed Through: Area Agency on Aging of Palm Beach/Treasure Coast						
	2013 OAA Title III B Support Services	93.044	IA0139500 (3B)(GY13)	NO	212,977	-
	2014 OAA Title III B Support Services	93.044	IA0139500 (3B)(GY14)	NO	606,439	-
Total 93.044					1,169,735	21,756
Passed Through: Area Agency on Aging of Palm Beach/Treasure Coast						
	2013 OAA Title III C1 Congregate Meals	93.045	IA0139500(3C1)(GY13)	NO	11,735	-
	2014 OAA Title III C1 Congregate Meals	93.045	IA0139500(3C1)(GY14)	NO	404,585	-
	2013 OAA Title III C2 Home Delivered Meals	93.045	IA0139500(3C2)(GY13)	NO	59,791	-
	2014 OAA Title III C2 Home Delivered Meals	93.045	IA0139500(3C2)(GY14)	NO	369,729	-
Total 93.045					845,840	-
Passed Through: Area Agency on Aging of Palm Beach/Treasure Coast						
	12-13 Nutrition Services Incentive Program 12-13	93.053	IU0139500(GY12-GY13)	NO	3,462	-
	13-14 Nutrition Services Incentive Program	93.053	IU0139500(GY13-GY14)	NO	180,219	-
Total 93.053					183,681	-
Total Aging Cluster					2,199,256	21,756
Passed Through: Area Agency on Aging of Palm Beach/Treasure Coast						
	2013 OAA Title III E Services	93.052	IA0139500 (3E)(GY13)	NO	36,770	-
	2014 OAA Title III E Services	93.052	IA0139500 (3E)(GY14)	NO	97,213	-
Total 93.052					133,983	-

Palm Beach County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2014

Grantor	Program Title	CFDA CSFA	Contract/Grant #	ARRA	Expenditures	Pass Through to Subrecipients
US Dept of Health & Human Services						
TANF Cluster						
	Passed Through: FL Dept Children & Families					
	Homeless Prevention Grant	93.558	IPZ02	NO	26,431	-
Total TANF Cluster					26,431	-
	Passed Through: FL Dept of Revenue					
	Child Support Enforcement	93.563	CD350	NO	1,235,519	-
	Passed Through: FL Dept of Economic Opportunity					
	13-14 Low Incom Home Energy Assistance Program	93.568	13EA0F106001023	NO	1,703,822	-
	14-15 Low Incom Home Energy Assistance Program	93.568	14EA0F106001023	NO	2,030,558	-
	Passed Through: FL Dept of Elder Affairs					
	13-14 Emergency Home Energy Assistance for the	93.568	IP0129500 (GY13)	NO	4,906	-
	14-15 Emergency Home Energy Assistance for the	93.568	IP0129500 (GY14)	NO	6,700	-
Total 93.568					3,745,986	-
CSBG Cluster						
	Passed Through: FL Dept of Economic Opportunity					
	2013 Community Services Block Grant	93.569	14SB0D106001021	NO	1,111,574	-
Total CSBG Cluster					1,111,574	-
Head Start Cluster						
	Direct Programs:					
	FY13 Head Start/EHS Grant	93.600	04CH304647	NO	12,386,574	1,656,997
Total Head Start Cluster					12,386,574	1,656,997
	Direct Programs:					
	13-14 HIV Em Relief Grant Formula/Supplemental/MAI	93.914	H89HA000342000	NO	3,994,033	3,438,778
	14-15 HIV Em Relief Grant Formula/Supplemental/MAI	93.914	H89HA000342100	NO	2,628,424	2,216,404
Total 93.914					6,622,457	5,655,182
	Passed Through: FL Dept of Health					
	Services to Victims of Sex Offenses	93.991	COHB6	NO	47,108	-
Total US Dept of Health & Human Services					27,508,888	7,333,935
US Corp for Natl & Community Service						
Foster Grandparent/Senior Companion Cluster						
	Passed Through: FL Dept of Elder Affairs					
	13-14 Senior Companion Program (SCP)	94.016	XI313 (GY13)	NO	543	-
Total Foster Grandparent/Senior Companion Cluster					543	-
Executive Office Of The President						
	Direct Programs:					
	Palm Beach Narcotics Task Force- FY12	95.001	G12MI0011A	NO	62,316	-
	Palm Beach Narcotics Task Force FY13	95.001	G13MI0011A	NO	141,176	-
	Palm Beach Narcotics Task Force FY14	95.001	G14MI0011A	NO	41,568	-
	Passed Through: OTHER - South Florida HIDTA					
	HIDTA Operation Pot Luck	95.001	OPERATION POT LUCK	NO	11,151	-
Total 95.001					256,211	-

