



CITY OF WEST PALM BEACH, FLORIDA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2018**



CITY OF WEST PALM BEACH, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE

FISCAL YEAR ENDED

SEPTEMBER 30, 2018

Prepared by The Finance Department

Mark A. Parks, Jr., CPA, MBA
Chief Financial Officer

Karen Malcolm
Accounting Manager



READING TOGETHER
Judith Peck
Gift to the City of West Palm Beach
from Anna Sobel
1997
Palm Beach Commission for
the Tevnick New Library

**CITY OF WEST PALM BEACH, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

The City of West Palm Beach



“The Capital City of the Palm Beaches”

April 3, 2019

The Honorable Mayor Jeri Muoio,
City Commissioners and Citizens
Of the City of West Palm Beach, Florida

Ladies and Gentlemen:

It is our pleasure to submit this **Comprehensive Annual Financial Report** for the City of West Palm Beach, Florida, (the “City”) for the fiscal year ended September 30, 2018. The organization, form and contents of this report plus the accompanying financial statements and statistical tables are formulated in accordance with the principles prescribed by the Governmental Accounting Standards Board, the American Institute of Certified Public Accountants, the State of Florida, the City Code of Ordinances and the Government Finance Officers Association. This document also includes the City's continuing disclosure information as required by Securities and Exchange Commission rule 15c2-12.

Generally accepted accounting principles (“GAAP”) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (“MD&A”). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found in this report immediately following the Independent Auditors’ Report.

The staff of the Finance Department prepared this report. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with City management.

To the best of our knowledge and belief, the data as presented is accurate in all material aspects; the information is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to

gain an understanding of the City’s financial affairs are included.

REPORTING ENTITY AND ORGANIZATION

The City of West Palm Beach was incorporated in 1894 and has operated under a strong Mayor form of government since 1991. The City Commission consists of five elected officials who are responsible for enacting the ordinances and resolutions that govern the City. The Mayor is the elected Chief Executive Officer of the City and appoints the City Administrator, Deputy and Assistant Administrators, City Attorney and Department Directors.

The City of West Palm Beach provides its constituents with a full complement of public services including, but not limited to public safety, public works, parks and recreation, construction services, housing and community development, library, and community events.

All transactions required to support City services are reflected in this report. This report includes all funds that are controlled by or are dependent on the City Commission.

Additionally, the activities of certain entities for which the City exercises oversight responsibility or financial accountability have been included in this report. The City Commission and Mayor sit as the Board of the West Palm Beach Community Redevelopment Agency (CRA) and the West Palm Beach Golf Commission; accordingly, these activities are included in the reporting entity and reflected in this report. The West Palm Beach Housing Authority and the West Palm Beach Downtown Development Authority have not been included in this report.

Note A in the Notes to the Financial Statements lists the specific criteria used for establishing oversight responsibility.

ECONOMIC CONDITIONS AND OUTLOOK

Since fiscal year 2012 the City's tax base has grown. In 2018, it increased from \$11.8 billion to \$12.7 billion. The pace of growth is somewhat slower than in 2017, but the tax base is now the same as it was in 2012 when it was at the highest level ever. The continued gains are a strong signal the City's economic future is improving. As a backstop to the city's economic improvement, the State of Florida's economy is expected to expand at an average annual rate of 3.5% this year and 4.3% in 2019 before easing to 2.9% in 2020 and then 2.4% in 2021. Personal incomes are expected to rise 2.5% in 2018, 3.6% in 2019, before easing again in 2020 at 3.2%. real disposable average growth will be 3.1% until 2021, according to the University of Central Florida's Institute for Economic Competiveness (IEC).

Housing prices continued to rise in 2018, albeit at a more moderate pace compared to the double-digit gains of 2015 and 2016. The median price of a single-family home rose 6.7% on a year-over-year basis in 2018 with townhouse and condominium gains not far behind.

The fundamental underpinnings of the housing market in Florida continue to strengthen as demographic drivers bode well for continued population growth via the immigration of baby boomer retirees and job seekers to Florida. Recent tax legislation, at the personal taxpayer level, has made Florida increasingly attractive as a low-cost place to live relative to the more highly taxed northeastern United States. In addition to domestic considerations, international immigration is also a significant factor as both the economic and hurricane crisis in Puerto Rico feed into these population inflows.

Given these favorable growth prospects, the IEC is predicting Florida's real gross state product (RGSP) to grow an average of 3.5% annually in 2018 and 4.3% in 2019. During the 2018 to 2021 period Florida's RGSP is expected to grow an average of 3.3% annually. This compares with an average of 2.8% during the prior four-year period and significantly faster than the 3.0% anticipated growth of the US economy over the same time frame. Similarly, personal income growth in Florida is expected to accelerate to an average of 4.1% during the 2017 to 2021 period compared with 3.0% in 2016. These trends will outpace the nation in real personal income growth, averaging 0.6 percentage points higher than the national average for 2017 through 2021.

With Florida's strong labor market recovery maintaining its momentum, wage and salary growth is materializing, home equity is on the rise and retail spending is expected to remain strong through 2021; with growth averaging 3.1 during the 2018-2021 period. The unemployment rate has continued to fall from its recession-driven peak level of 11.2% in January 2010 and stands at 3.4% as of October 2018.

The labor force growth is expected to average 1.5% until 2021 and housing starts will accelerate going forward. Home equity in Florida has not yet recovered as completely as financial wealth, which has benefited from the year-long run up in the stock market. However, steadily rising home prices since 2011 have created significant wealth gains for Floridians who invest either directly or indirectly (through retirement funds) in the stock market, which should largely mitigate the negative effects of the lost home equity wealth during the recession upon consumer spending after 2018.

At the City level, improvements in the economy have had an impact on the City's revenues. For the sixth year in a row, ad valorem tax revenues continue to climb from the depths of the recession. In FY 2017 and FY 2018, taxes revenues rose \$6.5 million (9.4%) and \$2.7 million (3.6%) respectively.

To remain financially sustainable, the City has remained diligent in providing the residents with the services they need in the most cost-efficient manner possible. The City continues to strive to meet the goal of maintaining services without raising the millage rate. The 2018/2019 budget was achieved by a series of revenue enhancements including maintaining the current millage rate, generating new user fees and improving collections on outstanding amounts owed to the City.

The result was a balanced General Fund budget generating \$184.6 million in revenues offset by \$184.6 million in expenditures and transfers. This is a net 4.0% increase over the prior year budget, but still slightly below the City's peak budget of \$189 million in 2007. The fiscal year 2018 General Fund Balance remains strong at \$46.7 million or 25.2% of expenditures.

The City has also been very careful to not overextend itself with long term debt. Financial prudence has been rewarded by the credit rating agencies that provided the City with an overall bond rating of AA. The Utilities rating was upgraded to AA+ by S&P.

Based on current growth projections, West Palm Beach is expected to remain Palm Beach County's largest city. While having a positive impact in terms of potential economic development, it also presents significant

challenges to the City. In order to maintain the present level of services, particularly in the areas of public safety and downtown revitalization, the City must continue to explore alternative revenue sources and user fees, seek ways to maximize its current revenue sources, improve its operational efficiency, develop public/private partnerships, and look to eliminate or reduce non-essential services to the community.

MAJOR INITIATIVES

The City's Mission is "to partner with the community to deliver exceptional customer service that enhances quality of life". To aid in the achievement of the stated Mission, the City has established a Vision Statement along with six guiding values. The City's priorities guide activities and decision making with the ultimate goal being the continued achievement of the stated Vision and Mission statements.

Strategic Planning:

The City is currently in the sixth year of implementing a comprehensive strategic plan. This process involves identifying each of the most critical short and long term needs the City has and implementing specific plans to accomplish those goals. As part of this process, the City has developed a long term financial and capital planning process which helps identify funding to ensure these plans can not only be achieved, but also paid for.

The City has continued to focus on the City's future over the next eighteen years. Defining 2018 – 2035 will provide an opportunity for in-depth public involvement. The existing Strategic Plan will be enhanced creating more transparency on the City's goals and strategic priorities.

Economic Development:

Economic Development must play a key role in the growth of our City. Finding ways to encourage growth, attract new industries to the City, and retain and expand our existing businesses is critical for us to maintain the existing service levels we provide to the community. In FY 2014/15 the City unveiled a new Economic Development Plan. It includes several economic incentives designed to encourage business investment and job growth across the City. In FY 2015/16 the City placed on the ballot the opportunity for the City Commission to have the authority to offer additional tax incentives to entrepreneurs who bring new businesses to the City. The measure passed, and choice businesses have been granted the incentives. West Palm Beach's economy is the strongest it's been since emerging from the economic downturn. In fact, West Palm Beach's unemployment rate is 3.2% down from the almost 10% in 2011. As a sign even more businesses are

moving to West Palm Beach, our business tax receipts have gone up five years in a row. Right now, with over \$2-billion of projects in our pipeline, we can safely say that our tax base should continue to grow over the next few years.

Broadstone Condominiums and Brightline high speed rail are injecting new energy into an area of the city that, for years, was called the "doughnut hole," the underdeveloped area sandwiched between Clematis and CityPlace. City Place is embarking on a bold new redesign they are calling City Place 2.0. In the last year, we also saw the opening of the Alexander, the beginning of the new Canopy Hotel, and the demolition of the old City Hall making way for a new destination waterfront hotel and residence. We are currently negotiating with developers to redesign our municipal golf course. Meanwhile, the new Warehouse District, a complex of vintage buildings, located off Old Okeechobee Road, has become the new area to watch. As one magazine described it as "abuzz with boutiques, beer and booze, as well as fun food finds". It is the kind of quality of life revival that will fuel our city's continued growth.

A primary campaign promises in 2011 was to create a business district to spur economic development. In 2014, we announced plans to create the Flagler Financial District and, in 2016, officially inaugurated it. Today, the Flagler Financial District has become one of the most powerful recruiting tools for business investment that this City has ever seen. To date, 232 firms call the Flagler Financial District their business home. In addition, we are committed to incubating new businesses. This year we received a grant of \$180 thousand from the Knight Foundation to grow 12 businesses in 12 months. We are calling it the "Thoroughfare", located at 314 Clematis Street. But, to convince CEOs that West Palm Beach is their best business move, we need more Class-A office space. Given the strong desire by many to relocate their businesses to West Palm Beach, there will be an increased demand for this highly sought-after space. We are hopeful there will be future opportunities for the Commission to consider the development of Class-A office space. Our leaders must work together to bring Class-A office space to our city, because to truly reach our potential as a city, where people can work where they live, we must bring more businesses to our urban core.

While West Palm Beach undergoes an economic revival, the City is also investing. No world class city would be complete without superior infrastructure. So, over the next few years, we are undertaking 157 capital improvement projects totaling \$230 million. Our involvement in Bloomberg's What Works Cities has resulted in a new performance dashboard "West Palm

Working". You can now go to our website, wpb.org, and track our progress on key performance indicators from our strategic plan, providing transparency by sharing data about where we. The number of requests for emergency services continues to grow. During calendar year 2018, the Department responded to 24,642 emergency incidents and the estimate for 2019 is over 27,700. Additionally, the demand for, and complexity of, mandated fire-safety inspections continues to increase.

The City has seen a decrease in violent crimes and property crimes in the last ten years. To combat crime and to better protect our neighborhoods, our Chief of Police has continued a number of new Intelligence Led Policing initiatives including expansion of the Community Response and Gang/Juvenile units. The goal of these initiatives is to address quality of life issues and build relationships and trust within the community. The City has completed the installation of a new state of the art radio system and improvements to the surveillance system that will help deter and assist with investigations. The Department is also working to improve its recruiting and retention efforts by the creation of a Professional Standards Unit. The fruits of our efforts are a Citizen Survey that states 93% of our residents feel safe in their neighborhoods and 82% say the feel safe at night.

While these services are vital to ensure the safety of our city, it is worth pointing out that the police and fire/EMS budgets account for 54% of the entire General Fund budget. More importantly the \$106.0 million we spend on public safety is approximately \$28.7 million more than the City generates in total property taxes. Given the continued growth in the City's population and the tremendous demand that growth creates for parks, transportation, recreation, and other services, it is becoming extremely difficult to continue spending at this level for public safety. Going forward, we must find ways to be more efficient in providing public safety to our community. This will include looking at more jointly funded projects with the Sheriff's office and other neighboring law enforcement agencies, increased community involvement, such as fire prevention seminars and more resident participation programs and the better use of technology driven solutions.

Information Technology:

In Fiscal Year 2015/16, the City entered into a lease purchase agreement in the amount of \$5 million to replace most of the City's computer infrastructure. This will bring the City IT infrastructure up to current standards and prevent disruptions in service. In addition to the aforementioned lease, the City also received bond funds

in the amounts of \$40.0 million dollars for infrastructure, \$6.0 million of which will be utilized for IT to continue to upgrade systems for efficiency. In FY 2017, a city-wide budget system was implemented. The new system will make the budgeting processes more efficient for the City and offer better reporting opportunities.

FINANCIAL INFORMATION

Accounting and Administrative Controls:

City management is responsible for establishing and maintaining an internal control structure which is designed to ensure that the assets of the City are protected from loss, theft, or misuse. Furthermore, management ensures that accounting data is adequate for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition. The controls are also intended to provide assurance as to the reliability of financial records as related to the preparation of financial statements and accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management.

In addition to the examination of controls performed by members of the Finance Department, the City's internal auditors continually review and assess the soundness and adequacy of all the accounting and budgetary aspects of the City's financial system. Financial transactions and related data are examined for accuracy, completeness and authorization. Furthermore, data processing applications and systems are analyzed to ensure that necessary controls are in effect.

All internal control evaluations occur within the above framework. We believe the current internal accounting controls existing for the City of West Palm Beach adequately safeguard assets. In addition to these internal controls, annual financial audits are performed by independent certified public accountants.

Budgetary Controls:

To ensure compliance with legal provisions contained in the annual appropriated budget which is approved by the City Commission, the City also maintains budgetary controls. Annual budgets are legally adopted for activities of the *general fund, certain special revenue funds, capital*

projects funds and debt service funds. Without Commission approval, expenditures may not legally exceed appropriations at the department level. Administrative controls are exercised at the category level for current expenditures and at the line item level for capital outlay. Encumbrance accounting is utilized in governmental funds in order to reserve the encumbered portion of the appropriation.

Cash Management:

The City’s short-term liquid cash during the year was invested in U.S. Government Securities and Federal agency securities, U.S. Government securities held under repurchase agreements, corporate bonds, mortgage backed securities, municipal bonds, and cash. Although one of the City’s investment objectives is to earn interest income on short-term cash, the investment policy specifically requires that safety and liquidity are the most important standards of the policy and funds must be available when needed. Accordingly, deposits are either insured by federal depository insurance or collateralized in a pool as defined by Florida Statute 280.

Other Information:

Independent Audit *Florida Statutes* and *City Code of Ordinances* require that an annual financial audit be performed by independent certified public accountants. This year the audit was performed by RSM US, LLP.

In addition to meeting the requirements set forth in State statutes and City ordinances, the audit was designed to meet the federal requirements of the *Single Audit Act of 1984* as amended, and the related *OMB Uniform Guidance*. Additionally, the audit was designed to meet the requirements of *Chapter 10.550 of the Rules of the Florida Auditor General*. The independent auditors’ report is included in the financial section of the report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of West Palm Beach for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2017. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents

conform to program standards. As such, the CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of West Palm Beach has received a Certificate of Achievement for the last thirty-eight consecutive years.

We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

ACKNOWLEDGEMENTS

This report represents countless hours of preparation. Many individuals are responsible for its completion. The utmost appreciation is extended to the many City employees throughout the organization who maintain the daily financial records upon which this report is based. Special recognition is given to the Accounting Division and other Finance Department employees (Karen Malcolm, Rick Weaver, Steve Hoffmann, Jeanette Haynes, Tanra-Lee Milson, Olga Hernandez, Brenda Keating, Carol Bishop, and Dathan Griffiths) who worked diligently to ensure the timeliness and accuracy of the report.

Respectfully submitted,



Mark A. Parks, Jr., CPA, MBA
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of West Palm Beach
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morrell

Executive Director/CEO



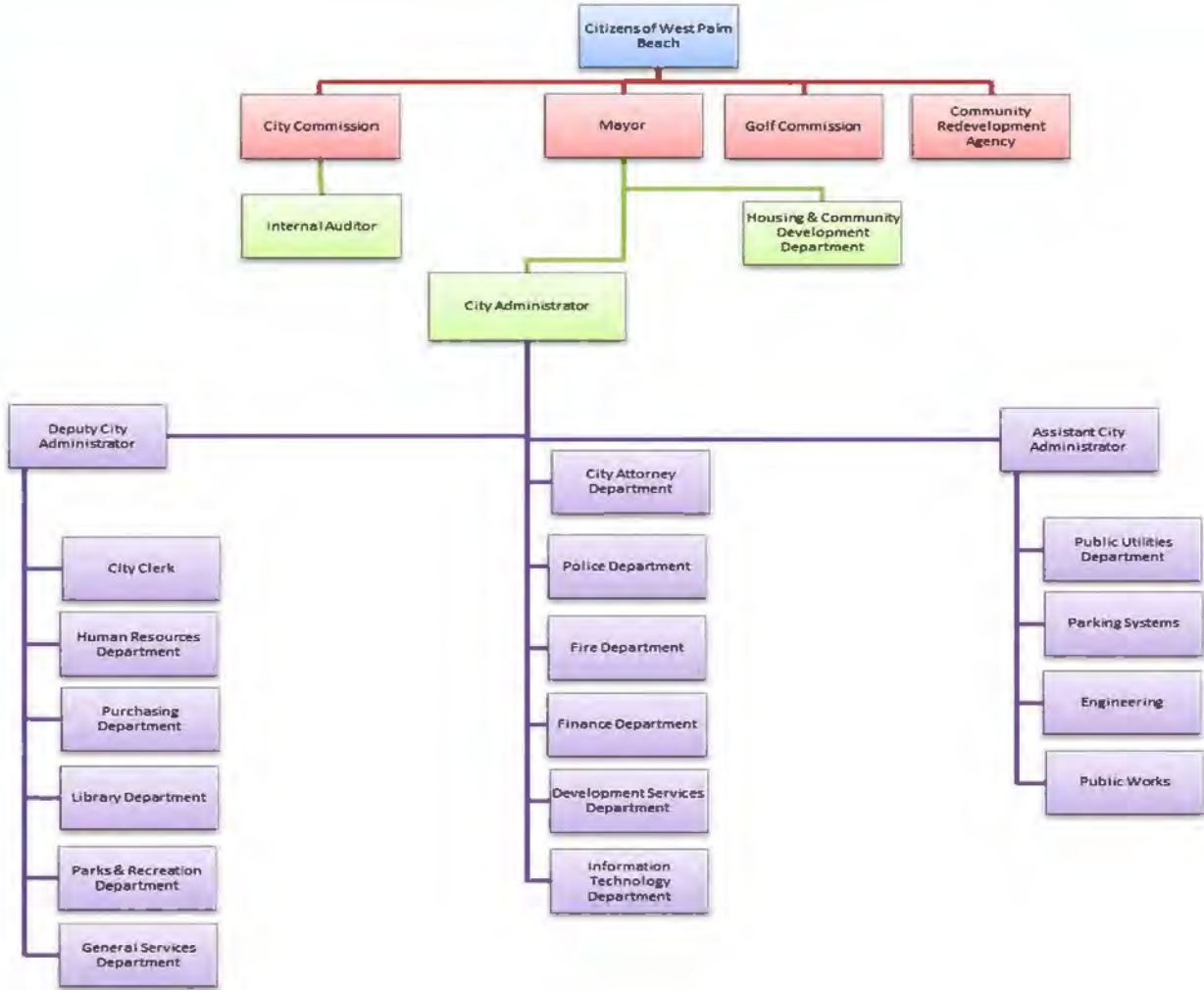
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Visit PALM BEACH 

DABU MA

CITY OF WEST PALM BEACH, FLORIDA

ORGANIZATIONAL CHART



CITY OF WEST PALM BEACH, FLORIDA
ELECTED OFFICIALS



Kelly Shoaf
Commissioner, District 1



Jeri Muoio
Mayor



Cory Neering
Commissioner, District 2



Paula Ryan
Commissioner, District 3
Commission President



Christina Lambert
Commissioner, District 5



Keith James
Commissioner, District 4

**CITY OF WEST PALM BEACH, FLORIDA
Mayor-Commission Form of Government**

September 30, 2018

Mayor

Jeri Muoio, PhD

City Administrator

Jeffery L. Green, CPA

Deputy City Administrator

Dorritt M. Miller, CPA

Assistant City Administrator

Scott D. Kelly, PE

City Attorney

Kimberly L. Rothenburg

Development Services Director

Richard E. Greene

Engineering Director

Kevin Volbrecht

Chief Human Resources Officer

Jose Luis Rodriguez

Chief Financial Officer

Mark A. Parks, Jr.

Chief Technology Officer

Christine Brevik

Fire Chief

Diana J. Matty

Housing and Community Development Director

Armando Fana

Internal Auditor

Beverly Masaho

Library Director

Christopher T. Murray

Parks & Recreation Director

Leah Rockwell

Parking System Administrator

Edward Lynn Davis

Police Chief

Sarah J. Mooney

Procurement Director

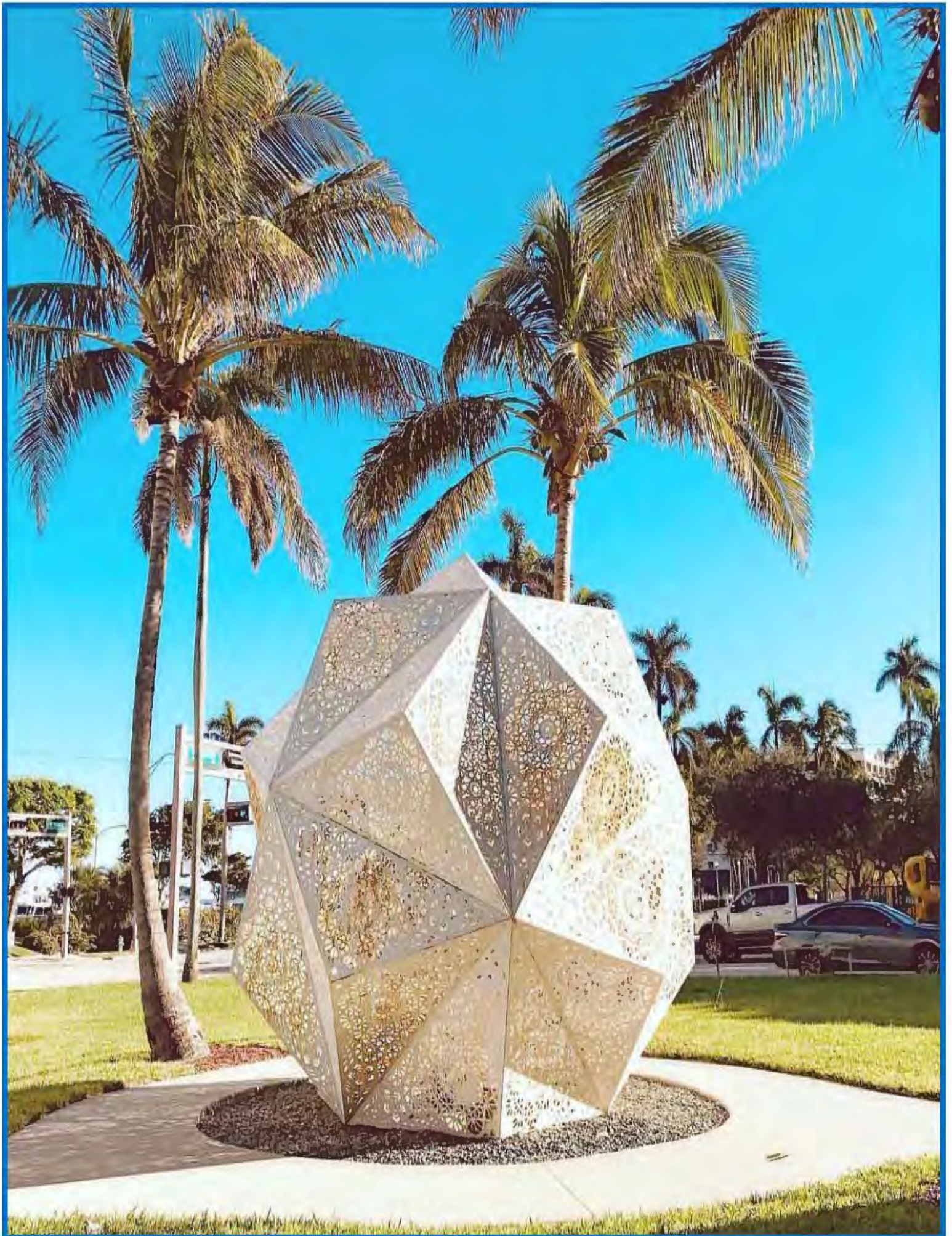
Festus F. Hayden

Public Utilities Director

Poonam K. Kalkat

Public Works Director

Peter A. Bieniek





FINANCIAL SECTION



Independent Auditor’s Report

To the Honorable Mayor and Members of the City Commission
 City of West Palm Beach, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Palm Beach, Florida (the City), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City’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 Firefighters’ Pension Fund, the Police Pension Fund and the Restated Employees’ Defined Benefit Retirement System, which represent 78% of the assets/deferred outflows, 82% of the fund balance/net position and 45% of the revenues/additions of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Firefighters’ Pension Fund, the Police Pension Fund, and the Restated Employees’ Defined Benefit Retirement System are based upon 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 from material misstatement. The financial statements of the Firefighters’ Pension Fund and the Police Pension Fund were not audited in accordance with *Government Auditing Standards*.

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.

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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 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, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note Q to the financial statements, the City adopted the recognition and disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective October 1, 2017. The net position of the proprietary funds, governmental activities and business-type activities of the City as of October 1, 2017 have been restated. Our opinion was not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, budgetary comparison schedules, and other post-employment benefits and pension schedules* as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and the introductory, statistical, and continuing debt disclosure sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, statistical, and continuing debt disclosure sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated April 3, 2019, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City's 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 City's internal control over financial reporting and compliance.

RSM US LLP

West Palm Beach, Florida
April 3, 2019



MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)

CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018
(UNAUDITED)

As management of the City of West Palm Beach (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2018.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at the close of fiscal 2018 by approximately \$682.6 million (net position). Of this amount, \$102.5 million represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$17.4 million or 2.6% from the prior year after considering a restatement of the opening net position due to the implementation of GASB Statement No. 75. The overall increase can be attributed to the net change in current and long-term liabilities of \$31 million and net deferred inflows and outflows related to pensions and the swap. of (\$20.9) million offset by an overall increase in assets of the primary government by \$7.6 million.
- The City's total of bonds, notes and capital leases decreased by \$15.1 million, from \$559.8 million to \$544.7 million, or approximately 3%, reflecting repayments accompanied by no new bond issuances.
- Total spending for City's primary government was approximately \$335.2 million, up \$16.2 million or 5.1% over the prior year. Expenditures for the governmental activities were \$226.9 million while expenditures for business-type activities were \$108.2 million.
- At the end of fiscal 2018, the total of the restricted, assigned, and unassigned components of fund balance for the General Fund was \$26.3 million, or approximately 16.0% of General Fund expenditures. The General Fund balance also included \$15.2 million committed for emergencies (10% of adjusted operating revenues as required by City ordinance) and another \$4.7 million of non-spendable balances.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. These financial statements are comprised of four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) required supplementary information. In addition to the basic financial statements, this report contains other supplementary information.

Government-Wide Financial Statements.

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018
(UNAUDITED)

The Statement of Net Position presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information about how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The Statement of Net Position and the Statement of Activities divide the City into the following two classes of activities:

Governmental activities – City services principally supported by taxes and intergovernmental revenues are reported here, including general government, community events, community and economic development, planning and zoning, code enforcement, building permits, police, fire, public works, federal housing programs, engineering services, health and sanitation, library, parks and recreation, downtown redevelopment and Northwood redevelopment.

Business-type activities – City services for which fees are collected from the public are reported here. These services include water and sewer, storm water, parking and golf course.

Fund Financial Statements.

The City uses fund accounting to track the sources and uses of resources for specific purposes. The funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds:

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Reporting for these funds focuses on how inflows and outflows of spendable resources and the balances left at year-end that are available for spending. The modified accrual basis of accounting is used to report these funds and generally measures only current financial resources (essentially cash and other assets that can readily be converted to cash). The governmental fund statements provide a detailed short-term view of the City's operations and the services it provides.

Governmental fund statements report changes in the quantity of resources available for spending in the near future. To facilitate comparison between the two presentations, both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances are accompanied by reconciliations to the government-wide statements. This comparison highlights the long-term impact of the City's near-term financial decisions.

The City adopts an annual appropriated budget for most governmental funds. To demonstrate compliance with this budget, a budgetary comparison statement has been provided in the basic financial statements for the General Fund, the Community Redevelopment Agency Fund, the Northwood/Pleasant City CRA Fund, and the 2016 Capital Bond Fund.

CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018
(UNAUDITED)

Proprietary Funds:

The City maintains two types of proprietary funds:

- **Enterprise Funds:** The City uses enterprise funds to report the same functions presented as business-type activities in the government-wide financial statements, and these funds primarily serve the public. The City uses enterprise funds to account for its water and sewer utility system, storm water utility system, parking facilities, and the golf course.
- **Internal Service Funds:** The City uses internal service funds to accumulate and allocate costs internally among the City's various functions. These funds primarily serve the City's departments and account for the City's information systems, fleet management, self-insurance program and employee health and life insurance benefits programs. Because all of these services predominantly benefit governmental rather than business-type functions, the assets and liabilities of these funds have been included within the governmental activities' column of the government-wide Statement of Net Position.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, but in more detail. The financial statements provide separate information for the water and sewer system and the storm water system, both of which are considered major funds of the City. The parking system and the golf course are aggregated as non-major enterprise funds. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

Fiduciary Funds:

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City reports pension trust funds for its three defined benefit pension plans and one Other Post Employment Benefit (OPEB) trust fund for annuity payments to certain pensioners and employees/retirees.

Notes to the Financial Statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and is required by accounting principles generally accepted in the United States of America.

Other Information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information containing pension, OPEB, and individual fund budget and actual comparison schedules of the major funds. The combining statements for the non-major funds, internal service funds, as well as their related individual fund budget and actual comparison schedules are found in the Combining and Individual Fund Statements and Schedules section of this report.

CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018
(UNAUDITED)

Government-Wide Financial Analysis:

The City as a Whole

The overall net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows exceeded liabilities and deferred inflows by \$682.6 million at the close of the most recent fiscal year. The City restated its beginning net position after adopting the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75 which resulted a reduction of \$6.3 million to the previously reported net position of \$202 million (Note Q). At the end of the fiscal year, the City's net position of the primary government increased by \$17.4 million. The City's total net position increased by \$17.4 million or 2.6% from the prior year after considering a restatement of the opening net position due to the implementation of GASB Statement No. 75. The overall increase can be attributed to the net change in current and long-term liabilities of \$31 million and net deferred inflows and outflows related to pensions and the swap. of (\$20.9) million offset by an overall increase in assets of the primary government by \$7.6 million.

Total assets of the City as of the end of the current fiscal year increased by \$7.6 million or 0.6%. The increase is attributed to an increase in the addition of capital assets, net of retirements and depreciation.

The City reported an increase in deferred outflows of resources by \$1.6 million or 2.9%. The increase is attributed to the reduction in between the projected and actual earnings on investment and assumption changes in the calculation of the interest rate swap and the net pension liability (asset) for the Pension plans.

Long-term liabilities decreased by \$32.4 million or 4.66% primarily due to the repayment of bonds, notes and capital leases during the current fiscal year by \$16.6 million and the reduction in the net pension liability by 13.4 million.

Deferred inflows of resources increased by \$22.6 million or 312%. The increase is attributed to the reduction in between the projected and actual earnings on investment and assumption changes in the calculation of the interest rate swap and the net pension liability (asset) for the Pension plans.

The City's net investment in capital assets such as land, roads, parks, buildings, machinery and equipment, as a percentage of net position, amounts to \$429.6 million and \$412.3 million or 63% and 62% as of September 30, 2018 and 2017, respectively. These asset values are presented less any outstanding debt related to the acquisition and accumulated depreciation of those assets. The City 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 City's net position is *restricted* net position, totaling \$150.5 million or 25%, represents resources that are subject to constraints such as debt covenants, grantors, laws or regulations. Unrestricted net position of approximately \$102.5 million or 12%, is that portion of the City's resources that are available to meet the ongoing obligations to residents, creditors, and enterprise fund customers.

CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018
(UNAUDITED)

Governmental Activities – Net Position

As previously stated, the City implemented GASB Statement No. 75 during the current fiscal year. The implementation required a restatement of the previous year's reported net position which resulted in a reduction of \$6.3 million. At the end of fiscal year 2018, net position of \$202 million is comprised of \$163.7 million net investment in capital assets, \$56 million in restricted net position and \$(17.7) million unrestricted deficit.

The investment in capital assets decreased slightly from the previous year by \$1 million largely due to new additions, net of retirements and depreciation of \$4.1 million and the net reduction of outstanding long-term debt which was used to acquire the assets of \$3.1 million.

Restricted net position of \$56 million decreased by \$5.5 million or 9% to comply with the requirements of the special revenue funds and other legal requirements while the unrestricted deficit decreased by \$8 million or 31.2%. The decrease in the deficit was largely related to reduction in pension and other non-current liabilities during fiscal year 2018.

Business-Type Activities – Net Position

The 2018 net position of \$480.5 million is comprised of \$265.9 million net investment in capital assets, \$94.4 million in restricted net position and \$120.2 million unrestricted net position.

The net investment in capital assets increased from the previous year by \$18.3 million, largely due to new additions, net of depreciation of \$16.4 million and the reduction of outstanding long-term debt which was used to acquire the assets of \$1.9 million.

Restricted net position of \$94.4 million increased by \$1.7 million or 1.8% to comply with the City's debt service requirements while the unrestricted net position decreased by \$4.1 million or 3.4%. The decrease in the unrestricted net position is primarily attributed to the negative change in activities of the proprietary funds overall.

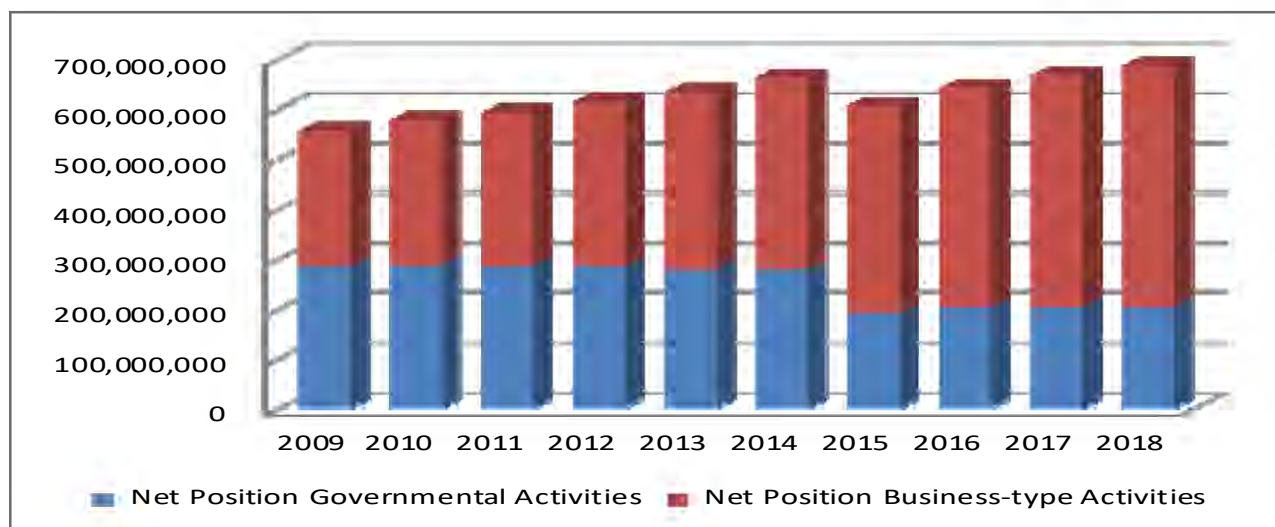
CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018
(UNAUDITED)

The following table provides a comparative analysis of the City’s net position for the fiscal years ended September 30, 2018 and 2017.

Condensed Statement of Net Position
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 232,567	\$ 234,153	\$ 296,195	\$ 304,291	\$ 528,762	\$ 538,444
Internal balances	620	1,180	(620)	(1,180)	-	-
Capital assets, net	350,791	346,730	486,320	473,097	837,111	819,827
Total assets	583,977	582,063	781,895	776,207	1,365,872	1,358,270
Total deferred outflows of resources	40,183	32,689	17,701	23,583	57,884	56,272
Current liabilities	27,288	21,179	22,049	26,606	49,337	47,785
Long-term debt and other non-current liabilities	365,358	386,003	296,688	308,401	662,046	694,404
Total liabilities	392,646	407,183	318,737	335,007	711,383	742,190
Total deferred inflows of resources	29,483	7,107	341	138	29,824	7,245
Net investment in capital assets	163,730	164,702	265,866	247,569	429,596	412,271
Restricted	56,027	61,539	94,436	92,697	150,463	154,236
Unrestricted (deficits)	(17,726)	(25,779)	120,216	124,380	102,490	98,601
Total net position	\$ 202,031	\$ 200,462	\$ 480,518	\$ 464,646	\$ 682,549	\$ 665,108

Net Position of the Past 10 Years



CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018
(UNAUDITED)

The City reported total revenues of \$358.9 million which in part represents \$175.8 million in charges for services and \$144.6 million in property and other taxes. Total expenses were \$335.2 million. As shown below, both revenues and expenses increased during the current fiscal year by \$15.3 million and \$16.2 million, respectively.

The majority of the increase in revenues is attributed to the increase in property and other taxes by \$8.9 million and \$6.5 million in operating grants and contributions. The overall increase in expenses was attributed to the increase costs to provide quality police and fire protection and the general annual increases associated with a diverse municipal government.

Governmental Activities – Change in Net Position

Revenues for the City's governmental activities of \$225.2 million which includes \$ 48.6 million in charges for services, as well as, \$151.1 million in property, state shared and local taxes.

For the year, the City's governmental activities revenues increased \$15.9 million or 7.61%. Charges for services and other revenues, except for capital grants and contributions, increased from the prior year. During the current fiscal year, capital grants and contributions decreased by \$2.1 million while operating grants increased by \$6.5 million.

The cost of all governmental activities during the current fiscal year was \$226.9 million. However, as shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities, through City ad valorem taxes, was \$96.8 million. This is because \$48.6 million of the cost was paid for by those who directly benefited from the programs as well as other governments and organizations that subsidized certain programs with grants and contributions, providing \$25.2 million. The City paid for the remaining "public benefit" portion of governmental activities with taxes (some of which could only be used for certain programs) and with other revenues such as interest and general entitlements.

Business-Type Activities – Changes

Revenues of the City's business-type activities of \$133.7 million decreased by less than 1%.

The business-type activities reported expenses totaling \$108.2 million, up by \$9.0 million or 9.1% over the previous year. The increase is substantially due to a reduction of the City's investment in the ECR joint venture by \$5.9 million and an increase cost for employees salaries and related benefits.

CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018
(UNAUDITED)

The following table provides a comparative analysis of the City's changes in net position for the fiscal years ended September 30, 2018 and 2017:

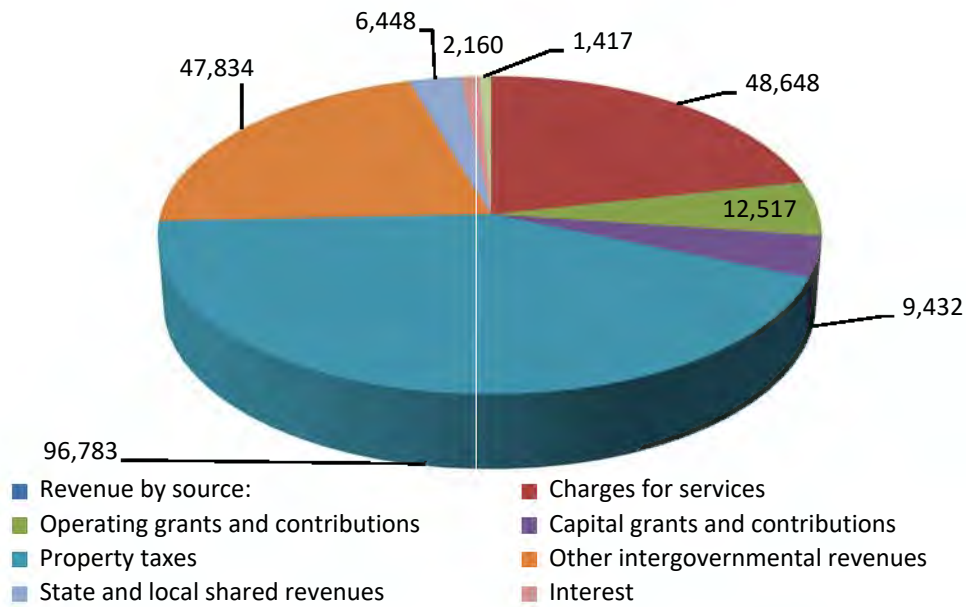
Combined Schedule of Changes in Net Position
For the Fiscal Years Ended
September 30, 2018 and 2017
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 48,648	\$ 47,865	\$ 127,140	\$ 131,402	\$ 175,787	\$ 179,267
Operating grants and contributions	12,517	6,059	-	-	12,517	6,059
Capital grants and contributions	9,432	11,499	3,259	980	12,691	12,479
General revenues:						
Property taxes	96,783	90,266	-	-	96,783	90,266
Other taxes	47,834	45,440	-	-	47,834	45,440
Grants and contributions	-	834	-	-	-	834
Interest income	2,160	1,189	2,313	1,139	4,473	2,328
State and local shared revenues	6,448	4,011	-	-	6,448	4,011
Miscellaneous	1,417	2,139	1,037	900	2,454	3,039
Total Revenues	225,240	209,302	133,749	134,421	358,988	343,724
Expenses:						
Governmental Activities:						
General government	27,681	19,392	-	-	27,681	19,392
Public safety	115,721	126,120	-	-	115,721	126,120
Public works	6,335	5,016	-	-	6,335	5,016
Engineering services	3,137	2,841	-	-	3,137	2,841
Economic environment	28,105	22,704	-	-	28,105	22,704
Health and sanitation	11,335	10,930	-	-	11,335	10,930
Leisure services	25,932	23,916	-	-	25,932	23,916
Interest on long-term debt	8,747	8,892	-	-	8,747	8,892
Business-Type Activities:						
Water and sewer	-	-	90,033	82,294	90,033	82,294
Stormwater	-	-	10,342	9,978	10,342	9,978
Parking system	-	-	6,463	5,339	6,463	5,339
Golf course	-	-	1,407	1,590	1,407	1,590
Total Expenses	226,993	219,811	108,245	99,201	335,239	319,012
Increase (decrease) in net position before transfers	(1,753)	(10,509)	25,503	35,220	23,750	24,712
Transfers	9,632	10,261	(9,632)	(10,261)	-	-
Increase (decrease) in net position	7,878	(247)	15,872	24,959	23,750	24,712
Net position - beginning of year, as previously reported	200,462	200,709	464,646	439,687	665,108	640,396
Restatement for Implementation of GASB Statement No. 75 (Note Q)	(6,310)	-	-	-	(6,310)	-
Net position at beginning of year, as restated	194,153	200,709	464,646	439,687	658,799	640,396
Net position - ending	\$ 202,031	\$ 200,462	\$ 480,518	\$ 464,646	\$ 682,549	\$ 665,108

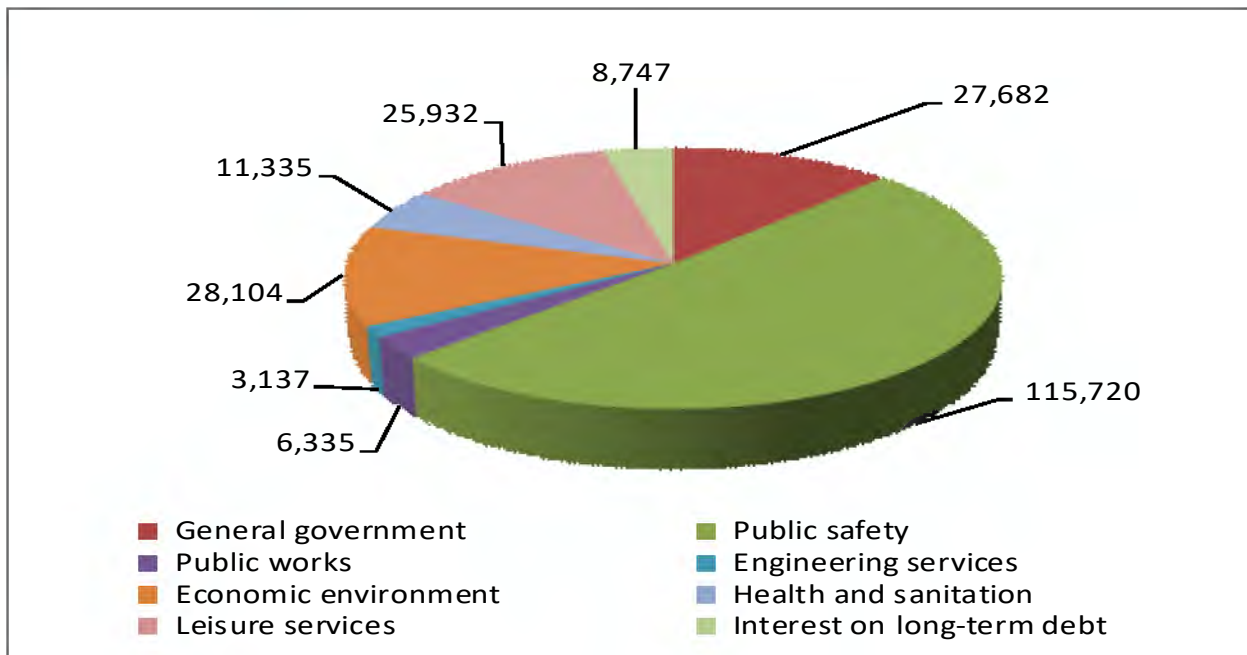
CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018
(UNAUDITED)

The City implemented GASB Statement No. 75 as of October 1, 2017. Information was not available to implement GASB Statement No. 75 for the prior period presented in the management discussion and analysis.

The chart below shows the revenues by source for the City’s governmental activities during fiscal year 2018:



The following chart shows the components of the expenses by function for governmental activities for the year ended September 30, 2018.



CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018
(UNAUDITED)

Financial Analysis of Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. The unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund: The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the General Fund reported fund balance of \$46.2 million; \$15.2 million was committed for the emergency reserve, \$4.0 million was assigned to the 2018-2019 budget, and \$4.7 million was nonspendable and the remaining \$22.3 million was unassigned. General Fund expenditures increased by \$15.6 million primarily due to increased public safety and leisure services expenses. As a measure of the General Fund's liquidity, it may be useful to compare the total fund balance to total expenditures. At year end, the total fund balance represented 28.4% of total General Fund expenditures.

The increase in revenue can be attributed to higher property taxes of and grants and contributions. Charges for services in governmental activities remained comparable to 2017 levels. Governmental expenses increased by \$15.6 million primarily due an increase in general government spending and public safety. These increases were in part, due to lingering Hurricane Irma related costs and other charges incurred to provide quality police and fire protection. Economic environment expense also rose \$5.4 million, reflecting in part enhancements to the City's downtown area through streetscape improvements.

Significant changes in General Fund revenues include an increase in property tax revenue of \$6.5 million or 7.2%, which is attributable to an increase in and total taxable property values. The general fund also realized increased revenues in its charges for services and operating grants Other increase in general fund revenues

Community Redevelopment Agency Funds (CRA): The CRA is an independent agency within the City with defined boundaries. Projects utilizing CRA funds must have executed interlocal agreements from both the CRA and the City. The City maintains two CRA funds: The City Community and the Northwood/Pleasant City district. The revenues from both funds are based on a percentage of total revenues collected at the county level and supplemented by inter-governmental transfers and bond proceeds. Their mandates are similar: to improve the economic health and vitality of the facilities within their district borders.

The Downtown/City Center CRA had revenues of \$32.9 million in fiscal year 2018 and expenditures of \$34 million. The main improvement project that increased expenditures in fiscal 2018 was the Clematis streetscape initiative. The Northwood/Pleasant City District had revenues of \$3.8 million and expenses of \$3.3 million with spending focused on the revitalization of the highway corridors within its boundaries.

CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018
(UNAUDITED)

The total net positions of the major governmental funds for the fiscal years ended September 30, 2018 and 2017 are as follows:

	<u>Net Position</u>	
	<u>2018</u>	<u>2017</u>
General Fund	\$ 46,174	\$ 45,985
Downtown/City Center CRA	23,788	27,504
Northwood/Pleasant City CRA	5,131	4,609
Total	<u>\$ 75,093</u>	<u>\$ 78,098</u>

Proprietary Funds: The City’s two main proprietary funds are the water and sewer system fund and the storm water management system fund. The water and sewage systems fund accounts for the administration operation, debt management, maintenance and payment processing of the city’s water and sewer utility systems. The storm water management system fund provides for the collection of and disposal of storm water and for the regulation of groundwater. The fund accounts for the cost of operating and maintaining the system and financing necessary repairs, replacements, improvements and extensions.

The non-major enterprise funds include the Parking and Golf Funds. The Parking fund is used to account for revenues and expenses related to providing covered garage, metered parking spaces and surface lot parking in the City. The Golf Course Fund was established to account for the operation and maintenance of the West Palm Beach Municipal Golf Course.

The total net positions of the proprietary funds at year-end are as follows:

	<u>2018</u>	<u>2017</u>
	Water and Sewer System Fund	\$ 410,731
Stormwater Utility Fund	54,232	50,391
Non-major Enterprise Funds (Parking & Golf)	15,555	15,329
Total	<u>\$ 480,518</u>	<u>\$ 464,646</u>

General Operating Budgetary Highlights

The City’s Budget staff, within the Finance Department, helps to ensure that General Fund revenues are estimated each year using a comprehensive process involving multiple stakeholders to yield the most reasonable and accurate revenue estimates. It includes an in depth review of past, current and projected financial conditions. The forecast is an integral part of the annual budget process and allows for informed decision-making, with the goal of maintaining financial integrity while delivering essential quality community services to its citizens. The result was a balanced budget generating \$167 million in General Fund revenues to offset \$194.6 million in expenditures and the use of a portion of the prior year’s fund balance and proceeds of sale of capital assets.

CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018
(UNAUDITED)

The General Fund recorded a \$1.4 million negative variance in revenue, primarily due to a shortfall in intergovernmental revenues relative to the budget. Intergovernmental revenues were impacted by the timing of expected FEMA reimbursements related to Hurricane Irma that had been budgeted for fiscal year 2018, but not yet received.

Total General Fund expenditures of \$182.3 million (including encumbrances of \$4 million and \$13.5 million in administrative costs) were lower than the final fiscal year 2018 budget by about \$12.9 million. All expenditure categories were lower than budgeted, although general government expenditures had the largest positive variance of \$3.8 million as hurricane related expenses incurred during fiscal year 2018 were less than anticipated.

Total revenues of the City’s Community Redevelopment Agencies (The Community Redevelopment Agency fund and the Northwood/Pleasant City CRA Fund) were underestimated by approximately \$1 million. The variance is primarily attributed to lower than expected grant revenue during the year. Expenditures during 2018 were also less than budgeted due to the delays incurred in major capital projects ongoing within the CRA communities. Nevertheless, the City continues to promote and provide relocation assistance to its citizens through the residential rehabilitation projects and the home buying program. The city also provided \$40,000 to small businesses and non-provide comprehensive loan programs, training and management and technical assistance to businesses within the City in an effort to support the growth and prosperity of both newly emerging and mature businesses.

Capital Assets and Debt Administration

Capital Assets: The City’s capital assets for its governmental and business-type activities as of September 30, 2018 totaled \$837.1 million (net of accumulated depreciation). The net investment in capital assets was \$429.6 million, an increase of \$17.3 million from the 2017 balances. The increase reflects the delivery of police, fire and sanitation vehicles and equipment purchased through capital leases combined with utility system upgrades, net of depreciation and retirement.

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 82,403	\$ 84,199	\$ 10,399	\$ 10,399	\$ 92,803	\$ 94,598
Buildings	133,822	138,503	24,880	26,773	158,702	165,276
Improvements other than buildings	80,481	72,952	-	-	80,481	72,952
Equipment	29,445	13,125	5,097	4,926	34,542	18,051
Intangible Assets	558	647	-	-	558	647
Infrastructure	473	11,465	388,558	363,225	389,031	374,690
Construction in progress	23,608	25,838	57,385	67,774	80,993	93,613
Total	\$ 350,790	\$ 346,730	\$ 486,319	\$ 473,097	\$ 837,109	\$ 819,827

**CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018
(UNAUDITED)**

The following chart compares the City’s capital assets from 2017 to 2018:



Major capital asset events during the current fiscal year included the following:

Governmental Activities:

- Fire Stations #4 and #8, \$10.8 million
- Clematis Streetscape improvements, \$2.5 million

Business-type Activities:

- Water treatment plan improvement, \$10.9 million
- 42” and 48” PCCP Force Main improvement, \$6.6 million
- Storm water rehab, Pinewood Avenue, \$4.1 million
- Pineapple Park Storm water improvement, \$3.2 million
- Sanitary Sewer and Force Main improvement, \$2.8 million
- Water Main improvements on 31st, 32nd, 33rd, 34th and 35th Streets, \$2.6 million
- Reinstate settled water flume bypass, \$2.3 million
- Storm Sewer Rehab for Florida Avenue and Claremore Drive, \$2.0 million

Additional information on the City’s capital assets can be found in Note G of this report.

Long-term debt: Of the \$662.0 million in noncurrent liabilities, \$505.5 million is in the form of bonded debt. Of this, \$3 million consists of debt backed by the full faith and credit of the government. The remainder of the City’s bonded debt represents bonds secured solely by specified revenue sources. \$283.1 million is secured by water, sewer and storm water fees, and \$128.5 million is secured by covenants to budget and appropriate from legally available non-ad valorem revenues. The CRA’s \$90.9 million of bonded debt is secured by a stand-alone pledge of tax increment revenue.

CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018
(UNAUDITED)

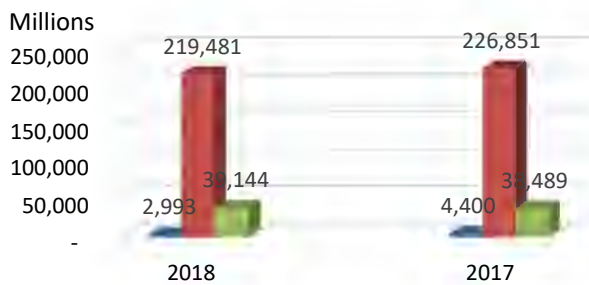
The City's total of bonds, notes payable and leases decreased by \$7 million, or approximately 1%, during the current fiscal year. The decline represents principal payoffs without any new issuances of debt.

The general obligation bonds of the City maintain an underlying rating of "AA" from Standard and Poor's Rating Services, "AA+" from Fitch Ratings, Inc., and an "Aa3" from Moody's Investors Service, Inc. The special obligation bonds of the City maintain an underlying rating of "AA" from Fitch Ratings Inc. and an "Aa3" from Moody's Investors Service, Inc. The Utility System revenue bonds (water, sewer and storm water) have an underlying rating of "AA+" from Standard and Poor's Rating Services, "AA " from Fitch Ratings, Inc., and an "Aa2" from Moody's Investors Service, Inc.

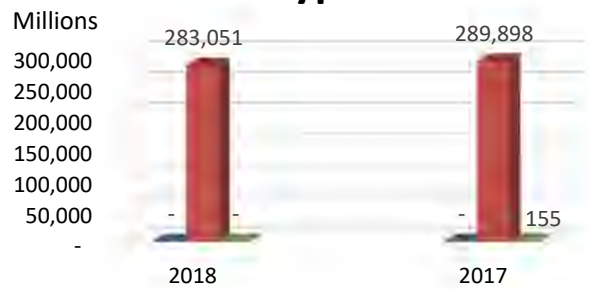
CITY OF WEST PALM BEACH
Schedule of Bonded Debt, Notes and Leases
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 2,985	\$ 4,385	\$ -	\$ -	\$ 2,985	\$ 4,385
General obligation bond premiums	8	15	-	-	8	15
Revenue bonds	205,339	211,372	264,185	269,920	469,524	481,292
Revenue bonds premiums	14,142	15,479	18,866	19,978	33,008	35,457
Total bonds	222,473	231,251	283,051	289,898	505,525	521,149
Notes and leases	39,144	38,489	-	155	39,144	38,644
Total bonds, notes and leases	\$ 261,617	\$ 269,740	\$ 283,051	\$ 290,053	\$ 544,669	\$ 559,793

Governmental Activities



Business-Type Activities



CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018
(UNAUDITED)

Economic Factors and Next Year's Budgets and Rates

The City's next year's budget is consistent with maintaining services to its citizens without raising the millage rate. The City's tax base has continued the upward trend in property values as it experiences positive economic growth. The financial planning strategy includes restructuring debt and prefunding information technology and the City's fleet which began in fiscal year 2016 with a major overhaul of its capital assets. The projected benefits of the capital improvements will be lower repair and maintenance costs, aesthetically improved public areas and an information technology system which will allow the City to take advantage of big data analysis and technological improvements that are congruent with a world class city.

Two key measures of employment are job growth and the unemployment rate. The job market in Florida continues to grow at steady rates, with a 3.4% growth rate for non-farm employment for the third quarter of 2018 compared to the same period last year. As a result the Citizens of the City have largely benefited from the overall positive environment of the State. The City's budget remains below the pre-recession high, but has benefited from the state trend of low unemployment rates and continuing job growth.

Overall the housing market continues to trudge forward, although somewhat slower from the strong growth enjoyed over the past few years. Florida's unemployment rate continues to drift downward and is now below the "full employment" unemployment rate (assumed to be about 4%). The state's actual unemployment rate in October 2018 was lower than the nation at 3.4% compared to 3.7% for the U.S. For the third quarter of 2018, single-family building permits were 13.3% higher than the same period last year, while multi-family building permits were 1.8% higher.

Tourism is a major component of the City's economy and continues to show its strength. The forecast for fiscal year 2019 expects this trend to continue with a projected overall growth of 5.4%, with domestic and international visitors contributing to the growth and compensating for the slight decline expected in Canadian visitors.

There is also the phenomenon, not unique to West Palm Beach, that a rising population is not translating into gains in property tax revenues suggesting a greater proportion of new households are opting to rent rather than buy a home. In 2008, City revenues reached \$196.1 million with a population of 103,663. In 2019, the population is estimated at 110,222, an increase of 6.3%, while tax revenues for that year are estimated to \$184.6 million, representing a 5.9% decline from the 2008 level.

Utility rates are expected to rise as previously approved rate increases for water, wastewater and storm water services are effective October 1, 2018.

The city anticipates some increase in the employer contribution to health insurance premiums as well as pension and other employee benefit costs. Other significant expenses relate to major capital projects as they are constructed or purchased. The City's vision includes just over a dozen capital projects that will transform the City by redesigning key areas while putting people and quality of life at the forefront.

