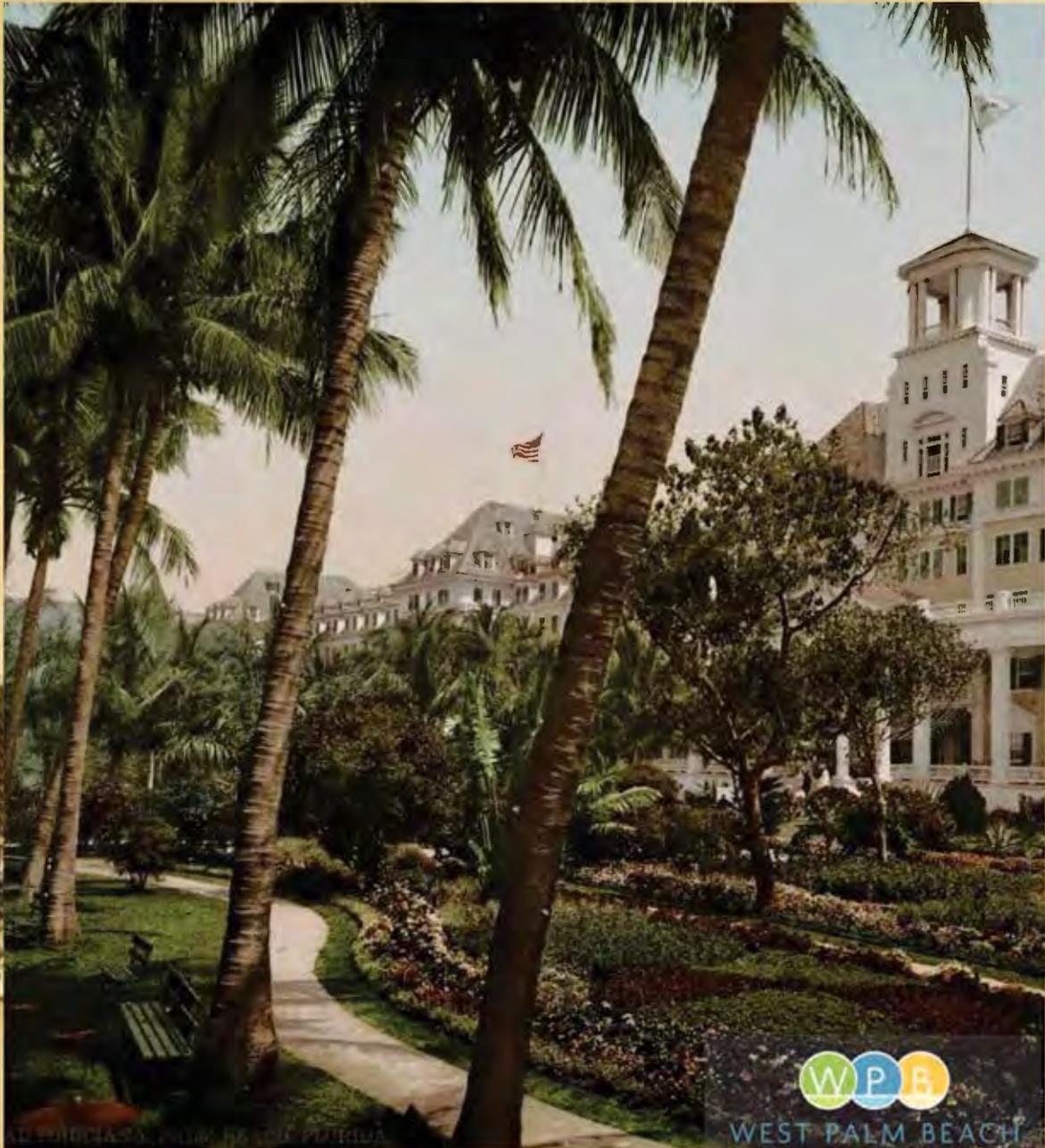


CITY OF WEST PALM BEACH, FLORIDA



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2019**



CITY OF WEST PALM BEACH, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE

FISCAL YEAR ENDED

SEPTEMBER 30, 2019

Prepared by The Finance Department

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

Karen Malcolm
Accounting Manager

Celebrating

125

Years

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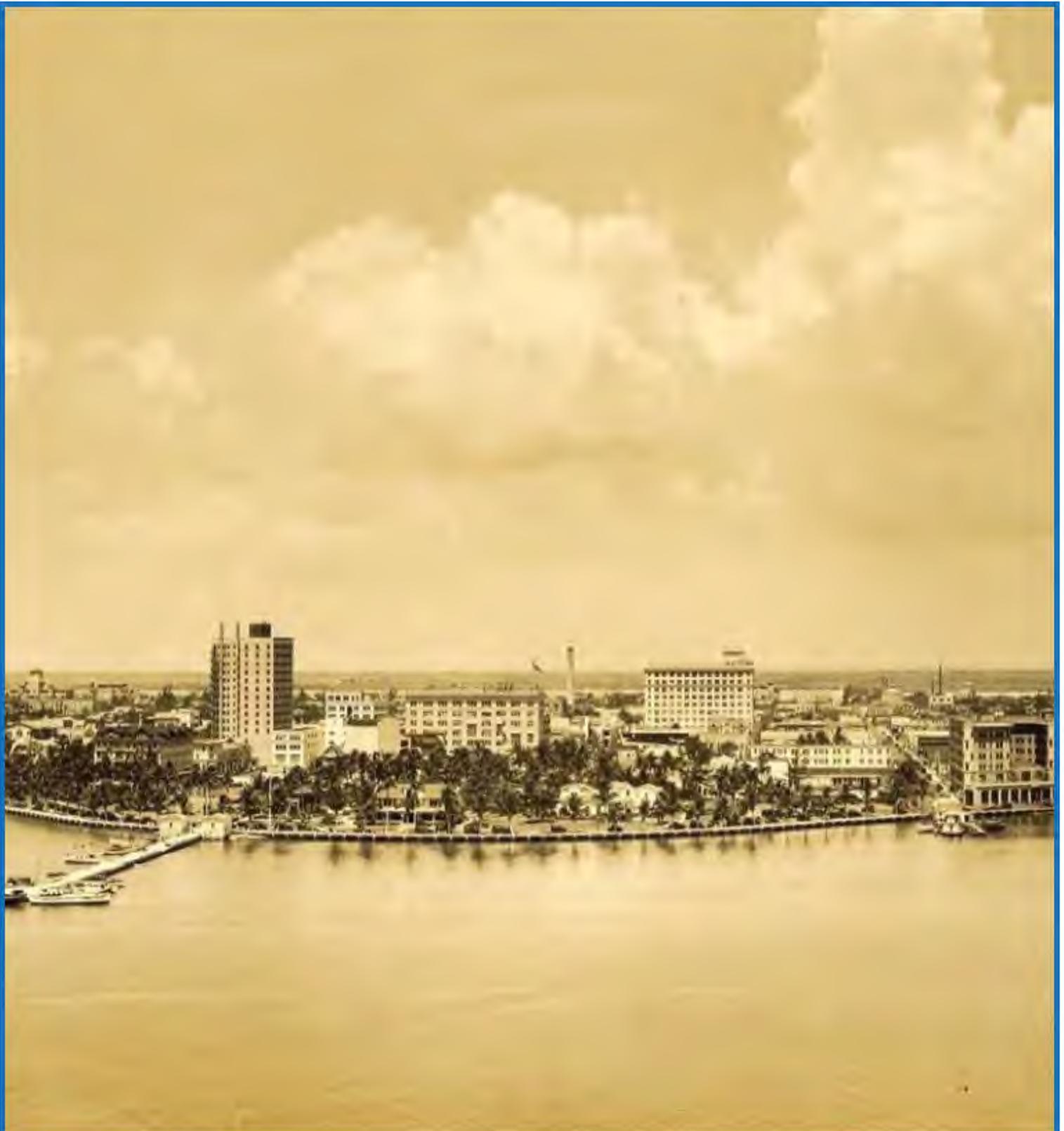
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INTRODUCTORY SECTION



WEST PALM BEACH

March 31, 2020

The Honorable Mayor Keith A. James,
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, 2019. 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, Assistant City 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 has 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); accordingly, this agency is included as a 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 financial accountability.

ECONOMIC CONDITIONS AND OUTLOOK

Since fiscal year 2012 the City's tax base has grown. In 2019, it increased from \$12.7 billion to \$13.6 billion. The pace of growth is somewhat slower than in 2018, but the tax base is at an all-time high level. 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 2.8% this year, which is slower than the past four years when growth averaged 3.3%. This projected average rate of growth for Florida's economy is faster than the average forecasted real GDP growth for the U.S. Economy over the same time frame (2.1%), according to the University of Central Florida's Institute for Economic Competitiveness (IEC).

Housing prices have made substantial progress from the bottom of the housing crisis. During the crisis, median existing home prices fell to a low of \$122,200 but now stand at \$265,000. This ongoing price appreciation continues to improve household balance sheets in Florida.

The fundamental underpinnings of the housing market in Florida continue to strengthen as demographic drivers bode well for continued population growth via the in-migration 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, due to the policies of the current national administration, international immigration is expected to slow. The result was a balanced General Fund budget generating \$194.6 million in revenues offset by \$194.6 million in expenditures and transfers. This is a net 4.4% increase over the prior year budget. The fiscal year 2019 General Fund Balance remains stable at \$35.8 million or 18.4% of expenditures, which is broken down into four categories; Nonspendable, Committed, Assigned and Unassigned.

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 3.1% as of November 2019. 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.

At the City level, improvements in the economy have had an impact on the City's revenues. For the seventh year in a row, ad valorem tax revenues continue to climb from the depths of the recession. In FY 2019, ad valorem tax revenues rose \$4.2 million (5.0%).

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 and eventually lowering the millage rate. The 2019/2020 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 \$194.6 million in revenues offset by \$194.6 million in expenditures and transfers. This is a net 4.4% increase over the prior year budget. The fiscal year 2019 General Fund Balance remains strong at \$35.8 million or 18.4% of expenditures.

The City has also been very careful not to 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 Standard & Poor's.

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 right size 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 goal being the continued achievement of the stated Vision and Mission statements.

Strategic Planning:

The City is currently in the seventh year of implementing a comprehensive strategic plan. This process involves identifying each of the most critical short-term and long-term goals 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 helping to identify funding to ensure that these plans can not only be achieved, but also paid for.

The City has continued to focus on its future over the next fifteen 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 2018 the City unveiled a new Economic Development Study. It identified job growth has been strong in all industries and the job growth is led by professional and health care industries, and includes emerging clusters such as software/IT, and consumer goods manufacturing. The study also highlighted the City's highly competitive business climate with no personal income tax and a relatively low corporate tax rate. Some of the additional takeaways from the study were the City's positive job growth (21%), population growth (7%), the high percentage of jobs filled by non-residents (75%) and increasing migration to the City. The study also noted there were a large number of degrees granted within a twenty-five-mile radius of West Palm Beach.

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. Our City's tax base has gone up consistently, 37 percent in the last five years alone, to 13.6 billion dollars. As a sign that 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. The high-end Bristol Condominium is injecting new energy into the City that, for years, was called the "a sleepy little town." Rosemary Square, formerly known as City Place, is in the midst of a bold new redesign that is being called City Place 2.0.

The demolition of the old City Hall made way for a new destination waterfront hotel and residence, which will be opening in 2020.

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 – 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.

While West Palm Beach undergoes an economic revival, the City is also investing. No world class city would be complete without superior infrastructure. Over the next few years, we are undertaking over 150 capital improvement projects.

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 several new initiatives, including the Violent Crimes Task Force, which is designed to confiscate illegal arms, stop gang activity, and address other acts of violence. The Police Chief's efforts resulted in a dramatic year-over-year decline in homicides of 29%, an 18% decline in violent crimes, and a 4.7% decline in crimes overall. The Police Department is also working to improve its recruiting and retention efforts.

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 the level required. Going forward, we must find ways to be more efficient in providing services 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. The project, which was completed in FY 2019, brought the City's IT infrastructure up to current standards and will prevent disruptions in service. Also, in FY 2019, a financial statement system and an investment system were implemented. The new systems will make the financial 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, Israel 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:

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 Title 2, U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (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, 2018. 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.

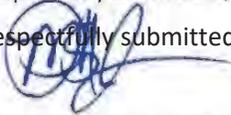
We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

ACKNOWLEDGEMENTS

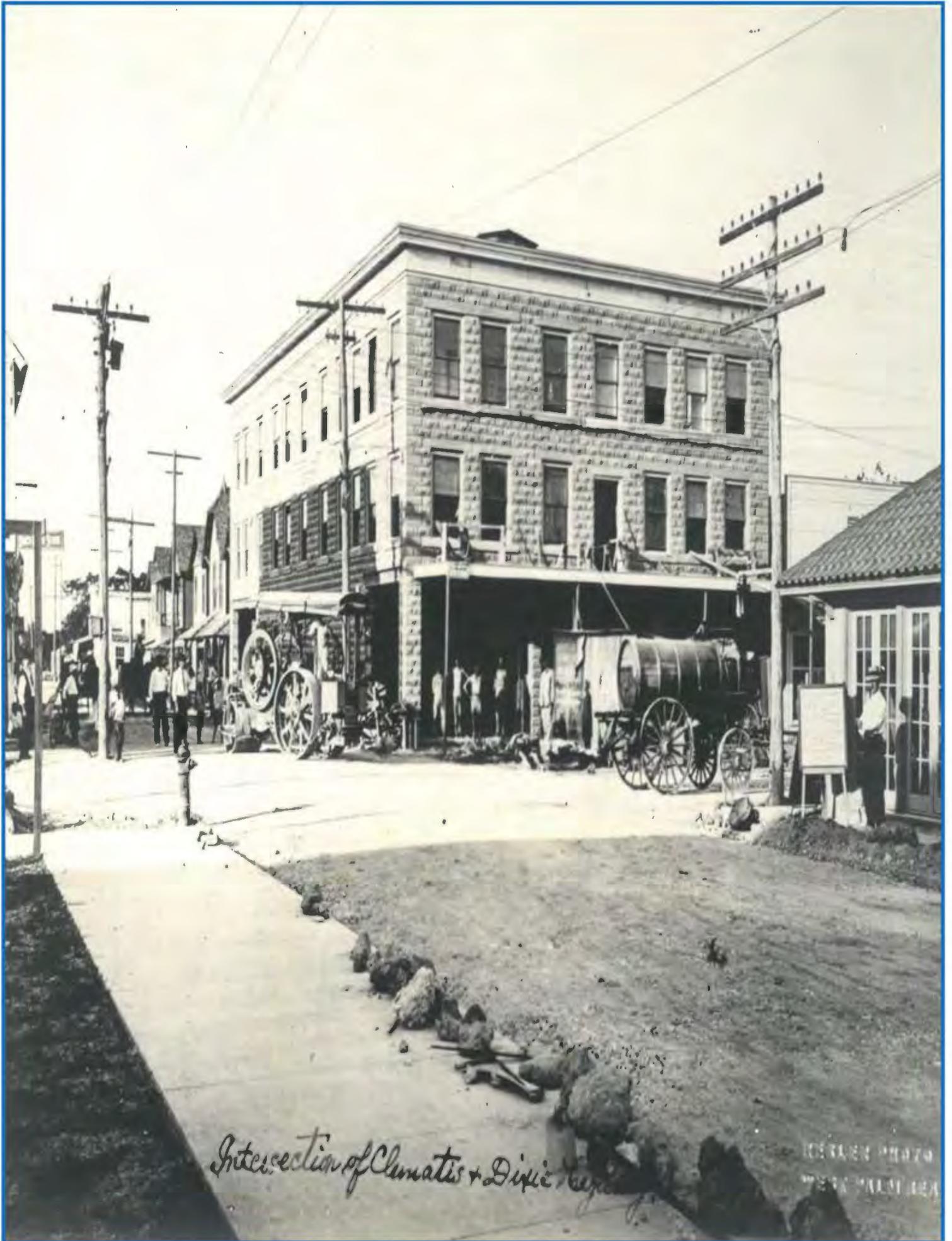
This report represents countless hours of preparation. Many individuals are responsible for its completion. The utmost appreciation is extended to the many City employees throughout the organization who maintain the daily financial records upon which this report is based. Special recognition is given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

Respectfully submitted,

Respectfully submitted,



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



Intersection of Climatis + Dixie

1052111 PHOTO
WEST PALM BEACH



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

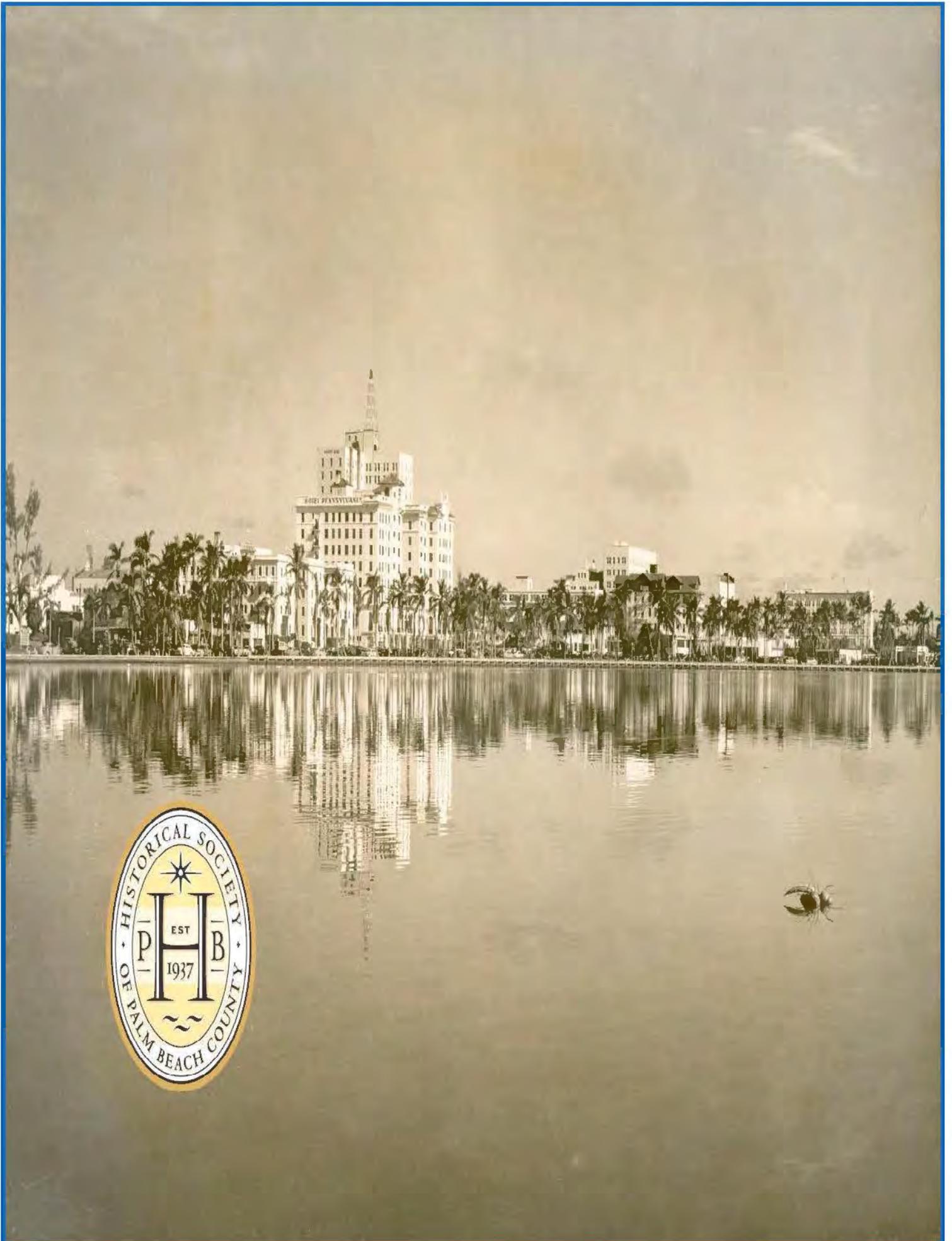
**City of West Palm Beach
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

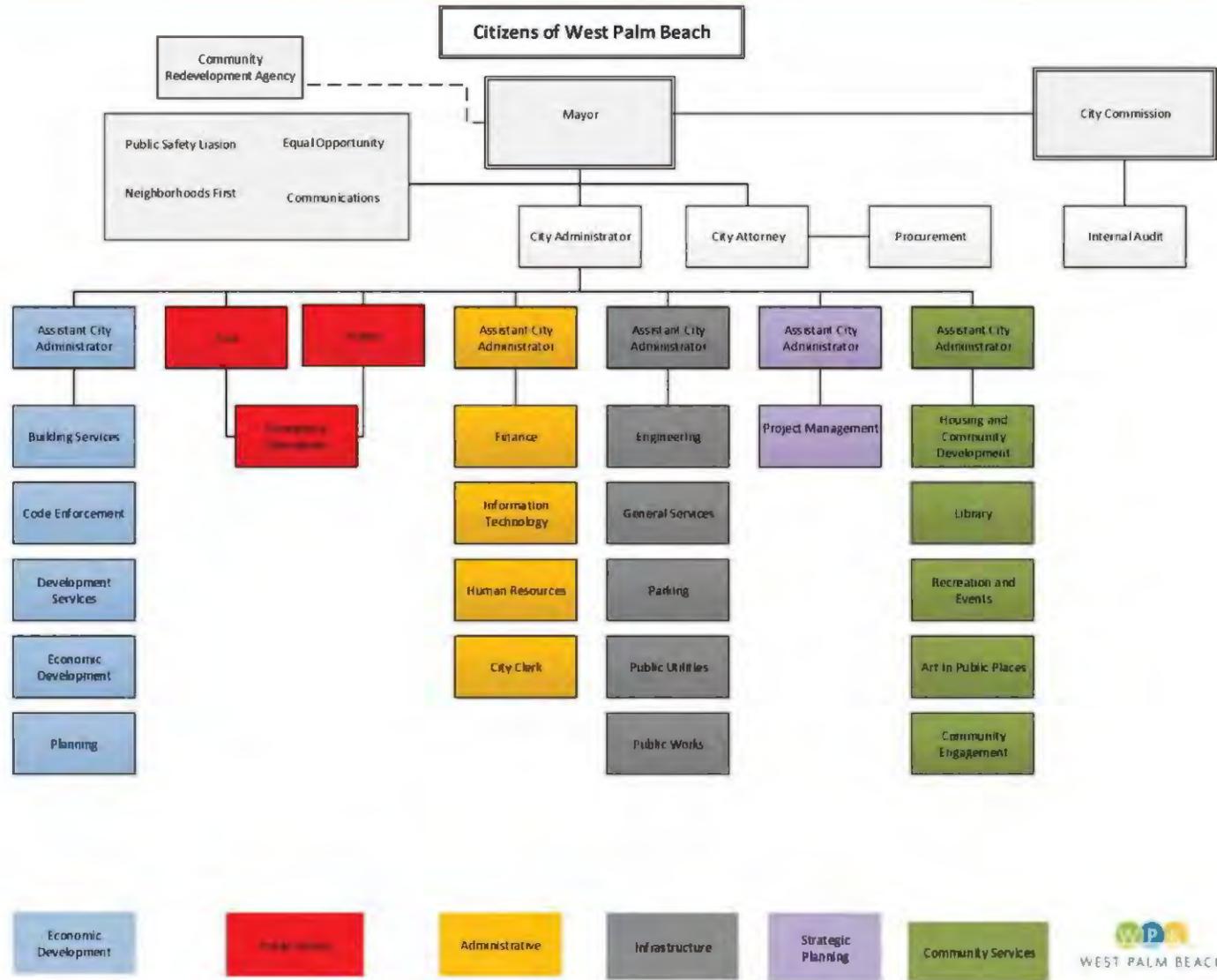
September 30, 2018

Christopher P. Morill

Executive Director/CEO



CITY OF WEST PALM BEACH, FLORIDA ORGANIZATIONAL CHART



CITY OF WEST PALM BEACH, FLORIDA
ELECTED OFFICIALS



Kelly Shoaf
Commissioner, District 1



Keith A. James
Mayor



Cory Neering
Commissioner, District 2



Richard Ryles
Commissioner, District 3



Christina Lambert
Commissioner, District 5
Commission President



Joseph Peduzzi
Commissioner, District 4

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

September 30, 2019

Mayor

Keith A. James

City Administrator

Jeffery L. Green, CPA

**Assistant City Administrator
Scott D. Kelly, PE**

**Assistant City Administrator
Faye W. Johnson, MPA**

**Assistant City Administrator
Armando Fana**

**Assistant City Administrator
Richard E Greene**

**Assistant City Administrator
Christine Brevik**

City Attorney

Kimberly L. Rothenburg

Development Services Director

Vacant

Engineering Director

Kevin Volbrecht

Chief Human Resources Officer

Jose Luis Rodriguez

Chief Financial Officer

Mark A. Parks, Jr.

Chief Technology Officer

Paul L. Jones

Fire Chief

Diana J. Matty

Housing and Community Development Director

Yennifer Ferriol

Internal Auditor

Beverly Masaho

Library Director

Christopher T. Murray

Parks & Recreation Director

Leah Rockwell

Parking System Administrator

Edward Lynn Davis

Police Chief

Franklin C. Adderley

Procurement Director

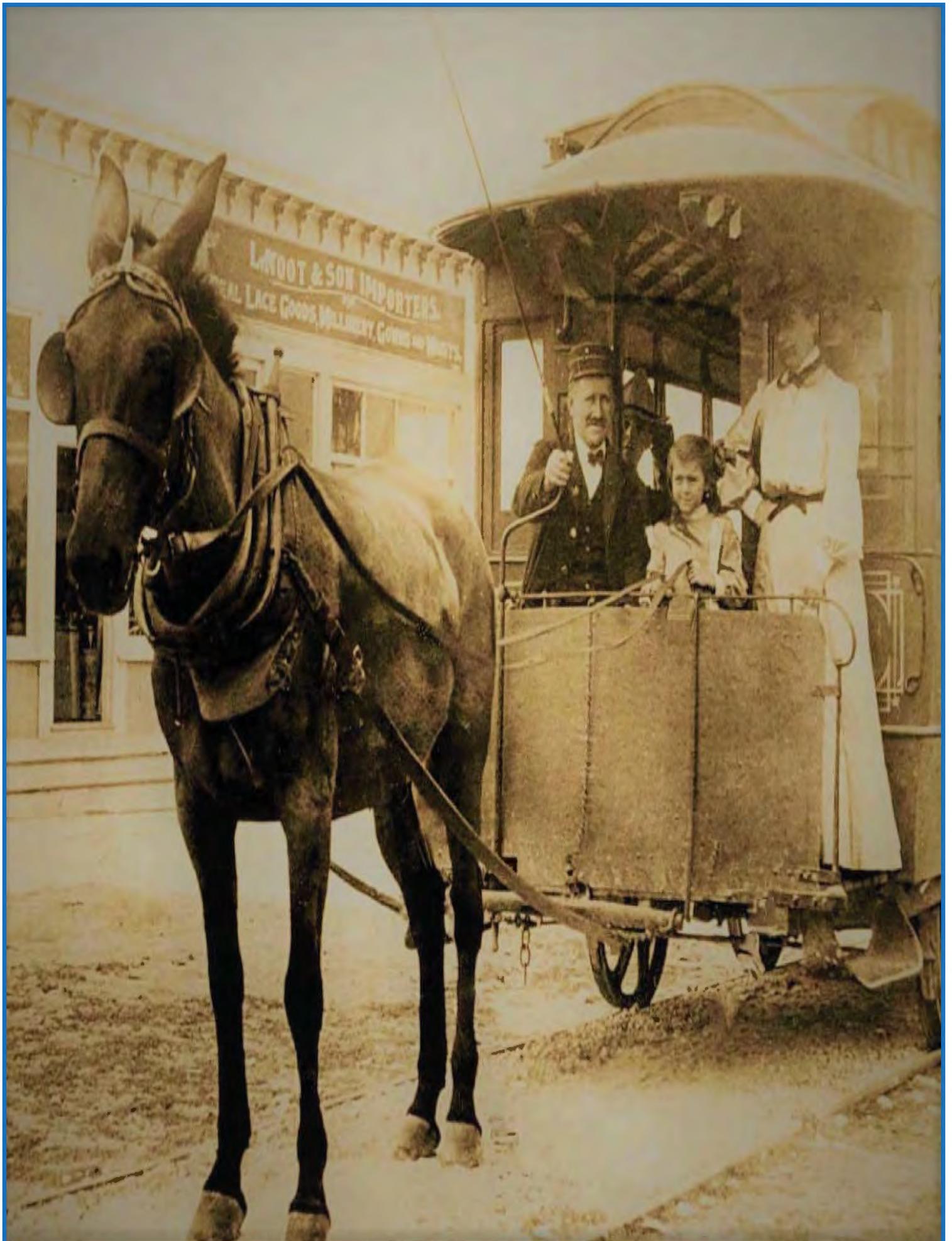
Festus F. Hayden

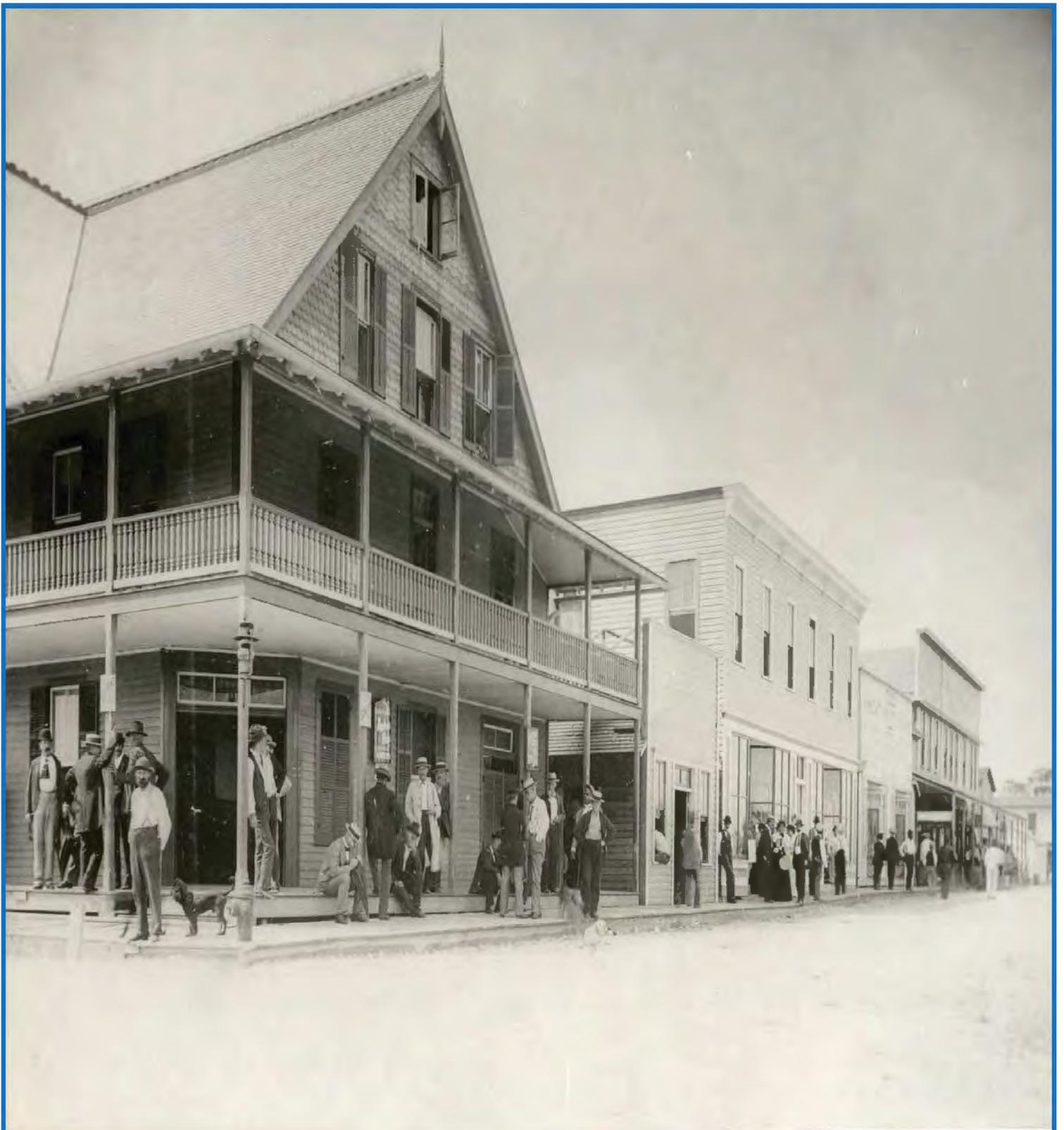
Public Utilities Director

Poonam K. Kalkat

Public Works Director

Joshua B. McDermott





FINANCIAL SECTION



RSM US LLP

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, 2019, 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 77% of the assets/deferred outflows, 80% of the fund balance/net position and 28% 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.

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, 2019, 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.

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 schedule of expenditures of federal awards and state financial assistance, as required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, 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 and the schedule of expenditures of federal awards and state financial assistance 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 and the schedule of expenditures of federal awards and state financial assistance, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

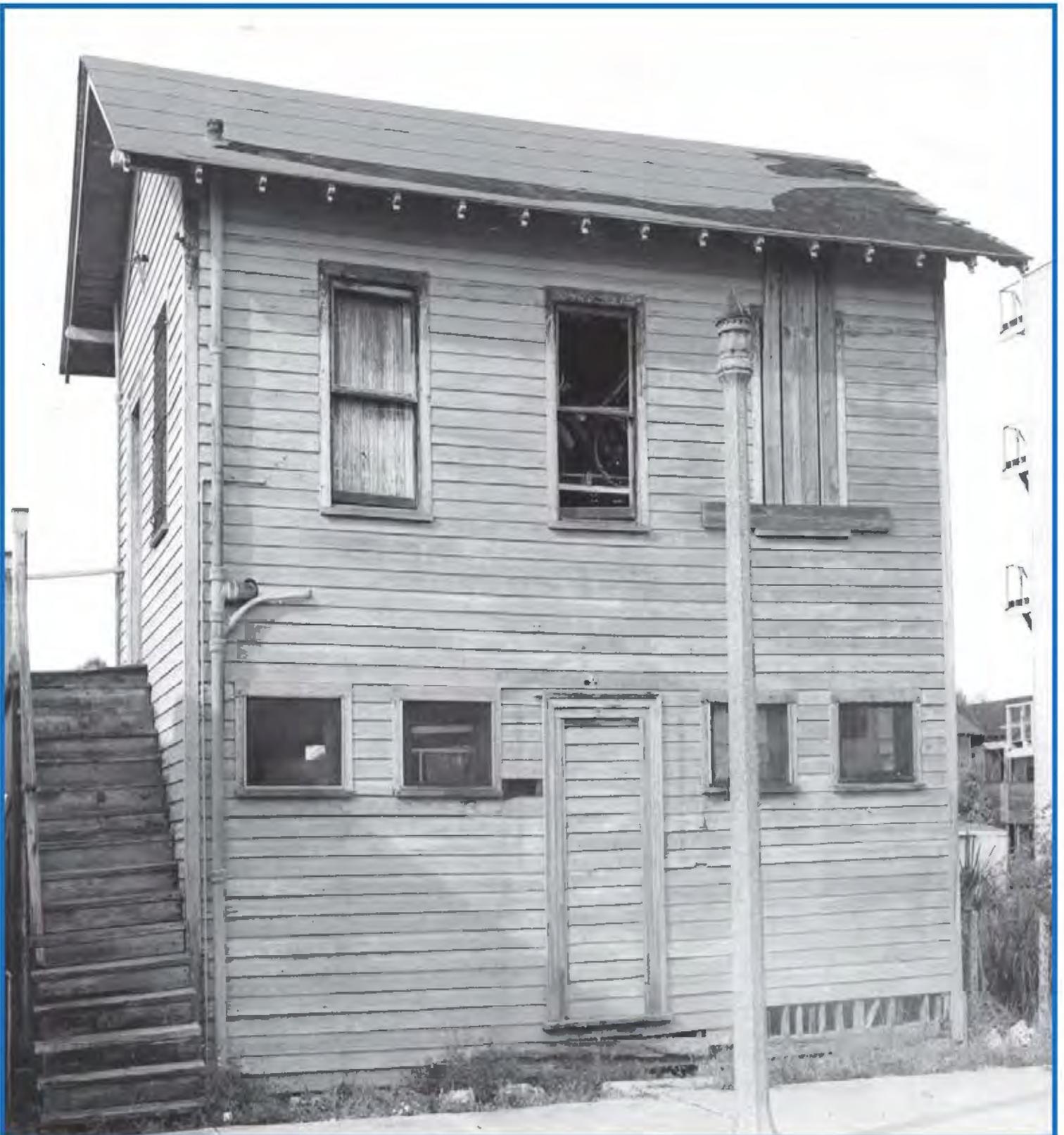
The introductory, statistical and continuing debt disclosure sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated March 31, 2020, 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
March 31, 2020



**MANAGEMENT DISCUSSION AND
ANALYSIS (Unaudited)**

CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(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, 2019.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at the close of fiscal 2019 by approximately \$736.3 million (net position). Of this amount, \$136.5 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 \$53.7 million or 7.9% from the prior year. Most of the increase is attributed to increases in charges for services and other general revenues of \$37.1 million and a reduction in payments for the City's long-term debt.
- At the close of fiscal year 2019, the City's governmental funds reported combined fund balances of \$247.4 million while the enterprise funds reported a combined net position of \$516.9 million.
- The City's total bonds, notes and capital leases increased by \$75.3 million, from \$544.7 million to \$620 million, or approximately 13.8%, reflecting repayments accompanied by the issuance of long-term debt in 2019 totaling \$106.3 million, net of premiums.
- Total spending for all City governmental activities was approximately \$240.4 million, up \$13.4 million from last year. Expenditures for the largest governmental activities were public safety (\$126.6 million), general government (\$19.1 million), economic environment (\$31.4 million) and leisure services (\$28.3 million).
- At the end of fiscal year 2019, the total assigned and unassigned components of fund balance for the General Fund was \$16.1 million, or approximately 9.2% of General Fund expenditures. The General Fund balance also included \$16.1 million committed for emergencies (10% of adjusted operating revenues as required by City ordinance) and another \$3.6 million of non-spendable balances.