Palm Beach County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2014

Grantor	Program Title	CFDA CSFA	Contract/Grant #	ARRA	Expenditures	Pass Through to Subrecipients
US Dept of Health & Human Services						
TANF Cluster						
	Passed Through: FL Dept Children & Families					
	Homeless Prevention Grant	93.558	IPZ02	NO	26,431	-
Total TANF Cluster					26,431	-
	Passed Through: FL Dept of Revenue					
	Child Support Enforcement	93.563	CD350	NO	1,235,519	-
	Passed Through: FL Dept of Economic Opportunity					
	13-14 Low Incom Home Energy Assistance Program	93.568	13EA0F106001023	NO	1,703,822	-
	14-15 Low Incom Home Energy Assistance Program	93.568	14EA0F106001023	NO	2,030,558	-
	Passed Through: FL Dept of Elder Affairs					
	13-14 Emergency Home Energy Assistance for the	93.568	IP0129500 (GY13)	NO	4,906	-
	14-15 Emergency Home Energy Assistance for the	93.568	IP0129500 (GY14)	NO	6,700	-
Total 93.568					3,745,986	-
CSBG Cluster						
	Passed Through: FL Dept of Economic Opportunity					
	2013 Community Services Block Grant	93.569	14SB0D106001021	NO	1,111,574	-
Total CSBG Cluster					1,111,574	-
Head Start Cluster						
	Direct Programs:					
	FY13 Head Start/EHS Grant	93.600	04CH304647	NO	12,386,574	1,656,997
Total Head Start Cluster					12,386,574	1,656,997
	Direct Programs:					
	13-14 HIV Em Relief Grant Formula/Supplemental/MAI	93.914	H89HA000342000	NO	3,994,033	3,438,778
	14-15 HIV Em Relief Grant Formula/Supplemental/MAI	93.914	H89HA000342100	NO	2,628,424	2,216,404
Total 93.914					6,622,457	5,655,182
	Passed Through: FL Dept of Health					
	Services to Victims of Sex Offenses	93.991	COHB6	NO	47,108	-
Total US Dept of Health & Human Services					27,508,888	7,333,935
US Corp for Natl & Community Service						
Foster Grandparent/Senior Companion Cluster						
	Passed Through: FL Dept of Elder Affairs					
	13-14 Senior Companion Program (SCP)	94.016	XI313 (GY13)	NO	543	-
Total Foster Grandparent/Senior Companion Cluster					543	-
Executive Office Of The President						
	Direct Programs:					
	Palm Beach Narcotics Task Force- FY12	95.001	G12MI0011A	NO	62,316	-
	Palm Beach Narcotics Task Force FY13	95.001	G13MI0011A	NO	141,176	-
	Palm Beach Narcotics Task Force FY14	95.001	G14MI0011A	NO	41,568	-
	Passed Through: OTHER - South Florida HIDTA					
	HIDTA Operation Pot Luck	95.001	OPERATION POT LUCK	NO	11,151	-
Total 95.001					256,211	-