- The "Banyan Street Transformation" will bridge the currently divided downtown and the northwest neighborhood in a safer, more pedestrian and bike friendly manner.
-
- The "Waterfront Promenade Project" involves the redesign of the City's waterfront to make it more people friendly.
-
- The Datura-Evernia Plaza Project will reconfigure the roadway to create a public plaza, an open space that will accommodate outdoor dining, recreation and a tree canopy.

**CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018
(UNAUDITED)**

The projects identified above, among others will usher in an urban renaissance within the City, bringing about positive residual effects in areas of economic development, public health, sustainability and other benefits.

Requests for information

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Director, 401 Clematis Street, West Palm Beach, Florida, 33401





BASIC FINANCIAL STATEMENTS

CITY OF WEST PALM BEACH, FLORIDA
BASIC FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 44,399,169	\$ 26,338,855	\$ 70,738,024
Investments	113,830,642	32,586,677	146,417,319
Receivables, net			
Accounts	14,223,692	14,386,211	28,609,903
Interest	508,707	327,342	836,049
Notes	2,435,869	-	2,435,869
Leins and assessments	390,267	1,639,933	2,030,200
Internal balances	619,535	(619,535)	-
Due from other governments	4,608,729	532,156	5,140,885
Inventory	530,398	714,181	1,244,579
Land held for resale	5,443,575	-	5,443,575
Prepaid items	992,140	51,583	1,043,723
Advances to defined benefit pension plan	3,624,747	-	3,624,747
Investment in direct financing leases	4,453,855	-	4,453,855
Restricted assets:			
Cash, cash equivalents	18,005,747	66,897,055	84,902,802
Investments	12,183,372	113,000,653	125,184,025
Interest on restricted cash and investments	38,107	373,572	411,679
Net pension asset	5,225,240	316,189	5,541,429
Investment in joint venture	1,450,718	38,879,987	40,330,705
Bond insurance costs, net	222,385	150,749	373,134
Capital assets:			
Nondepreciable	106,011,665	67,784,195	173,795,860
Depreciable, net of accumulated depreciation	244,778,903	418,535,439	663,314,342
Total assets	\$ 583,977,462	\$ 781,895,242	\$ 1,365,872,704
DEFERRED OUTFLOW OF RESOURCES			
Interest rate swap	\$ -	\$ 10,755,074	\$ 10,755,074
Deferred loss on refunding	1,122,773	6,760,858	7,883,631
Deferred outflows related to pension	39,060,544	185,008	39,245,552
Total deferred outflow of resources	\$ 40,183,317	\$ 17,700,940	\$ 57,884,257

Continued

The accompanying notes are an integral part of these financial statements.

CITY OF WEST PALM BEACH, FLORIDA
BASIC FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

	Governmental Activities	Business-Type Activities	Total
LIABILITIES:			
Accounts payable and accrued liabilities	\$ 22,105,303	\$ 7,496,975	\$ 29,602,278
Due to other governments	888,561	15,938	904,499
Unearned revenues	2,635,879	-	2,635,879
Deposits payable	1,142,307	9,858,029	11,000,336
Accrued interest payable	516,302	4,678,124	5,194,426
Due within one year:			
Compensated absences payable	652,171	1,350,154	2,002,325
Capital leases payable	4,505,047	-	4,505,047
Notes payable	3,670,952	-	3,670,952
Bonds payable	7,713,496	6,440,000	14,153,496
Insurance claims payable	4,128,239	-	4,128,239
Due in more than one year:			
Unearned revenues	-	312,714	312,714
Compensated absences payable	16,645,604	1,218,701	17,864,305
Capital leases payable	15,486,876	-	15,486,876
Notes payable	15,481,040	-	15,481,040
Bonds payable	214,783,458	276,611,374	491,394,832
Interest rate swap	-	10,755,074	10,755,074
Insurance claims payable	8,542,366	-	8,542,366
Net pension liability	73,676,035	-	73,676,035
Net OPEB liability	72,817	-	72,817
Total liabilities	\$ 392,646,453	\$ 318,737,083	\$ 711,383,536
DEFERRED INFLOW OF RESOURCES			
Deferred inflows related to pension	\$ 29,041,964	\$ 341,274	\$ 29,383,238
Deferred inflows related to OPEB	440,874	-	440,874
Total deferred inflow of resources	\$ 29,482,838	\$ 341,274	\$ 29,824,112
NET POSITION:			
Net Investment in capital assets	163,729,682	265,865,782	429,595,464
Restricted for:			
Operation and maintenance	-	12,477,834	12,477,834
Debt service	-	18,828,530	18,828,530
Capital improvements	24,630,745	-	24,630,745
Renewal and replacement	-	55,377,789	55,377,789
Developer impact fund	-	7,436,050	7,436,050
Grants	8,591,217	-	8,591,217
Pension	5,225,240	316,189	5,541,429
Community development	2,772,931	-	2,772,931
Building code enforcement	14,807,105	-	14,807,105
Unrestricted (deficit)	(17,725,432)	120,215,651	102,490,219
Total net position	\$ 202,031,488	\$ 480,517,825	\$ 682,549,313

The accompanying notes are an integral part of these financial statements.

CITY OF WEST PALM BEACH, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

FUNCTIONS/PROGRAMS:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 27,681,437	\$ 11,843,366	\$ 9,585,341	\$ 7,971,155
Public safety	115,720,542	9,562,540	1,426,149	-
Public works	6,334,984	-	-	-
Economic environment	28,104,578	9,610,743	974,616	1,460,822
Engineering services	3,137,218	767,670	-	-
Health and sanitation	11,335,087	14,703,110	-	-
Leisure services	25,932,163	2,160,205	531,234	-
Interest and fiscal charges	8,746,544	-	-	-
Total governmental activities	226,992,553	48,647,634	12,517,340	9,431,977
Business-type activities:				
Water and sewer system fund	90,032,732	105,901,761	-	3,258,952
Stormwater utility fund	10,342,076	13,806,039	-	-
Parking facilities fund	6,463,060	6,657,465	-	-
West palm beach golf course fund	1,407,394	775,444	-	-
Total business-type activities	108,245,262	127,140,709	-	3,258,952
Total	\$ 335,237,815	\$ 175,788,343	\$ 12,517,340	\$ 12,690,929

General revenue:

Taxes:

- Ad valorem taxes
- Insurance premium taxes
- Licenses and permits
- Business
- Franchise fees
- Utility service taxes
- Sales tax
- State and local shared revenues
- Interest income
- Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year, as previously reported

Restatement for implementation of GASB Statement No. 75

Net position at beginning of year, as restated (Note Q)

Net position at end of year

Continued

The accompanying notes are an integral part of these financial statements.

Net Revenue (Expense) and Change in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ 1,718,425	\$ -	\$ 1,718,425
(104,731,853)	-	(104,731,853)
(6,334,984)	-	(6,334,984)
(16,058,397)	-	(16,058,397)
(2,369,548)	-	(2,369,548)
3,368,023	-	3,368,023
(23,240,724)	-	(23,240,724)
(8,746,544)	-	(8,746,544)
<u>(156,395,602)</u>	<u>-</u>	<u>(156,395,602)</u>
-	19,127,981	19,127,981
-	3,463,963	3,463,963
-	194,405	194,405
-	(631,950)	(631,950)
<u>-</u>	<u>22,154,399</u>	<u>22,154,399</u>
<u>(156,395,602)</u>	<u>22,154,399</u>	<u>(134,241,203)</u>
96,783,498	-	96,783,498
2,797,362	-	2,797,362
1,229,003	-	1,229,003
3,823,282	-	3,823,282
9,462,625	-	9,462,625
21,685,074	-	21,685,074
8,836,682	-	8,836,682
6,447,943	-	6,447,943
2,160,064	2,312,530	4,472,594
1,417,429	1,036,938	2,454,367
9,631,741	(9,631,741)	-
<u>164,274,703</u>	<u>(6,282,273)</u>	<u>157,992,430</u>
7,879,101	15,872,126	23,751,227
200,461,943	464,645,699	665,107,642
(6,309,556)	-	(6,309,556)
<u>194,152,387</u>	<u>464,645,699</u>	<u>658,798,086</u>
<u>\$ 202,031,488</u>	<u>\$ 480,517,825</u>	<u>\$ 682,549,313</u>

The accompanying notes are an integral part of these financial statements.

CITY OF WEST PALM BEACH, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	General Fund	City Center Community Redevelopment Agency Fund	Northwood/ Pleasant City Community Redevelopment Agency Fund	Non-major Governmental	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	\$ 12,207,266	\$ 6,843,781	\$ 1,417,188	\$ 17,350,458	\$ 37,818,693
Investments	32,701,160	18,346,231	3,799,078	41,812,009	96,658,478
Receivable, net					
Accounts	11,774,266	164,439	3,850	1,797,942	13,740,497
Interest	154,366	80,150	16,563	176,247	427,326
Notes	547,418	246,822	-	1,641,629	2,435,869
Liens & assessments	264,018	-	-	126,249	390,267
Due from other funds	2,558,663	-	-	10,474,787	13,033,450
Advances to other funds	617,000	-	-	-	617,000
Due from other governments	1,080,218	58,366	89,405	2,423,501	3,651,490
Inventory	378,338	-	-	60,967	439,305
Land held for resale	-	1,269	-	5,442,306	5,443,575
Prepaid items	36,043	5,000	-	15,028	56,071
Advances to defined benefit pension plan	3,624,747	-	-	-	3,624,747
Investment in direct financing leases	-	-	-	4,453,855	4,453,855
Restricted assets:					
Cash and cash equivalents	-	-	-	13,798,039	13,798,039
Investments	-	-	-	12,183,372	12,183,372
Interest on restricted cash and investments	-	-	-	38,107	38,107
Total assets	65,943,503	25,746,058	5,326,084	111,794,496	208,810,141
LIABILITIES:					
Accounts payable and accrued liabilities	10,291,252	1,642,963	64,119	6,751,713	18,750,047
Deposits payable	834,641	41,447	127,450	20,731	1,024,269
Unearned revenue	2,588,415	-	-	47,464	2,635,879
Due to other governments	721,924	20,002	-	146,635	888,561
Due to other funds	-	-	-	12,813,401	12,813,401
Total liabilities	14,436,232	1,704,412	191,569	19,779,944	36,112,157
DEFERRED INFLOW OF RESOURCES:					
Unavailable revenue	5,332,983	253,169	3,850	802,699	6,392,701
FUND BALANCES:					
Nonspendable	4,656,128	5,000	-	75,995	4,737,123
Restricted	-	23,783,477	5,130,665	77,922,496	106,836,638
Committed	15,223,562	-	-	13,213,362	28,436,924
Assigned	4,005,265	-	-	-	4,005,265
Unassigned	22,289,333	-	-	-	22,289,333
Total fund balances	46,174,288	23,788,477	5,130,665	91,211,853	166,305,283
Total liabilities, deferred inflows and fund balances	\$ 65,943,503	\$ 25,746,058	\$ 5,326,084	\$ 111,794,496	\$ 208,810,141

The accompanying notes are an integral part of these financial statements.

**CITY OF WEST PALM BEACH, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2018**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		\$ 166,305,283
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds		336,565,900
Contractual agreements which were due from other governments are not current financial resources and therefore are not reported in the governmental funds. These contractual obligations were settled in the current fiscal year.		
City park pledged by Palm Beach County Capital asset		(2,002,500) 2,002,500
Intergovernmental revenue is not available to pay for current period expenditures and, therefore, is deferred in the funds.		6,392,701
Other Assets and deferred outflows of resources used in governmental activities are not current financial resources and are not reported in the governmental funds.		
Unamortized bond insurance costs	222,385	
Net pension assets	5,225,240	
Deferred Loss on debt refunding	<u>1,122,773</u>	6,570,398
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Accrued interest payable	(516,302)	
Compensated absences	(16,695,398)	
Capital leases payable	(17,882,548)	
Notes payable	(12,551,748)	
Bonds payable	(222,473,412)	
Arbitrage payable	(23,542)	
Net OPEB liability	(72,817)	
Net pension liability	<u>(73,676,035)</u>	(343,891,802)
Certain deferred inflows/outflows related to pension and OPEB are not reported on the modified accrual basis of accounting.:		
Deferred outflows of resources related to pensions	39,060,544	
Deferred inflows of resources related to pensions	(29,041,964)	
Deferred inflows of resources related to OPEB	<u>(440,874)</u>	9,577,706
Net position of internal service funds are reported with governmental activities		<u>20,511,302</u>
Net position of governmental activities		\$ <u>202,031,488</u>

The accompanying notes are an integral part of these financial statements.

CITY OF WEST PALM BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	General Fund	City Center Community Redevelopment Agency Fund	Northwood/ Pleasant City Community Redevelopment Agency Fund	Non-major Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes	\$ 107,357,984	\$ 19,418,289	\$ 2,263,248	\$ 1,689,039	\$ 130,728,560
Licenses and permits	3,823,282	-	-	10,697,549	14,520,831
Intergovernmental	14,170,339	12,844,773	1,401,457	18,644,812	47,061,381
Charges for services	24,763,965	-	-	3,742,988	28,506,953
Fines and forfeitures	238,638	-	-	13,255	251,893
Rents and royalties	211,804	253,497	-	511,810	977,111
Interest income	729,963	332,316	51,461	803,710	1,917,450
Miscellaneous	939,640	16,122	60,100	709,573	1,725,435
Total revenues	<u>152,235,615</u>	<u>32,864,997</u>	<u>3,776,266</u>	<u>36,812,736</u>	<u>225,689,614</u>
EXPENDITURES:					
Current:					
General government	20,486,522	-	-	26,850	20,513,372
Public safety	95,343,458	-	-	10,973,101	106,316,559
Public works	3,332,658	-	-	1,407,148	4,739,806
Economic environment	250,294	18,410,040	1,408,121	7,143,253	27,211,708
Engineering services	3,111,327	-	-	25,891	3,137,218
Health and sanitation	10,698,145	-	-	-	10,698,145
Leisure services	20,557,309	-	-	5,080,515	25,637,824
Capital outlay	1,292,901	9,209,858	116,344	25,340,299	35,959,402
Debt service:					
Principal	4,706,805	3,052,516	896,165	1,964,141	10,619,627
Interest charges	5,191,832	3,283,558	833,490	431,526	9,740,406
Total expenditures	<u>164,971,251</u>	<u>33,955,972</u>	<u>3,254,120</u>	<u>52,392,724</u>	<u>254,574,067</u>
Excess (deficiency) of revenues over expenditures	<u>(12,735,636)</u>	<u>(1,090,975)</u>	<u>522,146</u>	<u>(15,579,988)</u>	<u>(28,884,453)</u>
OTHER FINANCING SOURCES (USES):					
Capital leases	-	-	-	5,927,953	5,927,953
Proceeds from sale of capital assets	13,300,760	-	-	351,807	13,652,567
Transfers in	11,785,442	75,684	19	12,998,322	24,859,467
Transfers out	(12,160,946)	(2,700,631)	-	(5,299,864)	(20,161,441)
Total other financing sources (uses)	12,925,256	(2,624,947)	19	13,978,218	24,278,546
Net change in fund balances	189,620	(3,715,922)	522,165	(1,601,770)	(4,605,907)
Fund balances - beginning	45,984,668	27,504,399	4,608,500	92,813,623	170,911,190
Fund balances - ending	<u>\$ 46,174,288</u>	<u>\$ 23,788,477</u>	<u>\$ 5,130,665</u>	<u>\$ 91,211,853</u>	<u>\$ 166,305,283</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF WEST PALM BEACH, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (4,605,907)

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period:

Capital outlay	35,959,402	
Depreciation expense	<u>(21,166,157)</u>	14,793,245

The net effect of various transactions involving capital assets (5,244,181)

Sale of property (8,828,069)

Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in governmental funds

Intergovernmental revenues	974,616	
Charges for services	<u>(1,390,333)</u>	(415,717)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts (except for issuance costs) are capitalized and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Issuance of capital leases	(5,927,953)	
Principal repayment on notes payable	889,003	
Principal repayment on capital leases	2,298,108	
Principal repayment on bonds payable	<u>7,432,516</u>	4,691,674

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in net pension asset (liability)	17,254,704	
Change in deferred inflows/outflows related to pension	(14,313,589)	
Change in deferred inflows/outflows related to other post-employment liability	(440,874)	
Change in other post-employment benefits	(460,106)	
Change in accrued Interest Payable	16,990	
Change in deferred loss on refunding	(126,643)	
Amortization of bond issuance costs	(15,075)	
Amortization of bond premiums	1,347,547	
Compensated absences	<u>(997,552)</u>	2,265,402

The internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain activities of the internal service funds is reported with governmental activities. 5,222,654

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 7,879,101

The accompanying notes are an integral part of these financial statements.

CITY OF WEST PALM BEACH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2018

	Business-Type Enterprise Funds				Governmental
	Water	Stormwater	Non-Major	Totals	Internal
	and Sewer System Fund	Utility Fund	Enterprise Funds		Service Funds
ASSETS:					
Current unrestricted assets:					
Cash and cash equivalents	\$ 10,304,965	\$ 9,164,426	\$ 6,869,464	\$ 26,338,855	\$ 6,580,476
Investments	27,626,132	3,418,469	1,542,076	32,586,677	17,172,164
Receivables (net):					
Accounts	12,666,523	1,618,591	101,097	14,386,211	483,195
Interest	243,570	57,357	26,415	327,342	81,381
Leins and assessments	1,270,257	369,676	-	1,639,933	-
Due from other funds	-	-	113,537	113,537	36,277
Due from other governments	400,574	62,326	69,256	532,156	957,239
Inventory	684,055	-	30,126	714,181	91,093
Prepaid items	40,744	-	10,839	51,583	936,069
Current restricted assets:					
Cash and cash equivalents	6,523,824	1,108,175	18,339	7,650,339	4,207,708
Investments	14,520,771	1,808,076	6,114	16,334,960	-
Total current assets	74,281,415	17,607,096	8,787,263	100,675,774	30,545,602
Noncurrent assets:					
Restricted Cash and cash equivalents	46,106,728	13,139,988	-	59,246,716	-
Restricted investments	75,226,765	21,438,928	-	96,665,693	-
Interest receivable	300,509	73,063	-	373,572	-
Net pension asset	316,189	-	-	316,189	-
Investment in joint venture	38,879,987	-	-	38,879,987	1,450,718
Unamortized bond insurance costs	129,922	20,827	-	150,749	-
Capital assets:					
Non-depreciable	57,164,387	6,392,236	4,227,572	67,784,195	-
Depreciable, net	354,457,822	60,051,871	4,025,746	418,535,439	14,224,667
Total noncurrent assets	572,582,309	101,116,913	8,253,318	681,952,540	15,675,385
Total assets	646,863,724	118,724,009	17,040,581	782,628,314	46,220,987
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow-interest rate swap	9,378,425	1,376,649	-	10,755,074	-
Deferred outflow-loss on defeased debt	4,673,364	2,087,494	-	6,760,858	-
Deferred outflow-pension	185,008	-	-	185,008	-
Total deferred outflows of resources	14,236,797	3,464,143	-	17,700,940	-

Continued

The accompanying notes are an integral part of these financial statements.

CITY OF WEST PALM BEACH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2018

	Business-Type Enterprise Funds			Totals	Governmental
	Water and Sewer System Fund	Stormwater Utility Fund	Non-Major Enterprise Funds		Internal Service Funds
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued liabilities	3,667,141	177,888	484,843	4,329,872	3,355,256
Due to other governments	-	-	15,938	15,938	-
Due to other funds	-	-	116,072	116,072	253,791
Compensated absences payable	1,112,274	157,567	80,313	1,350,154	322,833
Capital lease obligations - current	-	-	-	-	1,041,491
Notes payable, current	-	-	-	-	1,092,582
Insurance claims payable	-	-	-	-	4,128,239
Current liabilities payable from restricted assets:					
Accounts payable and accrued liabilities	2,868,933	298,170	-	3,167,103	-
Accrued interest payable	3,524,253	1,153,871	-	4,678,124	-
Deposits payable	9,833,576	-	24,453	9,858,029	118,038
Bonds payable current	4,975,790	1,464,210	-	6,440,000	-
Total current liabilities	25,981,967	3,251,706	721,619	29,955,292	10,312,230
Noncurrent liabilities:					
Advance payable to General Fund	-	-	617,000	617,000	-
Unearned revenue	195,505	49,994	67,215	312,714	-
Compensated absences payable	975,958	163,029	79,713	1,218,700	279,544
Capital lease obligation - long term	-	-	-	-	1,067,883
Notes payable, long term	-	-	-	-	5,507,662
Bonds payable, net	213,496,846	63,114,529	-	276,611,375	-
Interest rate swap	9,378,425	1,376,649	-	10,755,074	-
Insurance claims payable, long term	-	-	-	-	8,542,366
Total noncurrent liabilities	224,046,734	64,704,201	763,928	289,514,863	15,397,455
Total liabilities	250,028,701	67,955,907	1,485,547	319,470,155	25,709,685
DEFERRED INFLOWS OF RESOURCES					
Pension related items	341,274	-	-	341,274	-
NET POSITION					
Net investment in capital assets	229,104,007	28,508,457	8,253,318	265,865,782	6,310,079
Restricted for:					
Operation and maintenance	11,265,915	1,211,919	-	12,477,834	-
Debt service	15,367,953	3,460,577	-	18,828,530	-
Renewal and replacement	50,668,362	4,709,427	-	55,377,789	-
Developer impact fund	7,436,050	-	-	7,436,050	-
Restated employees pension	316,189	-	-	316,189	-
Unrestricted	96,572,070	16,341,865	7,301,716	120,215,651	14,201,223
Total net position	\$ 410,730,546	\$ 54,232,245	\$ 15,555,034	\$ 480,517,825	\$ 20,511,302

The accompanying notes are an integral part of these financial statements.



CITY OF WEST PALM BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Business-Type Enterprise Funds				Governmental Activities
	Water and Sewer System Fund	Stormwater Utility Fund	Non-Major Enterprise Funds	Totals	Internal Service Funds
OPERATING REVENUES:					
Charges for services	\$ 104,764,484	\$ 13,785,784	\$ 6,413,158	\$ 124,963,426	\$ 55,594,427
Fines	1,137,277	-	1,019,751	2,157,028	-
Equity in gain of joint ventures	-	-	-	-	490,404
Miscellaneous and other	558,546	6,596	287,176	852,318	271,459
Total operating revenues	106,460,307	13,792,380	7,720,085	127,972,772	56,356,290
OPERATING EXPENSES:					
Personnel services	23,200,071	2,197,798	1,311,948	26,709,817	7,413,159
Contractual services	11,337,979	1,533,583	2,594,271	15,465,833	11,605,894
Utilities	2,673,290	154,392	375,890	3,203,572	388,039
Repair and maintenance	6,187,598	832,816	1,112,333	8,132,747	907,250
Other supplies and expenses	11,250,597	706,938	990,234	12,947,769	4,047,713
Depreciation	12,962,910	2,318,043	1,133,011	16,413,964	561,512
Insurance claims and expenses	475,481	104,583	306,452	886,516	30,997,655
Equity in loss of joint ventures	5,908,551	-	-	5,908,551	-
Wastewater treatment and disposal	7,567,368	-	-	7,567,368	-
Total operating expenses	81,563,845	7,848,153	7,824,139	97,236,137	55,921,222
Operating income (loss)	24,896,462	5,944,227	(104,054)	30,736,635	435,068
NONOPERATING REVENUES (EXPENSES):					
Interest income	1,824,744	418,795	68,991	2,312,530	242,614
Interest expense	(8,468,887)	(2,493,923)	(46,315)	(11,009,125)	(228,961)
Gain (loss) on disposal of capital assets	184,620	20,255	-	204,875	(159,782)
Total non-operating revenues (expenses)	(6,459,523)	(2,054,873)	22,676	(8,491,720)	(146,129)
Income (loss) before contributions and transfers	18,436,939	3,889,354	(81,378)	22,244,915	288,939
TRANSFERS, CONTRIBUTIONS AND OTHER:					
Capital contributions - impact fees	1,146,670	-	-	1,146,670	-
Capital contributions - grants	2,112,282	-	-	2,112,282	-
Transfers in	477,116	-	863,570	1,340,686	5,058,981
Transfers out	(10,368,321)	(48,400)	(555,706)	(10,972,427)	(125,266)
Change in net position	11,804,686	3,840,954	226,486	15,872,126	5,222,654
Net position - beginning	398,925,860	50,391,291	15,328,548	464,645,699	15,288,648
Net position - ending	\$ 410,730,546	\$ 54,232,245	\$ 15,555,034	\$ 480,517,825	\$ 20,511,302

The accompanying notes are an integral part of these financial statements.

CITY OF WEST PALM BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Business-Type Activities				Governmental
	Enterprise Funds			Totals	Activities
	Water and Sewer System Fund	Stormwater System Fund	Non-Major Enterprise Funds		Internal Service Funds
Cash Flows From Operating Activities:					
Cash received from customers	\$ 103,981,515	\$ 13,861,007	\$ 6,411,673	\$ 124,254,195	\$ 55,837,322
Cash payments to suppliers/contractors	(39,829,360)	(3,634,961)	(5,284,490)	(48,748,811)	(15,926,311)
Cash payments to employees	(23,064,029)	(2,169,132)	(1,286,519)	(26,519,680)	(7,414,265)
Other operating receipts	1,420,931	6,596	1,203,389	2,630,916	271,457
Cash payments for insurance	-	-	-	-	(31,541,486)
Net cash provided by operating activities	42,509,057	8,063,510	1,044,053	51,616,620	1,226,717
Cash Flows From Noncapital Financing Activities:					
Transfers in	477,116	-	863,570	1,340,686	5,058,981
Transfers out	(10,368,321)	(48,400)	(555,706)	(10,972,427)	(125,266)
Receipts due from other funds	-	(49,994)	-	(49,994)	-
Net cash provided by (used for) non-capital financing activities	(9,891,205)	(98,394)	307,864	(9,681,735)	4,933,715
Cash Flows From Capital and Related Financing Activities:					
Acquisition/construction of capital assets	(31,926,271)	(2,488,298)	(322,150)	(34,736,719)	(2,775,060)
Principal paid on bonds	(5,238,228)	(1,607,956)	-	(6,846,184)	-
Principal paid on notes and leases	-	-	-	-	(2,086,111)
Payments to fiscal agent on refunded debt	-	-	(271,270)	(271,270)	-
Bond issuance costs	-	158,757	-	158,757	-
Interest and fees paid on long term debt	(7,231,641)	(2,297,890)	(46,315)	(9,575,846)	(228,961)
Capital contributions from impact fees	1,146,670	-	-	1,146,670	-
Capital grants	2,112,282	-	-	2,112,282	-
Proceeds from sale of capital assets	184,620	20,255	-	204,875	716,824
Net cash used for capital and related financing activities	(40,952,568)	(6,215,132)	(639,735)	(47,807,435)	(4,373,308)
Cash Flows From Investing Activities:					
Purchases of investments	(2,586,036)	-	-	(2,586,036)	(1,232,798)
Sales of investments, net	-	2,775,467	3,157,196	5,932,663	-
Interest on investments	1,784,659	402,081	64,058	2,250,798	226,022
Net cash provided by (used for) investing activities	(801,377)	3,177,548	3,221,254	5,597,426	(1,006,776)
Net increase (decrease) in cash and cash equivalents	(9,136,093)	4,927,532	3,933,436	(275,124)	780,348
Cash and cash equivalents beginning of year	72,071,610	18,485,057	2,954,367	93,511,034	10,007,836
Cash and cash equivalents end of year	\$ 62,935,517	\$ 23,412,589	\$ 6,887,803	\$ 93,235,910	\$ 10,788,184
Displayed as:					
Unrestricted cash and cash equivalents	10,304,965	9,164,426	6,869,464	26,338,855	6,580,476
Restricted cash and cash equivalents	52,630,552	14,248,163	18,339	66,897,055	4,207,708
Total cash and cash equivalents	\$ 62,935,517	\$ 23,412,589	\$ 6,887,803	\$ 93,235,910	\$ 10,788,184

Continued

The accompanying notes are an integral part of these financial statements.

**CITY OF WEST PALM BEACH, FLORIDA STATEMENT
OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Business-Type Activities Enterprise Funds			Totals	Governmental Activities
	Water and Sewer System Fund	Stormwater System Fund	Non-Major Enterprise Funds		Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ 24,896,462	\$ 5,944,227	\$ (104,054)	\$ 30,736,635	\$ 435,068
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	12,962,910	2,318,043	1,133,011	16,413,964	561,512
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(1,193,626)	(4,402)	(14,220)	(1,212,248)	(451,889)
(Increase) decrease in (gain) loss in joint venture	5,908,551	-	-	5,908,551	(490,403)
(Increase) decrease in liens receivable	236,444	53,037	-	289,481	-
(Increase) decrease in due from other funds	-	-	(113,537)	(113,537)	248,871
(Increase) decrease in due from other governments	(274,892)	-	22,735	(252,157)	-
(Increase) decrease in inventory	(71,804)	-	3,043	(68,761)	-
Decrease in prepaid expenses	(5,492)	-	-	(5,492)	36,787
Decrease in net pension asset	(111,012)	-	-	(111,012)	-
Increase (decrease) in accounts payable and accrued liabilities	(259,751)	(302,649)	95,221	(467,179)	835,889
Increase in due to other governments	-	-	903	903	-
Increase in due to other funds	(303,339)	(23,406)	(4,478)	(331,223)	239,964
Increase in compensated absences payable	43,359	28,666	25,429	97,454	(1,106)
Increase in unearned revenue	195,505	49,994	-	245,499	-
Increase in deferred inflow-pension	203,695	-	-	203,695	-
Increase in deposits payable	282,047	-	-	282,047	(182,755)
Decrease in insurance claims payable	-	-	-	-	(5,221)
Total adjustments	17,612,595	2,119,283	1,148,107	20,879,985	791,649
Net cash and cash equivalents provided by operating activities	\$ 42,509,057	\$ 8,063,510	\$ 1,044,053	\$ 51,616,620	\$ 1,226,717
Schedule of non-cash capital and related financing and investing activities:					
Change in fair value of investments	\$ (908,201)	\$ (222,053)	\$ (50,179)	\$ (1,180,433)	\$ (82,304)

The accompanying notes are an integral part of these financial statements.

CITY OF WEST PALM BEACH, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2018

ASSETS:

Cash and cash equivalents	\$ 5,668,129
Receivables:	
Plan members	98,458
Drop loans	1,795,179
Interest and dividends	660,228
Other	519,025
Total receivables	<u>3,072,890</u>
Investments:	
Money market	7,735,250
U.S. Government obligations	57,978,902
U.S. Government agencies	14,905,451
Corporate obligations	28,741,669
Equity securities	30,723,501
Domestic stocks	149,778,257
Domestic equity investment funds	177,278,830
Domestic fixed income investment funds	21,483,218
Domestic private equity investment funds	3,720,959
Fixed income mutual fund	4,175,562
International equity investment funds	75,218,003
International fixed income investment funds	10,421,715
Real estate investment trust funds	81,807,658
Total investments	<u>663,968,975</u>
Prepaid expenses	<u>1,275,462</u>
Total assets	<u>673,985,456</u>

LIABILITIES:

Accounts payable and accrued liabilities	1,256,582
Advanced contribution from the City	<u>3,624,747</u>
Total liabilities	<u>4,881,329</u>

NET POSITION:

Net position restricted for pensions and OPEB	<u>\$ 669,104,127</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF WEST PALM BEACH, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

Additions

Contributions:

Plan members	\$ 7,381,251
Insurance premium taxes collected by the State of Florida on behalf of the City of West Palm Beach	2,797,362
City of West Palm Beach	13,655,365
Total contributions	<u>23,833,978</u>

Investment income:

Net appreciation in fair value of investments	49,946,912
Interest and dividends	12,877,215
Class action revenue	56,749
Rebates and other revenue	24,932
	<u>62,905,808</u>
Less investment expense	2,055,899
Net investment income	<u>60,849,909</u>
Total additions	<u>84,683,887</u>

Deductions

Participant benefit payments	38,922,394
Refunds of participant contributions	328,073
Administrative expenses	610,940
Total deductions	<u>39,861,407</u>

Net increase in net position 44,822,480

Net position restricted for pensions and OPEB:

Beginning of year	<u>624,281,647</u>
End of year	<u>\$ 669,104,127</u>

The accompanying notes are an integral part of these financial statements.



CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The City of West Palm Beach (the "City") was incorporated under the General Law of the State of Florida on November 5, 1894. The first Charter was granted by Chapter 5367, Laws of Florida, in 1903 and became effective September 18 of that year. The City is governed by a mayor and a five-member board of commissioners (the "City Commission"), all of which are elected City-wide by vote of City residents. The City operates under a strong mayor form of government. The City provides services as listed in the Statement of Activities.

(1) Financial Reporting Entity

The basic financial statements of the City have been prepared in accordance with generally accepted accounting principles ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the standard setting body for governmental accounting and financial reporting. The following is a summary of the City's significant accounting policies. As required by accounting principles generally accepted in the United States of America, the accompanying financial statements present the City and its component units.

(2) Blended Component Units

The criteria for including component units consist of the identification of legally separate organizations for which the elected officials of the City are financially accountable. This criteria also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are in substance, part of the government's operations and so data from these units are combined with information of the primary government. The City has no discretely presented component units.

The Community Redevelopment Agency of West Palm Beach ("CRA") was established on September 10, 1984 by the City under Ordinance No 1805-84 (Redevelopment Act) pursuant to the "Community Redevelopment Act of 1969" and Chapter 163, Part III of the Florida Statutes. The five member board, comprised of the elected City commissioners, governs the CRA. Although it is legally separate from the City, the CRA is reported as part of the primary government because it shares a common governing body with the city and its sole purpose is to finance and redevelop the City's designated redevelopment areas.

The CRA has two redevelopment areas, each of which is presented as a major governmental fund. The two funds are the City Center Community Redevelopment Agency Fund ("City Center CRA Fund") and the Northwood/Pleasant City Community Redevelopment Agency Fund ("Northwood/Pleasant City CRA Fund").

The West Palm Beach Municipal Golf Course (the "Golf Course") is a legally separate dependent special City created in February 1993 by City of West Palm Beach Ordinance 2609-93. The Golf Course was formerly governed by the West Palm Beach Golf Commission, whose members were appointed by the City Commission from a slate of candidates supplied by the Golf Commission. On November 3, 2003, the City Commission passed Emergency Ordinance E01-03 (the "Ordinance") which suspended the West Palm Beach Golf Commission as of November 24, 2003. The Ordinance established the City Commission as the interim governing body of the Golf Course. Because the Golf Course shares a common governing body with the City and the City's management has operational responsibility for the Golf Course, it is reported in these financial statements as a blended component unit, specifically a non-major enterprise fund.

(3) Pension Trust Funds

The West Palm Beach Restated Employees' Defined Benefit Retirement System ("Restated Employees' Retirement System"), the West Palm Beach Firefighters' Pension Fund ("Firefighters' Pension"), and the West Palm Beach Police Pension Fund ("Police Pension") (collectively, the "Pension Trust Funds") are each separate entities established to account for the financial activity of the separate pension plans. A board of trustees governs each plan.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The board of the Restated Employees' Retirement System is comprised of the Mayor, or designee, City Administrator, or designee, Chief Financial Officer, or designee, a citizen appointed by the Mayor and approved by the Commission, two members elected by the plan participants, and one retiree elected by the retirees. The Firefighters' Pension and Police Pension boards are each comprised of five members, two are elected by and from the plan membership, two are citizens of the City.

The City is obligated to fund liabilities of each pension plan based upon actuarial valuations. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Pension Trust Funds and the OPEB Trust Fund are accounted for as pension trust (fiduciary) funds and are not incorporated into the government-wide statements except as described below. Actuarial data for these funds is disclosed in the notes to the financial statements and in the Required Supplementary Information section. The net pension liability and the annual pension expense for the Pension Trust Funds (excluding the OPEB Trust Fund) are reported in the Government-Wide financial statements and in the fund level Enterprise Fund statements, as appropriate. The Pension Trust Funds and the OPEB Trust Fund constitute all funds included in the accompanying statements of fiduciary net position and changes in fiduciary net position under the Pension Trust Funds caption.

(4) Joint Venture

The City is a participant with the East Central Regional Wastewater Treatment Facilities (ECR) in a joint venture to receive, treat and dispose of sewage generated within each member municipality. The City has an ongoing financial interest in this joint venture, which is discussed in Note E.

(5) Other Related Organizations

The West Palm Beach Downtown Development Authority ("DDA") is a separate legal entity. DDA members are appointed by the Mayor and ratified by the City Commission and may be removed for cause by a four-fifths majority. There is no financial benefit or burden to the City and the City has no authority over the day-to-day operations. The West Palm Beach Housing Authority ("Housing Authority") is also a separate legal entity. Housing Authority commissioners are appointed by the Mayor and approved by the City Commission. There is no financial benefit or burden to the City and the City has no authority over day-to-day operations. As such, neither of these organizations is included in the accompanying financial statements.

(6) Government-wide and fund financial statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. As part of the consolidation process, inter-fund activities are eliminated to avoid distorted financial results. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely extensively on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other than for depreciation, indirect expenses are not allocated to specific functions. Taxes and other items program revenues are reported as general revenues.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Separate fund financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Fiduciary funds and component units that are fiduciary in nature (i.e. the Pension and OPEB Trust Funds) are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the Internal Service Funds of a government (which traditionally provide services primarily to other funds of the government) in summary form as part of the proprietary fund financial statements.

Since the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental activities column when presented at the governmental-wide level. To the extent possible, the costs of these services are reflected in the appropriate governmental activities.

(7) Measurement focus, basis of accounting, and financial statement presentation

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flow. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when earned, measurable, and available to finance expenditures of the current period. Revenues are considered to be available for the current period when they are collected within the fiscal year being reported on or soon enough thereafter to pay liabilities of that fiscal year. The City considers revenues, other than those related to state and federal expenditure driven grants, to be available if they are collected within 60 days of the end of the fiscal year being reported on.

Revenues related to expenditure driven grants are considered to be available when collected within one year of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Expenditures related to pension and other postemployment benefits are recognized when the City has made a decision to fund those obligations with current available resources.

Property taxes when levied for the fiscal year, public service taxes, franchise taxes, intergovernmental revenues for which eligibility requirements have been met, charges for services such as licenses, refuse, and recycling and interest income associated with the current fiscal period are all considered to be measurable and have been recognized as revenues of the period, if available. Special assessments are recorded as revenues only to the extent that individual installments are measurable and available.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures incurred. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if susceptible to accrual.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts comprised of assets, deferred outflows, liabilities, deferred inflows, fund balance or net position, revenues, and expenditures or expenses. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Accounting principles generally accepted in the United States of America set forth minimum criteria (percentage of the assets plus deferred outflows, liabilities plus deferred inflows, revenues or expenditures/expenses of either fund category and the governmental and enterprise combined), for the determination of major funds. The City electively added funds, as major funds, which either have significant outstanding debt proceeds or a specific community focus. The aggregated non-major funds are presented in one column in the fund financial statements.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in a separate fund.

The City Center Community Redevelopment Agency Fund accounts for revenue received from tax increment financing. The fund is restricted for carrying out redevelopment activity in the designated downtown redevelopment area.

The Northwood/Pleasant City CRA Fund accounts for revenue received from tax increment financing. These funds are restricted for carrying out redevelopment activity in the Northwood/Pleasant City designated area. While not required to be a major fund, this Northwood/Pleasant City CRA Fund is deemed a major fund and is reported separately due to its high level of public interest.

The City reports the following major proprietary funds:

The Water and Sewer System Fund accounts for the activities related to providing water and sewer services to the public.

The Stormwater Utility Fund was established to maintain the City's canals, basins and storm sewers.

In addition, the City reports the following other funds:

Internal Service Funds account for services provided to other departments of the City on a cost reimbursement basis. These services include information technology, fleet management, risk management and insurance (employee life/health insurance, workers' compensation, general liability insurance, and property insurance), vehicle fleet replacement, and technology replacement.

Pension and OPEB trust funds account for the activities of the OPEB Trust, General Employees' Retirement System and the Police and Firefighters' Retirement System, which accumulate resources for pension and benefit payments to qualifying City employees.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's enterprise funds and the General Fund as well as cost reimbursement transactions between the enterprise funds and various other functions of City government. Elimination of these charges would distort the direct costs and program revenues reported for those sectors.

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 a proprietary fund's principal ongoing operations.

The principal operating revenues of the enterprise funds and the internal service funds are charges to customers for sales and services. The Water and Sewer System Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

(8) Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance

Cash and Cash Equivalents

The City maintains a cash and investment pool available for use by all funds. The City's cash and investment pool allows individual funds, at any time, to deposit additional cash or make withdrawals without prior notice or penalty. Cash and cash equivalents reported in the government-wide financial statements include cash on hand, all highly liquid deposits, and investments with maturities of three months or less as of the date of purchase. Interest earned on pooled cash and investments is allocated to funds based on average weekly balances. The City's banking contract requires that a compensating balance be maintained. This balance is adjusted quarterly based on charges for services utilized by the City in the prior quarter and the City's earnings credit rate (an interest factor on collected funds).

Investments

Primary Government:

Investments are stated at fair value. Income from investments held by the individual funds is recorded in the respective fund as it is earned. All other investments owned by the City are accounted for in the City's investment pool. Income earned from this pool is allocated to the respective funds based upon average monthly equity balances.

Pension and Other Pension Employment Obligation Benefit (OPEB) Plans:

The Pension Plans are authorized to invest in obligations of the U.S. Treasuries and US Agencies, high capitalization common and preferred domestic and international equities, fixed income investments, money market and mutual funds. The Police Plan may also invest in mortgage-related securities or asset-backed securities not issued by the U.S. government or agency. The General Employees' Restated Defined Retirement System has adopted an investment policy to allocate fund assets to US Treasuries, US Agencies, corporate bonds, fixed income mutual funds. The investments of the plans are managed by independent investment managers in accordance with the plan provisions as established by each pension board. In all cases, the general investment objective is to obtain a reasonable total return as defined as interest and dividend income plus realized and unrealized capital gains or losses commensurate with the prudent investor rule and Chapters 175 and 185 of the Florida Statute.

The City does not have a formal investment policy for the OPEB Plan and follows the policy established by the primary government.

Interfund Receivables and Payables

Activity between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year of a short-term nature and any other outstanding balances between funds are reported as due to and due from other funds. The long-term portion of any borrowings between funds is reported as advances to and from other funds. Long-term advances of the governmental funds are recorded by the advancing fund as a receivable and non-spendable fund balance. Any residual outstanding balances between the governmental activities and business-type activities at year-end are reported in the government-wide financial statements as internal balances.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Receivables

Receivables include amounts due from other governments, and other services provided by the City are recorded when the revenue is earned. All accounts and notes receivable are reported net of any allowances for uncollectible. Allowances for uncollectible receivables are based upon a review of accounts and the knowledge of the creditor's ability to pay. Notes receivables are analyzed for collectability based on terms and conditions of the agreements and are included in the allowance for uncollectible if deemed appropriate.

Inventories

Inventories consist of materials and supplies held for consumption, are stated at the lower of cost or market value on a first-in, first-out basis. Perpetual inventory records are maintained and adjusted periodically to physical inventory amounts. The consumption method is used to account for inventories. Under the consumption method, inventories are recorded as expenditures at the time inventory items are used, rather than purchased.

Prepaid Items

Prepaid items represent payments made to vendors for services that will benefit the period beyond September 30, 2018. These services are recorded as expenditures/expenses when consumed.

Restricted Assets

Proceeds of the City's enterprise fund revenue bonds, as well as other resources set aside in accordance with bond covenants, as well as resources set aside for their repayment, are classified as restricted on the fund level Statement of Net Position of the enterprise funds. Restricted long-term assets are not required to be presented on the balance sheets of the governmental funds under the modified accrual basis of accounting; however, certain assets of these funds are restricted as to use.

Investment in Joint Ventures

The City accounts for its investments in joint ventures using the equity method in accordance with GAAP and the respective agreements creating the venture.

Capital Assets

Capital assets are stated at historical cost or, if donated, the acquisition value at the date of donation and are reported in the applicable governmental or business-type activities columns in the government-wide and proprietary fund financial statements.

The City capitalizes all acquisitions of tangible and intangible property expected to be held for more than one year and which have a minimum cost of \$25,000 for buildings and infrastructure or a minimum cost of \$10,000 for all other assets. Interest incurred during the construction phase of capital assets of the business-type activities, net of related interest revenue, is included as part of the capitalized value of the assets constructed.

Expenditures that materially extend the useful life of existing properties are capitalized. The cost of property sold or retired, together with the related accumulated depreciation, is removed from the appropriate accounts, and any resulting gain or loss is included in change in net position.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Depreciation on property, plant and equipment is recorded in the Proprietary Fund statements and in the Government-Wide Statement of Activities. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets which are:

Buildings	20 – 40 years
Improvements	15 – 40 years
Infrastructure	30 – 40 years
Equipment	5 – 10 years
Intangibles (primarily software)	5 years

In governmental funds, the acquisition or construction costs of capitalized assets are reported as expenditures and no depreciation is recorded.

Compensated Absences

Employees earn vacation and sick leave in varying amounts based on length of service. Upon termination, employees are paid 100% of accumulated vacation (and similar leave types) at current base hourly rates. Vacation accumulation is capped at a maximum number of hours depending on employee category and bargaining unit. Employees who are categorized as confidential and those who are in the Service Employees International Union and National Conference of Firemen and Oilers bargaining units are compensated for accumulated sick leave, not to exceed 960 hours, upon termination of employment as follows: after 15 or more years of service compensation is at 75% of the employee’s current hourly rate of pay and after 10 years but less than 15 years of service, compensation is at 50% of employee’s current hourly rate of pay. All other City employees are compensated for accumulated sick leave, not to exceed 960 hours, upon termination after at least 10 years of service at a rate of 50% of the employee’s current hourly rate of pay.

The current portion of compensated absences payable is the amount estimated to be used or paid in the following fiscal year. The liability for earned compensated absences is reported at the government-wide level and in the proprietary fund financial statements. In governmental funds, a liability is only recorded for amounts due as a result of employee resignations or retirement.

Estimated Claims Payable

The City is self-insured for general liability, automobile liability, police professional liability, workers' compensation, employee relations and certain death benefits and medical plans. The operating funds are charged premiums by the Insurance internal service fund. The accrued liability for estimated claims represents an estimate of the eventual loss on claims arising prior to year-end, including claims incurred and not yet reported.

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statement of net position. Bond premiums and discounts are recorded as direct additions to or deductions from the related debt and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premiums and discounts.

In the governmental fund financial statements, bond premiums and discounts are recognized during the current period. The face amount of debt issued and any premiums received are reported as other financing sources while discounts are reported as other financing uses.

Bond premiums or discounts are amortized over the life of the bonds using the effective interest method. Deferred amounts on refunding are amortized over the shorter of the remaining life of the old debt or the life of the new debt using the effective interest method and reported as deferred outflows of resources. Issuance costs are expensed in the year of issuance, except for prepaid bond insurance costs.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Pensions

For the purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's General Employees' Retirement Plan, Police Officers' Retirement Plan and the Firefighters' Retirement Plan (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Investments in real estate are recorded at market using valuation techniques such as the market approach or the income approach for which sufficient and reliable data is available.

Other Post-Employment Benefits (OPEB)

For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Other Post-Employment Trust and additions to/deductions from OPEB fiduciary net position have been determined on the same basis as they are reported by the OPEB plan.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City reports deferred loss on refunding, accumulated decrease in fair value of derivative instruments, change in pension assumptions and difference between projected and actual earnings on pension investments.

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

The accumulated decrease in fair value of hedging derivative instruments is reported in the government-wide statement of net position. Changes in pension plan assumptions are deferred and amortized over the average of the expected remaining service lives of employees that are provided with benefits through the pension plan. Difference between projected and actual earnings on pension investments are deferred and amortized over five years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that period.

The City has two items that qualify for reporting in this category: (1) Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, assessments, and grant revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. (2) Certain amounts related to pensions must be deferred.

Differences between expected and actual experience and change in pension assumptions are deferred and amortized over the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Balance and Net Position

In the fund financial statements, governmental funds report fund balance classifications based on the level of constraint on the resources. Amounts which are restricted to specific purposes either by (a) constraints 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 which can only be appropriated, modified, or rescinded for specific purposes pursuant to constraints imposed by the City Commission through an ordinance are classified as committed fund balances.

The City Commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. 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. 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. The general fund is the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

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

An ordinance is the highest level of decision making authority and requires two City Commission "readings" (votes) to effect or rescind. Amounts which are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assigned fund balances include the appropriation of fund balances to eliminate projected deficits in the subsequent fiscal year's budget.

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

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbered amounts for specific purposes are reported within the applicable restricted, committed or assigned fund balance classifications.

Unassigned fund balance represents fund balance which has not been assigned to other funds and which has not been restricted, committed, or assigned to specific purposes within the general fund.

Net position of the government-wide and proprietary funds is categorized as net investment in capital assets; restricted or unrestricted. Net investment in capital assets consists of capital assets reduced by the outstanding debt issued to acquire, construct or improve those assets, less any unspent debt proceeds and deferred gains and losses on refundings. Restricted net position has regulatory or third party limitations on its use.

Minimum Fund Balance

In accordance with Ordinance No. 3761-04, the City established and maintains an emergency reserve equivalent to 10% of total general fund revenue. The purpose of the Ordinance was to establish policy to maintain an adequate General Fund fund balance to provide a "rainy day" fund for use in unforeseen, unbudgeted emergency situations, such as sustained declines in real estate values and/or property tax collections or increase in spending requirements imposed by the state or federal government; unreimbursable natural disaster expenditures or emergency infrastructure failures.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The Chief Financial Officer is authorized and shall transfer the calculated amount from unassigned fund balance to the emergency reserve, to the extent available, to satisfy the requirement and shall report such balances as part of the annual audited financial statement.

If upon completion of any fiscal year the ending balance in such emergency reserve is less than the requirement and sufficient monies do not exist in the unassigned fund balance, then the Chief Financial Officer shall recommend an amendment to the current year budget and include in succeeding fiscal year budgets reserved appropriations sufficient to cover the deficiency over a period not to exceed three fiscal years (deficiency requirement).

The emergency reserve shall be used exclusively for emergencies declared by the City Commission, and the appropriation therefrom shall be made by resolution adopted by four-fifths vote of the commission. Any monies available in the unassigned fund balance shall be used prior to using the emergency reserve to fund authorized emergencies.

The duties, responsibilities, and powers of the City Chief Financial Officer also include the establishment of an unassigned general fund balance equivalent to a minimum of 3% of total general fund revenue. If upon completion of any fiscal year, the ending balance in the unassigned fund balance is less than the minimum requirement, then the Chief Financial Officer shall recommend an amendment to the current year budget and include in succeeding fiscal year budgets reserve appropriations sufficient to cover the deficiency over a period not to exceed five fiscal years (deficiency requirement).

Appropriation from the minimum balance shall require City Commission approval and shall generally be for one-time expenditures such as capital purchases and not for ongoing expenditures unless a viable revenue plan designed to sustain the expenditures is approved.

Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgets and Budgetary Accounting

The City adopts an operating budget for governmental and proprietary funds except. Annual budgets for all the major and nonmajor governmental funds are prepared on the modified accrual basis of accounting, except for the General Fund. The General Fund budget is prepared on the modified accrual basis of accounting except that current year encumbrances are treated as expenditures for budgetary purposes and administrative charges from other funds are budgeted as revenue in the General Fund. All unencumbered and unexpended appropriations lapse at the fiscal year end, except those for ongoing capital projects and special revenue funds which are brought forward and become part of the subsequent year's original budget.

The City is not legally required to, and does not adopt budgets for the Pension or OPEB Trust Funds.

The legal level of control is at the major category level; i.e., general government, public safety, public works, economic environment, engineering services, health and sanitation, leisure services, capital outlay, debt service and transfers.

Florida Statutes require that all city governments prepare, adopt and execute an annual budget for such funds as may be required by law or by sound financial practices and generally accepted accounting principles. Accordingly, the City has established budgetary procedures.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property Tax Calendar

The City levies property taxes each October 1. During the month of November, the Palm Beach County Tax Collector's Office prepares and delivers a Notice of Property Taxes and Non-Ad Valorem Assessments to each taxpayer listed on the current year's assessment roll.

All taxes are due from property owners by March 31. Taxes become delinquent on April 1 and are subject to the issuance of tax sale certificates if unpaid by June 1. Property tax revenue is subject to accrual when levied. At September 30, unpaid delinquent taxes are reflected as a receivable on the balance sheet.

(10) Pronouncements issued and adopted by the City

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, is effective for fiscal years beginning after June 15, 2017. This Statement outlines reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. This standard requires the immediate recognition of the entire net OPEB liability and a more comprehensive measurement of OPEB expense. The implementation of this statement resulted in the recognition of a liability. The adoption of this statement resulted in the restatement of the beginning net position of the governmental activities statements (Note Q).

GASB Statement No. 85, *Omnibus 2017*, is effective for fiscal years beginning after June 15, 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The adoption of this statement did not significantly impact the City's financial statements.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, is effective for fiscal years beginning after June 15, 2017. The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The adoption of this statement did not significantly impact the City's financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, is effective for fiscal years beginning after December 15, 2019. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The adoption of this statement did not significantly impact the City's financial statements.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(11) Recently Issued Accounting Pronouncements

GASB Statement No. 83, *Certain Asset Retirement Obligations*, is effective for fiscal years beginning after June 15, 2018. The objective of this Statement is to set guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to asset retirement obligations. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

GASB Statement No. 84, *Fiduciary Activities*, will be effective for fiscal years beginning after December 15, 2018. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported and establishes criteria for identifying fiduciary activities of all state and local governments. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

GASB Statement No.87, *Leases*, will be effective for fiscal years beginning after December 15, 2019. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Management expects this statement to have a significant impact on the financial statements.

GASB Statement No. 88, "*Certain disclosures related to debt, including direct borrowings and direct placements*" This will be effective for the fiscal years beginning after June 15, 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

GASB Statement No.90, *Majority Equity Interests – An amendment of GASB Statements No. 14 and No. 61*, will be effective for fiscal years beginning after December 15, 2018. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. . Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE B – DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is used by all funds except the Pension and OPEB Trust Funds. Certain of the City's Governmental and Enterprise funds also hold separate cash and investment accounts. Deposits and investments of the Pension and OPEB Trust Funds are held separately from those of other City funds and follow different investment policies.

Cash

The City's cash deposits are held by banks that qualify as public depositories under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes. As such, the City's cash deposits are fully insured by the Public Deposits Trust Fund. At September 30, 2018, the city was required to maintain a compensating balance of \$6,040,108 at the City's primary banking institution. Maintaining this minimum balance allows the city to avoid bank fees and to earn higher rates of interest on deposits.

Authorized Investments and Credit Risk

The City adheres to an investment policy that conforms to state statutes. The City has no formal policy relating to foreign currency risk. For the year ended September 30, 2018 the City had no investment exposure to foreign currency. The City's policy regarding derivative products specifically states that City Commission approval is required prior to the use of derivatives. For the year ended September 30, 2018, the City had no investment exposure to derivative products.

The City's Investment Policy permits the following investments, which are limited to credit quality ratings from Nationally Recognized Statistical Ratings Organizations ("NRSRO") as follows:

- U.S. Treasury obligations which are guaranteed by the full faith and credit of the United States with maturities not to exceed ten years from the date of purchase.
- Money Market Mutual Fund shares in open-end, no-load funds that are registered under the Federal Investment Company Act of 1940 and operated in accordance with 17 C.F.R. § 270.2a-7. The prospectus of such funds must indicate that the share value shall not fluctuate.
- Intergovernmental Investment Pools that are authorized pursuant to the Florida Inter-local Cooperation Act, as provided in Section 163.01, Florida Statutes and provided that said funds contain no derivatives.
- Corporate obligations or notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a minimum long term debt rating, at the time of purchase, of A or better by any Nationally Recognized Statistical Ratings Organization ("NRSRO"). Maximum term for corporate notes and obligations shall be seven years.
- In addition, under the Investment Policy, the Short Term and Long Term Portfolios may invest in the following investments: U.S. Government Agencies, State and Local Government Debt, Commercial Paper rated "Prime-1" by Moody's and "A-1" by Standard & Poor's or equivalent by another NRSRO, Banker's Acceptances rated Prime-1 by Moody's and A-1 by Standard and Poor's, Registered Investment Companies (Mutual Funds) rated AAA or better by Standard & Poor's.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE B – DEPOSITS AND INVESTMENTS – CONTINUED

The City's investment portfolio is designed to reduce the concentration of credit risk within the City's investment portfolio. A maximum of 20% of available funds may be invested in the Florida PRIME Fund, 100% of available funds may be invested in United States Treasury Securities, 50% of available funds may be invested in United States Government Agencies with a 25% limit on individual issuers, 80% of available funds may be invested in Federal Instrumentalities with a 50% limit on individual issuers, 25% of available funds may be invested in non-negotiable interest bearing time certificates of deposit with a 15% limit on individual issuers, 50% of available funds may be invested in repurchase agreements excluding one (1) business day agreements and overnight sweep agreements with a 25% limit on any one institution, 25% of available funds may be directly invested in prime commercial paper with a 5% limit on individual issuers, 25% of available funds may be directly invested in Bankers' acceptances with a 5% limit on individual issuers, 20% of available funds may be invested in taxable and tax-exempt debts with a limit of 20% on individual issuers, 40% of available funds may be invested in mutual funds with a limit of 20% invested in mutual funds with a limit of 20% with any one non-SEC Rule 2a-7 investment mutual fund, 25% of available funds may be invested in intergovernmental investment pools, 25% of available funds may be invested in corporate obligations or corporate notes of US corporations with a limit of 5% with any one corporate note, and 30% of available funds may be invested in mortgage-backed securities with a limit of 20% invested with any one MBS.

The City has investments in two investment pools, Florida Prime (previously known as the Local Government Surplus Funds Trust Fund - Pool A), and the Florida Local Government Investment Trust (Trust Fund). Florida Prime is managed by the State Board of Administration. The Florida Local Government Investment Trust is a member-owned, member-governed investment fund. Under the guidelines of GASB Codification Section 150, Florida Prime is a "2a-7 like" pool. Accordingly, investments in Florida Prime are reported at amortized cost. The Trust Fund is accounted for as net asset value (NAV) pools. As such, its investments have been valued based on their respective fair value factor as of the financial statement date.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE B – DEPOSITS AND INVESTMENTS – CONTINUED

As of September 30, 2018, the primary government and the OPEB Trust Fund had the following cash and investment types and effective duration presented in terms of years:

<u>Credit and Interest Rate Risk</u>	<u>As as of September 30, 2018 (in thousands)</u>					
	<u>Rating</u>	<u>% of Portfolio</u>	<u>Duration Years</u>	<u>Total Portfolio</u>	<u>Cash Equivalents</u>	<u>Investments</u>
Cash Deposits	NR	10%	0.00	\$ 45,123	\$ 45,123	\$ -
Money Market Funds	AAAm	5%	0.26	23,924	23,924	-
Florida Prime	AAAm	14%	0.20	61,969	61,969	-
Florida Coop. Liquid Assets Securities System	AAAm	2%	0.21	9,010	9,010	-
Certificates of Deposits	NR	7%	0.49	29,840	-	29,840
U.S. Treasuries	NR	17%	2.39	75,513	-	75,513
Federal Instrumentalities	NR	32%	1.29	142,506	-	142,506
Municipal Bonds	AA+	4%	1.37	16,456	-	16,456
Corporate Notes	AA-	3%	1.07	13,556	-	13,556
Commercial Paper	AA-	3%	0.30	13,053	-	13,053
Exchange Trade Funds (ETF)	NR	3%	0.00	12,350	-	12,350
		<u>100%</u>		<u>\$ 443,300</u>	<u>\$ 140,026</u>	<u>\$ 303,274</u>

Reconciliation to Statement of net Position:

Portfolio Value	\$ 443,300
Petty Cash	33
Less:OPEB Cash & Investments	(16,091)
Total cash and investments on Statement of Net Position	<u>\$ 427,242</u>

Amounts from Statement Net Position:

Unrestricted cash and cash equivalents	\$ 70,738
Unrestricted investments	146,417
Restricted cash and cash equivalents	84,903
Restricted investments	125,184
Total cash and investment on Statement of Net Position	<u>\$ 427,242</u>

The Custodial Credit Risk

Investments: Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral security that are in the possession of an outside party. The City's investment portfolio is held in safekeeping by the custodians in the name of the City of West Palm Beach, thereby eliminating exposure to custodial credit risk.