Overview of the Financial Statements

Basic Financial Statements:

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. These 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 that is similar in form to a private-sector business.

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.

CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(UNAUDITED)

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 inter-governmental 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 the 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:

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.

Financial statements of the governmental funds consist of a Balance Sheet and a Statement of Revenue, Expenditures, and Changes in Fund Balances. These statements are prepared using a basis of accounting which differs from that used to prepare the government-wide financial statements. Financial statements of the governmental funds focus primarily on the sources, uses and balances of current financial resources and use the modified accrual basis of accounting. These financial statements have a short-term emphasis, and generally measure and account for cash and other assets that can easily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general governmental operations to account for available financial resources and demonstrate fiscal accountability. Governmental fund information helps illustrate the extent of financial resources that are available for expenditure on City programs. Reconciliations of the differences between the government-wide and fund financial statements are provided immediately after the *Balance Sheet-Governmental Funds* and *Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds*, respectively, in the *Basic Financial Statements*.

Funds that are significant in terms of revenues, expenditures, assets or liabilities are identified as major funds in the Basic Financial Statements and reported separately. The City's non-major funds are presented in the Combining and Individual Fund Statements section of this report.

**CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(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 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, 2019
(UNAUDITED)

Government-Wide Financial Analysis:

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and inter-governmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the City include general government, public safety, public works, economic environment, engineering, health and sanitation and leisure services. The business-type activities of the City are the water and sewer system, stormwater utility, parking and golf facilities. In accordance with the Governmental Accounting Standards Board criteria for inclusion in the reporting entity, the City has no discretely presented component units that must be separately presented in this report.

Total assets of the City as of the end of the current fiscal year increased by \$126.3 million or 92.%. The increase is attributed to the addition of capital assets, net of retirements and depreciation coupled with cash proceeds from new debt issuances in the current fiscal year.

The City reported an increase in deferred outflows of resources of \$13.4 million or 23.1%. The increase is attributable to the \$4.4 million increase over last year in the net pension and OPEB asset (liability) for the respective plans and by a \$9.8 million increase in the fair market value of the interest rate swap.

Total liabilities rose by \$82 million or 11.7%, primarily due to new debt issuances totaling \$106.3 million plus \$18.9 million in premiums less the refunding of previously outstanding debt of \$24.3 million and \$10 million in annual debt service payments.

Deferred inflows of resources increased by \$2.7 million, almost entirely due to the rise in the net pension and OPEB liability. The City's net investment in capital assets such as land, roads, parks, buildings, machinery and equipment, rose to \$437.2 million from \$429.6 million in fiscal year 2018. These capital investments represent 59.4% and 62.9% of net position as of September 30, 2019 and 2018, respectively. These asset values are presented less any outstanding debt related to the acquisition and accumulated depreciation of those assets. The 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 \$162.7 million or 22.1% which represents resources that are subject to constraints such as debt covenants, grantors, laws or regulations. Unrestricted net position of approximately \$136.8 million or 18.6%, 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, 2019
(UNAUDITED)**

Governmental Activities – Net Position

The 2019 net position of \$219.3 million is comprised of \$163.9 million net investment in capital assets, \$58.6 million in restricted net position and \$(3.2) million unrestricted deficit.

During the current fiscal year, positive economic conditions resulted in higher property values, increased consumer spending and investment gains. Increased tax revenues and interest income resulted to the net increase in the current year's net position by \$17.3 million.

Business-Type Activities – Net Position

The 2019 net position of \$519.9 million is comprised of \$273.2 million net investment in capital assets, a \$104 million restricted net position and a \$139.7 million unrestricted net position.

The net investment in capital assets increased from the previous year by \$7.4 million largely due to new additions, net of related depreciation of \$3.9 million, and the reduction of outstanding long-term debt which was used to acquire the assets of \$3.5 million.

Restricted net position increased by \$9.5 million to comply with the City's debt service requirements while the unrestricted net position increased by \$19.5 million.

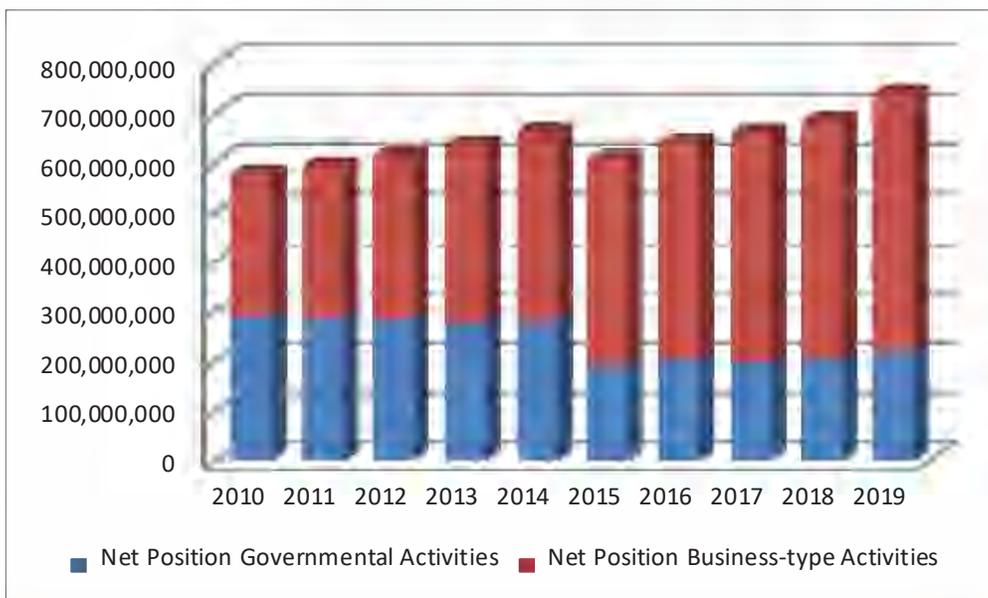
**CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(UNAUDITED)**

The following table provides a comparative analysis of the City’s net position for the fiscal years ended September 30, 2019 and 2018.

**Condensed Statement of Net Position
(in thousands)**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 315,564	\$ 232,567	\$ 321,329	\$ 296,195	\$ 636,893	\$ 528,762
Internal balances	-	620	-	(620)	-	-
Capital assets, net	361,866	350,790	493,016	486,320	854,882	837,110
Total assets	<u>677,430</u>	<u>583,977</u>	<u>814,345</u>	<u>781,895</u>	<u>1,491,775</u>	<u>1,365,872</u>
Total deferred outflows of resources	<u>44,128</u>	<u>40,183</u>	<u>27,148</u>	<u>17,701</u>	<u>71,276</u>	<u>57,884</u>
Current liabilities	22,855	27,288	25,409	22,049	48,264	49,337
Long-term debt and other non-current liabilities	447,156	365,358	298,837	296,688	745,993	662,046
Total liabilities	<u>470,011</u>	<u>392,646</u>	<u>324,246</u>	<u>318,737</u>	<u>794,257</u>	<u>711,383</u>
Total deferred inflows of resources	<u>32,218</u>	<u>29,483</u>	<u>313</u>	<u>341</u>	<u>32,531</u>	<u>29,824</u>
Net investment in capital assets	163,944	163,730	273,228	265,866	437,172	429,596
Restricted	58,602	56,027	103,978	94,436	162,580	150,463
Unrestricted (deficits)	(3,217)	(17,726)	139,728	120,216	136,511	102,490
Total net position	<u>\$ 219,329</u>	<u>\$ 202,031</u>	<u>\$ 516,934</u>	<u>\$ 480,518</u>	<u>\$ 736,263</u>	<u>\$ 682,549</u>

Net Position of the Past 10 Years



CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(UNAUDITED)

The City as a Whole

The City reported total revenues of \$396.6 million, which represents in part, \$195.1 million in charges for services and \$151.6 million in property and other taxes. Total expenses were \$ 342.5 million. As shown below, both revenues and expenses increased during the current fiscal year by \$37.6 million and \$7.2 million, respectively. The majority of the increase in revenues is attributed to the increase in charges for services of \$19.3 million, while property and other taxes went up by \$6.9 million. Interest income also increased over the prior fiscal year by \$9.6 million. The overall increase in expenses is primarily attributed to the increased costs of providing 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 \$247.1 million, include \$57.9 million in charges for services and \$158.5 million in property, state shared and local taxes.

For the current year, the City's governmental revenues increased \$21.8 million or 9.7%. Charges for services and other revenues, except for capital grants and contributions, increased from the prior year. There was no change in capital grants and contributions during the current fiscal year compared to the prior year.

The cost of all governmental activities during the current fiscal year was \$240.4 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 \$103.4 million. This is because \$57.9 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 of \$22 million. The City paid for the remaining "public benefit" portion of governmental activities with other 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 \$149.5 million, includes an increase of \$15.8 million or 11.8% over the prior fiscal year. Charges for services went up by \$10.1 million, while, interest and miscellaneous income increased up by \$6.5 million. Capital contributions decreased by \$(0.8) million. Increases are derived from increased consumption of utility services and a slight increase in rate charges. Favorable market conditions also resulted significant gains on investments during the current fiscal year.

The business-type activities reported expenses totaling \$102.1 million, down by \$6.2 million or 5.7% from the previous fiscal year. Expenses year over year were fairly flat, except for the prior year impairment of the ECR joint venture by \$5.9 million.

CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(UNAUDITED)

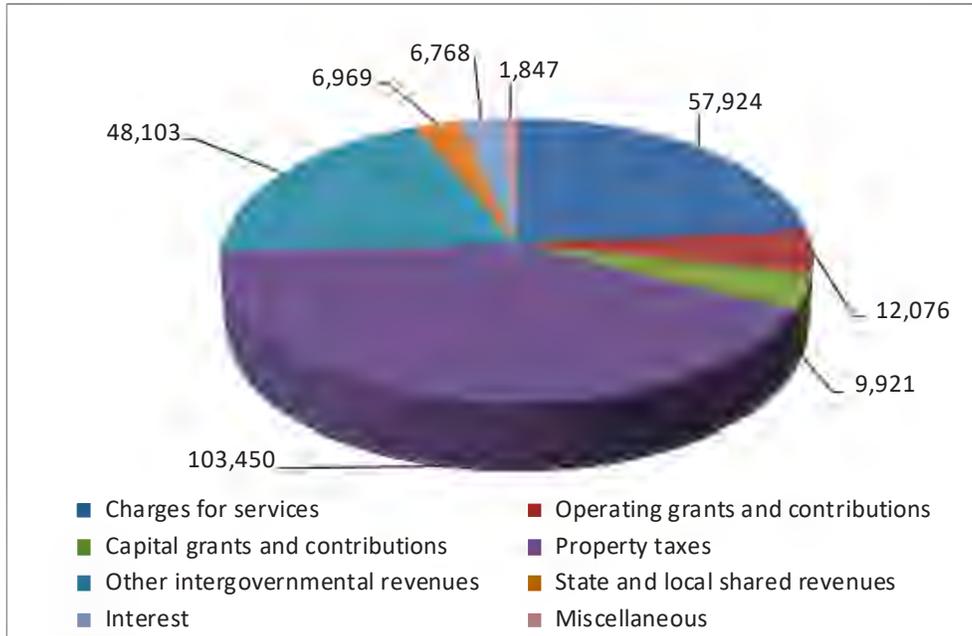
The following table provides a comparative analysis of the City's changes in net position for the fiscal years ended September 30, 2019 and 2018:

Combined Schedule of Changes in Net Position
For the Fiscal Years Ended
September 30, 2019 and 2018
(in thousands)

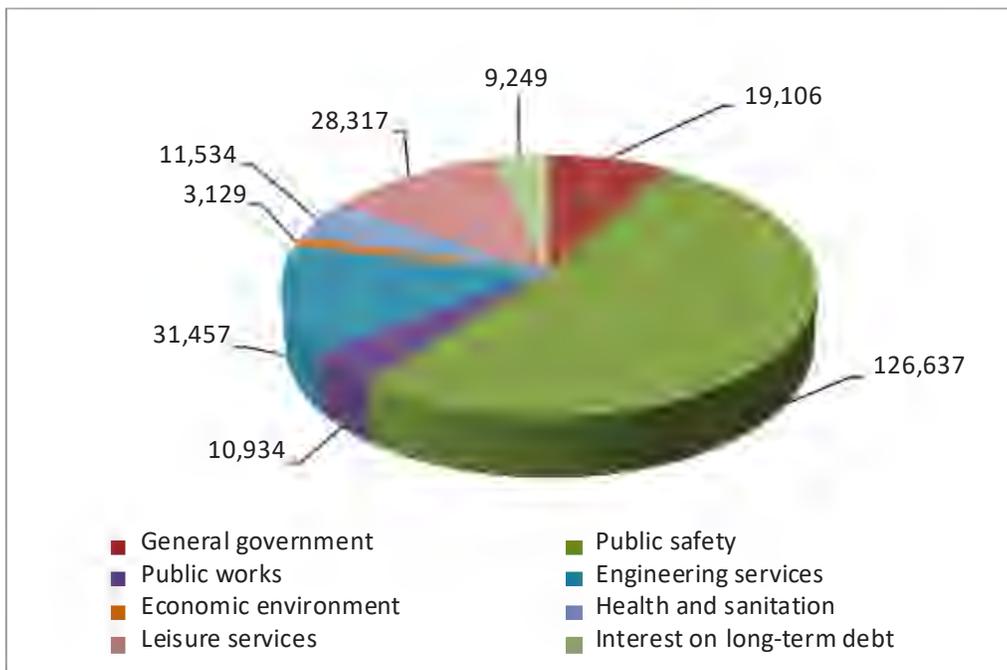
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 57,924	\$ 48,648	\$ 136,815	\$ 127,140	\$ 194,739	\$ 175,787
Operating grants and contributions	12,076	12,517	-	-	12,076	12,517
Capital grants and contributions	9,834	9,432	2,433	3,259	12,267	12,691
General revenues:						
Property taxes	103,450	96,783	-	-	103,450	96,783
Other taxes	48,103	47,834	-	-	48,103	47,834
Grants and contributions	-	-	-	-	-	-
State and local shared revenues	6,969	6,448	-	-	6,969	6,448
Interest income	6,768	2,160	7,328	2,313	14,096	4,473
Miscellaneous	1,847	1,417	2,536	1,037	4,383	2,454
Total Revenues	<u>246,971</u>	<u>225,240</u>	<u>149,112</u>	<u>133,749</u>	<u>396,083</u>	<u>358,988</u>
Expenses:						
Governmental Activities:						
General government	19,106	27,682	-	-	19,106	27,682
Public safety	126,637	115,720	-	-	126,637	115,720
Public works	10,934	6,335	-	-	10,934	6,335
Economic environment	31,457	28,104	-	-	31,457	28,104
Engineering services	3,129	3,137	-	-	3,129	3,137
Health and sanitation	11,534	11,335	-	-	11,534	11,335
Leisure services	28,317	25,932	-	-	28,317	25,932
Interest on long-term debt	9,249	8,747	-	-	9,249	8,747
Business-Type Activities:						
Water and sewer	-	-	82,729	90,033	82,729	90,033
Stormwater	-	-	11,157	10,342	11,157	10,342
Parking system	-	-	6,357	6,463	6,357	6,463
Golf course	-	-	1,763	1,407	1,763	1,407
Total Expenses	<u>240,363</u>	<u>226,993</u>	<u>102,006</u>	<u>108,245</u>	<u>342,369</u>	<u>335,238</u>
Increase (decrease) in net position before transfers and special item	6,608	(1,753)	47,106	25,503	53,714	23,750
Transfers	11,091	9,632	(11,091)	(9,632)	-	-
Special Item:						
Forgiveness of advance to other fund	(401)	-	401	-	-	-
Increase (decrease) in net position	<u>17,298</u>	<u>7,879</u>	<u>36,416</u>	<u>15,872</u>	<u>53,714</u>	<u>23,750</u>
Net position - beginning of year, as previously reported	202,031	200,462	480,518	464,646	682,549	665,108
Restatement for implementation of GASB Statement No. 75	-	(6,310)	-	-	-	(6,310)
Net position at beginning of year, as restated	<u>202,031</u>	<u>194,153</u>	<u>480,518</u>	<u>464,646</u>	<u>682,549</u>	<u>658,799</u>
Net position - ending	<u>\$ 219,329</u>	<u>\$ 202,031</u>	<u>\$ 516,934</u>	<u>\$ 480,518</u>	<u>\$ 736,263</u>	<u>\$ 682,549</u>

**CITY OF WEST PALM BEACH, FLORIDA
 MANAGEMENT DISCUSSION AND ANALYSIS
 SEPTEMBER 30, 2019
 (UNAUDITED)**

The chart below shows the revenues by source for the City’s governmental activities during fiscal year 2019:



The chart below shows the components of the expenses by function for the City’s governmental activities for the fiscal year ended September 30, 2019:



CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(UNAUDITED)

Financial Analysis of Funds

Unlike the government-wide financial statements, the fund financial statements focus on specific City activities rather than the City as a whole. The City uses specific funds to maintain managerial control over resources or to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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 \$35.8 million; \$16.1 million was committed for the emergency reserve, \$4 million was assigned to the 2019-2020 budget and \$3.6 million was non-spendable and the remaining \$12.1 million was unassigned. General Fund expenditures increased by \$10 million primarily due to increased public safety and leisure services expenses. Capital outlay expenditures also rose by \$2.2 million, reflecting in part enhancements to the City's downtown area through streetscape and other road improvements. The increases are primarily attributed to the City's commitment to provide quality police and fire protection, as well as new community programs and activities to keep its citizens engaged.

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 of fiscal year 2019, the total fund balance represented 20.1% of total General Fund expenditures.

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.

General Operating Budgetary Highlights

Budget and actual comparison statements are presented in the required supplementary information for the General Fund and all major special revenue funds with annually appropriated budgets. Budget and actual comparison schedules are also provided in the Combining and Individual Fund Statements and Schedules section for all major capital and non-major funds with annually appropriated budgets. The budget and actual comparison statements and schedules show the original adopted budget, the final revised budget, actual results and a variance between the final budget and actual results. There were no funds with total actual expenditures in excess of the final revised budget. After the original budget is approved, it may be revised for a variety of reasons such as unforeseen circumstances, corrections of errors, new bond or loan proceeds, new grant awards and other revenues.

The City's Budget staff, within the Finance Department, helps to ensure that budget revenues and expenditures are estimated each year using a comprehensive process involving multiple stakeholders to yield the most reasonable and accurate revenue estimates. The process 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.

CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(UNAUDITED)

The General Fund budget was estimated to generate \$175.1 million in revenues to offset \$200.1 million in expenditures and the use of a portion of the prior year’s fund balance and proceeds of sale of capital assets.

Total General Fund expenditures of \$189.8 million (including encumbrances of \$2.9 million and \$14.7 million in administrative costs) were lower than the final fiscal year 2019 budget by about \$10.3 million.

All expenditure categories were lower than budgeted, although public works expenditures had the largest positive variance of \$2.8 million as street repair expenses incurred during FY 2019 were less than anticipated.

Capital Assets and Debt Administration

Capital Assets: The City’s capital assets for its governmental and business-type activities as of September 30, 2019 totaled \$854.9 million (net of accumulated depreciation). The net investment in capital assets was \$437.2 million, an increase of \$7.6 million from the 2018 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.

The following table compares the City’s capital assets from 2018 to 2019:

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2019	2018	2019	2018	2019	2018
Land	\$ 85,051	\$ 82,403	\$ 10,313	\$ 10,399	\$ 95,364	\$ 92,802
Buildings	136,590	133,822	22,797	24,880	159,387	158,702
Improvements other than buildings	77,217	80,481	-	-	77,217	80,481
Equipment	23,045	29,445	5,098	5,097	28,143	34,542
Intangible Assets	513	558	-	-	513	558
Infrastructure	186	473	396,988	388,558	397,174	389,031
Construction in progress	39,265	23,608	57,821	57,385	97,086	80,993
Total	\$ <u>361,867</u>	\$ <u>350,790</u>	\$ <u>493,017</u>	\$ <u>486,319</u>	\$ <u>854,884</u>	\$ <u>837,109</u>

**CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(UNAUDITED)**

The following chart compares the City’s capital assets from 2018 to 2019:



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

Governmental Activities:

- Clematis streetscape improvements, \$10.2 million
- Fire Station 8, \$2.4 million
- Police Department Building Improvements, \$1.1 million

Business-type Activities:

- Water treatment plant improvement, \$3.2 million
- 42” and 48” PCCP Force Main improvement, \$1 million
- Water Main improvements on 31st, 32nd, 33rd, 45th Streets, \$2.6 million
- Reinstate settled water flume bypass, \$2.3 million
- Northwood rail utility relocation – phase II, \$1.8

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

Long-term debt: Of the \$746.1 million in non-current liabilities, \$574 million is in the form of bonded debt. Of this, \$1.5 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. \$275.1 million is secured by water, sewer and storm water fees and \$188.6 million is secured by covenants to budget and appropriate from legally available non-ad valorem revenues. The CRA’s \$110.2 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, 2019
(UNAUDITED)

The City's total of bonds, notes payable and leases rose only marginally during the current fiscal year as repayments largely offset the addition of one new capital lease to purchase a variety of city vehicles.

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.

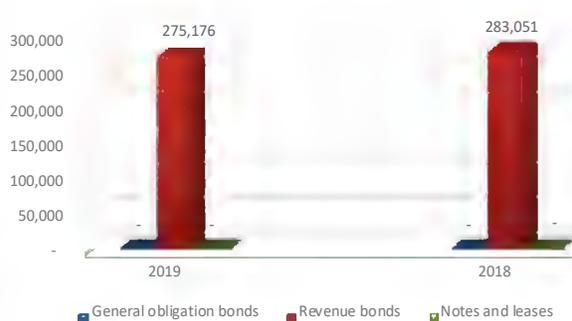
CITY OF WEST PALM BEACH
Schedule of Bonded Debt, Notes and Leases
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 1,525	\$ 2,985	\$ -	\$ -	\$ 1,525	\$ 2,985
General obligation bond premiums	3	8	-	-	3	8
Revenue bonds	266,106	205,339	257,745	264,185	523,851	469,524
Revenue bonds premiums	31,226	14,142	17,431	18,866	48,657	33,008
Total bonds	298,860	222,473	275,176	283,051	574,036	505,525
Notes and leases	45,909	39,144	-	-	45,909	39,144
Total bonds, notes and leases	\$ 344,769	\$ 261,617	\$ 275,176	\$ 283,051	\$ 619,945	\$ 544,669

Governmental Activities



Business-Type Activities



Additional information on the City's long term debt can be found in Note H of this report.

CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(UNAUDITED)

Economic Factors and Outlook

The City's next year's budget is consistent with maintaining services to its citizens without raising the millage rate. During 2019, the City's tax base continued the upward trend in property values as it experienced positive economic growth. The financial planning strategy includes using debt proceeds from the 2019 debt issuances to provide various road and park improvements. 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.

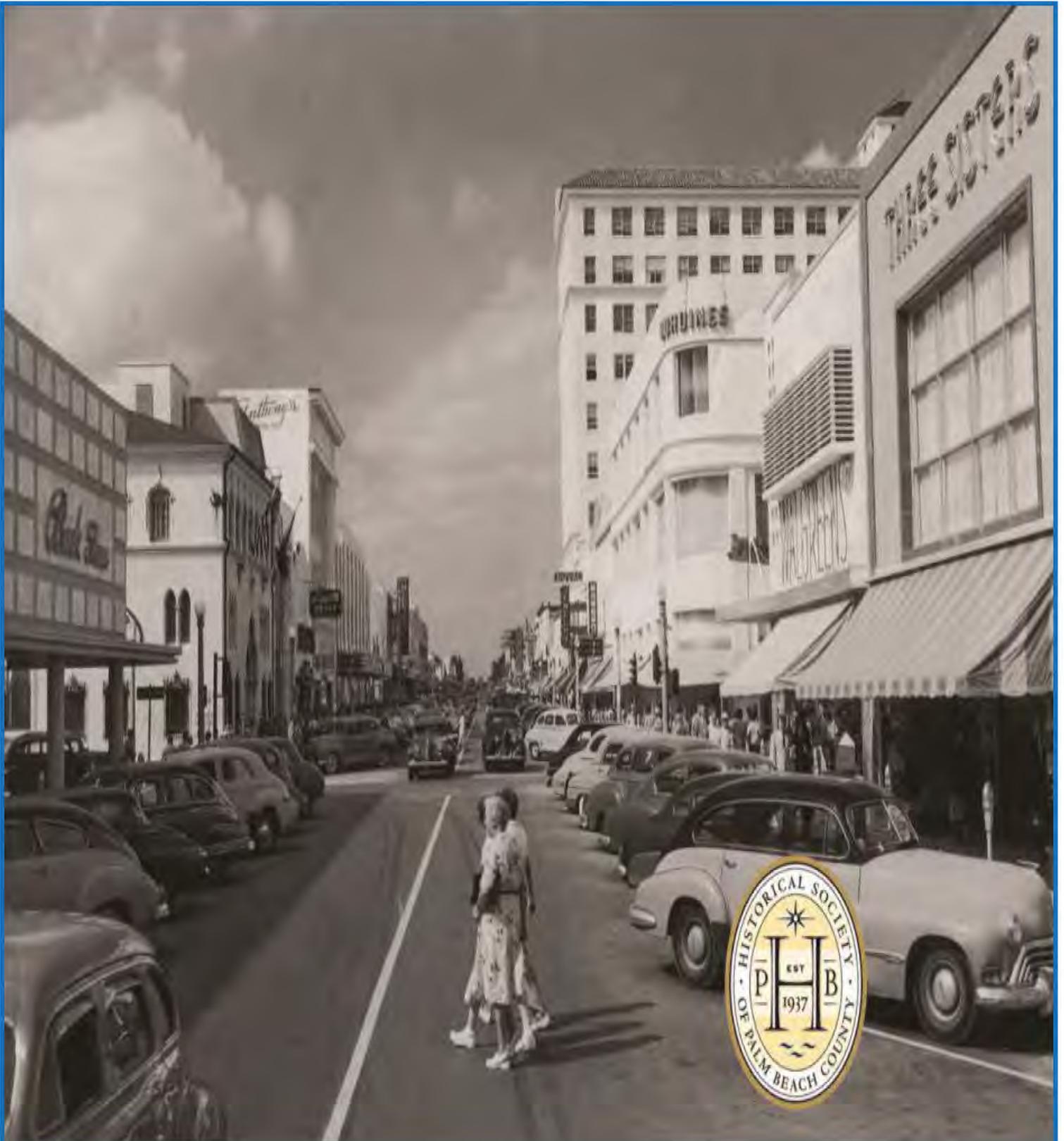
The City considered the following key measures in developing its fiscal year 2020 budget:

- The continued growth in the City's resident population from 112,906 in fiscal year 2018 to 115,176 in fiscal year 2019.
- The continued increase in employment are job growth and the decrease in the unemployment rate. The job market in Florida continues to grow at steady rates, with a 3.7% growth rate for non-farm employment for the third quarter of 2019 compared to the same period last year a 3.4%. The City's unemployment rate is consistent with the Florida's which is now below the "full employment" unemployment rate (assumed to be about 3.2% as of September 2019).
- Total building permits were 11.5% higher than the same period last year, with the portion attributed to residential construction up by 44.2.
- Overall the housing market continues to show a steady increase, although somewhat slowing from the stronger growth enjoyed over the past few years
- Tourism is a major component of the City's economy and continues to show its strength. The forecast for fiscal year 2020 expects this trend to continue with domestic and international visitors contributing to the growth.
- The City's highly competitive business climate with no personal income tax and a relatively low corporate tax rate.
- Utility rates are expected to rise as previously approved rate increases for water, wastewater and storm water services are effective October 1, 2019.
- The anticipated approval of the 2020 general obligation bond issuance to fund the improvements of the City's parks and recreational facilities.

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 STATEMENT

CITY OF WEST PALM BEACH, FLORIDA
BASIC FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 66,773,183	\$ 30,268,265	\$ 97,041,448
Investments	105,426,899	47,925,246	153,352,145
Receivables, net			
Accounts	12,243,106	12,135,205	24,378,311
Interest	534,428	386,448	920,876
Notes	2,631,422	-	2,631,422
Liens and assessments	298,046	1,597,421	1,895,467
Due from other governments	4,657,454	961,385	5,618,839
Inventory	475,752	615,245	1,090,997
Land held for resale	5,442,306	-	5,442,306
Prepaid items	1,053,256	27,339	1,080,595
Advances to defined benefit pension plan	3,201,380	-	3,201,380
Restricted assets:			
Cash and cash equivalents	92,813,879	71,331,403	164,145,282
Investments	14,244,886	113,017,950	127,262,836
Interest on restricted cash and investments	140,987	332,928	473,915
Net pension asset	3,999,604	459,017	4,458,621
Investment in joint venture	1,624,827	42,135,496	43,760,323
Bond insurance costs, net	2,673	134,750	137,423
Capital assets:			
Nondepreciable	124,315,696	68,133,896	192,449,592
Depreciable, net of accumulated depreciation	<u>237,550,771</u>	<u>424,882,595</u>	<u>662,433,366</u>
Total assets	\$ <u>677,430,555</u>	\$ <u>814,344,589</u>	\$ <u>1,491,775,144</u>
DEFERRED OUTFLOW OF RESOURCES:			
Deferred outflow - interest rate swap	\$ -	\$ 20,585,017	\$ 20,585,017
Deferred outflow - loss on debt refunding	832,354	6,182,312	7,014,666
Deferred outflow - pension	41,398,522	96,893	41,495,415
Deferred outflow - OPEB	<u>1,896,738</u>	<u>283,421</u>	<u>2,180,159</u>
Total deferred outflow of resources	\$ <u>44,127,614</u>	\$ <u>27,147,643</u>	\$ <u>71,275,257</u>

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, 2019

	Governmental Activities	Business-Type Activities	Total
LIABILITIES:			
Accounts payable and accrued liabilities	\$ 19,317,242	\$ 10,685,109	\$ 30,002,351
Due to other governments	112,555	14,537	127,092
Unearned revenues	2,380,958	-	2,380,958
Accrued interest payable	152,627	4,507,420	4,660,047
Deposits payable	891,834	10,201,538	11,093,372
Due within one year:			
Compensated absences payable	9,023,162	1,590,569	10,613,731
Capital leases payable	4,540,131	-	4,540,131
Notes payable	3,719,242	-	3,719,242
Bonds payable	9,195,601	6,695,000	15,890,601
Insurance claims payable	3,898,548	-	3,898,548
Due in more than one year:			
Unearned revenues	-	348,004	348,004
Compensated absences payable	9,107,990	1,056,203	10,164,193
Capital leases payable	10,831,343	-	10,831,343
Notes payable	26,817,945	-	26,817,945
Bonds payable	289,685,780	268,481,166	558,166,946
Interest rate swap	-	20,585,017	20,585,017
Insurance claims payable	8,041,159	-	8,041,159
Net pension liability	71,752,093	-	71,752,093
Net OPEB liability	542,656	81,087	623,743
Total liabilities	\$ 470,010,866	\$ 324,245,650	\$ 794,256,516
DEFERRED INFLOW OF RESOURCES:			
Deferred inflows - pension	\$ 31,844,117	\$ 257,623	\$ 32,101,740
Deferred inflows - OPEB	373,444	55,802	429,246
Total deferred inflow of resources	\$ 32,217,561	\$ 313,425	\$ 32,530,986
NET POSITION:			
Net Investment in capital assets	\$ 163,944,270	\$ 273,227,722	\$ 437,171,992
Restricted for:			
Operation and maintenance	-	13,041,759	13,041,759
Debt service	365,109	20,786,160	21,151,269
Capital improvements	26,119,713	-	26,119,713
Renewal and replacement	-	61,013,186	61,013,186
Developer impact fund	-	8,677,602	8,677,602
Grants	7,357,913	-	7,357,913
Pension	3,999,604	459,017	4,458,621
Community development	2,662,671	-	2,662,671
Building code enforcement	18,097,004	-	18,097,004
Unrestricted (deficit)	(3,216,542)	139,727,711	136,511,169
Total net position	\$ 219,329,742	\$ 516,933,157	\$ 736,262,899

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, 2019

FUNCTIONS/PROGRAMS:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 19,106,074	\$ 13,734,639	\$ 5,051,030	\$ 8,126,122
Public safety	126,636,687	12,165,961	2,739,789	-
Public works	10,934,294	-	-	-
Economic environment	31,457,347	13,067,831	4,172,485	1,708,312
Engineering services	3,128,998	985,361	-	-
Health and sanitation	11,533,716	15,755,272	-	-
Leisure services	28,316,865	2,215,293	112,943	-
Interest and fiscal charges	9,248,967	-	-	-
Total governmental activities	240,362,948	57,924,357	12,076,247	9,834,434
Business-type activities:				
Water and sewer system fund	82,729,358	114,827,903	-	2,432,406
Stormwater utility fund	11,156,502	14,273,783	-	-
Parking facilities fund	6,356,902	7,707,766	-	-
West palm beach golf course fund	1,762,841	4,500	-	-
Total business-type activities	102,005,603	136,813,952	-	2,432,406
Total	\$ 342,368,551	\$ 194,738,309	\$ 12,076,247	\$ 12,266,840

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

Special Item:

- Forgiveness of advance to other fund

Change in net position

Net position - beginning of year

Net position - 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
\$ 7,805,717	\$ -	\$ 7,805,717
(111,730,937)	-	(111,730,937)
(10,934,294)	-	(10,934,294)
(12,508,719)	-	(12,508,719)
(2,143,637)	-	(2,143,637)
4,221,556	-	4,221,556
(25,988,629)	-	(25,988,629)
(9,248,967)	-	(9,248,967)
<u>(160,527,910)</u>	<u>-</u>	<u>(160,527,910)</u>
-	34,530,951	34,530,951
-	3,117,281	3,117,281
-	1,350,864	1,350,864
-	(1,758,341)	(1,758,341)
<u>-</u>	<u>37,240,755</u>	<u>37,240,755</u>
<u>(160,527,910)</u>	<u>37,240,755</u>	<u>(123,287,155)</u>
103,450,397	-	103,450,397
2,791,185	-	2,791,185
3,745,686	-	3,745,686
1,327,298	-	1,327,298
9,355,267	-	9,355,267
21,921,261	-	21,921,261
8,962,646	-	8,962,646
6,968,392	-	6,968,392
6,767,575	7,328,409	14,095,984
1,846,452	2,536,173	4,382,625
11,091,400	(11,091,400)	-
<u>178,227,559</u>	<u>(1,226,818)</u>	<u>177,000,741</u>
<u>(401,395)</u>	<u>401,395</u>	<u>-</u>
17,298,254	36,415,332	53,713,586
<u>202,031,488</u>	<u>480,517,825</u>	<u>682,549,313</u>
<u>\$ 219,329,742</u>	<u>\$ 516,933,157</u>	<u>\$ 736,262,899</u>

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

CITY OF WEST PALM BEACH, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	General Fund	City Center Community Redevelopment Agency Fund	Northwood/ Pleasant City Community Redevelopment Agency Fund	Series 2019 CCCRA Capital Bond Fund	Non-Major Governmental	Total Governmental Funds
ASSETS:						
Cash and cash equivalents	\$ 13,860,090	\$ 12,481,040	\$ 1,525,369	\$ -	\$ 27,084,405	\$ 54,950,904
Investments	21,848,906	19,775,056	2,416,806	-	42,654,824	86,695,592
Receivables, net:						
Accounts	9,894,364	27,932	3,250	-	1,746,192	11,671,738
Interest	117,961	98,873	12,286	-	213,333	442,453
Notes	547,418	246,822	-	-	1,837,182	2,631,422
Liens & assessments	196,966	-	-	-	101,080	298,046
Due from other funds	1,667,119	-	-	-	-	1,667,119
Due from other governments	1,592,956	48,854	100,772	-	2,905,827	4,648,409
Inventory	323,692	-	-	-	60,967	384,659
Land held for resale	-	-	-	-	5,442,306	5,442,306
Prepaid items	37,479	6,269	-	-	15,028	58,776
Advances to defined benefit pension plan	3,201,380	-	-	-	-	3,201,380
Restricted assets:						
Cash and cash equivalents	-	-	-	68,888,188	20,165,284	89,053,472
Investments	-	-	-	245,569	13,999,317	14,244,886
Interest on restricted cash and investments	-	-	-	118,701	22,286	140,987
Total assets	53,288,331	32,684,846	4,058,483	69,252,458	116,248,031	275,532,149
LIABILITIES:						
Accounts payable and accrued liabilities	9,821,298	1,621,532	112,271	1,344,183	4,328,997	17,228,281
Deposits payable	533,570	129,144	27,900	-	79,074	769,688
Unearned revenue	2,380,958	-	-	-	-	2,380,958
Due to other governments	24,118	21,232	-	-	67,205	112,555
Due to other funds	-	-	-	-	1,667,119	1,667,119
Total liabilities	12,759,944	1,771,908	140,171	1,344,183	6,142,395	22,158,601
DEFERRED INFLOW OF RESOURCES:						
Unavailable revenue	4,729,453	257,161	3,250	-	971,029	5,960,893
FUND BALANCES:						
Nonspendable	3,562,551	6,269	-	-	75,995	3,644,815
Restricted	-	30,649,508	3,915,062	67,908,275	88,047,329	190,520,174
Committed	16,126,928	-	-	-	21,011,283	37,138,211
Assigned	3,998,170	-	-	-	-	3,998,170
Unassigned	12,111,285	-	-	-	-	12,111,285
Total fund balances	35,798,934	30,655,777	3,915,062	67,908,275	109,134,607	247,412,655
Total liabilities, deferred inflows and fund balances	\$ 53,288,331	\$ 32,684,846	\$ 4,058,483	\$ 69,252,458	\$ 116,248,031	\$ 275,532,149

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, 2019

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		\$ 247,412,655
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		348,666,018
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.		
Intergovernmental revenue is not available to pay for current period expenditures and, therefore, is deferred in the funds.		5,960,893
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	2,673	
Net pension asset	3,999,604	
Deferred outflow - loss on debt refunding	<u>832,354</u>	4,834,631
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Accrued interest payable	(152,627)	
Compensated absences	(17,446,236)	
Capital leases payable	(14,340,182)	
Notes payable	(25,029,525)	
Bonds payable	(298,859,102)	
Arbitrage payable	(22,279)	
Net OPEB liability	(542,656)	
Net pension liability	<u>(71,752,093)</u>	(428,144,700)
Certain deferred inflows/outflows related to pension and OPEB are not reported on the modified accrual basis of accounting.:		
Deferred outflows - pensions	41,398,522	
Deferred outflows - OPEB	1,896,738	
Deferred inflows - pensions	(31,844,117)	
Deferred inflows - OPEB	<u>(373,444)</u>	11,077,699
Net position of internal service funds are reported with governmental activities		<u>29,522,546</u>
Net position of governmental activities		\$ <u>219,329,742</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, 2019

	General Fund	City Center Community Redevelopment Agency Fund	Northwood/ Pleasant City Community Redevelopment Agency Fund	Series 2019 CCCRA Capital Bond Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:						
Taxes	\$ 112,450,658	\$ 20,958,663	\$ 2,540,870	\$ -	\$ 1,567,920	\$ 137,518,111
Licenses and permits	3,745,686	-	-	-	11,685,226	15,430,912
Intergovernmental	15,475,846	13,696,465	1,471,018	-	18,488,975	49,132,304
Charges for services	26,312,707	-	-	-	6,173,002	32,485,709
Fines and forfeitures	355,609	-	-	-	4,736	360,345
Rents and royalties	665,174	130,101	-	-	570,116	1,365,391
Interest income	1,758,271	1,066,309	165,401	297,701	2,476,435	5,764,117
Miscellaneous	505,326	106,204	78,311	-	922,063	1,611,904
Total revenues	161,269,277	35,957,742	4,255,600	297,701	41,888,473	243,668,793
EXPENDITURES:						
Current:						
General government	19,031,543	-	-	-	480,826	19,512,369
Public safety	101,177,746	-	-	-	11,607,401	112,785,147
Public works	3,662,350	-	-	-	6,499,262	10,161,612
Economic environment	-	19,346,688	1,542,550	-	8,848,927	29,738,165
Engineering services	3,128,998	-	-	-	-	3,128,998
Health and sanitation	10,944,355	-	-	-	-	10,944,355
Leisure services	22,627,255	-	-	-	5,417,256	28,044,511
Capital outlay	3,473,978	1,577,924	2,200,000	10,388,223	17,126,416	34,766,541
Debt service:						
Principal	5,781,584	3,208,496	942,113	-	3,830,762	13,762,955
Interest charges	5,172,178	3,262,887	786,540	-	868,566	10,090,171
Issuance costs and other	-	-	-	379,248	310,037	689,285
Total expenditures	174,999,987	27,395,995	5,471,203	10,767,471	54,989,453	273,624,109
Excess (deficiency) of revenues over expenditures	(13,730,710)	8,561,747	(1,215,603)	(10,469,770)	(13,100,980)	(29,955,316)
OTHER FINANCING SOURCES (USES):						
Proceeds from notes payable	-	-	-	-	15,055,000	15,055,000
Refunded bonds payable	-	-	-	-	(24,265,000)	(24,265,000)
Issuance of bonds payable	-	-	-	91,285,000	-	91,285,000
Premium on issuance of bonds payable	-	-	-	18,935,875	-	18,935,875
Proceeds from sale of capital assets	1,661,233	760,000	-	-	283,118	2,704,351
Transfers in	10,937,919	75,684	-	-	47,444,550	58,458,153
Transfers out	(8,842,401)	(2,530,131)	-	(31,842,830)	(7,493,934)	(50,709,296)
Total other financing sources (uses)	3,756,751	(1,694,447)	-	78,378,045	31,023,734	111,464,083
SPECIAL ITEM:						
Forgiveness of advance to other fund (Note F)	(401,395)	-	-	-	-	(401,395)
Net change in fund balances	(10,375,354)	6,867,300	(1,215,603)	67,908,275	17,922,754	81,107,372
Fund balances - beginning	46,174,288	23,788,477	5,130,665	-	91,211,853	166,305,283
Fund balances - ending	\$ 35,798,934	\$ 30,655,777	\$ 3,915,062	\$ 67,908,275	\$ 109,134,607	\$ 247,412,655

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, 2019

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 81,107,372

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	34,576,860	
Depreciation expense	<u>(22,354,308)</u>	12,222,552

The effect of transactions involving capital assets are as follows:

Retirement of capital asset	(208,905)	
Contribution of capital asset	<u>86,470</u>	(122,435)

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	(779,385)	
Charges for services	<u>347,577</u>	(431,808)

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, 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 bonds payable	(91,285,000)	
Premium on bonds issuance	(18,935,875)	
Refunded bonds payable	24,265,000	
Issuance of notes payable	(15,055,000)	
Principal repayment on notes payable	2,577,223	
Principal repayment on capital leases	3,542,367	
Principal repayment on bonds payable	<u>7,713,496</u>	(87,177,789)

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)	698,306	
Change in deferred inflows/outflows - pension	(464,175)	
Change in deferred inflows/outflows - OPEB	1,964,168	
Change in OPEB	(469,839)	
Change in accrued interest payable	363,675	
Change in deferred loss on refunding	(290,419)	
Amortization of bond insurance costs	(219,712)	
Amortization of bond premiums	1,857,952	
Compensated absences	<u>(750,838)</u>	2,689,118

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.

9,011,244

Change in net position of governmental activities **\$ 17,298,254**

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, 2019

	Business-Type Enterprise Funds				Governmental
	Water and Sewer System Fund	Stormwater Utility Fund	Non-Major Enterprise Funds	Totals	Internal Service Funds
ASSETS:					
Current unrestricted assets:					
Cash and cash equivalents	\$ 20,529,121	\$ 5,606,353	\$ 4,132,791	\$ 30,268,265	\$ 11,822,279
Investments	32,526,496	8,882,750	6,516,000	47,925,246	18,731,307
Receivables (net):					
Accounts	10,380,562	1,710,088	44,555	12,135,205	571,368
Interest	289,565	63,964	32,919	386,448	91,975
Liens and assessments	1,238,482	358,939	-	1,597,421	-
Due from other governments	852,625	62,326	46,434	961,385	9,045
Inventory	615,245	-	-	615,245	91,093
Prepaid items	27,339	-	-	27,339	994,480
Current restricted assets:					
Cash and cash equivalents	9,480,859	1,256,625	9,491	10,746,975	3,760,407
Investments	15,021,546	1,991,007	14,963	17,027,516	-
Total current assets	90,961,840	19,932,052	10,797,153	121,691,045	36,071,954
Noncurrent assets:					
Restricted cash and cash equivalents	47,753,935	12,830,493	-	60,584,428	-
Restricted investments	75,661,700	20,328,734	-	95,990,434	-
Interest receivable	279,170	53,758	-	332,928	-
Net pension asset	459,017	-	-	459,017	-
Investment in joint venture	42,135,496	-	-	42,135,496	1,624,827
Unamortized bond insurance costs	115,649	19,101	-	134,750	-
Capital assets:					
Non-depreciable	54,400,347	9,689,463	4,044,086	68,133,896	-
Depreciable, net	363,801,811	59,329,785	1,750,999	424,882,595	13,200,449
Total noncurrent assets	584,607,125	102,251,334	5,795,085	692,653,544	14,825,276
Total assets	675,568,965	122,183,386	16,592,238	814,344,589	50,897,230
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred outflow - interest rate swap	17,950,135	2,634,882	-	20,585,017	-
Deferred outflow - loss on debt refunding	4,261,966	1,920,346	-	6,182,312	-
Deferred outflow - pension	96,893	-	-	96,893	-
Deferred outflow - OPEB	283,421	-	-	283,421	-
Total deferred outflows of resources	22,592,415	4,555,228	-	27,147,643	-

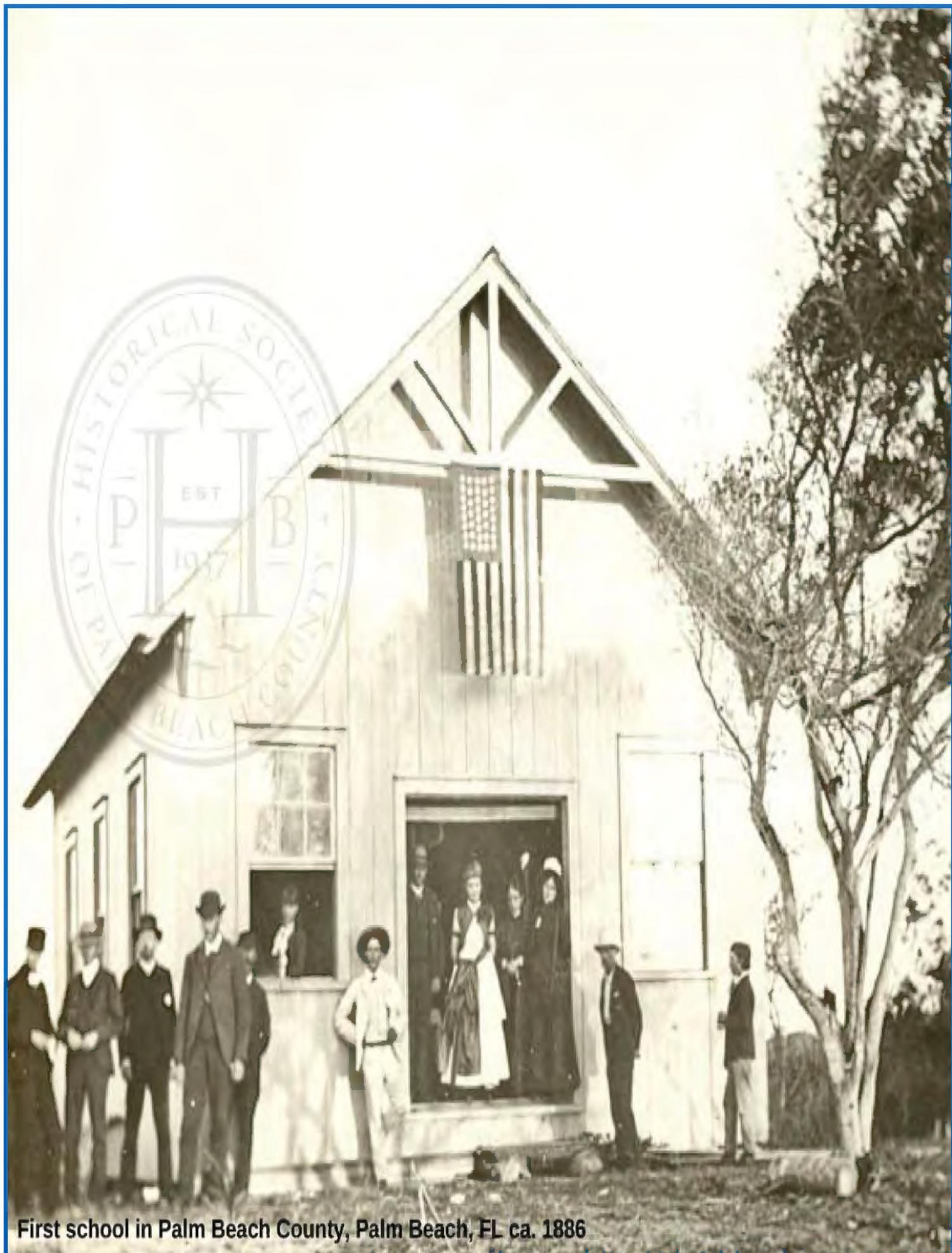
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The accompanying notes are an integral part of these financial statements.

CITY OF WEST PALM BEACH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019

	Business-Type Enterprise Funds			Governmental Activities	
	Water and Sewer System Fund	Stormwater Utility Fund	Non-Major Enterprise Funds	Totals	Internal Service Funds
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued liabilities	3,323,320	582,517	408,739	4,314,576	2,088,961
Due to other governments	-	-	14,537	14,537	-
Compensated absences payable	1,396,985	131,814	61,770	1,590,569	256,159
Capital lease obligations - current	-	-	-	-	1,031,292
Notes payable, current	-	-	-	-	1,115,263
Insurance claims payable	-	-	-	-	3,898,548
Current liabilities payable from restricted assets:					
Accounts payable and accrued liabilities	5,786,660	583,873	-	6,370,533	-
Accrued interest payable	3,368,711	1,138,709	-	4,507,420	-
Deposits payable	10,177,084	-	24,454	10,201,538	122,146
Bonds payable current	5,169,950	1,525,050	-	6,695,000	-
Total current liabilities	29,222,710	3,961,963	509,500	33,694,173	8,512,369
Noncurrent liabilities:					
Unearned revenue	298,010	49,994	-	348,004	-
Compensated absences payable	819,114	177,896	59,193	1,056,203	428,757
Notes payable, long term	-	-	-	-	4,392,399
Bonds payable, net	207,290,895	61,190,271	-	268,481,166	-
Net OPEB obligation	81,087	-	-	81,087	-
Interest rate swap	17,950,135	2,634,882	-	20,585,017	-
Insurance claims payable, long term	-	-	-	-	8,041,159
Total noncurrent liabilities	226,439,241	64,053,043	59,193	290,551,477	12,862,315
Total liabilities	255,661,951	68,015,006	568,693	324,245,650	21,374,684
DEFERRED INFLOWS OF RESOURCES:					
Deferred inflows - pension	257,623	-	-	257,623	-
Deferred inflows - OPEB	55,802	-	-	55,802	-
Total deferred inflows of resources	313,425	-	-	313,425	-
NET POSITION:					
Net investment in capital assets	236,997,312	30,435,325	5,795,085	273,227,722	6,661,495
Restricted for:					
Operation and maintenance	11,698,022	1,343,737	-	13,041,759	-
Debt service	16,969,727	3,816,433	-	20,786,160	-
Renewal and replacement	55,652,372	5,360,814	-	61,013,186	-
Developer impact fund	8,677,602	-	-	8,677,602	-
Restated employees pension	459,017	-	-	459,017	-
Unrestricted	111,731,952	17,767,299	10,228,460	139,727,711	22,861,051
Total net position	\$ 442,186,004	\$ 58,723,608	\$ 16,023,545	\$ 516,933,157	\$ 29,522,546

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



First school in Palm Beach County, Palm Beach, FL ca. 1886

CITY OF WEST PALM BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Enterprise Funds				Governmental
	Water	Stormwater	Non-Major	Totals	Internal
	and Sewer System Fund	Utility Fund	Enterprise Funds		Service Funds
OPERATING REVENUES:					
Charges for services	\$ 110,108,029	\$ 14,255,283	\$ 6,818,086	\$ 131,181,398	\$ 59,201,567
Fines	1,253,788	-	894,180	2,147,968	-
Equity in gain of investment in joint ventures	3,255,509	-	-	3,255,509	174,109
Miscellaneous and other	1,969,282	122,924	443,967	2,536,173	234,548
Total operating revenues	116,586,608	14,378,207	8,156,233	139,121,048	59,610,224
OPERATING EXPENSES:					
Personnel services	23,898,304	2,404,241	1,102,951	27,405,496	5,057,757
Contractual services	13,508,301	1,889,474	2,464,489	17,862,264	13,548,663
Utilities	2,564,299	158,965	317,818	3,041,082	477,278
Repair and maintenance	5,446,293	1,242,776	716,067	7,405,136	1,031,126
Other supplies and expenses	8,185,306	666,708	764,914	9,616,928	3,035,473
Depreciation	13,106,817	2,434,572	824,312	16,365,701	1,024,218
Insurance claims and expenses	522,352	34,872	283,919	841,143	30,503,749
Wastewater treatment and disposal	7,635,842	-	-	7,635,842	-
Total operating expenses	74,867,514	8,831,608	6,474,470	90,173,592	54,678,264
Operating income	41,719,094	5,546,599	1,681,763	48,947,456	4,931,960
NONOPERATING REVENUES (EXPENSES):					
Interest income	5,740,488	1,282,127	305,794	7,328,409	1,003,458
Interest expense	(7,861,844)	(2,324,894)	-	(10,186,738)	(181,007)
Intergovernmental expense	-	-	(86,470)	(86,470)	-
Gain (loss) on disposal of capital assets	210,577	18,500	(1,645,273)	(1,416,196)	760
Total non-operating revenues (expenses)	(1,910,779)	(1,024,267)	(1,425,949)	(4,360,995)	823,211
Income before contributions and transfers	39,808,315	4,522,332	255,814	44,586,461	5,755,171
TRANSFERS, CONTRIBUTIONS AND OTHER:					
Capital contributions - impact fees	1,043,789	-	-	1,043,789	-
Capital contributions - grants	1,388,617	-	-	1,388,617	-
Transfers in	-	-	362,000	362,000	3,426,287
Transfers out	(10,785,263)	(30,969)	(550,698)	(11,366,930)	(170,214)
Total transfers, contributions and other	(8,352,857)	(30,969)	(188,698)	(8,572,524)	3,256,073
SPECIAL ITEM:					
Forgiveness of advance payable to general fund (Note F)	-	-	401,395	401,395	-
Change in net position	31,455,458	4,491,363	468,511	36,415,332	9,011,244
Net position - beginning	410,730,546	54,232,245	15,555,034	480,517,825	20,511,302
Net position - ending	\$ 442,186,004	\$ 58,723,608	\$ 16,023,545	\$ 516,933,157	\$ 29,522,546

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, 2019

	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	\$ 112,871,778	\$ 14,174,523	\$ 6,840,235	\$ 133,886,536	\$ 60,215,754
Cash payments to suppliers/contractors	(38,123,999)	(3,222,984)	(4,342,889)	(45,689,872)	(19,791,754)
Cash payments to employees	(24,055,333)	(2,415,127)	(1,142,014)	(27,612,474)	(4,975,218)
Other operating receipts	2,771,019	122,924	1,200,827	4,094,770	234,548
Cash payments for insurance	-	-	-	-	(31,227,711)
Net cash provided by operating activities	53,463,465	8,659,336	2,556,159	64,678,960	4,455,619
Cash Flows From Noncapital Financing Activities:					
Transfers in	-	-	362,000	362,000	3,426,287
Transfers out	(10,785,263)	(30,969)	(550,698)	(11,366,930)	(170,214)
Net cash provided by (used for) non-capital financing activities	(10,785,263)	(30,969)	(188,698)	(11,004,930)	3,256,073
Cash Flows From Capital and Related Financing Activities:					
Acquisition/construction of capital assets	(16,769,039)	(5,089,192)	(97,822)	(21,956,053)	(870,853)
Principal paid on bonds	(6,011,791)	(1,863,418)	-	(7,875,209)	-
Principal paid on notes and leases	-	-	-	-	(2,170,664)
Principal paid on forgiveness of advance (Note F)	-	-	(331,677)	(331,677)	-
Interest and fees paid on long term debt	(7,591,715)	(2,171,182)	-	(9,762,897)	(181,007)
Capital contributions from impact fees	1,043,789	-	-	1,043,789	-
Capital grants	1,388,617	-	-	1,388,617	-
Proceeds from sale of capital assets	210,577	18,500	-	229,077	871,613
Net cash (used for) capital and related financing activities	(27,729,562)	(9,105,292)	(429,499)	(37,264,353)	(2,350,911)
Cash Flows From Investing Activities:					
Purchases of investments, net	(5,836,074)	(4,537,018)	(5,015,577)	(15,388,669)	(1,559,143)
Sales of investments	-	-	32,804	32,804	-
Interest on investments	5,715,832	1,294,825	299,290	7,309,947	992,864
Net cash (used for) investing activities	(120,242)	(3,242,193)	(4,683,483)	(8,045,918)	(566,279)
Net increase (decrease) in cash and cash equivalents	14,828,398	(3,719,118)	(2,745,521)	8,363,759	4,794,502
Cash and cash equivalents, beginning of year	62,935,517	23,412,589	6,887,803	93,235,909	10,788,184
Cash and cash equivalents, end of year	\$ 77,763,915	\$ 19,693,471	\$ 4,142,282	\$ 101,599,668	\$ 15,582,686
Displayed as:					
Unrestricted cash and cash equivalents	20,529,121	5,606,353	4,132,791	30,268,265	11,822,279
Restricted cash and cash equivalents	57,234,794	14,087,118	9,491	71,331,403	3,760,407
Total cash and cash equivalents	\$ 77,763,915	\$ 19,693,471	\$ 4,142,282	\$ 101,599,668	\$ 15,582,686

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, 2019
(CONTINUED)

	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 TO NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES:					
Operating income	\$ 41,719,094	\$ 5,546,599	\$ 1,681,763	\$ 48,947,456	\$ 4,931,960
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	13,106,817	2,434,572	824,312	16,365,701	1,024,218
Changes in assets, deferred outflows, liabilities and inflows:					
(Increase) decrease in accounts receivable	2,285,961	(91,497)	56,542	2,251,006	(88,173)
Increase in gain in joint ventures	(3,255,509)	-	-	(3,255,509)	(174,109)
Decrease in liens receivable	31,775	10,737	-	42,512	-
Decrease in due from other funds	-	-	103,537	103,537	36,277
Increase in due from other governments	(452,051)	-	(36,434)	(488,485)	-
Decrease in inventory	68,810	-	99,382	168,192	-
(Increase) decrease in prepaid expenses	13,405	-	10,839	24,244	(58,411)
Increase in net pension asset	(142,828)	-	-	(142,828)	-
Decrease in deferred outflow - pension	88,115	-	-	88,115	-
Increase in deferred outflow - OPEB	(283,421)	-	-	(283,421)	-
Increase (decrease) in accounts payable and accrued liabilities	(343,821)	769,811	(76,103)	349,887	(318,101)
Decrease in due to other governments	-	-	(1,401)	(1,401)	-
Decrease in due to other funds	-	-	-	-	(253,791)
Increase (decrease) in compensated absences payable	127,867	(10,886)	(39,063)	77,918	82,539
Increase (decrease) in deferred inflow -unearned revenue	102,505	-	(67,200)	35,305	-
Decrease in unearned revenue	-	-	(15)	(15)	-
Decrease in net OPEB Obligation	81,087	-	-	81,087	-
Decrease in deferred inflow-pension	(83,651)	-	-	(83,651)	-
Decrease in deferred inflow-OPEB	55,802	-	-	55,802	-
Increase in deposits payable	343,508	-	-	343,508	122,771
Decrease in insurance claims payable	-	-	-	-	(849,561)
Total adjustments	11,744,371	3,112,737	874,396	15,731,504	(476,341)
Net cash and cash equivalents provided by operating activities	\$ 53,463,465	\$ 8,659,336	\$ 2,556,159	\$ 64,678,960	\$ 4,455,619
Schedule of non-cash capital and related financing and investing activities:					
Change in fair value of investments	\$ 1,707,932	\$ 363,208	\$ 94,357	\$ 2,165,497	\$ 305,128
Special item - forgiveness of advance payable to other fund	\$ -	\$ -	\$ 401,395	\$ 401,395	\$ -
Accounts Payables related to capital asset acquisition	\$ 2,758,250	\$ 585,681	\$ -	\$ 3,343,931	\$ -
Contribution of capital assets	\$ -	\$ -	\$ (86,470)	\$ (86,470)	\$ -
Amortization of loss on bond defeasance	\$ 411,398	\$ 167,148	\$ -	\$ 578,546	\$ -

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, 2019

ASSETS:

Cash and cash equivalents	\$ 4,457,019
Receivables:	
Plan members	102,047
Drop loans	1,688,086
Interest and dividends	628,948
Other	1,651,989
Total receivables	<u>4,071,070</u>
Investments:	
Money market	7,484,507
U.S. Government obligations	30,596,490
U.S. Government agencies	18,915,239
Corporate obligations	48,535,159
Equity securities	28,783,794
Domestic stocks	145,498,874
Domestic equity investment funds	171,508,050
Domestic fixed income investment funds	32,231,674
Domestic private equity investment funds	7,827,705
Fixed income mutual fund	4,470,642
International equity investment funds	76,468,176
International fixed income investment funds	10,849,038
Real estate investment trust funds	86,283,903
Total investments	<u>669,453,251</u>
Prepaid expenses	<u>1,317,403</u>
Total assets	<u>679,298,743</u>

LIABILITIES:

Accounts payable and accrued liabilities	2,445,883
Advanced contribution from the City	<u>3,201,380</u>
Total liabilities	<u>5,647,263</u>

NET POSITION:

Net position restricted for pensions and OPEB	\$ <u><u>673,651,480</u></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, 2019

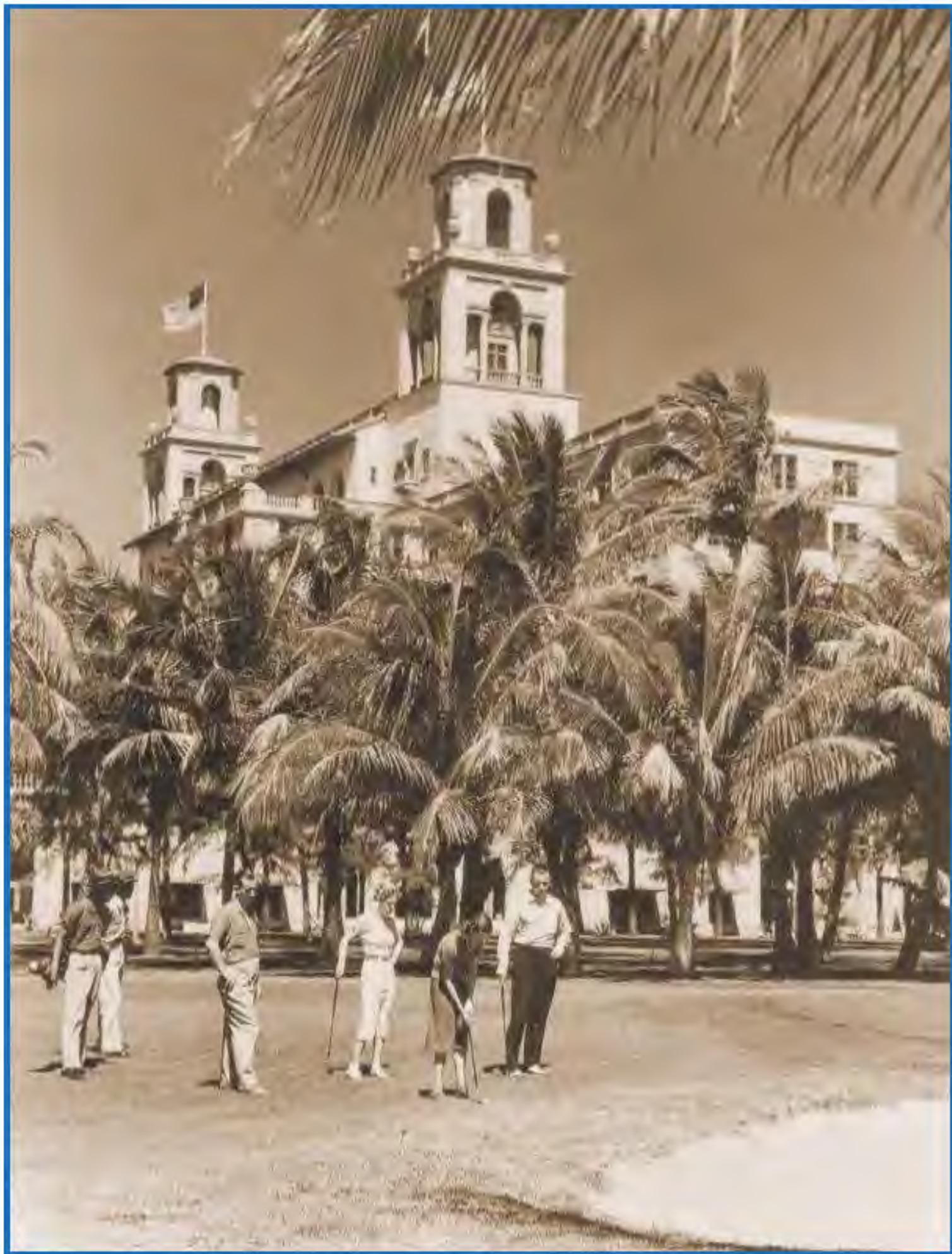
ADDITIONS:

Contributions:	
Plan members	\$ 5,715,238
Insurance premium taxes collected by the State of Florida on behalf of the City of West Palm Beach	2,791,185
City of West Palm Beach	<u>15,004,776</u>
Total contributions	23,511,199
Investment income:	
Net appreciation in fair value of investments	9,748,300
Interest and dividends	13,228,017
Class action revenue	25,024
Rebates and other revenue	<u>17,267</u>
	23,018,608
Less investment expense	<u>2,055,735</u>
Net investment income	<u>20,962,873</u>
Total additions	<u>44,474,072</u>

DEDUCTIONS:

Participant benefit payments	39,129,585
Refunds of participant contributions	194,209
Administrative expenses	<u>602,925</u>
Total deductions	39,926,719
Net increase in net position	4,547,353
Net position restricted for pensions and OPEB:	
Beginning of year	<u>669,104,127</u>
End of year	<u>\$ 673,651,480</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, 2019

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CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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 (CCCRA) Fund and the Northwood/Pleasant City Community Redevelopment Agency (NPCCRA) Fund.

The West Palm Beach Municipal Golf Course (the "Golf Course") is a legally separate dependent special entity 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.

During the fiscal year ended September 30, 2019, the City Commission elected to terminate the operations of the Golf Course. (Note F)

(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, 2019

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 Other Post-Employment Benefits (“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, 2019

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, 2019

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 NPCCRA Fund is deemed a major fund and is reported separately due to its high level of public interest.

The Series 2019 CCCRA Capital Bond Fund accounts for proceeds from the Series 2019 CCCRA Tax Increment Revenue and Refunding Bonds. Proceeds will be used for various capital improvements and capital purchases as outlined in the issue's Official Statement.

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.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 for the portion of tap fees intended to recover the cost of connecting new customers to the system. The City also partners with the East Central Regional (ECR) Facility to provide wastewater services to customers (Note E). Charges for wastewater services are also included as operating revenue in the Water and Sewer System Fund.

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 recorded at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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. Certain money market funds and investments in the Florida Municipal Investment Trust Fund are recorded at net asset value (NAV) per share. This method of determining fair value uses member units to which a proportionate share of net assets is attributed.

Pension and Other Post Employment 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, and 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.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

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 and are valued at cost 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, 2019. 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 (Note E).

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.

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, 2019

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, 2019

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. Certain money market funds and investments in real estate are recorded at net asset value (NAV) per share. This method of determining fair value uses member units to which a proportionate share of net assets is attributed.

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 outflows related to OPEB is comprised of employer OPEB contributions made subsequent to the measurement date which will be recognized in the following fiscal year.

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 in 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 and OPEB 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 and OPEB plans.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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, 2019

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. These amounts are disclosed in the balance sheet – governmental funds as committed fund balance.

The duties, responsibilities, and powers of the City’s 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. Annual budgets are prepared for all the major and non-major governmental funds, except the Impact Fees Western Expansion Fund, Red Light Camera Fund, City Commons/Waterfront Fund and Land Acquisition Fund. Annual budgets 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, 2019

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.

(9) Pronouncements issued and adopted by the City

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. The adoption of this statement did not significantly impact the City's financial statements.

GASB Statement No. 88, "*Certain disclosures related to debt, including direct borrowings and direct placements*" 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. The adoption of this statement did not significantly impact the City's financial statements.