Palm Beach County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2014

Grantor	Program Title	CFDA CSFA	Contract/Grant #	ARRA	Expenditures	Pass Through to Subrecipients
US Dept of Homeland Security						
Emergency Food and Shelter Program Cluster						
	Passed Through: United Way of Palm Beach County					
	Emergency Food & Shelter National Board Program	97.024	31168600019	NO	204,555	-
Total Emergency Food and Shelter Program Cluster					204,555	-
	Passed Through: FL Division of Emergency Management					
	Public Assistance Grants - FRA/JNE	97.036	05-G%-10-60-02-987	NO	2,016,664	-
	Public Assistance Grants - WILMA	97.036	06-WL-&K-10-60-01-61	NO	(1,761,011)	-
	Federal Public Assistance Grants - Fay	97.036	08PAB910601363	NO	292,941	-
	Public Assistance Grants - Isaac - Federal	97.036	13IS3S10600252	NO	621	-
	Public Assistance Grants - Isaac - State	97.036	13IS3S10600252 STATE	NO	104	-
Total 97.036					549,319	-
	Passed Through: FL Division of Emergency Management					
	Highridge Family Center, Wind Retrofit Project	97.039	11HM3E106001027	NO	(147)	-
	Passed Through: FL Division of Emergency Management					
	Hazard Mitigation Grant - L2 Canal, Wabasso and	97.039	09HM-37-10-60-01-075	NO	-	-
	LWDD Canal Improvements L-2 & L-2B Canals	97.039	12HMY2Y106001001	NO	128,194	128,194
Total 97.039					128,047	128,194
	Passed Through: FL Division of Emergency Management					
	FY14 Community Emergency Response	97.042	14CIK1106002405	NO	8,403	-
	FY14 Emergency Mgmt Preparedness Grant	97.042	14FGIM106001117	NO	191,730	-
	FY15 Emergency Mgmt Preparedness Grant	97.042	15FG4D106001117	NO	2,752	-
Total 97.042					202,885	-
	Passed Through: Port of Palm Beach District					
	Port of Palm Beach Prevention/Detection Project	97.056	EMW2011PU00144	NO	(130)	-
Homeland Security Cluster						
	Passed Through: Port of Palm Beach District					
	FY11 Homeland Security Grant	97.067	2011SS00067	NO	108,481	-
	Passed Through: City of Miami					
	Miami Urban Area Security Initiative Regional Virtual	97.067	10DS48112302195	NO	(1,629)	-
	2011 MOA Various Direct Law Enforcement	97.067	12DS22112302236	NO	318,416	-
	2012 UASI Various Direct Law Enforcement	97.067	14DSC5112302212-2257	NO	379,817	-
	2013 UASI Various Direct Law Enforcement	97.067	14DSL2112302413	NO	228,828	-
	FY13 UASI Homeland Security Grant Prgm	97.067	14DSL2112302413	NO	18,341	-
	UASI FY10 Generators	97.067	UASIFY10GENERATORS	NO	111,268	-
	UASI FY11 Generators	97.067	UASIFY11GENERATORS	NO	51,262	-
	FY11 UASI Homeland Security Grant Prgm	97.067	USAI FY11	NO	531,710	37,545
	FY12 UASI Homeland Security Grant Prgm	97.067	USAI FY12	NO	248,411	24,208

Palm Beach County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2014

Grantor	Program Title	CFDA CSFA	Contract/Grant #	ARRA	Expenditures	Pass Through to Subrecipients
Homeland Security Cluster						
Passed Through: City of Miramar						
	Homeland Security Grnt-UASI Initiative FY 07	97.067	07DS5N111602259 (SO)	NO	(262)	-
	FY2008 Urban Area Security Initiative	97.067	09DS48111602448	NO	(58)	-
	FY09 UASI	97.067	11DS32111602017	NO	(3,648)	-
Passed Through: FL Dept of Emergency Management						
	FY12 STATE HOMELAND SECURITY GRANT	97.067	12DS20106001408	NO	34,000	-
	FY13 STATE HOMELAND SECURITY GRANT	97.067	13DS97106001425	NO	35,500	-
	Fusion Center Analyst	97.067	13DS97106023396	NO	11,365	-
	FY10 Homeland Security Grant-Operation Stonegarden	97.067	13DSB8106023454	NO	96,814	-
	Operation StoneGarden	97.067	14DSD8106023499	NO	46,127	-
Passed Through: FL Div of Emergency Management						
	FY12 State Homeland Security	97.067	13DS97106023444	NO	17,021	-
	FY13 State Homeland Security	97.067	14DSC2106023269	NO	70,000	-
	FY13 State Homeland Security	97.067	14DSL5106023270	NO	55,572	-
Total Homeland Security Cluster					2,357,336	61,753
Total US Dept of Homeland Security					3,442,012	189,947
	Total Federal Grants - All Departments				$ 77,660,333	$ 20,593,781