Interest Rate Risk: The City's Investment Policy sets limits for investment maturities to match known cash needs and cash flow requirements. Investments of current operating funds shall have maturities of no longer than twenty-four (24) months. Investments of bond reserves, construction funds, and other non-operating funds, "core funds", shall have a term appropriate to the need for funds and in accordance with debt covenants, not to exceed a maturity of five (7) years with an average duration of the portfolio as a whole not to exceed three (3) years. As of September 30, 2018, the City has no investments that have embedded options, allowing the issuer to call the obligation or demand a stated increase in the interest rate.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE B – DEPOSITS AND INVESTMENTS – CONTINUED

Effective Duration: Short Term Portfolio: As a means of limiting its exposure to fair value losses arising from rising interest rates, the Investment Policy requires that 100% of the short term portfolio be invested in maturities of less than one year.

Long Term Portfolio: As a means of limiting its exposure to fair value losses arising from rising interest rates, the City’s Investment Policy requires that the duration of the long term portfolio not exceed three years.

Concentration of Credit Risk

The Investment Policy permits up to 50% of the portfolio to be invested in any single Federal Instrumentality. As of September 30, 2018 investments in the following Federal Instrumentalities exceed 5% of the portfolio:

<u>Investment Vehicle</u>	<u>% of Portfolio</u>	<u>Amount (in thousands)</u>
Federal Home Loan Banks	17%	\$ 75,831
United States Treasury Notes	17%	75,513
Federal Farm Credit Banks Funding Corporation	5%	20,358
Total	<u>39%</u>	<u>\$ 171,702</u>

As of September 30, 2018, the City had the following issuer concentrations in the investment portfolio based on fair value:

<u>Issuer</u>	<u>% of Portfolio</u>	<u>Amount (in thousands)</u>
Federal Home Loan Banks	17%	\$ 75,831
United States Treasury Notes	17%	75,513
Florida Prime	14%	61,969
Federal Farm Credit Banks Funding Corp	5%	20,358
Federal National Mortgage Association	5%	20,101
Other	43%	189,528
Total	<u>100%</u>	<u>\$ 443,300</u>

As of September 30, 2018, the City categorized its investment portfolio using the fair value measurements in accordance with GASB Statement No. 72. GASB 72 which uses a hierarchy based on the valuation inputs used to measure the fair value of the asset. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are based on other significant observable inputs such as indices for fixed income bonds and quoted prices for similar assets in markets that are active and not active; Level 3 inputs are significant unobservable inputs.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE B – DEPOSITS AND INVESTMENTS – CONTINUED

As of September 30, 2018, the City had the following investment types portfolio based on fair value:

Investment	Fair Value (in thousands)			
	Prices in	Significant	Significant	Total
	Active	Other	Unobservable	
	Markets For	Observable	Inputs	
Identical	Inputs	Inputs		
	Assets	Level 2	Level 3	
	Level 1			
Municipal Obligation	\$ -	\$ 16,456	\$ -	\$ 16,456
Agency Bonds	-	142,506	-	142,506
US Treasuries	-	75,513	-	75,513
Corporate Notes	-	13,556	-	13,556
Commercial Paper	-	13,053	-	13,053
Exchange Traded Funds	-	12,350	-	12,350
Total Investments by Fair Value Level	\$ -	\$ 273,434	\$ -	273,434
Money Market Funds				23,924
Florida Prime				61,969
Florida Coop. Liquid Assets Securities System				9,010
Certificates of Deposits				29,840
Cash Deposits				45,123
				<u>\$ 443,300</u>

As of September 30, 2018, the pension funds had the following cash and investment types:

Investment Type	As as of September 30, 2018 (in thousands)		
	Total	Cash	Investments
	Portfolio	Equivalents	
Cash deposits	\$ 4,768	\$ 4,768	\$ -
U.S. Government obligations	56,850	-	56,850
U.S. Government agency obligations	16,034	-	16,034
Corporate bonds	28,742	-	28,742
Mutual funds	12,959	-	12,959
Money market funds	623	-	623
Domestic fixed investment fund	21,442	-	21,442
Domestic stocks	162,136	-	162,136
Domestic equity investment funds	171,033	-	171,033
International fixed income investment funds	66,025	-	66,025
International equity investment funds	26,855	-	26,855
Real estate investment funds	81,808	-	81,808
Temporary investments	7,114	-	7,114
	<u>\$ 656,389</u>	<u>\$ 4,768</u>	<u>\$ 651,621</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE B – DEPOSITS AND INVESTMENTS – CONTINUED

The pension plans held the following fixed investments at September 30, 2018:

Investment Type	Firefighters Pension Fund			Police Pension Fund		
	Fair Value (in thousands)	Average Effective Duration (Years)	Overall Credit Rating	Fair Value (in thousands)	Average Effective Duration (Years)	Overall Credit Rating
U.S. Agencies	\$ 10,264	7.8	A-AA	\$ 42,318	8.3	AA
U.S. Treasuries	1,328	6.7	A-AA	13,577	5.9	AA
Corporate bonds	8,342	5.9	A-AA	16,883	6.3	A-AAA
Dodge and Cox Income Fund	10,560	N/A	N/A	-	N/A	N/A
Blackrock Multi-Asset Income Fund	8,968	N/A	N/A	-	N/A	N/A
Templeton Global Bond Fund	10,422	N/A	N/A	-	N/A	N/A
Temporary Investments	-			3,385	N/A	N/A
Total	49,884			76,163		

Restated Employees Defined Benefit System

Investment Type	Fair Value (in thousands)	Average Effective Duration (Years)	Overall Credit Rating
U.S. Agencies	\$ 1,129	\$ 8.9	AA+ or unrated
U.S. Treasuries	4,268	11.4	AAA or unrated
Corporate bonds	3,517	5.7	AA+-BBB+
Fixed income mutual funds	3,748	8.0	AAA -CCC
Total	\$ 12,662		

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE B – DEPOSITS AND INVESTMENTS – CONTINUED

The following table presents the pension funds fair value hierarchy for investments at fair value as of September 30, 2018:

Investment	Fair Value (in thousands)				Amounts (in thousands)
	Prices in Active	Significant	Significant	Amounts (in thousands)	
	Markets For	Other	Unobservable		
	Identical	Observable	Inputs		
Assets	Inputs	Level 3	Total		
	Level 1	Level 2			
U.S. Government obligations	\$ 14,532	\$ 42,318	\$ -	\$ 56,850	
U.S. Government agency obligations	-	16,034	-	16,034	
Corporate bonds	-	28,742	-	28,742	
Mutual funds	12,959	-	-	12,959	
Domestic fixed investment fund	21,442	-	-	21,442	
Domestic stocks	162,136	-	-	162,136	
Domestic equity investment funds	171,033	-	-	171,033	
International fixed income investment funds	66,025	-	-	66,025	
International equity investment funds	26,855	-	-	26,855	
Temporary Investments	7,114	-	-	7,114	
	<u>\$ 482,096</u>	<u>\$ 87,094</u>	<u>\$ -</u>	<u>\$ 569,190</u>	
Cash Deposits				4,768	
<u>Investments measured at the net asset value (NAV)**</u>					
Real Estate investment funds				81,808	
Money market mutual funds				623	
				<u>\$ 656,389</u>	

**As required by GAAP, certain investments that are measured at net asset value (NAV) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total investment line items in the statement of fiduciary net position.

The real estate investment for the Firefighters and Police Pension Plans funds are open end, commingled private real estate portfolios. These REIT- based funds are structured as Limited partnerships. Their primary focus is to invest in well-based income producing properties within major U.S. markets. The fair values of the investments in these funds have been determined using the NAV per unit of the Trusts ownership interest in partners' capital. The investments of the fund are valued quarterly. Withdrawal requests must be made 60 days in advance and may be paid in one or more installments.

Real estate fund for the Restated General Employees Pension Plan is an open-end diversified core real estate commingled fund that invests primarily in core institutional office, retail, industrial, and multi-family properties located throughout the United States. The investm edemptions must be received by the fund 10 days prior to quarter end.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE C – RECEIVABLES AND UNEARNED REVENUE

Receivables

Receivables as of year-end for the City’s governmental activities and the aggregate and applicable allowances for uncollectible accounts are as follows:

	General Fund	City Center Redevelopment Agency Fund	Northwood/ Pleasant City Community Redevelopment Agency Fund	Nonmajor Governmental Funds	Internal Service Funds	Total
Receivables:						
Accounts (gross)	\$ 22,951,736	\$ 164,439	\$ 3,850	\$ 1,797,942	\$ 483,195	\$ 25,401,162
Allowance for uncollectibles	<u>(11,177,470)</u>	-	-	-	-	<u>(11,177,470)</u>
Accounts (net)	<u>11,774,266</u>	<u>164,439</u>	<u>3,850</u>	<u>1,797,942</u>	<u>483,195</u>	<u>14,223,692</u>
Interest	154,366	80,150	16,563	176,247	81,381	508,707
Notes (gross)	547,418	246,822	-	15,941,691	-	16,735,931
Allowance for uncollectibles	-	-	-	<u>(14,300,062)</u>	-	<u>(14,300,062)</u>
Notes (net)	<u>547,418</u>	<u>246,822</u>	<u>-</u>	<u>1,641,629</u>	<u>-</u>	<u>2,435,869</u>
Liens (gross)						
Allowance for uncollectibles	264,018	-	-	501,850	-	765,868
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(375,601)</u>	<u>-</u>	<u>(375,601)</u>
Liens (net)	<u>264,018</u>	<u>-</u>	<u>-</u>	<u>126,249</u>	<u>-</u>	<u>390,267</u>
Total receivables	<u>\$ 12,740,068</u>	<u>\$ 491,411</u>	<u>\$ 20,413</u>	<u>\$ 3,742,067</u>	<u>\$ 564,576</u>	<u>\$ 17,558,535</u>

Significant Uncollectibles

The allowance for accounts receivable in the General Fund includes \$8.1 million for Emergency Medical Services (“EMS”) receivables. This type of receivable typically experiences a low level of collectability beyond one year since service cannot be denied based on nonpayment. The General Fund allowance also includes \$1.25 million for delinquent property taxes (this represents 50% of the delinquent taxes receivable). In addition, an allowance of \$1.2 million is included for other miscellaneous billed receivables. The notes receivable of \$15.9 million in the Non-major Governmental Funds is composed of mortgages containing covenants exempting mortgages from repayment if certain conditions are met. In issuing these notes receivable, the primary emphasis is on community development and repayment is a secondary consideration. Notes receivable deemed uncollectible is estimated at approximately \$14.3 million.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE C – RECEIVABLES AND UNEARNED REVENUE

Receivables at year end for the City’s business-type activities are as follows:

	Water and Sewer Systems Fund	Stormwater System Fund	Nonmajor Enterprise Funds	Total
Receivables:				
Accounts (gross)	\$ 15,218,742	\$ 3,492,914	\$ 101,097	\$ 18,812,753
Allowance for uncollectibles	(2,552,219)	(1,874,323)	-	(4,426,542)
Accounts (net)	12,666,523	1,618,591	101,097	14,386,211
Interest - Unrestricted	243,570	57,357	26,415	327,342
Liens	1,270,257	369,676	-	1,639,933
Subtotal, Receivables - Unrestricted	1,513,827	427,033	26,415	1,967,275
Interest - Restricted	300,509	73,063	-	373,572
Total Receivables	<u>\$ 14,480,859</u>	<u>\$ 2,118,687</u>	<u>\$ 127,512</u>	<u>\$ 16,727,058</u>

Unearned/unavailable revenue

Unearned revenue from resources that have been received but not yet earned is reported on both the government-wide Statement of Net Position and on the fund financial statements. The governmental fund financial statements also report unavailable revenue from receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

The components of unearned/unavailable revenues as of September 30, 2018 are as follows:

	General Fund	City Center Redevelopment Agency Fund	Northwood/ Pleasant City Community Redevelopment Agency Fund	Non-major Governmental Funds	Total
Revenues earned but not available:					
Liens and mortgages receivable	\$ 559,282	\$ 41,532	\$ -	\$ 802,699	\$ 1,403,513
EMS receivables	1,502,244	-	-	-	1,502,244
Other receivables	3,271,457	211,637	3,850	-	3,486,944
Total Unavailable	<u>5,332,983</u>	<u>253,169</u>	<u>3,850</u>	<u>802,699</u>	<u>6,392,701</u>
Unearned revenues:					
Prepaid Occupational Licenses	2,588,415	-	-	-	2,588,415
Prepaid Lease Payments	-	-	-	47,464	47,464
Total Unearned	<u>2,588,415</u>	<u>-</u>	<u>-</u>	<u>47,464</u>	<u>2,635,879</u>
Total Unearned/Unavailable Revenue	<u>\$ 7,921,398</u>	<u>\$ 253,169</u>	<u>\$ 3,850</u>	<u>\$ 850,163</u>	<u>\$ 9,028,580</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE D – RESTRICTED CASH AND INVESTMENTS

Certain cash and investments are restricted by external third parties for the following purposes:

Purpose	GOVERNMENTAL ACTIVITIES			Totals
	Non-Major Governmental Funds	Internal Service Funds		
Revenue bond construction accounts	\$ 25,981,411	\$ -	\$	\$ 25,981,411
Self insurance claims	-	795,030		795,030
Equipment purchases	-	3,412,678		3,412,678
Total restricted assets	<u>\$ 25,981,411</u>	<u>\$ 4,207,708</u>	<u>\$</u>	<u>\$ 30,189,119</u>

Purpose	BUSINESS-TYPE ACTIVITIES			Totals
	Water and Sewer System Fund	Stormwater System Fund	Non-Major Enterprise Funds	
Deposits payable	\$ 9,833,576	\$ -	\$ 24,453	\$ 9,858,029
Operations and maintenance restricted by revenue bond covenant	11,265,915	1,211,919	-	12,477,834
Revenue bond construction accounts	38,823,366	26,941,259	-	65,764,625
Revenue bond debt service accounts	18,734,248	4,614,448	-	23,348,696
Revenue bond renewal and replacement accounts	51,468,849	4,727,541	-	56,196,390
Town of Palm Beach renewal and replacement accounts	3,808,509	-	-	3,808,509
Developer's hazard mitigation accounts	1,030,789	-	-	1,030,789
Impact fee capital contributions account	7,412,836	-	-	7,412,836
Total restricted assets	<u>\$ 142,378,088</u>	<u>\$ 37,495,167</u>	<u>\$ 24,453</u>	<u>\$ 179,897,708</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE E – INVESTMENT IN JOINT VENTURES

East Central Regional Wastewater Treatment Facilities (“ECR”): In September 1992, the City entered into a joint interlocal agreement (“Agreement”) with Palm Beach County (the “County”) and three municipalities (City of Riviera Beach, City of Lake Worth, and Town of Palm Beach – the “Entities”) whereby prior separate agreements were consolidated into a single unified agreement to establish rules and procedures for the operation and management of the existing ECR in which each participating Entity has an equity interest. ECR was created to receive, treat, and dispose of sewage generated within each entity and the County. The term of the Agreement is for an initial period of thirty years with an option to renew for an additional thirty years upon the mutual consent of the Entities.

In the event ECR is sold or disposed of, proceeds of the sale or disposition shall be prorated among the Entities, based on their reserve capacity as of the date of disposition.

The Agreement also provides for the establishment of a Board (the “Board”) comprised of one representative from each Entity participating in the Agreement to administer ECR. Under the Agreement, the Board has the power to enter into contracts, employ personnel and enter into debt in accordance with Section 163.01(7) of the Florida statutes. In accordance with the Agreement, the City operates and manages ECR on behalf of the Board. All costs of operating ECR, excluding non-cash expenditures, are shared by each of the Entities based on actual flows of wastewater. Costs associated with capital projects, renewal and replacement and debt service are shared among the participating governments based on their pro-rata share of reserve capacity except as noted below.

The City recorded its initial investment at cost and records its ongoing financial interest as a proportion of ECR’s net position as reported in the ECR’s most recent audited financial statements. The proportion is the City’s reserve capacity share.

The City does not believe that the joint venture is accumulating significant financial resources or experiencing financial stress that may cause a future benefit or burden to the City. The most recent unaudited financial statements, for the fiscal year ended September 30, 2018, reported total ECR assets of \$272,939,038 and total net position of \$132,760,996 including a \$90,844,137 net investment in capital assets and \$5,152,650 of unrestricted net position. Complete financial statements for the ECR may be obtained at the City of West Palm Beach Finance Department, 401 Clematis Street, West Palm Beach, Florida 33401.

The ECR Entities’ ownership interests at September 30, 2018 were:

<u>Participant Percentages:</u>	<u>Reserve Capacity</u>
City of West Palm Beach	29.29%
Palm Beach County	34.29%
City of Lake Worth	16.43%
City of Riviera Beach	11.43%
Town of Palm Beach	<u>8.57%</u>
Total	<u>100.00%</u>

During fiscal year 2000, the City entered into an agreement with ECR concerning the construction, operation and maintenance of a reclaimed water production facility. This equipment and structures are known as the Advanced Water Treatment (“AWT”) facility. This facility was completed at the end of fiscal year 2006 and treated ECR effluent in order to provide reusable water for the benefit of the City. Since it is constructed on ECR land, the facility is considered ECR property with 100% of its capacity and beneficial interest allocated to the City. During the fiscal year ended September 30, 2018, the ECR management determined that certain assets related to the AWT and belt filter dewatering facility were impaired due to discontinued use. Consequently an impairment charge of \$5.38 million was recorded in the ECR’s financial statements during fiscal year 2018.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE E – INVESTMENT IN JOINT VENTURES – CONTINUED

At September 30, 2018, the city's investments in ECR and AWT were reported at a combined net book value of \$38,879,987 in the water and sewer systems proprietary fund.

Municipal Public Safety Communications Consortium of Palm Beach County (MPSCC) - In December 1999, the City entered into an interlocal agreement with other cities and towns in Palm Beach County to purchase and operate a county-wide public safety communications system. The interlocal agreement established the MPSCC whose purpose is to provide its members with expanded radio communications services (via the 800MHz trunked radio system) to aid in public safety over a larger geographical region. The MPSCC is a cost sharing organization. Its annual budget is prepared by the Executive Director and approved by the Board of Directors. The member municipalities of the MPSCC are obligated for the debt incurred by the consortium and each municipality is responsible for their respective portion of costs incurred by the MPSCC. The City's 2006 initial investment in this joint venture was \$3,577,000 which represents 73% of the total consortium investment.

During fiscal year 2018, member costs for the City were \$136,500 and the year-end value of the City's investment was \$1,450,718. The City's investment and related member costs are recorded in the MIS Processing Fund which is an Internal Service Fund.

NOTE F – INVESTMENT IN DIRECT FINANCING LEASES

The City entered into several lease purchase agreements with various third party lenders for the acquisition of vehicles within the Fire, Police and Sanitation departments. In accordance with the agreements, the respective lenders advanced the City the funds totaling \$12,814,173 to acquire the vehicles. As of September 30, 2018, unspent proceeds from the totaled \$4,453,895 and is reported in the Balance sheet – Governmental Funds and the Statement of Net Position Proprietary Funds.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE G – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2018 was as follows:

Governmental Activities:	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 84,199,026	\$ 6,754,613	\$ (8,828,069)	\$ 277,768	\$ 82,403,338
Construction in progress	<u>25,983,529</u>	<u>18,558,685</u>	<u>(5,263,273)</u>	<u>(15,670,614)</u>	<u>23,608,327</u>
Total capital assets not being depreciated	<u>110,182,555</u>	<u>25,313,298</u>	<u>(14,091,342)</u>	<u>(15,392,846)</u>	<u>106,011,665</u>
Capital assets being depreciated:					
Buildings	196,265,653	205,887	-	24,596	196,496,136
Improvements other than buildings	180,770,898	1,083,124	-	32,151,725	214,005,747
Infrastructure	138,871,107	-	-	(24,647,910)	114,223,197
Equipment	47,744,385	13,417,830	(2,581,031)	7,638,498	64,904,077
Intangible Assets	<u>2,668,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,668,677</u>
Total capital assets being depreciated	<u>566,320,720</u>	<u>14,706,841</u>	<u>(2,581,031)</u>	<u>15,166,909</u>	<u>592,297,834</u>
Total capital assets	<u>676,503,275</u>	<u>40,020,139</u>	<u>(16,672,373)</u>	<u>(225,937)</u>	<u>698,309,499</u>
Less accumulated depreciation and amortization:					
Buildings	57,762,163	4,907,177	-	4,935	62,674,275
Improvements other than buildings	107,818,548	11,344,371	-	14,361,483	133,524,402
Infrastructure	127,551,348	560,091	-	(14,361,488)	113,749,951
Equipment	34,619,110	4,827,258	(2,440,339)	(230,867)	35,459,557
Intangible Assets	<u>2,021,974</u>	<u>88,772</u>	<u>-</u>	<u>-</u>	<u>2,110,746</u>
Total accumulated depreciation and amortization	<u>329,773,143</u>	<u>21,727,669</u>	<u>(2,440,339)</u>	<u>(225,937)</u>	<u>347,518,931</u>
Total capital assets being depreciated, net	<u>236,547,577</u>	<u>(7,020,828)</u>	<u>(140,692)</u>	<u>15,392,846</u>	<u>244,778,903</u>
Governmental Activities Capital Assets, Net	<u>\$ 346,730,132</u>	<u>\$ 18,292,470</u>	<u>\$ (14,232,034)</u>	<u>\$ -</u>	<u>\$ 350,790,568</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE G – CAPITAL ASSETS – CONTINUED

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-Type Activities:					
Capital assets not being depreciated:					
Land:					
Water and Sewer Systems Fund	\$ 6,268,750	\$ -	\$ -	\$ -	6,268,750
Nonmajor Funds	4,130,556	-	-	-	4,130,556
Total Land	10,399,306	-	-	-	10,399,306
Construction in Progress:					
Water and Sewer Systems Fund	62,032,831	24,570,039	-	(35,707,124)	50,895,746
Stormwater System Fund	5,650,540	1,891,928	-	(1,150,232)	6,392,236
Nonmajor Funds	90,918	1,334	-	4,764	97,016
Total Construction in Progress	67,774,289	26,463,301	-	(36,852,592)	57,384,998
Total capital assets not being depreciated, net	78,173,595	26,463,301	-	(36,852,592)	67,784,304
Capital assets being depreciated:					
Buildings:					
Water and Sewer System Fund	89,612,312	-	-	-	89,612,312
Nonmajor Funds	9,565,093	-	-	-	9,565,093
Total Buildings	99,177,405	-	-	-	99,177,405
Infrastructure:					
Water and Sewer System Fund	419,443,294	536,775	(26,985)	35,442,230	455,395,314
Stormwater System Fund	77,544,252	423,309	-	1,159,722	79,127,283
Nonmajor Funds	7,344,974	-	-	-	7,344,974
Total Infrastructure	504,332,520	960,084	(26,985)	36,601,952	541,867,571
Equipment:					
Water and Sewer System Fund	13,920,108	1,821,612	(378,318)	(702,950)	14,660,454
Stormwater System Fund	4,061,197	93,580	-	(302,921)	3,851,858
Nonmajor Funds	2,957,394	320,812	-	(19,051)	3,259,155
Total Equipment	20,938,699	2,236,004	(378,318)	(1,024,922)	21,771,467
Total capital assets being depreciated	624,448,624	3,196,088	(405,303)	35,577,030	662,816,443

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE G – CAPITAL ASSETS – CONTINUED

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-Type Activities:					
Continued:					
Less accumulated depreciation and amortization:					
Buildings:					
Water and Sewer System Fund	63,554,156	1,670,964	-	-	65,225,120
Nonmajor Funds	<u>8,850,603</u>	<u>221,545</u>	-	-	<u>9,072,148</u>
Total Buildings	<u>72,404,759</u>	<u>1,892,509</u>	-	-	<u>74,297,268</u>
Infrastructure:					
Water and Sewer System Fund	118,572,968	10,163,211	(4,892)	(288,839)	128,442,448
Stormwater System Fund	18,193,509	1,900,680	-	-	20,094,189
Nonmajor Funds	<u>4,341,222</u>	<u>431,515</u>	-	-	<u>4,772,737</u>
Total Infrastructure	<u>141,107,699</u>	<u>12,495,406</u>	<u>(4,892)</u>	<u>(288,839)</u>	<u>153,309,374</u>
Equipment:					
Water and Sewer System Fund	11,471,159	1,128,850	(378,318)	(679,001)	11,542,690
Stormwater System Fund	2,709,149	417,362	-	(293,430)	2,833,081
Nonmajor Funds	<u>1,832,931</u>	<u>479,952</u>	-	<u>(14,292)</u>	<u>2,298,591</u>
Total Equipment	<u>16,013,239</u>	<u>2,026,164</u>	<u>(378,318)</u>	<u>(986,723)</u>	<u>16,674,362</u>
Total accumulated depreciation and amortization	<u>229,525,697</u>	<u>16,414,079</u>	<u>(383,210)</u>	<u>(1,275,562)</u>	<u>244,281,004</u>
Total capital assets being depreciated, net	<u>394,922,927</u>	<u>(13,217,991)</u>	<u>(22,093)</u>	36,852,592	<u>418,535,439</u>
Business-type activities capital assets, net	<u>\$ 473,096,522</u>	<u>\$ 13,245,310</u>	<u>\$ (22,093)</u>	<u>\$ -</u>	<u>\$ 486,319,743</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE G – CAPITAL ASSETS – CONTINUED

Depreciation and Amortization additions (expense) by program:

Governmental activities:

General government	\$ 5,034,514
Public Safety	12,889,336
Economic Development	1,512,594
Public works	846,646
Health and sanitation	603,967
Leisure Services	<u>279,100</u>
Sub Total	21,166,157

Depreciation of the capital assets held by the government's Internal Service Funds are charged to various functions based on their usage of assets:

General government	<u>561,512</u>
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Total depreciation expense - governmental activities	\$ <u><u>21,727,669</u></u>
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Business-type activities:

Water and Sewage Disposal System	\$ 12,962,910
Stormwater System Fund	2,318,043
Nonmajor Funds	<u>1,133,011</u>

Total depreciation expense - business-type activities	\$ <u><u>16,413,964</u></u>
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CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE H – LONG-TERM DEBT

The following is a summary of changes in long-term debt and liabilities for governmental activities:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Total Current Liabilities</u>	<u>Total Noncurrent Liabilities</u>
Governmental Activities:						
Bonds:						
General obligation bonds	\$ 4,385,000	\$ -	\$ 1,400,000	\$ 2,985,000	\$ 1,460,000	\$ 1,525,000
General obligation premiums	15,097	-	7,442	7,655	-	7,655
Revenue bonds	211,371,552	-	6,032,516	205,339,036	6,253,496	199,085,540
Revenue premiums	15,479,318	-	1,337,597	14,141,721	-	14,141,721
Total bonds	231,250,967	-	8,777,555	222,473,412	7,713,496	214,759,916
Notes	21,111,355	-	1,959,363	19,151,992	3,670,952	15,481,040
Arbitrage rebate liability	26,050	-	2,508	23,542	-	23,542
Capital leases	17,377,829	5,927,953	3,313,860	19,991,922	4,505,047	15,486,875
Compensated absences	16,301,329	1,848,014	851,568	17,297,775	652,171	16,645,604
Self insurance claims	12,857,113	27,861,991	28,048,499	12,670,605	4,128,239	8,542,366
Net pension liability	87,078,606	-	13,402,571	73,676,035	-	73,676,035
Net OPEB (asset) liability, as restated **	(387,289)	460,106	-	72,817	-	72,817
Total Governmental Activities	\$ 385,615,960	\$ 36,098,064	\$ 56,355,924	\$ 365,358,100	\$ 20,669,905	\$ 344,688,195

** Beginning balance was restated in accordance with GASB Statement No. 75 (Note Q)

For the governmental activities, compensated absences pension liabilities and other post-employment benefits are generally liquidated by the General Fund. Historically, about 89% has been charged to governmental funds and about 11% to enterprise funds.

Internal service funds predominantly serve the governmental funds. Accordingly, their long-term liabilities totaling \$22.2 million are included as part of the above totals for governmental activities.

Bonds outstanding at September 30, 2018 payable from governmental activities are comprised of general obligation, special obligation and tax increment revenue bonds. These bonds mature in varying amounts during succeeding fiscal years through 2036. Interest rates on these long-term obligation ranges from 4.00% to 5.00% on general obligation bonds, 1.10% to 5.00% on special obligation bonds and 2.25% to 5.68% on tax increment revenue bonds.

General Obligation Bonds:

The \$14,975,000 General Obligation Refunding Bonds, Series 2005, were issued on July 7, 2005 to advance refund a portion of the 2000 Series General Obligation Bonds. Interest rates on remaining annual principal amounts payable vary between 4.00 and 5.00%. The bonds mature March 1, 2020 and are pledged by the full faith, credit and taxing power of the City. The principal balance at September 30, 2018 is \$2,985,000.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

H – LONG-TERM DEBT – CONTINUED

Tax Increment Revenue Bonds:

On June 3, 2005 and December 14, 2005, the City issued \$17,530,000 and \$7,280,000 of Northwood/Pleasant City Community Redevelopment Area (NPCCRA) Subordinate Tax Increment Revenue Bonds, Series 2005A and 2005B, respectively. The proceeds were used to fund the NPCCRA redevelopment project. The Series 2005A was refunded by the Tax Increment Revenue Bond, Series 2015. The interest rate on remaining annual principal amounts payable is fixed at 5.68% and matures on March 1, 2021. The Series 2010 Bond is secured by an irrevocable subordinate lien on Pledged Funds derived by the CRA from (i) CCCRA Tax Increment Revenues and (ii) all moneys securities and instruments held in the accounts and subaccounts created under the Bond Resolution, except the CCCRA Rebate Account. At September 30, 2018 the principal balance was \$2,185,000.

The \$77,175,000 City Center Community Redevelopment Area (CCCRA) Tax Increment Revenue Bonds, Series 2006A, were issued on November 30, 2006. Interest rates on remaining annual principal amounts payable vary from 4.00% to 5.00%. Proceeds of the bond are used to finance the costs of the CCCRA Redevelopment Project and mature on March 1, 2036. The Bonds will be payable solely from and are secured by Pledged Funds derived by the CRA from: (i) CCRA Tax Increment Revenues; and (ii) all moneys, securities and instruments held in the accounts and subaccounts created under the Bond Resolution, except the CCCRA Rebate Account. On August 11, 2015, \$46,925,000 of the outstanding principal was refunded through the issuance of 2015 CCRA Refunding Bond. The outstanding balance of Series 2006A CCRA Tax Increment Revenue Bonds after this refunding was \$26,365,000 and the maturity date was unchanged and principal payments resume on March 1, 2032. At September 30, 2018 the principal balance was \$24,270,000.

The \$9,829,000 CCCRA Revenue Refunding Bonds, Series 2010A, were issued on May 12, 2010, partially refunding the outstanding Series 2006 Capital Improvement Revenue Refunding Note. Interest rates on remaining annual principal amounts payable are fixed at 5.06% and mature on August 1, 2021. The Series 2010 Bond is secured by an irrevocable subordinate lien on Pledged Funds derived by the CRA from (i) CCCRA Tax Increment Revenues and (ii) all moneys securities and instruments held in the accounts and subaccounts created under the Bond Resolution, except the CCCRA Rebate Account. At September 30, 2018 the principal balance was \$3,024,036.

The \$18,870,000 NPCCRA Tax Increment Revenue Refunding Bonds, Series 2015, were issued on June 11, 2015 and advance refunded all of the outstanding Series 2005A bonds of like title. Interest rates on remaining annual principal amounts payable, vary from 2.25% to 4.00% and matures March 1, 2035. The Series 2015 Bonds are solely payable from and secured by a pledge of and first lien on the Pledged Funds derived by the Agency from (i) NPCCRA Tax Increment Revenues and (ii) all moneys, securities and instrument held in the accounts and subaccounts created under the Bond Resolution, except the NPCCRA Rebate Account. At September 30, 2018 the principal balance was \$18,405,000.

The \$44,060,000 CCCRA Tax Increment Revenue Refunding Bonds, Series 2015 were issued September 10, 2015 and advance refunded a portion of the outstanding Series 2006A bonds of like title. Interest rates on remaining annual principal amounts payable, vary from 3.25% to 5.25% and matures March 1, 2031. The bond is solely payable from and secured by a pledge of and first lien on the Pledged Funds derived by the Agency from (i) CCCRA Tax Increment Revenues and (ii) all moneys securities and instruments held in the accounts and subaccounts created under the Bond Resolution, except the CCCRA Rebate Account. At September 30, 2018 the principal balance was \$39,890,000.

Special Obligation Revenue Bonds:

On July 5, 2016 the City issued the Special Obligation Bonds, Series 2016A, 2016B and 2016C. The proceeds of \$50,400,000 related to Series 2016A were used to fund \$50,000,000 of the unfunded actuarial accrued liability of the City's Police Pension Fund. Interest rates on the remaining annual principal amounts payable vary from 1.10% to 3.52% and matures on October 1, 2035.

The proceeds of \$33,795,000 of Special Obligation Refunding Bonds Series 2016B bond were used to finance various capital projects. Interest rates on the remaining annual principal amounts payable are fixed at 5.00% and matures on October 1, 2040.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

The proceeds of \$35,990,000 Special Obligation Refunding Bonds, Series 2016C, were used to refund all of the City's Special Obligations Bonds (City Hall Project) outstanding immediately prior to issuance of the Series 2016C Bonds. Interest rates on the remaining annual principal amounts payable vary from 3.00% to 5.00% and matures on October 1, 2036. As of September 30, 2018, the principal balances of the Special Obligation Bonds, Series 2016A, 2016B and 2016C were \$47,780,000, \$33,795,000 and \$35,990,000 respectively.

The annual requirements to pay Governmental Activities principal and interest on the bonds outstanding at September 30, 2018 are as follows:

Fiscal Years ending September 30	GOVERNMENTAL ACTIVITIES					
	General Obligation Bonds			Revenue Bonds		
	Principal	Interest	Total Required	Principal	Interest	Total Required
2019	\$ 1,460,000	\$ 90,200	\$ 1,550,200	\$ 6,253,496	\$ 8,663,483	\$ 14,916,979
2020	1,525,000	30,500	1,555,500	6,493,012	8,408,844	14,901,856
2021	-	-	-	6,742,528	8,140,786	14,883,314
2022	-	-	-	7,375,000	7,832,488	15,207,488
2023	-	-	-	7,680,000	7,544,742	15,224,742
2024 - 2028	-	-	-	43,350,000	32,697,669	76,047,669
2029 - 2033	-	-	-	53,735,000	22,629,662	76,364,662
2034 - 2038	-	-	-	50,570,000	10,615,025	61,185,025
2039 -2043	-	-	-	23,140,000	1,773,250	24,913,250
Total	\$ 2,985,000	<u>120,700</u>	<u>3,105,700</u>	\$ 205,339,036	<u>\$ 108,305,949</u>	<u>\$ 313,644,985</u>
Current portion	(1,460,000)			(6,253,496)		
Premium	<u>7,655</u>			<u>14,141,721</u>		
Long-term portion	\$ <u>1,532,655</u>			\$ <u>213,227,261</u>		

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

H – LONG-TERM DEBT – CONTINUED

Pledged Revenue:

The City has pledged legally available non-ad valorem revenues to pay the Special Obligation Bonds, Series 2016A, 2016B and 2016C. The non-ad valorem revenue used for the bonds consists of utility taxes, franchise taxes, licenses and permits, fines and forfeitures, intergovernmental charges for services and other. For the current year, principal and interest of \$6,440,712 was paid. Four promissory notes; the 2004 Palm Beach County Note, the 2006 Capital Improvement Refunding Note, the 2014 Vehicle Acquisition Note and the 2014 Florida Communications System Note are also secured by non-ad valorem revenues. For the current year, principal and interest of \$2,196,677 was paid on these four notes. Non-ad valorem revenues were \$88,806,297.

Tax Increment Revenue Bonds are those secured by a pledge of and first lien on the Pledged Funds derived from the CRA. The City has two types of Tax Increment Revenue Bonds: the Northwood/Pleasant City Community Redevelopment Area (NPCCRA), 2005B and 2015 and the City Center Community Redevelopment Area (CCRA) Tax increment Revenue Bonds, 2006A, 2010A and 2015. Revenue received from the NPCCRA and CCRA in fiscal year 2018 was \$2,263,248 and \$19,418,289 respectively.

Promissory Notes:

On April 2, 2004, the City entered into an agreement with Palm Beach County to pay \$5,000,000 in 20 equal annual instalments of \$250,000. The note was used to fund the City's portion of the cost of a convention center and matures April 2023. The note is payable from and secured solely by the covenant of the City to budget and appropriate legally available non-ad valorem revenues. As of September 30, 2018, the principal balance of the note was \$1,250,000.

On July 19, 2006, the City issued \$16,250,000 Capital Improvement Refunding Note, to refund the Series 2003 Capital Improvement note. The interest rates on the annual principal amounts payable, are fixed at 5.06% and matures on August 1, 2021. The note is payable from and secured solely by the covenant of the City to budget and appropriate legally available non-ad valorem revenues. As of September 30, 2018, the principal balance was \$1,250,964.

The \$2,375,000 Series 2014 Vehicle Acquisition Note was issued on April 30, 2014, to finance the acquisition of certain vehicles and related equipment. The interest rates on the annual principal amounts payable are fixed at 2.28% and the note matures April 30, 2024. This Note and the interest hereon and any other amount due hereunder are secured by City's covenant to budget and appropriate in each Fiscal Year from its Legally Available Non-Ad Valorem Revenues. At September 30, 2018, the principal balance was \$1,431,158.

On June 11, 2014, the City issued \$10,000,000 Series 2014 Communication Systems Note to refund the Series 2006 Communications System Note in full. The interest rate is fixed at 2.06% and matures on June 11, 2024. As of September 30, 2018, the principal balance was \$6,600,244.

On January 1, 2017, the City issued \$350,000 Note to Palm Beach County (Brownfield Note) to repay the County for funds extended for the environmental remediation of specific City properties. The interest rate was fixed at 3% with a ten year payment term. Upon certain conditions being met, \$50,000 of this Note will be forgiven. The note represents an obligation of the NPCCRA. At September 30, 2018 the principal balance was \$296,067.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE H – LONG-TERM DEBT – CONTINUED

The annual requirements to pay governmental activities principal and interest on the promissory notes outstanding at September 30, 2018 were as follows:

<u>Fiscal Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Required</u>
2019	\$ 3,670,952	\$ 544,303	\$ 4,215,255
2020	3,720,447	426,418	4,146,865
2021	3,771,782	305,429	4,077,211
2022	3,365,864	182,070	3,547,934
2023	3,392,109	85,782	3,477,891
2024 - 2028	<u>1,230,838</u>	<u>18,488</u>	<u>1,249,326</u>
	\$ 19,151,992	\$ <u>1,562,490</u>	\$ <u>20,714,482</u>
Current portion	<u>(3,670,952)</u>		
Long-term portion	\$ <u>15,481,040</u>		

Capital Leases:

On December 14, 2011, the City entered into a \$6,900,000 15-year capital leasing arrangement to finance energy efficiency/conservation improvements throughout the City. The lease carries an interest rate of 2.41% with annual payments of \$568,144 including principal and interest. At September 30, 2018, value of the asset net of related accumulated depreciation and the principal outstanding balance totaled \$4,340,473 and \$5,023,114 respectively.

On July 12, 2012, the City entered into a \$2,700,000 ten-year capital leasing arrangement to acquire vehicles for the Fire Department. The lease carries an interest rate of 2.41% with annual payments of \$297,262 including principal and interest. At September 30, 2018, value of the asset net of related accumulated depreciation and the principal outstanding balance totaled \$1,224,473 and \$1,140,583, respectively.

On October 26, 2015, the City entered into a \$5,177,645 five-year capital lease to fund financial system software upgrades. The lease carries an interest rate of 2.53% with annual payments of \$1,094,945 including principal and interest. At September 30, 2018, value of the asset net of related accumulated depreciation and the principal outstanding balance totaled \$4,932,798 and \$2,109,274, respectively.

On May, 12, 2016, the City entered into a two-year capital lease to fund the purchase of a scrubber/sweeper machine for \$52,537. The lease carries an interest rate of 5.86% with annual payments of \$27,903 including principal and interest. This lease was fully repaid by September 30, 2018.

On June 1, 2016, the City entered into a five-year capital lease to fund the purchase of 39 police vehicles for \$1,183,803. The lease carries an interest rate of 3.20% with annual payments of \$254,593 including principal and interest. At September 30, 2018, value of the asset, net of related accumulated depreciation and the principal outstanding balance totaled \$468,977 and \$717,384, respectively.

On October 1, 2016, the City entered into a five-year capital lease to fund the purchase of 20 vehicles for the police, fire and sanitation departments for \$2,028,798. The lease carries an interest rate of 1.25% with annual payments of \$555,657 including principal and interest. At September 30, 2018, the value of the asset net of related accumulated depreciation and the principal outstanding balance totaled \$2,101,030 and \$1,629,789, respectively.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE H – LONG-TERM DEBT – CONTINUED

On April 1, 2017, the City entered into a five-year capital lease to fund the purchase of 29 vehicles for the police, fire and sanitation departments for \$4,203,060. The lease carries an interest rate of 1.61% with annual payments of \$881,646 including principal and interest. At September 30, 2018, the value of the asset net of related accumulated depreciation and the principal outstanding balance totaled \$3,389,083 and \$2,647,116, respectively.

On November 7, 2017, the City entered into a five-year capital lease to fund the purchase of 82 vehicles for the police, fire and sanitation departments for \$5,927,953. The lease carries an interest rate of 1.68% with annual payments of \$1,247,467 including principal and interest. At September 30, 2018, the principal outstanding balance totaled as the first annual payment was not due until fiscal year 2018. At September 30, 2018, the value of the asset net of related accumulated depreciation and the principal outstanding balance totaled \$2,780,585 and \$5,927,953, respectively.

The annual requirements to pay governmental activities principal and interest on the capital leases outstanding at September 30, 2018 were as follows:

<u>Fiscal years ending September 30:</u>	
2019	\$ 4,900,914
2020	4,900,915
2021	3,805,969
2022	2,994,520
2023	1,870,253
2024 - 2028	<u>2,840,595</u>
Total	21,313,166
Less: Amounts representing interest	<u>(1,321,243)</u>
Present value of principal payments	\$ <u><u>19,991,923</u></u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

H – LONG-TERM DEBT – CONTINUED

The City's long-term debt for governmental activities is summarized as follows:

	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Principal Amount Outstanding</u>	<u>Stated Interest Rate</u>	<u>Maximum Annual Debt Service</u>
GOVERNMENTAL ACTIVITIES:					
Bonds:					
General Obligation Bonds					
Series 2005	Refunding	\$ 14,975,000	\$ 2,985,000	4.00%	\$ 1,555,500
Revenue Bonds					
Series 2016A Special Obligation	Police Pension	50,400,000	47,780,000	1.640 - 3.521%	3,595,103
Series 2016B Special Obligation	Capital Improvement	33,795,000	33,795,000	5.00%	8,321,750
Series 2016C Special Obligation	Refunding	35,990,000	35,990,000	3.00 - 5.00%	3,103,350
Series 2015, CCCRA	Refunding	44,060,000	39,890,000	3.250 - 5.250%	4,119,150
Series 2015, NPCCRA	Refunding	18,870,000	18,405,000	2.250 - 4.125%	1,654,731
Series 2010A, CCCRA	Refunding	9,829,000	3,024,036	5.06%	1,144,616
Series 2006A, CCCRA	Redevelopment	77,175,000	24,270,000	4.00 - 5.00%	5,414,751
Series 2005B, NPCCRA	Redevelopment	7,280,000	2,185,000	5.68%	847,776
		<u>277,399,000</u>	<u>205,339,036</u>		<u>28,201,227</u>
Total Bonds		<u>292,374,000</u>	<u>208,324,036</u>		<u>29,756,727</u>
Notes Payable:					
Governmental Funds					
Series 2006 Note	City Hall Land	4,066,000	1,250,964	5.06%	473,497
Promissory Note	Convention Center	5,000,000	1,250,000	0.00%	250,000
Series 2014 Revenue Note	Vehicles	2,375,000	1,431,158	2.28%	270,892
LOC Rollover Loan	Fire Stations	8,323,559	8,323,559	3.87%	1,971,920
Promissory Note	Brownfield Note	350,000	296,067	3.00%	40,555
		<u>20,114,559</u>	<u>12,551,748</u>		<u>3,006,864</u>
Internal Service Funds					
Series 2014 Revenue Note	Communications	10,000,000	6,600,244	2.06%	1,220,143
Total Promissory Notes		<u>30,114,559</u>	<u>19,151,992</u>		<u>4,227,007</u>
Total Bonds and Notes for Governmental Activities		<u>\$ 322,488,559</u>	<u>\$ 227,476,028</u>		<u>\$ 33,983,734</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

H – LONG-TERM DEBT – CONTINUED

The City had the following pledged debt as of September 30, 2018 in its governmental activities:

Description of Issue	Purpose	Pledged Revenue	Revenue Received in FY 2018 (1)	Principal and Interest Paid in FY 2018	Debt Service as a Percentage of Revenues Pledged	Outstanding Principal and Interest (1)	Pledged Through
Special Obligation Bonds 2016A, B and C	A - to fund Police Pension B - To finance new capital projects C - To refund 2006 Special Obligation Bonds.	Non-Ad Valorem Tax Revenue (3)	\$88,806,297	\$6,893,892	7.8%	\$ 187,478,523	Fiscal years 2035 through 2040
Northwood/Pleasant City CRA Tax Increment Revenue Bonds Series: 2005B and 2015A	To pay for the cost of acquiring and clearing real property for redevelopment purposes and loan repayment made to the City.	Northwood/Pleasant City CRA Tax Increment Revenue	2,263,248	1,685,875	74.5%	28,154,264	Fiscal years 2021 and 2035, respectively
City Center CRA Tax Increment Revenue Bonds Series 2006A, 2010A and 2015B	To finance certain public improvements, refund Sunshine State Loans and a portion of the Agency's Tax Increment Revenue Bonds Series 2006A.	City Center CRA Tax Increment Revenue	19,418,289	6,337,401	32.6%	98,012,198	Fiscal years 2021 through 2036

(1) FY 2018 Revenue	Utility Service Tax	\$ 21,685,074
	Franchise Taxes	9,462,626
	Charges for Services	24,763,965
	Inter-governmental Revenue	14,170,339
	Licenses and Permits	3,823,282
	Fines and Forfeitures	238,638
	Interest	729,962
	Insurance Premium Taxes	2,797,362
	Rents and Royalties	211,804
	Payment in Lieu of Taxes	9,983,605
	Miscellaneous	939,640
	Total non-ad valorem revenue	<u>\$88,806,297</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

H – LONG-TERM DEBT – CONTINUED

The following is a summary of changes in long-term debt and liabilities for business-type activities:

	<u>Beginning</u> <u>Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balances</u>	<u>Total</u> <u>Current</u> <u>Liabilities</u>	<u>Total</u> <u>Noncurrent</u> <u>Liabilities</u>
Business-Type Activities:						
Water and Sewer						
Systems Fund						
Revenue bonds	\$ 209,586,586	\$ -	\$ 4,372,805	\$ 205,213,781	\$ 4,975,790	\$ 200,237,991
Unamortized premium	14,124,278	-	865,423	13,258,855	-	13,258,855
Net bonds payable	223,710,864	-	5,238,228	218,472,636	4,975,790	213,496,846
Compensated absences	2,044,873	194,906	151,547	2,088,232	1,112,274	975,958
Fund totals	<u>225,755,737</u>	<u>194,906</u>	<u>5,389,775</u>	<u>220,560,868</u>	<u>6,088,064</u>	<u>214,472,804</u>
Stormwater System Fund						
Revenue bonds	60,333,415	-	1,362,196	58,971,219	1,464,210	57,507,009
Unamortized premium	5,853,280	-	245,760	5,607,520	-	5,607,520
Net bonds payable	66,186,695	-	1,607,956	64,578,739	1,464,210	63,114,529
Compensated absences	291,930	59,180	30,514	320,596	157,567	163,029
Fund totals	<u>66,478,625</u>	<u>59,180</u>	<u>1,638,470</u>	<u>64,899,335</u>	<u>1,621,777</u>	<u>63,277,558</u>
Nonmajor Business						
-Type Funds						
Compensated absences	134,597	47,997	22,568	160,026	80,313	79,713
Capital leases	155,198	-	155,198	-	-	-
Funds total	<u>289,795</u>	<u>47,997</u>	<u>177,766</u>	<u>160,026</u>	<u>80,313</u>	<u>79,713</u>
Total Business-Type Activities	<u>\$ 292,524,157</u>	<u>\$ 302,083</u>	<u>\$ 7,206,011</u>	<u>\$ 285,620,229</u>	<u>\$ 7,790,154</u>	<u>\$ 277,830,075</u>

The City has pledged future customer revenues, net of specified operating expenses, to repay \$269,320,000 in various Water System and Stormwater System revenue and revenue refunding bonds which were issued for the fiscal years 2008 through 2017. Proceeds from these bonds provided financing for various utilities system infrastructure improvements including the modernization of the City's water filtration plant. The bonds are payable solely from utility customer net revenues and are payable through 2047. The total principal and interest remaining to be paid on the bonds is \$434,366,838. Principal and interest paid for the current year and total customer net revenues were \$14,362,232 and \$56,212,538, respectively.

Revenue Bonds

On July 1, 2008, the City issued \$53,975,000 Utility System Revenue Refunding Bonds, Series 2008A, to refund all of the outstanding Series 2005 Utility System Revenue Refunding bonds. The Series 2008A bond was in turn largely refunded by the Utility System Revenue Refunding Bonds, Taxable Series 2017B on February 1, 2017. As of September 30, 2018, the principal balance of \$2,060,000 remains.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

H – LONG-TERM DEBT – CONTINUED

On July 1, 2008, the City issued \$14,835,000 Utility System Revenue Bonds, Series 2008B, to pay for a portion of the cost of the improvements to the utility system as defined in the Series 2008B Series Resolution. Interest rates on the remaining annual principal amounts payable vary between 4 and 4 ¼ % and the bond matures October 1, 2020. As of September 30, 2018, the principal balance of \$3,700,000 remains.

On July 1, 2008, the City issued \$99,990,000 Utility System Variable Rate Revenue Bonds, Series 2008C to pay for a portion of the cost of the improvements to the utility system as defined in the Series 2008C Series Resolution. Interest is calculated weekly as determined by the Remarketing Agent and the bond matures October 1, 2038. The 2017C Utility bonds partially refunded the 2008C series. As of September 30, 2018, the principal balance of \$58,145,000 remains.

On February 24, 2010, the City issued \$15,140,000 Utility System Revenue Refunding Bonds, Series 2010, to extinguish all outstanding Series 1998 Utility System Revenue Refunding Bonds. Interest rates on the remaining annual principal amounts payable vary between 3% and 4½ %. The bonds mature October 1, 2027. As of September 30, 2018, the principal balance of \$12,770,000 remains.

On June 29, 2011, the City issued \$19,200,000 Utility System Revenue Refunding bonds, Series 2011A, to extinguish all outstanding Series 2002 Utility System Revenue Refunding Bonds. The interest rates on the remaining annual remaining principal amounts payable is 5% and the bonds mature October 1, 2023. As of September 30, 2018, the principal balance of \$9,895,000 remains.

On September 19, 2012, the City issued \$43,040,000 Utility System Revenue Refunding bonds, Series 2012A to partially advance refund the Series 2004 Utility System Revenue Refunding Bonds. The remaining Series 2004 bonds were retired on October 1, 2014. The interest rates on annual remaining principal amounts payable vary between 2 and 5% and the bonds mature October 1, 2030. As of September 30, 2018, the principal balance of \$40,805,000 remains.

On February 1, 2017 the City issued \$60,755,000 Utility System Revenue bonds, Series 2017A to finance a portion of the cost of acquiring, constructing and equipping improvement to the utility system. The interest rates on annual principal amounts payable is fixed at 5% and the bonds mature October 1, 2042. As of September 30, 2018, the principal balance of \$60,755,000 remains.

On February 1, 2017 the City issued \$40,955,000 Utility System Revenue Refunding bonds, Series 2017B, to refund the Series 2008A Bonds outstanding immediately prior to issuance of the Series 2017B Bonds. The interest rates on annual principal amounts payable vary between 1.489 and 3.391% and the bonds mature October 1, 2029. As of September 30, 2018, the principal balance of \$40,955,000 remains.

On February 1, 2017 the City issued \$35,100,000 Utility System Revenue Refunding bonds, Series 2017C, to provide for the current refunding of the unhedged principal amount outstanding of the City's Utility System Variable Rate Revenue Bonds, Series 2008C. The interest rates on annual principal amounts payable vary between 3 and 5% and the bonds mature October 1, 2034. As of September 30, 2018, the principal balance of \$35,100,000 remains.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

H – LONG-TERM DEBT – CONTINUED

The annual requirements to pay Business Type Activities principal and interest on the bonds outstanding at September 30 are as follows:

Fiscal Years ending September 30	BUSINESS-TYPE ACTIVITIES					
	Water and Sewer System Bonds			Stormwater Utility Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 4,975,790	\$ 8,647,811	\$ 13,623,601	\$ 1,464,210	\$ 2,573,359	\$ 4,037,569
2020	5,462,070	8,461,725	13,923,795	1,567,930	2,514,146	4,082,076
2021	6,317,295	8,275,956	14,593,251	1,742,705	2,461,360	4,204,065
2022	4,164,640	8,124,858	12,289,498	1,500,360	2,411,239	3,911,599
2023	5,201,930	7,960,338	13,162,268	1,693,070	2,348,698	4,041,768
2024 - 2028	31,864,730	36,497,558	68,362,288	8,050,270	10,688,956	18,739,226
2029 - 2033	39,790,060	29,555,556	69,345,616	9,834,940	8,977,008	18,811,948
2034 - 2038	55,344,080	17,756,988	73,101,068	9,505,920	6,650,263	16,156,183
2039 - 2043	52,093,186	5,977,688	58,070,874	23,611,814	3,320,937	26,932,751
Total	\$ 205,213,781	\$ 131,258,478	\$ 336,472,259	\$ 58,971,219	\$ 41,945,966	\$ 100,917,185
Current portion	(4,975,790)			(1,464,210)		
Premium	13,258,854			5,607,520		
Long-term portion	\$ 213,496,845			\$ 63,114,529		

Capital Lease:

On February 22, 2016, the City entered into a five-year capital lease to fund the acquisition of golf carts for the City's golf course machine for \$220,822. The lease was fully repaid during fiscal year 2018.

Lines of Credit:

During fiscal year, 2013, the City entered into a financing arrangement for a \$15 million line of credit. The initial usage is to finance the construction of Fire Station No. 5, the Emergency Operations Center, Fire Station No. 4, and Fire Station No. 8. The initial line of credit had a renewable term of 36 months and was scheduled to be drawn upon during the construction phase of the projects. The City subsequently signed an agreement to add an additional \$5 million line of credit under terms identical to the initial line.

During the fiscal year ended September 30, 2018, the existing balances on the lines of credit totaling \$8,323,559 were converted to a note payable and matures on July 1, 2023 bearing interest at a fixed rate of 3.87%. At September 30, 2018, the principal balance of the converted line of credit was \$8,323,559.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

H – LONG-TERM DEBT – CONTINUED

The following is a summary of changes in long-term debt and liabilities for business-type activities:

	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Principal Amount Outstanding</u>	<u>Stated Interest Rate</u>	<u>Maximum Annual Debt Service</u>
BUSINESS-TYPE ACTIVITIES:					
Utility System Revenue Bonds:					
Series 2008B	Water/Sewer	\$ 12,372,390	\$ 3,396,600	4.125– 4.250%	\$ 1,346,970
Series 2008C	Water/Sewer	83,591,640	50,702,440	See swap information	13,604,543
Series 2017A	Water/Sewer	39,056,786	39,056,786	5.00%	10,787,384
Utility System Revenue Refunding Bonds:					
Series 2008A	Water/Sewer	47,605,950	1,816,920	4.125%	1,853,258
Series 2010	Water/Sewer	15,140,000	12,770,000	3.75 - 4.500%	2,891,488
Series 2011A	Water/Sewer	15,264,000	7,866,526	5.00%	1,552,635
Series 2012A	Water/Sewer	22,935,000	22,875,000	2.00 – 5.00%	5,116,408
Series 2017B	Water/Sewer	36,122,310	36,122,310	1.639 - 3.391	5,814,946
Series 2017C	Water/Sewer	30,607,200	30,607,200	3.00% - 5.00%	5,091,826
Premium	Water/Sewer	16,809,393	13,258,854		-
Total Water and Sewer System Fund		<u>319,504,669</u>	<u>218,472,636</u>		<u>48,059,458</u>
Utility System Revenue Bonds:					
Series 2008B	Storm Water	2,462,610	303,400	4.125 – 4.250%	120,318
Series 2008C	Storm Water	16,398,360	7,442,560	See swap information	1,996,997
Series 2017A	Storm Water	21,698,214	21,698,214	5.00%	5,992,991
Utility System Revenue Refunding Bonds:					
Series 2008A	Storm Water	6,369,050	243,080	4.125%	247,942
Series 2011A	Storm Water	3,936,000	2,028,474	5.00%	400,365
Series 2012A	Storm Water	20,105,000	17,930,000	2.00 – 5.00%	1,486,873
Series 2017B	Storm Water	4,832,690	4,832,690	1.639 - 3.391	777,963
Series 2017C	Storm Water	4,492,800	4,492,800	3.00% - 5.00%	747,424
Premium	Storm Water	6,922,964	5,607,520		-
Total Storm Water Fund		<u>87,217,688</u>	<u>64,578,738</u>		<u>11,770,873</u>
Total Business-Type Activities		<u>\$ 406,722,357</u>	<u>\$ 283,051,374</u>		<u>\$ 59,830,331</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note I – INTEREST RATE SWAP

On August 20, 2008, following the issuance of the City’s \$99,990,000 Series 2008C Utility System Variable Rate Revenue Bonds, the City entered into a synthetic fixed rate bond swap agreement with a notional value of \$56,335,000, the hedged portion related to the Series 2008C Utility System Variable Rate Revenue Bonds. The objective of this transaction was to lower borrowing costs when compared with fixed rate bonds at the time of issuance. The maturity date of the swap is October 1, 2038.