(10) Recently Issued Accounting Pronouncements

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.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

GASB Statement No. 91, *Conduit Debt Obligations*, is effective for fiscal years beginning after December 15, 2020. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

GASB Statement No. 92, *Omnibus 2020* is effective for periods beginning after June 15, 2020 with the requirements related to GASB Statement No. 87 implementation, reinsurance revoceries and terminology related to derivative instruments effective immediately. The primary objectives of this Statement are to address the implementation issues which have been identified related to GASB Statement No. 87, *Leases*, reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other post employment benefit (OPEB) plan; the applicability of Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are not Within the Scope of GASB Statement No. 68*, and amendments to certain provisions of GASB Statements 67 and 68, as amended, and Statement No. 74, *Financial Reporting for Post Employment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for post employment benefits; the applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to post employment benefit arrangements; measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs); reporting by public entity risk pools for amounts that are recoverable from reinsurers; reference to recurring fair value measurements of assets or liabilities in authoritative literature; and terminology used to refer to derivative instruments.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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, 2019, the City was required to maintain a compensating balance of \$1,347,051 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, 2019 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, 2019, 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 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, 2019

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 as follows:

- 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
- A maximum of 50% of available funds may be invested in United States Government Agencies with a 25% limit on individual issuers
- A maximum of 80% of available funds may be invested in Federal Instrumentalities with a 50% limit on individual issuers
- A maximum of 25% of available funds may be invested in non-negotiable interest bearing time certificates of deposit with a 15% limit on individual issuers
- A maximum of 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
- A maximum of 25% of available funds may be directly invested in prime commercial paper with a 5% limit on individual issuers
- A maximum of 25% of available funds may be directly invested in Bankers' acceptances with a 5% limit on individual issuers
- A maximum of 20% of available funds may be invested in taxable and tax-exempt debts with a limit of 20% on individual issuers
- A maximum of 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
- A maximum of 25% of available funds may be invested in intergovernmental investment pools
- A maximum of 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
- A maximum of 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, 2019

NOTE B – DEPOSITS AND INVESTMENTS – CONTINUED

As of September 30, 2019, 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 Risk</u>	Rating	% of Portfolio	Duration Years	As of September 30, 2019		
				Total Portfolio	Cash Equivalents	Investments
Cash Deposits	NR	10%	0.00	\$ 53,573	\$ 53,573	\$ -
Money Market Funds	AAAm	23%	0.25	129,218	129,218	-
Florida Prime	AAAm	14%	0.23	80,614	80,614	-
Florida Coop. Liquid Assets Securities System	AAAm	3%	0.22	18,057	18,057	-
Certificates of Deposits	NR	6%	2.28	33,317	15,346	17,971
Sovereign Government	NR	0%	0.77	854	-	854
U.S. Treasuries	NR	15%	1.61	84,170	-	84,170
Federal Instrumentalities	AA+	18%	1.05	98,770	-	98,770
Municipal Bonds	AA+	4%	2.90	22,386	-	22,386
Corporate Notes	AA-	2%	0.73	11,904	-	11,904
Commercial Paper	AA-	2%	0.19	10,091	-	10,091
Exchange Traded Funds (ETF)	NR	3%	0.00	12,502	-	12,502
		<u>100%</u>		<u>\$ 555,456</u>	<u>\$ 296,808</u>	<u>\$ 258,648</u>

Reconciliation to Statement of net Position:

Portfolio value	\$ 555,456
Petty cash	80
Less: OPEB cash & investments	<u>(13,734)</u>
Total cash and investments on Statement of Net Position	<u>\$ 541,802</u>

Amounts from Statement Net Position:

Unrestricted cash and cash equivalents	\$ 97,042
Unrestricted investments	153,352
Restricted cash with fiscal agent	164,145
Restricted investments	<u>127,263</u>
Total cash and investment on Statement of Net Position	<u>\$ 541,802</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 (5) years with an average duration of the portfolio as a whole not to exceed three (3) years. As of September 30, 2019, 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, 2019

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, 2019 investments in the following federal instrumentalities exceed 5% of the portfolio:

<u>Investment Vehicle</u>	<u>% of Portfolio</u>	<u>Amount (in thousands)</u>
United States Treasury Notes	15.0%	\$ 84,170
Federal Home Loan Bank	6.9%	38,606
Federal Farm Credit Banks Funding Corporation	5.8%	32,233
Total	<u>27.7%</u>	<u>\$ 155,009</u>

As of September 30, 2019, 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>
Federated Treasury Obligations Fund	23.3%	\$ 129,207
United States Treasuries	15.0%	84,170
Florida Prime	14.4%	80,614
Federal Home Loan Bank	6.9%	38,606
Federal Farm Credit Bank Funding Corp	5.8%	32,233
Other	34.6%	190,626
Total	<u>100.0%</u>	<u>\$ 555,456</u>

As of September 30, 2019, 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, 2019

NOTE B – DEPOSITS AND INVESTMENTS – CONTINUED

As of September 30, 2019, the City had the following investment types portfolio based on fair value:

Investment	Fair Value (in thousands)				Amounts (in thousands)
	Quoted Prices in Active Markets For Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	Total	
	Level 1	Level 2	Level 3		
Municipal Obligation	\$ -	\$ 22,386	\$ -	\$ 22,386	
Federal Instrumentalities	98,770	-	-	98,770	
US Treasuries	84,170	-	-	84,170	
Corporate Notes	-	11,904	-	11,904	
Sovereign Government	-	854	-	854	
Commercial Paper	-	10,091	-	10,091	
Exchange Traded Funds	-	12,502	-	12,502	
Total Investments by Fair Value Level	\$ 182,940	\$ 57,737	\$ -	240,677	
Cash Deposits				53,573	
<u>Investments measured at the net asset value (NAV)**</u>					
Money Market Funds				129,218	
Florida Prime				80,614	
Florida Coop. Liquid Assets Securities System				18,057	
Certificates of Deposits				33,317	
				\$ 555,456	

**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 hierarchy to the total investment line items in the statement of net position.

As of September 30, 2019, the pension plans had the following cash and investment types:

Investment Type	As as of September 30, 2019 (in thousands)		
	Total Portfolio	Cash Equivalents	Investments
Cash deposits	\$ 3,225	\$ 3,225	\$ -
U.S. Government obligations	28,845	-	28,845
U.S. Government agency obligations	20,667	-	20,667
Corporate bonds	48,535	-	48,535
Mutual funds	12,422	-	12,422
Money market funds	7,485	7,485	-
Domestic fixed investment funds	32,231	-	32,231
Domestic stocks	157,661	-	157,661
Domestic equity investment funds	169,426	-	169,426
International fixed income investment funds	12,727	-	12,727
International equity investment funds	80,668	-	80,668
Real estate investment funds	86,284	-	86,284
	\$ 660,176	\$ 10,710	\$ 649,466

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE B – DEPOSITS AND INVESTMENTS – CONTINUED

The pension plans held the following fixed investments at September 30, 2019:

Investment Type	Firefighters Pension Fund			Police Pension Fund		
	Fair Value (thousands)	Average Effective Duration (Years)	Overall Credit Rating	Fair Value (thousands)	Average Effective Duration (Years)	Overall Credit Rating
U.S. Government obligations	\$ 8,407	6.3	A-AA	\$ 18,451	7.2	AA
U.S. Government agency obligations	719	5.9	A-AA	18,196	5.1	AA
Corporate bonds	14,552	5.1	A-AA	28,936	4.8	A-AAA
Money market funds	2,823	N/A	N/A	3,762	N/A	N/A
Domestic fixed income investment funds	30,134	N/A	N/A	-	N/A	N/A
International equity investment fund	10,849	N/A	N/A	-	N/A	N/A
Total	\$ 67,484			\$ 69,345		

Investment Type	Restated Employees Defined Benefit System		
	Fair Value (thousands)	Average Effective Duration (Years)	Overall Credit Rating
U.S. Government obligations	\$ 1,986	10.0	AAA or unrated
U.S. Government agency obligations	1,752	7.6	AA+ or unrated
Corporate bonds	5,047	5.7	AA+ to BBB+
Fixed income mutual funds	3,976	8.8	AAA -CCC
Total	\$ 12,761		

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE B – DEPOSITS AND INVESTMENTS – CONTINUED

The following table presents the pension plans fair value hierarchy for investments at fair value as of September 30, 2019:

Investment	Fair Value (in thousands)				Amounts (in thousands)
	Quoted Prices in Active Markets For Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	Total	
	Level 1	Level 2	Level 3		
U.S. Government obligations	\$ 8,496	\$ 20,349	\$ -	\$ 28,845	
U.S. Government agency obligations	-	20,667	-	20,667	
Corporate bonds	-	48,535	-	48,535	
Mutual funds	12,422	-	-	12,422	
Domestic fixed investment fund	32,231	-	-	32,231	
Domestic stocks	157,661	-	-	157,661	
Domestic equity investment funds	169,426	-	-	169,426	
International fixed income investment funds	12,727	-	-	12,727	
International equity investment funds	80,668	-	-	80,668	
	<u>\$ 473,631</u>	<u>\$ 89,551</u>	<u>\$ -</u>	563,182	
Cash Deposits				3,225	
<u>Investments measured at the net asset value (NAV)**</u>					
Real Estate investment funds				86,284	
Money market mutual funds				7,485	
				<u>\$ 660,176</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 hierarchy to the total investment line items in the statement of fiduciary net position.

The real estate investment for the Firefighter’s 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 investment redemptions 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, 2019

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 Community Redevelopment Agency Fund	Northwood/ Pleasant City Community Redevelopment Agency Fund	Series 2019 CCCRA Capital Bond Fund	Non-Major Governmental Funds	Internal Service Funds	Total
Receivables:							
Accounts (gross)	\$ 19,639,504	\$ 27,932	\$ 3,250	\$ -	\$ 1,746,192	\$ 571,368	\$ 21,988,246
Allowance for uncollectibles	(9,745,140)	-	-	-	-	-	(9,745,140)
Accounts (net)	9,894,364	27,932	3,250	-	1,746,192	571,368	12,243,106
Interest	117,961	98,873	12,286	-	215,096	82,920	527,136
Notes (gross)	547,418	246,822	-	-	17,460,896	-	18,255,136
Allowance for uncollectibles	-	-	-	-	(15,623,714)	-	(15,623,714)
Notes (net)	547,418	246,822	-	-	1,837,182	-	2,631,422
Liens (gross)							
Allowance for uncollectibles	196,966	-	-	-	472,323	-	669,289
					(371,243)		(371,243)
Liens (net)	196,966	-	-	-	101,080	-	298,046
Interest - restricted	-	-	-	118,701	20,523	-	139,224
Total receivables	\$ 10,756,709	\$ 373,627	\$ 15,536	\$ 118,701	\$ 3,920,073	\$ 654,288	\$ 15,838,934

Significant Uncollectibles

The allowance for accounts receivable in the General Fund includes \$8.2 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. In addition, an allowance of \$0.6 million is included for other miscellaneous billed receivables. The notes receivable of \$17.5 million in the nonmajor 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 \$15.6 million.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE C – RECEIVABLES AND UNEARNED REVENUE

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

	<u>Water and Sewer Systems Fund</u>	<u>Stormwater System Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>
Receivables:				
Accounts (gross)	\$ 13,263,958	\$ 3,957,729	\$ 44,555	\$ 17,266,242
Allowance for uncollectibles	(2,883,396)	(2,247,641)	-	(5,131,037)
Accounts (net)	10,380,562	1,710,088	44,555	12,135,205
Interest - Unrestricted	289,565	63,964	32,919	386,448
Liens	1,238,482	358,939	-	1,597,421
Subtotal, Receivables - Unrestricted	1,528,047	422,903	32,919	1,983,869
Interest - Restricted	279,170	53,758	-	332,928
Total Receivables	<u>\$ 12,187,779</u>	<u>\$ 2,186,749</u>	<u>\$ 77,474</u>	<u>\$ 14,452,002</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, 2019 are as follows:

	<u>General Fund</u>	<u>City Center Community Redevelopment Agency Fund</u>	<u>Northwood/ Pleasant City Community Redevelopment Agency Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
Revenues earned but not available:					
Liens and mortgages receivable	\$ 547,418	\$ 246,822	\$ -	\$ 971,029	\$ 1,765,269
EMS receivables	1,488,065	-	-	-	1,488,065
Other receivables	2,693,970	10,339	3,250	-	2,707,559
Total unavailable	4,729,453	257,161	3,250	971,029	5,960,893
Unearned revenues:					
Prepaid occupational licenses	2,380,958	-	-	-	2,380,958
Total unearned	2,380,958	-	-	-	2,380,958
Total unearned/unavailable revenue	<u>\$ 7,110,411</u>	<u>\$ 257,161</u>	<u>\$ 3,250</u>	<u>\$ 971,029</u>	<u>\$ 8,341,851</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE D – RESTRICTED CASH AND INVESTMENTS

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

Purpose	GOVERNMENTAL ACTIVITIES			Totals
	Series 2019 CCCRA Capital Bond Fund	Non-Major Governmental Funds	Internal Service Funds	
Revenue bond construction accounts	\$ 69,252,458	\$ 19,186,887	\$ -	\$ 88,439,345
Notes payable	-	15,000,000	-	15,000,000
Self insurance claims	-	-	3,760,407	3,760,407
Total restricted assets	<u>\$ 69,252,458</u>	<u>\$ 34,186,887</u>	<u>\$ 3,760,407</u>	<u>\$ 107,199,752</u>

Purpose	BUSINESS-TYPE ACTIVITIES			Totals
	Water and Sewer System Fund	Stormwater System Fund	Non-Major Enterprise Funds	
Deposits payable	\$ 10,177,084	\$ -	\$ 24,454	\$ 10,201,538
Operations and maintenance restricted by revenue bond covenant	11,698,022	1,343,737	-	13,041,759
Revenue bond construction accounts	37,042,659	24,715,271	-	61,757,930
Revenue bond debt service accounts	20,338,438	4,955,142	-	25,293,580
Revenue bond renewal and replacement accounts	54,225,708	5,392,709	-	59,618,417
Town of Palm Beach renewal and replacement accounts	4,297,539	-	-	4,297,539
Developer's hazard mitigation accounts	1,487,514	-	-	1,487,514
Impact fee capital contributions account	8,651,076	-	-	8,651,076
Total restricted assets	<u>\$ 147,918,040</u>	<u>\$ 36,406,859</u>	<u>\$ 24,454</u>	<u>\$ 184,349,353</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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 its ongoing financial interest as a proportion of ECR’s net position as an increase/(decrease) in the operating activities based on the amounts reported in the ECR’s most recent audited/unaudited 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, 2019, reported total ECR assets of \$329,097,929 and total net position of \$143,877,372 including a \$97,985,932 net investment in capital assets and \$5,317,706 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, 2019 were:

<u>Participant Percentages:</u>	<u>Reserve Capacity</u>
City of West Palm Beach	29.29%
Palm Beach County	34.28%
City of Lake Worth	16.43%
City of Riviera Beach	11.43%
Town of Palm Beach	<u>8.57%</u>
Total	<u><u>100.00%</u></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.

At September 30, 2019, the City’s investments in ECR and AWT were reported at a combined net book value of \$42,135,496 in the water and sewer systems proprietary fund.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE E – INVESTMENT IN JOINT VENTURES - CONTINUED

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 2019, member costs for the City were \$100,000 and the year-end value of the City's investment was \$1,624,827. The City's investment and related member costs are recorded in the MIS Processing Fund which is an Internal Service Fund.

NOTE F – SPECIAL ITEM

The golf course operation was intended to be self-sustaining, with operating revenues being sufficient to cover operating expenses. After a number of years of the City of West Palm Beach Golf Course requiring financial support from the general fund including an advance of \$1.5 million in fiscal year 2009 to finance renovations, the City determined the golf course operations is not likely to return to a state where operating revenues are greater than expenses. With the expectation that the golf course cannot operate without support from the General Fund, the City, upon the approval of the Commission, decided to terminate operations of the golf course and close the fund.

During fiscal year 2019, the City liquidated all of the assets of the golf course and determined that the remaining capital assets were impaired and recorded a loss on disposal of capital assets of \$1.6 million. The remaining unpaid balance from the advance after liquidating all assets and liabilities of the golf course, a nonmajor enterprise fund, were used to reduce the balance of the interfund advance and the remaining balance totaling \$401,395 was forgiven. The liquidated assets, except for land, totaling \$331,477 was transferred to the General Fund. The land valued at \$86,470 was contributed to the general government and at the government-wide level was recorded as a transfer between business-type activities and governmental activities.

This item is reflected in the government-wide and the fund financial statements of the General Fund and the West Palm Beach Golf Course Fund as a special item because it is unusual in nature but under the control of management.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE G – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019 was as follows:

Governmental Activities:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets not being depreciated:					
Land	\$ 82,403,338	\$ 3,910,854	\$ (208,905)	\$ (1,054,665)	\$ 85,050,622
Construction in progress	<u>23,608,327</u>	<u>15,328,193</u>	<u>-</u>	<u>328,554</u>	<u>39,265,074</u>
Total capital assets not being depreciated	<u>106,011,665</u>	<u>19,239,047</u>	<u>(208,905)</u>	<u>(726,111)</u>	<u>124,315,696</u>
Capital assets being depreciated:					
Buildings	196,496,136	5,929,086	-	1,965,211	204,390,433
Improvements other than buildings	214,005,747	96,056	-	8,094,315	222,196,118
Infrastructure	114,223,197	-	-	-	114,223,197
Equipment	64,904,077	9,312,671	(931,045)	(9,117,488)	64,168,215
Intangible assets	<u>2,668,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,668,677</u>
Total capital assets being depreciated	<u>592,297,834</u>	<u>15,337,813</u>	<u>(931,045)</u>	<u>942,038</u>	<u>607,646,640</u>
Total capital assets	<u>698,309,499</u>	<u>34,576,860</u>	<u>(1,139,950)</u>	<u>215,927</u>	<u>731,962,336</u>
Less accumulated depreciation and amortization:					
Buildings	62,674,275	5,126,477	-	-	67,800,752
Improvements other than buildings	133,524,402	11,454,672	-	-	144,979,074
Infrastructure	113,749,951	287,269	-	-	114,037,220
Equipment	35,459,557	6,465,502	(931,045)	129,457	41,123,471
Intangible assets	<u>2,110,746</u>	<u>44,606</u>	<u>-</u>	<u>-</u>	<u>2,155,352</u>
Total accumulated depreciation and amortization	<u>347,518,931</u>	<u>23,378,526</u>	<u>(931,045)</u>	<u>129,457</u>	<u>370,095,869</u>
Total capital assets being depreciated, net	<u>244,778,903</u>	<u>(8,040,713)</u>	<u>-</u>	<u>812,581</u>	<u>237,550,771</u>
Governmental activities capital assets, net	<u>\$ 350,790,568</u>	<u>\$ 11,198,334</u>	<u>\$ (208,905)</u>	<u>\$ 86,470</u>	<u>\$ 361,866,467</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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	-	-	(86,470)	4,044,086
Total land	<u>10,399,306</u>	<u>-</u>	<u>-</u>	<u>(86,470)</u>	<u>10,312,836</u>
Construction in progress:					
Water and Sewer Systems Fund	50,895,746	18,148,859	-	(20,913,008)	48,131,597
Stormwater System Fund	6,392,236	4,382,230	-	(1,085,003)	9,689,463
Nonmajor funds	97,016	-	-	(97,016)	-
Total construction in progress	<u>57,384,998</u>	<u>22,531,089</u>	<u>-</u>	<u>(22,095,027)</u>	<u>57,821,060</u>
Total capital assets not being depreciated, net	<u>67,784,304</u>	<u>22,531,089</u>	<u>-</u>	<u>(22,181,497)</u>	<u>68,133,896</u>
Capital assets being depreciated:					
Buildings:					
Water and Sewer System Fund	89,612,312	-	-	-	89,612,312
Nonmajor funds	9,565,093	-	(262,515)	-	9,302,578
Total buildings	<u>99,177,405</u>	<u>-</u>	<u>(262,515)</u>	<u>-</u>	<u>98,914,890</u>
Infrastructure:					
Water and Sewer System Fund	455,395,314	180,305	-	20,913,008	476,488,627
Stormwater System Fund	79,127,283	21,964	-	1,085,003	80,234,250
Nonmajor funds	7,344,974	-	(3,612,474)	96,481	3,828,981
Total infrastructure	<u>541,867,571</u>	<u>202,269</u>	<u>(3,612,474)</u>	<u>22,094,492</u>	<u>560,551,858</u>
Equipment:					
Water and Sewer System Fund	14,660,454	1,357,493	-	-	16,017,947
Stormwater System Fund	3,851,858	605,519	-	-	4,457,377
Nonmajor funds	3,259,155	97,825	(701,297)	(128,922)	2,526,761
Total equipment	<u>21,771,467</u>	<u>2,060,837</u>	<u>(701,297)</u>	<u>(128,922)</u>	<u>23,002,085</u>
Total capital assets being depreciated	<u>662,816,443</u>	<u>2,263,106</u>	<u>(4,576,286)</u>	<u>21,965,570</u>	<u>682,468,833</u>

Continued

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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	65,225,120	1,651,667	-	-	66,876,787
Nonmajor funds	<u>9,072,148</u>	<u>203,051</u>	<u>(34,476)</u>	-	<u>9,240,723</u>
Total buildings	<u>74,297,268</u>	<u>1,854,718</u>	<u>(34,476)</u>	-	<u>76,117,510</u>
Infrastructure:					
Water and Sewer System Fund	128,442,448	10,342,937	-	-	138,785,385
Stormwater System Fund	20,094,189	1,977,202	-	-	22,071,391
Nonmajor funds	<u>4,772,737</u>	<u>176,684</u>	<u>(2,241,913)</u>	-	<u>2,707,508</u>
Total infrastructure	<u>153,309,374</u>	<u>12,496,823</u>	<u>(2,241,913)</u>	-	<u>163,564,284</u>
Equipment:					
Water and Sewer System Fund	11,542,690	1,112,213	-	-	12,654,903
Stormwater System Fund	2,833,081	457,370	-	-	3,290,451
Nonmajor funds	<u>2,298,591</u>	<u>444,577</u>	<u>(654,621)</u>	<u>(129,457)</u>	<u>1,959,090</u>
Total equipment	<u>16,674,362</u>	<u>2,014,160</u>	<u>(654,621)</u>	<u>(129,457)</u>	<u>17,904,444</u>
Total accumulated depreciation and amortization	<u>244,281,004</u>	<u>16,365,701</u>	<u>(2,931,010)</u>	<u>(129,457)</u>	<u>257,586,238</u>
Total capital assets being depreciated, net	<u>418,535,439</u>	<u>(14,102,595)</u>	<u>(1,645,276)</u>	<u>22,095,027</u>	<u>424,882,595</u>
Business-type activities capital assets, net	<u>\$ 486,319,743</u>	<u>\$ 8,428,494</u>	<u>\$ (1,645,276)</u>	<u>\$ (86,470)</u>	<u>\$ 493,016,491</u>

Depreciation and amortization additions (expense) by program:

Governmental activities:	
General government	\$ 5,317,125
Public safety	13,612,871
Economic development	1,597,503
Public works	894,172
Health and sanitation	637,870
Leisure services	<u>294,767</u>
Sub total	22,354,308
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>1,024,218</u>
Total depreciation expense - governmental activities	<u>\$ 23,378,526</u>
Business-type activities:	
Water and Sewer System Fund	\$ 13,106,817
Stormwater System Fund	2,434,572
Nonmajor Funds	<u>824,312</u>
Total depreciation expense - business-type activities	<u>\$ 16,365,701</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE H – LONG-TERM LIABILITIES

The following is a summary of changes in long-term 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	\$ 2,985,000	\$ -	\$ 1,460,000	\$ 1,525,000	\$ 1,525,000	\$ -
General obligation premiums	7,655	-	5,066	2,589	2,589	-
Revenue bonds	205,339,036	91,285,000	30,518,496	266,105,540	7,668,012	258,437,528
Revenue premiums	14,141,721	18,935,875	1,851,623	31,225,973	-	31,225,973
Total bonds	<u>222,473,412</u>	<u>110,220,875</u>	<u>33,835,185</u>	<u>298,859,102</u>	<u>9,195,601</u>	<u>289,663,501</u>
Notes	19,151,992	15,055,000	3,669,805	30,537,187	3,719,242	26,817,945
Arbitrage rebate liability	23,542	-	1,263	22,279	-	22,279
Capital leases	19,991,922	-	4,620,448	15,371,474	4,540,131	10,831,343
Compensated absences	17,297,775	8,880,265	8,046,888	18,131,152	9,023,162	9,107,990
Self insurance claims	12,670,605	25,118,351	25,849,249	11,939,707	3,898,548	8,041,159
Net pension liability	73,676,035	-	1,923,942	71,752,093	-	71,752,093
Net OPEB liability	72,817	469,839	-	542,656	-	542,656
Total governmental activities	<u>\$ 365,358,100</u>	<u>\$ 159,744,330</u>	<u>\$ 77,946,780</u>	<u>\$ 447,155,650</u>	<u>\$ 30,376,684</u>	<u>\$ 416,778,966</u>

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 \$22.1 million are included as part of the above totals for governmental activities.

Bonds outstanding at September 30, 2019 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 range from 4.00% 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. The interest rate on the remaining annual principal amounts payable is 4.00%. 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, 2019 is \$1,525,000.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

H – LONG-TERM LIABILITIES – CONTINUED

Tax Increment Revenue Bonds:

On December 14, 2005, the City issued \$7,280,000 of NPCCRA Subordinate Tax Increment Revenue Bonds, Series 2005B. The proceeds were used to fund the NPCCRA redevelopment project. The interest rate on remaining annual principal amounts payable is fixed at 5.68% and matures on March 1, 2021. The bond is secured by an irrevocable subordinate lien on Pledged Funds derived by the NPCCRA from (i) 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, 2019 the principal balance was \$1,440,000.

The \$77,175,000 CCCRA Tax Increment Revenue Bonds, Series 2006A, were issued on November 30, 2006. The interest rate on the remaining annual principal amounts payable is 4.5%. 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 CCCRA from: (i) 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 CCCRA Refunding Bond. The outstanding balance of Series 2006A CCCRA 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. On July 23, 2019, \$24,265,000 of the outstanding principal was refunded through the issuance of the 2019 CCCRA Refunding Bond. The Outstanding balance of Series 2006A CCCRA Tax Increment Revenue Bonds after this refunding was \$5,000 and the maturity date was unchanged. Principal payments resume on March 1, 2036. At September 30, 2019 the principal balance was \$5,000.

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, 2019 the principal balance was \$2,065,540.

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, 2019 the principal balance was \$18,240,000.

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, 2019 the principal balance was \$37,640,000.

The \$91,285,000 CCCRA Tax Increment Revenue Bonds, Series 2019, were issued July 23, 2019. Proceeds of the bond are used to finance the costs of the CCCRA redevelopment projects and partially refund the outstanding Series 2006A Bonds of \$24,265,000. This refunded balance of \$24,265,000 was initially placed with the escrow agent for the purpose of partially redeeming the Series 2006A Bonds. At September 30, 2019, the total balance with the escrow agent was fully paid to redeem the 2006A bonds. The refunding of the Series 2006A Bonds resulted in cash savings of \$5,218,956 and an economic gain of \$4,002,686. The interest rate on the annual principal amounts payable is 5% and matures on March 1, 2036. The Bonds will be payable solely from and are secured by pledged funds derived by the CCCRA from: (i) 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, 2019 the principal balance was \$91,285,000.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

H – LONG-TERM LIABILITIES – CONTINUED

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.

The proceeds of \$35,990,000 of 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, 2019, the principal balances of the Special Obligation Bonds, Series 2016A, 2016B and 2016C were \$45,645,000, \$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, 2019 are as follows:

Fiscal Years	GOVERNMENTAL ACTIVITIES					
	General Obligation Bonds			Revenue Bonds		
	Principal	Interest	Total Required	Principal	Interest	Total Required
2020	\$ 1,525,000	\$ 30,500	\$ 1,555,500	\$ 7,668,012	\$ 12,327,954	\$ 19,995,966
2021	-	-	-	8,482,528	11,522,994	20,005,522
2022	-	-	-	10,360,000	11,096,571	21,456,571
2023	-	-	-	10,810,000	10,655,949	21,465,949
2024	-	-	-	11,285,000	10,186,119	21,471,119
2025 - 2029	-	-	-	64,325,000	42,930,878	107,255,878
2030 - 2034	-	-	-	80,360,000	26,780,057	107,140,057
2035 - 2039	-	-	-	57,015,000	9,155,430	66,170,430
2040 - 2044	-	-	-	15,800,000	799,750	16,599,750
Total	1,525,000	\$ 30,500	\$ 1,555,500	266,105,540	\$ 135,455,703	\$ 401,561,243
Current portion	(1,525,000)			(7,668,012)		
Premium	-			31,225,973		
Long-term portion	\$ -			\$ 289,663,501		

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

H – LONG-TERM LIABILITIES – CONTINUED

Pledged Revenue:

The City has pledged legally available non-ad valorem revenues to pay the Special Obligation Bonds, Series 2016A, 2016B, 2016C and 2019. 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 \$6,887,453 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 \$2,214,518 was paid on these four notes. Non-ad valorem revenues were \$93,362,517.

Tax Increment Revenue Bonds are those secured by a pledge of and first lien on the Pledged Funds derived from the CRAs. 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 (CCCRA) Tax increment Revenue Bonds, 2006A, 2010A, 2015 and 2019. Revenue received from the NPCCRA and CCCRA in fiscal year 2019 was \$2,540,870 and \$20,958,663 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, 2019, the principal balance of the note was \$1,000,000.

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, 2019, the principal balance was \$854,460.

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, 2019, the principal balance was \$1,197,264.

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, 2019, the principal balance was \$5,507,662.

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, 2019 the principal balance was \$263,955.

During the fiscal ending September 30, 2018, the existing balances on the City's lines of credit totaling \$8,323,559 were converted to a note payable that matures on July 1, 2023, bearing interest at a fixed rate of 3.87%. The usage of the lines of credit was to finance the construction of Fire Station No. 5, the Emergency Operations Center, Fire Station No. 4 and Fire Station No. 8. At September 30, 2019, the principal balance was \$6,658,846.

On September 25, 2019, the City issued \$15,055,000 Series 2019 Special Obligation Note to fund certain capital expenditures. The interest rate is fixed at 1.83% and matures on October 1, 2034. As of September 30, 2019, the full principal balance was \$15,055,000.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE H – LONG-TERM LIABILITIES – CONTINUED

The annual requirements to pay governmental activities principal and interest on the promissory notes outstanding at September 30, 2019 were as follows:

GOVERNMENTAL ACTIVITIES			
Fiscal Years	Promissory Notes		
	Principal	Interest	Total Required
2020	\$ 3,719,242	\$ 576,736	\$ 4,295,978
2021	4,650,579	585,295	5,235,874
2022	4,259,659	445,953	4,705,613
2023	4,311,926	332,497	4,644,423
2024	2,072,706	233,895	2,306,601
2025 - 2029	5,003,074	827,945	5,831,019
2030 - 2034	5,380,000	353,922	5,733,922
2035 - 2039	<u>1,140,000</u>	<u>10,431</u>	<u>1,150,431</u>
	30,537,187	\$ 3,366,674	\$ 33,903,861
Current portion	<u>(3,719,242)</u>		
Long-term portion	<u>\$ 26,817,945</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, 2019, value of the asset net of related accumulated depreciation and the principal outstanding balance totaled \$3,903,482 and \$4,573,087 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, 2019, value of the asset net of related accumulated depreciation and the principal outstanding balance totaled \$632,611 and \$863,342, 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, 2019, value of the asset net of related accumulated depreciation and the principal outstanding balance totaled \$4,580,189 and \$1,031,292, respectively.

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, 2019, value of the asset, net of related accumulated depreciation and the principal outstanding balance totaled \$74,376 and \$485,747, 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, 2019, the value of the asset net of related accumulated depreciation and the principal outstanding balance totaled \$1,628,022 and \$1,093,239, respectively.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE H – LONG-TERM LIABILITIES – 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, 2019, the value of the asset net of related accumulated depreciation and the principal outstanding balance totaled \$1,966,400 and \$2,537,833, 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, 2019, the value of the asset net of related accumulated depreciation and the principal outstanding balance totaled \$2,176,409 and \$4,786,935, respectively.