Palm Beach County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2014

Grantor	Program Title	CFDA CSFA	Contract/Grant #	ARRA	Expenditures	Pass Through to Subrecipients
FL Executive Office of the Governor						
Direct Programs:						
	FY13 Emergency Mangement Program	31.063	14BG83106001050	NO	$ 85,461	$ -
	FY14 Emergency Mangement Program	31.063	15BG83106001050	NO	17,896	-
Total 31.063					103,357	-
	FY13 Hazardous Materials Contingency Plan	31.067	13CP11106001204	NO	8,701	-
FL Dept of Environmental Protection						
Direct Programs:						
	Beach Erosion Control Program - Singer Island	37.003	06PB2	NO	-	-
	Beach Erosion Control Program - Juno Beach	37.003	08PB4	NO	66,933	-
	South Lake Worth Inlet Mgmt Plan	37.003	11PB1	NO	21,000	-
	Beach Erosion Control Program - Ocean Ridge	37.003	13PB1	NO	7,355	-
	Jupiter Carlin Shore Protection	37.003	14PB1	NO	-	-
	Ocean Ridge Shore Protection	37.003	14PB2	NO	-	-
	Coral Cove Dune Restoration	37.003	14PB4	NO	-	-
	Singer Island Storm Repair Project	37.003	14PB5	NO	153,776	-
Total 37.003					249,064	-
	Petroleum Storage Tank Cleanup	37.024	S0485	NO	495,030	-
	Glades Region Infrastructure Restoration & Repair	37.039	LP50200	NO	430,220	-
	Statewide Surf Wtr Rest & Wstwtr - Lake Worth Lagoon	37.039	LP6046	NO	140,222	-
	Cypress Creek Hatcher Restoration Project	37.039	S0685	NO	225,500	-
	Sandhill Crane West Restoration Project	37.039	S0689	NO	124,000	-
	North Jupiter Flatwoods Restoration Project II	37.039	S0690	NO	280,000	-
Total 37.039					1,199,942	-
Total FL Dept of Environmental Protection					1,944,036	-
FL Dept of Legal Affairs and Attorney General						
Passed Through: FL Council Against Sexual Violence						
	FY 13-14 Sexual Violence Recovery Services	41.010	13OAG26	NO	5,549	-
	FY14-15 Sexual Violence Recovery Services	41.010	14OAG26	NO	14,765	-
Total 41.010					20,314	-
FL Dept of Agriculture & Consumer Services						
Direct Programs:						
	FY14 Mosquito Control	42.003	020316	NO	29,456	-
FL Dept of State and Secretary of State						
Direct Programs:						
	FY13-14 State Aid to libraries	45.030	14ST56	NO	1,129,185	-
FL Housing Finance Corporation						
Direct Programs:						
	State Housing Initiatives Partnership Prgm 11/12- CAH	52.901	HFC0111	NO	1,523,997	1,479,907
	State Housing Initiatives Partnership Prgm 11/12- CAH	52.901	HFC0112	NO	(14,233)	-
	State Housing Initiatives Partnership Prgm 12/13- CAH	52.901	HFC0113	NO	690,562	648,361
	State Housing Initiatives Partnership Prgm 14/15- CAH	52.901	HFC0114	NO	6,637	-
Total 52.901					2,206,963	2,128,268