Under the terms of the swap agreement, the City pays the counterparty a fixed payment of 3.539% on the notional value of \$56,335,000, while receiving a variable amount computed as 72% of the monthly London Inter-Bank Offered Rate (LIBOR) on the same notional value. The variable rate on the bonds is reset weekly by auction. Starting in fiscal year 2035, the notional value of the swap and the principal amount of the associated debt decline annually until the debt is completely retired on October 1, 2038, and the related swap agreement matures. The Utility System Revenue Refunding Bonds, Series 2017C, refunded \$41,845,000 of the total \$43,655,000 unhedged portion of outstanding Series 2008C Utility System Variable Rate Revenue Bonds. At September 30, 2018 the total hedged and unhedged swap liability outstanding was \$56,335,000 and \$1,810,000, respectively.

As of September 30, 2018, bond and swap rates were as follows:

<u>Interest Rate Swap:</u>		<u>Terms</u>	<u>Rates</u>
Fixed Payment to Counterparty		Fixed	3.539%
Variable Payment from Counterparty	(1)	72% of Monthly LIBOR rate	(1.559%)
Net Interest Rate Swap Payments			1.980%
Variable Rate Bond Coupon Payments	(2)	7 Day Market Rate	1.600%
Synthetic Interest Rate on Bonds			<u>3.580%</u>

(1) 1.55944% rate based on the rate received from the swap counterparty for the period 9/5/2018

(2) 1.60% rate based on the rate paid to the corporate trustee for the week ending 10/2/2018.

Fair Value:

As of September 30, 2018, the swap had a negative fair value of \$10,755,074. The swap’s negative fair value is due to the interest rate of the counterparty (at September 30, 2018) being less than the original counterparty rates. However, because the coupons on the City’s variable rate bonds adjust to changing interest rates, the swap still functions effectively as a hedge against interest rate volatility on those bonds. The swap’s fair value estimate is derived from an independent market evaluation which uses the zero coupon method based on proprietary assumptions. The valuation model calculates future cash flows by projecting forward swap rates and then discounts those cash flows to their present value as follows:

<u>Cash flow hedge:</u>	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	<u>Change in Fair Value</u>
Pay-fixed, receive-variable interest rate swap	Deferred Outflow	\$10,755,074	Liability	\$(10,755,074)	\$ 5,054,623
(Notional amount: \$56,335,000)					

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note I – INTEREST RATE SWAP– CONTINUED

The interest rate swap agreements do not affect the City’s obligation (under the bond indenture) to repay the principal and variable interest on the Series 2008C bonds. As interest rates vary, the variable rate interest payments and swap payments will vary.

The following table, which estimates debt service requirements of the variable rate bond and the swap payments, assumes that LIBOR rates will rise from .96% on September 30, 2018 to 1.5% in 2018, 2.0% in 2019 and then remain constant at 2.5% from 2020 to the duration of those instruments.

Fiscal Years ending September 30	Variable Rate Bonds - Hedged				Interest Rate Swap	
	Notional Value	Interest (1)	Liquidity		Fees (3)	Net Amount (4)
			Fees (2)	Remarketing		
2019	\$ 56,335,000	\$ 811,224	\$ 281,675	\$ 70,419	\$ 1,182,472	\$ 2,345,790
2020	56,335,000	1,014,030	281,675	70,419	979,666	2,345,790
2021	56,335,000	1,014,030	281,675	70,419	979,666	2,345,790
2022	56,335,000	1,014,030	281,675	70,419	979,666	2,345,790
2023	56,335,000	1,014,030	281,675	70,419	979,666	2,345,790
2024 - 2028	56,335,000	5,070,150	1,408,375	352,094	5,461,680	12,292,299
2029 - 2033	56,335,000	5,070,150	1,408,375	352,094	5,461,680	12,292,299
2034 - 2038	14,950,000	2,586,510	925,400	231,348	1,372,150	5,115,408
Total		\$ 17,594,154	\$ 5,150,525	\$ 1,287,631	\$ 17,396,646	\$ 41,428,956

Fiscal Years ending September 30	Variable Rate Bonds - Unhedged		
	Principal	Interest	
		(1)	Total
2019	\$ -	\$ 28,960	\$ 28,960
2020	-	28,960	28,960
2021	335,000	28,960	363,960
2022	1,475,000	11,800	1,486,800
Total	\$ 1,810,000	\$ 98,680	\$ 1,908,680

- (1) Interest rates over the period are calculated 1.60% which was the rate in effect during the week ended October 2, 2018.
- (2) Liquidity fees are 48 basis points or 0.48% of the outstanding bond principal amount and provide for a ready buyer in the event that no other bond buyers can be found when these bonds are remarketed weekly.
- (3) The remarketing fees are 12.5 basis points or 0.125% of the outstanding bond principal amount.
- (4) Computed: (3.539% - 1.55944%) multiplied by the notional amount outstanding (see Interest Rate Swap Rate Table).

Notional Amounts in Future Years

<u>From and Including</u>	<u>To but excluding</u>	<u>Notional Amount</u>
6/5/2013	10/1/2035	\$ 56,335,000
10/1/2035	10/1/2036	43,100,000
10/1/2036	10/1/2037	29,310,000
10/1/2037	10/1/2038	14,950,000
10/1/2038	10/1/2039	

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note I – INTEREST RATE SWAP– CONTINUED

Credit Risk – Credit risk is the risk that the counterparty to the swap agreement will not fulfill its obligations when the swap has a positive fair value to the City. In any period when the swap has a positive fair value, the City is exposed to actual credit risk in the amount of the swap’s fair value. The swap counterparty has guaranteed all payments due under the swap agreement. On June 26, 2013, Citibank, the swap counterparty, novated the Citibank Interest Rate Swap to the Bank of New York Mellon. A novation is a substitution of the counterparty in a swap agreement. Upon novation, the swap is referred to as the Bank of New York Mellon Interest Rate Swap. All swap terms and conditions remain the same. The City had no costs associated with the novation. As of September 30, 2018, the long-term debt of the swap counterparty – The Bank of New York Mellon Corporation – was rated AA- by Fitch, A by Standard & Poor’s, and A1 by Moody’s. To mitigate the potential for credit risk, if the counterparties’ credit ratings fall below A-/A3, the counterparties will fully collateralize the fair value of the swap (with U.S. Government Securities).

Basis Risk – Instead of the actual variable debt interest payment, the City’s interest rate swap is based on a fixed payment and an indexed variable receipt. Any difference between the indexed variable receipt and the actual market-determined variable rate paid on the bonds is called “basis risk”. Whereas the underlying swap agreement pays the City at 72% of the 1 month LIBOR rate, the Series 2008 C Utility System Variable Rate Revenue Bonds bear interest at the seven day market rate. From August 19, 2008 to the termination date, the swap exposes the City to basis risk should the relationship between LIBOR and the seven day market rate converge (thereby changing the synthetic rate on the bonds). If a change occurs that results in the rates moving to convergence, the City’s payments out may be in excess of its payments received from the counterparty and the City’s expected cost savings may not be realized.

Termination Risk – The City’s derivative contract uses the International Swaps and Derivatives Association’s Master Agreement (ISDA). The ISDA Master Agreement includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the ISDA Master Agreement also includes “additional termination events”. Accordingly, if the counterparty’s credit quality rating falls below “BBB-” as issued by Standard & Poor’s or “Baa3” as issued by Moody’s Investors Service, the City may terminate the swap. The City or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable rate bonds would no longer carry a synthetic interest rate and the City would no longer be insulated from the possibility of increasing interest rate payments. A termination of the swap agreement may also result in the City making or receiving a termination payment (equal to the swap’s fair value at the termination date).

Rollover Risk – Because the maturity dates for the hedged Series 2008 C Utility System Variable Rate Bonds and the interest rate swap agreement are the same (October 1, 2038), the City is not exposed to rollover risk.

Interest Rate Risk – The hedging derivative is a pay-fixed, receive variable cash flow hedge that is hedging interest rates on a portion of the 2008C bonds outstanding. The City believes that it has significantly reduced interest rate risk attributable to the principal amount being hedged by entering into the interest rate swap.

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates would adversely affect the fair value of the derivative or cash flows of the City. With respect to the City’s derivative and the related cash flows, the City has no exposure to foreign currency risk.

NOTE J – INTERFUND RECEIVABLES, PAYABLES AND ADVANCES

The composition of interfund balances as of September 30, 2018 is as follows:

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Enterprise Fund	\$ 617,000
		\$ 617,000

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE J – INTERFUND RECEIVABLES, PAYABLES AND ADVANCES– CONTINUED

An advance in the amount of \$1.5 million was made in 2009 to finance renovation of the City's golf course. This advance was made in accordance with an interlocal agreement between the City and the Golf Commission. Repayment will be made over a period of up to 15 years based on a schedule included in the agreement. One of the advances was for the golf course renovation and the other the for lawn mowers agreement.

The General fund had receivables totaling \$2,558,663 which were for short term cash borrowings. The Special Revenue Funds had payables to a Capital Projects Fund totaling \$10,474,787 for capital outlay expenditures incurred.

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 2,338,614
	Internal Service Funds	103,977
	Nonmajor Enterprise Fund	116,072
Nonmajor Enterprise Funds	Internal Service Fund	113,537
Internal Service Fund Fleet	Internal Service Fund	36,277
Nonmajor Governmental Funds	Nonmajor Governmental Funds	10,474,787
		<u>\$ 13,183,264</u>

NOTE K – INTERFUND TRANSFERS

The following is a summary of interfund transfer activity:

		Transfer-In Funds:							
Transfer-Out Funds:	General Fund	City Center Community Redevelopment Agency Fund	Northwood/ Pleasant City Community Redevelopment Agency Fund	Non-Major Governmental Funds	Water and Sewer System Fund	Non-Major Enterprise Funds	Internal Service Funds	Total	
General	\$ -	\$ -	\$ -	7,948,806	\$ -	\$ 575,000	\$ 3,637,140	\$ 12,160,946	
CRA	250,000	-	-	2,180,631	-	270,000	-	2,700,631	
Non-major governmental	1,469,644	-	19	2,868,885	477,116	18,570	465,630	5,299,864	
Non-major enterprise	529,703	-	-	-	-	-	26,003	555,706	
Water & Sewer	9,536,095	-	-	-	-	-	832,226	10,368,321	
Stormwater	-	-	-	-	-	-	48,400	48,400	
Internal service	-	75,684	-	-	-	-	49,582	125,266	
Total transfers	<u>\$ 11,785,442</u>	<u>\$ 75,684</u>	<u>\$ 19</u>	<u>12,998,322</u>	<u>\$ 477,116</u>	<u>\$ 863,570</u>	<u>\$ 5,058,981</u>	<u>\$ 31,259,134</u>	

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE K – INTERFUND TRANSFERS– CONTINUED

Transfers-out from the General Fund to Nonmajor Governmental Funds funded debt service requirements, capital improvements, technology replacement, and grant matching. Transfers-out from the City Center CRA Fund to the General Fund represent funding for debt service obligations. Transfers-out from the Water and Sewer Systems Fund to the General Fund represent Payments-In-Lieu-Of-Taxes (i.e., “PILOT”). Transfers within the Internal Service Funds were primarily caused by the consolidation of two similar funds into one combined fund. Transfers from the Internal Service Funds to the General Fund was to consolidate the activities of the Fleet Replacement

NOTE L – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget

Annual budgets are adopted for major and nonmajor governmental funds. Except for the General Fund, these budgets are prepared on the modified accrual basis of accounting. In the General Fund, budgets are prepared on the modified accrual basis of accounting except that current year encumbrances are treated as expenditures for budgetary purposes and administrative charges to other funds are budgeted as revenue in the General Fund.

All unencumbered and unexpended appropriations lapse at the fiscal year-end except those for ongoing capital projects and special revenue funds which are brought forward and become part of the subsequent year’s original budget.

Appropriations at year end that are encumbered but unexpended are also brought forward and become part of the subsequent year’s original budget. Supplemental appropriations made during the fiscal year are included in the ‘Final Budget’ columns on the statements of revenues, expenditures and changes in fund balances – budget and actual.

During the fiscal year ended September 30, 2018, certain funds were inactive or are being utilized on an as needed basis when the City pays or receives a non-recurring charge. The source and use of revenues are approved by the City Commission on an as needed basis for the following funds:

- Impact Fee Fund
- The Red Light Camera Fund
- The City Commons and Waterfront Fund
- Land Acquisition Fund
- Mandel Library SR Fund

Budgetary Control

Expenditures may not legally exceed appropriations at the fund and department level without Commission approval. Budget changes within a fund and department which do not affect the departmental total may be approved on the administrative level. The City Administrator and Chief Financial Officer have the authority to approve such administrative changes.

For the fiscal year ended September 30, 2018, the Fleet Management Fund had a deficit fund balance which will be corrected in fiscal year 2019 with additional assessments from operating charges..

NOTE M – RISK MANAGEMENT

The City maintains two risk retention funds, the Self Insurance Fund and the Employee Benefits Fund. These funds combine risk retention (“self-insurance”) with purchased insurance policies and are categorized as internal service funds. The Self Insurance Fund is used to account for the City’s workers’ compensation, general, and automotive liability claims. The Employee Benefits Fund is used to account for the health and life benefits for eligible City employees and certain retirees.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE M – RISK MANAGEMENT – CONTINUED

Insurance claims liabilities and expenses are recognized when it is probable a loss has occurred and the amount of the loss can be reasonably estimated.

Risk has been retained by the City in the amount of \$500,000 for workers' compensation, \$350,000 for general and auto liability, 100% for employee health (beginning July 1, 2018), and \$100,000 for property loss. Excess insurance has been purchased for general liability coverage up to \$10,000,000.

Property loss is covered by purchased insurance policies up to \$327 million (total insured value).

During the past three years, claims settlement amounts have not exceeded insurance coverages. The claims liability amounts shown below represent the present value of estimated future payments to be made for claims that occurred prior to September 30, 2018. The discount rate used in calculating the Self Insurance Fund's liability is 3%. No discounting was done in calculating the Employee Benefits Fund's liability. No non-incremental claims adjustments have been made.

The following is a summary of the changes in claims liability for the Self Insurance Fund for the fiscal years ended September 30:

	Fiscal Year 2018	Fiscal Year 2017
Unpaid claims as of October 1	<u>\$ 11,572,526</u>	<u>\$ 12,970,002</u>
Incurred claims (including claims incurred but not reported as of September 30):		
Provision for current year events where the City retained risk of loss	5,385,856	5,597,711
Increases (decrease) in provision for prior years' events where the City has retained risk of loss	<u>162,113</u>	<u>(1,321,492)</u>
Total incurred claims	<u>5,547,969</u>	<u>4,276,219</u>
Payments:		
Claims attributable to current year events where the City has retained risk of loss	1,939,795	1,640,674
Claims attributable to prior years' events where the City has retained risk of loss	<u>3,613,395</u>	<u>4,033,021</u>
Total payments	<u>5,553,190</u>	<u>5,673,695</u>
Unpaid claims as of September 30	<u><u>\$ 11,567,305</u></u>	<u><u>\$ 11,572,526</u></u>
Reconciliation to Internal Service Funds Statement of Net Position:		
Insurance claims payable, current portion	3,024,939	3,340,329
Insurance claims payable, long term portion	<u>8,542,366</u>	<u>8,232,197</u>
	<u><u>\$ 11,567,305</u></u>	<u><u>\$ 11,572,526</u></u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE M – RISK MANAGEMENT – CONTINUED

The following is a summary of the changes in claims liability for the Employee Benefits Fund for the fiscal years ended September 30:

	Fiscal Year 2018	Fiscal Year 2017
Unpaid claims as of October 1	<u>\$ 1,284,587</u>	<u>\$ 680,308</u>
Incurred claims (including claims incurred but not reported as of September 30):		
Provision for current year events where the City retained risk of loss	32,299,813	17,340,068
Increases (decrease) in provision for prior years' events where the City has retained risk of loss	<u>(9,985,791)</u>	<u>272,797</u>
Total incurred claims	<u>22,314,022</u>	<u>17,612,865</u>
Payments:		
Claims attributable to current year events where the City has retained risk of loss	19,800,539	17,008,586
Claims attributable to prior years' events where the City has retained risk of loss	<u>2,694,770</u>	<u>-</u>
Total payments	<u>22,495,309</u>	<u>17,008,586</u>
Unpaid claims as of September 30	<u><u>\$ 1,103,300</u></u>	<u><u>\$ 1,284,587</u></u>
Reconciliation to Internal Service Funds Statement of Net Position:		
Insurance claims payable, current portion	1,103,300	1,284,587
Insurance claims payable, long term portion	<u>-</u>	<u>-</u>
	<u><u>\$ 1,103,300</u></u>	<u><u>\$ 1,284,587</u></u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE N – COMMITMENTS AND CONTINGENCIES

Construction and Equipment Contracts

At year end, the City had the following significant commitments related to uncompleted contracts for construction and equipment:

Governmental Funds:

2016 Capital Bond Fund	\$ 4,804,679
All Other Governmental Funds	25,301,758
	<u>\$ 30,106,437</u>

Business-Type Activities:

Water and Sewer System Fund	\$ 15,134,563
Stormwater Fund	1,637,668
	<u>\$ 16,772,231</u>

Litigation, Claims and Assessments

The City is engaged in routine litigation, claims and assessments incidental to the conduct of its business. In the opinion of the City Attorney, the ultimate outcome of any pending litigation, claims and assessments which represent potential liability to the City in excess of either amounts already provided for in the accompanying financial statements, or covered by insurance, will not have a material or adverse effect on its financial position.

State and Federal Grants

Grant funds received and disbursed by the City are for specific purposes and are subject to audit by the grantor agencies. Amounts received or receivable from the agencies are subject to audit and adjustment. Any disallowed claims, including the amounts already collected, may constitute a liability of the applicable funds. Future disallowances, if any, cannot be determined at this time although in the opinion of management, any disallowed expenditures would not have a material adverse effect on the financial condition of the City.

City Place Community Development City Debt

On April 20, 2012, the Community Development City (CDD) issued the \$39,890,000 Special Assessment and Refunding Bonds, Series 2012, primarily pledged by special assessments to the properties within the CDD. Additionally, the CRA pledged certain tax increment revenue for properties within the CDD and up to \$2 million of the existing tax increment revenues generated outside the CDD. The CRA payments, together with the special assessments required to be levied by the CDD, are anticipated to fully fund the debt service requirements. As of September 30, 2018, neither the City nor the CRA has an outstanding liability to the CDD.

Sale of Property

During the current fiscal year, the City sold property valued at approximately \$11.5 million. In conjunction with the sale, the City and the CCRA entered into a ground lease and development agreement (the "Agreement") with the buyer to lease other property located adjacent to the sold property. The value of the leased property was \$6 million at the time of the Agreement. In accordance with the Agreement, the buyer/lessee will construct and develop commercial and residential buildings for the benefit of the public. The initial term of the lease is 50 years with an option to renew for an additional 25 years. No rent is payable by the buyer within the initial term. If the buyer elects to exercise the renewal option, the annual rent shall be the fair rental value of the leased property at renewal. Upon expiration of the lease, the ownership of improvements to the leased property will automatically revert to the City or the CCRA.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE O – EMPLOYEE RETIREMENT PLANS

During the fiscal year ended September 30, 2018, the City participated in four single-employer pension plans covering substantially all full-time employees. Three of the plans are defined benefit pension plans and one is a defined contribution pension plan. Each defined benefit pension plan is administered by an independent board of trustees and each is audited annually by an independent certified public accountant. The City also participated in three Voluntary Employees' Beneficiary Association (VEBA) plans.

For this report dated September 30, 2018, the actuarial valuation date for all plans is September 30, 2016, and the measurement date is September 30, 2017. The Required Supplementary Information section of this report provides additional detailed information about actuarial methods and assumptions used to determine the contribution rates for each plan. That section also provides schedules of employer contributions, total pension asset/liability, plan fiduciary net position, and changes in net pension asset/liability for each plan. The schedules of employer contributions and pension liabilities will be expanded each year until a total of ten years is presented.

(1) Defined benefit plans

Police Pension Plan: The Police Pension Fund ("the plan") was created in 1947 by a special act of the Florida legislature, Chapter 24981, Section 16, Laws of Florida, as amended. The plan provides retirement benefits for noncivilian police department employees and is maintained through contributions from employee members, actuarially determined contributions from the City, and from investment earnings. In addition, the State of Florida, pursuant to Chapter 185 of the Florida Statutes, pays to the plan all casualty insurance premium surcharges collected from within the city limits. These surcharges are distributed annually provided the local government has met its actuarial funding requirement for the most recently completed fiscal year. Employee members of the Plan make regular contributions. For fiscal year 2018, the City withheld 11% of earnings from employee members. 7% was remitted to the pension plan and 4% was paid to the Police VEBA.

Benefit provisions and contribution requirements are established and may be amended by the City of West Palm Beach in conjunction with the Palm Beach County Police Benevolent Association. Any such amendments take effect upon passage by the Florida State Legislature. The City's recommended and actual contribution for fiscal year 2018, as discounted for payment at the beginning of the fiscal year, was \$3,556,968. This contribution represented approximately 17% of covered payroll. Chapter 185 funds, as mentioned above, amounted to \$1,455,967 for fiscal year 2018. The plan annually produces a separately audited annual report including financial statements and required supplementary information. This report may be obtained by writing to City of West Palm Beach, Finance Department, 401 Clematis Street, West Palm Beach, Florida 33401 or by calling 1-561-822-1310 or accessible at wbpbf.com.

Firefighters pension plan: The Firefighters Pension Fund ("the plan") was created in 1947 by a special act of the Florida legislature, Chapter 24981, Section 17, Laws of Florida, as amended. The plan provides retirement benefits for firefighters and fire department officers and is maintained through contributions from employee members, actuarially determined contributions from the City, and from investment earnings. In addition, the State of Florida, pursuant to Chapter 175 of the Florida Statutes, pays to the plan all property insurance premium surcharges collected from within the city limits. These surcharges are distributed annually provided the local government has met its actuarial funding requirement for the most recently completed fiscal year. Employee members of the Plan make regular contributions. For fiscal year 2018, the City withheld 13.1% of earnings from employee members. 11.1% was remitted to the pension plan and 2% was paid to the Firefighters' VEBA. Benefit provisions and contribution requirements are established and may be amended by the City of West Palm Beach in conjunction with the West Palm Beach Association of Fire Fighters, I.A.F.F. Local 727. The City's recommended and actual contribution for fiscal year 2018, as discounted for payment at the beginning of the fiscal year, was \$8,057,319.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE O – EMPLOYEE RETIREMENT PLANS – CONTINUED

Chapter 175 funds, as mentioned above, amounted to \$1, 578,112 for fiscal year 2018. In accordance with the union contract, 85% of the Chapter 175 monies, or \$1,341,395, was remitted to the pension plan. These combined contributions, amounting to \$9,398,714, represented 53.6% of covered payroll. The plan annually produces a separately audited annual report including financial statements and required supplementary information. This report may be obtained by writing to City of West Palm Beach, Finance Department, 401 Clematis Street, West Palm Beach, Florida 33401 or by calling 1-561-822-1310 or accessible at resourcecenters.com.

Restated pension plan: The West Palm Beach Restated Employees’ Defined Benefit Retirement System (“the plan”) was established under Ordinance No 3059-97 on August 11, 1997. The plan, a successor plan to the City of West Palm Beach Employees’ Retirement System, provides retirement benefits for employees who were active members of the predecessor plan as of September 10, 1997. All members are fully vested and the plan is closed to new members. Active members make regular contributions to the plan in the amount of 5.5% of employee earnings.

Benefit provisions and contribution requirements for the plan are established and may be amended by the City of West Palm Beach in conjunction with the State Employees International Union and the Professional Managers and Supervisors Association. The City made an advance payment of \$7,445,067 in fiscal year 2013.

Actuarially determined contributions made after that date are subtracted from that advance. At September 30, 2018, the remaining advance was \$3,624,747 and is included in the City’s General Fund total assets of the Balance Sheet – Governmental Funds.

The plans’ administrative costs are financed through investment earnings. The plan annually produces a separately audited annual report including financial statements and required supplementary information. This report may be obtained by writing to City of West Palm Beach, Finance Department, 401 Clematis Street, West Palm Beach, Florida 33401 or by calling 561-822-1310 or accessible at resourcecenters.com.

Selected actuarial data for the defined benefit pension plans is presented below:

	Police Pension	Firefighters Pension	Restated Employees Pension
	<u>September 30, 2016</u>	<u>September 30, 2016</u>	<u>September 30, 2016</u>
Membership as of valuation date:			
Number of:			
Retirees and beneficiaries	255	209	161
Inactive, nonretired members	10	1	9
Active members	<u>250</u>	<u>202</u>	<u>23</u>
Total	<u><u>515</u></u>	<u><u>412</u></u>	<u><u>193</u></u>
Covered payroll	\$ <u>21,679,436</u>	\$ <u>17,540,397</u>	\$ <u>1,500,533</u>
Net pension asset (liability):			
Total pension liability	\$ (358,140,046)	\$ (280,949,431)	\$ (43,973,012)
Fiduciary net position	<u>361,249,258</u>	<u>207,273,396</u>	<u>46,405,229</u>
Net pension asset (liability)	\$ <u><u>3,109,212</u></u>	\$ <u><u>(73,676,035)</u></u>	\$ <u><u>2,432,217</u></u>
Fiduciary net position as a % of total pension liability	100.87%	73.78%	105.53%
Net pension asset (liability) as a % of covered payroll	14.34%	-420.04%	162.09%

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE O – EMPLOYEE RETIREMENT PLANS – CONTINUED

	<u>Police</u>	<u>Firefighters</u>	<u>Restated</u>
	Increase (Decrease)		
Total Pension Liability			
Balance at September 30, 2017	\$ 337,548,681	\$ 265,476,719	\$ 41,693,629
Changes for the year:			
Service cost	4,465,713	3,997,127	86,849
Interest on the total Pension Liability	26,458,916	13,652,932	3,225,757
Difference between expected and actual experience of the total Pension Liability	335,340	(944,506)	(374,998)
Changes of Assumptions	5,183,638	5,482,333	2,171,968
Benefit Payments including refunds of employee contributions	(18,090,180)	(18,122,355)	(2,830,193)
Other (DROP and Share plan Adjustments)	2,237,938	11,407,181	-
Net Change in Total Pension Liability	<u>20,591,365</u>	<u>15,472,712</u>	<u>2,279,383</u>
(a) Total Pension Liability - Ending	\$ <u>358,140,046</u>	\$ <u>280,949,431</u>	\$ <u>43,973,012</u>
Plan Fiduciary Net Position			
Balance at September 30, 2017	\$ 327,203,710	\$ 188,743,084	\$ 43,271,913
Contributions - Employer	4,618,111	13,226,176	-
Contributions - Employee	2,427,068	-	78,838
Net Investment Income	44,494,434	23,590,017	5,968,401
Benefit Payments including refunds of employee contributions	(18,090,180)	(18,122,355)	(2,830,193)
Pension Plan Administrative Expense	(308,777)	(183,315)	(87,504)
Other	904,892	19,789	3,774
Net change in Plan Fiduciary Net Position	<u>34,045,548</u>	<u>18,530,312</u>	<u>3,133,316</u>
(b) Plan Fiduciary Net Position - Ending	\$ <u>361,249,258</u>	\$ <u>207,273,396</u>	\$ <u>46,405,229</u>
(a) - (b) Net Pension Liability	\$ <u>(3,109,212)</u>	\$ <u>73,676,035</u>	\$ <u>(2,432,217)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>100.87%</u>	<u>73.78%</u>	<u>105.53%</u>
Covered Payroll	\$ <u>21,679,436</u>	\$ <u>17,540,397</u>	\$ <u>1,500,533</u>
Net Pension Liability as a Percentage of Covered Payroll	<u>-14.34%</u>	<u>420.04%</u>	<u>-162.09%</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE O – EMPLOYEE RETIREMENT PLANS – CONTINUED

The schedule of changes in the net pension liability and related ratios and the schedule of contributions are presented as Required Supplementary Information (RSI) following the notes to the financial statements and provides additional information about the net pension liability, asset and contributions.

The following table summarizes the net pension asset, net pension liability, deferred inflow and outflow of resources and pension expense as disclosed above for each defined benefit pension plan:

Governmental Activities					
Pension Plan	Net Pension Asset	Net Pension Liability	Deferred Inflows of Resources	Deferred Outflows of Resources	Pension Expense
Restated	\$ 2,116,028	\$ -	\$ 2,283,917	\$ 1,238,126	\$ 1,209,962
Police	3,109,112	-	15,559,345	15,243,457	1,339,458
Firefighters	-	73,676,035	11,198,702	9,039,433	8,366,063
Total	\$ 5,225,140	\$ 73,676,035	\$ 29,041,964	\$ 25,521,016	\$ 10,915,483

Business-Type Activities					
Plan	Net Pension Asset	Net Pension Liability	Deferred Inflows of Resources	Deferred Outflows of Resources	Pension Expense
Restated	\$ 316,189	\$ -	\$ 341,274	\$ 185,008	\$ 180,798
Total	\$ 316,189	\$ -	\$ 341,274	\$ 185,008	\$ 180,798

Net pension liabilities attributable to governmental activities are generally liquidated by the General Fund or the appropriate proprietary fund for business-type activities.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE O – EMPLOYEE RETIREMENT PLANS - CONTINUED

The following assumptions were used to produce the actuarial reports:

	<u>Police</u>	<u>Firefighters</u>	<u>Restated Employees</u>
Valuation Date:	September 30, 2016	September 30, 2016	September 30, 2016
Measurement Date:	September 30, 2017	September 30, 2017	September 30, 2017
Reporting Date:	September 30, 2018	September 30, 2018	September 30, 2018

Methods and Assumptions Used to Determine Net Pension Liability:

Actuarial Cost Method:	Entry Age Normal	Entry Age Normal	Entry Age Normal
Inflation:	2.50%	5.00%	5.00%
Salary Increases:	5.00%, including inflation	5.00% to 5.50%, including inflation	5.00% to 8.80% per year
Investment Rate of Return:	7.875%	7.50%	7.50%
Long-Term Municipal Bond Rate:	3.50%	3.50%	3.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition.	Age and experience-based table of rates specific to the type of eligibility condition. Last updated for the 2012 valuation.	Age-based table of rates that are specific to the type of eligibility condition.
Mortality:	The Florida Retirement System (FRS) mortality tables for Special Risk Class members, based on the RP-2000 fully generational Mortality Table with projection scale BB.	The Florida Retirement System (FRS) mortality tables, based on the RP-200 fully generational Mortality Table with projection scale BB.	The Florida Retirement System (FRS) mortality tables, based on the RP-200 fully generational Mortality Table with projection scale BB.
Other Information:	Effective for the Actuarial Valuation as of September 03, 2016, the investment return assumption was lowered from 8% to 7.875% and the mortality assumption was changed from the RP-2000 Combined table to the mortality assumption used by the Florida Retirement System for Special Risk Class members. These changes were not yet reflected as of the measurement date. The combined impact of these assumption changes increased the Net Pension Liability by approximately \$3.9 million and the impact of the plan change increased the Net pension Liability by approximately \$2.0 million as measured in the September 30, 2017 actuarial report.	No benefit changes changes reflected in the TPL as of September 30, 2015. Cost of living adjustments were 5.50% per year for Plan A recipients. 0.7% per year was used for Plan B recipients.	Cost of living adjustments were 2.00% simple.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE O – EMPLOYEE RETIREMENT PLANS - CONTINUED

The City is reporting deferred outflows of resources and deferred inflows of resources from the following sources at September 30, 2018:

Description	Deferred Outflows (Inflows)			
	Police	Firefighters	Restated	Total
City and State contribution subsequent to measurement date	\$ 5,012,935	\$ 8,526,593	\$ -	13,539,528
Differences between expected and actual experience	667,796	(2,371,361)	-	(1,703,565)
Change of assumptions	6,477,588	4,702,884	-	11,180,472
Net difference between projected and actual	8,098,073	4,336,548	1,423,134	13,857,755
Actual earnings on pension plan investments	<u>(15,559,345)</u>	<u>(8,827,341)</u>	<u>(2,625,191)</u>	<u>(27,011,877)</u>
	<u>\$ 4,697,047</u>	<u>\$ 6,367,323</u>	<u>\$ (1,202,057)</u>	<u>\$ 9,862,313</u>
Amounts from Statement of Net Position:		Deferred outflows - pension	\$ 39,245,551	
		Deferred inflows - pensions	<u>(29,383,238)</u>	
			<u>\$ 9,862,313</u>	

(2) Pension plan assets

Discount rate: The discount rates illustrated in the table below were used to measure the total pension liability for all three plans. This rates were based on the expected rate of return on each pension plan investments. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the fiduciary net position of all funds was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	Discount		
	1% Decrease	Rate Assumption	1% Increase
	6.50%	7.50%	8.50%
Restated Employees Pension	\$2,514,812	(\$2,432,217)	(\$6,580,831)
	Discount		
	1% Decrease	Rate Assumption	1% Increase
	7.00%	8.00%	9.00%
Firefighters Pension	\$96,053,875	\$73,676,035	\$55,124,492
	Discount		
	1% Decrease	Rate Assumption	1% Increase
	6.875%	7.875%	8.875%
Police Pension	\$30,382,623	(\$3,109,212)	(\$30,299,112)

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE O – EMPLOYEE RETIREMENT PLANS – CONTINUED

Sensitivity of the discount rate: Regarding the sensitivity of the net pension liability (asset) to changes in the single discount rate, the following presents each plan’s net pension liability (asset), calculated using a single discount rate of 8.00%, as well as what each plan’s net pension liability (asset) would be if it were calculated using a single discount rate that is one percentage point lower or one percentage point higher than the current rate assumption.

The deferred outflows of resources resulting from City contributions to the pension plans subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. Subsequent the measurement date of September 30, 2017, the City contributed \$5,012,935 and \$8,526,593 to the Police and Firefighters pension plans, respectively. The amount reported as a deferred outflow (inflow) of resources related to the pensions will be recognized in pension expense in future years as follows:

Fiscal Year Ending		Police		Firefighters		Restated
September 30						
2019	\$	1,707,928	\$	(326,276)	\$	(375,358)
2020		2,324,711		221,488		153,479
2021		(2,031,114)		(1,946,786)		(456,479)
2022		(2,629,806)		(1,411,172)		(524,011)
2023		312,393		636,633		-
Thereafter		-		666,843		-
	\$	<u>(315,888)</u>	\$	<u>(2,159,270)</u>	\$	<u>(1,202,369)</u>

Long-Term Expected Rate of Return – The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of September 30, 2018 are summarized in the following table.

Police Pension:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap equity	52%	5.51%
International equity	13%	8.53%
Domestic bonds	22%	2.52%
Real estate	13%	4.50%
	<u>100%</u>	

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE O – EMPLOYEE RETIREMENT PLANS – CONTINUED

Firefighters Pension:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	50%	4.2%
International equity	10%	8.5%
Domestic bonds	20%	2.5%
International bonds	5%	3.5%
Real estate	10%	4.5%
Alternative assets	5%	6.2%
	100%	

Restated Pension:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	50%	7.5%
International equity	10%	8.5%
Domestic bonds	20%	2.5%
Real Return	10%	3.5%
Real estate	5%	4.5%
Alternative assets	5%	6.0%
	100%	

(3) Defined contribution plan

The Public Employee Defined Contribution Plan ("PEDCP") covers all full-time employees except those covered by the Restated, Police, and Firefighters pension plans. The PEDCP is administered by the City through a third party administrator. Benefit provisions, contribution requirements and all other requirements of the PEDCP are established by West Palm Beach Code of Ordinances Sections 62-131 through 62-141.

New employees are enrolled in the PEDCP upon successful completion of six months of employment. Vesting is immediate. Required and actual contributions represent 7.5% for employees and from 6.5% to 9.5% by the City, depending upon employee group and length of employment. Employer contribution expense for fiscal year 2018 was \$3.6 million. The assets of the PEDCP are held in trust and are the sole property of the participants. No balances or financial information relative to the PEDCP are reported in the basic financial statements.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE O – EMPLOYEE RETIREMENT PLANS – CONTINUED

(4) Voluntary employees' beneficiary association plans

The City participates in Voluntary Employees' Beneficiary Association Plans (VEBA Plans) for the Firefighters, Police, General Employees, and Management Employees groups. Each of the VEBA plans is administered by a separate Board of Trustees. The assets of the VEBA Plans are held in trust and are the sole property of the participants. No balances or financial information related to the VEBA Plans are reported in the Basic Financial Statements.

Voluntary Employees' Beneficiary Association Plan for Firefighters (FF VEBA): The FF VEBA plan is authorized in the collective bargaining contract between the City and the West Palm Beach Association of Firefighters, Local 727 (the Contract). The Contract, effective January 9, 2012, requires the City to contribute 2% of pensionable earnings of members of the bargaining unit to the FF VEBA plan. In exchange, the members of the bargaining unit agreed to voluntary concessions of an equal value, resulting in no additional cost to the City.

The FF VEBA is administered by a Board of Trustees appointed by the bargaining unit with approval from the City. The Board of Trustees has approved and may amend the Agreement and Declaration of Trust, which sets out provisions for payment of benefits to the VEBA members. Liability of the City is limited to periodic contributions as required by the Contract.

Voluntary Employees' Beneficiary Association Plan for Police (Police VEBA): The Police VEBA is authorized in the collective bargaining unit between the City and the Palm Beach County Police Benevolent Association (the Contract). The Contract provides for a Voluntary Employees' Beneficiary Association for members of the bargaining unit. The Contract requires the City to contribute 4% of pensionable earnings of members of the bargaining unit to the Police VEBA plan. In exchange, members of the bargaining unit agreed to voluntary concessions of an equal value, resulting in no additional cost to the City.

The Police VEBA is administered by a Board of Trustees appointed by the bargaining unit with approval from the City. The Board of Trustees has approved and may amend the Agreement and Declaration of Trust, which sets out provisions for payment of benefits to the Police VEBA members. Liability of the City is limited to periodic contributions as required by the Contract.

Voluntary Employees' Beneficiary Association Plans for General Employees (General Employees VEBA) and Management Employees (Management VEBA): In January 2007, the City Commission passed ordinance no. 4017-07 establishing the Management Employees VEBA and the General Employees VEBA. The two plans cover elected officials of the City of West Palm Beach and all full time employees who are not covered by either the FF VEBA plan or the Police VEBA plan. The City Commission further authorized City contributions beginning January 1, 2007 in the amount of 1.65% of the salary of participating management employees and 2.15% of the salary of other eligible employees. The plans are administered by their respective Boards of Trustees, appointed partly by the City and partly by the membership of each plan. Each plan has a Declaration of Trust which has been approved and may be amended by the respective Board of Trustees and which sets out provisions for payment of benefits to the members. Effective October 1, 2010, employer contributions to the General Employees VEBA and the Management Employees VEBA were suspended. Liability of the City is limited to periodic contributions as required by Ordinance.

NOTE P – DEFERRED COMPENSATION PLANS

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Service ("IRS") Code Section 457 ("457 Plan"). The 457 Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or the hardship distribution criteria as defined in IRS Code Section 457. The assets of the plans are held in trust and are the sole property of the participants. No balances or financial information relative to the 457 Plan are reported in the basic financial statements.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE Q – RESTATEMENT

In accordance with GASB Statement No. 75, the City restated its balances related to other post employment (OPEB) liability. Below are the details regarding the net liability for the measurement period from October 1, 2017 to September 30, 2018:

	Governmental Activities
Net position at beginning of year, as previously reported	\$ 200,461,943
Restatement for implementation of GASB Statement No. 75	<u>(6,309,556)</u>
Net position at beginning of year, as restated	<u>\$ 194,152,387</u>

NOTE R – OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plan

The City is accounting for OPEB benefits through the Other Post-Employment Benefits Trust Fund ("The OPEB Trust") established by the City Commission on September 23, 2008. No employee or retiree contributions to the Trust are required. Future contributions to the trust will be budgeted by the City Commission based on actuarially determined amounts. The OPEB Trust is a single employer fund administered by a Board of Trustees as designated in the Declaration of Trust. The OPEB Trust provides for the payment of implicit rate subsidies and other non-pension post-employment benefits for eligible retirees and their families. Amendments to the OPEB Trust must be in accordance with governing Ordinance No. 4106-08, unless such Ordinance is subsequently amended by the City.

The City's OPEB plan is reported in accordance with Governmental Accounting Standards Board Statement No. 74, *Financial Reporting for Post-employment Benefits other than Pensions*. Pursuant to Section 112.081, Florida Statutes, the City is required to permit eligible retirees and their eligible dependents to participate in the City's health insurance program at a cost to the retiree that is no greater than the cost to active employees. These retirees pay 100% of the blended rate for active and retired employees. Because the blended rate is greater than that of a plan including active employees only and less than that of a plan including retirees only, the amount the City expends for active employees includes an implicit subsidy for participating retirees and dependents.

OPEB calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations for the OPEB plan reflect a long-term perspective. The actuarial valuation involves estimates of the values of reported amounts and assumptions about the probability of events far into the future.

The Investment Policy of the City, as amended from time to time, shall serve as the investment policy for the Trustees and the Trusts Fund, subject to all applicable laws.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE R – OTHER POSTEMPLOYMENT BENEFITS– CONTINUED

GASB 75 Disclosures:

Employer Reporting Plan Membership: As of October 1, 2017, employee membership data related to the Plan is as follows:

Current retirees:	Number of Employees
Under age 65	17
Over age 65	206
Total current retirees	223
Active employees:	
Active employees fully eligible for benefits	1312
Active employees not yet fully eligible for benefits	102
Total active employees	1414
Toal number of participants	1637

Investments:

The Plan does not have a formal investment policy and follows the investment policy of the primary government. The City's target asset allocation for the OPEB investments is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	50%
Domestic Bonds	10%
International Equity	20%
International Bonds	10%
Real Estate	5%
Alternative Assets	5%
Total	<u>100%</u>

Rate of return: For the year ended September 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 6%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE R – OTHER POSTEMPLOYMENT BENEFITS– CONTINUED

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best – estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the OPEB plan’s target asset allocation as of September 30, 2018, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	7.50%
Domestic Bonds	8.50%
International Equity	2.50%
International Bonds	3.50%
Real Estate	4.50%
Alternative Assets	6.00%

Net OPEB Liability of the City:

The components of the net OPEB liability of the City at September 30, 2018, were as follows:

	<u>Net OPEB (Asset) Liability</u>
Balance recognized at October 1, 2017, as restated	\$ <u>(387,289)</u>
Changes for the fiscal year:	
Service cost	389,985
Interest on the total OPEB Liability	1,004,278
Changes in assumptions and other inputs	(514,353)
Contributions - employer	(1,094,540)
Net investment income	<u>674,736</u>
Net change in net OPEB	<u>460,106</u>
Net OPEB liability at September 30, 2018	\$ <u><u>72,817</u></u>
Plan fiduciary net position as % of total OPEB liability	99.5%
Covered payroll	91,507,955
Net OPEB liability as % of covered payroll	15.3%
Measurement date	9/30/2018

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE R – OTHER POSTEMPLOYMENT BENEFITS– CONTINUED

At September 30, 2018, the City reported deferred outflows of resources related to the OPEB plan as follows:

<u>Description</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ <u>(440,874)</u>
	\$ <u>(440,874)</u>

The total OPEB liability was determined by an actuarial valuation as of September 30, 2018, using the following assumptions included in the measurement as follows:

Measurement date: For fiscal year ending September 30, 2018, September 30, 2018 measurement date was used

Actuarial Valuation date: October 1, 2017 with results actuarially projected on a "no gain/no loss" basis to get to the September 30, 2018 measurement date. Liabilities as of October 1, 2017 are based on an actuarial valuation date of October 1, 2017.

Inflation: 3.0% per annum is included in the payroll growth rates.

Discount rate: 7.50%

Investment rate of return 7.50%

Payroll growth: The salary scale is based on the City's pension valuations as of September 30, 2016. Sample annual increases are shown below.

<u>Years of Service</u>	<u>Fire</u>	<u>Police / General</u>
0-10	5.50%	5.00%
11-12	5.25%	5.00%
23+	5.00%	5.00%

Healthcare cost trends: An initial rate of 9.00% decreasing to an ultimate rate of 5.00% fy FY 2027.

Mortality Rates: Based on RP-2017 combined Mortality Table for general employees or the RP-2017 Blue Col Mortality Table for public safety employees both full generational improvement in mortality using Scale AA.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE R – OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

The OPEB Trust Fund had the following changes in the net OPEB liability:

Total OPEB liability:	
Service cost	\$ 389,985
Interest	1,004,278
Difference between expected and actual experience	(514,353)
Benefit payments	<u>(1,094,540)</u>
Net change in total OPEB liability	(214,630)
Total OPEB liability - beginning of year	<u>13,537,760</u>
Total OPEB liability - end of year (a)	<u><u>13,323,130</u></u>
Plan Fiduciary Net Position:	
Contributions - employer	1,094,540
Contributions -active employees	
Net investment income	(674,736)
Benefit payments	(1,094,540)
Trust administrative expenses	-
Net change in plan fiduciary net position	<u>(674,736)</u>
Plan Fiduciary Net Position - beginning of year	<u>13,925,049</u>
Plan fiduciary net position - end of year (b)	<u><u>13,250,313</u></u>
Net OPEB Liability - end of year (a-b)	\$ <u><u>72,817</u></u>

Discount rate: The discount rate used to measure the total OPEB liability was 7.50%. The projection of cash flows used to determine the discount rate assumes that City contributions will be made at rates equal to the actuarially determined contribution rates. The long-term expected rate of return on OPEB plan investments are based on a blend of the expected long-term rate of return on assets of 7.50% for benefit payments during the first seven years after the valuation date and a yield on 20-year grade AA/Aa or higher municipal bonds of 7.50% per year for benefit payments beyond the first seven years after the valuation date.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE R – OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following table illustrates the impact of interest rate sensitivity on the net OPEB liability of the City as of September 30, 2018:

	1% Decrease <u>6.50%</u>	Current Discount Rate <u>7.50%</u>	1% Increase <u>8.50%</u>
Net OPEB (Asset) Liability	\$ (774,398)	\$ 72,817	\$ 1,011,259

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following table illustrates the impact of healthcare cost trend rate sensitivity on the net OPEB liability of the City as of September 30, 2018:

	1% Decrease <u>4.00%</u>	Current Trend Rate <u>5.00%</u>	1% Increase <u>6.00%</u>
Net OPEB (Asset) Liability	\$ (986,229)	\$ 72,817	\$ 1,277,244

OPEB Trust Fund financial statements for the fiscal year ended September 30, 2018, which are included in the Fiduciary Fund Financial Statements of this report, are as follows:

Accounting for the OPEB Trust Fund is done by City of West Palm Beach staff and separately issued audited statements are not available.

STATEMENT OF FIDUCIARY NET POSITION
September 30, 2018

Cash and Cash Equivalents	\$ 899,941
Interest receivable	-
Investments:	
Fixed Income	1,955,695
Equities	9,966,670
Mutual Funds	<u>428,007</u>
Total Investments	<u>12,350,372</u>
Total Assets	<u><u>13,250,313</u></u>
Net position	<u><u>\$ 13,250,313</u></u>

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended September 30, 2018

Additions:	
Employer contributions	\$ 1,094,540
Change in FMV	<u>(674,736)</u>
Total additions	<u>419,804</u>
Deductions:	
Participant Payments	<u>1,094,540</u>
Total deductions	<u>1,094,540</u>
Net decrease	<u>(674,736)</u>
Net Position Restricted for OPEB:	
Beginning of year	<u>13,925,049</u>
End of year	<u><u>\$ 13,250,313</u></u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE S – FUND BALANCE CONSTRAINTS

Fund balances are separated into five categories of constraints as shown in the following table:

	<u>General Fund</u>	<u>City Center Community Redevelopment Agency Fund</u>	<u>Northwood/ Pleasant City Community Redevelopment Agency Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:					
Nonspendable:					
Advances to other funds	\$ 617,000	\$ -	\$ -	\$ -	\$ 617,000
Inventories	378,338	-	-	60,967	439,305
Prepaid items	36,043	5,000	-	15,028	56,071
Advance to defined benefit pension plan	3,624,747	-	-	-	3,624,747
Restricted:					
Forfeiture	-	-	-	837,001	837,001
Cemetery trust	-	-	-	1,090,723	1,090,723
Transportation	-	-	-	15,660,518	15,660,518
Public safety	-	-	-	18,784,948	18,784,948
Economic environment	-	23,783,477	5,130,665	9,366,320	38,280,462
Capital outlay	-	-	-	31,838,929	31,838,929
Committed:					
Emergency reserve	15,223,562	-	-	-	15,223,562
Land held for resale	-	-	-	2,862,290	2,862,290
Public safety	-	-	-	1,604,343	1,604,343
Leisure services	-	-	-	344,057	344,057
Capital outlay	-	-	-	8,746,729	8,746,729
Assigned:					
For subsequent year's expenditures	4,005,265	-	-	-	4,005,265
Unassigned	22,289,333	-	-	-	22,289,333
Total fund balances	\$ 46,174,288	\$ 23,788,477	\$ 5,130,665	\$ 91,211,853	\$ 166,305,283

The amounts above assigned for subsequent year's expenditures represents outstanding encumbrances at year end.

T – SUBSEQUENT EVENT

Subsequent to fiscal year 2018, the City terminated all activities related to the golf course. As a result, the fund was closed.





REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WEST PALM BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
(UNAUDITED)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:				
Taxes	\$ 107,874,545	\$ 107,874,545	\$ 107,357,984	\$ (516,561)
Licenses and permits	3,876,500	3,876,500	3,823,281	(53,219)
Intergovernmental	15,332,655	15,413,458	14,170,339	(1,243,119)
Charges for services	37,571,388	37,905,388	38,112,221	206,833
Fines and forfeitures	341,250	301,250	238,638	(62,612)
Rents and royalties	265,000	265,000	211,804	(53,196)
Interest	645,000	645,000	729,963	84,963
Miscellaneous	563,653	684,126	939,640	255,514
Total Revenues	<u>166,469,991</u>	<u>166,965,267</u>	<u>165,583,870</u>	<u>(1,381,397)</u>
Expenditures:				
Current:				
General government	33,637,665	38,066,428	34,349,711	3,716,717
Police - public safety	56,898,436	59,702,978	58,861,591	841,387
Fire - public safety	39,646,702	39,659,459	39,295,811	363,648
Public works	3,110,478	3,410,854	3,340,731	70,123
Economic environment	561,476	561,476	250,294	311,182
Engineering services	3,343,166	3,420,966	3,111,327	309,639
Health and sanitation	11,309,687	11,952,489	10,660,255	1,292,234
Leisure services	22,561,361	23,579,098	20,819,185	2,759,913
Capital outlay	1,161,112	4,303,002	1,737,229	2,565,773
Principal retirement	4,706,808	4,706,808	4,706,805	3
Interest charges	5,115,245	5,197,607	5,191,832	5,775
Total Expenditures	<u>182,052,136</u>	<u>194,561,165</u>	<u>182,324,771</u>	<u>12,236,394</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(15,582,145)</u>	<u>(27,595,898)</u>	<u>(16,740,901)</u>	<u>10,854,997</u>
Other Financing Sources (Uses):				
Proceeds of a sale of capital assets	300,000	13,376,518	13,300,760	(75,758)
Transfers in	9,905,984	12,993,860	11,785,442	(1,208,418)
Transfers out	(3,433,850)	(11,054,739)	(12,160,946)	(1,106,207)
Total Other Financing Sources (Uses)	<u>6,772,134</u>	<u>15,315,639</u>	<u>12,925,256</u>	<u>(2,390,383)</u>
Net Changes in Fund Balances	\$ <u>(8,810,011)</u>	\$ <u>(12,280,259)</u>	\$ <u>(3,815,645)</u>	\$ <u>8,464,614</u>
Fund Balances (Deficit) - Beginning			45,984,668	
Reconciliation of budgetary revenues to GAAP basis revenues:				
Revenues reported in this statement			\$ 165,583,870	
Deduct administrative charges			<u>(13,348,255)</u>	
Revenues GAAP basis			<u>\$ 152,235,615</u>	
Reconciliation of budgetary expenditures to GAAP basis expenditures:				
Expenditures reported in this statement			\$ 182,324,771	
Deduct year-end encumbrances			(4,005,265)	
Deduct administrative expenditures			<u>(13,348,255)</u>	
Expenditures GAAP basis			<u>\$ 164,971,251</u>	

See notes to required supplementary information.

CITY OF WEST PALM BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGETARY BASIS
CITY CENTER COMMUNITY REDEVELOPMENT AGENCY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
(UNAUDITED)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Taxes	\$ 19,254,006	\$ 19,254,006	\$ 19,418,289	\$ 164,283
Intergovernmental	13,611,927	14,111,927	12,844,773	(1,267,154)
Rents and royalties	329,509	329,509	253,497	(76,012)
Interest	120,000	120,000	332,316	212,316
Miscellaneous	-	-	16,122	16,122
Total Revenues	<u>33,315,442</u>	<u>33,815,442</u>	<u>32,864,997</u>	<u>(950,445)</u>
Expenditures:				
Current:				
Economic environment	22,777,846	26,172,768	18,410,040	7,762,728
Capital outlay	18,362,290	18,798,172	9,209,858	9,588,314
Debt service				
Principal retirement	3,052,516	3,052,516	3,052,516	-
Interest charges	3,258,512	3,288,512	3,283,558	4,954
Total Expenditures	<u>47,451,164</u>	<u>51,311,968</u>	<u>33,955,972</u>	<u>17,355,996</u>
Excess (deficiency) of revenues over expenditures	<u>(14,135,722)</u>	<u>(17,496,526)</u>	<u>(1,090,975)</u>	<u>16,405,551</u>
Other financing sources (uses):				
Transfers in	75,684	75,684	75,684	-
Transfers out	(2,438,131)	(2,700,631)	(2,700,631)	-
Total other financing sources (uses)	<u>(2,362,447)</u>	<u>(2,624,947)</u>	<u>(2,624,947)</u>	<u>-</u>
Net changes in fund balances	<u>\$ (16,498,169)</u>	<u>\$ (20,121,473)</u>	<u>\$ (3,715,922)</u>	<u>\$ 16,405,551</u>
Fund balances (deficit) - beginning			<u>27,504,399</u>	
Fund balances - ending			<u>\$ 23,788,479</u>	

See notes to required supplementary information.

**CITY OF WEST PALM BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGETARY BASIS
NORTHWOOD/PLEASANT CITY COMMUNITY REDEVELOPMENT AGENCY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
(UNAUDITED)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Taxes	\$ 2,249,151	\$ 2,249,151	\$ 2,263,248	\$ 14,097
Intergovernmental	1,462,681	1,507,661	1,401,457	(106,204)
Interest	20,000	20,000	51,461	31,461
Miscellaneous	25,000	25,000	60,100	35,100
Total revenues	<u>3,756,832</u>	<u>3,801,812</u>	<u>3,776,266</u>	<u>(25,546)</u>
Expenditures:				
Current:				
Economic environment	1,778,457	4,073,437	1,408,121	2,665,316
Capital outlay	693,400	453,400	116,344	337,056
Debt service				
Principal retirement	896,165	896,165	896,165	-
Interest charges	833,201	833,201	833,201	-
Insurance costs and other	1,500	1,500	289	1,211
Total expenditures	<u>4,202,723</u>	<u>6,257,703</u>	<u>3,254,120</u>	<u>3,003,583</u>
Excess (deficiency) of revenues over expenditures	<u>(445,891)</u>	<u>(2,455,891)</u>	<u>522,146</u>	<u>2,978,037</u>
Other financing sources (uses):				
Transfers in	-	-	19	19
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>19</u>	<u>19</u>
Net changes in fund balances	\$ <u>(445,891)</u>	\$ <u>(2,455,891)</u>	\$ 522,165	\$ <u>2,978,056</u>
Fund balances (deficit) - beginning			<u>4,608,500</u>	
Fund balances (deficit) - ending			<u>\$ 5,130,665</u>	

See notes to required supplementary information.

CITY OF WEST PALM BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND
LAST TEN FISCAL YEARS
(UNAUDITED)

	<u>Measurement Year 2017</u>	<u>Measurement Year 2016</u>	<u>Measurement Year 2015</u>	<u>Measurement Year 2014</u>
Total Pension Liability ("TPL")				
Changes for the Year:				
Service Cost	\$ 4,465,713	\$ 4,119,566	\$ 3,720,389	\$ 3,553,404
Interest on the TPL	26,458,916	25,142,553	23,790,608	22,792,357
Difference-expected vs. actual experience of TPL	335,340	264,885	439,779	294,048
Changes in assumptions	5,183,638	2,275,600	2,221,969	-
Benefit payments	(18,064,650)	(16,224,666)	(14,788,140)	(13,557,996)
Refunds	(25,530)	(93,453)	(60,567)	(168,503)
Other	2,237,938	1,683,012	2,110,393	84,844
Net Change in TPL	<u>20,591,365</u>	<u>17,167,497</u>	<u>17,434,431</u>	<u>12,998,154</u>
TPL balance - beginning of year	<u>337,548,681</u>	<u>320,381,184</u>	<u>302,946,753</u>	<u>289,948,599</u>
TPL balance - end of year	<u>\$ 358,140,046</u>	<u>\$ 337,548,681</u>	<u>\$ 320,381,184</u>	<u>\$ 302,946,753</u>
Plan Fiduciary Net Position ("FNP")				
Changes for the year:				
Contributions - employer and state	4,618,111	60,986,435	9,857,010	10,041,651
Contributions - employees	2,427,068	2,336,635	2,154,131	1,927,618
Net investment income	44,494,434	21,229,525	1,873,520	22,389,189
Benefit payments	(18,064,650)	(16,224,666)	(14,788,140)	(13,557,996)
Refunds	(25,530)	(93,453)	(60,567)	(168,503)
Pension plus administrative expense	(308,777)	(288,017)	(266,916)	(337,907)
Other	904,892	423,031	898,188	370,252
Net change in FNP	<u>34,045,548</u>	<u>68,369,490</u>	<u>(332,774)</u>	<u>20,664,304</u>
FNP balance - beginning of the year	327,203,710	258,834,220	259,166,994	238,502,690
FNP balance - end of the year	<u>\$ 361,249,258</u>	<u>\$ 327,203,710</u>	<u>\$ 258,834,220</u>	<u>\$ 259,166,994</u>
Net Pension Liability	<u>(3,109,212)</u>	<u>10,344,971</u>	<u>61,546,964</u>	<u>43,779,759</u>
Plan FNP as a percentage of TPL	<u>100.87%</u>	<u>96.94%</u>	<u>80.79%</u>	<u>85.55%</u>
Covered payroll	<u>\$ 21,679,436</u>	<u>\$ 20,603,955</u>	<u>\$ 18,805,018</u>	<u>\$ 17,446,782</u>
NPL as a percentage of covered payroll	<u>-14.34%</u>	<u>50.21%</u>	<u>327.29%</u>	<u>250.93%</u>

Note:

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which data are available will be presented.