The annual requirements to pay governmental activities principal and interest on the capital leases outstanding at September 30, 2019 were as follows:

GOVERNMENTAL ACTIVITIES			
Fiscal Years	Capital Leases		
	Principal	Interest	Total Required
2020	\$ 4,540,131	\$ 299,687	\$ 4,839,818
2021	3,597,035	208,934	3,805,969
2022	2,850,859	143,661	2,994,520
2023	1,722,022	93,589	1,815,611
2024	507,168	60,976	568,144
2025 - 2029	<u>2,154,258</u>	<u>225,420</u>	<u>2,379,678</u>
	15,371,473	\$ <u>1,032,267</u>	\$ <u>16,403,740</u>
Current portion	<u>(4,540,131)</u>		
Long-term portion	\$ <u>10,831,342</u>		

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

H – LONG-TERM LIABILITIES – 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	\$ 1,525,000	4.00%	\$ 1,555,500
Revenue Bonds					
Series 2016A Special Obligation	Police Pension	50,400,000	45,645,000	1.640 - 3.521%	3,592,544
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	37,640,000	3.250 – 5.250%	4,119,150
Series 2015, NPCCRA	Refunding	18,870,000	18,240,000	2.250 – 4.125%	1,654,731
Series 2010A, CCCRA	Refunding	9,829,000	2,065,540	5.06%	1,135,139
Series 2006A, CCCRA	Redevelopment	77,175,000	5,000	4.45%	5,111
Series 2005B, NPCCRA	Redevelopment	7,280,000	1,440,000	5.68%	844,451
Series 2019, CCCRA	Refunding	91,285,000	91,285,000	5.00%	11,443,500
		<u>368,684,000</u>	<u>266,105,540</u>		<u>34,219,727</u>
Total bonds		<u>383,659,000</u>	<u>267,630,540</u>		<u>35,775,227</u>
Notes payable:					
Governmental funds					
Series 2006 Note	City Hall Land	4,066,000	854,460	5.06%	469,569
Promissory Note	Convention Center	5,000,000	1,000,000	0.00%	250,000
Series 2014 Revenue Note	Vehicles	2,375,000	1,197,321	2.28%	270,892
LOC Rollover Loan	Fire Stations	8,323,559	6,658,790	3.87%	1,907,065
Special Obligation Note 2019	Capital Improvement & Vehicles	15,055,000	15,055,000	1.83%	1,150,431
Promissory Note	Brownfield Note	350,000	263,954	3.00%	40,556
		<u>35,169,559</u>	<u>25,029,525</u>		<u>4,088,513</u>
Internal service funds					
Series 2014 Revenue Note	Communications	10,000,000	5,507,662	2.06%	1,220,143
Total promissory notes		<u>45,169,559</u>	<u>30,537,187</u>		<u>5,308,655</u>
Total bonds and notes for governmental activities		<u>\$ 428,828,559</u>	<u>\$ 298,167,727</u>		<u>\$ 41,083,882</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

H – LONG-TERM LIABILITIES – CONTINUED

The City had the following pledged debt as of September 30, 2019 in its governmental activities:

Description of Issue	Purpose	Pledged Revenue	Revenue Received in FY 2019 (1)	Principal and Interest Paid in FY 2019	Debt Service as a Percentage of Revenues Pledged	Outstanding Principal and Interest	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)	\$93,362,517	\$ 6,887,453	7.4%	\$180,591,069	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	\$ 2,540,870	\$ 1,687,745	66.4%	\$ 26,466,519	Fiscal years 2021 and 2035, respectively
City Center CRA Tax Increment Revenue Bonds Series 2006A, 2010A, 2015B and 2019	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	\$20,958,663	\$ 5,685,738	27.1%	\$194,458,428	Fiscal years 2021 through 2036

(1) FY 2019 Revenue:	Utility Service Tax	\$21,921,261
	Franchise Taxes	9,355,267
	Charges for Services	26,312,707
	Inter-governmental Revenue	15,475,846
	Licenses and Permits	3,745,686
	Fines and Forfeitures	355,609
	Interest	1,758,271
	Insurance Premium Taxes	2,791,185
	Rents and Royalties	665,174
	Payment in Lieu of Taxes	10,476,185
	Miscellaneous	505,326
	Total non-ad valorem revenue	<u>\$93,362,517</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

H – LONG-TERM LIABILITIES – CONTINUED

The following is a summary of changes in liabilities for business-type 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>
Business-Type Activities:						
Water and Sewer						
Systems Fund						
Revenue bonds	\$ 205,213,781	\$ -	\$ 4,975,790	\$ 200,237,991	\$ 5,169,950	\$ 195,068,041
Unamortized premium	13,258,855	-	1,036,001	12,222,854	-	12,222,854
Net bonds payable	218,472,636	-	6,011,791	212,460,845	5,169,950	207,290,895
Compensated absences	2,088,232	1,431,429	1,303,562	2,216,099	1,396,985	819,114
Net OPEB liability	-	81,087	-	81,087	-	81,087
Fund totals	<u>220,560,868</u>	<u>1,512,516</u>	<u>7,315,353</u>	<u>214,758,031</u>	<u>6,566,935</u>	<u>208,191,096</u>
Stormwater System Fund						
Revenue bonds	58,971,219	-	1,464,210	57,507,009	1,525,050	55,981,959
Unamortized premium	5,607,520	-	399,208	5,208,312	-	5,208,312
Net bonds payable	64,578,739	-	1,863,418	62,715,321	1,525,050	61,190,271
Compensated absences	320,596	105,693	116,579	309,710	131,814	177,896
Fund totals	<u>64,899,335</u>	<u>105,693</u>	<u>1,979,997</u>	<u>63,025,031</u>	<u>1,656,864</u>	<u>61,368,167</u>
Nonmajor Business						
-Type Funds						
Compensated absences	160,026	68,231	107,294	120,963	61,770	59,193
Funds total	<u>160,026</u>	<u>68,231</u>	<u>107,294</u>	<u>120,963</u>	<u>61,770</u>	<u>59,193</u>
Total business-type activities	<u>\$ 285,620,229</u>	<u>\$ 1,686,440</u>	<u>\$ 9,402,644</u>	<u>\$ 277,904,025</u>	<u>\$ 8,285,569</u>	<u>\$ 269,618,456</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 \$416,801,024. Principal and interest paid for the current year and total customer net revenues were \$17,062,896 and \$56,470,005, 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, 2019, the bond was fully repaid.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

H – LONG-TERM LIABILITIES – 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, 2019, the principal balance of \$2,385,000 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, 2019, 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. The interest rate on the remaining annual principal amounts payable vary between 3.75 and 4.5 %. The bonds mature October 1, 2027. As of September 30, 2019, the principal balance of \$12,410,000 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, 2019, the principal balance of \$8,445,000 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, 2019, the principal balance of \$40,025,000 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, 2019, 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 1.639 and 3.391% and the bonds mature October 1, 2029. As of September 30, 2019, the principal balance of \$40,480,000 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, 2019, the principal balance of \$35,100,000 remains.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

H – LONG-TERM OBLIGATIONS – CONTINUED

The annual requirements to pay business-type activities principal and interest on the bonds outstanding at September 30, 2019 are as follows:

BUSINESS-TYPE ACTIVITIES						
Fiscal Years	Water and Sewer System Bonds			Stormwater Utility Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 5,169,950	\$ 8,399,149	\$ 13,569,099	\$ 1,525,050	\$ 2,504,960	\$ 4,030,010
2021	5,323,215	8,233,958	13,557,173	1,596,785	2,455,195	4,051,980
2022	5,450,840	8,062,282	13,513,122	1,689,160	2,402,053	4,091,213
2023	5,201,930	7,897,760	13,099,690	1,693,070	2,339,513	4,032,583
2024	5,420,370	7,795,506	13,215,876	1,769,630	2,279,928	4,049,558
2025 - 2029	33,395,340	35,450,862	68,846,202	8,359,660	10,383,953	18,743,613
2030 - 2034	42,223,640	26,655,036	68,878,676	9,806,360	8,405,803	18,212,163
2035 - 2039	58,995,920	13,538,704	72,534,624	9,369,080	5,990,488	15,359,568
2040 -2044	<u>39,056,786</u>	<u>4,024,848</u>	<u>43,081,634</u>	<u>21,698,214</u>	<u>2,236,027</u>	<u>23,934,241</u>
Total	200,237,991	\$ <u>120,058,104</u>	\$ <u>320,296,095</u>	57,507,009	\$ <u>38,997,920</u>	\$ <u>96,504,929</u>
Current portion	(5,169,950)			(1,525,050)		
Premium	<u>12,222,854</u>			<u>5,208,312</u>		
Long-term portion	\$ <u>207,290,895</u>			\$ <u>61,190,271</u>		

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

H – LONG-TERM OBLIGATIONS – 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	\$ 2,189,430	4.125%– 4.25%	\$ 1,333,158
Series 2008C	Water/Sewer	83,591,640	50,702,440	See swap info	13,414,047
Series 2017A	Water/Sewer	39,056,786	39,056,786	5.00%	10,560,857
Utility System Revenue Refunding Bonds:					
Series 2010	Water/Sewer	15,140,000	12,410,000	3.75% - 4.50%	2,781,488
Series 2011A	Water/Sewer	15,264,000	6,713,775	5.00%	1,521,630
Series 2012A	Water/Sewer	22,935,000	22,855,000	2.00% – 5.00%	5,051,908
Series 2017B	Water/Sewer	36,122,310	35,703,360	1.64% - 3.39%	5,723,948
Series 2017C	Water/Sewer	30,607,200	30,607,200	3.00% - 5.00%	4,979,338
Premium	Water/Sewer	16,809,393	12,222,854		-
Total Water and Sewer System Fund		<u>319,504,669</u>	<u>212,460,845</u>		<u>45,366,374</u>
Utility System Revenue Bonds:					
Series 2008B	Storm Water	2,462,610	195,570	4.125%– 4.25%	113,522
Series 2008C	Storm Water	16,398,360	7,442,560	See swap info	1,969,034
Series 2017A	Storm Water	21,698,214	21,698,214	5.00%	5,867,143
Utility System Revenue Refunding Bonds:					
Series 2011A	Storm Water	3,936,000	1,731,225	5.00%	392,370
Series 2012A	Storm Water	20,105,000	17,170,000	2.00% – 5.00%	1,446,397
Series 2017B	Storm Water	4,832,690	4,776,640	1.64% - 3.39%	765,789
Series 2017C	Storm Water	4,492,800	4,492,800	3.00% - 5.00%	730,912
Premium	Storm Water	6,922,964	5,208,312		-
Total Storm Water Fund		<u>80,848,638</u>	<u>62,715,321</u>		<u>11,285,167</u>
Total Business-Type Activities		<u>\$ 400,353,307</u>	<u>\$ 275,176,166</u>		<u>\$ 56,651,541</u>

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.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note I – INTEREST RATE SWAP – CONTINUED

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, 2019 the total hedged and unhedged swap liability outstanding was \$56,335,000 and \$1,810,000, respectively.

As of September 30, 2019, 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	-1.478%
Net Interest Rate Swap Payments			2.061%
Variable Rate Bond Coupon Payments	(2)	7 Day Market Rate	<u>1.570%</u>
Synthetic Interest Rate on Bonds			<u>3.631%</u>

(1) 1.47751% rate based on the rate received from the swap counterparty for the period 9/4/2019 to 10/02/2019.

(2) 1.57% rate based on the rate paid to the corporate trustee for the week ending 10/1/2019.

Fair Value:

As of September 30, 2019, the swap had a negative fair value of \$20,585,017. The swap's negative fair value is due to the interest rate of the counterparty (at September 30, 2019) 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>Fair Value at September 30, 2019</u>					
<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	\$ 20,585,017	Liability	\$ (20,585,017)	\$ (9,829,942)
(Notional amount: \$56,335,000)					

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.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note I – INTEREST RATE SWAP– CONTINUED

The following table, which estimates debt service requirements of the variable rate bond and the swap payments, assumes that LIBOR rates will decrease from 1.911% on September 30, 2019 to 1.63% in 2019, increase to 2.0% in 2020 and then remain constant at 2.5% from 2021 to the duration of those instruments.

Fiscal Years ending September 30	Variable Rate Bonds - Hedged				Interest Rate Swap	
	Notional Value	Interest (1)	Liquidity	Remarketing	Net Amount (4)	Total
			Fees (2)	Fees (3)		
2020	\$ 56,335,000	\$ 811,224	\$ 281,675	\$ 70,419	\$ 1,161,340	\$ 2,324,658
2021	56,335,000	1,014,030	281,675	70,419	1,161,340	2,527,464
2022	56,335,000	1,014,030	281,675	70,419	1,161,340	2,527,464
2023	56,335,000	1,014,030	281,675	70,419	1,161,340	2,527,464
2024	56,335,000	1,014,030	281,675	70,419	1,161,340	2,527,464
2025 - 2029	56,335,000	5,070,150	1,408,375	352,094	5,806,702	12,637,321
2030 - 2034	56,335,000	5,070,150	1,408,375	352,094	5,806,702	12,637,321
2035 - 2038	14,950,000	2,586,510	436,800	109,200	1,800,918	4,933,428
Total		\$ 17,594,154	\$ 4,661,925	\$ 1,165,481	\$ 19,221,024	\$ 42,642,584

Fiscal Years ending September 30	Variable Rate Bonds - Unhedged		
	Principal	Interest (1)	Total
2020	\$ -	\$ 28,417	\$ 28,417
2021	335,000	28,417	363,417
2022	1,475,000	23,158	1,498,158
Total	\$ 1,810,000	\$ 79,992	\$ 1,889,992

(1) Interest rates over the period are calculated at 1.57% which was the rate in effect during the week ended October 1, 2019.

(2) Liquidity fees are 50 basis points or 0.5% 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% -1.47751%) multiplied by the notional amount outstanding (see Interest Rate Swap Rate Table).

Notional Amounts in Future Years		
From and Including	To but excluding	Notional Amount
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, 2019

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, 2019, 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. 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, 2019 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental Funds	\$ 1,667,119

The General Fund had receivables totaling \$1,667,119 which were for short term cash borrowings in the non-major governmental funds.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE K – INTERFUND TRANSFERS

The following is a summary of interfund transfer activity:

Transfer Out Funds:	Transfer In Funds:					Total
	General Fund	Series 2019 CCCRA Capital Bond Fund	Non-Major Governmental Funds	Non-Major Enterprise Funds	Internal Service Funds	
General	\$ -	\$ -	\$ 6,680,019	\$ -	\$ 2,162,382	\$ 8,842,401
CRA	250,000	-	1,918,131	362,000	-	2,530,131
Series 2019 CCCRA Capital Bond	-	-	31,842,830	-	-	31,842,830
Non-major governmental	56,551	-	6,995,584	-	441,799	7,493,934
Non-major enterprise	532,247	-	-	-	18,451	550,698
Water & Sewer	10,099,121	-	-	-	686,142	10,785,263
Stormwater	-	-	-	-	30,969	30,969
Internal service	-	75,684	7,986	-	86,544	170,214
Total transfers	\$ 10,937,919	\$ 75,684	\$ 47,444,550	\$ 362,000	\$ 3,426,287	\$ 62,246,440

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 used to fund benefit payments for employees. Transfers from the internal service funds to the General Fund was to fund operations and debt service obligations in the internal service funds.

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.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE L – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – CONTINUED

During the fiscal year ended September 30, 2019, 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

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.

On-Behalf Payments

The City receives on-behalf payments from the State of Florida to be used for police officer and firefighters pension benefits. Such payments are recorded as intergovernmental revenue and public safety expenditures in the GAAP basis government-wide and General Fund financial statements, but are not budgeted and therefore are not included in the General Fund budgetary basis financial statements. On-behalf payments to the City totaled \$2,791,185 for the fiscal year ended September 30, 2019.

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. 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, 2019. 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.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE M – RISK MANAGEMENT – CONTINUED

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

	Fiscal Year 2019	Fiscal Year 2018
Unpaid claims as of October 1	\$ <u>11,567,305</u>	\$ <u>11,572,526</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	3,775,934	5,385,856
Increases in provision for prior year events where the City has retained risk of loss	<u>1,758,015</u>	<u>162,113</u>
Total incurred claims	<u>5,533,949</u>	<u>5,547,969</u>
Payments:		
Claims attributable to current year events where the City has retained risk of loss	1,087,927	1,939,795
Claims attributable to prior year events where the City has retained risk of loss	<u>5,295,583</u>	<u>3,613,395</u>
Total payments	<u>6,383,510</u>	<u>5,553,190</u>
Unpaid claims as of September 30	\$ <u><u>10,717,744</u></u>	\$ <u><u>11,567,305</u></u>
Reconciliation to internal service funds Statement of Net Position:		
Insurance claims payable, current portion	2,676,585	3,024,939
Insurance claims payable, long-term portion	<u>8,041,159</u>	<u>8,542,366</u>
	\$ <u><u>10,717,744</u></u>	\$ <u><u>11,567,305</u></u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE M – RISK MANAGEMENT – CONTINUED

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

	Fiscal Year 2019	Fiscal Year 2018
Unpaid claims as of October 1	\$ <u>1,103,300</u>	\$ <u>1,284,587</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	37,749,000	32,299,813
Increases (decrease) in provision for prior year events where the City has retained risk of loss	<u>(18,164,598)</u>	<u>(9,985,791)</u>
Total incurred claims	<u>19,584,402</u>	<u>22,314,022</u>
Payments:		
Claims attributable to current year events where the City has retained risk of loss	13,555,413	19,800,539
Claims attributable to prior year events where the City has retained risk of loss	<u>5,910,326</u>	<u>2,694,770</u>
Total payments	<u>19,465,739</u>	<u>22,495,309</u>
Unpaid claims as of September 30	\$ <u><u>1,221,963</u></u>	\$ <u><u>1,103,300</u></u>
Reconciliation to internal service funds Statement of Net Position:		
Insurance claims payable, current portion	1,221,963	1,103,300
Insurance claims payable, long-term portion	<u>-</u>	<u>-</u>
	\$ <u><u>1,221,963</u></u>	\$ <u><u>1,103,300</u></u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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	\$ 4,511,331
2019 Capital Bond Fund	6,071,744
All other Governmental funds	<u>15,660,683</u>
	<u><u>26,243,758</u></u>

Business-Type Activities:

Water and Sewer System Fund	16,029,382
Stormwater Fund	<u>1,448,734</u>
	<u><u>\$ 17,478,116</u></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, 2019, neither the City nor the CRA has an outstanding liability to the CDD.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE O – EMPLOYEE RETIREMENT PLANS

During the fiscal year ended September 30, 2019, 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, 2019, the actuarial valuation date for all plans is September 30, 2017, and the measurement date is September 30, 2018. 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 West Palm Beach 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 2019, 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 2019, as discounted for payment at the beginning of the fiscal year, was \$4,363,006. This contribution represented approximately 18% of covered payroll. Chapter 185 funds, as mentioned above, amounted to \$1,483,310 for fiscal year 2019. 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 wpbppf.com.

Firefighters pension plan: The West Palm Beach 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 2019, 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 2019, as discounted for payment at the beginning of the fiscal year, was \$9,065,383.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE O – EMPLOYEE RETIREMENT PLANS – CONTINUED

Chapter 175 funds, as mentioned above, amounted to \$1,538,676 for fiscal year 2019. In accordance with the union contract, 85% of the Chapter 175 monies, or \$1,307,875, was remitted to the pension plan. These combined contributions, amounting to \$10,373,258, represented 53.7% 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, 2019, the remaining advance was \$3,201,380 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, 2017</u>	<u>September 30, 2017</u>	<u>September 30, 2017</u>
Membership as of valuation date:			
Number of:			
Retirees and beneficiaries	253	209	162
Inactive, nonretired members	10	-	7
Active members	<u>253</u>	<u>208</u>	<u>21</u>
Total membership	<u>516</u>	<u>417</u>	<u>190</u>
Covered payroll	\$ <u>23,929,891</u>	\$ <u>19,303,606</u>	\$ <u>1,407,812</u>
Net pension asset (liability):			
Total pension liability	\$ (383,532,907)	\$ (299,469,334)	\$ (43,769,792)
Fiduciary net position	<u>384,460,632</u>	<u>227,717,241</u>	<u>47,300,688</u>
Net pension asset (liability)	<u>\$ 927,725</u>	<u>\$ (71,752,093)</u>	<u>\$ 3,530,896</u>
Fiduciary net position as a % of total pension liability	100.24%	76.04%	108.07%
Net pension asset (liability) as a % of covered payroll	3.88%	-371.70%	250.81%

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE O – EMPLOYEE RETIREMENT PLANS – CONTINUED

	<u>Police Pension</u>	<u>Firefighters Pension</u>	<u>Restated Pension</u>
Total Pension Liability (Asset)	<u>Increase (Decrease)</u>		
Balance at September 30, 2017	\$ 358,140,046	\$ 280,949,431	\$ 43,973,012
Changes for the year:			
Service cost	4,969,598	4,299,275	93,853
Interest on the total pension liability	27,649,993	14,539,716	3,190,156
Change in benefit terms	2,595,355	-	-
Difference between expected and actual experience of the total pension liability	2,535,765	(748,224)	(518,168)
Changes of assumptions	3,904,405	6,304,411	-
Benefit payments including refunds of employee contributions	(19,027,629)	(16,159,237)	(2,969,061)
Other (DROP and share plan adjustments)	2,765,374	10,283,962	-
Net change in total pension liability	<u>25,392,861</u>	<u>18,519,903</u>	<u>(203,220)</u>
(a) Total pension liability - ending	<u>\$ 383,532,907</u>	<u>\$ 299,469,334</u>	<u>\$ 43,769,792</u>
Plan Fiduciary Net Position			
Balance at September 30, 2017	\$ 361,249,258	\$ 207,273,396	\$ 46,405,229
Contributions - employer	5,012,935	12,724,711	-
Contributions - employee	2,679,979	-	65,868
Net investment income	33,555,721	24,051,595	3,880,565
Benefit payments including refunds of employee contributions	(19,027,629)	(16,159,237)	(2,969,061)
Pension plan administrative expense	(319,039)	(199,057)	(92,844)
Other	<u>1,309,407</u>	<u>25,833</u>	<u>10,931</u>
Net change in plan fiduciary net position	<u>23,211,374</u>	<u>20,443,845</u>	<u>895,459</u>
(b) Plan fiduciary net position - ending *	<u>\$ 384,460,632</u>	<u>\$ 227,717,241</u>	<u>\$ 47,300,688</u>
(a) - (b) Net pension liability (asset)	<u>\$ (927,725)</u>	<u>\$ 71,752,093</u>	<u>\$ (3,530,896)</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	<u>100.24%</u>	<u>76.04%</u>	<u>108.07%</u>
Covered payroll	<u>\$ 23,929,891</u>	<u>\$ 19,303,606</u>	<u>\$ 1,407,812</u>
Net pension liability (asset) as a percentage of covered payroll	<u>-3.88%</u>	<u>371.70%</u>	<u>-250.81%</u>

* Actuarial valuation excludes recognition of the portion of advances to the Restated Plan recognized in each plan year.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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					
<u>Pension Plan</u>	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Pension Expense (Credit)</u>
Restated	\$ 3,071,879	\$ -	\$ 1,724,099	\$ 648,439	\$ (925,981)
Police	927,725	-	15,462,490	20,186,990	8,000,350
Firefighters	-	71,752,093	14,657,528	20,563,093	8,475,317
Total	\$ <u>3,999,604</u>	\$ <u>71,752,093</u>	\$ <u>31,844,117</u>	\$ <u>41,398,522</u>	\$ <u>15,549,686</u>

Business-Type Activities					
<u>Pension Plan</u>	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Pension Expense (Credit)</u>
Restated	\$ <u>459,017</u>	\$ <u>-</u>	\$ <u>257,623</u>	\$ <u>96,893</u>	\$ <u>(138,365)</u>

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, 2019

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, 2017	September 30, 2017	September 30, 2017
Measurement date:	September 30, 2018	September 30, 2018	September 30, 2018
Reporting date:	September 30, 2019	September 30, 2019	September 30, 2019

Methods and Assumptions Used to Determine Net Pension Liability:

Actuarial cost method:	Entry Age Normal	Entry Age Normal	Entry Age Normal
Inflation:	2.50%	4.10%	5.00%
Salary increases:	5.00%, including inflation	4.1% to 4.6%, including inflation	5.00% to 8.80% per year
Investment rate of return:	7.750%	7.50%	7.50%
Long-term municipal bond rate:	3.83%	3.83%	3.83%
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 2018 valuation.	Age-based table of rates that are specific to the type of eligibility condition.
Mortality:	RP-2000 Combined Healthy Participant Mortality Table (pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. These are the same rates used for Special Risk Class members of the Florida Retirement System in the July 1, 2017 FRS Valuation, as mandated by Chapter 112.63, Florida Statutes.	The Florida Retirement System (FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.	The Florida Retirement System (FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.
Other information:	Effective for the Actuarial Valuation as of September 03, 2017, the investment return assumption was lowered from 7.875% to 7.75%.	No benefit changes changes reflected in the TPL as of September 30, 2018. 5.5% a year for Plan A pension recipients (hired prior to May 1, 1959). Implied 0.7% a year for prior Plan B recipients as of September 30, 1998, if aggregate gains from all sources do not limit it.	Cost of living adjustments were 2.00% simple.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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, 2019:

Description	Deferred Outflows (Inflows)			
	Police	Firefighters	Restated	Total
City and State contribution subsequent to measurement date	\$ 5,846,316	\$ 9,065,383	\$ -	\$ 14,911,699
Differences between expected and actual experience	2,453,940	(2,467,054)	-	(13,114)
Change of assumptions	7,762,511	9,329,436	-	17,091,947
Net difference between projected and actual	4,124,223	2,168,274	745,332	7,037,829
Actual earnings on pension plan investments	(15,462,490)	(12,190,474)	(1,981,722)	(29,634,686)
	<u>\$ 4,724,500</u>	<u>\$ 5,905,565</u>	<u>\$ (1,236,390)</u>	<u>\$ 9,393,675</u>
Amounts from Statement of Net Position:			Deferred outflows - pensions	\$ 41,495,415
			Deferred inflows - pensions	<u>(32,101,740)</u>
				<u>\$ 9,393,675</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
Restated Employees Pension	6.50% \$1,280,924	7.50% (\$3,530,896)	8.50% (\$7,575,613)
Firefighters Pension	6.50% \$96,564,779	7.50% \$71,752,093	8.50% \$51,435,737
Police Pension	6.75% \$35,490,117	7.75% (\$927,725)	8.75% (\$30,472,743)

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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 7.5%, 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, 2018, the City contributed \$5,846,316 and \$9,065,383 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 September 30	Police	Firefighters	Restated
2020	\$ 2,488,286	\$ (509,535)	\$ 51,368
2021	(1,867,539)	(2,677,809)	(558,902)
2022	(2,466,231)	(2,142,196)	(626,434)
2023	475,968	(94,388)	(102,422)
2024	247,700	1,436,948	-
Thereafter	-	827,162	-
	<u>\$ (1,121,816)</u>	<u>\$ (3,159,818)</u>	<u>\$ (1,236,390)</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, 2019 are summarized in the following table.

Police Pension		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	48%	7.50%
International equity	14%	8.50%
Domestic bonds	22%	2.50%
Real estate	14%	4.50%
Alternative assets	2%	6.00%
	<u>100%</u>	

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE O – EMPLOYEE RETIREMENT PLANS – CONTINUED

Firefighters Pension		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	50%	4.2%
International equity	10%	8.5%
Domestic bonds	15%	2.5%
International bonds	5%	3.5%
Real estate	12%	4.5%
Alternative assets	8%	6.2%
	<u>100%</u>	

Restated Pension		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%
	<u>100%</u>	

(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 2019 was \$3.9 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, 2019

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 agree 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, 2019

NOTE Q – 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 funds, subject to all applicable laws.

GASB 75 Disclosures:

Employer Reporting Plan Membership: As of October 1, 2019, employee membership data related to the Plan is as follows:

	Number of Employees
Current retirees:	
Under age 65	195
Over age 65	20
Total current retirees	215
Active employees:	
Active employees with coverage	1,466
Active employees without coverage	37
Total active employees	1,503
Total number of participants	1,718

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE Q – OTHER POSTEMPLOYMENT BENEFITS– CONTINUED

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:

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

Rate of return: For the year ended September 30, 2019, 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.

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, 2019, are summarized in the following table:

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

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE Q – OTHER POSTEMPLOYMENT BENEFITS– CONTINUED

Net OPEB Liability of the City:

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

	<u>Net OPEB Liability</u>
Balance recognized at October 1, 2018	\$ <u>72,817</u>
Changes for the fiscal year:	
Service cost	408,359
Interest on the total OPEB liability	987,405
Changes in assumptions and other inputs	792,269
Contributions - employer	(1,153,020)
Net investment income	<u>(484,087)</u>
Net change in net OPEB	<u>550,926</u>
Net OPEB liability at September 30, 2019	<u>\$ 623,743</u>
Plan fiduciary net position as % of total OPEB liability	95.7%
Covered payroll	\$ 96,685,320
Net OPEB liability as % of covered payroll	0.6%
Measurement date	9/30/2019

At September 30, 2019, the City reported deferred outflows/(inflows) of resources related to the OPEB plan as follows:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 740,941	\$ (367,394)
Changes in assumptions	-	(61,852)
Net difference between projected and actual earnings in OPEB plan investments	<u>1,439,218</u>	-
Total	<u>\$ 2,180,159</u>	<u>\$ (429,246)</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE Q – OTHER POSTEMPLOYMENT BENEFITS– CONTINUED

The balances as of September 30, 2019 of the deferred outflows/(inflows) of resources will be recognized in OPEB expense in the future years as noted below:

<u>Fiscal Year</u>	<u>Balance</u>
2020	\$ 485,462
2021	485,462
2022	485,462
2023	141,640
2024	39,702
Thereafter	113,185

The total OPEB liability was determined by an actuarial valuation as of September 30, 2019, using the following assumptions included in the measurement as follows:

Measurement date: For fiscal year ending September 30, 2019, September 30, 2019 measurement date was used.

Actuarial valuation date: September 30, 2019 with no adjustments to get to the September 2019 measurement date. Liabilities as of October 1, 2018 are based on an actuarial valuation date of October 1, 2017 projected to October 1, 2018 on a "no loss/no gain" basis.

Inflation: 1.5% per year. Inflation 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, 2018. Sample annual increases are shown below.

<u>Years of Service</u>	<u>Fire</u>	<u>Police</u>	<u>General</u>
0-10	4.60%	5.00%	4.00%
11-22	4.35%	5.00%	4.00%
23+	4.10%	5.00%	4.00%

Healthcare cost trends: An initial rate of 8.00% decreasing to an ultimate rate of 4.50% by FY 2027.

Mortality Rates: General Employees and Retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019

Police and Fire Employees and Retires: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019

Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Mortality Table fully generational using Scale MP-2019

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE Q – OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

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

Total OPEB liability:	
Service cost	\$ 408,359
Interest	987,405
Difference between expected and actual experience	792,269
Benefit payments	<u>(1,153,020)</u>
Net change in total OPEB liability	1,035,013
Total OPEB liability - beginning of year	<u>13,323,130</u>
Total OPEB liability - end of year (a)	<u><u>14,358,143</u></u>
Plan fiduciary net position:	
Contributions - employer	\$ 1,153,020
Contributions - active employees	-
Net investment income	484,087
Benefit payments	(1,153,020)
Trust administrative expenses	-
Net change in plan fiduciary net position	<u>484,087</u>
Plan fiduciary net position - beginning of year	<u>13,250,313</u>
Plan fiduciary net position - end of year (b)	<u>13,734,400</u>
Net OPEB Liability - end of year (a-b)	\$ <u><u>623,743</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.

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, 2019:

	1% Decrease <u>6.50%</u>	Current Discount Rate <u>7.50%</u>	1% Increase <u>8.50%</u>
Net OPEB (Asset) Liability	\$ 1,658,860	\$ 623,743	\$ (307,540)

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE Q – OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

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, 2019:

	1% Decrease <u>7.00%</u>	Trend Rate <u>8.00%</u>	1% Increase <u>9.00%</u>
Net OPEB (Asset) Liability	\$ (419,006)	\$ 623,743	\$ 1,813,977

OPEB Trust Fund financial statements for the fiscal year ended September 30, 2019, 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		STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	
September 30, 2019		For the Fiscal Year Ended September 30, 2019	
Cash and cash equivalents	\$ 1,232,337	Additions:	
Interest receivable	-	Employer contributions	\$ 1,153,020
Investments:		Change in FMV	<u>484,087</u>
Fixed income	2,098,086	Total additions	<u>1,637,107</u>
Equities	9,909,286	Deductions:	
Real estate	<u>494,691</u>	Participant payments	<u>1,153,020</u>
Total investments	<u>12,502,063</u>	Total deductions	<u>1,153,020</u>
Total assets	<u>13,734,400</u>	Net increase	<u>484,087</u>
		Net position restricted	
		for OPEB:	
		Beginning of year	<u>13,250,313</u>
Net position	\$ <u>13,734,400</u>	End of year	\$ <u>13,734,400</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE R – 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>Series 2019 CCRA Capital Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:						
Nonspendable:						
Inventories	\$ 323,692	\$ -	\$ -	\$ -	\$ 75,995	\$ 399,687
Prepaid items	37,479	6,269	-	-	-	43,748
Advance to defined benefit pension plan	3,201,380	-	-	-	-	3,201,380
Restricted:						
Forfeiture	-	-	-	-	778,190	778,190
Cemetery trust	-	-	-	-	1,162,574	1,162,574
Transportation	-	-	-	-	6,817,282	6,817,282
Public safety	-	-	-	-	18,154,536	18,154,536
Economic environment	-	30,649,508	3,915,062	67,908,275	8,022,288	110,495,133
Debt service	-	-	-	-	7,368,942	7,368,942
Capital outlay	-	-	-	-	45,743,517	45,743,517
Committed:						
Emergency reserve	16,126,928	-	-	-	-	16,126,928
Land held for resale	-	-	-	-	2,862,473	2,862,473
Public safety	-	-	-	-	4,426,119	4,426,119
Leisure services	-	-	-	-	1,742,190	1,742,190
Capital outlay	-	-	-	-	11,980,501	11,980,501
Assigned:						
For subsequent year's expenditures	3,998,170	-	-	-	-	3,998,170
Unassigned	<u>12,111,285</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,111,285</u>
Total fund balances	\$ <u>35,798,934</u>	\$ <u>30,655,777</u>	\$ <u>3,915,062</u>	\$ <u>67,908,275</u>	\$ <u>109,134,607</u>	\$ <u>247,412,655</u>

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

NOTE S – SUBSEQUENT EVENT

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



**REQUIRED SUPPLEMENTARY
INFORMATION (Unaudited)**

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, 2019
(UNAUDITED)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Taxes	\$ 110,821,283	\$ 110,821,283	\$ 109,659,473	\$ (1,161,810)
Licenses and permits	3,764,300	3,764,300	3,745,686	(18,614)
Intergovernmental	17,806,111	18,009,365	15,475,846	(2,533,519)
Charges for services	39,902,105	40,503,305	41,057,336	554,031
Fines and forfeitures	301,000	301,000	355,609	54,609
Rents and royalties	265,000	265,000	665,174	400,174
Interest	745,000	745,000	1,758,271	1,013,271
Miscellaneous	652,570	673,823	505,326	(168,497)
Total Revenues	<u>174,257,369</u>	<u>175,083,076</u>	<u>173,222,721</u>	<u>(1,860,355)</u>
Expenditures:				
Current:				
General Government				
Mayor's Office	8,387,131	9,381,778	9,346,929	34,849
Internal Audit	777,834	777,834	685,346	92,488
Non-departmental Government	2,568,130	2,776,848	2,633,960	142,888
Procurement	1,346,089	1,291,089	1,223,564	67,525
Finance	4,505,150	4,510,150	3,970,657	539,493
Support Services	2,682,606	3,672,001	3,123,719	548,282
Human Resources	3,026,393	2,922,893	2,494,386	428,507
Department of City Attorney	3,243,436	3,362,436	3,239,834	122,602
Housing and Community Development	1,780,903	1,940,903	1,372,683	568,220
Development Services	5,030,860	5,016,860	4,523,327	493,533
Public Safety				
Police - public safety	58,721,284	60,044,077	58,983,100	1,060,977
Fire - public safety	41,381,129	43,541,780	42,148,356	1,393,424
Engineering services	3,263,984	3,263,984	3,128,998	134,986
Public works	6,143,686	6,481,886	3,662,350	2,819,536
Health and sanitation	11,832,468	11,851,468	11,056,448	795,020
Leisure Services				
Library Services	5,205,931	5,205,931	5,019,970	185,961
Parks and recreation	18,785,342	18,602,805	18,123,821	478,984
Capital outlay	3,293,367	4,403,892	4,149,232	254,660
Principal retirement	5,783,369	5,783,369	5,781,584	1,785
Interest charges	5,220,775	5,275,775	5,172,178	103,597
Total Expenditures	<u>192,979,867</u>	<u>200,107,759</u>	<u>189,840,442</u>	<u>10,267,317</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(18,722,498)</u>	<u>(25,024,683)</u>	<u>(16,617,721)</u>	<u>8,406,962</u>