Palm Beach County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2014

Grantor	Program Title	CFDA CSFA	Contract/Grant #	ARRA	Expenditures	Pass Through to Subrecipients
FL Dept of Transportation						
Direct Programs:						
	GY14 Commission for the Transportation Disadvantaged	55.001	AR206	NO	2,739,629	-
	GY15 Commission for the Transportation Disadvantaged	55.001	TBD TD FY15	NO	296,156	-
Total 55.001					3,035,785	-
Direct Programs:						
	13-14 Transportation Disadvantaged	55.002	AR275	NO	48,125	-
	14-15 Transportation Disadvantaged	55.002	ARI21	NO	11,069	-
Total 55.002					59,194	-
	Aviation Dev Grant - North County Const Aprons Taxi	55.004	41629419401APA54	NO	380,455	-
	Aviation Dev Grant - Security Impv (formerly Relocate	55.004	41629619401APA55	NO	37,453	-
	Aviation Dev Grant - EIS Design Runway Extension PBIA	55.004	42034019401AOY72	NO	402,025	-
	Aviation Dev Grant - Upgrade & Expand Baggage PBIA	55.004	42037419401AQE59	NO	38,752	-
	Aviation Dev Grant - Southside pavement PBC Park	55.004	42246719401AQE56	NO	138,272	-
	Aviation Dev Grant - Terminal Apron Rehab & Taxilane -	55.004	42248119401AQE57	NO	601,814	-
	Aviation Dev Grant - Rehabilitate Itinerant Apron	55.004	42396119401AQR74	NO	34,749	-
	Aviation Dev Grant - Rehabilitate Taxiway C at PBIA	55.004	42572419401ARA51	NO	186,300	-
	Aviation Dev Grant - Wetland Wildlife Hazard Mitigation	55.004	42713319401APQ19	NO	500,856	-
	Aviatiion Dev Grant - Golfview Apron, Taxilanes, Infras	55.004	42790219401AQR76	NO	1,375	-
	Aviation Dev Grant - North County Rehab Taxiway M	55.004	42790319401APZ44	NO	50,288	-
	Aviation Dev Grant - PBIA Security Enhancements	55.004	42791119401APZ40	NO	831,371	-
	Aviation Dev Grant - NC Construct Apron Taxilane &	55.004	42791219401APZ42	NO	708,104	-
	Aviation Dev Grant - PBIA Parking Garage Rehab	55.004	42791319401APZ41	NO	199,167	-
	Aviation Dev Grant - PBIA Air Cargo Apron Expansion &	55.004	42791419401APZ43	NO	17,400	-
	Aviation Dev Grant - Lantana Westside Hangars Dev	55.004	42791519401APZ45	NO	50,601	-
	Aviation Dev Grant - Concourse C Security	55.004	42934819401AQ797	NO	38,681	-
	Aviation Dev Grant - Misc Taxiway Rehad & Repair PBIA	55.004	42970519401AQE61	NO	121,612	-
	Aviation Dev Grant - Concourse B Term Ramp &	55.004	42970619401AQE55	NO	92,391	-
	Aviation Dev Grant - Wetland Mitigation	55.004	43096019401AQR75	NO	500,000	-
	Aviation Dev Grant - Airfield Lighting Improvements	55.004	43103919401AR381	NO	767,219	-
Total 55.004					5,698,885	-
	CIGP-Lyons Rd/N of Atlantic to S of Boynton Bch Blvd	55.008	421786-1-58-01	NO	3,375	-
	CIGP-Intersection Military Trail and Northlake Blvd	55.008	43164513801	NO	11,118	-
	CIGP-Congress Ave ext Northlake to Alt A1A	55.008	43306413801	NO	27,082	-
Total 55.008					41,575	-
	Public Transit Block Grant - Operating	55.010	APU03	NO	4,765,719	-
	Routes 73 Expansion Military Trail to 441	55.012	AR651	NO	99,363	-
	Routes 47 & 48 Belle Glade & Pahokee Service	55.013	43029618401	NO	634,141	-