CITY OF WEST PALM BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS PENSION FUND
LAST TEN FISCAL YEARS
(UNAUDITED)

	<u>Measurement Year 2017</u>	<u>Measurement Year 2016</u>	<u>Measurement Year 2015</u>	<u>Measurement Year 2014</u>
Total Pension Liability ("TPL")				
changes for the Year:				
Service Cost	\$ 3,997,127	\$ 3,934,074	\$ 3,764,066	\$ 3,648,784
Interest on the TPL	13,652,932	13,153,854	12,846,010	12,333,803
Difference-expected vs. actual experience of TPL	(944,506)	(75,341)	(2,709,527)	-
Changes in assumptions	5,482,333	-	-	-
Benefit payments	(17,896,859)	(14,902,198)	(14,063,173)	(15,745,308)
Refunds	(225,496)	(19,093)	(246,947)	(202,153)
Other	11,407,181	13,603,677	7,613,395	14,700,037
Net Change in TPL	<u>15,472,712</u>	<u>15,694,973</u>	<u>7,203,824</u>	<u>14,735,163</u>
TPL balance - beginning of year	<u>265,476,719</u>	<u>249,781,746</u>	<u>242,577,922</u>	<u>227,842,759</u>
TPL balance - end of year	<u>\$ 280,949,431</u>	<u>\$ 265,476,719</u>	<u>\$ 249,781,746</u>	<u>\$ 242,577,922</u>
Plan Fiduciary Net Position ("FNP")				
Changes for the year:				
Contributions - employer and state	7,594,810	7,665,074	7,530,174	7,370,114
Contributions - employees	5,631,366	3,778,776	2,963,279	5,254,738
Net investment income	23,590,017	16,158,856	3,085,047	15,770,182
Benefit payments	(17,896,859)	(14,902,198)	(14,063,173)	(15,745,308)
Refunds	(225,496)	(19,093)	(246,947)	(202,153)
Pension plus administrative expense	(183,315)	(164,821)	(204,066)	(160,459)
Other	19,789	56,439	58,204	107,826
Net change in FNP	<u>18,530,312</u>	<u>12,573,033</u>	<u>(877,482)</u>	<u>12,394,940</u>
FNP balance - beginning of the year	188,743,084	176,170,051	176,974,492	164,579,552
Adjustment	-	-	73,041	-
FNP balance - end of the year	<u>\$ 207,273,396</u>	<u>\$ 188,743,084</u>	<u>\$ 176,170,051</u>	<u>\$ 176,974,492</u>
Net Pension Liability	<u>73,676,035</u>	<u>76,733,635</u>	<u>73,611,695</u>	<u>65,603,430</u>
Plan FNP as a percentage of TPL	<u>73.78%</u>	<u>71.10%</u>	<u>70.53%</u>	<u>72.96%</u>
Covered payroll	<u>\$ 17,540,397</u>	<u>\$ 16,634,526</u>	<u>\$ 16,144,923</u>	<u>\$ 15,363,247</u>
NPL as a percentage of covered payroll	<u>420.04%</u>	<u>461.29%</u>	<u>455.94%</u>	<u>427.02%</u>

Note:

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which data are available will be presented.

CITY OF WEST PALM BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
RESTATED EMPLOYEES PENSION FUND
LAST TEN FISCAL YEARS
(UNAUDITED)

	<u>Measurement Year 2017</u>	<u>Measurement Year 2016</u>	<u>Measurement Year 2015</u>	<u>Measurement Year 2014</u>
Total Pension Liability ("TPL")				
changes for the Year:				
Service Cost	\$ 86,849	\$ 97,056	\$ 44,894	\$ 54,631
Interest on the TPL	3,225,757	2,998,902	3,005,049	2,971,240
Difference-expected vs. actual experience of TPL	(374,998)	(273,566)	(467,954)	-
Changes in assumptions	2,171,968	2,790,291	-	-
Benefit payments	(2,830,193)	(2,713,596)	(2,656,230)	(2,507,730)
Refunds	-	-	-	(32,817)
Net Change in TPL	2,279,383	2,899,087	(74,241)	485,324
TPL balance - beginning of year	<u>41,693,629</u>	<u>38,794,542</u>	<u>38,868,783</u>	<u>38,383,459</u>
TPL balance - end of year	<u>\$ 43,973,012</u>	<u>\$ 41,693,629</u>	<u>\$ 38,794,542</u>	<u>\$ 38,868,783</u>
Plan Fiduciary Net Position ("FNP")				
Changes for the year:				
Contributions - employer and state			-	-
Contributions - employees	78,838	85,170	93,620	106,999
Net investment income	5,968,401	2,992,915	456,643	5,888,760
Benefit payments	(2,830,193)	(2,713,596)	(2,656,230)	(2,507,730)
Refunds	-	-	-	(32,817)
Pension plus administrative expense	(87,504)	(84,157)	(83,101)	(78,375)
Other	3,774	6,518	2,380	2,139
Net change in FNP	3,133,316	286,850	(2,186,688)	3,378,976
FNP balance - beginning of the year	43,271,913	42,985,063	45,171,494	41,792,518
Adjustment	-	-	257	-
FNP balance - end of the year	<u>\$ 46,405,229</u>	<u>\$ 43,271,913</u>	<u>\$ 42,985,063</u>	<u>\$ 45,171,494</u>
Net Pension Liability	(2,432,217)	(1,578,284)	(4,190,521)	(6,302,711)
Plan FNP as a percentage of TPL	<u>105.53%</u>	<u>103.79%</u>	<u>110.80%</u>	<u>116.22%</u>
Covered payroll	<u>\$ 1,500,533</u>	<u>\$ 1,672,545</u>	<u>\$ 1,814,346</u>	<u>\$ 2,019,761</u>
NPL as a percentage of covered payroll	<u>-162.09%</u>	<u>-94.36%</u>	<u>-230.97%</u>	<u>-312.05%</u>

Note:

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which data are available will be presented.

**CITY OF WEST PALM BEACH, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF METHODS AND ASSUMPTIONS
 MEASUREMENT DATE SEPTEMBER 30, 2018
 (UNAUDITED)**

METHODS AND ASSUMPTIONS USED TO DETERMINE THE PENSION CONTRIBUTION RATES:

Police Pension Fund:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuation method	4-year smoothed market
Inflation	2.50%
Salary increases	5.00%, including inflation
Investment rate of return	7.75%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	The Florida Retirement System (FRS) mortality tables for Special Risk Class members, based on the RP-2000 fully generational Mortality Table with projection scale BB.
Cost-of-living adjustment	Benefits increase by an amount equal to the increase in the Consumer Price Index following the attainment of age 65 by each retiree.

Firefighters Pension Fund:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	1-30 years
Asset valuation method	4-year smoothed market
Inflation	5%
Salary increases	5.00 to 5.50%, including inflation
Long-term expected investment rate of return	8.00%
Long-term municipal bond rate	3.83%
Retirement Age	Age and experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation.
Mortality	The Florida Retirement System (FRS) mortality tables which use variations of the RP-2000 fully generational Mortality Tables projection scale BB.
Cost-of-living adjustment	5.5% a year for Plan A pension recipients (hired prior to May 1, 1959). Implied 0.7% a year for prior Plan B pension recipients as of September 30, 1998, if aggregate gains from all sources do not limit it.

Continued

**CITY OF WEST PALM BEACH, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF METHODS AND ASSUMPTIONS
 MEASUREMENT DATE SEPTEMBER 30, 2018
 (UNAUDITED)**

METHODS AND ASSUMPTIONS USED TO DETERMINE THE PENSION CONTRIBUTION RATES

Restated Employees Pension Fund:

Actuarial cost method	Aggregate
Amortization method	Level percent of payroll, closed
Remaining amortization period	10 years
Asset valuation method	Market value
Inflation	5.00%
Salary increases	5.00% to 8.80 % per year
Investment rate of return	7.50%
Long-term municipal bond rate	3.50%
Retirement Age	Age-based tables that are specific to the type of eligibility condition.
Mortality	The Florida Retirement System (FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.
Cost-of-living adjustment	Benefits increase by 2% per year, assuming the CPI has increased by at least that amount, after being eligible employees retired for a year.

**CITY OF WEST PALM BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
FOR THE LAST FIVE FISCAL YEARS
(UNAUDITED)**

<u>Fiscal Year Ended</u>	<u>Police Pension Fund</u>	<u>Firefighters Pension Fund</u>	<u>Restated Employees Pension Fund</u>
<u>September 30:</u>			
2014 Actuarially determined employer contributions	\$ 8,941,538	\$ 7,341,139	\$ 1,350,431
Actual contributions	<u>10,041,651</u>	<u>7,623,161</u>	<u>1,350,431</u>
Contribution deficiency (excess)	(1,100,113)	(282,022)	-
Covered payroll	\$ 17,446,782	\$ 15,363,247	\$ 2,019,761
Actual contribution as % of covered payroll	57.6%	49.6%	66.9%
2015 Actuarially determined employer contributions	\$ 9,744,918	\$ 7,194,839	\$ 728,137
Actual contributions	<u>8,644,805</u>	<u>7,530,174</u>	<u>728,137</u>
Contribution deficiency (excess)	1,100,113	(335,335)	-
Covered payroll	\$ 18,805,018	\$ 16,144,923	1,814,346
Actual contribution as % of covered payroll	46.0%	46.6%	40.1%
2016 Actuarially determined employer contributions	\$ 9,726,454	\$ 7,130,564	-
Actual contributions	<u>59,726,454</u>	<u>7,665,074</u>	<u>-</u>
Contribution deficiency (excess)	(50,000,000)	(534,510)	-
Covered payroll	\$ 20,603,955	\$ 16,634,526	1,672,545
Actual contribution as % of covered payroll	289.9%	46.1%	0.0%
2017 Actuarially determined employer contributions	\$ 3,285,065	\$ 7,277,740	\$ 795,214
Actual contributions	<u>3,285,065</u>	<u>7,594,810</u>	<u>795,214</u>
Contribution deficiency (excess)	-	(317,070)	\$ -
Covered payroll	\$ 21,679,436	\$ 17,540,397	1,500,533
Actual contribution as % of covered payroll	15.2%	43.3%	53.0%
2018 Actuarially determined employer contributions	\$ 3,131,968	\$ 8,526,593	\$ 946,538
Actual contributions	<u>3,556,968</u>	<u>9,398,714</u>	<u>946,538</u>
Contribution deficiency (excess)	(425,000)	(872,121)	-
Covered payroll	\$ 23,929,891	\$ 19,303,606	1,407,812
Actual contribution as % of covered payroll	14.9%	48.7%	67.2%

Notes:

- (1) In 2013, the City contributed the full amount of the outstanding pension liability to the Restated Pension Plan. The payment was booked as a prepayment and each year the city recognizes contribution expenditures based on the actuarially determined contribution amount.
- (2) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which data are available will be presented.

**CITY OF WEST PALM BEACH, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF INVESTMENT RETURNS
 POLICE PENSION FUND
 FOR THE LAST FIVE FISCAL YEARS
 (UNAUDITED)**

	<u>September 30,</u> 2018	<u>September 30,</u> 2017	<u>September 30,</u> 2016	<u>September 30,</u> 2015	<u>September 30,</u> 2014
Annual money-weighted rate of return, net of investment expenses	10.04%	13.29%	8.35%	0.35%	8.98%

Note:

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which data are available will be presented.

**CITY OF WEST PALM BEACH, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF INVESTMENT RETURNS
 FIREFIGHTERS PENSION FUND
 FOR THE LAST FIVE FISCAL YEARS
 (UNAUDITED)**

	<u>September 30,</u> 2018	<u>September 30,</u> 2017	<u>September 30,</u> 2016	<u>September 30,</u> 2015	<u>September 30,</u> 2014
Annual money-weighted rate of return, net of investment expenses	11.67%	12.64%	9.40%	2.07%	10.17%

Note:

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which data are available will be presented

**CITY OF WEST PALM BEACH, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF INVESTMENT RETURNS
 RESTATED EMPLOYEES PENSION FUND
 FOR THE LAST FIVE FISCAL YEARS
 (UNAUDITED)**

	<u>September 30,</u> 2018	<u>September 30,</u> 2017	<u>September 30,</u> 2016	<u>September 30,</u> 2015	<u>September 30,</u> 2014
Annual money-weighted rate of return, net of investment expenses	8.88%	14.48%	7.33%	1.13%	14.75%

Note:

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which data are available will be presented.

**CITY OF WEST PALM BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
AS REQUIRED BY GASB 74
OTHER POST-EMPLOYMENT BENEFITS
FOR THE LAST TWO FISCAL YEARS
(UNAUDITED)**

	<u>September 30, 2018</u>	<u>September 30, 2017</u>
Actuarially Determined Contribution (ADC)	\$ 1,094,540	\$ 945,053
Contributions made in relation to the ADC	<u>1,094,540</u>	<u>945,053</u>
Contribution - deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 91,507,955</u>	<u>\$ 88,842,675</u>
Contribution as a % of covered employee payroll	<u>1.20%</u>	<u>1.06%</u>

Notes to Schedule:

Valuation date	September 30, 2018	September 30, 2017
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The following actuarial methods and assumptions were used in 2017 to determine contribution rates reported in this schedule:

Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level % of salary	Level % of salary
Amortization period	15 Years	15 Years
Asset valuation method		
Actuarial assumptions:		
Inflation rate	3%	3%
Investment rate of return	7.5%	7.5%
Discount rate	7.5%	7.5%
Healthcare cost trend rates		
Medical		
Select rates	9% for 2017/2018 graded to 6.0% 2023/2024	9% for 2016/2017 graded to 6.5% 2022/2023
Ultimate rates	5%	5%

Note:

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which data are available will be presented.

CITY OF WEST PALM BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB
LIABILITY AND RELATED RATIOS
AS REQUIRED BY GASB 74
OTHER POST-EMPLOYMENT BENEFITS
FOR THE LAST TWO FISCAL YEARS
(UNAUDITED)

	September 30, <u>2018</u>	September 30, <u>2017</u>
Total OPEB liability		
Service cost	\$ 389,985	\$ 434,206
Interest	1,004,278	928,592
Changes in assumptions	-	194,768
Difference between expected and actual experience	(514,353)	80,037
Benefit payments	<u>(1,094,540)</u>	<u>(945,053)</u>
Net change in total OPEB liability	(214,630)	692,550
Total OPEB liability - beginning of year	<u>13,537,760</u>	<u>12,845,210</u>
Total OPEB liability - end of year (a)	<u><u>13,323,130</u></u>	<u><u>13,537,760</u></u>
Plan Fiduciary Net Position		
Contributions - employer	1,094,540	1,890,106
Net investment income	(674,736)	1,403,589
Benefit payments	(1,094,540)	(945,053)
Trust administrative expenses	-	<u>(27,359)</u>
Net change in plan fiduciary net position	(674,736)	2,321,283
Plan Fiduciary Net Position - beginning of year	<u>13,925,049</u>	<u>11,603,766</u>
Plan fiduciary net position - end of year (b)	<u>13,250,313</u>	<u>13,925,049</u>
Net OPEB Liability - end of year (a) - (b)	\$ <u><u>72,817</u></u>	\$ <u><u>(387,289)</u></u>
Plan fiduciary net position as % of total OPEB liability	99.5%	102.9%
Covered payroll	91,507,955	88,842,675
Net OPEB liability as % of covered payroll	0.1%	-0.4%
Measurement date	9/30/2018	9/30/2017

Note:

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which data are available will be presented.

**CITY OF WEST PALM BEACH, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF INVESTMENT RETURNS
 AS REQUIRED BY GASB 74
 OTHER POST-EMPLOYMENT BENEFITS
 FOR THE LAST TWO FISCAL YEARS
 (UNAUDITED)**

	<u>September 30, 2018</u>	<u>September 30, 2017</u>
Annual money-weighted rate of return, net of investment expenses	6.00%	6.00%

Note:

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which data are available will be presented

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2018

Budgetary Data

The City Commission follows these procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to August 1, the City Administration submits to the City Commission a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted.
- (3) Prior to October 1, the budget is legally enacted.
- (4) The level of control (level at which expenditures may not exceed budget) is the department. The City Administrator is authorized to transfer budgeted amounts within departments of any fund. The City Commission must approve any revisions that alter the total expenditures of any department.
- (5) Annual budgets are adopted for all actively utilized governmental and proprietary funds. The original and final budgets, as presented, include re-appropriated encumbrances of the prior year. The budgets have been adopted on a basis consistent with GAAP with the following exceptions:

Annual budgets for all the major and nonmajor governmental funds are prepared on the modified accrual basis of accounting, except for the General Fund. The General Fund budget is prepared on the modified accrual basis of accounting except that current year encumbrances are treated as expenditures for budgetary purposes and administrative charges from other funds are budgeted as revenue in the General Fund. All unencumbered and unexpended appropriations lapse at the fiscal year end, except those for ongoing capital projects and special revenue funds which are brought forward and become part of the subsequent year's original budget.

The reported budgetary data represents the final approved budget after amendments adopted by the City Commission with one exception. Budgets for grants and shared revenues from other governmental units which do not lapse at yearend are only reported to the extent of revenues recognized and expenditures incurred for the current year.





COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES





NON-MAJOR GOVERNMENTAL FUNDS

CITY OF WEST PALM BEACH, FLORIDA
NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than debt service or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Local Gas Tax Fund - This fund accounts for revenue received from the State of Florida, which collects and remits to the City a portion, based on City population, of the Local Option Sixth Cent Fuel Tax from the sale of gasoline in Palm Beach County. The revenue is restricted to use for road and street improvements.

Mandel Library Grant Fund - This fund accounts for grant revenues received from the Mandel Foundation. The Library's uses of the foundations' grant proceeds are restricted to specific programs as proposed by the grantor in conjunction with City administration.

Impact Fees Western Expansion Fee Fund - This fund accounts for impact fees restricted for three programs: Affordable Housing Trust Fund; the wetlands mitigation program for Roebuck/Jog Road; and/or the construction of the City's public safety facility in the area.

Community Development Fund - This fund accounts for revenue received from the Department of Housing and Urban Development. The revenue is restricted to accomplishing the various objectives of the Community Development Block Grant Program.

Neighborhood Stabilization Fund - This fund accounts for revenue received from a federal grant. The revenues of the fund are restricted for the purpose of the acquisition, rehabilitation, and retention of low, moderate and medium income housing.

Home Program Fund - This fund accounts for grant revenues received from the Department of Housing and Urban Development for the HOME Investment Partnership Program. The revenue is restricted for activities related to new construction, rehabilitation, acquisition, and allowable operating and administrative expenses.

HOPWA Fund - This fund accounts for grant revenues received from the Department of Housing and Urban Development for the "Housing Opportunities for Persons with AIDS Program". The revenue is restricted for housing opportunities and support services to individuals with AIDS and related diseases.

SHIP Program Fund - This fund accounts for grant revenues received from the State of Florida Department of Community Affairs for the State Housing Initiatives Partnership program. The revenue is restricted for activities relating to new construction, rehabilitation, land acquisition, down-payment assistance and allowable operating and administrative costs.

Housing Trust Fund - This fund accounts for revenues used for the development of affordable housing. Primary funding sources include proceeds from the sale of City-owned properties designated for affordable housing, and proceeds from the sale of City-owned Transfer of Development Rights (TDRs).

Permits Fund - This fund accounts for all building permit fees. State statute restricts the use of these fees for building permitting and inspection activities.

Fire Assessment Fund - This fund accounts for special assessment revenue assessed and received from taxpayers for the purpose of funding the operations, improvements, or replacement of fire equipment and machinery.

Red Light Camera Fund - This fund accounts for special assessment revenue assessed and received from traffic citations for the purpose of funding the operations, improvements, or replacement of Police equipment and machinery.

**CITY OF WEST PALM BEACH, FLORIDA
NON-MAJOR GOVERNMENTAL FUNDS
(CONTINUED)**

Waterfront District Fund - This fund accounts for expenditures associated with promotional activities at the City's waterfront park.

Special Revenue Grant Programs Fund - This fund is used to account for the proceeds and expenditures from federal, state and local grant awards that do not have a requirement to be accounted for in a separate governmental fund.

Cemetery Sinking Fund - This fund is used to account for the proceeds from the sale of cemetery lots to be used for care and maintenance of the cemetery.

Miscellaneous Trust Fund - This fund is used to account for assets seized and forfeited in the course of law enforcement activities.

DEBT SERVICE FUND

The debt service fund is used to account for resources that are restricted, committed or assigned to payment of principal, interest and other expenditures on general long-term debt, other than bonds payable from the operations of the enterprise funds.

2005 General Obligation Bonds Fund – This fund accounts for principal and interest payments of the 2005 General Obligation Bonds.

CAPITAL PROJECT FUNDS

Capital projects funds are used to account for financial resources segregated for the acquisition or construction of major capital facilities other than those financed by enterprise operations.

Other Capital Projects Fund - This fund accounts for various capital projects not accounted for in a separate fund. Projects include improvements to various parks, renovations to City Buildings, and various landscaping through out the City.

Art in Public Places Fund - By local ordinance, 1% of most City construction projects, up to a maximum of \$150,000 per fiscal year, must be set aside for the selection, commission, acquisition and maintenance of art in public places. This fund was created to account for the expenditure of such funds, other than projects funded by bonds.

City Commons & Waterfront Park Construction Fund – This fund was specifically created to account for the construction of the City Commons and the Waterfront Park.

Infrastructure Surtax Fund - This fund accounts for revenues derived from the voter approved one-cent sales surtax program which are earmarked for various infrastructure capital projects such as roads, bridges, schools and government buildings, not accounted for in a separate fund.

2016 Capital Bond Fund - This fund accounts for the acquisition and construction of various improvements through out the City, funded by this bond series.

Vehicle Replacement Fund - This fund is used to account for the replacement of all City owned vehicles used by governmental activities.

**CITY OF WEST PALM BEACH, FLORIDA
NON-MAJOR GOVERNMENTAL FUNDS
(CONTINUED)**

Technology Replacement Fund - This fund is used to account for replacement of equipment used in providing data processing and telecommunications services used by governmental activities.

NPCCRA Series 2005A Construction Fund - This fund accounts for the taxable portion of the Northwood / Pleasant City Bond for land acquisition and development costs.

NPCCRA Series 2005B Construction Fund - This fund accounts for the non-taxable portion of the Northwood / Pleasant City Bond for renewal and development costs.

Capital Grants Fund - This fund is used to account for the proceeds and expenditures from federal, state and local grant awards used in the construction of capital assets that do not have a requirement to be accounted for in a separate governmental fund.

Land Acquisition Fund - This fund accounts for land holdings purchased by the City for future development.



CITY OF WEST PALM BEACH, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non-major Governmental Funds
ASSETS:				
Cash and cash equivalents	\$ 10,493,458	\$ 93,181	\$ 6,763,819	\$ 17,350,458
Investments	23,430,340	249,793	18,131,876	41,812,009
Receivables, net				
Accounts	541,589	-	1,256,353	1,797,942
Interest	107,878	1,083	67,286	176,247
Notes	1,641,629	-	-	1,641,629
Liens & assessments	126,249	-	-	126,249
Due from other funds	10,474,787	-	-	10,474,787
Due from other governments	1,460,429	-	963,072	2,423,501
Inventory	60,967	-	-	60,967
Land held for resale	2,585,734	-	2,856,572	5,442,306
Prepaid items	15,028	-	-	15,028
Investment in direct financing leases	-	-	4,453,855	4,453,855
Restricted assets:				
Cash and cash equivalents	-	-	13,798,039	13,798,039
Investments	-	-	12,183,372	12,183,372
Interest	-	-	38,107	38,107
Total assets	<u>50,938,088</u>	<u>344,057</u>	<u>60,512,351</u>	<u>111,794,496</u>
LIABILITIES:				
Accounts payable and accrued liabilities	4,367,140	-	2,384,573	6,751,713
Deposits payable	20,731	-	-	20,731
Unearned revenue	47,464	-	-	47,464
Due to other governments	146,635	-	-	146,635
Due to other funds	1,608,263	-	11,205,138	12,813,401
Total liabilities	<u>6,190,233</u>	<u>-</u>	<u>13,589,711</u>	<u>19,779,944</u>
DEFERRED INFLOW OF RESOURCES:				
Unavailable revenue	802,699	-	-	802,699
FUND BALANCES:				
Nonspendable	75,995	-	-	75,995
Restricted	42,264,818	344,057	35,313,621	77,922,496
Committed	1,604,343	-	11,609,019	13,213,362
Total fund balances	<u>43,945,156</u>	<u>344,057</u>	<u>46,922,640</u>	<u>91,211,853</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 50,938,088</u>	<u>\$ 344,057</u>	<u>\$ 60,512,351</u>	<u>\$ 111,794,496</u>

**CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non-major Governmental Funds
REVENUES:				
Taxes	\$ -	\$ 1,689,039	\$ -	\$ 1,689,039
Licenses and permits	10,697,549	-	-	10,697,549
Intergovernmental	10,210,467	-	8,434,345	18,644,812
Charges for services	3,323,774	-	419,214	3,742,988
Fines and forfeitures	13,255	-	-	13,255
Rents and royalties	511,810	-	-	511,810
Interest	287,356	8,560	507,794	803,710
Miscellaneous	709,573	-	-	709,573
Total revenues	25,753,784	1,697,599	9,361,353	36,812,736
EXPENDITURES:				
Current:				
General government	-	-	26,850	26,850
Public safety	9,696,608	-	1,276,493	10,973,101
Public works	1,106,419	-	300,729	1,407,148
Economic environment	6,325,714	-	817,539	7,143,253
Engineering services	-	-	25,891	25,891
Leisure services	4,156,981	-	923,534	5,080,515
Capital outlay	265,171	-	25,075,128	25,340,299
Debt service:				
Principal	564,141	1,400,000	-	1,964,141
Interest	284,126	147,400	-	431,526
Total expenditures	22,399,160	1,547,400	28,446,164	52,392,724
Excess (deficiency) of revenues over expenditures	3,354,624	150,199	(19,084,811)	(15,579,988)
OTHER FINANCING SOURCES (USES):				
Capital leases	-	-	5,927,953	5,927,953
Proceeds from sale of capital assets	351,807	-	-	351,807
Transfers in	3,173,200	-	9,825,122	12,998,322
Transfers out	(3,330,603)	-	(1,969,261)	(5,299,864)
Total other financing sources (uses)	194,404	-	13,783,814	13,978,218
Net change in fund balances	3,549,028	150,199	(5,300,997)	(1,601,770)
FUND BALANCES, beginning	40,396,128	193,858	52,223,637	92,813,623
FUND BALANCES, ending	\$ 43,945,156	\$ 344,057	\$ 46,922,640	\$ 91,211,853

**CITY OF WEST PALM BEACH, FLORIDA
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2018**

	Local Gas Tax Fund	Mandel Library SR Fund	Impact Fees Western Expansion Fee Fund	Community Development Fund	Neighborhood Stabilization Program Fund	HOME Program Fund	HOPWA Fund	SHIP Program Fund
ASSETS:								
Cash and cash equivalents	\$ 2,433,010	\$ -	\$ 207,628	\$ 18,872	\$ 136,926	\$ 1,484,218	\$ 8,363	\$ 396,005
Investments	6,522,207	-	556,593	50,591	367,060	46,251	22,417	294,454
Receivables, net								
Accounts	398,140	-	-	-	-	-	-	-
Interest	35,037	-	2,403	-	-	-	-	1,243
Notes	-	-	517,666	40	1,123,363	560	-	-
Liens & assessments	-	-	-	-	-	-	-	-
Due from other funds	3,474,692	-	-	-	-	-	-	-
Due from other governments	-	-	-	388,663	-	-	368,628	-
Inventory	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
Investment in direct financing leases	-	-	-	-	-	-	-	-
Land held for resale	-	-	-	-	2,487,196	98,538	-	-
Total assets	12,863,086	-	1,284,290	458,166	4,114,545	1,629,567	399,408	691,702
LIABILITIES:								
Accounts payable and accrued liabilities	677,260	-	-	119,826	21,169	1,797	144,639	99,726
Deposits payable	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	338,301	-	480,880	254,769	-
Total liabilities	677,260	-	-	458,127	21,169	482,677	399,408	99,726
DEFERRED INFLOW OF RESOURCES:								
Unavailable revenue	-	-	510,586	-	169,707	-	-	-
FUND BALANCES:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	12,185,826	-	773,704	39	3,923,669	1,146,890	-	591,976
Committed	-	-	-	-	-	-	-	-
Total fund balances (deficit)	12,185,826	-	773,704	39	3,923,669	1,146,890	-	591,976
Total liabilities, deferred inflows and fund balances (deficit)	\$ 12,863,086	\$ -	\$ 1,284,290	\$ 458,166	\$ 4,114,545	\$ 1,629,567	\$ 399,408	\$ 691,702

Continued

**CITY OF WEST PALM BEACH, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2018**

	Housing Trust Fund	Permits Fund	Fire Assessment Fee Fund	Red Light Camera Fund	Waterfront District Fund	Special Revenue Grant Programs Fund	Cemetery Sinking Fund	Miscellaneous Trust Fund	Total Nonmajor Special Revenue Funds
ASSETS:									
Cash and cash equivalents	\$ 497,799	\$ 4,157,598	\$ -	\$ 13,728	\$ 493,354	\$ 135,924	\$ 266,834	\$ 243,199	\$ 10,493,458
Investments	1,334,459	11,145,338	-	36,800	1,322,542	364,375	715,306	651,947	23,430,340
Receivables, net									
Accounts	-	-	16,041	19,418	107,990	-	-	-	541,589
Interest	5,662	45,607	5,805	158	5,960	-	3,090	2,913	107,878
Notes	-	-	-	-	-	-	-	-	1,641,629
Liens & assessments	-	126,249	-	-	-	-	-	-	126,249
Due from other funds	-	-	6,853,542	-	-	-	146,553	-	10,474,787
Due from other governments	-	3,023	-	-	1,650	698,465	-	-	1,460,429
Inventories	-	-	-	-	-	-	60,967	-	60,967
Prepaid items	-	-	15,028	-	-	-	-	-	15,028
Investment in direct financing leases	-	-	-	-	-	-	-	-	-
Land held for resale	-	-	-	-	-	-	-	-	2,585,734
Total assets	<u>1,837,920</u>	<u>15,477,815</u>	<u>6,890,416</u>	<u>70,104</u>	<u>1,931,496</u>	<u>1,198,764</u>	<u>1,192,750</u>	<u>898,059</u>	<u>50,938,088</u>
LIABILITIES:									
Accounts payable and accrued liabilities	-	404,248	2,433,336	-	277,110	106,642	41,060	40,327	4,367,140
Deposits payable	-	-	-	-	-	-	-	20,731	20,731
Unearned revenue	-	-	-	-	47,464	-	-	-	47,464
Due to other governments	-	144,056	-	-	2,579	-	-	-	146,635
Due to other funds	-	-	534,313	-	-	-	-	-	1,608,263
Total liabilities	<u>-</u>	<u>548,304</u>	<u>2,967,649</u>	<u>-</u>	<u>327,153</u>	<u>106,642</u>	<u>41,060</u>	<u>61,058</u>	<u>6,190,233</u>
DEFERRED INFLOW OF RESOURCES:									
Unavailable revenue	-	122,406	-	-	-	-	-	-	802,699
FUND BALANCES:									
Nonspendable	-	-	15,028	-	-	-	60,967	-	75,995
Restricted	1,837,920	14,807,105	3,907,739	70,104	-	1,092,122	1,090,723	837,001	42,264,818
Committed	-	-	-	-	1,604,343	-	-	-	1,604,343
Total fund balances (deficit)	<u>1,837,920</u>	<u>14,807,105</u>	<u>3,922,767</u>	<u>70,104</u>	<u>1,604,343</u>	<u>1,092,122</u>	<u>1,151,690</u>	<u>837,001</u>	<u>43,945,156</u>
Total liabilities and fund balances	<u>\$ 1,837,920</u>	<u>\$ 15,477,815</u>	<u>\$ 6,890,416</u>	<u>\$ 70,104</u>	<u>\$ 1,931,496</u>	<u>\$ 1,198,764</u>	<u>\$ 1,192,750</u>	<u>\$ 898,059</u>	<u>\$ 50,938,088</u>

**CITY OF WEST PALM BEACH, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Local Gas Tax Fund	Mandel Library SR Fund	Impact Fees Western Expansion Fee Fund	Community Development Fund	Neighborhood Stabilization Program Fund	HOME Program Fund	HOPWA Fund	SHIP Program Fund
REVENUES:								
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,482,231	-	70	502,584	38,135	112,004	3,471,162	1,217,867
Charges for services	200,096	-	-	-	-	189,525	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Rents and royalties	-	-	-	-	-	-	-	-
Interest	72,270	-	15,924	790	-	8,065	-	-
Miscellaneous	-	-	12,825	10,159	21,434	-	-	35,365
Total revenues	2,754,597	-	28,819	513,533	59,569	309,594	3,471,162	1,253,232
EXPENDITURES:								
Current:								
Public safety	-	-	-	-	-	-	-	-
Public works	1,086,428	-	-	-	-	-	-	-
Economic environment	-	-	8	758,823	8,217	775,613	3,471,162	941,833
Leisure services	-	13	-	-	-	-	-	-
Capital outlay	-	-	-	141,153	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	1,086,428	13	8	899,976	8,217	775,613	3,471,162	941,833
Excess (deficiency) of revenues over expenditures	1,668,169	(13)	28,811	(386,443)	51,352	(466,019)	-	311,399
OTHER FINANCING SOURCES (USES):								
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	1,143	-	-	-	-	-	-
Transfers out	(86,917)	-	-	-	-	-	-	-
Total other financing sources (uses)	(86,917)	1,143	-	-	-	-	-	-
Net change in fund balances	1,581,252	1,130	28,811	(386,443)	51,352	(466,019)	-	311,399
FUND BALANCES, beginning	10,604,574	(1,130)	744,893	386,482	3,872,317	1,612,909	-	280,577
FUND BALANCES, ending	\$ 12,185,826	\$ -	\$ 773,704	\$ 39	\$ 3,923,669	\$ 1,146,890	\$ -	\$ 591,976

Continued

CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Housing Trust Fund	Permits Fund	Fire Assessment Fee Fund	Red Light Camera Fund	Waterfront District Fund	Special Revenue Grant Programs Fund	Cemetery Sinking Fund	Miscellaneous Trust Fund	Total Nonmajor Special Revenue Funds
REVENUES:									
Licenses and permits	\$ -	\$ 10,697,549	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ 10,697,549
Intergovernmental	-	-	-	-	-	2,212,160	-	174,254	10,210,467
Charges for services	-	11,098	2,100,700	-	791,425	-	30,930	-	3,323,774
Fines and forfeitures	-	-	-	13,255	-	-	-	-	13,255
Rents and royalties	-	-	-	-	511,810	-	-	-	511,810
Interest	15,209	105,153	45,172	345	14,397	-	10,031	-	287,356
Miscellaneous	3,000	36,773	-	18,419	197,735	373,863	-	-	709,573
Total revenues	18,209	10,850,573	2,145,872	32,019	1,515,367	2,586,023	40,961	174,254	25,753,784
EXPENDITURES:									
Current:									
Public safety	-	7,826,937	150,323	-	-	1,434,957	-	284,391	9,696,608
Public works	-	-	-	-	-	-	19,991	-	1,106,419
Economic environment	370,058	-	-	-	-	-	-	-	6,325,714
Leisure services	-	-	-	-	3,674,536	482,432	-	-	4,156,981
Capital outlay	-	88,702	-	-	20,188	-	-	15,128	265,171
Debt service:									
Principal	-	-	564,141	-	-	-	-	-	564,141
Interest	-	-	284,126	-	-	-	-	-	284,126
Total expenditures	370,058	7,915,639	998,590	-	3,694,724	1,917,389	19,991	299,519	22,399,160
Excess (deficiency) of revenues over expenditures	(351,849)	2,934,934	1,147,282	32,019	(2,179,357)	668,634	20,970	(125,265)	3,354,624
OTHER FINANCING SOURCES (USES):									
Proceeds from sale of capital assets	351,807	-	-	-	-	-	-	-	351,807
Transfers in	262,500	-	-	-	2,599,557	310,000	-	-	3,173,200
Transfers out	-	(504,816)	(2,724,571)	-	(14,299)	-	-	-	(3,330,603)
Total other financing sources (uses)	614,307	(504,816)	(2,724,571)	-	2,585,258	310,000	-	-	194,404
Net change in fund balances	262,458	2,430,118	(1,577,289)	32,019	405,901	978,634	20,970	(125,265)	3,549,028
FUND BALANCES, beginning	1,575,462	12,376,987	5,500,056	38,085	1,198,442	113,488	1,130,720	962,266	40,396,128
FUND BALANCES, ending	\$ 1,837,920	\$ 14,807,105	\$ 3,922,767	70,104	\$ 1,604,343	\$ 1,092,122	\$ 1,151,690	\$ 837,001	\$ 43,945,156

CITY OF WEST PALM BEACH, FLORIDA
BALANCE SHEET
NON-MAJOR DEBT SERVICE FUND
SEPTEMBER 30, 2018

	2005 General Obligation Bond Fund
	<u> </u>
ASSETS:	
Cash and cash equivalents	\$ 93,181
Investments	249,793
Interest	<u>1,083</u>
Total assets	<u><u>344,057</u></u>
 FUND BALANCES:	
Restricted	<u>344,057</u>
Total fund balances	<u>344,057</u>
Total liabilities and fund balance	\$ <u><u>344,057</u></u>

**CITY OF WEST PALM BEACH, FLORIDA
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NON-MAJOR DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	2005 General Obligation Bond Fund
REVENUES:	
Taxes	\$ 1,689,039
Interest	<u>8,560</u>
Total revenues	<u>1,697,599</u>
EXPENDITURES:	
Principal	1,400,000
Interest	<u>147,400</u>
Total expenditures	<u>1,547,400</u>
Excess of revenues over expenditures	<u>150,199</u>
Net change in fund balances	150,199
FUND BALANCES, beginning	<u>193,858</u>
FUND BALANCES, ending	<u><u>\$ 344,057</u></u>

**CITY OF WEST PALM BEACH, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2018**

	Other Capital Projects Fund	Arts in Public Places Fund	City Commons and Waterfront Fund	Infrastructure Surtax Fund	2016 Capital Bond Fund	Vehicle Replacement Fund	Technology Replacement Fund	NPCCR Series 2005A Construction Fund	NPCCR Series 2005B Construction Fund	Capital Grants Fund	Land Acquisition Fund	Total Nonmajor Capital Projects Funds
ASSETS:												
Cash and cash equivalents	\$ 1,836,507	\$ 263,162	\$ 80,379	\$ 3,078,432	\$ -	\$ 523,667	\$ 980,123	\$ -	\$ -	\$ -	\$ 1,549	\$ 6,763,819
Investments	4,923,153	705,464	215,473	8,252,401	-	1,403,802	2,627,432	-	-	-	4,151	18,131,876
Receivables, net												
Accounts	-	-	-	1,256,353	-	-	-	-	-	-	-	1,256,353
Interest	8,578	3,133	930	34,944	-	5,878	11,649	2,156	-	-	18	67,286
Due from other governments	-	-	-	-	-	-	-	-	-	963,072	-	963,072
Land held for resale	-	-	-	-	-	-	-	-	-	-	2,856,572	2,856,572
Investment in direct financing leasing	4,453,855	-	-	-	-	-	-	-	-	-	-	4,453,855
Restricted assets:												
Cash and cash equivalents	-	-	-	-	12,784,399	-	-	1,013,640	-	-	-	13,798,039
Investments	-	-	-	-	12,028,165	-	-	155,207	-	-	-	12,183,372
Interest	-	-	-	-	38,107	-	-	-	-	-	-	38,107
Total assets	11,222,093	971,759	296,782	12,622,130	24,850,671	1,933,347	3,619,204	1,171,003	-	963,072	2,862,290	60,512,351
LIABILITIES:												
Accounts payable and accrued liabilities	423,740	2,801	44,269	325,996	829,921	-	524,050	1,075	-	232,721	-	2,384,573
Due to other funds	4,826,904	-	-	-	5,647,883	-	-	-	-	730,351	-	11,205,138
Total liabilities	5,250,644	2,801	44,269	325,996	6,477,804	-	524,050	1,075	-	963,072	-	13,589,711
FUND BALANCES:												
Restricted	3,474,692	-	-	12,296,134	18,372,867	-	-	1,169,928	-	-	-	35,313,621
Committed	2,496,757	968,958	252,513	-	-	1,933,347	3,095,154	-	-	-	2,862,290	11,609,019
Total fund balances	5,971,449	968,958	252,513	12,296,134	18,372,867	1,933,347	3,095,154	1,169,928	-	-	2,862,290	46,922,640
Total liabilities and fund balances	\$ 11,222,093	\$ 971,759	\$ 296,782	\$ 12,622,130	\$ 24,850,671	\$ 1,933,347	\$ 3,619,204	\$ 1,171,003	\$ -	\$ 963,072	\$ 2,862,290	\$ 60,512,351

CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Other Capital Projects Fund	Arts in Public Places Fund	City Commons and Waterfront Fund	Infrastructure Surtax Fund	2016 Capital Bond Fund	Vehicle Replacement Fund	Technology Replacement Fund	NPCCRA Series 2005A Construction Fund	NPCCRA Series 2005B Construction Fund	Capital Grants Fund	Land Acquisition Fund	Total Nonmajor Capital Projects Funds
REVENUES:												
Intergovernmental	\$ -	\$ 125,000	\$ -	\$ 7,846,155	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 463,190	\$ -	\$ 8,434,345
Charges for services	-	419,214	-	-	-	-	-	-	-	-	-	419,214
Interest	72,869	8,460	3,519	37,584	342,990	5,300	22,650	14,352	19	-	51	507,794
Total revenues	72,869	552,674	3,519	7,883,739	342,990	5,300	22,650	14,352	19	463,190	51	9,361,353
EXPENDITURES:												
Current:												
General government	-	-	-	-	-	-	26,850	-	-	-	-	26,850
Public safety	23,971	-	-	-	11,150	-	1,241,372	-	-	-	-	1,276,493
Public works	-	-	-	-	-	-	300,729	-	-	-	-	300,729
Economic environment	-	-	76,515	713,571	-	-	-	22,776	4,677	-	-	817,539
Engineering services	25,891	-	-	-	-	-	-	-	-	-	-	25,891
Leisure services	639,858	283,676	-	-	-	-	-	-	-	-	-	923,534
Capital outlay	9,146,101	50,000	-	201,969	15,109,879	27,157	76,832	-	-	463,190	-	25,075,128
Total expenditures	9,835,821	333,676	76,515	915,540	15,121,029	27,157	1,645,783	22,776	4,677	463,190	-	28,446,164
Excess (deficiency) of revenues over expenditures	(9,762,952)	218,998	(72,996)	6,968,199	(14,778,039)	(21,857)	(1,623,133)	(8,424)	(4,658)	-	51	(19,084,811)
OTHER FINANCING SOURCES (USES):												
Capital leases	5,927,953	-	-	-	-	-	-	-	-	-	-	5,927,953
Transfers in	6,291,783	-	-	-	-	1,709,950	1,823,389	-	-	-	-	9,825,122
Transfers out	(708,935)	(644)	-	-	-	(782,548)	(477,115)	-	(19)	-	-	(1,969,261)
Total other financing sources (uses)	11,510,801	(644)	-	-	-	927,402	1,346,274	-	(19)	-	-	13,783,814
Net change in fund balances	1,747,849	218,354	(72,996)	6,968,199	(14,778,039)	905,545	(276,859)	(8,424)	(4,677)	-	51	(5,300,997)
FUND BALANCES, beginning	4,223,600	750,604	325,509	5,327,935	33,150,906	1,027,802	3,372,013	1,178,352	4,677	-	2,862,239	52,223,637
FUND BALANCES, ending	\$ 5,971,449	\$ 968,958	\$ 252,513	\$ 12,296,134	\$ 18,372,867	\$ 1,933,347	\$ 3,095,154	\$ 1,169,928	\$ -	\$ -	\$ 2,862,290	\$ 46,922,640





NON- MAJOR ENTERPRISE FUNDS



CITY OF WEST PALM BEACH, FLORIDA

NON-MAJOR ENTERPRISE FUNDS

Parking Facilities Fund - This fund is used to account for revenues and expenses related to providing both covered garage and metered parking spaces in the City.

West Palm Beach Golf Course Fund - This fund is used to account for revenues and expenses resulting from the operations of the municipal golf course.

CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2018

	Business-Type Enterprise Funds		
	Parking Facilities Fund	West Palm Beach Golf Course Fund	Totals
	Fund	Fund	Totals
ASSETS:			
Current unrestricted assets:			
Cash and cash equivalents	\$ 6,690,936	\$ 178,528	\$ 6,869,464
Investments	1,509,272	32,804	1,542,076
Receivables (net):			
Accounts	101,097	-	101,097
Interest	25,577	838	26,415
Due from other funds	10,000	103,537	113,537
Due from other governments	69,256	-	69,256
Inventories	-	30,126	30,126
Prepaid items	-	10,839	10,839
Current restricted assets:			
Cash and cash equivalents	18,339	-	18,339
Investments	6,114	-	6,114
Total current assets	8,430,591	356,672	8,787,263
Noncurrent assets:			
Capital assets:			
Non-depreciable	4,141,102	86,470	4,227,572
Depreciable, net	2,380,473	1,645,273	4,025,746
Total non-current assets	6,521,575	1,731,743	8,253,318
Total assets	14,952,166	2,088,415	17,040,581
LIABILITIES:			
Current liabilities:			
Accounts payable and accrued liabilities	430,824	54,019	484,843
Due to other governments	13,920	2,018	15,938
Due to other funds	-	116,072	116,072
Compensated absences payable	80,313	-	80,313
Current liabilities payable from restricted assets:			
Deposits payable	24,453	-	24,453
Total current liabilities	549,510	172,109	721,619
Noncurrent liabilities:			
Compensated absences payable	79,713	-	79,713
Advance payable to General Fund	-	617,000	617,000
Unearned revenue	67,200	15	67,215
Total non-current liabilities	146,913	617,015	763,928
Total liabilities	696,423	789,124	1,485,547
NET POSITION			
Net investment in capital assets	6,521,575	1,731,743	8,253,318
Unrestricted (deficit)	7,734,168	(432,452)	7,301,716
Total net position	\$ 14,255,743	\$ 1,299,291	\$ 15,555,034

CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NON-MAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Business-Type Enterprise Funds		
	Parking Facilities Fund	West Palm Beach Golf Course Fund	Totals
OPERATING REVENUES:			
Charges for services	\$ 5,637,714	\$ 775,444	\$ 6,413,158
Fines	1,019,751	-	1,019,751
Miscellaneous and other	274,647	12,529	287,176
Total operating revenues	6,932,112	787,973	7,720,085
OPERATING EXPENSES:			
Personnel services	1,311,948	-	1,311,948
Contractual services	1,929,874	664,397	2,594,271
Utilities	282,081	93,809	375,890
Repair and maintenance	1,074,565	37,768	1,112,333
Other supplies and expenses	716,130	274,104	990,234
Depreciation	848,800	284,211	1,133,011
Insurance	299,662	6,790	306,452
Total operating expenses	6,463,060	1,361,079	7,824,139
Operating income (loss)	469,052	(573,106)	(104,054)
NONOPERATING REVENUES (EXPENSES):			
Interest income	67,701	1,290	68,991
Interest expense	-	(46,315)	(46,315)
Total non-operating revenues (expenses)	67,701	(45,025)	22,676
Income (loss) before contributions and transfers	536,753	(618,131)	(81,378)
TRANSFERS:			
Transfers in	288,570	575,000	863,570
Transfers out	(555,706)	-	(555,706)
Change in net position	269,617	(43,131)	226,486
Net position - beginning	13,986,126	1,342,422	15,328,548
Net position - ending	\$ 14,255,743	\$ 1,299,291	\$ 15,555,034

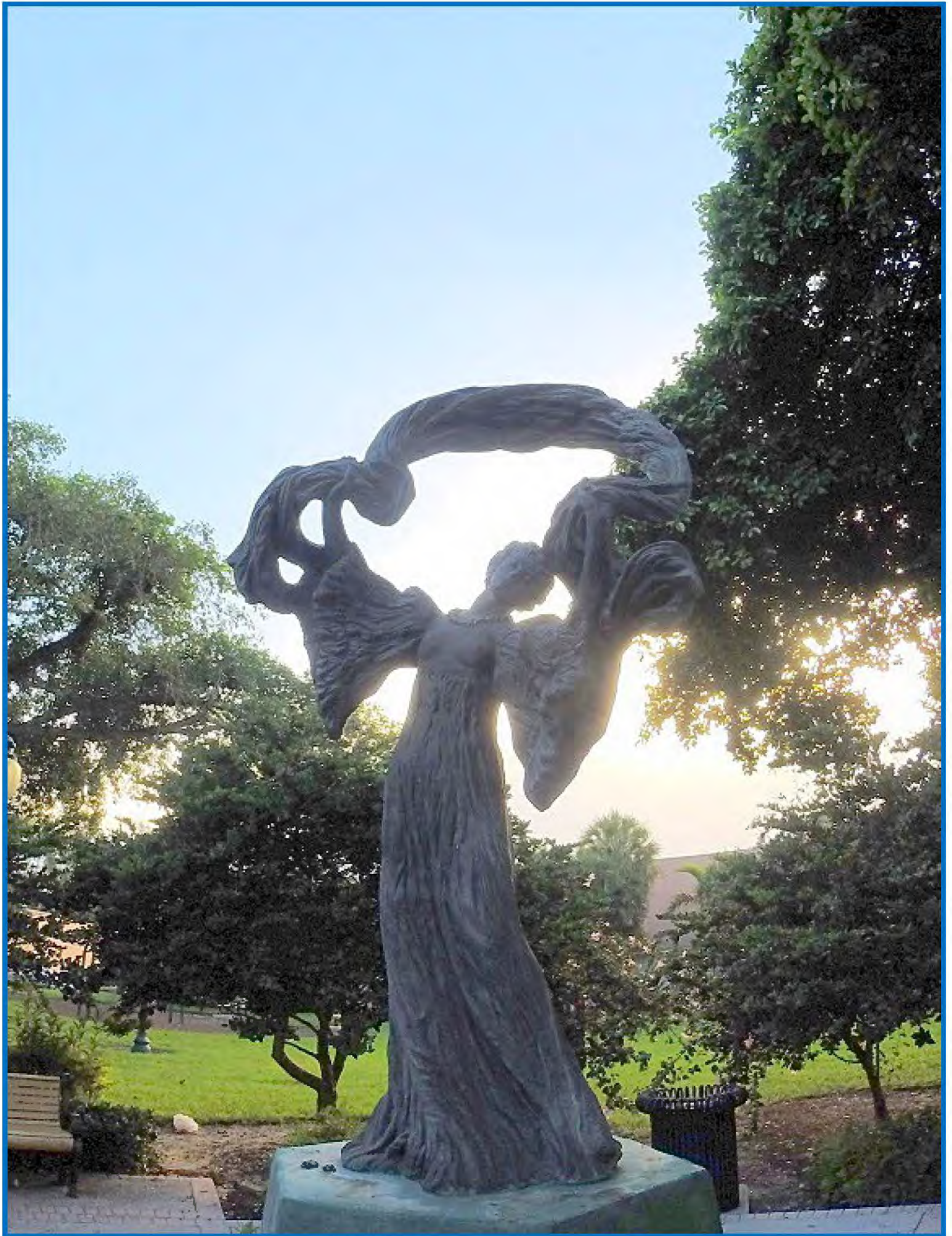
**CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Business-Type Activities - Enterprise Funds		
	Parking Facilities Fund	West Palm Beach Golf Course Fund	Totals
Cash Flows From Operating Activities:			
Cash received from customers	\$ 5,636,229	\$ 775,444	\$ 6,411,673
Cash payments to suppliers/contractors	(4,194,610)	(1,180,889)	(5,375,499)
Cash payments to employees	(1,286,519)	-	(1,286,519)
Other operating receipts	1,294,398	-	1,294,398
Net cash provided by (used for) operating activities	1,449,498	(405,445)	1,044,053
Cash Flows From Noncapital Financing Activities:			
Transfers in	288,570	575,000	863,570
Transfers out	(555,706)	-	(555,706)
Net cash provided by (used for) non-capital non-capital financing activities	(267,136)	575,000	307,864
Cash Flows From Capital and Related Financing Activities:			
Acquisition/construction of capital assets	(322,150)	-	(322,150)
Principal paid on notes and leases	-	(271,270)	(271,270)
Interest payments	-	(46,315)	(46,315)
Net cash used for capital and related financing activities	(322,150)	(317,585)	(639,735)
Cash Flows From Investing Activities:			
Purchase of investments	2,970,115	187,081	3,157,196
Interest on investments	62,640	1,418	64,058
Net cash provided by investing activities	3,032,755	188,499	3,221,254
Net increase in cash and cash equivalents	3,892,967	40,469	3,933,436
Cash and cash equivalents beginning of year	2,816,308	138,059	2,954,367
Cash and cash equivalents end of year	\$ 6,709,275	\$ 178,528	\$ 6,887,803
Displayed as:			
Cash and cash equivalents	6,690,936	178,528	6,869,464
Restricted cash and cash equivalents	18,339	-	18,339
Total cash and cash equivalents	\$ 6,709,275	\$ 178,528	\$ 6,887,803

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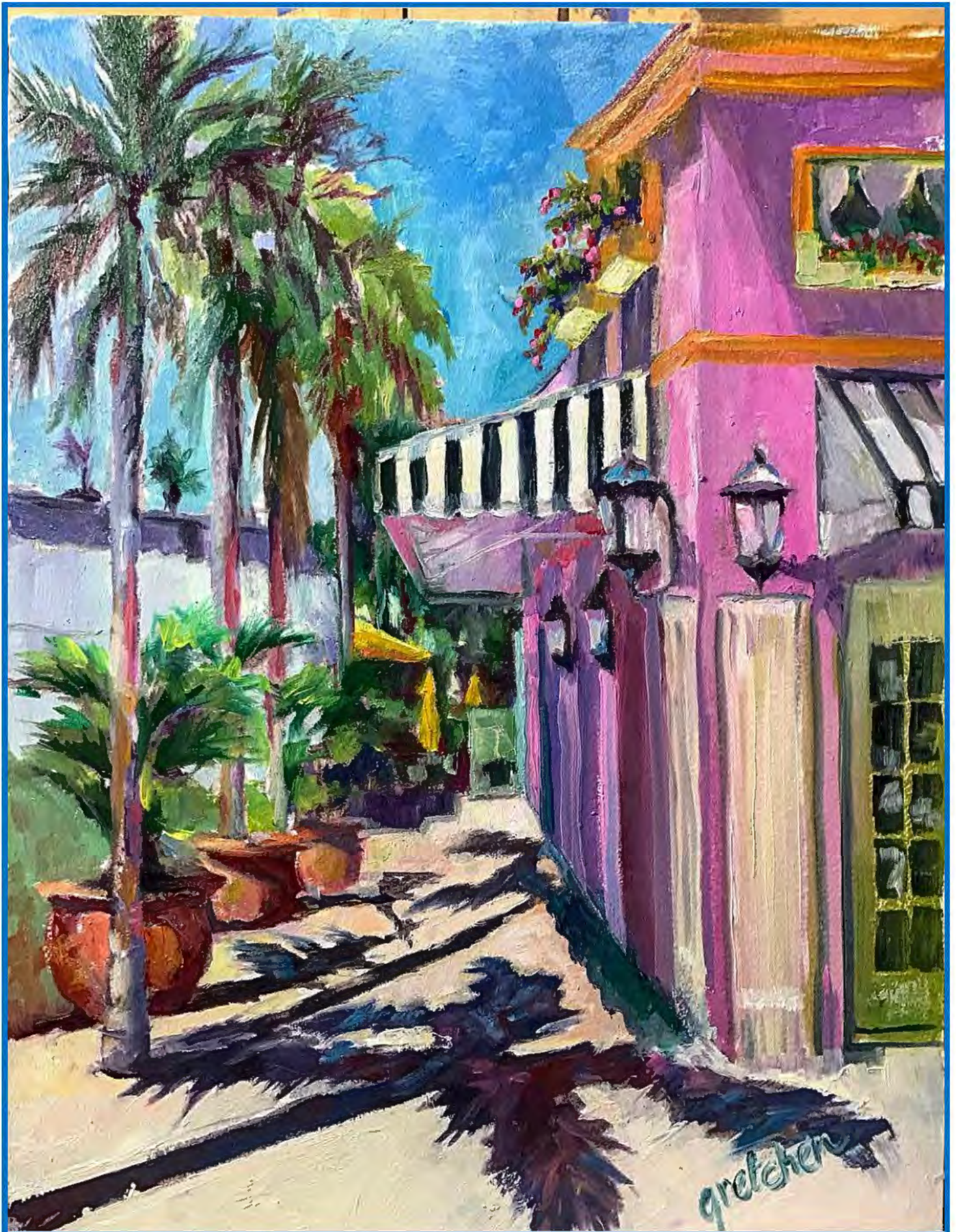
CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Parking Facilities Fund</u>	<u>West Palm Beach Golf Course Fund</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 469,052	\$ (573,106)	\$ (104,054)
Adjustments to reconcile operating income (loss) to net cash provided operating activities:			
Depreciation	848,800	284,211	1,133,011
Changes in assets and liabilities:			
Increase in accounts receivable	(14,220)	-	(14,220)
Increase in due from other funds	(10,000)	(103,537)	(113,537)
Increase in due from other governments	22,735	-	22,735
Increase in inventory	-	3,043	3,043
Increase (decrease) in accounts payable and accrued liabilities	109,336	(14,115)	95,221
Increase (decrease) in due to other governments	1,248	(345)	903
Increase (decrease) in due to other funds	(2,882)	(1,596)	(4,478)
Increase in compensated absences payable	25,429	-	25,429
Total adjustments	<u>980,446</u>	<u>167,661</u>	<u>1,148,107</u>
Net cash provided by (used for) operating activities	\$ <u>1,449,498</u>	\$ <u>(405,445)</u>	\$ <u>1,044,053</u>
Schedule of non-cash capital and related financing and investing activities:			
Change in fair value of investments	\$ <u>(49,028)</u>	\$ <u>(1,151)</u>	<u>(50,179)</u>





INTERNAL SERVICE FUNDS



CITY OF WEST PALM BEACH, FLORIDA

INTERNAL SERVICE FUNDS

MIS Processing Fund - This fund is used to account for expenses related to providing data processing and telecommunication services to the other departments of the City.

Fleet Management Fund - This fund is used to account for fuel, oil, lubricants, repairs and maintenance of City vehicles and the use of vehicles by City employees.

Self Insurance Fund - This fund is used to account for expenses related to providing and administering the self-insured general liability, automobile liability, workers' compensation and property insurance coverage for the City.

Employee Benefits Fund - This fund is used to account for resources provided from the employees' and employer's share of group life and health insurance deductions and the related claims and premiums.

CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2018

	MIS Processing Fund	Fleet Management Fund	Self Insurance Fund	Employee Benefits Fund	Totals
ASSETS:					
Current unrestricted assets:					
Cash and cash equivalents	\$ 3,227,529	\$ -	\$ 3,065,691	\$ 287,256	\$ 6,580,476
Investments	8,652,544	-	7,749,527	770,093	17,172,164
Receivables (net):					
Accounts	-	29,517	-	453,678	483,195
Interest	39,231	-	35,350	6,800	81,381
Due from other funds	-	36,277	-	-	36,277
Due from other governments	6,860	1,804	948,575	-	957,239
Inventories	-	91,093	-	-	91,093
Prepaid items	-	-	936,069	-	936,069
Current restricted assets:					
Cash and cash equivalents	795,030	-	-	3,412,678	4,207,708
Total current assets	<u>12,721,194</u>	<u>158,691</u>	<u>12,735,212</u>	<u>4,930,505</u>	<u>30,545,602</u>
Non-current assets:					
Investment in joint venture	1,450,718	-	-	-	1,450,718
Capital assets:					
Depreciable, net	13,425,141	544,388	89,893	165,245	14,224,667
Total non-current assets	<u>14,875,859</u>	<u>544,388</u>	<u>89,893</u>	<u>165,245</u>	<u>15,675,385</u>
Total assets	<u>27,597,053</u>	<u>703,079</u>	<u>12,825,105</u>	<u>5,095,750.00</u>	<u>46,220,987</u>
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued liabilities	1,635,791	846,187	222,256	651,022	3,355,256
Due to other funds	-	48,087	205,704	-	253,791
Compensated absences payable	208,770	103,000	11,063	-	322,833
Capital lease obligations - current	1,041,491	-	-	-	1,041,491
Notes payable, current	1,092,582	-	-	-	1,092,582
Insurance claims payable	-	-	3,024,939	1,103,300	4,128,239
Deposits payable	-	-	-	118,038	118,038
Total current liabilities	<u>3,978,634</u>	<u>997,274</u>	<u>3,463,962</u>	<u>1,872,360</u>	<u>10,312,230</u>
Non-current liabilities:					
Compensated absences payable	178,768	91,610	9,166	-	279,544
Insurance claims payable, long term	-	-	8,542,366	-	8,542,366
Capital lease obligation - long term	1,067,883	-	-	-	1,067,883
Notes payable, long term	5,507,662	-	-	-	5,507,662
Total non-current liabilities	<u>6,754,313</u>	<u>91,610</u>	<u>8,551,532</u>	<u>-</u>	<u>15,397,455</u>
Total liabilities	<u>10,732,947</u>	<u>1,088,884</u>	<u>12,015,494</u>	<u>1,872,360</u>	<u>25,709,685</u>
NET POSITION					
Net investment in capital assets	5,510,553	544,388	89,893	165,245	6,310,079
Unrestricted	11,353,553	(930,193)	719,718	3,058,145	14,201,223
Total net position	<u>\$ 16,864,106</u>	<u>\$ (385,805)</u>	<u>\$ 809,611</u>	<u>\$ 3,223,390</u>	<u>\$ 20,511,302</u>

CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	MIS Processing Fund	Fleet Management Fund	Self Insurance Fund	Employee Benefits Fund	Totals
Charges for services	\$ 14,700,698	\$ 7,988,520	\$ 7,885,286	\$ 25,019,923	\$ 55,594,427
Equity in Earnings of Joint Venture	490,404	-	-	-	490,404
Miscellaneous and other	443	249,964	5,157	15,895	271,459
Total operating revenues	15,191,545	8,238,484	7,890,443	25,035,818	56,356,290
Personnel services	4,343,414	1,761,926	289,298	1,018,521	7,413,159
Contractual services	6,236,714	3,550,805	757,318	1,061,057	11,605,894
Utilities	317,782	68,363	-	1,894	388,039
Repair and maintenance	204,312	702,735	-	203	907,250
Other supplies and expenses	375,980	2,517,776	351,805	802,152	4,047,713
Depreciation	461,109	92,384	3,194	4,825	561,512
Insurance claims and expenses	18,798	77,557	7,644,571	23,256,729	30,997,655
Total operating expenses	11,958,109	8,771,546	9,046,186	26,145,381	55,921,222
Operating income (loss)	3,233,436	(533,062)	(1,155,743)	(1,109,563)	435,068
Interest income	95,919	1,022	90,465	55,208	242,614
Interest expense	(228,961)	-	-	-	(228,961)
Gain (loss) on disposal of capital assets	(154,029)	(5,753)	-	-	(159,782)
Total non-operating revenues (expenses)	(287,071)	(4,731)	90,465	55,208	(146,129)
Income (loss) before contributions and transfers	2,946,365	(537,793)	(1,065,278)	(1,054,355)	288,939
Transfers in	1,094,946	-	1,435,474	2,528,561	5,058,981
Transfers out	(31,552)	(14,166)	(3,864)	(75,684)	(125,266)
Change in net position	4,009,759	(551,959)	366,332	1,398,522	5,222,654
Net position - beginning	12,854,347	166,154	443,279	1,824,868	15,288,648
Net position - ending	\$ 16,864,106	\$ (385,805)	\$ 809,611	\$ 3,223,390	\$ 20,511,302

**CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	MIS Processing Fund	Fleet Management Fund	Self Insurance Fund	Employee Benefits Fund	Totals
Cash Flows From Operating Activities:					
Cash received from customers	\$ 14,700,698	\$ 7,947,735	\$ 7,885,286	\$ 25,303,603	\$ 55,837,322
Cash payments to suppliers/contractors	(6,548,839)	(6,910,830)	(686,076)	(1,780,566)	(15,926,311)
Cash payments to employees	(4,353,624)	(1,746,244)	(295,876)	(1,018,521)	(7,414,265)
Other operating receipts	443	249,964	5,155	15,895	271,457
Cash payments for insurance	-	-	(7,649,792)	(23,891,694)	(31,541,486)
Net provided by (used for) operating activities	<u>3,798,678</u>	<u>(459,375)</u>	<u>(741,303)</u>	<u>(1,371,283)</u>	<u>1,226,717</u>
Cash Flows From Noncapital Financing Activities:					
Transfers in	1,094,946	-	1,435,474	2,528,561	5,058,981
Transfers out	(31,552)	(14,166)	(3,864)	(75,684)	(125,266)
Net cash provided by (used for) noncapital financing activities	<u>1,063,394</u>	<u>(14,166)</u>	<u>1,431,610</u>	<u>2,452,877</u>	<u>4,933,715</u>
Cash Flows From Capital and Related Financing Activities:					
Acquisition/construction of capital assets	(2,775,060)	-	-	-	(2,775,060)
Sale of assets	716,824	-	-	-	716,824
Principal paid on notes and leases	(2,086,111)	-	-	-	(2,086,111)
Interest and fees paid on notes and leases	(228,961)	-	-	-	(228,961)
Net cash provided by (used for) capital and related financing activities	<u>(4,373,308)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,373,308)</u>
Cash Flows From Investing Activities:					
Purchases and sales of investments, net	(1,220,420)	289,655	(1,581,902)	1,279,869	(1,232,798)
Interest on investments	87,813	2,021	84,824	51,364	226,022
Net cash provided by (used for) investing activities	<u>(1,132,607)</u>	<u>291,676</u>	<u>(1,497,078)</u>	<u>1,331,233</u>	<u>(1,006,776)</u>
Net increase (decrease) in cash and cash equivalents	(643,843)	(181,865)	(806,771)	2,412,827	780,348
Cash and cash equivalents, beginning of year	<u>4,666,402</u>	<u>181,865</u>	<u>3,872,462</u>	<u>1,287,107</u>	<u>10,007,836</u>
Cash and cash equivalents, end of year	<u>\$ 4,022,559</u>	<u>\$ -</u>	<u>\$ 3,065,691</u>	<u>\$ 3,699,934</u>	<u>\$ 10,788,184</u>
Displayed as:					
Cash and cash equivalents	3,227,529	-	3,065,691	287,256	6,580,476
Restricted cash and cash equivalents	795,030	-	-	3,412,678	4,207,708
Total cash and cash equivalents	<u>\$ 4,022,559</u>	<u>\$ -</u>	<u>\$ 3,065,691</u>	<u>\$ 3,699,934</u>	<u>\$ 10,788,184</u>

Continued

**CITY OF WEST PALM BEACH, FLORIDA COMBINING
STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

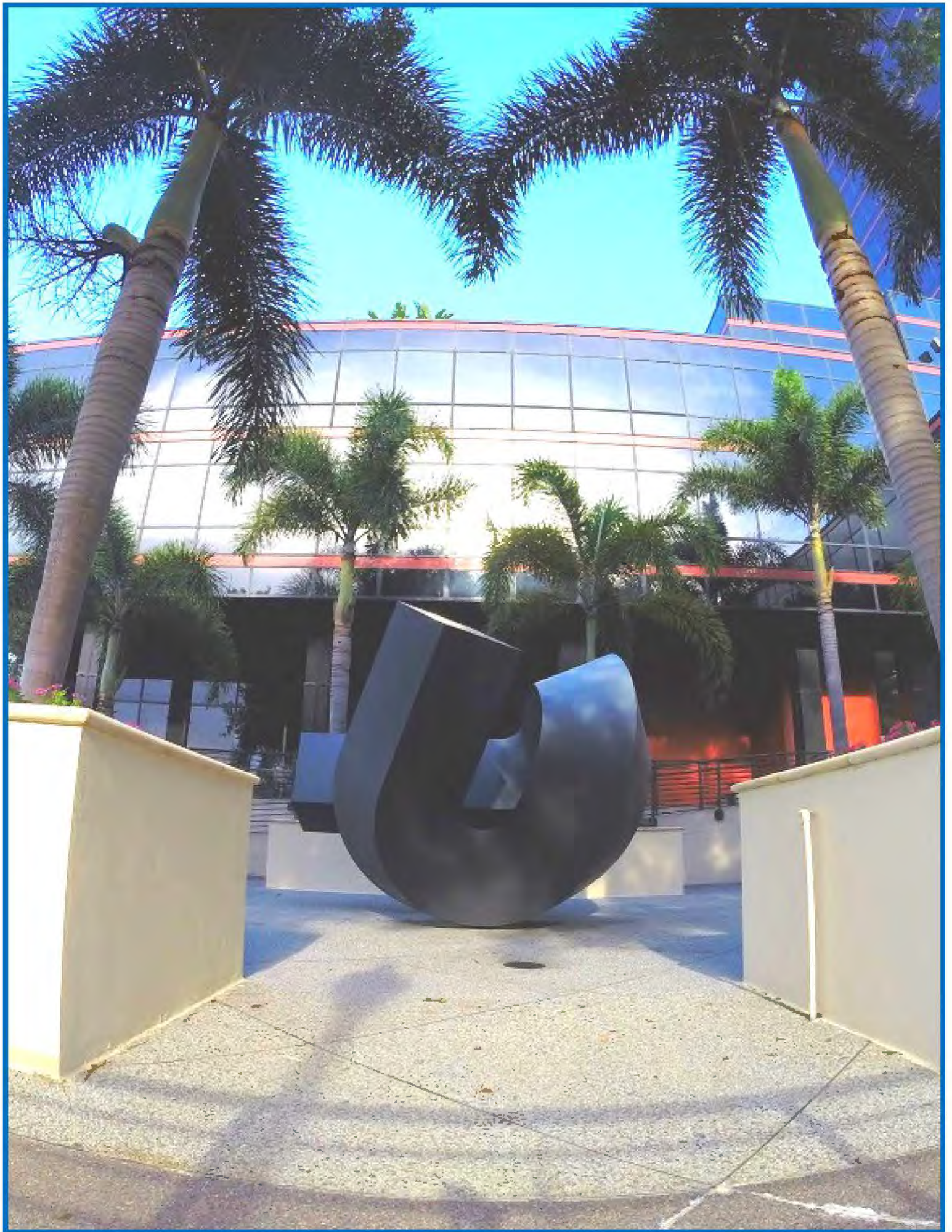
	MIS Processing Fund	Fleet Management Fund	Self Insurance Fund	Employee Benefits Fund	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:					
Operating income (loss)	\$ 3,233,436	\$ (533,062)	\$ (1,155,743)	\$ (1,109,563)	\$ 435,068
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	461,109	92,384	3,194	4,825	561,512
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	-	(4,508)	6,297	(453,678)	(451,889)
Increase in joint venture	(490,403)	-	-	-	(490,403)
(Increase) decrease in due from other funds	-	(36,277)	-	285,148	248,871
Increase in prepaid expenses	-	-	36,787	-	36,787
Increase (decrease) in accounts payable and accrued liabilities	613,828	(37,860)	175,181	84,740	835,889
Increase (decrease) in due to other Funds	(9,082)	44,266	204,780	-	239,964
Increase (decrease) in compensated absences payable	(10,210)	15,682	(6,578)	-	(1,106)
Increase in deposits payable	-	-	-	(182,755)	(182,755)
Decrease in insurance claims payable	-	-	(5,221)	-	(5,221)
Total adjustments	<u>565,242</u>	<u>73,687</u>	<u>414,440</u>	<u>(261,720)</u>	<u>791,649</u>
Net cash provided by (used for) operations	<u>\$ 3,798,678</u>	<u>\$ (459,375)</u>	<u>\$ (741,303)</u>	<u>\$ (1,371,283)</u>	<u>\$ 1,226,717</u>
Schedule of non-cash Capital and Related Financing and Investing Activities:					
Change in fair value of investments	<u>\$ (75,735)</u>	<u>\$ 5,994</u>	<u>\$ (65,656)</u>	<u>\$ (16,917)</u>	<u>\$ (152,314)</u>



Claes Oldenburg
America (I) (1952)



FIDUCIARY FUNDS



CITY OF WEST PALM BEACH, FLORIDA

FIDUCIARY FUNDS

Firefighters Pension Fund - This fund is used to account for assets held in a trustee capacity for the retirement pensions for all firefighters and fire department officers.

Police Pension Fund - This fund is used to account for all assets held in a trustee capacity for the retirement pensions for all non-civilian police department employees.

Restated Employees Retirement System Fund - This fund is used to account for assets held in a Trustee capacity for the retirement pensions of certain employees previously covered by the Employees' Retirement System. This plan is closed to new members.

OPEB Fund – This fund is used to account for assets held in trust for post-employment benefits other than pensions.

CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2018

	<u>Firefighters Pension Fund</u>	<u>Police Pension Fund</u>	<u>Restated Employees Pension Fund</u>	<u>OPEB Fund</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 3,240,928	\$ 1,247,678	\$ 279,582	\$ 899,941	\$ 5,668,129
Receivables:					
Plan members	98,458	-	-	-	98,458
Drop loans	435,361	1,359,818	-	-	1,795,179
Interest and dividends	177,789	424,426	58,013	-	660,228
Other	310,009	49,762	159,254	-	519,025
Total receivables	<u>1,021,617</u>	<u>1,834,006</u>	<u>217,267</u>	-	<u>3,072,890</u>
Investments:					
Money market	3,726,993	3,385,500	622,757	-	7,735,250
U.S. government obligations	10,264,116	42,317,681	5,397,105	-	57,978,902
U.S. government agencies	1,328,520	13,576,931	-	-	14,905,451
Corporate obligations	8,341,640	16,882,766	3,517,263	-	28,741,669
Equity securities	-	-	30,723,501	-	30,723,501
Domestic stocks	86,192,700	63,585,557	-	-	149,778,257
Domestic equity investment funds	37,865,172	129,446,988	-	9,966,670	177,278,830
Domestic fixed income investment funds	19,527,523	-	-	1,955,695	21,483,218
Domestic private equity investment funds	-	3,720,959	-	-	3,720,959
Fixed income mutual fund	-	-	3,747,555	428,007	4,175,562
International equity investment funds	21,447,688	53,770,315	-	-	75,218,003
International fixed income investment funds	10,421,715	-	-	-	10,421,715
Real estate investment trust funds	<u>25,029,580</u>	<u>53,757,296</u>	<u>3,020,782</u>	-	<u>81,807,658</u>
	<u>224,145,647</u>	<u>380,443,993</u>	<u>47,028,963</u>	<u>12,350,372</u>	<u>663,968,975</u>
Prepaid expenses	<u>4,541</u>	<u>1,268,692</u>	<u>2,229</u>	-	<u>1,275,462</u>
Total assets	<u><u>228,412,733</u></u>	<u><u>384,794,369</u></u>	<u><u>47,528,041</u></u>	<u><u>13,250,313</u></u>	<u><u>673,985,456</u></u>
LIABILITIES					
Accounts payable and accrued expenses	695,492	333,737	227,353	-	1,256,582
Advanced city contribution	-	-	<u>3,624,747</u>	-	<u>3,624,747</u>
Total liabilities	<u>695,492</u>	<u>333,737</u>	<u>3,852,100</u>	-	<u>4,881,329</u>
NET POSITION					
Net position restricted for pensions and OPEB	<u>\$ 227,717,241</u>	<u>\$ 384,460,632</u>	<u>\$ 43,675,941</u>	<u>\$ 13,250,313</u>	<u>\$ 669,104,127</u>

CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Firefighters Pension Fund</u>	<u>Police Pension Fund</u>	<u>Restated Employees Pension Fund</u>	<u>OPEB Fund</u>	<u>Total</u>
Additions					
Contributions:					
Plan members	\$ 3,325,997	\$ 3,989,386	\$ 65,868	\$ -	\$ 7,381,251
Insurance premium taxes collected by the State of Florida on behalf of the City of West Palm Beach	1,341,395	1,455,967	-	-	2,797,362
City of West Palm Beach	8,057,319	3,556,968	946,538	1,094,540	13,655,365
Total contributions	<u>12,724,711</u>	<u>9,002,321</u>	<u>1,012,406</u>	<u>1,094,540</u>	<u>23,833,978</u>
Investment income:					
Net appreciation (depreciation) in fair value of investments	19,668,375	28,014,026	2,939,247	(674,736)	49,946,912
Interest and dividends	5,195,756	6,522,684	1,158,775	-	12,877,215
Class action revenue	19,090	37,659	-	-	56,749
Rebates and other revenue	6,743	7,258	10,931	-	24,932
	<u>24,889,964</u>	<u>34,581,627</u>	<u>4,108,953</u>	<u>(674,736)</u>	<u>62,905,808</u>
Less investment expenses	812,536	1,025,906	217,457	-	2,055,899
Net investment income	<u>24,077,428</u>	<u>33,555,721</u>	<u>3,891,496</u>	<u>(674,736)</u>	<u>60,849,909</u>
Total additions	<u>36,802,139</u>	<u>42,558,042</u>	<u>4,903,902</u>	<u>419,804</u>	<u>84,683,887</u>
Deductions					
Participant benefit payments	16,056,923	18,801,870	2,969,061	1,094,540	38,922,394
Refunds of participant contributions	102,314	225,759	-	-	328,073
Administrative expenses	199,057	319,039	92,844	-	610,940
Total deductions	<u>16,358,294</u>	<u>19,346,668</u>	<u>3,061,905</u>	<u>1,094,540</u>	<u>39,861,407</u>
Net increase in net position	20,443,845	23,211,374	1,841,997	(674,736)	44,822,480
Net position restricted for pensions and OPEB					
Beginning of year	<u>207,273,396</u>	<u>361,249,258</u>	<u>41,833,944</u>	<u>13,925,049</u>	<u>624,281,647</u>
End of year	<u>\$ 227,717,241</u>	<u>\$ 384,460,632</u>	<u>\$ 43,675,941</u>	<u>\$ 13,250,313</u>	<u>\$ 669,104,127</u>





BUDGETARY COMPARISON SCHEDULES

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (UNAUDITED)
LOCAL GAS TAX FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 2,551,372	\$ 2,551,372	\$ 2,482,231	\$ (69,141)
Charges for services	-	-	200,096	200,096
Interest	-	-	72,270	72,270
Total revenues	<u>2,551,372</u>	<u>2,551,372</u>	<u>2,754,597</u>	<u>203,225</u>
Expenditures:				
Current:				
Public works	1,310,965	3,480,965	1,086,428	2,394,537
Capital outlay	4,462,181	4,885,681	-	4,885,681
Total expenditures	<u>5,773,146</u>	<u>8,366,646</u>	<u>1,086,428</u>	<u>7,280,218</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,221,774)</u>	<u>(5,815,274)</u>	<u>1,668,169</u>	<u>7,483,443</u>
Other financing sources (uses):				
Transfer out	-	(86,917)	(86,917)	-
Total other financing sources (uses)	<u>-</u>	<u>(86,917)</u>	<u>(86,917)</u>	<u>-</u>
Net change in fund balances	\$ <u><u>(3,221,774)</u></u>	\$ <u><u>(5,902,191)</u></u>	\$ 1,581,252	\$ <u><u>7,483,443</u></u>
Fund balances - beginning			<u>10,604,574</u>	
Fund balances - ending			\$ <u><u>12,185,826</u></u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (UNAUDITED)
COMMUNITY DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 2,597,106	\$ 2,597,106	\$ 502,584	\$ (2,094,522)
Interest	-	-	790	790
Miscellaneous	-	-	10,159	10,159
Total revenues	<u>2,597,106</u>	<u>2,597,106</u>	<u>513,533</u>	<u>(2,083,573)</u>
Expenditures:				
Current:				
Economic environment	2,450,418	2,562,246	758,823	1,803,423
Capital outlay	532,894	421,066	141,153	279,913
Total expenditures	<u>2,983,312</u>	<u>2,983,312</u>	<u>899,976</u>	<u>2,083,336</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(386,206)</u>	<u>(386,206)</u>	<u>(386,443)</u>	<u>(237)</u>
Net change in fund balances	\$ <u><u>(386,206)</u></u>	\$ <u><u>(386,206)</u></u>	\$ (386,443)	\$ <u><u>(237)</u></u>
Fund balances - beginning			<u>386,482</u>	
Fund balances - ending			\$ <u><u>39</u></u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (UNAUDITED)
NEIGHBORHOOD STABILIZATION PROGRAM FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 444,036	\$ 444,036	\$ 38,135	\$ (405,901)
Miscellaneous	-	-	21,434	(532,349)
Total revenues	<u>444,036</u>	<u>444,036</u>	<u>59,569</u>	<u>(938,250)</u>
Expenditures:				
Current:				
Economic environment	594,037	594,037	8,217	585,820
Capital outlay	<u>835,254</u>	<u>835,254</u>	-	<u>835,254</u>
Total expenditures	<u>1,429,291</u>	<u>1,429,291</u>	<u>8,217</u>	<u>1,421,074</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(985,255)</u>	<u>(985,255)</u>	<u>51,352</u>	<u>1,036,607</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	<u>553,783</u>	<u>553,783</u>	-	<u>(553,783)</u>
Total other financing sources (uses)	<u>553,783</u>	<u>553,783</u>	-	<u>(553,783)</u>
Net change in fund balances	\$ <u>(431,472)</u>	\$ <u>(431,472)</u>	\$ 51,352	\$ <u>482,824</u>
Fund balances - beginning			<u>3,872,317</u>	
Fund balances - ending			\$ <u>3,923,669</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (UNAUDITED)
HOME PROGRAM FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 1,621,409	\$ 1,621,409	\$ 112,004	\$ (1,509,405)
Charges for services	-	-	189,525	189,525
Interest	-	-	8,065	8,065
Total revenues	<u>1,621,409</u>	<u>1,621,409</u>	<u>309,594</u>	<u>(1,311,815)</u>
Expenditures:				
Current:				
Economic environment	<u>3,135,765</u>	<u>3,135,765</u>	<u>775,613</u>	<u>2,360,152</u>
Total expenditures	<u>3,135,765</u>	<u>3,135,765</u>	<u>775,613</u>	<u>2,360,152</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,514,356)</u>	<u>(1,514,356)</u>	<u>(466,019)</u>	<u>1,048,337</u>
Net change in fund balances	\$ <u>(1,514,356)</u>	\$ <u>(1,514,356)</u>	\$ (466,019)	\$ <u>1,048,337</u>
Fund balances - beginning			<u>1,612,909</u>	
Fund balances - ending			<u>\$ 1,146,890</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (UNAUDITED)
HOPWA FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 3,618,312	\$ 3,618,312	\$ 3,471,162	\$ (147,150)
Total revenues	<u>3,618,312</u>	<u>3,618,312</u>	<u>3,471,162</u>	<u>(147,150)</u>
Expenditures:				
Current:				
Economic environment	<u>3,618,312</u>	<u>3,618,312</u>	<u>3,471,162</u>	<u>147,150</u>
Total expenditures	<u>3,618,312</u>	<u>3,618,312</u>	<u>3,471,162</u>	<u>147,150</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ -	\$ <u><u>-</u></u>
Fund balances - beginning			<u>-</u>	
Fund balances - ending			<u><u>\$ -</u></u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (UNAUDITED)
SHIP PROGRAM FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 1,088,401	\$ 1,088,401	\$ 1,217,867	\$ 129,466
Miscellaneous	<u>96,470</u>	<u>96,470</u>	<u>35,365</u>	<u>(61,105)</u>
Total revenues	<u>1,184,871</u>	<u>1,184,871</u>	<u>1,253,232</u>	<u>68,361</u>
Expenditures:				
Current:				
Economic environment	<u>1,602,467</u>	<u>1,602,467</u>	<u>941,833</u>	<u>660,634</u>
Total expenditures	<u>1,602,467</u>	<u>1,602,467</u>	<u>941,833</u>	<u>660,634</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(417,596)</u>	<u>(417,596)</u>	<u>311,399</u>	<u>728,995</u>
Net change in fund balances	\$ <u><u>(417,596)</u></u>	\$ <u><u>(417,596)</u></u>	\$ 311,399	\$ <u><u>728,995</u></u>
Fund balances - beginning			<u>280,577</u>	
Fund balances - ending			\$ <u><u>591,976</u></u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (UNAUDITED)
HOUSING TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	\$ -	\$ -	\$ 15,209	\$ 15,209
Miscellaneous	<u>500,000</u>	<u>500,000</u>	<u>3,000</u>	<u>(497,000)</u>
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>18,209</u>	<u>(481,791)</u>
Expenditures:				
Current:				
Economic environment	<u>690,976</u>	<u>953,476</u>	<u>370,058</u>	<u>583,418</u>
Total expenditures	<u>690,976</u>	<u>953,476</u>	<u>370,058</u>	<u>583,418</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(190,976)</u>	<u>(453,476)</u>	<u>(351,849)</u>	<u>101,627</u>
Other financing sources (uses):				
Procees from sale of assets	-	-	351,807	351,807
Transfers in	<u>-</u>	<u>262,500</u>	<u>262,500</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>262,500</u>	<u>614,307</u>	<u>351,807</u>
Net change in fund balances	\$ <u><u>(190,976)</u></u>	\$ <u><u>(190,976)</u></u>	\$ 262,458	\$ <u><u>453,434</u></u>
Fund balances - beginning			<u>1,575,462</u>	
Fund balances - ending			\$ <u><u>1,837,920</u></u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (UNAUDITED)
PERMITS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
License and permits	\$ 7,715,800	\$ 7,715,800	\$ 10,697,549	\$ 2,981,749
Intergovernmental	1,710	1,710	-	(1,710)
Charges for services	2,000	2,000	11,098	9,098
Interest	25,000	25,000	105,153	80,153
Miscellaneous	<u>25,000</u>	<u>25,000</u>	<u>36,773</u>	<u>11,773</u>
Total revenues	<u>7,769,510</u>	<u>7,769,510</u>	<u>10,850,573</u>	<u>3,081,063</u>
Expenditures:				
Current:				
Public safety	12,350,489	12,350,489	7,826,937	4,523,552
Capital outlay	<u>62,079</u>	<u>91,079</u>	<u>88,702</u>	<u>2,377</u>
Total expenditures	<u>12,412,568</u>	<u>12,441,568</u>	<u>7,915,639</u>	<u>4,525,929</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,643,058)</u>	<u>(4,672,058)</u>	<u>2,934,934</u>	<u>7,606,992</u>
Other financing sources (uses):				
Transfer out	<u>(504,816)</u>	<u>(504,816)</u>	<u>(504,816)</u>	<u>-</u>
Total other financing source (uses)	<u>(504,816)</u>	<u>(504,816)</u>	<u>(504,816)</u>	<u>-</u>
Net change in fund balances	\$ <u>(5,147,874)</u>	\$ <u>(5,176,874)</u>	\$ 2,430,118	\$ <u>7,606,992</u>
Fund balances - beginning			<u>12,376,987</u>	
Fund balances - ending			\$ <u>14,807,105</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (UNAUDITED)
FIRE ASSESSMENT FEE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 2,350,000	\$ 2,350,000	\$ 2,100,700	\$ (249,300)
Interest	-	-	45,172	45,172
Total revenues	<u>2,350,000</u>	<u>2,350,000</u>	<u>2,145,872</u>	<u>(204,128)</u>
Expenditures:				
Current:				
Public safety:				
Fire	6,275	815,010	150,323	664,687
Capital outlay	10,005,279	9,004,015	-	9,004,015
Debt Service:				
Principal retirement	708,335	587,642	564,141	23,501
Interest charges	280,783	401,476	284,126	117,350
Total expenditures	<u>11,000,672</u>	<u>10,808,143</u>	<u>998,590</u>	<u>9,809,553</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,650,672)</u>	<u>(8,458,143)</u>	<u>1,147,282</u>	<u>9,605,425</u>
Other financing sources (uses):				
Capital lease	409,817	409,817	-	(409,817)
Transfer out	-	(2,724,571)	(2,724,571)	-
Total other financing source (uses)	<u>409,817</u>	<u>(2,314,754)</u>	<u>(2,724,571)</u>	<u>(409,817)</u>
Net change in fund balances	<u>\$ (8,240,855)</u>	<u>\$ (10,772,897)</u>	\$ (1,577,290)	<u>\$ 9,195,608</u>
Fund balances - beginning			<u>5,500,056</u>	
Fund balances - ending			<u>\$ 3,922,767</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (UNAUDITED)
WATERFRONT DISTRICT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 468	\$ 468	\$ -	\$ (468)
Charges for services	697,800	705,436	791,425	85,989
Rents and royalties	415,000	415,000	511,810	96,810
Interest	-	-	14,397	14,397
Miscellaneous	<u>180,000</u>	<u>180,000</u>	<u>197,735</u>	<u>17,735</u>
Total revenues	<u>1,293,268</u>	<u>1,300,904</u>	<u>1,515,367</u>	<u>214,463</u>
Expenditures:				
Current:				
Leisure services	4,269,408	4,272,044	3,674,536	597,508
Capital outlay	<u>65,688</u>	<u>65,688</u>	<u>20,188</u>	<u>45,500</u>
Total expenditures	<u>4,335,096</u>	<u>4,337,732</u>	<u>3,694,724</u>	<u>643,008</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,041,828)</u>	<u>(3,036,828)</u>	<u>(2,179,357)</u>	<u>857,471</u>
Other financing sources (uses):				
Transfers in	2,599,557	2,599,557	2,599,557	-
Transfer out	<u>(14,299)</u>	<u>(14,299)</u>	<u>(14,299)</u>	<u>-</u>
Total other financing source (uses)	<u>2,585,258</u>	<u>2,585,258</u>	<u>2,585,258</u>	<u>-</u>
Net change in fund balances	\$ <u>(456,570)</u>	\$ <u>(451,570)</u>	\$ 405,901	\$ <u>857,471</u>
Fund balances - beginning			<u>1,198,442</u>	
Fund balances - ending			<u>\$ 1,604,343</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (UNAUDITED)
SPECIAL REVENUE GRANT PROGRAMS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 1,210,971	\$ 2,767,968	\$ 2,212,160	\$ (555,808)
Miscellaneous	<u>196,911</u>	<u>410,112</u>	<u>373,863</u>	<u>(36,249)</u>
Total revenues	<u>1,407,882</u>	<u>3,178,080</u>	<u>2,586,023</u>	<u>(592,057)</u>
Expenditures:				
Current:				
General Government	-	120,000	-	120,000
Public safety:				-
Fire	905,170	1,787,699	1,225,349	562,350
Police	396,846	396,846	209,608	187,238
Leisure services	652,853	1,164,779	482,432	682,347
Capital outlay	<u>114,035</u>	<u>679,778</u>	<u>-</u>	<u>679,778</u>
Total expenditures	<u>2,068,904</u>	<u>4,149,102</u>	<u>1,917,389</u>	<u>2,231,713</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(661,022)</u>	<u>(971,022)</u>	<u>668,634</u>	<u>1,639,656</u>
Other financing sources (uses):				
Transfers in	<u>547,489</u>	<u>857,489</u>	<u>310,000</u>	<u>(547,489)</u>
Total other financing source (uses)	<u>547,489</u>	<u>857,489</u>	<u>310,000</u>	<u>(547,489)</u>
Net change in fund balances	\$ <u><u>(113,533)</u></u>	\$ <u><u>(113,533)</u></u>	\$ 978,634	\$ <u><u>1,092,167</u></u>
Fund balances - beginning			<u>113,488</u>	
Fund balances - ending			\$ <u><u>1,092,122</u></u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (UNAUDITED)
CEMETARY SINKING FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ -	\$ -	\$ 30,930	\$ 30,930
Interest	-	-	10,031	10,031
Total revenues	<u>-</u>	<u>-</u>	<u>40,961</u>	<u>40,961</u>
Expenditures:				
Current:				
Public works	20,000	20,000	19,991	9
Capital outlay	<u>164,717</u>	<u>207,717</u>	<u>-</u>	<u>207,717</u>
Total expenditures	<u>184,717</u>	<u>227,717</u>	<u>19,991</u>	<u>207,726</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(184,717)</u>	<u>(227,717)</u>	<u>20,970</u>	<u>248,687</u>
Net change in fund balances	\$ <u><u>(184,717)</u></u>	\$ <u><u>(227,717)</u></u>	\$ 20,970	\$ <u><u>248,687</u></u>
Fund balances - beginning			<u>1,130,720</u>	
Fund balances - ending			\$ <u><u>1,151,690</u></u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (UNAUDITED)
MISCELLANEOUS TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 142,433	\$ 305,433	\$ 174,254	\$ (131,179)
Total revenues	<u>142,433</u>	<u>305,433</u>	<u>174,254</u>	<u>(131,179)</u>
Expenditures:				
Current:				
Public safety:				
Police	359,302	522,302	284,391	237,911
Capital outlay	<u>66,205</u>	<u>66,205</u>	<u>15,128</u>	<u>51,077</u>
Total expenditures	<u>425,507</u>	<u>588,507</u>	<u>299,519</u>	<u>288,988</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(283,074)</u>	<u>(283,074)</u>	<u>(125,265)</u>	<u>157,809</u>
Net change in fund balances	\$ <u><u>(283,074)</u></u>	\$ <u><u>(283,074)</u></u>	\$ (125,265)	\$ <u><u>157,809</u></u>
Fund balances - beginning			<u>962,266</u>	
Fund balances - ending			\$ <u><u>837,001</u></u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (UNAUDITED)
2005 GENERAL OBLIGATION BOND FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,675,304	\$ 1,675,304	\$ 1,689,039	\$ 13,735
Interest	-	-	8,560	8,560
Total revenues	<u>1,675,304</u>	<u>1,675,304</u>	<u>1,697,599</u>	<u>22,295</u>
Expenditures:				
Debt Service:				
Principal retirement	1,527,904	1,527,904	1,400,000	127,904
Interest charges	<u>147,400</u>	<u>147,400</u>	<u>147,400</u>	<u>-</u>
Total expenditures	<u>1,675,304</u>	<u>1,675,304</u>	<u>1,547,400</u>	<u>127,904</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>150,199</u>	<u>150,199</u>
Net change in fund balances	\$ <u>-</u>	\$ <u>-</u>	\$ 150,199	\$ <u>150,199</u>
Fund balances - beginning			<u>193,858</u>	
Fund balances - ending			\$ <u>344,057</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (UNAUDITED)
OTHER CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	\$ -	\$ -	\$ 72,869	\$ 72,869
Total revenues	<u>-</u>	<u>-</u>	<u>72,869</u>	<u>72,869</u>
Expenditures:				
Current:				
Public safety:				
Police	45,130	293,070	23,971	269,099
Engineering services	239,000	519,223	25,891	493,332
Leisure services	-	1,100,000	639,858	460,142
Capital outlay	4,868,412	16,821,264	9,146,101	7,675,163
Total expenditures	<u>5,152,542</u>	<u>18,733,557</u>	<u>9,835,821</u>	<u>8,897,736</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,152,542)</u>	<u>(18,733,557)</u>	<u>(9,762,952)</u>	<u>8,970,605</u>
Other financing sources (uses):				
Capital leases	-	5,927,953	5,927,953	-
Transfers in	-	6,291,783	6,291,783	-
Transfer out	-	(708,935)	(708,935)	-
Total other financing source (uses)	<u>-</u>	<u>11,510,801</u>	<u>11,510,801</u>	<u>-</u>
Net change in fund balances	\$ <u><u>(5,152,542)</u></u>	\$ <u><u>(7,222,756)</u></u>	\$ 1,747,849	\$ <u><u>8,970,605</u></u>
Fund balance - beginning			<u>4,223,600</u>	
Fund balances - ending			\$ <u><u>5,971,449</u></u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (UNAUDITED)
ART IN PUBLIC PLACES FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ -	\$ 125,000	\$ 125,000	\$ -
Charges for services	225,000	225,000	419,214	194,214
Interest	-	-	8,460	8,460
Total revenues	<u>225,000</u>	<u>350,000</u>	<u>552,674</u>	<u>202,674</u>
Expenditures:				
Current:				
Leisure Services	316,100	361,700	283,676	78,024
Capital outlay	-	395,000	50,000	345,000
Total expenditures	<u>316,100</u>	<u>756,700</u>	<u>333,676</u>	<u>423,024</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(91,100)</u>	<u>(406,700)</u>	<u>218,998</u>	<u>625,698</u>
Other financing sources (uses):				
Transfer out	(644)	(644)	(644)	-
Total other financing sources (uses)	<u>(644)</u>	<u>(644)</u>	<u>(644)</u>	<u>-</u>
Net change in fund balances	\$ <u>(91,744)</u>	\$ <u>(407,344)</u>	\$ 218,354	\$ <u>625,698</u>
Fund balances - beginning			<u>750,604</u>	
Fund balances - ending			\$ <u>968,958</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (UNAUDITED)
INFRASTRUCTURE SURTAX FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 7,088,258	\$ 7,088,258	\$ 7,846,155	\$ 757,897
Interest	-	-	37,584	37,584
Total revenues	<u>7,088,258</u>	<u>7,088,258</u>	<u>7,883,739</u>	<u>795,481</u>
Expenditures:				
Current:				
Economic environment	990,489	1,670,644	713,571	957,073
Capital outlay	<u>6,097,769</u>	<u>8,746,607</u>	<u>201,969</u>	<u>8,544,638</u>
Total expenditures	<u>7,088,258</u>	<u>10,417,251</u>	<u>915,540</u>	<u>9,501,711</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(3,328,993)</u>	<u>6,968,199</u>	<u>10,297,192</u>
Net change in fund balances	\$ <u>-</u>	\$ <u>(3,328,993)</u>	\$ 6,968,199	\$ <u>10,297,192</u>
Fund balance - beginning			<u>5,327,935</u>	
Fund balances - ending			<u>\$ 12,296,134</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (UNAUDITED)
2016 CAPITAL BOND FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	\$ -	\$ -	\$ 342,990	\$ 342,990
Total Revenues	<u>-</u>	<u>-</u>	<u>342,990</u>	<u>342,990</u>
Expenditures:				
Current:				
Public safety:				
Police	20,977	20,977	11,150	9,827
Public works	5,000	197,500	-	197,500
Leisure Services	8,000	8,000	-	8,000
Capital outlay	<u>32,393,720</u>	<u>32,432,005</u>	<u>15,109,879</u>	<u>17,322,126</u>
Total Expenditures	<u>32,427,697</u>	<u>32,658,482</u>	<u>15,121,029</u>	<u>17,537,453</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,427,697)</u>	<u>(32,658,482)</u>	<u>(14,778,039)</u>	<u>17,880,443</u>
Net changes in fund balances	\$ <u>(32,427,697)</u>	\$ <u>(32,658,482)</u>	\$ <u>(14,778,039)</u>	\$ <u>17,880,443</u>
Fund balances - beginning			<u>33,150,906</u>	
Fund balances - ending			\$ <u>18,372,867</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (UNAUDITED)
VEHICLE REPLACEMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	\$ -	\$ -	\$ 5,300	\$ 5,300
Total revenues	<u>-</u>	<u>-</u>	<u>5,300</u>	<u>5,300</u>
Expenditures:				
Capital outlay	1,056,493	1,948,337	27,157	1,921,180
Total expenditures	<u>1,056,493</u>	<u>1,948,337</u>	<u>27,157</u>	<u>1,921,180</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,056,493)</u>	<u>(1,948,337)</u>	<u>(21,857)</u>	<u>1,926,480</u>
Other financing sources (uses):				
Transfers in	57,397	1,709,950	1,709,950	-
Transfer out	<u>-</u>	<u>(782,548)</u>	<u>(782,548)</u>	<u>-</u>
Total other financing sources (uses)	<u>57,397</u>	<u>927,402</u>	<u>927,402</u>	<u>-</u>
Net change in fund balances	\$ <u>(999,096)</u>	\$ <u>(1,020,935)</u>	\$ 905,545	\$ <u>1,926,480</u>
Fund balances - beginning			<u>1,027,802</u>	
Fund balances - ending			\$ <u>1,933,347</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (UNAUDITED)
TECHNOLOGY REPLACEMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	\$ -	\$ -	\$ 22,650	\$ 22,650
Total revenues	<u>-</u>	<u>-</u>	<u>22,650</u>	<u>22,650</u>
Expenditures:				
Current:				
General government	538,000	914,000	26,850	887,150
Public safety:				
Police	-	1,757,000	1,241,372	515,628
Public works	433,532	433,532	300,729	132,803
Capital outlay	-	106,000	76,832	29,168
Total expenditures	<u>971,532</u>	<u>3,210,532</u>	<u>1,645,783</u>	<u>1,564,749</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(971,532)</u>	<u>(3,210,532)</u>	<u>(1,623,133)</u>	<u>1,587,399</u>
Other financing sources (uses):				
Transfers in	-	1,823,389	1,823,389	-
Transfer out	<u>(477,115)</u>	<u>(477,115)</u>	<u>(477,115)</u>	<u>-</u>
Total other financing sources (uses)	<u>(477,115)</u>	<u>1,346,274</u>	<u>1,346,274</u>	<u>-</u>
Net change in fund balances	<u>\$ (1,448,647)</u>	<u>\$ (1,864,258)</u>	<u>\$ (276,859)</u>	<u>\$ 1,587,399</u>
Fund balances - beginning			<u>3,372,013</u>	
Fund balances - ending			<u>\$ 3,095,154</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (UNAUDITED)
NPCRA SERIES 2005A CONSTRUCTION FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	\$ 226	\$ 226	\$ 14,352	\$ 14,126
Total revenues	<u>226</u>	<u>226</u>	<u>14,352</u>	<u>14,126</u>
Expenditures:				
Current:				
Economic environment	594,769	594,769	22,776	571,993
Capital outlay	<u>554,962</u>	<u>554,962</u>	<u>-</u>	<u>554,962</u>
Total expenditures	<u>1,149,731</u>	<u>1,149,731</u>	<u>22,776</u>	<u>1,126,955</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,149,505)</u>	<u>(1,149,505)</u>	<u>(8,424)</u>	<u>1,141,081</u>
Net change in fund balances	\$ <u>(1,149,505)</u>	\$ <u>(1,149,505)</u>	\$ (8,424)	\$ <u>1,141,081</u>
Fund balances - beginning			<u>1,178,352</u>	
Fund balances - ending			\$ <u><u>1,169,928</u></u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (UNAUDITED)
NPCRA SERIES 2005B CONSTRUCTION FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	\$ -	\$ -	\$ 19	\$ 19
Total revenues	<u>-</u>	<u>-</u>	<u>19</u>	<u>19</u>
Expenditures:				
Current:				
Economic environment	<u>4,677</u>	<u>4,677</u>	<u>4,677</u>	<u>-</u>
Total expenditures	<u>4,677</u>	<u>4,677</u>	<u>4,677</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,677)</u>	<u>(4,677)</u>	<u>(4,658)</u>	<u>19</u>
Other financing sources (uses):				
Transfer out	-	-	(19)	(19)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(19)</u>	<u>(19)</u>
Net change in fund balances	\$ <u><u>(4,677)</u></u>	\$ <u><u>(4,677)</u></u>	\$ (4,677)	\$ <u><u>-</u></u>
Fund balances - beginning			<u>4,677</u>	
Fund balances - ending			<u><u>\$ -</u></u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (UNAUDITED)
CAPITAL GRANTS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 1,719,398	\$ 2,186,970	\$ 463,190	\$ (1,723,780)
Total revenues	<u>1,719,398</u>	<u>2,186,970</u>	<u>463,190</u>	<u>(1,723,780)</u>
Expenditures:				
Current:				
Engineering services	-	467,572	-	467,572
Capital outlay	<u>1,719,398</u>	<u>1,719,398</u>	<u>463,190</u>	<u>1,256,208</u>
Total expenditures	<u>1,719,398</u>	<u>2,186,970</u>	<u>463,190</u>	<u>1,723,780</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
Fund balance - beginning			<u>-</u>	
Fund balances - ending			<u><u>\$ -</u></u>	



**STATISTICAL INFORMATION
(Unaudited)**



Palm Beach
County
Convention
Center

CITY OF WEST PALM BEACH, FLORIDA

STATISTICAL INFORMATION

The Statistical Information section provides unaudited informational data regarding the City's economic condition and is organized in five specific objectives.

Financial Trends – Provides information to help understand and assess how the City's financial position has changed over a period of time.

Revenue Capacity – Provides information to help understand and assess the City's ability to generate own-source revenue.

Debt Capacity – Provides information to help understand and assess the City's debt burden and its ability to issue additional debt.

Demographic and Economic – Provides information to assist with understand and assess the City's socio-economic environment and to facilitate comparisons of financial statement information.

Operating Information - Provides information to help understand and assess the City's operations and economic resources.

CITY OF WEST PALM BEACH, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
SEPTEMBER 30, 2018
(UNAUDITED)
(IN THOUSANDS)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental Activities:										
Net investment in capital assets	\$ 198,047	\$ 207,495	\$ 197,684	\$ 188,937	\$ 183,764	\$ 178,930	\$ 169,012	\$ 175,216	\$ 164,702	\$ 163,730
Restricted	22,630	21,336	24,352	24,899	32,204	29,614	37,402	45,558	61,539	56,027
Unrestricted	<u>61,063</u>	<u>56,426</u>	<u>60,816</u>	<u>66,906</u>	<u>59,001</u>	<u>68,195</u>	<u>(18,232)</u>	<u>(20,065)</u>	<u>(25,779)</u>	<u>(17,726)</u>
Total net position of governmental activities	<u>281,740</u>	<u>285,257</u>	<u>282,852</u>	<u>280,742</u>	<u>274,969</u>	<u>276,739</u>	<u>188,181</u>	<u>200,709</u>	<u>200,462</u>	<u>202,031</u>
Business-type Activities:										
Net investment in capital assets	190,203	193,842	194,738	201,814	205,203	209,585	215,130	231,703	247,569	265,866
Restricted	30,780	38,758	46,908	50,272	56,841	59,584	91,887	106,348	92,697	94,436
Unrestricted	<u>51,223</u>	<u>57,950</u>	<u>66,500</u>	<u>79,348</u>	<u>94,904</u>	<u>115,206</u>	<u>110,162</u>	<u>101,636</u>	<u>124,380</u>	<u>120,216</u>
Total net position of governmental activities	<u>272,206</u>	<u>290,550</u>	<u>308,146</u>	<u>331,434</u>	<u>356,948</u>	<u>384,374</u>	<u>417,179</u>	<u>439,687</u>	<u>464,646</u>	<u>480,518</u>
Primary Government:										
Net investment in capital assets	388,250	401,338	392,422	390,752	388,967	388,515	384,142	406,919	412,271	429,596
Restricted	53,410	60,094	71,260	75,171	89,045	89,198	129,289	151,906	154,236	150,463
Unrestricted	<u>112,286</u>	<u>114,376</u>	<u>127,316</u>	<u>146,253</u>	<u>153,905</u>	<u>183,401</u>	<u>110,143</u>	<u>101,616</u>	<u>124,354</u>	<u>102,490</u>
Total net position of governmental activities	<u>\$ 553,946</u>	<u>\$ 575,808</u>	<u>\$ 590,998</u>	<u>\$ 612,176</u>	<u>\$ 631,917</u>	<u>\$ 661,113</u>	<u>\$ 605,360</u>	<u>\$ 640,396</u>	<u>\$ 665,108</u>	<u>\$ 682,549</u>

CITY OF WEST PALM BEACH, FLORIDA
CHANGES IN NET POSITION - ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2018
(UNAUDITED)
(IN THOUSANDS)

EXPENSES (1)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities:										
General Government, Community relations, Planning and zoning, Building permits, \$	40,680	\$ 37,381	\$ 32,718	\$ 30,883	\$ 33,286	\$ 30,660	\$ 33,361	\$ 25,312	\$ 19,392	\$ 27,681
Public safety	85,666	81,568	79,622	84,595	80,107	89,378	89,847	99,639	126,120	115,721
Engineering services and Public works	25,387	21,551	21,100	18,975	19,401	19,035	19,096	7,485	7,857	9,472
Economic Environment (Downtown and Northwood)	13,556	16,901	17,600	14,604	15,857	16,489	17,318	20,497	22,704	28,105
Health and sanitation	8,806	9,008	8,285	8,631	9,379	10,043	9,119	11,035	10,930	11,335
Leisure services	16,719	20,538	20,965	19,455	17,598	21,849	19,785	21,012	23,916	25,932
Interest on long-term debt	11,359	10,274	9,356	9,803	9,003	7,800	8,434	8,264	8,892	8,747
Total governmental activities	202,172	197,222	189,646	186,947	184,630	195,254	196,960	193,245	219,811	226,993
Business-type activities:										
Water and sewer	55,132	58,702	67,102	61,212	63,491	63,841	65,082	76,763	82,294	90,033
Stormwater utility	5,644	6,433	6,962	6,994	7,352	6,841	8,042	10,981	9,978	10,342
Parking system	4,053	4,013	4,078	4,106	4,465	4,891	5,675	5,673	5,339	6,463
Golf Course	1,586	2,281	1,941	1,765	1,781	1,662	1,854	1,962	1,591	1,407
Total business-type activities	66,415	71,429	80,084	74,077	77,089	77,234	80,653	95,379	99,201	108,245
Total primary government	\$ 268,587	\$ 268,649	\$ 269,729	\$ 261,024	\$ 261,719	\$ 272,488	\$ 277,613	\$ 288,623	\$ 319,012	\$ 335,238

Continued

- (1) In 2016 the expenses and revenue categories were reorganized.
(2) In 2017 Public safety combines police and fire.

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
SEPTEMBER 30, 2018
(UNAUDITED)
(IN THOUSANDS)**

PROGRAM REVENUES (1)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
Charges for services										
General government and										
Building permits	\$ 9,704	\$ 9,270	\$ 10,225	\$ 12,156	\$ 12,778	\$ 15,938	\$ 11,507	\$ 13,060	\$ 10,487	\$ 11,843
Public Safety	10,445	9,576	18,671	18,878	10,637	18,165	20,770	15,748	7,379	9,563
Engineering and public works	-	-	-	-	-	-	-	-	334	768
Economic Environment	2,147	2,265	4	1,926	2,111	(147)	5,104	729	11,336	9,611
Health and sanitation	13,029	13,095	14,248	14,022	13,708	14,013	14,301	14,550	15,715	14,703
Leisure services	968	1,015	1,574	2,412	1,734	1,886	2,188	3,022	2,615	2,160
Operating grants and contributions	24,470	22,249	20,137	19,987	19,618	20,022	20,344	23,213	6,059	12,517
Capital grants and contributions	5,101	7,683	3,043	3,125	639	4,006	1,265	3,310	11,499	9,432
Total governmental activities	65,865	65,153	67,903	72,505	61,226	74,030	75,478	73,633	65,424	70,597
Business-type activities:										
Charges for services:										
Water and sewer	71,934	78,136	84,713	86,717	91,451	96,524	99,108	101,474	109,918	105,902
Stormwater utility	8,670	9,633	10,147	10,604	11,010	10,777	10,842	10,865	13,222	13,806
Parking system	4,068	4,325	4,623	4,613	5,356	5,931	6,045	1,660	6,831	6,657
Golf Course	1,369	1,697	1,546	1,547	1,589	1,505	1,513	6,717	1,432	775
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	1,457	2,388	4,209	4,391	873	550	3,306	6,004	980	3,259
Total business-type activities	87,498	96	105,237	104,747	110,279	115,287	120,814	126,719	132,383	130,400
Total primary government	148,458	157,651	173,141	177,252	171,504	189,317	196,292	200,352	197,806	200,997
NET REVENUES (EXPENSES):										
Governmental activities	(141,212)	(135,748)	(130,196)	(122,869)	(127,739)	(126,738)	(131,568)	(127,774)	(154,387)	(156,396)
Business-type activities	21,083	24,750	25,154	30,670	33,190	38,051	40,162	31,340	33,182	22,154
Total primary government	\$ (120,129)	\$ (110,998)	\$ (105,042)	\$ (92,199)	\$ (93,569)	\$ (88,685)	\$ (91,406)	\$ (96,434)	\$ (121,205)	\$ (134,241)

Continued

- (1) In 2016 the expenses and revenue categories were reorganized.
(2) In 2017 Public safety combines police and fire.

CITY OF WEST PALM BEACH, FLORIDA
CHANGES IN NET POSITION (continued)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
SEPTEMBER 30, 2018
(UNAUDITED)
(IN THOUSANDS)

GENERAL REVENUES AND OTHER

CHANGES IN NET POSITION:

Governmental activities:

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Taxes										
Ad valorem	\$ 89,709	\$ 81,607	\$ 71,864	\$ 66,693	\$ 66,864	\$ 68,567	\$ 73,132	\$ 82,075	\$ 90,266	\$ 96,783
Insurance premium	2,111	2,565	2,585	2,374	2,501	2,874	2,900	-	2,674	2,797
Business	2,898	2,547	2,551	2,486	2,507	2,877	3,017	3,195	3,962	5,052
Franchise	8,817	8,294	7,803	8,549	8,383	9,093	9,338	9,008	9,248	9,463
Utility service taxes	19,418	19,591	19,470	19,440	19,715	20,459	20,658	20,826	21,202	21,685
Grants and contributions not restricted to specific programs										
State and local grants/shared revenues	6,423	6,340	3,134	3,221	3,436	3,619	3,928	3,934	4,845	6,448
Sales tax	3,260	3,305	7,067	6,036	6,949	7,470	7,996	8,312	8,355	8,837
Investment earnings	7,240	3,362	1,493	1,477	802	911	1,082	1,441	1,189	2,160
Miscellaneous	3,086	3,823	3,503	2,265	1,318	4,893	5,044	1,390	2,138	1,417
Transfers	6,939	7,832	8,322	8,217	8,081	9,113	10,196	10,121	10,261	9,632
Total governmental activities	<u>239,609</u>	<u>139,266</u>	<u>199,655</u>	<u>187,451</u>	<u>187,420</u>	<u>198,444</u>	<u>210,425</u>	<u>140,302</u>	<u>154,140</u>	<u>164,275</u>

Business-type activities:

Investment earnings	1,430	1,426	764	836	405	686	1,064	1,289	1,139	2,313
Miscellaneous	-	-	-	-	-	-	-	-	890	1,037
Gain (loss) on disposal of capital assets	(231)	-	-	-	-	-	-	-	-	-
Transfers	(6,939)	(7,832)	(8,322)	(8,217)	(8,081)	(9,113)	(10,196)	(10,121)	(10,261)	(9,632)
Total business-type activities	<u>(5,740)</u>	<u>(6,406)</u>	<u>(7,558)</u>	<u>(7,381)</u>	<u>(7,675)</u>	<u>(8,427)</u>	<u>(9,133)</u>	<u>(8,832)</u>	<u>(8,223)</u>	<u>(6,282)</u>
Total primary government	<u>144,161</u>	<u>132,859</u>	<u>120,233</u>	<u>113,377</u>	<u>112,880</u>	<u>121,449</u>	<u>128,160</u>	<u>131,470</u>	<u>145,917</u>	<u>157,992</u>

CHANGE IN NET POSITION

Governmental activities	8,689	3,518	(2,404)	(2,111)	(7,184)	(3,138)	5,725	12,528	(247)	7,879
Business type activities	15,343	18,344	17,595	23,289	25,515	29,625	31,029	22,508	24,958	15,872
Total primary government	<u>\$ 24,032</u>	<u>\$ 21,862</u>	<u>\$ 15,191</u>	<u>\$ 21,177</u>	<u>\$ 18,331</u>	<u>\$ 32,764</u>	<u>\$ 36,754</u>	<u>\$ 35,036</u>	<u>\$ 24,711</u>	<u>\$ 23,751</u>

CITY OF WEST PALM BEACH, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
SEPTEMBER 30, 2018
(UNAUDITED)
(IN THOUSANDS)

General fund:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Reserved										
Encumbrances	\$ 418	\$ 241	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventories	185	217	-	-	-	-	-	-	-	-
Prepaid items	23	30	-	-	-	-	-	-	-	-
Advances to other funds	14,620	10,189	-	-	-	-	-	-	-	-
Nonspendable (1)										
Advances to other funds	-	-	9,543	8,855	6,830	4,860	2,769	851	733	617
Inventories	-	-	216	205	226	286	149	292	336	378
Prepaid items and advance to defined benefit pension	-	-	62,598	61	7,529	6,159	51	5,688	4,612	3,661
Deferred outflows	-	-	-	-	-	-	5,366	-	-	-
Restricted (1)										
Transportation	-	-	-	-	-	-	-	-	2,380	-
Committed (1)										
Emergency reserve	-	-	12,016	12,083	12,031	12,732	13,287	13,722	14,542	15,224
Unreserved, designated:										
Reserve for emergencies	29,350	23,542	-	-	-	-	-	-	-	-
For subsequent year's expenditures	169	65	-	-	-	-	-	-	-	-
Assigned (1)										
For subsequent year's expenditures	-	-	7,683	10,533	9,630	633	2,998	2,405	4,334	4,005
Unreserved, undesignated	1,648	1,536	-	-	-	-	-	-	-	-
Unassigned (1)	-	-	6,874	7,203	-	12,332	16,225	18,060	19,048	22,289
Total general fund	<u>46,413</u>	<u>35,821</u>	<u>36,395</u>	<u>38,941</u>	<u>36,247</u>	<u>37,003</u>	<u>40,845</u>	<u>41,018</u>	<u>45,985</u>	<u>46,174</u>

Continued

(1) Categories pursuant to GASB 54.