Continued

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
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019
(UNAUDITED)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	500,000	700,000	1,661,233	961,233
Transfers in	10,192,430	10,623,003	10,937,919	314,916
Transfers out	<u>(2,147,682)</u>	<u>(8,844,151)</u>	<u>(8,842,401)</u>	<u>1,750</u>
Total Other Financing Sources (Uses)	8,544,748	2,478,852	3,756,751	1,277,899
Special Item:				
Forgiveness of advance to other fund	<u>-</u>	<u>(401,395)</u>	<u>(401,395)</u>	<u>-</u>
Net Changes in Fund Balances	\$ <u><u>(10,177,750)</u></u> \$	\$ <u><u>(22,947,226)</u></u> \$	\$ <u><u>(13,262,365)</u></u> \$	<u><u>9,684,861</u></u>
Fund Balances (Deficit) - Beginning			46,174,288	
Reconciliation of budgetary basis revenues to GAAP basis revenues:				
Revenues reported in this statement			\$ 173,222,721	
On-behalf payments			2,791,185	
Deduct administrative charges			<u>(14,744,629)</u>	
Revenues GAAP basis			\$ <u><u>161,269,277</u></u>	
Reconciliation of budgetary basis expenditures to GAAP basis expenditures:				
Expenditures reported in this statement			\$ 189,840,442	
On-behalf payments			2,791,185	
Deduct year-end encumbrances			(2,887,011)	
Deduct administrative charges			<u>(14,744,629)</u>	
Expenditures GAAP basis			\$ <u><u>174,999,987</u></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, 2019
(UNAUDITED)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Taxes	\$ 20,726,220	\$ 20,726,220	\$ 20,958,663	\$ 232,443
Intergovernmental	14,083,407	14,583,407	13,696,465	(886,942)
Rents and royalties	218,535	218,535	130,101	(88,434)
Interest	180,000	180,000	1,066,309	886,309
Miscellaneous	-	-	106,204	106,204
Total Revenues	<u>35,208,162</u>	<u>35,708,162</u>	<u>35,957,742</u>	<u>249,580</u>
Expenditures:				
Current:				
Economic environment	31,412,592	32,979,908	19,346,688	13,633,220
Capital outlay	11,140,940	10,737,149	1,577,924	9,159,225
Debt service				
Principal retirement	7,656,312	7,656,312	3,208,496	4,447,816
Interest charges	<u>6,005,541</u>	<u>6,005,541</u>	<u>3,262,887</u>	<u>2,742,654</u>
Total Expenditures	<u>56,215,385</u>	<u>57,378,910</u>	<u>27,395,995</u>	<u>29,982,915</u>
Excess (deficiency) of revenues over expenditures	<u>(21,007,223)</u>	<u>(21,670,748)</u>	<u>8,561,747</u>	<u>30,232,495</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	760,000	1,423,525	760,000	(663,525)
Transfers in	75,684	75,684	75,684	-
Transfers out	<u>(2,530,131)</u>	<u>(2,530,131)</u>	<u>(2,530,131)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,694,447)</u>	<u>(1,030,922)</u>	<u>(1,694,447)</u>	<u>(663,525)</u>
Net changes in fund balances	<u>\$ (22,701,670)</u>	<u>\$ (22,701,670)</u>	6,867,300	<u>\$ 29,568,970</u>
Fund balance - beginning			<u>23,788,477</u>	
Fund balance - ending			<u>\$ 30,655,777</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, 2019
(UNAUDITED)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Taxes	\$ 2,512,691	\$ 2,512,691	\$ 2,540,870	\$ 28,179
Intergovernmental	1,606,929	1,606,929	1,471,018	(135,911)
Interest	30,000	30,000	165,401	135,401
Miscellaneous	<u>65,500</u>	<u>65,500</u>	<u>78,311</u>	<u>12,811</u>
Total revenues	<u>4,215,120</u>	<u>4,215,120</u>	<u>4,255,600</u>	<u>40,480</u>
Expenditures:				
Current:				
Economic environment	3,078,990	3,149,140	1,542,550	1,606,590
Capital outlay	2,522,150	2,505,000	2,200,000	305,000
Debt service				-
Principal retirement	942,113	942,113	942,113	-
Interest charges	<u>787,889</u>	<u>787,889</u>	<u>786,540</u>	<u>1,349</u>
Total expenditures	<u>7,331,142</u>	<u>7,384,142</u>	<u>5,471,203</u>	<u>1,912,939</u>
Excess (deficiency) of revenues over expenditures	<u>(3,116,022)</u>	<u>(3,169,022)</u>	<u>(1,215,603)</u>	<u>1,953,419</u>
Net changes in fund balances	\$ <u>(3,116,022)</u>	\$ <u>(3,169,022)</u>	(1,215,603)	\$ <u>1,953,419</u>
Fund balances (deficit) - beginning			<u>5,130,665</u>	
Fund balances (deficit) - ending			<u>\$ 3,915,062</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 2019</u>	<u>Measurement Year 2018</u>	<u>Measurement Year 2017</u>
<u>Total Pension Liability ("TPL")</u>			
Changes for the Year:			
Service Cost	\$ 5,950,838	\$ 4,969,598	\$ 4,465,713
Interest on the TPL	29,213,639	27,649,993	26,458,916
Benefit changes	-	2,595,355	-
Difference-expected vs. actual experience of TPL	2,559,101	2,535,765	335,340
Changes in assumptions	4,539,371	3,904,405	5,183,638
Benefit payments	(18,963,330)	(18,801,870)	(18,064,650)
Refunds	(152,950)	(225,759)	(25,530)
Other	1,613,818	2,765,374	2,237,938
Net Change in TPL	<u>24,760,487</u>	<u>25,392,861</u>	<u>20,591,365</u>
TPL balance - beginning of year	<u>383,532,907</u>	<u>358,140,046</u>	<u>337,548,681</u>
TPL balance - end of year	<u>\$ 408,293,394</u>	<u>\$ 383,532,907</u>	<u>\$ 358,140,046</u>
<u>Plan Fiduciary Net Position ("FNP")</u>			
Changes for the year:			
Contributions - employer and state	5,846,316	5,012,935	4,618,111
Contributions - employees	2,787,968	2,679,979	2,427,068
Net investment income	9,669,966	33,555,721	44,494,434
Benefit payments	(18,963,330)	(18,801,870)	(18,064,650)
Refunds	(152,950)	(225,759)	(25,530)
Pension plus administrative expense	(336,885)	(319,039)	(308,777)
Other	130,508	1,309,407	904,892
Net change in FNP	<u>(1,018,407)</u>	<u>23,211,374</u>	<u>34,045,548</u>
FNP balance - beginning of the year	<u>384,460,632</u>	<u>361,249,258</u>	<u>327,203,710</u>
FNP balance - end of the year	<u>\$ 383,442,225</u>	<u>\$ 384,460,632</u>	<u>\$ 361,249,258</u>
Net Pension Liability	<u>24,851,169</u>	<u>(927,725)</u>	<u>(3,109,212)</u>
Plan FNP as a percentage of TPL	<u>93.91%</u>	<u>100.24%</u>	<u>100.87%</u>
Covered payroll	<u>\$ 25,098,209</u>	<u>\$ 23,929,891</u>	<u>\$ 21,679,436</u>
NPL as a percentage of covered payroll	<u>99.02%</u>	<u>-3.88%</u>	<u>-14.34%</u>

Continued

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
POLICE PENSION FUND
LAST TEN FISCAL YEARS
(UNAUDITED)

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

Note:

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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 2019</u>	<u>Measurement Year 2018</u>	<u>Measurement Year 2017</u>
<u>Total Pension Liability ("TPL")</u>			
Changes for the Year:			
Service Cost	\$ 4,637,520	\$ 4,299,275	\$ 3,997,127
Interest on the TPL	14,901,302	14,539,716	13,652,932
Difference-expected vs. actual experience of TPL	1,566,360	(748,224)	(944,506)
Changes in assumptions	-	6,304,411	5,482,333
Benefit payments	(15,940,655)	(16,056,923)	(17,896,859)
Refunds	(41,259)	(102,314)	(225,496)
Other	8,721,401	10,283,962	11,407,181
Net Change in TPL	<u>13,844,669</u>	<u>18,519,903</u>	<u>15,472,712</u>
TPL balance - beginning of year	<u>299,469,334</u>	<u>280,949,431</u>	<u>265,476,719</u>
TPL balance - end of year	<u>\$ 313,314,003</u>	<u>\$ 299,469,334</u>	<u>\$ 280,949,431</u>
<u>Plan Fiduciary Net Position ("FNP")</u>			
Changes for the year:			
Contributions - employer and state	10,373,258	9,398,714	7,594,810
Contributions - employees	2,738,646	3,325,997	5,631,366
Net investment income	9,177,925	24,051,595	23,590,017
Benefit payments	(15,940,655)	(16,056,923)	(17,896,859)
Refunds	(41,259)	(102,314)	(225,496)
Pension plus administrative expense	(176,142)	(199,057)	(183,315)
Other	25,919	25,833	19,789
Net change in FNP	<u>6,157,692</u>	<u>20,443,845</u>	<u>18,530,312</u>
FNP balance - beginning of the year	<u>227,717,241</u>	<u>207,273,396</u>	<u>188,743,084</u>
FNP balance - end of the year	<u>\$ 233,874,933</u>	<u>\$ 227,717,241</u>	<u>\$ 207,273,396</u>
Net Pension Liability	<u>79,439,070</u>	<u>71,752,093</u>	<u>73,676,035</u>
Plan FNP as a percentage of TPL	<u>74.65%</u>	<u>76.04%</u>	<u>73.78%</u>
Covered payroll	<u>\$ 19,890,980</u>	<u>\$ 19,303,606</u>	<u>\$ 17,540,397</u>
NPL as a percentage of covered payroll	<u>399.37%</u>	<u>371.70%</u>	<u>420.04%</u>

Continued

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

Note:

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

	<u>Measurement Year 2019</u>	<u>Measurement Year 2018</u>	<u>Measurement Year 2017</u>
<u>Total Pension Liability ("TPL")</u>			
changes for the Year:			
Service Cost	\$ 61,354	\$ 93,853	\$ 86,849
Interest on the TPL	3,169,813	3,190,156	3,225,757
Difference-expected vs. actual experience of TPL	(488,903)	(518,168)	(374,998)
Changes in assumptions	-	-	2,171,968
Benefit payments	<u>(3,072,580)</u>	<u>(2,969,061)</u>	<u>(2,830,193)</u>
Net Change in TPL	(330,316)	(203,220)	2,279,383
TPL balance - beginning of year	<u>43,769,792</u>	<u>43,973,012</u>	<u>41,693,629</u>
TPL balance - end of year	<u>\$ 43,439,476</u>	<u>\$ 43,769,792</u>	<u>\$ 43,973,012</u>
<u>Plan Fiduciary Net Position ("FNP")</u>			
Changes for the year:			
Contributions - employer and state			
Contributions - employees	58,116	65,868	78,838
Net investment income	1,607,058	3,880,565	5,968,401
Benefit payments	(3,072,580)	(2,969,061)	(2,830,193)
Pension plus administrative expense expense	(91,028)	(92,844)	(87,504)
Other	-	10,931	3,774
Net change in FNP	<u>(1,498,434)</u>	<u>895,459</u>	<u>3,133,316</u>
FNP balance - beginning of the year	47,300,688	46,405,229	43,271,913
FNP balance - end of the year	<u>\$ 45,802,254</u>	<u>\$ 47,300,688</u>	<u>\$ 46,405,229</u>
Net Pension Liability	<u>\$ (2,362,778)</u>	<u>\$ (3,530,896)</u>	<u>\$ (2,432,217)</u>
Plan FNP as a percentage of TPL	<u>105.44%</u>	<u>108.07%</u>	<u>105.53%</u>
Covered payroll	<u>\$ 1,054,882</u>	<u>\$ 1,407,812</u>	<u>\$ 1,500,533</u>
NPL as a percentage of covered payroll	<u>-223.99%</u>	<u>-250.81%</u>	<u>-162.09%</u>

Continued

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
RESTATEMENT EMPLOYEES PENSION FUND
LAST TEN FISCAL YEARS
(UNAUDITED)

	<u>Measurement Year 2016</u>	<u>Measurement Year 2015</u>	<u>Measurement Year 2014</u>
<u>Total Pension Liability ("TPL")</u>			
changes for the Year:			
Service Cost	\$ 97,056	\$ 44,894	\$ 54,631
Interest on the TPL	2,998,902	3,005,049	2,971,240
Difference-expected vs. actual experience of TPL	(273,566)	(467,954)	-
Changes in assumptions	2,790,291	-	-
Benefit payments	(2,713,596)	(2,656,230)	(2,507,730)
Refunds	-	-	(32,817)
Net Change in TPL	<u>2,899,087</u>	<u>(74,241)</u>	<u>485,324</u>
TPL balance - beginning of year	<u>38,794,542</u>	<u>38,868,783</u>	<u>38,383,459</u>
TPL balance - end of year	<u>\$ 41,693,629</u>	<u>\$ 38,794,542</u>	<u>\$ 38,868,783</u>
<u>Plan Fiduciary Net Position ("FNP")</u>			
Changes for the year:			
Contributions - employees	85,170	93,620	106,999
Net investment income	2,992,915	456,643	5,888,760
Benefit payments	(2,713,596)	(2,656,230)	(2,507,730)
Refunds	-	-	(32,817)
Pension plus administrative expense expense	(84,157)	(83,101)	(78,375)
Other	6,518	2,380	2,139
Net change in FNP	<u>286,850</u>	<u>(2,186,688)</u>	<u>3,378,976</u>
FNP balance - beginning of the year	42,985,063	45,171,494	41,792,518
Adjustment	<u>-</u>	<u>257</u>	<u>-</u>
FNP balance - end of the year	<u>\$ 43,271,913</u>	<u>\$ 42,985,063</u>	<u>\$ 45,171,494</u>
Net Pension Liability	<u>\$ (1,578,284)</u>	<u>\$ (4,190,521)</u>	<u>\$ (6,302,711)</u>
Plan FNP as a percentage of TPL	<u>103.79%</u>	<u>110.80%</u>	<u>116.22%</u>
Covered payroll	<u>\$ 1,672,545</u>	<u>\$ 1,814,346</u>	<u>\$ 2,019,761</u>
NPL as a percentage of covered payroll	<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, 2019
 (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	3.00%
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	RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the best mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) in the July 1, 2016 FRS Valuation, and mandated by Chapter 112.63 Florida Statutes.
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%
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 1.17% 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, 2019
 (UNAUDITED)**

METHODS AND ASSUMPTIONS USED TO DETERMINE THE PENSION CONTRIBUTION RATES

Restated Employees Pension Fund:

Actuarial cost method	Aggregate
Amortization method	Experience gains/losses and one-time (e.g., assumption changes) are measured using the Entry Age Normal Cost Method and amortized over separate 10-year bases with level dollar payments
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	3.83%
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 TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year Ended</u>	<u>Police Pension</u>	<u>Firefighters Pension</u>	<u>Restated Employees Pension</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%
2019 Actuarially determined employer contributions	\$ 4,363,006	\$ 9,065,383	\$ 423,367
Actual contributions	<u>4,363,006</u>	<u>10,373,258</u>	<u>423,367</u>
Contribution deficiency (excess)	-	(1,307,875)	-
Covered payroll	\$ 25,098,209	\$ 19,890,980	\$ 1,054,882
Actual contribution as % of covered payroll	17.4%	52.2%	40.1%

(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 TEN FISCAL YEARS
 (UNAUDITED)**

	<u>September 30, 2019</u>	<u>September 30, 2018</u>	<u>September 30, 2017</u>
Annual money-weighted rate of return, net of investment expenses	1.88%	10.04%	13.29%
	<u>September 30, 2016</u>	<u>September 30, 2015</u>	<u>September 30, 2014</u>
Annual money-weighted rate of return, net of investment expenses	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 TEN FISCAL YEARS
 (UNAUDITED)**

	<u>September 30, 2019</u>	<u>September 30, 2018</u>	<u>September 30, 2017</u>
Annual money-weighted rate of return, net of investment expenses	3.98%	11.67%	12.64%
	<u>September 30, 2016</u>	<u>September 30, 2015</u>	<u>September 30, 2014</u>
Annual money-weighted rate of return, net of investment expenses	9.40%	2.07%	10.17%

Note:

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

	<u>September 30, 2019</u>	<u>September 30, 2018</u>	<u>September 30, 2017</u>
Annual money-weighted rate of return, net of investment expenses	3.56%	8.88%	14.48%
	<u>September 30, 2016</u>	<u>September 30, 2015</u>	<u>September 30, 2014</u>
Annual money-weighted rate of return, net of investment expenses	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 TEN FISCAL YEARS
(UNAUDITED)**

	September 30, 2019	September 30, 2018	September 30, 2017
Actuarially Determined Contribution (ADC)	\$ 1,153,020	\$ 1,094,540	\$ 945,053
Contributions made in relation to the ADC	<u>1,153,020</u>	<u>1,094,540</u>	<u>945,053</u>
Contribution - deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ <u>96,685,320</u>	\$ <u>91,507,955</u>	\$ <u>88,842,675</u>
Contribution as a % of covered employee payroll	<u>1.2%</u>	<u>1.2%</u>	<u>1.1%</u>

Notes to Schedule:

Valuation date	September 30, 2019	September 30, 2018	September 30, 2017
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The following actuarial methods and assumptions were used to determine rates reported in this schedule.

Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level % of salary	Level % of salary	Level % of salary
Amortization period	13 Years	15 Years	15 Years
Asset valuation method			
Actuarial assumptions:			
Inflation rate	1.5%	3%	3%
Investment rate of return	7.5%	7.5%	7.5%
Discount rate	7.5%	7.5%	7.5%
Healthcare cost trend rates			
Medical	8.0% for 2018/2019 graded to 5.5%	9.0% for 2017/2018 graded to 6.0%	9.0% for 2016/2017 graded to 6.5%
Select rates	2024/2025	2023/2024	2022/2023
Ultimate rates	4.5%	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 TEN FISCAL YEARS
(UNAUDITED)**

	September 30, 2019	September 30, 2018	September 30, 2017
Total OPEB liability			
Service cost	\$ 408,359	\$ 389,985	\$ 434,206
Interest	987,405	1,004,278	928,592
Changes in assumptions	(72,162)	-	194,768
Difference between expected and actual experience	864,431	(514,353)	80,037
Benefit payments	<u>(1,153,020)</u>	<u>(1,094,540)</u>	<u>(945,053)</u>
Net change in total OPEB liability	1,035,013	(214,630)	692,550
Total OPEB liability - beginning of year	<u>13,323,130</u>	<u>13,537,760</u>	<u>12,845,210</u>
Total OPEB liability - end of year (a)	<u><u>14,358,143</u></u>	<u><u>13,323,130</u></u>	<u><u>13,537,760</u></u>
Plan Fiduciary Net Position			
Contributions - employer	1,153,020	1,094,540	1,890,106
Net investment income	484,087	(674,736)	1,403,589
Benefit payments	(1,153,020)	(1,094,540)	(945,053)
Trust administrative expenses	-	-	(27,359)
Net change in plan fiduciary net position	<u>484,087</u>	<u>(674,736)</u>	<u>2,321,283</u>
Plan Fiduciary Net Position - beginning of year	<u>13,250,313</u>	<u>13,925,049</u>	<u>11,603,766</u>
Plan fiduciary net position - end of year (b)	<u><u>13,734,400</u></u>	<u><u>13,250,313</u></u>	<u><u>13,925,049</u></u>
Net OPEB Liability - end of year (a) - (b)	\$ <u><u>623,743</u></u>	\$ <u><u>72,817</u></u>	\$ <u><u>(387,289)</u></u>
Plan fiduciary net position as % of total OPEB liability	95.7%	99.5%	102.9%
Covered payroll	96,685,320	91,507,955	88,842,675
Net OPEB liability as % of covered payroll	0.6%	0.1%	-0.4%
Measurement date	9/30/2019	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 TEN FISCAL YEARS
 (UNAUDITED)**

	<u>September 30, 2019</u>	<u>September 30, 2018</u>	<u>September 30, 2017</u>
Annual money-weighted rate of return, net of investment expenses	6.00%	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, 2019

Budgetary Data

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

- (1) Prior to August 1, 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

CONNIE MACK FIELD

HOME OF THE
WEST PALM BEACH
Indians
FLORIDA INTERNATIONAL LEAGUE

SHUFFLETON SERVICE

SPRING TRAINING CAMP
PHILADELPHIA ATHLETICS
AMERICAN LEAGUE

SPRING TRAINING CAMP
PHILADELPHIA ATHLETICS
AMERICAN LEAGUE

RESERVED STAND
1.00

BOX SEATS
2.00

GENERAL
1.25

GENERAL
1.25

RESERVED
1.00

BOX SEATS
2.00





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.

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.

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.

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

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.

Other Debt Service Fund – This fund accounts for principal and interest payments of various debt service of the general government not accounted for in a separate fund.

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

Series 2019 CCCRA Debt Service Fund – This fund accounts for principal and interest payments of the Series 2019 Tax Increment Revenue and Refunding 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.

Grant Capital Projects 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
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2019**

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non-major Governmental Funds
ASSETS:				
Cash and cash equivalents	\$ 14,983,565	\$ 222,976	\$ 11,877,864	\$ 27,084,405
Investments	23,370,055	353,285	18,931,484	42,654,824
Receivables, net				
Accounts	431,716	-	1,314,476	1,746,192
Interest	112,508	1,809	99,016	213,333
Notes	1,837,182	-	-	1,837,182
Liens & assessments	101,080	-	-	101,080
Due from other governments	1,699,624	-	1,206,203	2,905,827
Inventory	60,967	-	-	60,967
Land held for resale	2,585,734	-	2,856,572	5,442,306
Prepaid items	15,028	-	-	15,028
Restricted assets:				
Cash and cash equivalents	-	-	20,165,284	20,165,284
Investments	-	6,851,206	7,148,111	13,999,317
Interest	-	11,119	11,167	22,286
Total assets	<u>45,197,459</u>	<u>7,440,395</u>	<u>63,610,177</u>	<u>116,248,031</u>
LIABILITIES:				
Accounts payable and accrued liabilities	2,412,674	71,453	1,844,870	4,328,997
Deposits payable	79,074	-	-	79,074
Due to other governments	67,205	-	-	67,205
Due to other funds	488,303	-	1,178,816	1,667,119
Total liabilities	<u>3,047,256</u>	<u>71,453</u>	<u>3,023,686</u>	<u>6,142,395</u>
DEFERRED INFLOW OF RESOURCES:				
Unavailable revenue	<u>971,029</u>	<u>-</u>	<u>-</u>	<u>971,029</u>
FUND BALANCES:				
Nonspendable	75,995	-	-	75,995
Restricted	34,934,870	7,368,942	45,743,517	88,047,329
Committed	6,168,309	-	14,842,974	21,011,283
Total fund balances	<u>41,179,174</u>	<u>7,368,942</u>	<u>60,586,491</u>	<u>109,134,607</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 45,197,459</u>	<u>\$ 7,440,395</u>	<u>\$ 63,610,177</u>	<u>\$ 116,248,031</u>

**CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non-major Governmental Funds
REVENUES:				
Taxes	\$ -	\$ 1,567,920	\$ -	\$ 1,567,920
Licenses and permits	11,685,226	-	-	11,685,226
Intergovernmental	9,937,380	-	8,551,595	18,488,975
Charges for services	5,847,277	-	325,725	6,173,002
Fines and forfeitures	4,736	-	-	4,736
Rents and royalties	570,116	-	-	570,116
Interest	976,998	47,447	1,451,990	2,476,435
Miscellaneous	922,063	-	-	922,063
Total revenues	<u>29,943,796</u>	<u>1,615,367</u>	<u>10,329,310</u>	<u>41,888,473</u>
EXPENDITURES:				
Current:				
General government	120,000	-	360,826	480,826
Public safety	11,148,302	-	459,099	11,607,401
Public works	5,057,176	-	1,442,086	6,499,262
Economic environment	7,130,420	-	1,718,507	8,848,927
Leisure services	4,392,594	-	1,024,662	5,417,256
Capital outlay	1,213,181	-	15,913,235	17,126,416
Debt service:				
Principal	-	3,830,762	-	3,830,762
Interest	-	868,566	-	868,566
Issuance costs and other	-	310,037	-	310,037
Total expenditures	<u>29,061,673</u>	<u>5,009,365</u>	<u>20,918,415</u>	<u>54,989,453</u>
Excess (deficiency) of revenues over expenditures	<u>882,123</u>	<u>(3,393,998)</u>	<u>(10,589,105)</u>	<u>(13,100,980)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from notes payable	-	-	15,055,000	15,055,000
Payment to refunded bond escrow agent	-	(24,265,000)	-	(24,265,000)
Proceeds from sale of capital assets	283,118	-	-	283,118
Transfers in	3,506,404	34,683,883	9,254,263	47,444,550
Transfers out	(7,437,627)	-	(56,307)	(7,493,934)
Total other financing sources (uses)	<u>(3,648,105)</u>	<u>10,418,883</u>	<u>24,252,956</u>	<u>31,023,734</u>
Net change in fund balances	<u>(2,765,982)</u>	<u>7,024,885</u>	<u>13,663,851</u>	<u>17,922,754</u>
Fund balances - beginning	<u>43,945,156</u>	<u>344,057</u>	<u>46,922,640</u>	<u>91,211,853</u>
Fund balances - ending	<u>\$ 41,179,174</u>	<u>\$ 7,368,942</u>	<u>\$ 60,586,491</u>	<u>\$ 109,134,607</u>

**CITY OF WEST PALM BEACH, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2019**

	Local Gas Tax Fund	Impact Fees Western Expansion Fee Fund	Community Development Fund	Neighborhood Stabilization Program Fund	HOME Program Fund	HOPWA Fund	SHIP Program Fund	Housing Trust Fund
ASSETS:								
Cash and cash equivalents	\$ 2,953,801	\$ 316,602	\$ 33,349	\$ 225,014	\$ -	\$ -	\$ 245,962	\$ 836,227
Investments	4,680,023	501,630	52,839	356,513	-	-	19,679	1,324,927
Receivables, net:								
Accounts	404,797	-	-	-	-	-	-	-
Interest	23,507	2,527	-	-	-	-	-	6,814
Notes	-	497,441	34	1,049,689	18	-	-	290,000
Liens & assessments	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	348,371	433,951	-	-
Inventory	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
Land held for resale	-	-	-	2,487,196	98,538	-	-	-
Total assets	8,062,128	1,318,200	86,222	4,118,412	446,927	433,951	265,641	2,457,968
LIABILITIES:								
Accounts payable and accrued liabilities	1,244,846	-	22,377	8	104,146	398,234	9,076	18,697
Deposits payable	-	-	-	10,886	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	244,225	35,717	-	-
Total liabilities	1,244,846	-	22,377	10,894	348,371	433,951	9,076	18,697
DEFERRED INFLOW OF RESOURCES:								
Unavailable revenue	-	486,343	-	96,032	-	-	-	290,000
FUND BALANCES:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	6,817,282	831,857	63,845	4,011,486	98,556	-	256,565	2,149,271
Committed	-	-	-	-	-	-	-	-
Total fund balances	6,817,282	831,857	63,845	4,011,486	98,556	-	256,565	2,149,271
Total liabilities, deferred inflows and fund balances	\$ 8,062,128	\$ 1,318,200	\$ 86,222	\$ 4,118,412	\$ 446,927	\$ 433,951	\$ 265,641	\$ 2,457,968

Continued

**CITY OF WEST PALM BEACH, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2019**

	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 Non-Major Special Revenue Funds
ASSETS:								
Cash and cash equivalents	\$ 7,098,333	\$ 1,725,846	\$ 22,058	\$ 747,129	\$ 1,935	\$ 448,456	\$ 328,853	\$ 14,983,565
Investments	11,246,651	2,734,444	34,949	1,183,758	3,065	710,536	521,041	23,370,055
Receivables, net:								
Accounts	-	25,069	350	1,500	-	-	-	431,716
Interest	57,041	16,085	175	-	-	3,582	2,777	112,508
Notes	-	-	-	-	-	-	-	1,837,182
Liens & assessments	101,080	-	-	-	-	-	-	101,080
Due from other governments	3,023	-	-	1,650	912,629	-	-	1,699,624
Inventories	-	-	-	-	-	60,967	-	60,967
Prepaid items	-	15,028	-	-	-	-	-	15,028
Land held for resale	-	-	-	-	-	-	-	2,585,734
Total assets	18,506,128	4,516,472	57,532	1,934,037	917,629	1,223,541	852,671	45,197,459
LIABILITIES:								
Accounts payable and accrued liabilities	246,400	75,325	-	141,712	98,560	-	53,293	2,412,674
Deposits payable	-	-	-	47,000	-	-	21,188	79,074
Due to other governments	65,445	-	-	1,760	-	-	-	67,205
Due to other funds	-	-	-	-	208,361	-	-	488,303
Total liabilities	311,845	75,325	-	190,472	306,921	-	74,481	3,047,256
DEFERRED INFLOW OF RESOURCES:								
Unavailable revenue	97,279	-	-	1,375	-	-	-	971,029
FUND BALANCES:								
Nonspendable	-	15,028	-	-	-	60,967	-	75,995
Restricted	18,097,004	-	57,532	-	610,708	1,162,574	778,190	34,934,870
Committed	-	4,426,119	-	1,742,190	-	-	-	6,168,309
Total fund balances	18,097,004	4,441,147	57,532	1,742,190	610,708	1,223,541	778,190	41,179,174
Total liabilities, deferred inflows and fund balances	\$ 18,506,128	\$ 4,516,472	\$ 57,532	\$ 1,934,037	\$ 917,629	\$ 1,223,541	\$ 852,671	\$ 45,197,459

**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, 2019**

	Local Gas Tax Fund	Impact Fees Western Expansion Fee Fund	Community Development Fund	Neighborhood Stabilization Program Fund	HOME Program Fund	HOPWA Fund	SHIP Program Fund	Housing Trust Fund
REVENUES								
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,513,977	70	1,075,698	94,094	876,248	3,296,237	147,377	-
Charges for services	671,288	-	-	-	86,839	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Rents and royalties	-	-	-	-	-	-	-	-
Interest	241,598	40,019	279	-	5,818	-	5,864	63,289
Miscellaneous	-	18,064	169,121	-	-	42,719	16,941	296,400
Total revenues	<u>3,426,863</u>	<u>58,153</u>	<u>1,245,098</u>	<u>94,094</u>	<u>968,905</u>	<u>3,338,956</u>	<u>170,182</u>	<u>359,689</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	5,057,176	-	-	-	-	-	-	-
Economic environment	-	-	923,162	6,277	2,017,239	3,338,956	546,522	290,527
Leisure services	-	-	-	-	-	-	-	-
Capital outlay	263,539	-	29,118	-	-	-	-	-
Total expenditures	<u>5,320,715</u>	<u>-</u>	<u>952,280</u>	<u>6,277</u>	<u>2,017,239</u>	<u>3,338,956</u>	<u>546,522</u>	<u>290,527</u>
Excess (deficiency) of revenues over expenditures	<u>(1,893,852)</u>	<u>58,153</u>	<u>292,818</u>	<u>87,817</u>	<u>(1,048,334)</u>	<u>-</u>	<u>(376,340)</u>	<u>69,162</u>
OTHER FINANCING SOURCES (USES)								
Proceeds from sale of capital assets	-	-	-	-	-	-	-	283,118
Transfers in	-	-	-	-	-	-	40,929	-
Transfers out	<u>(3,474,692)</u>	<u>-</u>	<u>(229,012)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,929)</u>
Total other financing sources (uses)	<u>(3,474,692)</u>	<u>-</u>	<u>(229,012)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,929</u>	<u>242,189</u>
Net change in fund balances	<u>(5,368,544)</u>	<u>58,153</u>	<u>63,806</u>	<u>87,817</u>	<u>(1,048,334)</u>	<u>-</u>	<u>(335,411)</u>	<u>311,351</u>
Fund balance, beginning	<u>12,185,826</u>	<u>773,704</u>	<u>39</u>	<u>3,923,669</u>	<u>1,146,890</u>	<u>-</u>	<u>591,976</u>	<u>1,837,920</u>
Fund balance, ending	<u>\$ 6,817,282</u>	<u>\$ 831,857</u>	<u>\$ 63,845</u>	<u>\$ 4,011,486</u>	<u>\$ 98,556</u>	<u>\$ -</u>	<u>\$ 256,565</u>	<u>\$ 2,149,271</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, 2019**

	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 Non-Major Special Revenue Funds
REVENUES								
Licenses and permits	\$ 11,685,226	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,685,226
Intergovernmental	-	-	-	-	1,575,641	-	358,038	9,937,380
Charges for services	9,367	4,022,297	-	1,015,776	-	41,710	-	5,847,277
Fines and forfeitures	-	-	4,736	-	-	-	-	4,736
Rents and royalties	-	-	-	570,116	-	-	-	570,116
Interest	519,493	53,809	1,692	12,896	-	32,241	-	976,998
Miscellaneous	36,614	-	-	8,806	333,398	-	-	922,063
Total revenues	12,250,700	4,076,106	6,428	1,607,594	1,909,039	73,951	358,038	29,943,796
EXPENDITURES								
Current:								
General government	-	-	-	-	120,000	-	-	120,000
Public safety	8,461,489	1,244,907	19,000	-	1,068,711	-	354,195	11,148,302
Public works	-	-	-	-	-	-	-	5,057,176
Economic environment	-	-	-	-	7,737	-	-	7,130,420
Leisure services	-	-	-	3,852,100	540,494	-	-	4,392,594
Capital outlay	-	178,291	-	-	677,479	2,100	62,654	1,213,181
Total expenditures	8,461,489	1,423,198	19,000	3,852,100	2,414,421	2,100	416,849	29,061,673
Excess (deficiency) of revenues over expenditures	3,789,211	2,652,908	(12,572)	(2,244,506)	(505,382)	71,851	(58,811)	882,123
OTHER FINANCING SOURCES (USES)								
Proceeds from sale of capital assets	-	-	-	-	-	-	-	283,118
Transfers in	-	936,525	-	2,503,431	25,519	-	-	3,506,404
Transfers out	(499,312)	(3,071,053)	-	(121,078)	(1,551)	-	-	(7,437,627)
Total other financing sources (uses)	(499,312)	(2,134,528)	-	2,382,353	23,968	-	-	(3,648,105)
Net change in fund balances	3,289,899	518,380	(12,572)	137,847	(481,414)	71,851	(58,811)	(2,765,982)
Fund balance, beginning	14,807,105	3,922,767	70,104	1,604,343	1,092,122	1,151,690	837,001	43,945,156
Fund balance, ending	\$ 18,097,004	\$ 4,441,147	\$ 57,532	\$ 1,742,190	\$ 610,708	\$ 1,223,541	\$ 778,190	\$ 41,179,174

CITY OF WEST PALM BEACH, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS
SEPTEMBER 30, 2019

	Other Debt Service Fund	2005 General Obligation Bond Fund	2019 CCCRA Debt Service Fund	Total Non-Major Debt Service Funds
ASSETS:				
Cash and cash equivalents	\$ 75,135	\$ 147,841	\$ -	\$ 222,976
Investments	119,045	234,240	-	353,285
Interest	630	1,179	-	1,809
Restricted assets:				
Investments	-	-	6,851,206	6,851,206
Interest on restricted cash and investments	-	-	11,119	11,119
Total assets	<u>194,810</u>	<u>383,260</u>	<u>6,862,325</u>	<u>7,440,395</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts payable and accrued liabilities	<u>71,453</u>	-	-	<u>71,453</u>
Total liabilities	<u>71,453</u>	<u>-</u>	<u>-</u>	<u>71,453</u>
Fund balances:				
Restricted	<u>123,357</u>	<u>383,260</u>	<u>6,862,325</u>	<u>7,368,942</u>
Total fund balances	<u>123,357</u>	<u>383,260</u>	<u>6,862,325</u>	<u>7,368,942</u>
Total liabilities and fund balance	<u>\$ 194,810</u>	<u>\$ 383,260</u>	<u>\$ 6,862,325</u>	<u>\$ 7,440,395</u>

CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

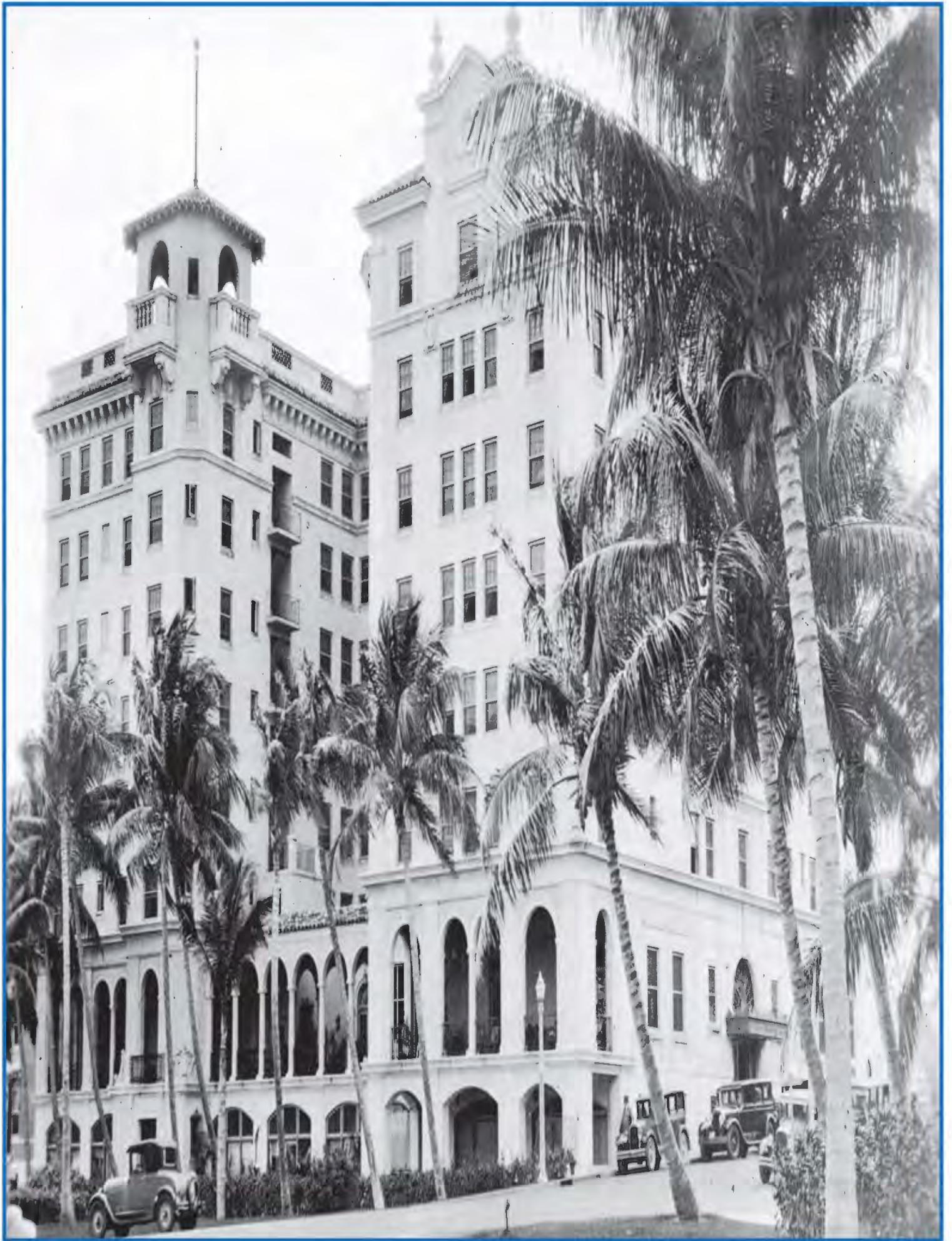
	Other Debt Service Fund	2005 General Obligation Bond Fund	2019 CCCRA Debt Service Fund	Total Non-Major Debt Service Funds
REVENUES:				
Taxes	\$ -	\$ 1,567,920	\$ -	\$ 1,567,920
Interest	5,514	21,483	20,450	47,447
Total revenues	<u>5,514</u>	<u>1,589,403</u>	<u>20,450</u>	<u>1,615,367</u>
EXPENDITURES:				
Principal	2,370,762	1,460,000	-	3,830,762
Interest	352,448	90,200	425,918	868,566
Issuance costs and other	-	-	310,037	310,037
Total expenditures	<u>2,723,210</u>	<u>1,550,200</u>	<u>735,955</u>	<u>5,009,365</u>
Excess of revenues over expenditures	<u>(2,717,696)</u>	<u>39,203</u>	<u>(715,505)</u>	<u>(3,393,998)</u>
OTHER FINANCING SOURCES (USES)				
Payment to refunded bond escrow agent	-	-	(24,265,000)	(24,265,000)
Transfers in	2,841,053	-	31,842,830	34,683,883
Total other financing sources (uses)	<u>2,841,053</u>	<u>-</u>	<u>7,577,830</u>	<u>10,418,883</u>
Net change in fund balances	123,357	39,203	6,862,325	7,024,885
FUND BALANCES, beginning	-	344,057	-	344,057
FUND BALANCES, ending	<u>\$ 123,357</u>	<u>\$ 383,260</u>	<u>\$ 6,862,325</u>	<u>\$ 7,368,942</u>

**CITY OF WEST PALM BEACH, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2019**

	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	NPCRCRA Series 2005A Construction Fund	Capital Grants Fund	Land Acquisition Fund	Total Non-Major Capital Projects Funds
ASSETS:											
Cash and cash equivalents	\$ 2,553,784	\$ 415,277	\$ 42,649	\$ 6,997,674	\$ -	\$ 801,864	\$ 1,064,340	\$ -	\$ -	\$ 2,276	\$ 11,877,864
Investments	4,046,233	770,077	67,572	11,087,167	-	1,270,480	1,686,348	-	-	3,607	18,931,484
Receivables, net	-	-	-	-	-	-	-	-	-	-	-
Accounts	-	-	-	1,314,476	-	-	-	-	-	-	1,314,476
Interest	24,659	3,902	338	55,139	-	6,403	8,557	-	-	18	99,016
Due from other governments	-	-	-	-	-	-	-	-	1,206,203	-	1,206,203
Land held for resale	-	-	-	-	-	-	-	-	-	2,856,572	2,856,572
Restricted assets:											
Cash and cash equivalents	15,000,000	-	-	-	4,166,198	-	-	999,086	-	-	20,165,284
Investments	-	-	-	-	7,112,471	-	-	35,640	-	-	7,148,111
Interest	-	-	-	-	9,404	-	-	1,763	-	-	11,167
Total assets	21,624,676	1,189,256	110,559	19,454,456	11,288,073	2,078,747	2,759,245	1,036,489	1,206,203	2,862,473	63,610,177
LIABILITIES:											
Accounts payable and accrued liabilities	655,110	66,395	44,265	281,893	753,608	11,410	4,802	-	27,387	-	1,844,870
Due to other funds	-	-	-	-	-	-	-	-	1,178,816	-	1,178,816
Total liabilities	655,110	66,395	44,265	281,893	753,608	11,410	4,802	-	1,206,203	-	3,023,686
FUND BALANCES:											
Restricted	15,000,000	-	-	19,172,563	10,534,465	-	-	1,036,489	-	-	45,743,517
Committed	5,969,566	1,122,861	66,294	-	-	2,067,337	2,754,443	-	-	2,862,473	14,842,974
Total fund balances	20,969,566	1,122,861	66,294	19,172,563	10,534,465	2,067,337	2,754,443	1,036,489	-	2,862,473	60,586,491
Total liabilities and fund balances	\$ 21,624,676	\$ 1,189,256	\$ 110,559	\$ 19,454,456	\$ 11,288,073	\$ 2,078,747	\$ 2,759,245	\$ 1,036,489	\$ 1,206,203	\$ 2,862,473	\$ 63,610,177

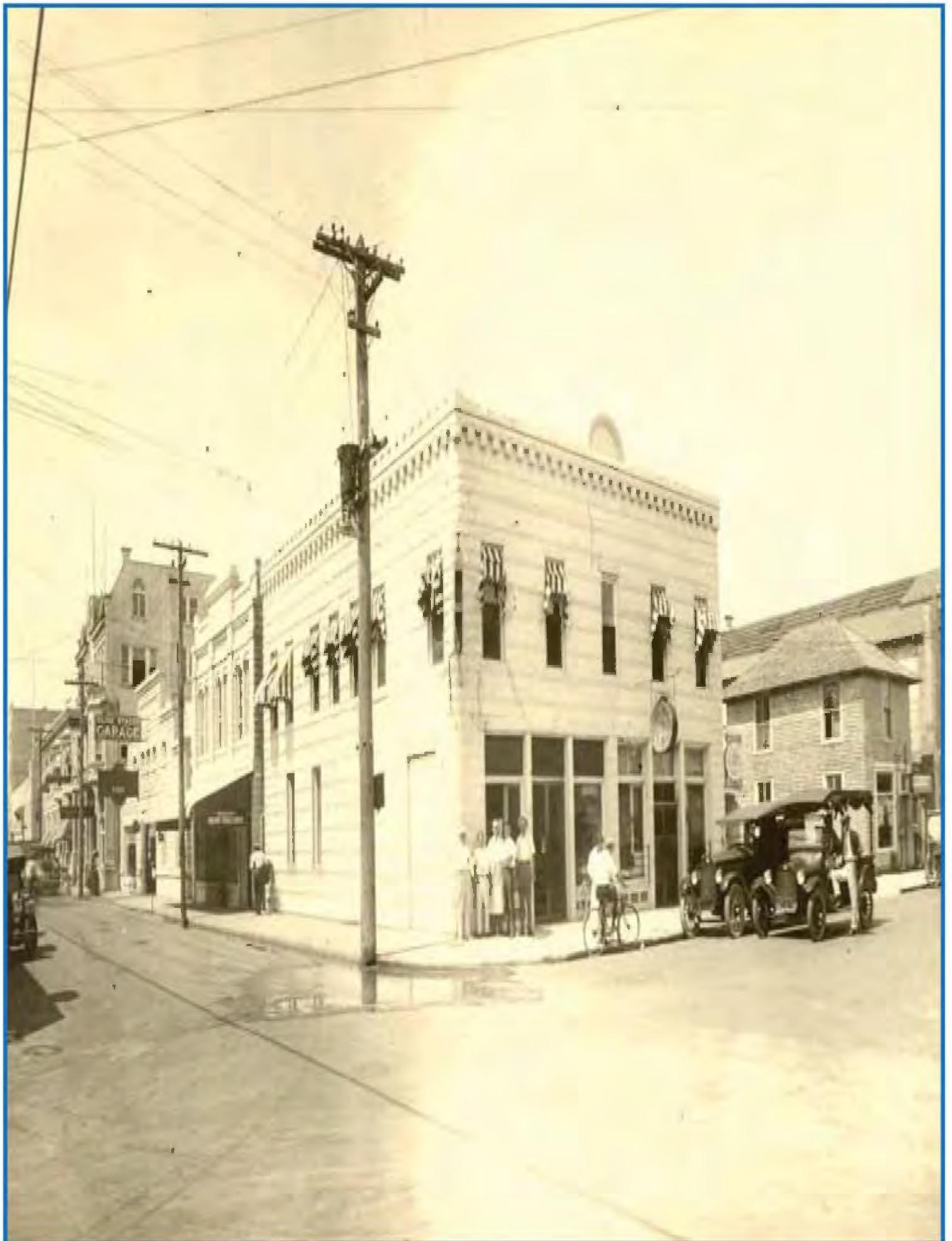
CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Other Capital Projects Fund	Arts in Public Places Fund	City Commons Waterfront Fund	Infrastructure Surtax Fund	2016 Capital Bond Fund	Vehicle Replacement Fund	Technology Replacement Fund	NPCCRA Series 2005A Construction Fund	Capital Grants Fund	Land Acquisition Fund	Total Non-Major Capital Projects Funds
REVENUES:											
Intergovernmental	\$ -	\$ -	\$ -	\$ 8,126,122	\$ -	\$ -	\$ -	\$ -	\$ 425,473	\$ -	\$ 8,551,595
Charges for services	-	325,725	-	-	-	-	-	-	-	-	325,725
Interest	245,452	36,701	7,095	455,544	521,729	62,794	97,312	25,180	-	183	1,451,990
Total revenues	245,452	362,426	7,095	8,581,666	521,729	62,794	97,312	25,180	425,473	183	10,329,310
EXPENDITURES:											
Current:											
General government	-	205,966	-	-	-	-	154,860	-	-	-	360,826
Public safety	49,555	-	-	-	203,351	-	206,193	-	-	-	459,099
Public works	-	-	-	-	1,372,862	-	69,224	-	-	-	1,442,086
Economic environment	-	-	193,314	1,224,441	142,133	-	-	158,619	-	-	1,718,507
Leisure services	550,314	1,250	-	29,299	443,799	-	-	-	-	-	1,024,662
Capital outlay	8,590,111	-	-	451,497	6,197,986	11,410	7,746	-	654,485	-	15,913,235
Total expenditures	9,189,980	207,216	193,314	1,705,237	8,360,131	11,410	438,023	158,619	654,485	-	20,918,415
Excess (deficiency) of revenues over expenditures	(8,944,528)	155,210	(186,219)	6,876,429	(7,838,402)	51,384	(340,711)	(133,439)	(229,012)	183	(10,589,105)
OTHER FINANCING SOURCES (USES):											
Proceeds from notes payable	15,055,000	-	-	-	-	-	-	-	229,012	-	15,055,000
Transfers in	8,942,645	-	-	-	-	82,606	-	-	-	-	9,254,263
Transfers out	(55,000)	(1,307)	-	-	-	-	-	-	-	-	(56,307)
Total other financing sources (uses)	23,942,645	(1,307)	-	-	-	82,606	-	-	229,012	-	24,252,956
Net change in fund balances	14,998,117	153,903	(186,219)	6,876,429	(7,838,402)	133,990	(340,711)	(133,439)	-	183	13,663,851
FUND BALANCES, beginning	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
FUND BALANCES, ending	\$ 20,969,566	\$ 1,122,861	\$ 66,294	\$ 19,172,563	\$ 10,534,465	\$ 2,067,337	\$ 2,754,443	\$ 1,036,489	\$ -	\$ 2,862,473	\$ 60,586,491





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, 2019

	Business-Type Enterprise Funds		
	Parking Facilities Fund	West Palm Beach Golf Course Fund	Totals
ASSETS:			
Current unrestricted assets:			
Cash and cash equivalents	\$ 4,132,791	\$ -	\$ 4,132,791
Investments	6,516,000	-	6,516,000
Receivables (net):			
Accounts	44,555	-	44,555
Interest	32,919	-	32,919
Due from other governments	46,434	-	46,434
Current restricted assets:			
Cash and cash equivalents	9,491	-	9,491
Investments	14,963	-	14,963
Total current assets	10,797,153	-	10,797,153
Noncurrent assets:			
Non-depreciable	4,044,086	-	4,044,086
Depreciable, net	1,750,999	-	1,750,999
Total non-current assets	5,795,085	-	5,795,085
Total assets	16,592,238	-	16,592,238
LIABILITIES:			
Current liabilities:			
Accounts payable and accrued liabilities	408,739	-	408,739
Due to other governments	14,537	-	14,537
Compensated absences payable	61,770	-	61,770
Current liabilities payable from restricted assets:			
Deposits payable	24,454	-	24,454
Total current liabilities	509,500	-	509,500
Noncurrent liabilities:			
Compensated absences payable	59,193	-	59,193
Total non-current liabilities	59,193	-	59,193
Total liabilities	568,693	-	568,693
NET POSITION			
Net investment in capital assets	5,795,085	-	5,795,085
Unrestricted	10,228,460	-	10,228,460
Total net position	\$ 16,023,545	\$ -	\$ 16,023,545

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, 2019

	Business-Type Enterprise Funds		
	Parking Facilities Fund	West Palm Beach Golf Course Fund	Totals
	<u>Fund</u>	<u>Fund</u>	<u>Totals</u>
OPERATING REVENUES:			
Charges for services	\$ 6,813,586	\$ 4,500	\$ 6,818,086
Fines	894,180	-	894,180
Miscellaneous and other	306,647	137,320	443,967
Total operating revenues	<u>8,014,413</u>	<u>141,820</u>	<u>8,156,233</u>
OPERATING EXPENSES:			
Personnel services	1,102,951	-	1,102,951
Contractual services	2,424,985	39,504	2,464,489
Utilities	288,228	29,590	317,818
Repair and maintenance	715,332	735	716,067
Other supplies and expenses	717,175	47,739	764,914
Depreciation	824,312	-	824,312
Insurance	283,919	-	283,919
Total operating expenses	<u>6,356,902</u>	<u>117,568</u>	<u>6,474,470</u>
Operating income	<u>1,657,511</u>	<u>24,252</u>	<u>1,681,763</u>
NONOPERATING REVENUES (EXPENSES):			
Interest income	298,989	6,805	305,794
Intergovernmental expense	-	(86,470)	(86,470)
Loss on disposal of capital assets	-	(1,645,273)	(1,645,273)
Total non-operating revenues (expenses)	<u>298,989</u>	<u>(1,724,938)</u>	<u>(1,425,949)</u>
Income (loss) before contributions and transfers	<u>1,956,500</u>	<u>(1,700,686)</u>	<u>255,814</u>
TRANSFERS:			
Transfers in	362,000	-	362,000
Transfers out	(550,698)	-	(550,698)
SPECIAL ITEM:			
Forgiveness of advance payable to general fund (Note F)	-	401,395	401,395
Change in net position	1,767,802	(1,299,291)	468,511
Net position - beginning	<u>14,255,743</u>	<u>1,299,291</u>	<u>15,555,034</u>
Net position - ending	<u>\$ 16,023,545</u>	<u>\$ -</u>	<u>\$ 16,023,545</u>

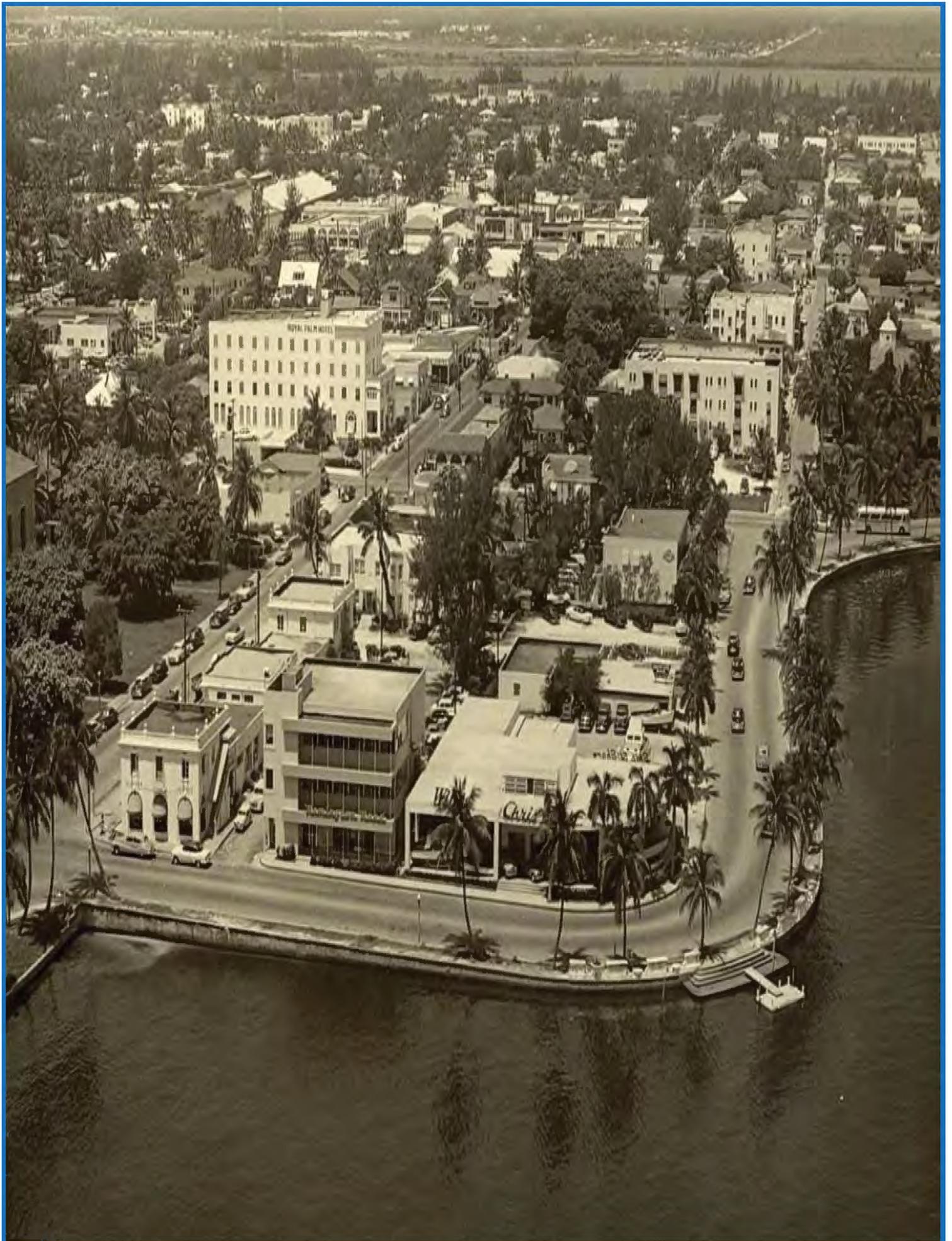
**CITY OF WEST PALM BEACH, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

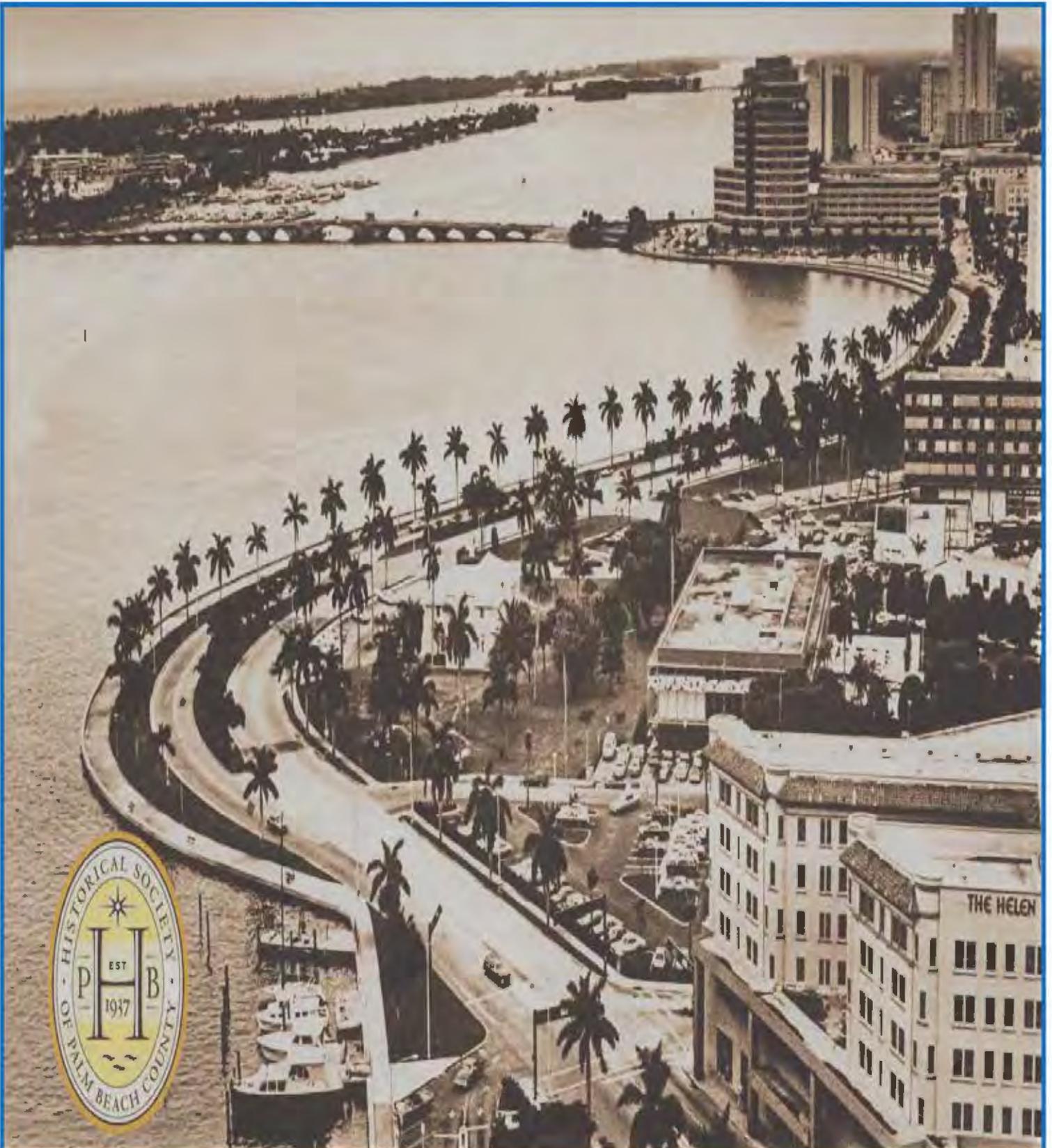
	<u>Business-Type Activities - Enterprise Funds</u>		
	Parking Facilities Fund	West Palm Beach Golf Course Fund	Totals
Cash Flows From Operating Activities:			
Cash received from customers	\$ 6,835,750	\$ 4,485	\$ 6,840,235
Cash payments to suppliers/contractors	(4,451,106)	108,217	(4,342,889)
Cash payments to employees	(1,142,014)	-	(1,142,014)
Other operating receipts	1,200,827	-	1,200,827
Net cash provided by operating activities	<u>2,443,457</u>	<u>112,702</u>	<u>2,556,159</u>
Cash Flows From Noncapital Financing Activities:			
Transfers in	362,000	-	362,000
Transfers out	(550,698)	-	(550,698)
Net cash (used for) non-capital non-capital financing activities	<u>(188,698)</u>	<u>-</u>	<u>(188,698)</u>
Cash Flows From Capital and Related Financing Activities:			
Acquisition/construction of capital assets	(97,822)	-	(97,822)
Principal paid on forgiveness of advance (Note F)	-	(331,677)	(331,677)
Net cash (used for) capital and related financing activities	<u>(97,822)</u>	<u>(331,677)</u>	<u>(429,499)</u>
Cash Flows From Investing Activities:			
Purchase of investments	(5,015,577)	-	(5,015,577)
Sale of investments	-	32,804	32,804
Interest on investments	291,647	7,643	299,290
Net cash provided by (used for) investing activities	<u>(4,723,930)</u>	<u>40,447</u>	<u>(4,683,483)</u>
Net (decrease) in cash and cash equivalents	(2,566,993)	(178,528)	(2,745,521)
Cash and cash equivalents beginning of year	<u>6,709,275</u>	<u>178,528</u>	<u>6,887,803</u>
Cash and cash equivalents end of year	<u>\$ 4,142,282</u>	<u>\$ -</u>	<u>\$ 4,142,282</u>
Displayed as:			
Cash and cash equivalents	4,132,791	-	4,132,791
Restricted cash and cash equivalents	9,491	-	9,491
Total cash and cash equivalents	<u>\$ 4,142,282</u>	<u>\$ -</u>	<u>\$ 4,142,282</u>

Continued

CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019
(Continued)

	<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 TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income	\$ <u>1,657,511</u>	\$ <u>24,252</u>	\$ <u>1,681,763</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	824,312	-	824,312
Changes in assets, deferred outflows, liabilities and inflows:			
Decrease in accounts receivable	56,542	-	56,542
Decrease in due from other funds	-	103,537	103,537
Decrease in prepaid expenses	-	10,839	10,839
Increase in due from other governments	(36,434)	-	(36,434)
Decrease in inventory	69,256	30,126	99,382
Decrease in accounts payable and accrued liabilities	(22,084)	(54,019)	(76,103)
Increase (decrease) in due to other governments	617	(2,018)	(1,401)
Decrease in deferred inflow - unearned revenue	(67,200)	-	(67,200)
Decrease in compensated absences payable	(39,063)	-	(39,063)
Decrease in unearned revenue	-	(15)	(15)
Total adjustments	<u>785,946</u>	<u>88,450</u>	<u>874,396</u>
Net cash provided by operating activities	\$ <u>2,443,457</u>	\$ <u>112,702</u>	\$ <u>2,556,159</u>
Schedule of non-cash capital and related financing and investing activities:			
Change in fair value of investments	\$ <u>91,705</u>	\$ <u>2,652</u>	\$ <u>94,357</u>
Special item - forgiveness of advance payable to general fund	\$ <u>-</u>	\$ <u>401,395</u>	\$ <u>401,395</u>
Contribution of capital assets	\$ <u>-</u>	\$ <u>(86,470)</u>	\$ <u>(86,470)</u>





INTERNAL SERVICE FUNDS



PALMS
THEATRE

VINCENT PRICE
"RETURN OF THE FLY"
ALSO
"ALLIGATOR PEOPLE"
BEVERLY MARLAND
"ALLIGATOR PEOPLE"

FRED
ASTAIRE
LARRY STONE

LOANERS

WALSH

1937

1937

1937

1937

1937

1937

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, 2019

	MIS Processing Fund	Fleet Management Fund	Self Insurance Fund	Employee Benefits Fund	Totals
ASSETS:					
Current unrestricted assets:					
Cash and cash equivalents	\$ 4,801,879	\$ 110,166	\$ 4,498,980	\$ 2,411,254	\$ 11,822,279
Investments	7,608,133	174,547	7,128,218	3,820,409	18,731,307
Receivables (net):					
Accounts	-	3,909	-	567,459	571,368
Interest	40,098	-	33,784	18,093	91,975
Due from other governments	6,860	1,804	381	-	9,045
Inventories	-	91,093	-	-	91,093
Prepaid items	-	-	994,480	-	994,480
Current restricted assets:					
Cash and cash equivalents	-	-	175,000	3,585,407	3,760,407
Total current assets	12,456,970	381,519	12,830,843	10,402,622	36,071,954
Non-current assets:					
Investment in joint venture	1,624,827	-	-	-	1,624,827
Capital assets:					
Depreciable, net	12,459,610	493,720	86,699	160,420	13,200,449
Total non-current assets	14,084,437	493,720	86,699	160,420	14,825,276
Total assets	26,541,407	875,239	12,917,542	10,563,042	50,897,230
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued liabilities	730,596	667,807	197,055	493,503	2,088,961
Compensated absences payable	127,682	109,851	18,626	-	256,159
Capital lease obligations - current	1,031,292	-	-	-	1,031,292
Notes payable, current	1,115,263	-	-	-	1,115,263
Insurance claims payable	-	-	2,676,585	1,221,963	3,898,548
Deposits payable	-	-	-	122,146	122,146
Total current liabilities	3,004,833	777,658	2,892,266	1,837,612	8,512,369
Non-current liabilities:					
Compensated absences payable	333,274	95,483	-	-	428,757
Insurance claims payable, long term	-	-	8,041,159	-	8,041,159
Notes payable, long term	4,392,399	-	-	-	4,392,399
Total non-current liabilities	4,725,673	95,483	8,041,159	-	12,862,315
Total liabilities	7,730,506	873,141	10,933,425	1,837,612	21,374,684
NET POSITION					
Net investment in capital assets	5,920,656	493,720	86,699	160,420	6,661,495
Unrestricted	12,890,245	(491,622)	1,897,418	8,565,010	22,861,051
Total net position	\$ 18,810,901	\$ 2,098	\$ 1,984,117	\$ 8,725,430	\$ 29,522,546

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, 2019

	MIS Processing Fund	Fleet Management Fund	Self Insurance Fund	Employee Benefits Fund	Totals
OPERATING REVENUES:					
Charges for services	\$ 15,376,902	\$ 8,591,025	\$ 8,882,623	\$ 26,351,017	\$ 59,201,567
Equity in gain of investment in joint venture	174,109	-	-	-	174,109
Miscellaneous and other	2,624	217,055	-	14,869	234,548
Total operating revenues	<u>15,553,635</u>	<u>8,808,080</u>	<u>8,882,623</u>	<u>26,365,886</u>	<u>59,610,224</u>
OPERATING EXPENSES:					
Personnel services	5,075,331	2,212,949	615,032	(2,845,555)	5,057,757
Contractual services	7,535,895	4,132,219	566,549	1,314,000	13,548,663
Utilities	399,951	74,961	-	2,366	477,278
Repair and maintenance	284,458	745,991	677	-	1,031,126
Other supplies and expenses	559,504	1,695,827	321,703	458,439	3,035,473
Depreciation	965,531	50,668	3,194	4,825	1,024,218
Insurance claims and expenses	38,376	82,341	6,537,111	23,845,921	30,503,749
Total operating expenses	<u>14,859,046</u>	<u>8,994,956</u>	<u>8,044,266</u>	<u>22,779,996</u>	<u>54,678,264</u>
Operating income (loss)	<u>694,589</u>	<u>(186,876)</u>	<u>838,357</u>	<u>3,585,890</u>	<u>4,931,960</u>
NONOPERATING REVENUES (EXPENSES):					
Interest income	397,577	-	345,387	260,494	1,003,458
Interest expense	(181,007)	-	-	-	(181,007)
Gain on disposal of capital assets	760	-	-	-	760
Total non-operating revenues (expenses)	<u>217,330</u>	<u>-</u>	<u>345,387</u>	<u>260,494</u>	<u>823,211</u>
Income (loss) before contributions and transfers	<u>911,919</u>	<u>(186,876)</u>	<u>1,183,744</u>	<u>3,846,384</u>	<u>5,755,171</u>
Transfers in	1,094,946	600,000	-	1,731,341	3,426,287
Transfers out	(60,070)	(25,221)	(9,238)	(75,685)	(170,214)
Change in net position	1,946,795	387,903	1,174,506	5,502,040	9,011,244
Net position - beginning	<u>16,864,106</u>	<u>(385,805)</u>	<u>809,611</u>	<u>3,223,390</u>	<u>20,511,302</u>
Net position - ending	<u>\$ 18,810,901</u>	<u>\$ 2,098</u>	<u>\$ 1,984,117</u>	<u>\$ 8,725,430</u>	<u>\$ 29,522,546</u>

**CITY OF WEST PALM BEACH, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	MIS Processing Fund	Fleet Management Fund	Self Insurance Fund	Employee Benefits Fund	Totals
Cash Flows From Operating Activities:					
Cash received from customers	\$ 15,376,902	\$ 8,652,910	\$ 9,830,817	\$ 26,355,125	\$ 60,215,754
Cash payments to suppliers/contractors	(9,723,379)	(6,957,806)	(1,178,245)	(1,932,324)	(19,791,754)
Cash payments to employees	(5,001,913)	(2,202,225)	(616,635)	2,845,555	(4,975,218)
Other operating receipts	2,624	217,055	-	14,869	234,548
Cash payments for insurance	-	-	(7,386,672)	(23,841,039)	(31,227,711)
Net provided by (used for) operating activities	<u>654,234</u>	<u>(290,066)</u>	<u>649,265</u>	<u>3,442,186</u>	<u>4,455,619</u>
Cash Flows From Noncapital Financing Activities:					
Transfers in	1,094,946	600,000	-	1,731,341	3,426,287
Transfers out	(60,070)	(25,221)	(9,238)	(75,685)	(170,214)
Net cash provided by (used for) noncapital financing activities	<u>1,034,876</u>	<u>574,779</u>	<u>(9,238)</u>	<u>1,655,656</u>	<u>3,256,073</u>
Cash Flows From Capital and Related Financing Activities:					
Acquisition/construction of capital assets	(870,853)	-	-	-	(870,853)
Sale of assets	871,613	-	-	-	871,613
Principal paid on notes and leases	(2,170,664)	-	-	-	(2,170,664)
Interest and fees paid on notes and leases	(181,007)	-	-	-	(181,007)
Net cash (used for) capital and related financing activities	<u>(2,350,911)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,350,911)</u>
Cash Flows From Investing Activities:					
Purchases and sales of investments, net	1,044,411	(174,547)	621,309	(3,050,316)	(1,559,143)
Interest on investments	396,710	-	346,953	249,201	992,864
Net cash provided by (used for) investing activities	<u>1,441,121</u>	<u>(174,547)</u>	<u>968,262</u>	<u>(2,801,115)</u>	<u>(566,279)</u>
Net increase (decrease) in cash and cash equivalents	779,320	110,166	1,608,289	2,296,727	4,794,502
Cash and cash equivalents, beginning of year	<u>4,022,559</u>	<u>-</u>	<u>3,065,691</u>	<u>3,699,934</u>	<u>10,788,184</u>
Cash and cash equivalents, end of year	<u>\$ 4,801,879</u>	<u>\$ 110,166</u>	<u>\$ 4,673,980</u>	<u>\$ 5,996,661</u>	<u>\$ 15,582,686</u>
Displayed as:					
Cash and cash equivalents	4,801,879	110,166	4,498,980	2,411,254	11,822,279
Restricted cash and cash equivalents	-	-	175,000	3,585,407	3,760,407
Total cash and cash equivalents	<u>\$ 4,801,879</u>	<u>\$ 110,166</u>	<u>\$ 4,673,980</u>	<u>\$ 5,996,661</u>	<u>\$ 15,582,686</u>

Continued

CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019
(Continued)

	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)	\$ 694,589	\$ (186,876)	\$ 838,357	\$ 3,585,890	\$ 4,931,960
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	965,531	50,668	3,194	4,825	1,024,218
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	-	25,608	-	(113,781)	(88,173)
Increase in joint venture	(174,109)	-	-	-	(174,109)
Decrease in due from other funds	-	36,277	-	-	36,277
Increase in prepaid expenses	-	-	(58,411)	-	(58,411)
Increase (decrease) in accounts payable and accrued liabilities	(905,195)	(178,380)	922,993	(157,519)	(318,101)
Decrease in due to other Funds	-	(48,087)	(205,704)	-	(253,791)
Increase (decrease) in compensated absences payable	73,418	10,724	(1,603)	-	82,539
Increase in deposits payable	-	-	-	122,771	122,771
Decrease in insurance claims payable	-	-	(849,561)	-	(849,561)
Total adjustments	<u>(40,355)</u>	<u>(103,190)</u>	<u>(189,092)</u>	<u>(143,704)</u>	<u>(476,341)</u>
Net cash provided by (used for) operations	<u>\$ 654,234</u>	<u>\$ (290,066)</u>	<u>\$ 649,265</u>	<u>\$ 3,442,186</u>	<u>\$ 4,455,619</u>
Schedule of non-cash Capital and Related Financing and Investing Activities:					
Change in fair value of investments	<u>\$ 137,256</u>	<u>\$ -</u>	<u>\$ 122,907</u>	<u>\$ 44,965</u>	<u>\$ 305,128</u>



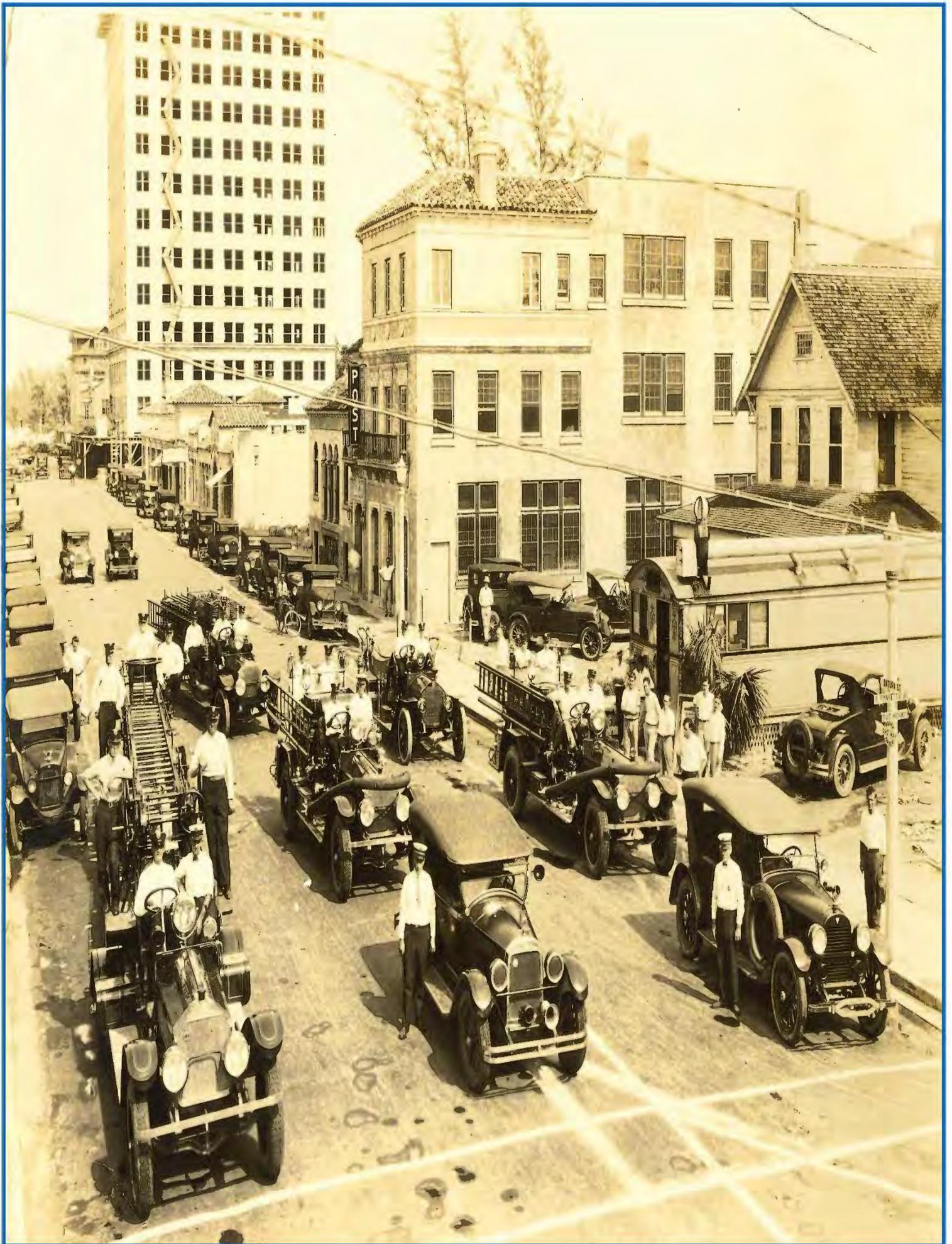
COURT HOUSE

WEST PALM BEACH, FLA.