Palm Beach County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2014

Grantor	Program Title	CFDA CSFA	Contract/Grant #	ARRA	Expenditures	Pass Through to Subrecipients
FL Dept of Transportation						
Direct Programs:						
	Snook Island Seagrass/Mangrove - Flagler	55.023	4124892C201	NO	464,896	-
	Snook Island Seagrass/Mangrove - US 1 Jupiter	55.023	4175061C201	NO	100,000	-
	Snook Island Seagrass/Mangrove - Southern	55.023	4190131C201	NO	1,278,370	-
	Snook Island Seagrass/Mangrove - Blue Heron	55.023	419022-1-C2-01	NO	200,000	-
	Snook Island Seagrass/Mangrove - Lake Worth	55.023	421297-1-C2-01	NO	100,000	-
Total 55.023					2,143,266	-
	West Atlantic/Lyons to Turnpike Construction	55.026	229658-3-58-01	NO	40,423	-
	SR7 and SR80 Southern Blvd Intersection Improvements	55.026	422768-1-58-01	NO	6,914	-
Total 55.026					47,337	-
Total FL Dept of Transportation					16,525,265	-
FL Dept of Children & Families						
Direct Programs:						
	Criminal Justice Mental Health & Substance Abuse Reinv	60.115	LHZ236	NO	115,740	-
FL Dept of Health						
Direct Programs:						
	EMERGENCY MEDICAL SERVICES	64.005	C0050 (FY13-14)	NO	180,080	124,236
Passed Through: FL Council Against Sexual Violence						
	FY 13-14 Sexual Battery Recovery Services	64.061	13RCP26	NO	45,967	-
Passed Through: FL Council Against Sexual Violence						
	FY 13-14 Rape Crisis Center	64.069	13GR26	NO	114,489	-
Direct Programs:						
	SART Program	64.121	COH8Z	NO	281,794	-
Total FL Dept of Health					622,330	124,236
FL Dept of Elder Affairs						
Passed Through: Area Agency on Aging of Palm Beach/Treasure Coast						
	13-14 Home Care for the Elderly	65.001	IH0129500 (GY13)	NO	17,938	-
	14-15 Home Care for the Elderly	65.001	IH0129500 (GY14)	NO	5,438	-
Total 65.001					23,376	-
Passed Through: Area Agency on Aging of Palm Beach/Treasure Coast						
	13-14 Alzheimer's Disease Initiative	65.004	IZ0129500 (GY13)	NO	256,202	-
	14-15 Alzheimer's Disease Initiative	65.004	IZ0129500 (GY14)	NO	62,176	-
Total 65.004					318,378	-
Passed Through: Area Agency on Aging of Palm Beach/Treasure Coast						
	13-14 Respite for Elders Living in Everyday Families	65.006	IR0129500 (GY13)	NO	80,499	-
	14-15 Respite for Elders Living in Everyday Families	65.006	IR0129500 (GY14)	NO	27,776	-
Total 65.006					108,275	-

Palm Beach County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2014

Grantor	Program Title	CFDA CSFA	Contract/Grant #	ARRA	Expenditures	Pass Through to Subrecipients
FL Dept of Elder Affairs						
Passed Through: Area Agency on Aging of Palm Beach/Treasure Coast						
	13-14 Community Care for the Elderly	65.010	IC0129500 (GY13)	NO	919,663	-
	14-15 Community Care for the Elderly	65.010	IC0129500 (GY14)	NO	228,460	-
Total 65.010					1,148,123	-
Total FL Dept of Elder Affairs					1,598,152	-
FL Dept of Law Enforcement						
Direct Programs:						
	Statewide Criminal Analysis Lab System GY13-14	71.002	1602601 (GY13-14)	NO	396,819	-
FL Dept of Management Services						
Direct Programs:						
	E-911 CPE Replacement	72.002	S080421	NO	1,155,659	-
FL Agency for Workforce Innovation						
Passed Through: Early Learning Coalition of PBC						
	13-14 Voluntary Pre-Kindergarten	75.007	13-14VPK	NO	930,996	-
FL Dept of Highway Safety & Motor Vehicles						
Passed Through: FL Agriculture in the Classroom						
	Fall Family Festival and 4-H Open House	76.064	FLAGINCLASSROOM	NO	988	-
FL Fish and Wildlife Conservation Commission						
Direct Programs:						
	Juno Pier Site Artificial Reef (State Portion)	77.007	13130 (S)	NO	10,000	-
	PBC Artificial Reef Monitoring 2014-15	77.007	13248	NO	4,996	-
	Reef Monitoring	77.007	FWC11227	NO	2,865	-
Total 77.007					17,861	-
	Total State Grants – All Departments				$ 26,805,822	$ 2,252,504
	TOTAL FEDERAL AND STATE GRANTS				$ 104,466,155	$ 22,846,285

Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2014

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, 2014. The federal awards and state financial assistance received by the Solid Waste Authority, a major discretely presented component unit, the Westgate Belvedere Homes Community Redevelopment Agency, a discretely presented component unit, and the Housing Finance Authority, a discretely presented component unit, are not included in the Schedule. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget ("OMB") Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, *Rules of the Auditor General of the State of Florida*. Because this schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

2. Summary of Significant Accounting Policies

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

McGladrey

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

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

Honorable Ric L. Bradshaw
Sheriff

Honorable Sharon R. Bock
Clerk and Comptroller

Honorable Susan Bucher
Supervisor of Elections

Honorable Gary R. Nikolits
Property Appraiser

Honorable Anne Gannon
Tax Collector

We have audited, 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, 2014, 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, 2015. Our report includes a reference to other auditors who audited the financial statements of the Solid Waste Authority, a major discretely presented component unit, the Westgate Belvedere Homes Community Redevelopment Agency, a discretely presented component unit, and the Housing Finance Authority, a discretely presented component unit, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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Compliance and Other Matters

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

Purpose of this Report

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

McGladrey LLP

West Palm Beach, Florida
March 26, 2015

McGladrey

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

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

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Tax Collector

Report of Compliance for Each Major Federal Program and State Project

We have audited Palm Beach County, Florida's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement,* that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2014. 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, 2014. Our audit, described below, did not include the operations of the Solid Waste Authority, the Westgate Belvedere Homes Community Redevelopment Agency, and the Housing Finance Authority because other auditors were engaged to perform an audit in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General of the State of Florida*.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, *Rules of the Auditor General of the State of Florida.* Those standards, OMB Circular A-133 and Chapter 10.550 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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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, 2014.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

McGladrey LLP

West Palm Beach, Florida
June 11, 2015

Palm Beach County, Florida

Schedule of Findings and Questioned Costs
Year Ended September 30, 2014

I - Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued:			Unmodified	
Internal control over financial reporting:				
Material weakness(es) identified?	____	Yes	X	No
Significant deficiency(ies) identified?	____	Yes	X	None Reported
Noncompliance material to financial statements noted?	____	Yes	X	No

Federal Awards

Internal control over major federal programs:				
Material weakness(es) identified?	____	Yes	X	No
Significant deficiency(ies) identified?	____	Yes	X	None Reported
Type of auditor's report issued on compliance for major federal programs:			Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	____	Yes	X	No

The programs tested as major included the following:

CFDA Number(s)	Name of Federal Program or Cluster
14.218	Community Development Block Grants/Entitlement Grants
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
14.248	Community Development Block Grants_Section 108 Loan Guarantees
20.205/20.219	Highway Planning and Construction Cluster
20.500/20.507	Federal Transit Cluster
93.914	HIV Emergency Relief Project Grants

Dollar threshold used to distinguish between type A and type B programs:		$	2,329,810	
Auditee qualified as low-risk auditee?	X	Yes	____	No

(Continued)

Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2014

State Financial Assistance

Internal control over major state projects:				
Material weakness(es) identified?	_____		X	No
Significant deficiency(ies) identified?	_____	Yes	X	None Reported
Type of auditor's report issued on compliance for major state projects:			Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, *Rules of the Auditor General of the State of Florida*?	_____	Yes	X	No

The projects tested as major included the following:

CSFA Number(s)	Name of State Financial Assistance Project
55.023	State Highway Project Reimbursement
65.010	Community Care for the Elderly
72.002	E911 State Grant Program
55.004	Aviation Development Grant
55.010	Public Transit Block Grant Program

Dollar threshold used to distinguish between type A and type B projects: $ 804,175

(Continued)

II – Financial Statement Findings

None

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

None

Palm Beach County, Florida

Summary Schedule of Prior Year Audit Findings
Year Ended September 30, 2014

I – Financial Statement Findings

None

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

None