CITY OF WEST PALM BEACH, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
SEPTEMBER 30, 2018
(UNAUDITED)
(IN THOUSANDS)

All other governmental funds:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Reserved	25,572	21,173	-	-	-	-	-	-	-	-
Nonspendable (1)										
Advances to other funds	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	76	73	71	69	66	63	61	61
Prepaid items	-	-	-	-	-	-	-	-	-	20
Restricted (1)										
Land held for resale	-	-	-	-	2,857	2,857	7,014	2,927	-	-
Forfeiture	-	-	1,094	991	927	856	752	608	962	837
Cemetery trust	-	-	945	989	1,020	1,055	1,111	1,149	1,070	1,091
Transportation	-	-	4,549	5,635	6,872	8,077	9,599	8,283	12,769	15,661
Public safety	-	-	-	-	-	-	-	-	17,915	18,785
Economic Environment	-	-	22,902	21,485	20,479	19,672	25,308	32,241	40,698	38,280
Wetlands Mitigation	-	-	707	707	707	707	707	-	-	-
Library	-	-	-	-	8	63	(26)	39	-	-
Debt Service	-	-	1,728	1,776	1,805	1,839	2,922	2,110	194	-
Capital outlay	-	-	4,053	6,427	3,205	2,064	2,922	39,299	40,320	31,839
Land held for resale	-	-	-	-	-	3,965	-	-	-	-
Public safety	-	-	-	847	-	-	-	11,054	-	-
Committed (1)										
Public safety	-	-	500	932	4,148	9,079	9,887	2,090,013	-	1,604
Land held for resale	-	-	-	-	-	-	-	-	2,862,239	2,862
Leisure services	-	-	53	472	140	298	486	863	1,198	344
Debt service	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	6,303	6,430	4,973	5,301	4,204	3,837	6,878	8,747
Assigned (1)										
For subsequent year's expenditures	-	-	2	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	144	-	-	-	-	-
Debt service	-	-	(836)	-	-	-	-	-	-	-
Unreserved, Undesignated										
Special revenue funds	12,012	16,763	-	-	-	-	-	-	-	-
Debt service funds	2,467	1,715	-	-	-	-	-	-	-	-
Capital project funds	17,730	12,380	-	-	-	-	-	-	-	-
Unassigned (1)	-	-	-	(4)	(22)	(2)	-	-	(1)	-
Total all other governmental funds	57,781	52,031	45,494	48,892	50,220	55,901	63,844	104,564	124,927	120,131
Total governmental funds	\$ 104	\$ 88	\$ 81,889	\$ 87,834	\$ 86,467	\$ 92,904	\$ 104,690	\$ 145,582	\$ 170,911	\$ 166,305

(1) Categories pursuant to GASB 54.

CITY OF WEST PALM BEACH, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS - ACCRUAL BASIS OF ACCOUNTING
SEPTEMBER 30, 2018
(UNAUDITED)
(IN THOUSANDS)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues:										
Taxes	\$ 120,327	\$ 111,938	\$ 101,640	\$ 97,100	\$ 97,402	\$ 100,815	\$ 105,941	\$ 112,417	\$ 123,389	\$ 130,729
Licenses and permits	6,982	6,454	6,330	7,729	8,626	12,916	10,788	13,319	12,653	14,521
Intergovernmental	37,278	38,034	33,873	31,767	30,976	35,498	33,533	36,766	43,500	47,061
Charges for services	21,662	21,683	23,138	24,012	22,680	24,077	26,160	26,632	27,781	28,507
Special assessments	6	3	2	-	4	-	-	-	-	-
Fines and forfeitures	580	798	948	1,387	1,276	4,215	1,005	272	277	252
Rents and royalties/Impact fees	897	1,171	1,400	1,530	1,458	1,549	4,050	1,460	914	977
Interest	6,817	3,055	1,358	1,342	795	862	927	1,441	1,073	1,917
Miscellaneous	782	2,185	1,122	722	924	3,634	3,562	2,236	2,006	1,725
Total Revenues	<u>195,331</u>	<u>185,321</u>	<u>169,811</u>	<u>165,588</u>	<u>164,141</u>	<u>183,566</u>	<u>185,966</u>	<u>194,544</u>	<u>211,593</u>	<u>225,690</u>
Expenditures:										
Current:										
General government	18,686	16,757	13,226	13,025	11,890	11,804	13,478	12,925	15,155	20,513
Public safety	84,850	82,260	81,534	80,636	82,437	90,896	91,225	98,351	97,976	106,317
Engineering services and Public Works	13,181	10,213	8,449	6,260	6,338	5,799	5,457	5,190	6,180	7,877
Economic environment	20,384	19,664	18,177	15,480	16,261	17,180	18,505	20,744	22,986	27,212
Health and sanitation	8,333	8,655	8,089	8,221	8,966	9,005	9,001	9,981	10,274	10,698
Leisure services	15,976	19,727	20,533	18,914	20,327	21,039	20,625	21,319	23,613	25,638
Capital outlay	59,775	28,463	11,304	11,975	8,647	13,770	6,423	13,107	16,165	35,959
Debt service:										
Principal retirement	11,408	11,300	11,765	9,103	9,543	10,375	6,576	8,196	7,666	10,620
Interest charges	10,986	10,175	9,297	9,100	8,530	8,544	7,630	6,253	10,901	9,740
Issuance costs and other	28	234	3	515	54	2	755	2,102	-	-
Total Expenditures	<u>243,607</u>	<u>207,447</u>	<u>182,377</u>	<u>173,229</u>	<u>172,993</u>	<u>188,414</u>	<u>179,676</u>	<u>198,167</u>	<u>210,915</u>	<u>254,574</u>
Excess of Revenues Over (Under) Expenditures	<u>(48,277)</u>	<u>(22,127)</u>	<u>(12,566)</u>	<u>(7,639)</u>	<u>(8,852)</u>	<u>(4,848)</u>	<u>6,290</u>	<u>(3,623)</u>	<u>678</u>	<u>(28,884)</u>

Continued

CITY OF WEST PALM BEACH, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS - ACCRUAL BASIS OF ACCOUNTING
SEPTEMBER 30, 2018
(UNAUDITED)
(IN THOUSANDS)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Other Financing Sources (Uses):										
Issuance of Debt	-	-	-	6,900	2,581	6,215	67,809	50,400	6,939	5,928
Issuance and Premium of refunding deb	-	27,354	-	-	-	-	-	41,973	350	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	1,787	13,653
Payment to escrow agent for refunding	-	(27,208)	-	-	-	-	(67,198)	(41,680)	-	-
Transfers in	47,021	51,398	47,330	31,929	20,711	17,940	16,297	18,192	28,048	24,859
Transfers out	(42,652)	(45,760)	(40,726)	(25,245)	(15,807)	(12,870)	(11,941)	(14,628)	(12,472)	(20,161)
Total Other Financing Sources (Uses)	<u>46,978</u>	<u>51,353</u>	<u>47,289</u>	<u>31,911</u>	<u>23,276</u>	<u>24,142</u>	<u>84,027</u>	<u>110,509</u>	<u>37,111</u>	<u>24,279</u>
Special item (uses)										
Bond proceeds to police pension	-	-	-	-	-	-	-	(50,000)	-	-
Net Changes in Fund Balances	<u>(43,908)</u>	<u>(16,343)</u>	<u>(5,962)</u>	<u>5,945</u>	<u>(1,367)</u>	<u>6,437</u>	<u>11,786</u>	<u>40,892</u>	<u>25,330</u>	<u>(4,606)</u>
Fund Balances (Deficit)										
- beginning of year	<u>148,102</u>	<u>104,194</u>	<u>87,851</u>	<u>81,889</u>	<u>87,834</u>	<u>86,467</u>	<u>92,904</u>	<u>104,690</u>	<u>145,582</u>	<u>170,911</u>
Fund Balances (Deficit)										
- end of year	<u>\$ 104,194</u>	<u>\$ 87,851</u>	<u>\$ 81,889</u>	<u>\$ 87,834</u>	<u>\$ 86,467</u>	<u>\$ 929,904</u>	<u>\$ 104,690</u>	<u>\$ 145,582</u>	<u>\$ 170,911</u>	<u>\$ 166,305</u>
Debt service as a percentage of non-capital expenditures	<u>12.20%</u>	<u>12.13%</u>	<u>12.31%</u>	<u>11.61%</u>	<u>11.03%</u>	<u>10.83%</u>	<u>8.64%</u>	<u>8.94%</u>	<u>9.53%</u>	<u>9.31%</u>

CITY OF WEST PALM BEACH, FLORIDA
GOVERNMENTAL FUNDS REVENUES BY SOURCE
LAST TEN FISCAL YEARS
GAAP BASIS - MODIFIED ACCRUAL
SEPTEMBER 30, 2018
(UNAUDITED)

Fiscal Year Ended September 30	Total Revenue	Total Taxes	Licenses and Permits	Inter- Governmental Revenue	Charges for Services	Fines and Forfeitures	Interest	Rents and Royalties	Miscellaneous
2009	\$ 195,331,143	\$ 120,327,033	\$ 6,981,876	\$ 37,277,665	\$ 21,661,616	\$ 586,230	\$ 6,817,331	\$ 897,178	\$ 782,214
2010	185,320,243	111,938,012	6,453,522	38,034,341	21,682,952	801,403	3,054,610	1,170,594	2,184,809
2011	169,811,190	101,640,404	6,329,593	33,872,909	23,137,915	950,075	1,358,482	1,400,204	1,121,608
2012	165,588,357	97,100,239	7,729,177	31,766,519	24,011,917	1,387,062	1,341,621	1,530,283	721,539
2013	164,141,132	97,402,111	8,625,718	30,976,290	22,680,226	1,279,560	794,542	1,458,238	924,447
2014	183,565,932	100,814,979	12,916,031	35,497,974	24,076,908	4,214,530	862,004	1,549,119	3,634,387
2015	185,966,334	105,941,305	10,787,509	33,533,339	26,159,765	1,005,143	926,801	4,050,444	3,562,028
2016	194,543,968	112,417,302	13,319,426	36,765,758	26,632,367	272,430	1,441,144	1,459,537	2,236,004
2017	211,593,204	123,388,840	12,653,064	43,499,539	27,781,374	277,237	1,073,086	914,331	2,005,733
2018	225,689,614	130,728,560	14,520,831	47,061,381	28,506,953	251,893	1,917,450	977,111	1,725,435

Source - City of West Palm Beach Finance Department.

CITY OF WEST PALM BEACH, FLORIDA
GOVERNMENTAL FUNDS EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS
GAAP BASIS - MODIFIED ACCRUAL
SEPTEMBER 30, 2018
(UNAUDITED)

Fiscal Year Ended	Total	General	Public	Public Work &	Economic	Health and	Leisure	Capital	Debt
September 30	Expenditures	Government	Safety	Engineering	Environment	Sanitation	Services	Outlay	Service Requirements
2009	\$ 244,764,895	\$ 18,685,730	\$ 84,849,810	\$ 14,338,815	\$ 20,384,429	\$ 8,333,352	\$ 15,975,678	\$ 59,774,565	\$ 22,422,516
2010	211,655,885	16,757,042	82,260,233	14,421,701	19,663,846	8,655,111	19,726,674	28,462,548	21,708,730
2011	187,156,605	13,226,493	81,534,499	13,228,301	18,176,505	8,089,040	20,532,898	11,303,784	21,065,085
2012	179,753,597	13,024,972	80,635,605	12,785,821	15,479,643	8,221,015	18,913,676	11,974,563	18,718,302
2013	179,413,693	11,889,824	82,436,835	12,758,447	16,260,739	8,966,029	20,327,165	8,646,846	18,127,808
2014	195,466,614	11,804,350	90,896,411	12,851,688	17,179,938	9,004,885	21,038,671	13,770,353	18,920,318
2015	187,083,868	13,478,459	91,225,379	12,864,938	18,505,250	9,000,502	20,625,423	6,423,317	14,960,600
2016	198,167,269	12,925,294	98,350,526	5,189,654	20,744,094	9,980,656	21,318,590	13,106,779	16,551,676
2017	210,915,432	15,154,527	97,976,229	6,179,552	22,986,331	10,273,985	23,612,679	16,165,021	18,567,108
2018	254,574,067	20,513,710	106,316,559	7,877,024	27,211,370	10,698,145	25,637,824	35,959,402	20,360,033

Source – City of West Palm Beach Finance Department

**CITY OF WEST PALM BEACH, FLORIDA
GENERAL FUND-FUND BALANCE-COMPARED
TO ANNUAL EXPENDITURES FOR THE LAST TEN FISCAL YEARS
GAAP BASIS - MODIFIED ACCRUAL
SEPTEMBER 30, 2018
(UNAUDITED)**

Fiscal Year Ended	-----Unreserved Fund Balances-----					Annual Expenditures	Unreserved Fund Balance as Percent of Expenditures
	September 30	Subsequent Years' Expenditures and Other Designations	Designated for Emergencies	Total Unreserved	Unreserved		
2009	\$ 1,648,012	\$ 169,461	\$ 29,349,942	\$ 31,167,415	\$ 134,218,541	23.2%	
2010	1,535,628	65,095	23,542,117	25,142,840	131,491,267	19.1%	

Fiscal Year Ended	Non - Spendable	Subsequent Years' Expenditures and Other Designations			Annual Expenditures	Unassigned Fund Balance as Percentage of Expenditures
		Committed	Assigned	Unassigned		
2011	\$ 9,821,679	\$ 12,016,480	\$ 7,682,949	\$ 10,533,075	\$ 124,206,251	8.5%
2012	9,121,228	12,083,495	10,533,075	7,203,361	123,009,497	5.9%
2013	14,585,732	12,031,258	9,630,343	-	125,035,431	0.0%
2014	11,305,467	12,732,291	10,671,924	2,293,125	131,227,410	1.7%
2015	8,335,426	13,287,105	2,998,334	16,224,546	130,322,674	12.4%
2016	6,830,887	13,722,195	2,404,792	18,060,085	139,286,294	13.0%
2017	5,680,710	14,541,855	4,334,006	19,047,802	148,818,152	12.8%
2018	4,656,128	15,223,562	4,005,265	22,289,333	164,971,251	13.5%

**CITY OF WEST PALM BEACH, FLORIDA
GENERAL FUND TAX REVENUES BY SOURCE
FOR THE LAST TEN FISCAL YEARS
GAAP BASIS - MODIFIED ACCRUAL
SEPTEMBER 30, 2018
(UNAUDITED)**

Fiscal Year Ended September 30	Total Taxes	General Property Taxes	Utilities Taxes	Franchise Taxes	Insurance Premium Taxes
2009	\$ 116,660,204	\$ 86,042,581	\$ 19,417,782	\$ 8,817,388	\$ 2,382,453
2010	108,334,248	78,003,364	19,591,107	8,293,884	2,445,893
2011	97,930,546	68,153,656	19,470,328	7,802,807	2,503,755
2012	95,523,909	65,117,145	19,439,772	8,548,587	2,418,405
2013	81,760,619	51,222,824	19,714,871	8,382,610	2,440,314
2014	84,978,883	52,731,290	20,459,379	9,093,201	2,695,013
2015	88,918,256	56,109,347	20,657,795	9,338,246	2,812,868
2016	93,235,162	63,401,222	20,826,180	9,007,760	-
2017	101,717,390	68,594,457	21,201,503	9,247,602	2,673,828
2018	107,357,984	73,412,922	21,685,074	9,462,626	2,797,362

Source - City of West Palm Beach Finance Department.

**CITY OF WEST PALM BEACH, FLORIDA
GENERAL FUND FRANCHISE REVENUES BY SOURCE
FOR THE LAST TEN FISCAL YEARS
GAAP BASIS - MODIFIED ACCRUAL
SEPTEMBER 30, 2018
(UNAUDITED)**

Fiscal Year Ended	Total Franchise Revenue	Electric	Cable TV	Towing	Rolloff Container	Utilities
2009	\$ 8,817,388	\$ 8,220,306	\$ 90,000	\$ 30,000	\$ 239,948	\$ 237,134
2010	8,293,884	7,849,917	90,000	30,000	214,611	109,356
2011	7,802,807	7,367,062	90,000	30,000	199,980	115,765
2012	8,548,587	8,068,300	90,000	29,500	210,175	150,612
2013	8,382,610	7,922,637	-	30,500	306,412	123,061
2014	9,093,201	8,606,813	-	30,000	298,344	158,044
2015	9,338,246	8,745,791	-	30,000	404,411	158,044
2016	9,007,760	8,533,718	-	18,750	365,244	90,048
2017	9,247,602	8,585,553	-	26,250	422,344	213,455
2018	9,462,626	8,756,614	-	30,000	385,475	290,537

Source - City of West Palm Beach Finance Department.

**CITY OF WEST PALM BEACH, FLORIDA
PROPERTY TAXES LEVIES AND COLLECTIONS
FOR THE LAST TEN FISCAL YEARS
GAAP BASIS - MODIFIED ACCRUAL
SEPTEMBER 30, 2018
(UNAUDITED)**

Fiscal Year Ended September 30	Total Property Tax Levy	Current Gross Property Tax Collections	Percent of Levy Collected	Delinquent Property Tax Collections	Total Property Tax Collections	Total Collections as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
2009	\$ 93,197,570	\$ 88,427,189	\$ 94.9%	\$ 1,282,220	\$ 89,709,409	\$ 96.3%	\$ 678,350	\$ 0.7%
2010	84,726,133	80,442,081	94.9%	1,165,045	81,607,126	96.3%	695,052	0.8%
2011	74,310,620	71,034,798	95.6%	827,967	71,862,765	96.7%	575,638	0.8%
2012	69,227,999	63,978,383	92.4%	2,715,092	66,693,475	96.3%	166,797	0.2%
2013	69,341,005	64,406,609	92.9%	2,457,707	66,864,316	96.4%	272,321	0.4%
2014	69,644,759	66,475,683	95.4%	2,091,703	68,567,386	98.5%	2,285,147	3.3%
2015	73,988,745	70,973,106	95.9%	1,849,963	71,977,487	97.3%	399,004	0.5%
2016	87,199,972	81,639,326	93.6%	1,250,931	82,890,258	95.1%	5,560,645	6.4%
2017	94,758,234	89,918,038	94.9%	474,276	90,392,314	95.4%	4,840,196	5.1%
2018	103,719,989	97,007,660	93.5%	37,005	97,044,665	93.6%	6,712,329	6.5%

Source - City of West Palm Beach Finance Department and the Palm Beach County Tax Collector's Office.
(1) Data from General fund only.

CITY OF WEST PALM BEACH, FLORIDA
TAXABLE VALUES AND GROSS ASSESSED VALUE OF PROPERTY
FOR THE LAST TEN FISCAL YEARS
SEPTEMBER 30, 2018
(UNAUDITED)

Tax Roll Year	Fiscal Year Ended September 30	Taxable Value for Operating Millage					Exemptions and Adjustments	Total Assessed Values	Total Direct Tax Rate
		Real Property	Personal Property	Centrally Assessed	Taxable Value				
2009	2010	\$ 9,476,076,845	\$ 708,548,439	\$ 12,358,014	\$ 10,196,983,298	\$ 3,686,804,390	\$ 13,883,787,688	8.0739	
2010	2011	8,164,122,455	644,862,520	10,496,184	8,819,481,159	2,768,536,373	11,588,017,532	8.0739	
2011	2012	7,813,471,998	591,792,615	10,939,288	8,416,203,901	2,643,493,104	11,059,697,005	8.0739	
2012	2013	7,553,816,860	582,042,374	11,325,576	8,147,184,810	2,568,045,816	10,957,180,927	8.3465	
2013	2014	7,748,029,218	582,623,897	11,243,415	8,341,896,530	2,616,426,695	10,958,323,225	8.3465	
2014	2015	8,254,913,572	616,902,702	12,379,013	8,884,195,287	2,681,275,118	11,565,470,405	8.3465	
2015	2016	9,293,035,997	665,054,642	13,848,568	9,971,939,207	2,807,722,858	12,779,662,065	8.3465	
2016	2017	10,308,824,564	679,378,289	15,081,124	11,003,283,977	2,991,957,270	13,995,241,247	8.3465	
2017	2018	11,225,820,242	625,611,004	15,641,741	11,867,072,987	3,217,115,879	15,084,188,866	8.3465	
2018	2019	12,000,259,772	668,264,350	16,147,650	12,684,671,772	3,469,576,881	16,154,248,653	8.3465	

Source - Palm Beach County Property Appraiser's Office.

Note 1 - Assessed values are established by the Palm Beach County Property Appraiser's Office as of January 1 each year. Assessments were increased to 100% of market value as of 1980.

Note 2- Exemptions include Homestead, Widow/Widower's, Government, Institutional, etc.

Note 3 - Adjustments are made to just value for land classified as agriculture, high-water recharge, pollution control devices, historically significant properties, etc.

**CITY OF WEST PALM BEACH, FLORIDA
 PRINCIPAL TAXPAYERS
 CURRENT YEAR AND NINE YEARS PRIOR
 SEPTEMBER 30, 2018
 (UNAUDITED)**

Taxpayer	Fiscal Year 2018			Fiscal Year 2009		
	Assessed Value (1)	Rank	Percentage of Total Assessed Valuation	Assessed Value (1)	Rank	Percentage of Total Assessed Valuation
CPT Phillips Point LLC	\$ 188,967,614	1	1.59%	\$ 124,815,784	2	1.06%
Palm Beach Outlets I LLC	176,313,993	2	1.48%			
CPT Equity LLC	133,053,543	3	1.12%			
222 Lakeview LLC	99,875,302	4	0.84%			
Cityplace Retail LLC	86,581,809	5	0.73%	104,851,100	3	0.89%
Aaron Drive Holdings LLC	81,336,011	6	0.68%			
CLPF Marketplace LLC	77,648,636	7	0.65%			
Tenet Saint Mary's Inc	61,186,157	8	0.51%			
WPB Multifamily Owner I LLC	60,529,969	9	0.51%	54,963,718	8	0.47%
WPB Multifamily Owner II LLC	58,086,194	10	0.49%			
Kolter City Plaza II, Inc				149,109,000	1	1.26%
City Place South Tower				81,322,000	4	0.69%
Tenet Good Samaritan Hospital Inc				61,140,125	5	0.52%
City Place Office 1, LLC				60,929,210	6	0.52%
Esperante Partners LP				57,724,569	7	0.49%
Centerpark East Holdings LP				51,016,599	9	0.43%
Gaedeke Holdings LTD				45,898,110	10	0.39%
	<u>\$ 1,023,579,228</u>		<u>8.59%</u>	<u>\$ 791,770,215</u>		<u>6.71%</u>

(1) Source - Palm Beach County Tax Collector.

**CITY OF WEST PALM BEACH, FLORIDA
 OUTSTANDING DEBT PER CAPITA BY TYPE
 AND GENERAL OBLIGATION DEBT RATIOS
 FOR THE LAST TEN FISCAL YEARS
 SEPTEMBER 30, 2018
 (UNAUDITED)**

Fiscal Year Ended September 30	Governmental Activities Debt					Business-Type Activities Debt			Total Debt Primary Government	Net Bonded Debt	Net Bonded Debt Per Capita (2)
	General Obligation Bonds (3)	Non-Ad Valorem Revenue Bonds (3)	Promissory Notes - Gov	Capital Leases	Promissory Notes - ISF	Revenue Bonds (3)	Loans Payable	Capital Leases			
2009	\$ 18,045,000	\$ 172,350,000	\$ 25,508,391	\$ 1,590,633	\$ -	\$ 254,425,000	\$ 2,657,901	\$ -	\$ 474,576,925	\$ 444,820,000	\$ 4,291
2010	14,885,000	180,838,583	8,279,923	1,295,440	-	250,410,000	2,287,251	-	457,996,197	446,133,583	4,325
2011	11,605,000	172,900,845	7,583,585	989,077	-	243,505,000	1,907,045	-	438,490,552	428,010,845	4,177
2012	10,510,000	165,468,836	6,864,930	10,192,167	-	238,665,000	-	-	431,700,933	414,643,836	4,150
2013	9,380,000	157,646,162	6,122,026	10,773,461	-	233,965,000	-	-	417,886,649	400,991,162	3,944
2014	8,215,000	148,417,339	17,228,987	9,588,753	-	229,105,000	-	-	412,555,079	385,737,339	3,785
2015	7,000,000	142,849,686	12,654,303	8,589,096	-	224,070,000	-	-	395,163,085	373,919,686	3,650
2016	5,725,000	215,596,625	12,061,934	12,673,165	10,605,886	218,740,000	-	193,652	475,596,262	440,061,625	4,121
2017	4,385,000	211,371,552	13,440,751	17,377,829	7,670,604	269,920,000	-	155,198	524,320,934	485,676,552	4,399
2018	2,985,000	205,339,036	12,551,748	19,991,923	6,600,244	264,185,000	-	-	511,652,951	472,509,036	4,185

- (1) Personal income is not available for fiscal year 2010.
- (2) See first page of Demographic and Economic section.
- (3) Presented net of related premiums, discounts, and adjustments.

GENERAL OBLIGATION DEBT RATIOS

Fiscal Year Ended September 30	General Obligation Bonded Debt (4)	Gross Assessed Value	Ratio of GO Debt to Assessed Value	Population	GO Debt Per Capita
2009	\$ 18,045,000	\$ 17,431,206,297	0.10%	103,150	\$ 175
2010	14,885,000	11,588,017,532	0.13%	102,475	145
2011	11,605,000	11,059,697,005	0.10%	99,919	116
2012	10,510,000	10,715,230,626	0.10%	101,668	103
2013	9,380,000	10,958,323,225	0.09%	101,903	92
2014	8,215,000	11,565,470,405	0.07%	102,436	80
2015	7,000,000	12,779,662,065	0.05%	104,031	67
2016	5,725,000	13,995,241,247	0.04%	106,779	54
2017	4,385,000	15,084,188,866	0.03%	110,396	40
2018	2,985,000	16,154,248,653	0.02%	112,906	26

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(4) Principal outstanding.

CITY OF WEST PALM BEACH, FLORIDA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2018
(UNAUDITED)

	<u>Debt</u>	<u>Applicable to</u>		<u>Applicable to</u>
City of West Palm Beach (1)				
Total bonds (2)	\$ 208,324,036			
Promissory notes, governmental funds	12,551,748			
Promissory notes, internal service funds	6,600,244			
Capital leases	<u>19,991,923</u>			
Total direct debt	247,467,951	100.00%	(5)	\$ 247,467,951
Palm Beach County (3)	1,010,556,160	7.00%	(5)	70,738,931
School Board (4)	10,672,000	7.00%	(5)	<u>747,040</u>
Total overlapping debt				<u>71,485,971</u>
Total direct and overlapping debt				<u>\$ 318,953,922</u>

(1) Source - City of West Palm Beach Finance Department. Government debt rollforward.

(2) Presented net of related premiums, discounts and adjustments.

(3) Source - Palm Beach County Finance Department.

(4) Source - Palm Beach County School Board.

(5) Percentage applicable based on total assessed value for the City of West Palm Beach and Palm Beach County.

**CITY OF WEST PALM BEACH, FLORIDA
 COMPUTATION OF LEGAL DEBT MARGIN
 SEPTEMBER 30, 2018
 (UNAUDITED)**

Taxable Value of Property		\$	<u>12,684,671,772</u>
Debt Limitation - 10% of assessed value (1)			1,268,467,177
Amount of debt applicable to debt limit:			
Outstanding debt (2)	\$	220,875,784	
Amount available in general debt service funds		344,057	
Other deductions allowed by law:			
Revenue Bonds		205,339,036	<u>205,683,093</u>
Legal Debt Margin		\$	<u><u>1,062,784,084</u></u>

Source - City of West Palm Beach Finance Department.

(1) - Policy 1.5.6 from the Evaluation and Appraisal Report (E.A.R.) of the Comprehensive Plan (1996) Capital Improvements Element, Chapter 15.

(2) - Includes general obligation bonded debt, notes payable and long-term revenue bond debt.

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUE BOND COVERAGE
FOR THE LAST TEN FISCAL YEARS
SEPTEMBER 30, 2018
(UNAUDITED)

Fiscal Year Ended	Operating Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
September 30	(1)	(2)					
2009	\$ 85,980,962	\$ 53,310,037	\$ 32,670,925	\$ 4,345,000	\$ 7,349,350	\$ 11,694,350	279.4%
2010	93,262,163	54,768,856	38,493,307	4,460,000	7,123,216	11,583,216	332.3%
2011	99,706,675	63,544,888	36,161,787	4,885,000	6,430,052	11,315,052	319.6%
2012	101,963,314	55,943,635	46,019,679	4,700,000	5,370,708	10,070,708	457.0%
2013	109,405,945	58,930,857	50,475,088	4,860,000	6,095,743	10,955,743	460.7%
2014	114,736,894	59,089,157	55,647,737	5,035,000	5,788,684	10,823,684	514.1%
2015	117,507,988	62,062,079	55,445,909	5,329,997	5,669,483	10,999,480	504.1%
2016	120,715,408	69,473,007	51,242,401	3,697,631	5,552,736	9,250,367	553.9%
2017	133,214,170	70,327,251	62,886,919	4,225,073	7,819,221	12,044,294	522.1%
2018	113,647,670	66,393,306	47,254,364	6,032,516	8,887,587	14,920,103	323.6%

Source - City of West Palm Beach Finance Department.

(1) Includes Operating Revenue of City's Enterprise Funds: Water & Sewer and Stormwater funds.

(2) Includes Operating Expenses less Depreciation of City Enterprise Funds.

Note: Starting with fiscal year 2018, the City's Enterprise Funds for Parking and Golf are excluded as they have no outstanding debt.

**CITY OF WEST PALM BEACH, FLORIDA
 DEMOGRAPHIC STATISTICS
 FOR THE LAST TEN FISCAL YEARS
 SEPTEMBER 30, 2018
 (UNAUDITED)**

Fiscal Year	Population (1)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)	Per Capita Personal Income (5)	Total Personal Income
2009	103,150	43.4	22,558	6.3%	30,992 \$	3,196,824,800
2010	102,475	36.7	18,204	11.5%	N/A	N/A
2011	99,919	43.5	16,970	10.9%	39,272	3,924,018,968
2012	101,043	38.1	17,135	8.7%	31,235	3,156,078,105
2013	101,903	38.1	17,131	7.1%	33,960	3,460,625,880
2014	102,436	38.9	17,334	6.0%	30,493	3,123,580,948
2015	104,031	39.9	17,383	5.2%	29,955	3,116,248,605
2016	106,779	39.6	17,622	4.7%	30,788	3,287,511,852
2017	110,396	39.6	17,904	3.8%	31,426	3,469,304,696
2018	112,906	39.6	17,904	3.1%	31,388	3,543,893,528

- (1) Source - US Census Bureau.
- (2) Source - US Census Bureau.
- (3) Source - Palm Beach County School Board Budget Office.
- (4) Source - Florida Department of Labor & Employment.
- (5) Source - US Census Bureau.

**CITY OF WEST PALM BEACH, FLORIDA
 PRINCIPAL EMPLOYERS IN PALM BEACH COUNTY
 CURRENT AND NINE YEARS PRIOR
 SEPTEMBER 30, 2018
 (UNAUDITED)**

	2018			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Palm Beach County School District	21,466	1	3.04%	21,718	1	4.51%
Palm Beach County Government	5,952	2	0.84%	11,381	2	2.36%
Tenet Healthcare Corp (2)	5,939	3	0.84%	5,127	3	1.06%
NextEra Energy/Florida Power & Light Company	4,404	4	0.62%	3,658	5	0.76%
HCA Palm Beach Hospitals (JFK, Palms West and West Palm	3,550	5	0.50%	4,150	4	0.86%
Boca Raton Regional Hospital	2,800	6	0.40%			
Florida Atlantic University	2,644	7	0.37%	2,776	7	0.58%
Veterans Health Administration	2,535	8	0.36%	2,205	9	0.46%
Bethesda Memorial Hospital	2,282	9	0.32%	2,300	8	0.48%
Office Depot (Hdqtrs)	2,034	10	0.29%			
Wackenhut Corporation				3,000	6	0.62%
Boca Raton Resort & Club				2,200	10	0.46%
Total	53,606		7.60%	58,515		8.50%

Source: Business Development Board of Palm Beach County.

**CITY OF WEST PALM BEACH, FLORIDA
PROPERTY VALUE AND CONSTRUCTION
FOR THE LAST TEN FISCAL YEARS
SEPTEMBER 30, 2018
(UNAUDITED)**

Tax Roll Year As of Jan 1	Fiscal Year Ended September 30	Total Assessed Property Value (2)	Commercial Construction (1)		Residential Construction (1)		Total Building Permits (1)	
			Number of Units	Value	Number of Units	Value	Number Issued	Value of Permits
2008	2009	\$ 17,431,206,297	33	\$ 71,339,933	23	\$ 5,488,909	7,522	\$ 195,234,876
2009	2010	11,588,017,532	22	16,485,237	24	4,116,260	7,160	125,425,379
2010	2011	11,059,697,005	17	7,497,358	24	6,871,594	8,091	102,348,565
2011	2012	10,715,230,626	6	97,372,282	23	3,981,308	8,148	207,412,287
2012	2013	10,958,323,225	53	30,188,221	52	9,652,512	9,179	160,497,510
2013	2014	11,565,470,405	59	180,212,461	133	21,067,917	11,700	401,739,973
2014	2015	12,779,662,065	26	114,952,309	156	29,181,810	11,388	291,304,248
2015	2016	13,995,241,247	55	190,370,413	205	49,128,855	12,121	447,832,917
2016	2017	15,084,188,866	41	283,099,629	49	15,863,343	11,509	500,949,830
2017	2018	16,154,248,653	34	192,273,893	59	22,348,397	12,512	458,399,968

(1) Source - City of West Palm Beach Construction Services Department.

(2) Source - Palm Beach County Property Appraiser's Office.

**CITY OF WEST PALM BEACH, FLORIDA
 MISCELLANEOUS STATISTICAL DATA
 SEPTEMBER 30, 2018
 (UNAUDITED)**

DATE OF INCORPORATION -	November 5, 1894
DATE FIRST CHARTER ADOPTED -	September 18, 1903
DATE PRESENT CHARTER ADOPTED -	October 1, 1988
FORM OF GOVERNMENT -	Mayor - Commission

AREA:

1945 - 16.00 square miles
1955 - 16.00 square miles
1965 - 41.75 square miles
1975 - 43.25 square miles
1980 - 42.07 square miles
1985 - 42.60 square miles
1990 - 52.00 square miles
1995 - 55.34 square miles
2000 - 57.80 square miles
2005 - 55.00 square miles
2010 - 55.29 square miles
2015 - 55.29 square miles

POPULATION:

1950 (U.S. Census)	43,162
1960 (U.S. Census)	56,208
1970 (U.S. Census)	57,375
1980 (U.S. Census)	63,000
1990 (U.S. Census)	67,643
2010 (University of FL)	102,475
2012 (University of FL)	101,043
2013 (U.S. Census)	101,903
2014 (U.S. Census)	102,436
2015 (U.S. Census)	104,031
2016 (U.S. Census)	106,779
2017 (University of FL)	110,396
2018 (University of FL)	112,906

EDUCATION (CITY-WIDE):

Number of public schools	22
Number of full time employees (teachers and support)	1,673
Number of students	17,904

Source - School District of Palm Beach County.

STREETS, SIDEWALKS AND STORM SEWERS:

450 miles of paved streets and alleys
661 miles of sidewalks
338 miles of storm sewers

Source - City of West Palm Beach, MIS Support Services (GIS).

STREET LIGHTS:

Number of street lights - 18,294

Continued

Source - City of West Palm Beach, MIS Support Services (GIS).

**CITY OF WEST PALM BEACH, FLORIDA
MISCELLANEOUS STATISTICAL DATA
SEPTEMBER 30, 2018
(UNAUDITED)**

ELECTIONS:

66,000 Registered Voters at last municipal election
7,577 Votes cast in last municipal election
11.48% Registered voters voting

Source - City of West Palm Beach City Clerk

EMPLOYEES AS OF SEPTEMBER 30, 2018

1,458 Full Time Employees

Source - City of West Palm Beach Human Resources Department.

POLICE PROTECTION:

296 Sworn Police officers
109 Civilian Employees (full-time and part-time)
405 Total

Source - City of West Palm Beach Police Department.

FIRE PROTECTION:

8 Suppression Units
10 Advanced Life Support Units (Rescue units)
9 Fire stations
246 Employees (full-time)
273 Total

Source - City of West Palm Beach Fire Department.

Continued

CITY OF WEST PALM BEACH, FLORIDA
MISCELLANEOUS STATISTICAL DATA
SEPTEMBER 30, 2018
(UNAUDITED)

RECREATION:

Public parks - 600 acres
 Includes: park facilities, recreational centers, tennis courts, handball courts, soccer and football. baseball, basketball, and picnic areas.

Cemeteries - 2

Municipal golf course - 1

Municipal swimming pool - 1

Source - City of West Palm Beach Leisure Services Department.

ENTERPRISE FUNDS:

Parking facilities

- 1,578 Metered on street spaces
- 2,807 Off street revenue controlled spaces

Source - City of West Palm Beach Parking System.

* Does not include 400 spaces at the Police Department

WATER AND SEWER DISPOSAL SYSTEM:

	<u>WATER</u>	<u>SEWER</u>
Active accounts	34,209	27,613
Capacity per day (million gallons) (1)	47 MGD	70 MGD
Miles of mains (2)	565	338
Fire hydrants:		
West Palm Beach	3,423	
Palm Beach	394	
South Palm Beach	11	

Continued

Source - City of West Palm Beach Public Utilities Department.

Note (1) - Based on average daily plan capacity for the year.

Note (2) - Based upon new data from the City's GIS system.

CITY OF WEST PALM BEACH, FLORIDA
MISCELLANEOUS STATISTICAL DATA
SEPTEMBER 30, 2018
(UNAUDITED)

Population Growth

Year	Palm Beach County		Florida		United States	
	Population	% Change	Population	% Change	Population	% Change
2009	1,279,950	1.14	(1) 18,537,969	-1.43	(1) 307,006,550	0.97
2010	1,286,461	0.51	(1) 18,772,352	1.26	(1) 310,988,987	1.30
2011	1,320,134	2.62	(1) 18,801,310	0.15	(1) 312,602,730	0.43
2012	1,335,187	1.10	(1) 19,057,542	0.14	(1) 314,969,523	0.76
2013	1,356,545	0.02	(1) 19,317,568	1.36	(1) 313,914,040	-0.34
2014	1,372,171	0.01	(2) 19,552,860	1.23	(2) 316,128,839	0.07
2015	1,397,710	0.02	(2) 19,893,297	1.74	(2) 318,857,056	0.86
2016	1,422,789	0.02	(2) 20,612,439	0.04	(2) 323,127,513	0.86
2017	1,443,810	0.01	(2) 20,984,400	0.02	(2) 325,719,178	0.80
2018	1,471,150	0.02	(2) 21,299,325	0.02	(2) 327,747,936	0.62

(1) Source: University of Florida Bureau of Business and Economic Development.

(2) Source - US Census Bureau.

Palm Beach County

Year	Population	Personal Income	Per Capita Personal Income	Civilian Labor Force	Unemployment (3)
2009	1,279,950	\$ 77,339,224	(1) N/A	623,480	(1) 11.5%
2010	1,286,461	73,546,909	(1) N/A	617,366	(1) 10.4%
2011	1,320,134	N/A	(1) \$ 39,272	618,694	(1) 11.7%
2012	1,335,187	N/A	(1) 53,500	617,597	(1) 8.7%
2013	1,356,545	N/A	(1) 33,960	640,200	(1) 7.1%
2014	1,372,171	N/A	(2) 33,239	668,600	(3) 6.0%
2015	1,397,710	N/A	(2) 32,858	685,000	(3) 5.2%
2016	1,422,789	N/A	(2) 33,650	691,475	(3) 4.7%
2017	1,443,810	N/A	(2) 31,426	718,064	(3) 3.8%
2018	1,471,150	N/A	(2) 31,388	729,108	(3) 3.1%

(1) Source: University of Florida Bureau of Economic and Business Research.

(2) Source - US Census Bureau.

(3) Source - Labor Force and Unemployment data are for September of each year.



**CONTINUING DISCLOSURE
(Unaudited)**

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE
EVENT NOTICES
FISCAL YEAR 2018
(UNAUDITED)

Event	Occurrence
Principal and interest delinquencies	None
Non-payment related defaults	None
Unscheduled draws on debt service reserves reflecting financial difficulties	None
Unscheduled draws on credit enhancements reflecting financial difficulties	None
Substitution of credit or liquidity providers, or their failure to perform	None
Adverse tax opinions or events affecting the tax-exempt status of the security	None
Modifications to rights of security holders	None
Bond calls and tender offers	None
Release, substitution or sale of property securing repayment of securities	None
Ratings changes	None
Bankruptcy, insolvency or receivership	None
Merger, acquisition or sale of all issuer assets	None
Appointment of successor trustee	None



SPECIAL OBLIGATION BONDS (Unaudited)

CITY OF WEST PALM BEACH, FLORIDA

CONTINUING DISCLOSURE: SPECIAL OBLIGATION BONDS

NON-AD VALOREM REVENUE COLLECTIONS BY SOURCE

FOR THE LAST TEN FISCAL YEARS

(UNAUDITED)

<u>Fiscal Year Ended September 30</u>	<u>Total Non-Ad Valorem Collections (1)</u>	<u>Utility Services Taxes</u>	<u>Franchise Taxes</u>	<u>Insurance Premium Taxes</u>	<u>Charges for Services</u>	<u>Inter-Governmental Revenue</u>	<u>Licenses and Permits</u>	<u>Fines and Forfeitures</u>	<u>Interest</u>	<u>Rents and Royalties</u>	<u>Payment in Lieu of Taxes</u>	<u>Miscellaneous</u>
2009	\$ 75,157,004	\$ 19,417,782	\$ 8,817,388	\$ 2,382,453	\$ 19,321,736	\$ 11,417,685	\$ 3,256,290	\$ 580,397	\$ 2,954,788	\$ 144,659	\$ 6,393,024	\$ 470,802
2010	74,556,758	19,591,107	8,293,884	2,445,893	19,500,405	10,507,435	2,880,908	372,237	1,845,038	273,185	7,388,040	1,458,626
2011	76,539,755	19,470,328	7,802,807	2,503,755	22,618,597	11,606,626	2,919,864	292,835	612,251	277,315	8,013,606	421,771
2012	77,279,783	19,439,772	8,548,587	2,418,405	22,888,368	10,735,999	2,805,129	750,124	1,014,815	226,769	8,001,726	450,089
2013	77,691,025	19,714,871	8,382,610	2,440,314	21,515,326	12,103,445	2,902,578	687,945	603,753	234,036	8,601,274	504,873
2014	83,716,476	20,459,379	9,093,201	2,695,013	22,685,372	12,425,405	3,303,820	663,031	610,241	258,437	9,124,857	2,397,720
2015	86,067,888	20,657,795	9,338,246	2,812,868	23,932,521	12,970,886	3,460,440	293,397	589,772	251,421	9,306,186	2,454,356
2016	83,267,657	20,826,180	9,007,760	-	24,438,621	13,276,669	3,694,485	244,763	840,818	247,694	9,446,930	1,243,737
2017	86,375,037	21,201,503	9,247,602	2,673,828	23,887,679	14,289,020	3,674,791	263,713	484,294	169,262	9,884,138	599,207
2018	88,806,298	21,685,074	9,462,626	2,797,362	24,763,965	14,170,339	3,823,282	238,638	729,963	211,804	9,983,605	939,640

Source - City of West Palm Beach Finance Department.

(1) Includes non ad-valorem revenues of the City that are deposited into the City's General Fund.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: SPECIAL OBLIGATION BONDS
OUTSTANDING NON-AD VALOREM DEBT
SEPTEMBER 30, 2018
(UNAUDITED)

<u>Outstanding Obligation</u>	<u>Final Maturity</u>	<u>Outstanding Principal Amount</u>	<u>Percent of Total</u>	<u>Maximum Annual Debt Service (4)</u>
Capital Improvement Revenue Refunding Note, Series 2006 (1)	2021	\$ 1,250,964	0.98%	\$ 473,485
Communication System Note, Series 2014 (2)	2024	6,600,244	5.15%	1,220,143
Vehicle Acquisition Note, Series 2014 (2)	2024	1,431,158	1.12%	270,890
Palm Beach County Promissory Note (3)	2023	1,250,000	0.98%	250,000
Special Obligation Series 2016	2041	117,565,000	91.78%	15,020,203
TOTAL		<u>\$ 128,097,366</u>	<u>100.00%</u>	<u>\$ 17,234,720</u>

Source - City of West Palm Beach Finance Department.

(1) Non-Ad Valorem Funds will be used to pay the City's allocable share (100%) of the remaining debt service pursuant to an Interlocal Agreement which obligated the City and the Agency to each fund their allocable share of such debt service.

(2) Non-Ad Valorem Funds are not expected to be needed to pay debt service due to court and assessment fees and other revenues that the City expects to receive to pay such debt service.

(3) Non-Ad Valorem Funds are not expected to be needed to pay debt service due to an Interlocal Agreement which obligates the West Palm Beach Community Redevelopment Agency (the "Agency") to pay such debt service.

(4) Maximum Annual Debt Service based on budgetary-basis amortization schedule.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: SPECIAL OBLIGATION BONDS
HISTORICAL NON-AD VALOREM REVENUES, DEBT SERVICE AND
COVERAGE (ASSUMING DEBT SERVICE PAYMENTS WERE NOT
MADE BY OTHER DEDICATED REVENUE SOURCES)
FOR THE LAST FIVE FISCAL YEARS
(UNAUDITED)

	A	B	C	D=(A-B-C)	E	F=D/E
		Available Non-Ad Valorem Revenues Used for Essential Services (1)	Obligations Secured by Specific Non-Ad Valorem Revenues (2)	Non-Ad Valorem Revenues Available for Covenant to Budget and Appropriated Debt	Debt Service on Covenant to Budget and Appropriated Debt (3)	Debt Service Coverage on Covenant to Budget and Appropriated Debt
Fiscal Year Ended September 30	Total Non-Ad Valorem Revenues					
2014	\$ 83,716,476	\$ 38,266,243	\$ 2,321,100	\$ 43,129,133	\$ 2,789,757	15.46x
2015	86,067,888	36,500,372	-	49,567,516	3,449,386	14.37x
2016	83,267,657	36,182,771	-	47,084,886	5,454,988	8.63x
2017	86,375,037	29,736,224	-	56,638,813	7,492,562	7.56x
2018	88,806,298	30,939,642	-	57,866,656	9,100,595	6.36x

Source - City of West Palm Beach Finance Department.

- (1) Represents total expenses for public safety, health care and sanitation, minus the portion of such expenses paid from the City's ad valorem tax revenues.
- (2) Represents debt service payments on the City's Public Service Tax Bonds, the Guaranteed Entitlement Bonds, and the Sunshine State Loans, Series 1995.
- (3) Represents debt service on (i) the CityPlace CDD Bonds, Series 1998, (ii) the Sunshine State Loans, Series 1996, 1997, and 2001, (iii) the Palm Beach County Promissory Note, (iv) the Capital Improvement Revenue Note, Series 2003, (v) the Capital Improvement Revenue Refunding Note, Series 2006, (vi) the HUD Section 108 Note, Series 2000-A, (vii) the Communication System Note, Series 2006, (viii) the CityPlace CDD Revenue Refunding Bonds, Series 2012, (ix) the Communication System Note, Series 2014, and the (x) Vehicle Acquisition Note, Series 2014.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: SPECIAL OBLIGATION BONDS
HISTORICAL NON-AD VALOREM REVENUES, DEBT SERVICE AND
COVERAGE (ACCOUNTING FOR DEBT SERVICE PAYMENTS
MADE BY OTHER DEDICATED REVENUE SOURCES)
FOR THE LAST FIVE FISCAL YEARS
(UNAUDITED)

	A	B	C	D=(A-B-C)	E	F	G=D/(E+F)
		Available	Obligations	Non-Ad	Debt	Maximum	Debt
		Non-Ad	Secured by	Valorem	Service on	Annual Debt	Service
		Valorem	Specific	Revenues	Covenant to	Service	on
		Used for	Non-Ad	Available	Budget and	on	Covenant to
		Essential	Valorem	for	Appropriate	Series 2006	Budget and
		Services (1)	Revenues (2)	Covenant to	Debt (3)	and 2016	Appropriate
				Budget and		Bonds (4)	Debt
				Appropriate			
Fiscal	Total			Debt			
Year	Non-Ad						
Ended	Valorem						
September 30	Revenues	Services (1)	Revenues (2)	Debt	Debt (3)	Bonds (4)	Debt
2014	\$ 83,716,476	\$ 38,266,243	\$ 2,321,100	\$ 43,129,133	\$ 460,440	\$ 5,345,742	7.43x
2015	86,067,888	36,500,372	-	49,567,516	460,826	5,345,534	8.54x
2016	83,267,657	36,182,771	-	47,084,886	460,398	5,345,534	8.11x
2017	86,375,037	29,736,224	-	56,638,813	460,618	10,509,268	5.16x
2018	88,806,298	30,939,642	-	57,866,656	470,300	15,020,203	3.74x

Source - City of West Palm Beach Finance Department.

- (1) Represents total expenses for public safety, health care and sanitation, minus the portion of such expenses paid from the City's ad valorem tax revenues.
- (2) Represents debt service payments on the City's Public Service Tax Bonds, Series 2010, and the Guaranteed Entitlement Bonds.
- (3) All of the existing debt for which the City has covenanted to budget and appropriate legally available non-ad valorem revenues to satisfy its payment obligations thereunder (excluding the City's allocable share of the Capital Improvement Revenue Refunding Note, Series 2006, and the Special Obligation Bonds, Series 2006) historically has been paid in full by (i) tax increment revenue received from the West Palm Beach Community Redevelopment Agency pursuant to Interlocal Agreements that obligate the Agency to make such payments and (ii) in the case of the HUD Section 108 Note and Communication System Note, Series 2006, federal grants and other sources of revenue that are not received as non-ad valorem revenue for deposit into the City's General Fund.
- (4) The 2006 Special Obligation Bonds were refunded in FY 2016. The Series 2016 Special Obligation bonds were issued on July 5, 2016. Principal payments were not due until FY 2017 and therefore the maximum debt service for the Series 2016 bonds is not reflected until that time.





UTILITY SYSTEM REVENUE BONDS (Unaudited)

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: UTILITY SYSTEM REVENUE
BONDS CUSTOMERS AND SALES DATA*
FISCAL YEAR 2018
(UNAUDITED)

Water Customers and Sales Data (*)

<u>Average Annual Number of Accounts Served</u>	<u>Average Annual Number of ERCs Served</u>	<u>Water Sales (Thousands of Gallons)</u>
32,103	83,398	8,355,837

* Includes customers located outside the corporate limits of the City.

Wastewater Customers and Sales Data (*)

<u>Average Annual Number of Accounts Served</u>	<u>Average Annual Number of ERCs Served</u>	<u>Water Sales (Thousands of Gallons)</u>
27,671	61,490	4,320,968

* Includes customers located outside the corporate limits of the City.

Stormwater Customers and Sales Data (*)

<u>Average Annual Number of Accounts Served</u>	<u>Average Annual Number of ERCs Served</u>
27,462	100,068

ERC is equivalent to ESU = Equivalent Stormwater Unit, also referred to as
 ERU = Equivalent Residential Unit in the Rate Resolution.

Source – City of West Palm Beach Finance Department.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: UTILITY SYSTEM REVENUE BONDS
WASTEWATER FLOWS (MGD)
FOR THE LAST FIVE FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended <u>September 30</u>	<u>City of West Palm Beach Flows</u>			<u>Total ECRWWRF Flows</u>		
	Annual Average Daily Flow <u>(MGD)</u>	Allotted Capacity <u>(MGD)</u>	Percent of Allotment	Annual Average Daily Flow <u>(MGD)</u>	Permitted Capacity <u>(MGD)</u>	Percent of Capacity
2014	11.44	20.50	55.8%	40.66	70.00	58.09%
2015	12.24	20.50	59.7%	40.52	70.00	57.88%
2016	12.75	20.50	62.2%	43.00	70.00	61.43%
2017	12.47	20.50	60.8%	40.22	70.00	57.46%
2018	12.78	20.50	62.3%	42.11	70.00	60.15%

Source - City of West Palm Beach Utilities Department reconciliation of annual flow charges.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: UTILITY SYSTEM REVENUE BONDS
SUMMARY OF MONTHLY WATER AND WASTEWATER RATES
AS OF OCTOBER 1, 2018
(UNAUDITED)

	<u>Water Rates</u>	<u>Wastewater Rates</u>
Residential Service		
Service Charge (per dwelling unit) [2]	\$ 22.52	\$ 13.24
Commodity Charge (per units of water used) [3]		
0-8 units	\$ 2.60	\$ 3.90
9-16 units	3.27	3.90 [4]
17-36 units	3.84	N/A
37-76 units	4.50	N/A
77-200 units	5.19	N/A
Above 201 units	5.83	N/A
Non-Residential and Irrigation		
Service Charge (per service meter) [2]		
5/8-inch	\$ 22.52	\$ 13.24
3/4-inch	34.35	19.88
1-inch	56.32	33.16
1+1/2-inch	112.71	66.20
2-inch	180.34	105.92
3-inch	338.17	198.60
4-inch	563.61	333.47
6-inch	1,127.21	661.97
8-inch	1,803.51	1,059.19
10-inch	2,592.55	1,522.59
12-inch	4,841.33	2,848.50
Commodity Charge (per units of water used) [3]		
0-8 units	\$ 2.60	\$ 3.90
9-16 units	3.27	3.90
17-36 units	3.84	3.90
37-76 units	4.50	3.90
77-200 units	5.19	3.90
Above 201 units	5.83	3.90
Irrigation Service		
0-75 units	\$ 4.50	N/A
76-200 units	5.19	N/A
Above 201 units	5.83	N/A

Source - City of West Palm Beach Public Utilities Customer Service Superintendent

(1) The amounts derived from the Rate Resolution as approved by the City Commission.

(2) The monthly service charge represents the minimum bill rendered.

(2) The monthly service charge represents the minimum bill rendered.

(4) Rate billed to parcels that provide their own level of canal and drainage maintenance and street sweeping services.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: UTILITY SYSTEM REVENUE BONDS
SUMMARY OF WATER CAPACITY CHARGES, CUSTOMER DEPOSITS,
AND METER INSTALLATIONS
(UNAUDITED)

Capacity Charges

Meter Size	Effective October 1, 2018	
	Water	Wastewater
5/8 - inch	\$2,190	\$1,270
3/4 - inch	3,285	1,905
1 - inch	5,475	3,175
1 1/2 - inch	10,950	6,350
2 - inch	17,520	10,160
3 - inch	35,040	20,320
4 - inch	54,750	31,750
6 - inch	109,500	63,500
8 - inch	175,200	101,600
10 - inch	251,850	146,050
12 - inch	470,850	273,050

Customer Deposits

Meter Size	Effective October 1, 2018	
	Residential	General Service
5/8 inch	\$190	\$220
3/4 inch	285	330
1 inch	480	550
1 1/2 inch	955	1,100
2 inch	1,530	1,760
3 inch	2,865	3,300
4 inch	4,775	5,500
6 inch	9,550	11,000
8 inch	15,280	17,600
10 inch	21,965	25,300
12 inch	41,085	47,300
Fire Hydrant Meter Deposit		\$1,500
Detector check Meter deposit		\$175

Meter Installation Charges

Meter Size	Effective October 1, 2018	
	Installation	Tap-In Charge
5/8 - inch	\$610	\$1,973
5/8 - inch Dual Check	342	N/A
3/4 - inch	567	973
1 - inch	800	2,155
1 1/2 - inch	944	3,230
2 - inch	1,379	3,589
3 - inch	3,321 (2)	N/A (3)
4 - inch	7,975 (2)	N/A (3)
6 - inch	10,634 (2)	N/A (3)
8 - inch	13,040 (2)	N/A (3)
10 - inch	17,519 (2)	N/A (3)
12 - inch	19,629 (2)	N/A (3)

Source - City of West Palm Beach Public Utilities Customer Service Superintendent

(1) Includes cost of meter installation.

(2) Reflects estimated charge; final charge recommended to recover actual cost incurred.

(3) Customer responsible for installing 3-inch and larger services.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: UTILITY SYSTEM REVENUE BONDS
SUMMARY OF MONTHLY STORMWATER RATES [1]
AS OF OCTOBER 1, 2018
(UNAUDITED)

	Stormwater Rates
Class A110 [2]	\$ 13.98
Class A110 [3]	9.52
Class A110 [4]	5.21

Source - City of West Palm Beach Utilities Rate Consultant.

(1) The monthly service charge per equivalent residential unit represents the minimum bill rendered; the charge for stormwater utility service is included on the monthly bill for water and wastewater services. Number of equivalent residential units is based on individual property characteristics of each nonresidential parcel determined on a basis consistent with the average impervious residential developed property.

(2) Essentially billed to customers receiving full stormwater utility services by the City.

(3) Rate billed to parcels providing their own level of canal maintenance services.

(4) Rate billed to parcels that provide their own level of canal and drainage maintenance and street sweeping services.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: UTILITY SYSTEM REVENUE BONDS
WATER SYSTEM CUSTOMER GROWTH
AS OF OCTOBER 1, 2018
(UNAUDITED)

Water System Customer Growth

Fiscal Year Ended September 30	West Palm Beach		Palm Beach		South Palm Beach		Total		Average Monthly Use per Unit (Gallons)
	Average Annual Units	Water Sales (ccf)	Average Annual Units	Water Sales (ccf)	Average Annual Units	Water Sales (ccf)	Average Annual Units	Water Sales (ccf)	
2009	54,383	7,419,206	9,440	3,317,135	1,874	134,759	65,697	10,871,100	10,315
2010	53,956	7,631,302	9,389	3,418,347	1,874	137,817	65,219	11,187,466	10,692
2011	53,857	7,555,790	9,412	3,490,998	1,874	137,996	65,143	11,184,784	10,702
2012	53,736	7,104,445	9,510	2,720,923	1,873	110,741	65,119	9,936,109	9,511
2013	53,643	7,682,732	9,338	2,995,930	1,873	119,061	64,854	10,797,723	10,738
2014	53,316	7,286,320	9,321	3,405,880	1,881	155,177	64,518	10,847,377	10,480
2015	53,594	7,527,314	9,347	3,474,048	1,894	153,965	64,835	11,155,327	10,725
2016	54,422	7,545,809	9,333	3,617,076	1,875	154,003	65,630	11,316,888	10,748
2017	54,428	7,456,273	9,277	3,787,940	1,857	129,234	65,562	11,373,447	10,813
2018	54,754	7,009,374	9,264	3,590,999	1,857	140,422	65,896	10,740,795	8,028

Average Annual Compound Growth Rate	West Palm Beach		Palm Beach		South Palm Beach		Total		Average Monthly Use per Unit (Gallons)
	Average Annual Units	Water Sales (ccf)	Average Annual Units	Water Sales (ccf)	Average Annual Units	Water Sales (ccf)	Average Annual Units	Water Sales (ccf)	
2008 to 2018	0.10%	-0.18%	-0.25%	2.44%	-0.09%	1.27%	0.04%	0.63%	-1.75%
2013 to 2018	0.41%	-1.82%	-0.16%	3.69%	-0.17%	3.36%	0.32%	-0.11%	-5.01%
2016 to 2018	0.30%	-3.62%	-0.37%	-0.36%	-0.48%	-4.51%	0.20%	-2.58%	-13.57%

Source - City of West Palm Beach Utilities Rate Consultant.

Note: "ccf" is the amount of water that flows through customer water meters and is measured in hundreds of cubic feet.

1 ccf (100 cubic feet) is equivalent to 748 gallons of water.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: UTILITY SYSTEM REVENUE BONDS
STORMWATER SYSTEM CUSTOMER GROWTH
AS OF OCTOBER 1, 2018
(UNAUDITED)

Stormwater System Customer Growth

Fiscal Year Ended September 30	Single Family		Multifamily		Commercial		Total	
	Average Annual Accounts	Average Annual ESUs	Average Annual Accounts	Average Annual ESUs	Average Annual Accounts	Average Annual ESUs	Average Annual Accounts	Average Annual ESUs
2009	22,444	22,444	2,119	27,855	2,801	46,501	27,364	96,800
2010	22,433	22,433	2,092	27,735	2,829	47,685	27,354	97,853
2011	22,422	22,422	2,091	27,668	2,840	48,200	27,353	98,290
2012	22,414	22,414	2,115	27,655	2,850	48,316	27,379	98,385
2013	22,428	22,428	2,113	27,629	2,866	48,482	27,407	98,539
2014	22,445	22,445	2,112	27,638	2,862	48,476	27,419	98,559
2015	22,490	22,490	2,106	27,970	2,833	48,502	27,429	98,962
2016	22,504	22,504	2,100	28,347	2,853	48,491	27,457	99,342
2017	22,510	22,510	2,080	28,480	2,855	48,515	27,445	99,505
2018	22,524	22,524	2,067	28,988	2,872	48,557	27,462	100,068

Average Annual Compound Growth Rate	Single Family		Multifamily		Commercial		Total	
	Average Annual Accounts	Average Annual ESUs	Average Annual Accounts	Average Annual ESUs	Average Annual Accounts	Average Annual ESUs	Average Annual Accounts	Average Annual ESUs
2008 to 2018	0.04%	0.04%	-0.26%	0.39%	0.29%	0.58%	0.04%	0.40%
2013 to 2018	0.09%	0.09%	-0.44%	0.96%	0.04%	0.03%	0.04%	0.31%
2016 to 2018	0.04%	0.04%	-0.79%	1.12%	0.33%	0.07%	0.01%	0.36%

Source - City of West Palm Beach Utilities Rate Consultant.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: UTILITY SYSTEM REVENUE BONDS
WASTEWATER SYSTEM CUSTOMER GROWTH
AS OF OCTOBER 1, 2018
(UNAUDITED)

Wastewater System Customer Growth

<u>Fiscal Year Ended September 30</u>	<u>Average Annual Units (1)</u>	<u>Billed Sales (ccf)</u>	<u>Average Monthly Billed Flow per Unit (gallons)</u>
2009	53,199	5,727,245	6,711
2010	53,094	5,759,141	6,761
2011	52,913	5,796,672	6,829
2012	52,841	5,524,306	6,517
2013	52,530	5,568,384	6,608
2014	52,372	5,729,737	6,820
2015	52,997	5,843,162	6,873
2016	53,600	5,874,063	6,831
2017	56,581	5,865,577	6,824
2018	53,576	5,776,696	5,856

<u>Average Annual Compound</u>	<u>Average Annual</u>	<u>Billed</u>	<u>Average Monthly Billed Flow</u>
2008 to 2018	0.14%	0.28%	-1.23%
2013 to 2018	0.40%	0.74%	-2.93%
2016 to 2018	0.02%	-0.83%	-7.41%

Source - City of West Palm Beach Utilities Rate Consultant.

(1) - Units represent the sum of the residential dwelling and commercial accounts served.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: UTILITY SYSTEM REVENUE BONDS
UTILITY SYSTEM HISTORICAL DEBT COVERAGE ANALYSIS
FOR THE LAST FIVE FISCAL YEARS
(UNAUDITED)

	Fiscal Year Ended September 30:				
	2014	2015	2016	2017	2018
Water System Sales	\$ 58,825,624	\$ 60,574,857	\$ 61,392,172	\$ 64,754,761	\$ 64,056,807
Wastewater System Sales	28,397,747	28,637,971	29,170,820	30,324,107	31,035,061
Stormwater System Sales	10,764,281	10,840,359	10,853,567	13,164,288	13,785,784
Other Operating Revenues	9,272,706	9,714,930	10,242,081	10,224,984	11,268,523
Total Operating Revenues	107,260,358	109,768,117	111,658,640	118,468,140	120,146,175
Other Income	955,045	1,577,763	1,166,279	1,613,194	3,030,549
Total Revenues	108,215,403	111,345,880	112,824,919	120,081,334	123,176,724
Operating Expenses	54,962,050	56,521,647	63,087,241	63,298,326	67,826,636
Applicable Impact Fees	461,355	781,849	778,246	726,433	862,450
Net Revenues	53,714,708	55,606,082	50,515,924	57,509,441	56,212,538
As a Percent of Total Revenues	49.64%	49.94%	44.77%	47.89%	45.64%
Other Transfers [1]	31,604,303	35,291,607	36,793,847	39,884,935	39,369,889
Debt Service Coverage:					
Rate Covenant Test 1	3.50	3.55	3.38	3.11	3.04
Rate Covenant Test 2	1.70	1.58	1.37	1.44	1.43
Amount Available for Other Purposes	\$ <u>22,110,405</u>	\$ <u>20,314,475</u>	\$ <u>13,722,077</u>	\$ <u>17,624,506</u>	\$ <u>16,842,649</u>

Source - City of West Palm Beach Finance Department and the City of West Palm Beach Utilities Rate Consultant.

(1) Includes transfers to General Fund (P.I.L.O.T.), renewal and replacement transfers, annual debt service payments on outstanding utility system indebtedness and required ECR transfers.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: UTILITY SYSTEM REVENUE BONDS
UTILITY SYSTEM HISTORICAL SCHEDULE OF
NET CASH FLOW, DEBT SERVICE AND DEBT COVERAGE
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended September 30	Revenue	Operating Expenses	Net Revenue Available for Debt Service	Maximum Debt Service	Annual Coverage (1)
2009	\$ 81,448,594	\$ 49,511,597	\$ 32,702,461	\$ 15,479,081	2.11
2010	88,595,227	49,893,597	38,900,514	15,479,081	2.51
2011	94,939,873	53,111,573	42,345,550	15,479,081	2.74
2012	95,737,970	52,448,642	43,805,073	16,650,111	2.63
2013	102,997,493	53,759,301	49,566,859	15,577,757	3.18
2014	108,215,403	54,962,050	53,714,708	15,344,375	3.50
2015	111,345,880	56,521,647	55,606,082	15,676,227	3.55
2016	112,824,919	63,087,241	50,515,924	14,956,603	3.38
2017	120,081,334	63,298,326	57,509,441	18,516,833	3.11
2018	123,176,724	67,826,636	56,212,538	18,516,833	3.04

Source - City of West Palm Beach Utilities Rate Consultant.

(1) Before required transfers to Reserve Account, Renewal, Replacement and Improvement Fund, and to the General Reserve Fund.



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TAX INCREMENT REVENUE BONDS (NPCCRA) (Unaudited)

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
HISTORICAL NPCCRA TAX INCREMENT REVENUES
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Tax Roll Year Ended December 31	Fiscal Year Ended September 30	City of West Palm Beach	Palm Beach County	Total	Percentage Increase/ Decrease Over Prior Year	Dollar Increase/ (Decrease) Over Prior Year
2008	2009	\$ 2,101,222	\$ 1,130,521	\$ 3,231,743	-20.93%	\$ (855,705)
2009	2010	1,703,046	1,001,928	2,704,973	-16.30%	(526,769)
2010	2011	1,489,436	882,069	2,371,505	-12.33%	(333,468)
2011	2012	1,480,112	847,311	2,327,424	-1.86%	(44,082)
2012	2013	1,503,051	860,500	2,363,551	1.55%	36,128
2013	2014	1,584,528	905,194	2,489,722	5.34%	126,171
2014	2015	1,782,533	1,020,421	2,802,955	12.58%	313,232
2015	2016	1,822,340	1,039,511	2,861,851	2.10%	58,896
2016	2017	2,127,784	1,009,039	3,136,823	9.61%	274,972
2017	2018	2,263,248	1,401,457	3,664,705	16.83%	527,882

Source - City of West Palm Beach Finance Department. Data from statement of revenues, expenditures, and changes in fund balances, governmental funds.

(1) Palm Beach County began utilizing a different Taxable Value with tax roll year 2013 that adjusts for the county-wide senior, historic and/or economic exemptions.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
HISTORICAL NPCCRA REAL PROPERTY ASSESSED VALUES
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Tax Roll Year Ended	Fiscal Year Ended	A		B		=A-B	
		Final Gross Taxable Value	Percentage Increase Over Prior Year	Base Year Taxable Value (1)	Incremental Value (2)	Percentage Increase Over Prior Year	Dollar Increase Over Prior Year
December 31	September 30						
2008	2009	\$ 466,647,209	-10.92%	\$ 86,933,276	\$ 379,713,933	-13.09%	\$(57,182,178)
2009	2010	360,879,313	-22.67%	86,933,276	273,946,037	-27.85%	\$(105,767,896)
2010	2011	308,967,242	-14.38%	86,933,276	222,033,966	-18.95%	(51,912,071)
2011	2012	281,117,897	-9.01%	86,933,276	194,184,621	-12.54%	(27,849,345)
2012	2013	273,599,846	-2.67%	86,933,276	186,666,570	-3.87%	(7,518,051)
2013	2014	276,492,817	1.06%	86,933,276	189,559,541	1.55%	2,892,971
2014	2015	286,768,468	3.72%	86,933,276	199,835,192	5.42%	10,275,651
2015	2016	311,740,198	8.71%	86,933,276	224,806,922	12.50%	24,971,730
2016	2017	346,037,449	11.00%	86,933,276	259,104,173	15.26%	34,297,251
2017	2018	370,721,582	7.13%	86,933,276	283,788,306	9.53%	24,684,133

Source - City of West Palm Beach Finance Department.

(1) The boundaries of the Northwood/Pleasant City Community Redevelopment Area (the "NPCCRA") were expanded in December, 2001 to include the residential neighborhood located in the Pleasant City area. The aggregate assessed value of the taxable real property in the expanded boundary of the NPCCRA as of January 1, 2001, was \$9,731,463. In tax roll year 2001, fiscal year 2002, such amount was added to the assessed value of the taxable property originally located in the NPCCRA to establish a new base year taxable value for use in determining the NPCCRA Tax Increment Revenues to be deposited into the NPCCRA Redevelopment Trust Fund.

(2) Incremental Value equals the Final Gross Taxable Value minus the Base Year Taxable Value.

(3) Represents Final Taxable Value as provided by the Palm Beach County Property Appraiser's Office (the "PAO").

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
HISTORICAL NPCCRA NEW CONSTRUCTION TAXABLE VALUES
FOR THE LAST FIVE FISCAL YEARS
(UNAUDITED)

Tax Roll Year Ended <u>December 31</u>	Fiscal Year Ended <u>September 30</u>	New Construction <u>Taxable Value</u>
2013	2014	\$ 1,282,124
2014	2015	562,500
2015	2016	240,800
2016	2017	(156,783)
2017	2018	166,460

Source - City of West Palm Beach Finance Department.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
HISTORICAL NPCCRA FINANCIAL REPORTS
FOR THE LAST FIVE FISCAL YEARS
(UNAUDITED)

	For the Fiscal Year Ending September 30:					
	2014	2015	2016	2017	2018	Total
Revenues						
Tax Increment						
City of West Palm Beach	\$ 1,503,051	\$ 1,586,281	\$ 1,822,340	\$ 2,127,784	\$ 2,263,248	\$ 9,302,704
Intergovernmental	860,500	905,194	1,039,511	1,009,039	1,401,457	5,215,701
Total Tax Increment	<u>2,363,551</u>	<u>2,491,475</u>	<u>2,861,851</u>	<u>3,136,823</u>	<u>3,664,705</u>	<u>14,518,405</u>
Miscellaneous						
Loan/ Assessment Repayments	9,166	34,815	27,127	37,177	60,100	168,385
Investment Earnings (General)	20,796	19,472	34,947	32,518	51,461	159,194
Debt Service Reserve Subaccount	7,406	-	-	-	-	7,406
Total Miscellaneous	<u>37,368</u>	<u>54,287</u>	<u>62,074</u>	<u>69,695</u>	<u>111,561</u>	<u>334,985</u>
Total Revenues	<u>2,400,919</u>	<u>2,545,762</u>	<u>2,923,925</u>	<u>3,206,518</u>	<u>3,776,266</u>	<u>14,853,390</u>
Expenditures						
Debt Service Series 2005A	876,500	438,250	-	-	-	1,314,750
Debt Service 2005B	846,993	849,183	844,794	847,698	848,968	4,237,636
Debt Service 2015	-	154,321	841,444	840,344	839,944	2,676,053
2016 PBC NOTE	-	-	-	30,585	40,743	71,328
Total Debt	<u>1,723,493</u>	<u>1,441,754</u>	<u>1,687,950</u>	<u>1,718,627</u>	<u>1,729,655</u>	<u>8,299,767</u>
Operations						
City Cost Allocation (1)						
Operating Expense	671,920	570,010	520,006	539,539	578,640	2,880,115
City Administrative Expense	650,326	431,459	425,550	667,216	667,216	2,841,767
Innovative Policing Expense	293,134	287,049	284,428	188,811	162,365	1,215,787
Capital Outlay	-	-	149,463	95,850	116,344	361,657
Total Operations	<u>1,615,380</u>	<u>1,288,518</u>	<u>1,379,447</u>	<u>1,491,416</u>	<u>1,524,565</u>	<u>7,299,326</u>
Total Expenditures	<u>3,338,873</u>	<u>2,730,272</u>	<u>3,067,397</u>	<u>3,210,043</u>	<u>3,254,220</u>	<u>15,599,093</u>
Surplus	<u>\$ (937,954)</u>	<u>\$ (184,510)</u>	<u>\$ (143,472)</u>	<u>\$ (3,525)</u>	<u>\$ 522,046</u>	<u>\$ (745,703)</u>

Source: City of West Palm Beach Finance Department.

(1) Represents an allocation by the City of allowable costs incurred by the Agency in its implementation of the NPCCRA Redevelopment Plan. The City expects to continue funding of such services, (subject to approval by the City Commission) in the absence of available Agency funding for any portion of the City's cost allocation.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
HISTORICAL NPCCRA TAX INCREMENT REVENUES, DEBT SERVICE,
AND DEBT SERVICE COVERAGE
FOR THE LAST FIVE FISCAL YEARS
(UNAUDITED)

Fiscal Year	NPCCRA Tax Increment Revenues	Debt Service on Series 2005A Bonds (1)	Debt Service Coverage on Series 2005A Bonds	Debt Service on Series 2005B Bonds	Debt Service Coverage on Series 2005B Bonds	Debt Service on Series 2015 Bonds	Debt Service Coverage on Series 2015 Bonds	Maximum Annual Debt Service on Series 2005A, 2005B and 2015 Bonds	Maximum Annual Debt Service Coverage (2)
2014	\$ 2,363,551	\$ 876,500	2.70	\$ 846,993	1.76	\$ -	-	\$ 1,726,125	1.37 <u>x</u>
2015	2,491,475	438,250	5.69	849,183	2.42	154,321	9.64	1,726,125	1.44 <u>x</u>
2016	2,861,851	-	-	844,794	3.39	841,444	1.40	2,503,696	1.14 <u>x</u>
2017	3,486,823	-	-	847,698	4.11	840,344	2.14	2,503,696	1.39 <u>x</u>
2018	3,664,705	-	-	848,968	4.32	839,944	2.35	2,502,507	1.46 <u>x</u>

(1) Series 2005A bonds were refunded in FY 2015 by the Series 2015 bonds.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
HISTORICAL NPCCRA TAX INCREMENT REVENUES AND GROWTH
FOR THE LAST FIVE FISCAL YEARS
(UNAUDITED)

	For the Fiscal Year Ending September 30 (1)				
	2014	2015	2016	2017	2018
Actual Revenue Growth	1.33%	4.74%	11.51%	15.81%	11.38%
Existing Value	\$ 275,210,693	\$ 286,205,968	\$ 311,499,398	\$ 346,194,232	\$ 370,555,122
Taxing Authority:					
City of West Palm Beach					
New Construction	1,282,124	562,500	240,800	(156,783)	166,460
Taxable Value	276,492,817	286,768,468	311,740,198	346,037,449	370,721,582
Base Year Value	86,933,276	86,933,276	86,933,276	86,933,276	86,933,276
Tax Increment	189,559,541	199,835,192	224,806,922	259,104,173	283,788,306
Millage Rate (City)	8.3465	8.3465	8.3465	8.3465	8.3465
Gross Incremental Revenue	1,582,159	1,667,924	1,876,351	2,162,613	2,368,639
Statutory Reduction	0.95%	0.95%	0.95%	0.95%	0.95%
Incremental Revenue	1,503,051	1,584,528	1,782,533	2,054,482	2,250,207
Palm Beach County					
Millage Rate (County)	4.7815	4.7815	4.7815	4.7815	4.7815
Gross Incremental Revenue	906,379	955,512	1,074,914	1,238,907	1,356,934
Statutory Reduction	0.95%	0.95%	0.95%	0.95%	0.95%
Incremental Revenue	861,060	907,736	1,021,169	1,176,961	1,289,087
Total Revenue	\$ 2,364,111	\$ 2,492,265	\$ 2,803,702	\$ 3,231,444	\$ 3,539,294

(1) Table represents calculated tax increment revenues based on reported taxable values. Actual collections may vary.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
NPCCRA PRINCIPAL TAXPAYERS
TAX ROLL YEAR 2017/FISCAL YEAR 2018
(UNAUDITED)

<u>Taxpayer</u>	<u>Use of Property</u>	<u>Taxable Value (1)</u>	<u>Percentage of Fiscal Prior Year Gross Taxable Value</u>
1515 Flagler Property LP	Office	\$ 28,000,000	7.55%
920 N Stanley Partners LLC	Vacant Commercial	13,230,000	3.57%
Park PB LLC	Multifamily	12,000,000	3.24%
U & Me Transfer Inc.	Wareh/Dist Term	8,349,599	2.25%
2014 Cahuenga Partners LP	Vacant Commercial	7,719,980	2.08%
Mountain West Palm Real Estate, Inc.	Warehouse/Distribution	7,247,295	1.95%
La Boheme Properties Inc	Light MFG	5,108,530	1.38%
Tobias Partner LP	Vacant Commercial	4,454,570	1.20%
Business Development Center LLC	Warehouse/Dist Term Condo	4,266,196	1.15%
CK 1919 LLC	Office One Story	3,535,042	0.95%
TOTAL			<u>25.33%</u>

Source - City of West Palm Beach Finance Department and the Palm Beach County Property Appraiser's Office (the "PAO").

(1) Represents Final Taxable Value as provided by the Palm Beach County Property Appraiser's Office (the "PAO").

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
NPCCRA PRINCIPAL DEVELOPMENTS
TAX ROLL YEAR 2017/FISCAL YEAR 2018
(UNAUDITED)

<u>Development</u>	<u>Use of Property</u>	<u>Taxable Value (1),(2)</u>	<u>Percentage of Fiscal Prior Year Gross Taxable Value</u>
Flagler Pointe Condominium	Residential	\$ 56,222,754	15.17%
Bethesda Park	Mixed	42,437,944	11.45%
The Slade Condominium	Residential	41,567,156	11.21%
Northwood Addition-Platt Book 8	Mixed	40,418,386	10.90%
Northwood Add 7	Mixed	21,638,907	5.84%
Portofino Condominium	Residential	15,951,191	4.30%
Westfield WPB No. 1	Mixed	14,925,521	4.03%
La Fontana Condominium	Residential	12,583,018	3.39%
Parkland Replat	Residential	12,000,000	3.24%
Australian Park in Platt Book 28	Warehouse/Dist Term	11,748,731	3.17%
TOTAL			72.69%

Source - City of West Palm Beach Finance Department and the Palm Beach County Property Appraiser's Office (the "PAO").

(1) Taxable value represents the value for the entire development and not the taxable value attributable to any individual taxpayer (e.g. taxable value for condominiums is for the entire complex, not any individual condominium owner or group of owners).

(2) Represents Final Taxable Value as provided by the Palm Beach County Property Appraiser's Office (the "PAO").

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
NPCCRA HISTORICAL MILLAGE RATES
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Tax Roll Year Ended December 31	Fiscal Year Ended September 30	City of West Palm Beach	Palm Beach County
2008	2009	7.5500	3.7811
2009	2010	8.0739	4.3440
2010	2011	8.0739	4.7500
2011	2012	8.0739	4.7815
2012	2013	8.3465	4.7815
2013	2014	8.3465	4.7815
2014	2015	8.3465	4.7815
2015	2016	8.3465	4.7815
2016	2017	8.3465	4.7815
2017	2018	8.3465	4.7815

Source - City of West Palm Beach Finance Department.



**TAX INCREMENT REVENUE BONDS
(CCCRA) (Unaudited)**

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
HISTORICAL CCCRA TAX INCREMENT REVENUES
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Tax Roll Year Ended December 31	Fiscal Year Ended September 30	City of West Palm Beach	Palm Beach County	Downtown Development Authority	Total	Percentage Increase Over Prior Year
2008	2009	\$ 14,421,747	\$ 7,221,809	\$ 1,621,346	\$ 23,264,902	3.28%
2009	2010	14,647,396	7,879,919	1,456,591	23,983,906	3.09%
2010	2011	12,308,235	7,250,423	1,202,095	20,760,753	-13.44%
2011	2012	12,060,221	7,116,606	1,141,009	20,317,836	-2.13%
2012	2013	12,583,432	7,166,597	1,125,380	20,875,409	2.74%
2013	2014	12,761,457	7,308,494	1,026,734	21,096,685	1.06%
2014	2015	13,597,244	7,792,666	1,104,470	22,494,380	6.63%
2015	2016	15,769,313	8,789,582	1,265,184	25,824,079	14.80%
2016	2017	17,966,711	9,921,556	1,460,523	29,348,790	13.65%
2017	2018	19,441,992	11,001,076	1,660,331	32,103,399	9.39%

Source - City of West Palm Beach Finance Department.

(1) Palm Beach County began utilizing a different Taxable Value with tax roll year 2012 that adjusts for the county-wide senior, historic and/or economic exemptions.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
HISTORICAL CCCRA TAX INCREMENT REVENUES, DEBT SERVICES,
AND DEBT SERVICE COVERAGE
FOR THE LAST FIVE FISCAL YEARS
(UNAUDITED)

Fiscal Year	CCCRA Tax Increment Revenues	Debt Service on Series 2006A Bonds	Debt Service Coverage on Series 2006A Bonds	Debt Service on Series 2006B Bonds	Debt Service Coverage on Series 2006B Bonds	Debt Service on Series 2010A Refunding Bonds	Debt Service Coverage on Series 2010A Refunding Bonds	Debt Service on Series 2010B Refunding Bonds	Debt Service Coverage on Series 2010B Refunding Bonds	Debt Service on Series 2015 Refunding Bonds	Maximum Annual Debt Service on Series 2006A, 2006B, 2010A, 2010B and 2015 Bonds (1)	Maximum Annual Debt Service Coverage
2014	21,096,685	\$ 5,414,075	3.90	-	N/A	\$ 1,113,050	14.09	\$ 1,134,796	12.84	\$ -	7,664,268	2.75 <u>x</u>
2015	22,494,380	5,411,950	4.16	-	N/A	1,113,985	15.33	707,392	22.57	2,500	7,233,614	3.11 <u>x</u>
2016	25,824,079	3,227,390	8.00	-	N/A	1,112,950	20.30	761,385	28.22	2,080,103	7,179,730	3.60 <u>x</u>
2017	29,348,790	1,080,015	27.17	-	N/A	1,113,481	25.39	-	N/A	4,112,650	6,341,781	4.63 <u>x</u>
2018	32,103,399	1,080,015	29.72	-	N/A	1,136,909	27.29	-	N/A	4,118,400	6,341,781	5.06 <u>x</u>

(1) Prior to 2017, the maximum annual debt service represented the total annual debt service of outstanding CRA bonds. This was corrected in 2017 to represent the greatest debt service requirement in the then current or any succeeding fiscal years for each of the outstanding CRA series bonds.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
HISTORICAL CCCRA REAL PROPERTY ASSESSED VALUES
CITY OF WEST PALM BEACH AND PALM BEACH COUNTY
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Tax Roll Year Ended December 31	Fiscal Year Ended September 30	A Final Gross Taxable Value	Percentage Increase Over Prior Year	B Base Year Taxable Value	=A-B Incremental Value (1)	Percentage Increase Over Prior Year
2008	2009	\$ 2,262,212,175	0.06%	\$ 251,511,950	\$ 2,010,700,225	0.06%
2009	2010	2,161,160,564	-4.47%	251,511,950	1,909,648,614	-5.03%
2010	2011	1,856,193,364	-14.11%	251,511,950	1,604,681,414	-15.97%
2011	2012	1,818,539,815	-2.03%	251,511,950	1,567,027,865	-2.35%
2012	2013	1,829,612,152	0.61%	251,511,950	1,578,100,202	0.71%
2013	2014	1,860,942,669	1.71%	251,511,950	1,609,430,719	1.99%
2014	2015	1,969,866,074	5.85%	251,511,950	1,718,354,124	6.77%
2015 (2)	2016 (2)	2,191,637,208	11.26%	251,511,950	1,940,125,258	12.91%
2016 (2)	2017 (2)	2,439,488,349	11.31%	251,511,950	2,187,976,399	12.78%
2017 (2)	2018 (2)	2,675,134,453	9.66%	251,511,950	2,423,622,503	10.77%

Source - City of West Palm Beach Finance Department.

(1) Incremental Value equals the Final Gross Taxable Value minus the Base Year Taxable Value.

(2) Represents Final Taxable Value (prior to value adjustment and board reviews) as provided by the Palm Beach County Property Appraiser's Office.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
HISTORICAL CCCRA REAL PROPERTY ASSESSED VALUES
DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Tax Roll Year Ended	Fiscal Year Ended	A Final Gross Taxable Value	Percentage Increase Over Prior Year	B Base Year Taxable Value	=A-B Incremental Value (1)	Percentage Increase Over Prior Year
December 31	September 30					
2008	2009	\$ 1,891,711,869	2.00%	\$ 191,563,585	\$ 1,700,148,284	2.23%
2009	2010	1,678,294,850	-11.28%	191,563,585	1,486,731,265	-12.55%
2010	2011	1,439,291,701	-14.24%	191,563,585	1,247,728,116	-16.08%
2011	2012	1,387,796,768	-3.58%	191,563,585	1,196,233,183	-4.13%
2012	2013	1,362,354,481	-1.83%	191,563,585	1,170,790,896	-2.13%
2013	2014	1,271,519,588	-6.67%	191,563,585	1,079,956,003	-7.76%
2014	2015	1,354,104,804	6.50%	191,563,585	1,162,541,219	7.65%
2015 (2)	2016 (2)	1,516,013,663	11.96%	191,563,585	1,324,450,078	13.93%
2016 (2)	2017 (2)	1,725,462,556	13.82%	191,563,585	1,533,898,971	15.81%
2017 (2)	2018 (2)	1,936,430,582	12.23%	191,563,585	1,744,866,997	13.75%

Source - City of West Palm Beach Finance Department.

(1) Incremental Value equals the Final Gross Taxable Value minus the Base Year Taxable Value.

(2) Represents Final Taxable Value as provided by the Palm Beach County Property Appraiser's Office (the "PAO").

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
CITY OF WEST PALM BEACH HISTORICAL NEW CONSTRUCTION TAXABLE VALUES
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Tax Roll Year Ended December 31	Fiscal Year Ended September 30	New Construction Taxable Value (1)
2008	2009	\$ 474,446,616
2009	2010	233,140,929
2010	2011	489,349,519
2011	2012	63,486,923
2012	2013	25,758,944
2013	2014	40,222,008
2014	2015	4,157,155
2015	2016	268,718,261
2016	2017	187,932,124
2017	2018	89,461,081

Source - Palm Beach County, Florida Property Appraiser's Office.

(1) Represents taxable values of new construction after such construction has been completed and added to the assessment rolls by the Palm Beach County Property Appraiser's Office. Decreases in taxable values following Fiscal Year 2010 are the result of the completion of large construction projects, their addition to the assessment rolls by Fiscal Year 2010 and the absence of such projects for several years resulting from the economic downturn.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
HISTORICAL CCCRA NEW CONSTRUCTION TAXABLE VALUES
FOR THE LAST FIVE FISCAL YEARS
(UNAUDITED)

Tax Roll Year Ended <u>December 31</u>	Fiscal Year Ended <u>September 30</u>	New Construction Taxable Value
2013	2014	\$ 6,898,894
2014	2015	28,317,960
2015	2016	12,314,153
2016	2017	40,594,679
2017	2018	24,048,035

Source - City of West Palm Beach Finance Department.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
CCCRA PRINCIPAL TAXPAYERS
TAX ROLL YEAR 2017/FISCAL YEAR 2018
(UNAUDITED)

<u>Taxpayer</u>	<u>Use of Property</u>	<u>Taxable Value (1)</u>	<u>Percentage of Fiscal Prior Year Gross Taxable Value</u>
CPT Phillips Point II, LLC	Office Multistory	\$ 188,967,614	7.06%
CPT Equity, LLC	Office Multistory	133,053,543	4.97%
222 Lakeview LLC	Office Multistory	99,875,302	3.73%
Cityplace Retail LLC	Shopping Center	88,045,909	3.29%
CL Loftin Place LP	Multifamily	50,931,333	1.90%
Avalon Alexander LLC	Multifamily	50,000,000	1.87%
Flagler Center Properties	Office Multistory	46,471,743	1.74%
Colonnade Clematis LLC	Mixed	43,401,419	1.62%
Velocis Clearlake Spe, LLC	Office Multistory	37,000,000	1.38%
West Palm Beach City of Lessor	Leasehold Int/Waterfront	35,231,169	1.32%
TOTAL			<u>28.88%</u>

Source - City of West Palm Beach Finance Department and the Palm Beach County Property Appraiser's Office.

(1) Represents Final Taxable Value as provided by the Palm Beach County Property Appraiser's Office.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
CCRA PRINCIPAL DEVELOPMENTS
TAX ROLL YEAR 2017/FISCAL YEAR 2018
(UNAUDITED)

<u>Development</u>	<u>Use of Property</u>	<u>Taxable Value (1),(2)</u>	<u>Percentage of Fiscal Prior Year Gross Taxable Value</u>
Cityplace PL 1	Mixed-Use	\$ 215,485,352	8.06%
Two City Plaza Condominium	Mixed-Use	199,480,878	7.46%
Phillips Point Resub Blks A & B	Mixed-Use	164,038,774	6.13%
Trump Plaza of the Palm Beaches Condominium	Mixed-Use	141,980,699	5.31%
Phillips Point Add to WPB	Mixed-Use	136,614,426	5.11%
One Watermark Place of the Palm Beach	Residential	132,902,075	4.97%
Cityplace South Tower Condominium	Residential	129,333,330	4.83%
Waterview Towers Condominium	Mixed-Use	118,381,748	4.43%
One City Plaza Condominium	Mixed-Use	102,434,207	3.83%
City Palms Condominium	Mixed-Use	68,060,070	2.54%
TOTAL			<u>52.67%</u>

Source - City of West Palm Beach Finance Department and the Palm Beach County Property Appraiser's Office.

(1) Taxable value represents the value for the entire development and not the taxable value attributable to any individual taxpayer (e.g. taxable for condominiums is for the entire complex, not any individual condominium owner or group of owners).

(2) Represents Final Taxable Value as provided by the Palm Beach County Property Appraiser's Office

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: PRINCIPAL EMPLOYERS IN PALM BEACH COUNTY
CURRENT AND NINE YEARS PRIOR
SEPTEMBER 30, 2018
(UNAUDITED)

	2018			2009		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Palm Beach County School District	21,466	1	3.04%	21,718	1	4.51%
Palm Beach County Government	5,952	2	0.84%	11,381	2	2.36%
Tenet Healthcare Corp (2)	5,939	3	0.84%	5,127	3	1.06%
NextEra Energy/Florida Power & Light Company	4,404	4	0.62%	3,658	5	0.76%
HCA Palm Beach Hospitals (JFK, Palms West and West Palm)	3,550	5	0.50%	4,150	4	0.86%
Boca Raton Regional Hospital	2,800	6	0.40%			
Florida Atlantic University	2,644	7	0.37%	2,776	7	0.58%
Veterans Health Administration	2,535	8	0.36%	2,205	9	0.46%
Bethesda Memorial Hospital	2,282	9	0.32%	2,300	8	0.48%
Office Depot (Hdqtrs)	2,034	10	0.29%			
Wackenhut Corporation				3,000	6	0.62%
Boca Raton Resort & Club				2,200	10	0.46%
Total	<u>53,606</u>		<u>7.60%</u>	<u>58,515</u>		<u>8.50%</u>

Source: Business Development Board of Palm Beach County.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
CCCRA HISTORICAL MILLAGE RATES - UNAUDITED
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Tax Roll Year Ended December 31	Fiscal Year Ended September 30	City of West Palm Beach	Palm Beach County	Downtown Development Authority (1)
2008	2009	7.5500	3.7811	1.0000
2009	2010	8.0739	3.7811	1.0000
2010	2011	8.0739	4.3440	1.0000
2011	2012	8.3465	4.7500	1.0000
2012	2013	8.3465	4.7815	1.0000
2013	2014	8.3465	4.7815	1.0000
2014	2015	8.3465	4.7815	1.0000
2015	2016	8.3465	4.7815	1.0000
2016	2017	8.3465	4.7815	1.0000
2017	2018	8.3465	4.7815	1.0000

Source: City of West Palm Beach Finance Department.

1) Pursuant to Interlocal Agreement, revenue derived from the second mill of the DDA tax levy has been exempted from inclusion into the CCCRA Redevelopment Trust Fund, as such revenue is to be used by the DDA to provide trolley service and marketing programs to retain and attract business in the CCCRA or for any other purpose that supports the CCCRA Redevelopment Plan.

CITY OF WEST PALM BEACH, FLORIDA

CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS

CCCRA TAX INCREMENT REVENUES

DEBT SERVICE ON BONDS AND DEBT SERVICE COVERAGE (INCLUDING COVERAGE REVENUES AS CCCRA TAX INCREMENT REVENUES)

FOR THE LAST FIVE FISCAL YEARS

(UNAUDITED)

Fiscal Year	Total Tax Increment Revenues (1)	Prior Senior Obligations (minus Coverage Revenues)	CCCRA Tax Increment Revenues (Net of Prior Senior Obligations)	Debt Service on Senior Bonds	Debt Service Coverage on Senior Bonds	Debt Service on Subordinate Bonds	Debt Service Coverage on Senior Bonds and Subordinate Bonds	Maximum Annual Debt Service on Senior Bonds and Subordinate Bonds	Maximum Annual Debt Service Coverage on Senior Bonds and Subordinate Bonds
2014	\$ 21,096,685	\$ 3,689,000	\$ 17,407,685	\$ 5,414,575	3.21 x	\$ 2,247,846	2.27 x	\$ 7,664,268	2.27 x
2015	22,494,380	3,784,500	18,709,880	5,415,200	3.46 x	1,820,376	2.59 x	7,233,614	2.59 x
2016	25,824,079	3,856,250	21,967,829	5,308,243	4.14 x	1,874,334	3.06 x	7,179,730	3.06 x
2017	29,348,790	4,450,000	24,898,790	5,193,415	4.79 x	1,113,481	3.95 x	6,341,781	3.93 x
2018	32,103,399	4,454,250	27,649,149	5,199,165	5.32 x	1,136,909	4.36 x	6,341,781	4.36 x

(1) This does not include miscellaneous revenues as included in the debt coverage on the income statement.

CITY OF WEST PALM BEACH, FLORIDA

CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS

CCCRA TAX INCREMENT REVENUES

DEBT SERVICE ON BONDS AND DEBT SERVICE COVERAGE (ASSUMING THE COVERAGE REVENUES WERE NOT AVAILABLE)

FOR THE LAST FIVE FISCAL YEARS

(UNAUDITED)

Fiscal Year	Total Tax Increment Revenues (1)	Prior Senior Obligations (Including Coverage Revenues)	CCCRA Tax Increment Revenues (Net of Prior Senior Obligations)	Debt Service on Senior Bonds	Debt Service Coverage on Senior Bonds	Debt Service on Subordinate Bonds	Debt Service Coverage on Senior Bonds and Subordinate Bonds	Maximum Annual Debt Service on Senior Bonds and Subordinate Bonds	Maximum Annual Debt Service Coverage on Senior Bonds and Subordinate Bonds
2014	\$ 21,096,685	\$ 6,546,729	\$ 14,549,956	\$ 5,414,575	2.69 x	\$ 2,247,846	1.90 x	\$ 7,664,268	1.90 x
2015	22,494,380	6,682,336	15,812,044	5,415,200	2.92 x	1,820,376	2.19 x	7,233,614	2.19 x
2016	25,824,079	6,845,135	18,978,944	5,308,243	3.58 x	1,874,334	2.64 x	7,179,730	2.64 x
2017	29,348,790	7,488,027	21,860,763	5,193,415	4.21 x	1,113,481	3.47 x	6,341,781	3.45 x
2018	32,103,399	7,525,566	24,577,833	5,199,165	4.73 x	1,136,909	3.88 x	6,341,781	3.88 x

(1) This does not include miscellaneous revenues as included in the debt coverage on the income statement.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
CCCRA TAX INCREMENT REVENUES
TAX INCREMENT REVENUES AND GROWTH
FOR THE FISCAL YEARS ENDED SEPTEMBER 30:
(UNAUDITED)

	2014	2015	2016	2017	2018
Increase (Decrease) in Existing Value					
Existing Value	\$ 1,854,043,775	\$ 1,941,548,114	\$ 2,179,323,055	\$ 2,398,893,670	\$ 2,651,086,418
New construction	<u>6,898,894</u>	<u>28,317,960</u>	<u>12,314,153</u>	<u>40,594,679</u>	<u>24,048,035</u>
Final Gross Taxable Value	1,860,942,669	1,969,866,074	2,191,637,208	2,439,488,349	2,675,134,453
Base Year Taxable Value	<u>(251,511,950)</u>	<u>(251,511,950)</u>	<u>(251,511,950)</u>	<u>(251,511,950)</u>	<u>(251,511,950)</u>
Incremental Taxable Value	1,609,430,719	1,718,354,124	1,940,125,258	2,187,976,399	2,423,622,503
City of West Palm Beach					
Millage Rate (City)	8.3465	8.3465	8.3465	8.3465	8.3465
Gross Incremental Revenue	13,433,113	14,342,243	16,193,255	18,261,945	20,228,765
Adjustment (1)		(29,355)	406,021	650,382	236,490
Statutory Reduction (5%)	<u>(671,656)</u>	<u>(715,644)</u>	<u>(829,964)</u>	<u>(945,616)</u>	<u>(1,023,263)</u>
City Tax Incremental Revenue	12,761,458	13,597,243	15,769,313	17,966,711	19,441,992
Palm Beach County					
Millage Rate (County)	4.7815	4.7815	4.7815	4.7815	4.7815
Gross Incremental Revenue	7,695,493	8,216,310	9,276,709	10,461,809	11,588,551
Adjustment (1)	(2,341)	(13,504)	(24,517)	(18,066)	(8,471)
Statutory Reduction (5%)	<u>(384,658)</u>	<u>(410,140)</u>	<u>(462,610)</u>	<u>(522,187)</u>	<u>(579,004)</u>
County Tax Incremental Revenue	7,308,494	7,792,666	8,789,582	9,921,556	11,001,076
Downtown Redevelopment Authority					
Final Gross Taxable Value	1,271,519,588	1,354,104,804	1,516,013,663	1,725,462,556	1,936,430,582
Base Year Taxable Value	<u>(191,563,585)</u>	<u>(191,563,585)</u>	<u>(191,563,585)</u>	<u>(191,563,585)</u>	<u>(191,563,585)</u>
Incremental Taxable Value	1,079,956,003	1,162,541,219	1,324,450,078	1,533,898,971	1,744,866,997
Millage Rate (DDA)	1.0000	1.0000	1.0000	1.0000	1.0000
Gross Incremental Revenue	1,079,956	1,162,541	1,324,450	1,533,899	1,744,867
Adjustment (1)	776	56	6,956	3,494	2,850
Statutory Reduction (5%)	<u>(53,998)</u>	<u>(58,127)</u>	<u>(66,223)</u>	<u>(76,870)</u>	<u>(87,386)</u>
DDA Tax Incremental Revenue	\$ <u>1,026,734</u>	\$ <u>1,104,470</u>	\$ <u>1,265,184</u>	\$ <u>1,460,523</u>	\$ <u>1,660,331</u>

(1) Palm Beach County began utilizing a different Taxable Value with tax roll year 2012 that adjusts for the county-wide senior, historic and/or economic exemptions.

CITY OF WEST PALM BEACH, FLORIDA

CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS

CCCRA STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE FISCAL YEARS ENDED SEPTEMBER 30:

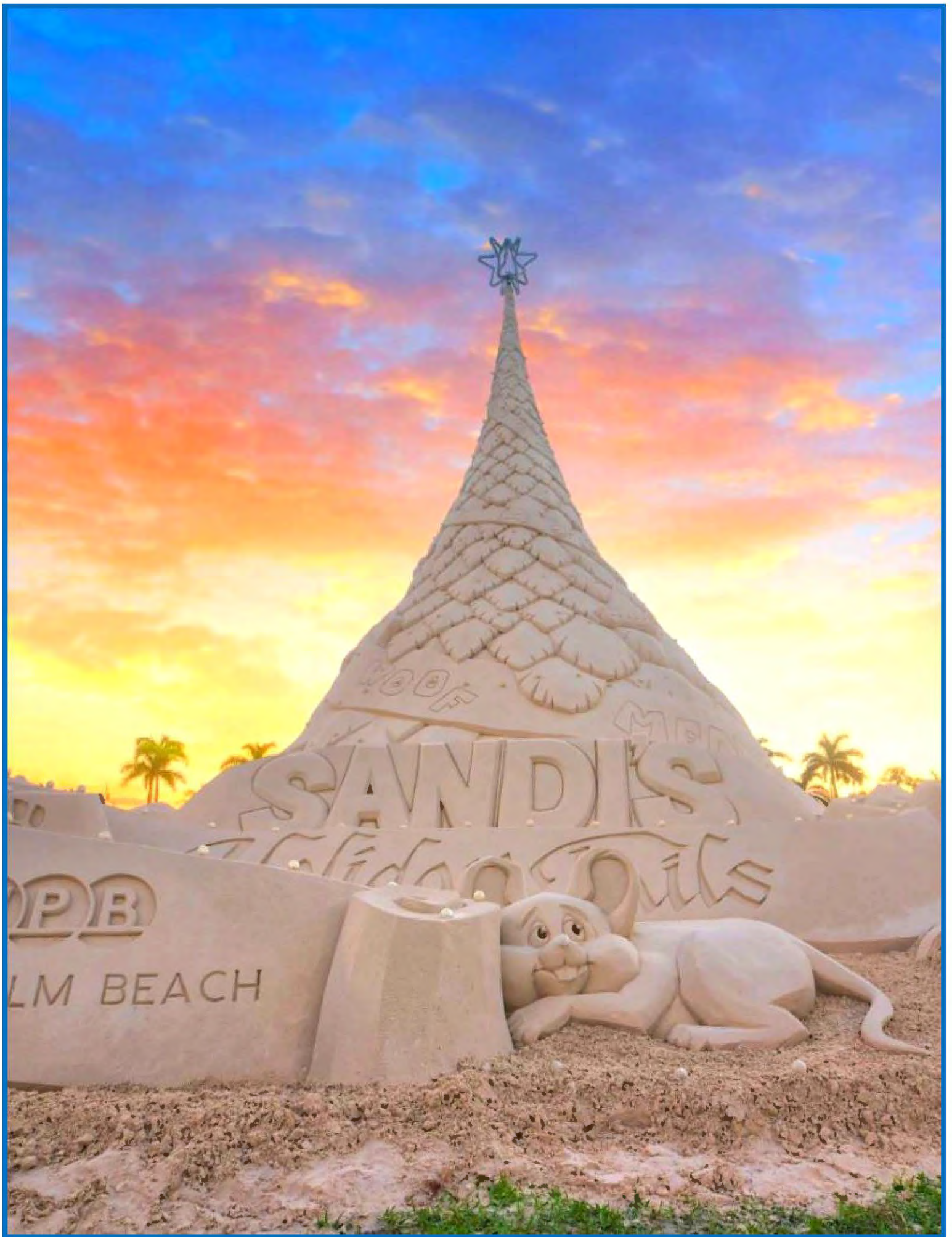
(UNAUDITED)

	2014	2015	2016	2017	2018
Revenues					
Tax Increment					
City of West Palm Beach County	\$ 12,761,457	\$ 13,597,244	\$ 15,769,313	\$ 17,966,711	\$ 19,441,992
Palm Beach County	7,308,494	7,792,666	8,789,582	9,921,556	11,001,076
Downtown Development Authority	1,026,734	1,104,470	1,265,184	1,460,523	1,660,331
	<u>21,096,685</u>	<u>22,494,380</u>	<u>25,824,079</u>	<u>29,348,790</u>	<u>32,103,399</u>
Other intergovernmental revenue	-	265,867	173,050	-	183,366
Miscellaneous					
Rents and Royalties	956,504	3,412,287	791,055	309,429	253,497
Charges for Services	-	-	-	-	-
Special Assessment	-	-	-	-	-
Investment Earnings (General)	108,233	100,608	240,549	140,116	308,613
Other Miscellaneous Revenues (1)	111,227	26,515	34,501	14,609	16,122
Total Miscellaneous	<u>1,175,964</u>	<u>3,539,410</u>	<u>1,066,105</u>	<u>464,154</u>	<u>578,232</u>
Total CCCRA Revenues	<u>\$ 22,272,649</u>	<u>\$ 26,299,657</u>	<u>\$ 27,063,234</u>	<u>\$ 29,812,944</u>	<u>\$ 32,864,997</u>
Expenditure					
Prior Senior Obligations					
CDD Bonds	3,509,000	3,604,500	3,676,250	4,270,000	4,274,250
Renaissance Increment Revenues	180,000	180,000	180,000	180,000	180,000
Total Prior Senior Obligations	<u>3,689,000</u>	<u>3,784,500</u>	<u>3,856,250</u>	<u>4,450,000</u>	<u>4,454,250</u>
Obligations Under Original Resolution					
Senior Bonds (2)	5,414,575	5,415,200	5,308,243	5,193,415	5,199,165
Subordinate Bonds (2)	2,247,846	1,820,376	1,874,334	1,113,481	1,136,909
Total original Resolution Obligations	<u>7,662,421</u>	<u>7,235,576</u>	<u>7,182,577</u>	<u>6,306,896</u>	<u>6,336,074</u>
Senior Bonds Debt Service Coverage	3.43	4.16	4.37	4.88	5.46
Total Debt Service Coverage	2.43	3.11	3.23	4.02	4.48
Subordinate Obligations					
City Advances and Loans (3)	4,442,956	1,605,802	1,870,013	1,908,050	2,700,631
DDA Interlocal Agreement	2,299,070	2,390,926	2,712,353	3,103,032	3,502,647
Total Subordinate Obligations	<u>6,742,026</u>	<u>3,996,728</u>	<u>4,582,366</u>	<u>5,011,082</u>	<u>6,203,278</u>
Operations					
City Cost Allocation					
City Administrative Expense	2,790,744	3,437,189	3,576,593	4,352,612	4,352,612
Trolley Contribution	129,570	101,527	203,054	135,369	135,369
DDA Project Funding	155,000	648,234	584,234	580,000	580,000
Clematis Streetscape	-	-	-	-	1,638,577
Clematis Incentive Grant	-	-	-	-	488,191
Other Operating Costs	1,306,785	1,290,195	1,500,033	2,663,975	3,173,531
Capital Outlay	92,900	613,000	2,802,609	1,331,090	9,209,858
Total Operations	<u>4,474,999</u>	<u>6,090,145</u>	<u>8,666,523</u>	<u>9,063,046</u>	<u>19,578,138</u>
Total Expenditures	<u>22,568,446</u>	<u>21,106,949</u>	<u>24,287,716</u>	<u>24,831,024</u>	<u>36,571,740</u>
Net Change in Fund Balances					
Fund Balances - Beginning	(295,797)	5,192,708	2,775,518	4,981,920	(3,706,743)
Fund Balances - Beginning	14,886,966	14,591,169	19,783,877	22,559,395	27,541,315
Fund Balances - Ending	<u>\$ 14,591,169</u>	<u>\$ 19,783,877</u>	<u>\$ 22,559,395</u>	<u>\$ 27,541,315</u>	<u>\$ 23,834,572</u>

(1) Includes transfers-in and interfund income

(2) Includes transfers-in and other debt service costs in addition to principal and interest

(3) Includes transfers-out and advance payments





GENERAL OBLIGATION BONDS (Unaudited)

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: GENERAL OBLIGATION BONDS
TAXABLE VALUES AND GROSS ASSESSED VALUE OF PROPERTY FOR THE
LAST TEN FISCAL YEARS
(UNAUDITED)

Tax Roll Year	Fiscal Year Ended September 30	Taxable Value for Operating Millage (1)				Exemptions & Adjustments (2)	Gross Assessed Values
		Real Property	Personal Property	Centrally Assessed	Total Property		
2008	2009	\$ 11,041,036,114	\$ 736,914,025	\$ 13,856,810	\$ 11,791,806,949	\$ 5,639,399,348	\$ 17,431,206,297
2009	2010	9,476,076,845	708,548,439	12,358,014	10,196,983,298	3,636,804,390	13,833,787,688
2010	2011	8,042,224,657	672,179,527	10,496,184	8,724,900,368	2,768,690,544	11,493,590,912
2011	2012	7,772,722,569	590,003,300	10,939,288	8,373,665,157	2,645,489,030	11,019,154,187
2012	2013	7,520,194,033	581,248,590	11,325,576	8,112,768,199	2,569,482,013	10,682,250,212
2013	2014	7,729,608,349	581,279,065	11,243,415	8,322,130,829	2,616,893,531	10,939,024,360
2014	2015	8,254,913,572	616,902,702	12,379,013	8,884,195,287	2,681,275,118	11,565,470,405
2015	2016	9,293,035,997	665,054,642	13,848,568	9,971,939,207	2,807,722,858	12,779,662,065
2016	2017	10,308,824,564	679,378,289	15,081,124	11,003,283,977	2,991,957,270	13,995,241,247
2017	2018	11,225,820,242	625,611,004	15,641,741	11,867,072,987	3,217,115,879	15,084,188,866

Source - Palm Beach County Property Appraiser's Office.

(1) Assessed values are established by the Palm Beach County Property Appraiser's Office as of January 1 each year. State law requires that assessed values be established at 100% of estimated actual value.

(2) Exemptions provided by State law include exemptions for homestead, government, institutions and for certain individuals who qualify as widows, disabled persons or senior citizens. Adjustments provided by State law include certain lands used for agriculture, high-water recharge, pollution control devices and certain historically significant properties.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: GENERAL OBLIGATION BONDS
PROPERTY TAX LEVIES AND COLLECTIONS
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended September 30	Total Property Tax Levy	Current Gross Property Tax Collections	Percent of Levy Collected	Delinquent Property Tax Collections	Total Property Tax Collections	Total Collections as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
2009	\$ 93,197,570	\$ 88,427,189	94.9%	\$ 1,282,220	\$ 89,709,409	96.3%	\$ 678,350	0.7%
2010	84,726,133	80,442,081	94.9%	1,165,045	81,607,126	96.3%	695,052	0.8%
2011	74,310,620	71,034,798	95.6%	827,967	71,862,765	96.7%	575,638	0.8%
2012	69,227,999	63,978,383	92.4%	2,715,092	66,693,475	96.3%	166,797	0.2%
2013	69,341,005	64,406,609	92.9%	2,457,707	66,864,316	96.4%	272,321	0.4%
2014	69,644,759	66,475,683	95.4%	2,091,703	68,567,386	98.5%	2,285,147	3.3%
2015	73,988,745	70,973,106	95.9%	1,849,963	71,977,487	97.3%	399,004	0.5%
2016	87,199,972	81,639,326	93.6%	1,250,931	82,890,258	95.1%	5,560,645	6.4%
2017	94,758,234	89,918,038	94.9%	474,276	90,392,314	95.4%	4,840,196	5.1%
2018	103,719,989	97,007,660	93.5%	37,005	97,044,665	93.6%	6,712,329	6.5%

Source - City of West Palm Beach Finance Department and the Palm Beach County Tax Collector's Office.

(1) Data from General fund only.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: GENERAL OBLIGATION BONDS
PRINCIPAL TAXPAYERS
TAX ROLL YEAR 2017/FISCAL YEAR 2018
(UNAUDITED)

Taxpayer	Assessed Value (1)		Percentage of Total Assessed Valuation
CPT Phillips Point LLC	\$ 188,967,614	1	1.59%
Palm Beach Outlets I LLC	176,313,993	2	1.48%
CPT Equity LLC	133,053,543	3	1.12%
222 Lakeview LLC	99,875,302	4	0.84%
City Place Retail LLC	86,581,809	5	0.73%
Aaron Drive Holding LLC	81,336,011	6	0.68%
CLPF Marketplace LLC	77,648,636	7	0.65%
Tenet Saint Mary's Hospital	61,186,157	8	0.51%
WPB Multifamily Owner I LLC	60,529,969	9	0.51%
WPB Multifamily Owner II LLC	58,086,194	10	0.49%
			8.59%

(1) Source - Palm Beach County Tax Collector.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: GENERAL OBLIGATION BONDS
PROPERTY TAX RATES-DIRECT AND OVERLAPPING GOVERNMENTS
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Tax Roll Year	Fiscal Year Ended September 30	City of West Palm Beach			DDA	Children's Services (2)	Florida Inland Navigation District (2)	Palm Beach County	Palm Beach County School Board	South Florida		Health Care District	Total (1)
		General Operations	Debt Service	Total						Water Management District	Everglades Construction		
2008	2009	7.5500	0.3248	7.8748	1.0000	0.6009	0.0345	3.9656	7.2510	0.5346	0.0894	0.9975	22.3483
2009	2010	8.0739	0.3836	8.4575	1.0000	0.6898	0.0345	4.5614	7.9830	0.5346	0.0894	1.1451	24.4953
2010	2011	8.0739	0.4426	8.5165	1.0000	0.7513	0.0345	4.9960	8.1540	0.5346	0.0894	1.1451	25.2214
2011	2012	8.0739	0.1932	8.2671	1.0000	0.7475	0.0345	4.9925	8.1800	0.3739	0.0624	1.1250	24.7829
2012	2013	8.3465	0.2004	8.5469	1.0000	0.7300	0.0345	4.9902	7.7780	0.3676	0.0613	1.1220	24.6305
2013	2014	8.3465	0.1955	8.5420	1.0000	0.7025	0.0345	4.9852	7.5860	0.3523	0.0587	1.0800	24.3412
2014	2015	8.3465	0.1838	8.5303	1.0000	0.6745	0.0345	4.9729	7.5940	0.3294	0.0548	1.0800	24.2704
2015	2016	8.3465	0.163	8.5095	1.0000	0.6677	0.0320	4.9277	7.5120	0.1459	0.0506	1.0426	23.8880
2016	2017	8.3465	0.1481	8.4946	1.0000	0.6833	0.0320	4.9142	7.0700	0.1359	0.0471	0.8993	23.2764
2017	2018	8.3465	0.1481	8.4946	1.0000	0.6590	0.0320	4.9023	6.7690	0.1275	0.0441	0.7808	22.8093

Source - City of West Palm Beach Finance Department and the Palm Beach County Tax Collector's Office.

(1) All millage rates are based on \$1.00 for every \$1,000.00 of assessed value. Millages included here are only for those that are assessed city-wide, with the exception being the DDA.

(2) Pursuant to a voter-approved special millage levy beginning in calendar year 1987

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: GENERAL OBLIGATION BONDS
RATIO OF NET GENERAL BONDED DEBT AND NOTES PAYABLE
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended September 30	Population (1)	Gross Assessed Value	Outstanding Gross Bonded Debt	Notes Payable	Revenue Bonds	Capital Leases	Less Amount Available in the General Debt Service Fund	Net Debt	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
2009	103,150	\$ 17,431,206,297	\$ 18,045,000	25,508,391	\$ 172,350,000	\$ 1,590,633	\$ (2,466,570)	\$ 215,027,454	1.23%	2,085
2010	102,475	13,833,787,688	14,885,000	8,279,923	180,838,583	1,295,440	(1,714,900)	203,584,046	1.47%	1,987
2011	99,919	11,493,590,912	11,605,000	7,583,585	172,900,845	989,077	(1,712,598)	191,365,909	1.66%	1,915
2012	101,043	11,019,154,187	10,510,000	6,864,930	165,468,836	10,192,168	(1,775,868)	191,260,066	1.74%	1,893
2013	101,903	10,682,250,212	9,380,000	6,122,026	157,646,162	10,773,461	(1,804,849)	182,116,800	1.70%	1,787
2014	102,436	10,939,024,360	8,215,000	17,228,987	148,417,339	9,588,753	(1,804,849)	181,645,230	1.66%	1,773
2015	104,031	12,779,662,065	7,000,000	12,654,303	142,849,686	8,589,096	(2,921,514)	168,171,571	1.32%	1,617
2016	106,779	13,995,241,247	5,725,000	12,061,934	215,596,625	12,673,165	(2,109,697)	243,947,027	1.74%	2,285
2017	110,396	15,084,188,866	4,385,000	11,554,063	211,371,552	17,377,828	(193,858)	244,494,585	1.62%	2,215
2018	112,906	16,154,248,653	2,985,000	19,151,992	205,339,036	19,991,923	(344,057)	247,123,894	1.53%	2,189

Source - City of West Palm Beach Finance Department and the Palm Beach County Property Appraiser's Office.

(1) Population figures for 2009-2013 and 2018 are as per Bureau of Economic and Business Research, University of Florida. Population figures for 2014-2017 are as of US Census Bureau.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: GENERAL OBLIGATION BONDS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2018
(UNAUDITED)

	<u>Governmental Debt Outstanding</u>	<u>Percentage Applicable to City of West Palm Beach</u>	<u>Amount Applicable to City of West Palm Beach</u>
City of West Palm Beach (1)			
Total bonds (2)	\$ 222,473,412		
Promissory notes, governmental funds	12,551,748		
Promissory notes, internal service funds	6,600,244		
Capital leases	19,991,923		
Total direct debt	261,617,327	100.00% (5)	\$ 261,617,327
Palm Beach County (3)	1,010,556,160	7.00% (5)	70,738,931
School Board (4)	10,672,000	7.00% (5)	<u>747,040</u>
Total overlapping debt			71,485,971
Total direct and overlapping debt			<u>\$ 333,103,298</u>

(1) Source - City of West Palm Beach Finance Department. Government debt rollforward.

(2) Includes premium and discounts.

(3) Source - Palm Beach County Finance Department.

(4) Source - Palm Beach County School Board.

(5) Percentage applicable based on total assessed value for the City of West Palm Beach and Palm Beach County.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: GENERAL OBLIGATION BONDS
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended September 30	Annual Debt Service Expenditures			Total General Fund Expenditures (2)	Ratio of Debt Service to General Fund Expenditures
	Principal	Interest	Total (1)		
2009	\$ 3,020,000	\$ 787,865	\$ 3,807,865	\$ 134,218,541	2.8%
2010	3,160,000	666,615	3,826,615	131,491,267	2.9%
2011	3,280,000	539,343	3,819,343	124,206,251	3.1%
2012	1,095,000	457,630	1,552,630	123,009,497	1.3%
2013	1,130,000	423,001	1,553,001	125,035,431	1.2%
2014	1,165,000	386,123	1,551,123	131,227,410	1.2%
2015	1,215,000	336,525	1,551,525	130,322,674	1.2%
2016	1,275,000	274,275	1,549,275	139,286,294	1.1%
2017	1,340,000	208,900	1,548,900	147,419,958	1.1%
2018	1,400,000	147,400	1,547,400	164,971,251	0.9%

Source - City of West Palm Beach Finance Department.

(1) Includes general obligation bonded debt only.

(2) Includes General Fund only, GAAP basis.