39352



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.

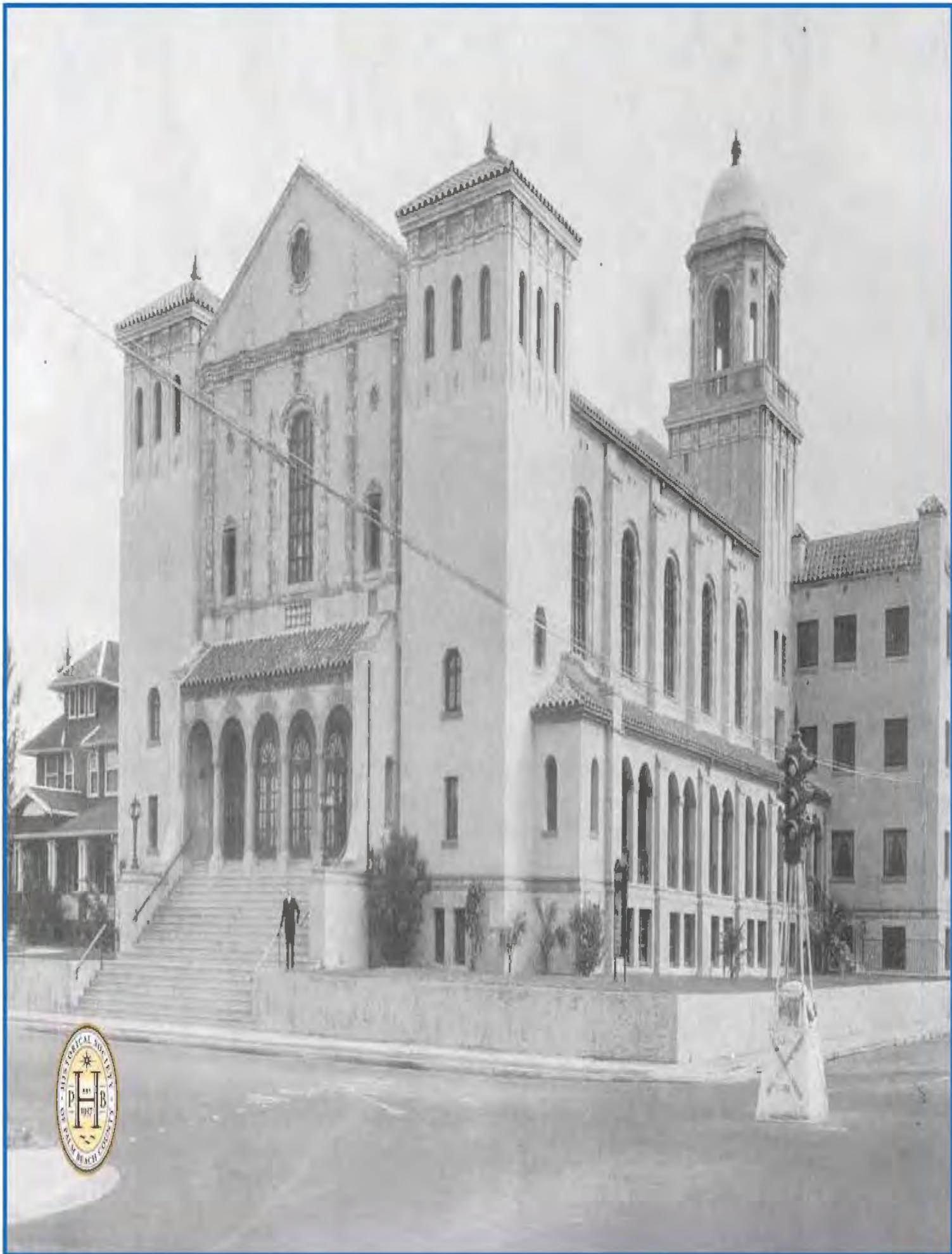
OPEB Fund – This fund is used to account for assets held in trust for post-employment benefits other than pensions.

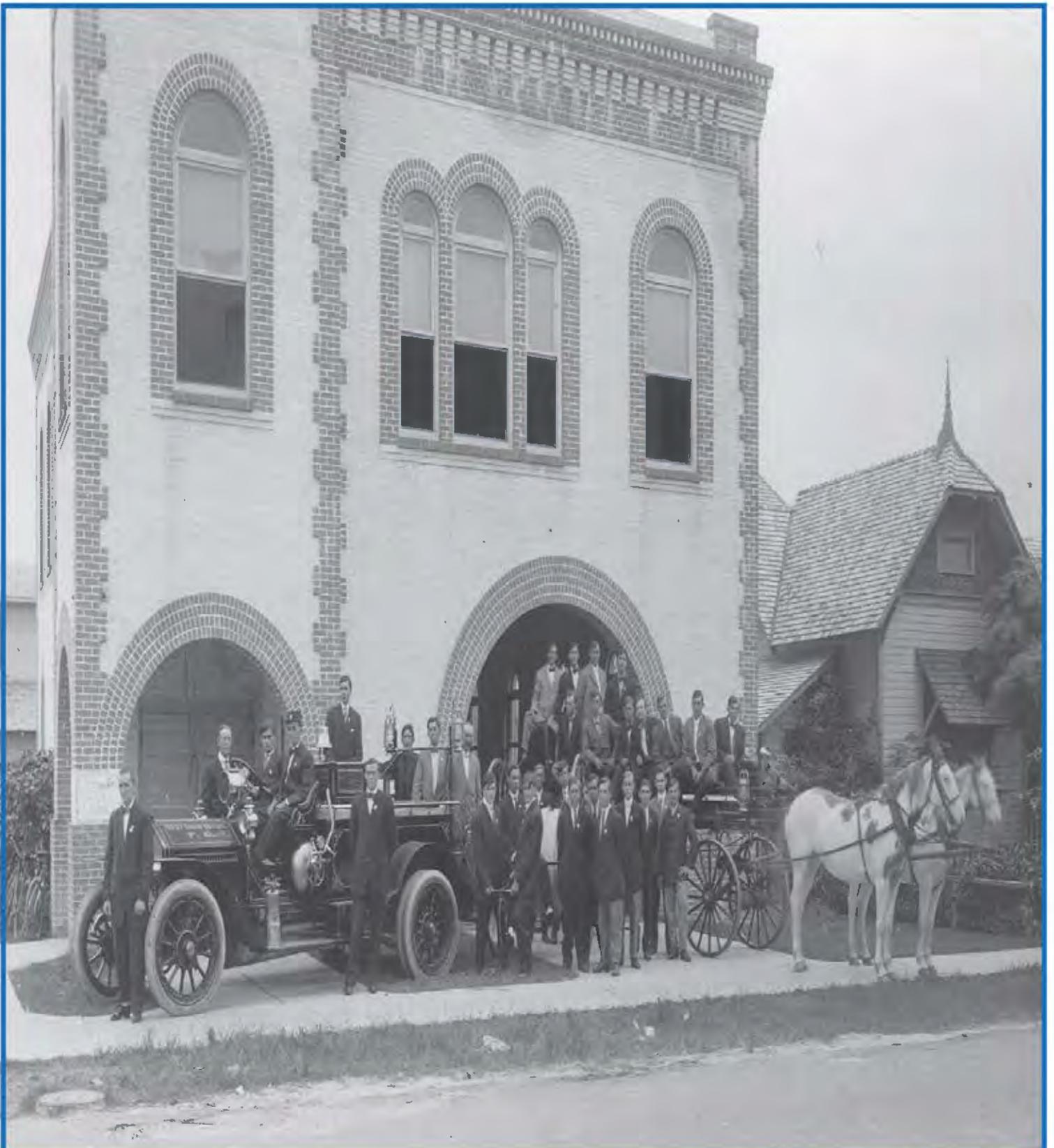
CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2019

	Firefighters Pension Fund	Police Pension Fund	Restated Employees Pension Fund	OPEB Fund	Total
ASSETS					
Cash and cash equivalents	\$ 2,372,189	\$ 559,718	\$ 292,775	\$ 1,232,337	\$ 4,457,019
Receivables:					
Plan members	102,047	-	-	-	102,047
Drop loans	378,564	1,309,522	-	-	1,688,086
Interest and dividends	195,609	369,460	63,879	-	628,948
Other	118,492	1,533,497	-	-	1,651,989
Total receivables	<u>794,712</u>	<u>3,212,479</u>	<u>63,879</u>	<u>-</u>	<u>4,071,070</u>
Investments:					
Money market	2,823,098	3,762,000	899,409	-	7,484,507
U.S. government obligations	8,407,216	18,450,722	3,738,552	-	30,596,490
U.S. government agencies	719,408	18,195,831	-	-	18,915,239
Corporate obligations	14,552,510	28,936,013	5,046,636	-	48,535,159
Equity securities	-	-	28,783,794	-	28,783,794
Domestic stocks	86,717,292	58,781,582	-	-	145,498,874
Domestic equity investment funds	28,222,049	133,376,715	-	9,909,286	171,508,050
Domestic fixed income investment funds	30,133,588	-	-	2,098,086	32,231,674
Domestic private equity investment funds	-	7,827,705	-	-	7,827,705
Fixed income mutual fund	-	-	3,975,951	494,691	4,470,642
International equity investment funds	22,938,520	53,529,656	-	-	76,468,176
International fixed income investment funds	10,849,038	-	-	-	10,849,038
Real estate investment trust funds	25,957,472	57,285,947	3,040,484	-	86,283,903
Total investments	<u>231,320,191</u>	<u>380,146,171</u>	<u>45,484,826</u>	<u>12,502,063</u>	<u>669,453,251</u>
Prepaid expenses	<u>11,555</u>	<u>1,305,848</u>	<u>-</u>	<u>-</u>	<u>1,317,403</u>
Total assets	<u><u>234,498,647</u></u>	<u><u>385,224,216</u></u>	<u><u>45,841,480</u></u>	<u><u>13,734,400</u></u>	<u><u>679,298,743</u></u>
LIABILITIES					
Accounts payable and accrued expenses	623,714	1,781,991	40,178	-	2,445,883
Advanced city contribution	<u>-</u>	<u>-</u>	<u>3,201,380</u>	<u>-</u>	<u>3,201,380</u>
Total liabilities	<u>623,714</u>	<u>1,781,991</u>	<u>3,241,558</u>	<u>-</u>	<u>5,647,263</u>
NET POSITION					
Net position restricted for pensions and OPEB	<u><u>\$ 233,874,933</u></u>	<u><u>\$ 383,442,225</u></u>	<u><u>\$ 42,599,922</u></u>	<u><u>\$ 13,734,400</u></u>	<u><u>\$ 673,651,480</u></u>

CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Firefighters Pension Fund	Police Pension Fund	Restated Employees Pension Fund	OPEB Fund	Total
Additions					
Contributions:					
Plan members	\$ 2,738,646	\$ 2,918,476	\$ 58,116	\$ -	\$ 5,715,238
Insurance premium taxes collected by the State of Florida on behalf of the City	1,307,875	1,483,310	-	-	2,791,185
City of West Palm Beach	9,065,383	4,363,006	423,367	1,153,020	15,004,776
Total contributions	<u>13,111,904</u>	<u>8,764,792</u>	<u>481,483</u>	<u>1,153,020</u>	<u>23,511,199</u>
Investment income:					
Net appreciation in fair value of investments	3,663,755	5,180,216	420,242	484,087	9,748,300
Interest and dividends	6,467,982	5,390,205	1,369,830	-	13,228,017
Class action revenue	10,479	14,545	-	-	25,024
Rebates and other revenue	7,417	8,724	1,126	-	17,267
	<u>10,149,633</u>	<u>10,593,690</u>	<u>1,791,198</u>	<u>484,087</u>	<u>23,018,608</u>
Less investment expenses	945,789	923,724	186,222	-	2,055,735
Net investment income	<u>9,203,844</u>	<u>9,669,966</u>	<u>1,604,976</u>	<u>484,087</u>	<u>20,962,873</u>
Total additions	<u>22,315,748</u>	<u>18,434,758</u>	<u>2,086,459</u>	<u>1,637,107</u>	<u>44,474,072</u>
Deductions					
Participant benefit payments	15,940,655	18,963,330	3,072,580	1,153,020	39,129,585
Refunds of participant contributions	41,259	152,950	-	-	194,209
Administrative expenses	176,142	336,885	89,898	-	602,925
Total deductions	<u>16,158,056</u>	<u>19,453,165</u>	<u>3,162,478</u>	<u>1,153,020</u>	<u>39,926,719</u>
Net increase (decrease) in net position	6,157,692	(1,018,407)	(1,076,019)	484,087	4,547,353
Net position restricted for pensions and OPEB					
Beginning 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>
End of year	<u>\$ 233,874,933</u>	<u>\$ 383,442,225</u>	<u>\$ 42,599,922</u>	<u>\$ 13,734,400</u>	<u>\$ 673,651,480</u>





BUDGETARY COMPARISON SCHEDULES

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
SERIES 2019 CCCRA CAPITAL BOND FUND (Major Fund)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	\$ -	\$ -	\$ 297,701	\$ 297,701
Total revenues	<u>-</u>	<u>-</u>	<u>297,701</u>	<u>297,701</u>
Expenditures:				
Capital outlay	-	45,636,000	10,388,223	35,247,777
Debt Service:				
Issuance costs and other	-	396,046	379,248	16,798
Total expenditures	<u>-</u>	<u>46,032,046</u>	<u>10,767,471</u>	<u>35,264,575</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(46,032,046)</u>	<u>(10,469,770)</u>	<u>35,562,276</u>
Other financing sources (uses):				
Proceeds of bond issuance	-	110,220,875	110,220,875	-
Transfer out	<u>-</u>	<u>(31,842,830)</u>	<u>(31,842,830)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>78,378,045</u>	<u>78,378,045</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 32,345,999</u>	67,908,275	<u>\$ 35,562,276</u>
Fund balances - beginning			<u>-</u>	
Fund balances - ending			<u>\$ 67,908,275</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
LOCAL GAS TAX FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 2,563,704	\$ 2,563,704	\$ 2,513,977	\$ (49,727)
Charges for services	-	-	671,288	671,288
Interest	-	-	241,598	241,598
Total revenues	<u>2,563,704</u>	<u>2,563,704</u>	<u>3,426,863</u>	<u>863,159</u>
Expenditures:				
Current:				
Public works	10,761,092	11,513,225	5,057,176	6,456,049
Capital outlay	<u>324,615</u>	<u>324,615</u>	<u>263,539</u>	<u>61,076</u>
Total expenditures	<u>11,085,707</u>	<u>11,837,840</u>	<u>5,320,715</u>	<u>6,517,125</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,522,003)</u>	<u>(9,274,136)</u>	<u>(1,893,852)</u>	<u>7,380,284</u>
Other financing sources (uses):				
Transfer out	-	<u>(3,474,692)</u>	<u>(3,474,692)</u>	-
Total other financing sources (uses)	<u>-</u>	<u>(3,474,692)</u>	<u>(3,474,692)</u>	<u>-</u>
Net change in fund balances	<u>\$ (8,522,003)</u>	<u>\$ (12,748,828)</u>	(5,368,544)	<u>\$ 7,380,284</u>
Fund balances - beginning			<u>12,185,826</u>	
Fund balances - ending			<u>\$ 6,817,282</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 1,236,597	\$ 1,236,597	\$ 1,075,698	\$ (160,899)
Interest	-	-	279	279
Miscellaneous	-	-	169,121	169,121
Total revenues	<u>1,236,597</u>	<u>1,236,597</u>	<u>1,245,098</u>	<u>8,501</u>
Expenditures:				
Current:				
Economic environment	2,120,415	1,274,996	923,162	351,834
Capital outlay	<u>279,758</u>	<u>36,149</u>	<u>29,118</u>	<u>7,031</u>
Total expenditures	<u>2,400,173</u>	<u>1,311,145</u>	<u>952,280</u>	<u>358,865</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,163,576)</u>	<u>(74,548)</u>	<u>292,818</u>	<u>367,366</u>
Other financing sources (uses):				
Transfer out	-	<u>(1,089,028)</u>	<u>(229,012)</u>	<u>(860,016)</u>
Total other financing sources (uses)	<u>-</u>	<u>(1,089,028)</u>	<u>(229,012)</u>	<u>860,016</u>
Net change in fund balances	<u>\$ (1,163,576)</u>	<u>\$ (1,163,576)</u>	63,806	<u>\$ 1,227,382</u>
Fund balances - beginning			<u>39</u>	
Fund balances - ending			<u>\$ 63,845</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NEIGHBORHOOD STABILIZATION PROGRAM FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<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	\$ 94,094	\$ (349,942)
Total revenues	<u>444,036</u>	<u>444,036</u>	<u>94,094</u>	<u>(349,942)</u>
Expenditures:				
Current:				
Economic environment	648,551	648,551	6,277	642,274
Capital outlay	<u>332,089</u>	<u>332,089</u>	-	<u>332,089</u>
Total expenditures	<u>980,640</u>	<u>980,640</u>	<u>6,277</u>	<u>974,363</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(536,604)</u>	<u>(536,604)</u>	<u>87,817</u>	<u>624,421</u>
Other financing sources (uses):				
Proceeds from sale of assets	553,783	553,783	-	(553,783)
Transfer out	<u>(500,000)</u>	<u>(500,000)</u>	-	<u>(500,000)</u>
Total other financing sources (uses)	<u>53,783</u>	<u>53,783</u>	-	<u>(53,783)</u>
Net change in fund balances	<u>\$ (482,821)</u>	<u>\$ (482,821)</u>	87,817	<u>\$ 570,638</u>
Fund balances - beginning			<u>3,923,669</u>	
Fund balances - ending			<u>\$ 4,011,486</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
HOME PROGRAM FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 1,590,633	\$ 1,590,633	\$ 876,248	\$ (714,385)
Charges for services	-	-	86,839	86,839
Interest	-	-	5,818	5,818
Total revenues	<u>1,590,633</u>	<u>1,590,633</u>	<u>968,905</u>	<u>(621,728)</u>
Expenditures:				
Current:				
Economic environment	<u>2,638,425</u>	<u>2,638,425</u>	<u>2,017,239</u>	<u>621,186</u>
Total expenditures	<u>2,638,425</u>	<u>2,638,425</u>	<u>2,017,239</u>	<u>621,186</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,047,792)</u>	<u>(1,047,792)</u>	<u>(1,048,334)</u>	<u>(542)</u>
Net change in fund balances	\$ <u><u>(1,047,792)</u></u>	\$ <u><u>(1,047,792)</u></u>	(1,048,334)	\$ <u><u>(542)</u></u>
Fund balances - beginning			<u>1,146,890</u>	
Fund balances - ending			\$ <u><u>98,556</u></u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
HOPWA FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 3,257,585	\$ 3,257,585	\$ 3,296,237	\$ 38,652
Miscellaneous	-	-	42,719	42,719
Total revenues	<u>3,257,585</u>	<u>3,257,585</u>	<u>3,338,956</u>	<u>81,371</u>
Expenditures:				
Current:				
Economic environment	<u>3,404,740</u>	<u>3,404,740</u>	<u>3,338,956</u>	<u>65,784</u>
Total expenditures	<u>3,404,740</u>	<u>3,404,740</u>	<u>3,338,956</u>	<u>65,784</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(147,155)</u>	<u>(147,155)</u>	-	<u>147,155</u>
Net change in fund balances	<u>\$ (147,155)</u>	<u>\$ (147,155)</u>	-	<u>\$ 147,155</u>
Fund balances - beginning			-	
Fund balances - ending			<u>\$ -</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
SHIP PROGRAM FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 147,377	\$ 147,377	\$ 147,377	\$ -
Interest	-	-	5,864	5,864
Miscellaneous	-	-	16,941	16,941
Total revenues	<u>147,377</u>	<u>147,377</u>	<u>170,182</u>	<u>22,805</u>
Expenditures:				
Current:				
Economic environment	<u>739,352</u>	<u>780,281</u>	<u>546,522</u>	<u>233,759</u>
Total expenditures	<u>739,352</u>	<u>780,281</u>	<u>546,522</u>	<u>233,759</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(591,975)</u>	<u>(632,904)</u>	<u>(376,340)</u>	<u>256,564</u>
Other financing sources (uses):				
Transfers in	-	<u>40,929</u>	<u>40,929</u>	-
Total other financing sources (uses)	-	<u>40,929</u>	<u>40,929</u>	-
Net change in fund balances	<u>\$ (591,975)</u>	<u>\$ (591,975)</u>	(335,411)	<u>\$ 256,564</u>
Fund balances - beginning			<u>591,976</u>	
Fund balances - ending			<u>\$ 256,565</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
HOUSING TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	\$ -	\$ -	\$ 63,289	\$ 63,289
Miscellaneous	-	-	296,400	296,400
Total revenues	<u>-</u>	<u>-</u>	<u>359,689</u>	<u>359,689</u>
Expenditures:				
Current:				
Economic environment	<u>1,225,599</u>	<u>1,225,599</u>	<u>290,527</u>	<u>935,072</u>
Total expenditures	<u>1,225,599</u>	<u>1,225,599</u>	<u>290,527</u>	<u>935,072</u>
Excess (deficiency) of revenues over (under) expenditures	(1,225,599)	(1,225,599)	69,162	1,294,761
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	283,118	283,118
Transfer out	-	<u>(40,929)</u>	<u>(40,929)</u>	-
Total other financing source (uses)	<u>-</u>	<u>(40,929)</u>	<u>242,189</u>	<u>283,118</u>
Net change in fund balances	\$ <u><u>(1,225,599)</u></u>	\$ <u><u>(1,266,528)</u></u>	311,351	\$ <u><u>1,577,879</u></u>
Fund balances - beginning			<u>1,837,920</u>	
Fund balances - ending			\$ <u><u>2,149,271</u></u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
PERMITS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
License and permits	\$ 8,190,600	\$ 8,190,600	\$ 11,685,226	\$ 3,494,626
Intergovernmental	-	7,000	-	(7,000)
Charges for services	5,000	5,000	9,367	4,367
Interest	70,000	70,000	519,493	449,493
Miscellaneous	12,500	12,500	36,614	24,114
Total revenues	<u>8,278,100</u>	<u>8,285,100</u>	<u>12,250,700</u>	<u>3,965,600</u>
Expenditures:				
Current:				
Public safety	13,365,937	13,373,937	8,461,489	4,912,448
Capital outlay	560	560	-	560
Total expenditures	<u>13,366,497</u>	<u>13,374,497</u>	<u>8,461,489</u>	<u>4,913,008</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,088,397)</u>	<u>(5,089,397)</u>	<u>3,789,211</u>	<u>8,878,608</u>
Other financing sources (uses):				
Transfer out	<u>(499,312)</u>	<u>(499,312)</u>	<u>(499,312)</u>	<u>-</u>
Total other financing sources (uses)	<u>(499,312)</u>	<u>(499,312)</u>	<u>(499,312)</u>	<u>-</u>
Net change in fund balances	<u>\$ (5,587,709)</u>	<u>\$ (5,588,709)</u>	3,289,899	<u>\$ 8,878,608</u>
Fund balances - beginning			<u>14,807,105</u>	
Fund balances - ending			<u>\$ 18,097,004</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FIRE ASSESSMENT FEE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 4,154,698	\$ 4,154,698	\$ 4,022,297	\$ (132,401)
Interest	<u>29,312</u>	<u>29,312</u>	<u>53,809</u>	<u>24,497</u>
Total revenues	<u>4,184,010</u>	<u>4,184,010</u>	<u>4,076,106</u>	<u>(107,904)</u>
Expenditures:				
Current:				
Public safety:				
Fire	1,522,461	2,458,986	1,244,907	1,214,079
Capital outlay	<u>971,305</u>	<u>971,305</u>	<u>178,291</u>	<u>793,014</u>
Total expenditures	<u>2,493,766</u>	<u>3,430,291</u>	<u>1,423,198</u>	<u>2,007,093</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,690,244</u>	<u>753,719</u>	<u>2,652,908</u>	<u>1,899,189</u>
Other financing sources (uses):				
Transfers in	-	936,525	936,525	-
Transfer out	<u>(3,071,053)</u>	<u>(3,071,053)</u>	<u>(3,071,053)</u>	<u>-</u>
source (uses)	<u>(3,071,053)</u>	<u>(2,134,528)</u>	<u>(2,134,528)</u>	<u>-</u>
Net change in fund balances	\$ <u>(1,380,809)</u>	\$ <u>(1,380,809)</u>	518,380	\$ <u>1,899,189</u>
Fund balances - beginning			<u>3,922,767</u>	
Fund balances - ending			\$ <u>4,441,147</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
WATERFRONT DISTRICT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 736,800	\$ 737,410	\$ 1,015,776	\$ 278,366
Rents and royalties	420,000	420,000	570,116	150,116
Interest	15,000	15,000	12,896	(2,104)
Miscellaneous	180,000	180,000	8,806	(171,194)
Total revenues	<u>1,351,800</u>	<u>1,352,410</u>	<u>1,607,594</u>	<u>255,184</u>
Expenditures:				
Current:				
Leisure services:				
Parks and Recreation	4,225,450	4,457,676	3,852,100	605,576
Capital outlay	42,450	42,450	-	42,450
Total expenditures	<u>4,267,900</u>	<u>4,500,126</u>	<u>3,852,100</u>	<u>648,026</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,916,100)</u>	<u>(3,147,716)</u>	<u>(2,244,506)</u>	<u>903,210</u>
Other financing sources (uses):				
Transfers in	2,271,815	2,503,431	2,503,431	-
Transfer out	<u>(121,078)</u>	<u>(121,078)</u>	<u>(121,078)</u>	<u>-</u>
Total other financing source (uses)	<u>2,150,737</u>	<u>2,382,353</u>	<u>2,382,353</u>	<u>-</u>
Net change in fund balances	<u>\$ (765,363)</u>	<u>\$ (765,363)</u>	137,847	<u>\$ 903,210</u>
Fund balances - beginning			<u>1,604,343</u>	
Fund balances - ending			<u>\$ 1,742,190</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
SPECIAL REVENUE GRANT PROGRAMS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 1,448,762	\$ 2,947,697	\$ 1,575,641	\$ (1,372,056)
Miscellaneous	30,050	336,548	333,398	(3,150)
Total revenues	<u>1,478,812</u>	<u>3,284,245</u>	<u>1,909,039</u>	<u>(1,375,206)</u>
Expenditures:				
Current:				
General government:				
Mayor's office	120,000	120,000	120,000	-
Public safety				
Fire	1,026,504	1,307,216	1,068,711	238,505
Police	10,000	70,992	-	70,992
Public works	-	1,099,000	-	1,099,000
Economic environment	62,000	76,000	7,737	68,263
Leisure services:				
Library services	679,587	990,080	540,494	449,586
Capital outlay	679,778	745,533	677,479	68,054
Total expenditures	<u>2,577,869</u>	<u>4,408,821</u>	<u>2,414,421</u>	<u>1,994,400</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>(1,099,057)</u>	<u>(1,124,576)</u>	<u>(505,382)</u>	<u>619,194</u>
Other financing sources (uses):				
Transfers in	-	25,519	25,519	-
Transfer out	-	-	(1,551)	1,551
Total other financing source (uses)	<u>-</u>	<u>25,519</u>	<u>23,968</u>	<u>(1,551)</u>
Net change in fund balances	<u>\$ (1,099,057)</u>	<u>\$ (1,099,057)</u>	(481,414)	<u>\$ 617,643</u>
Fund balance - beginning			<u>1,092,122</u>	
Fund balances - ending			<u>\$ 610,708</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
CEMETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ -	\$ -	\$ 41,710	\$ 41,710
Interest	<u>-</u>	<u>-</u>	<u>32,241</u>	<u>32,241</u>
Total revenues	<u>-</u>	<u>-</u>	<u>73,951</u>	<u>73,951</u>
Expenditures:				
Capital outlay	<u>7,291</u>	<u>7,291</u>	<u>2,100</u>	<u>5,191</u>
Total expenditures	<u>7,291</u>	<u>7,291</u>	<u>2,100</u>	<u>5,191</u>
Excess (deficiency) of revenues				
Over (under) expenditures	<u>(7,291)</u>	<u>(7,291)</u>	<u>71,851</u>	<u>79,142</u>
Net change in fund balances	\$ <u><u>(7,291)</u></u>	\$ <u><u>(7,291)</u></u>	71,851	\$ <u><u>79,142</u></u>
Fund balance - beginning			<u>1,151,690</u>	
Fund balances - ending			\$ <u><u>1,223,541</u></u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
MISCELLANEOUS TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ -	\$ 508,050	\$ 358,038	\$ (150,012)
Total revenues	<u>-</u>	<u>508,050</u>	<u>358,038</u>	<u>(150,012)</u>
Expenditures:				
Current:				
Public safety:				
Police	236,396	644,446	354,195	290,251
Capital outlay	44,872	144,872	62,654	82,218
Total expenditures	<u>281,268</u>	<u>789,318</u>	<u>416,849</u>	<u>372,469</u>
Excess (deficiency) of revenues				
Over (under) expenditures	<u>(281,268)</u>	<u>(281,268)</u>	<u>(58,811)</u>	<u>222,457</u>
Net change in fund balances	\$ <u>(281,268)</u>	\$ <u>(281,268)</u>	(58,811)	\$ <u>222,457</u>
Fund balance - beginning			<u>837,001</u>	
Fund balances - ending			\$ <u>778,190</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
OTHER DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	\$ -	\$ -	\$ 5,514	\$ 5,514
Total revenues	<u>-</u>	<u>-</u>	<u>5,514</u>	<u>5,514</u>
Expenditures:				
Debt Service:				
Principal retirement	2,477,823	2,477,823	2,370,762	107,061
Interest charges	<u>363,230</u>	<u>363,230</u>	<u>352,448</u>	<u>10,782</u>
Total expenditures	<u>2,841,053</u>	<u>2,841,053</u>	<u>2,723,210</u>	<u>117,843</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,841,053)</u>	<u>(2,841,053)</u>	<u>(2,717,696)</u>	<u>123,357</u>
Other financing sources (uses):				
Transfer in	<u>2,841,053</u>	<u>2,841,053</u>	<u>2,841,053</u>	<u>-</u>
Total other financing sources (uses)	<u>2,841,053</u>	<u>2,841,053</u>	<u>2,841,053</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	123,357	<u>\$ 123,357</u>
Fund balances - beginning			<u>-</u>	
Fund balances - ending			<u>\$ 123,357</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
2005 GENERAL OBLIGATION BOND FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 1,550,175	\$ 1,550,175	\$ 1,567,920	\$ 17,745
Interest	-	25	21,483	21,458
Total revenues	<u>1,550,175</u>	<u>1,550,200</u>	<u>1,589,403</u>	<u>39,203</u>
Expenditures:				
Debt Service:				
Principal retirement	1,459,975	1,460,000	1,460,000	-
Interest charges	<u>90,200</u>	<u>90,200</u>	<u>90,200</u>	-
Total expenditures	<u>1,550,175</u>	<u>1,550,200</u>	<u>1,550,200</u>	-
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>39,203</u>	<u>39,203</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	39,203	<u>\$ 39,203</u>
Fund balances - beginning			<u>344,057</u>	
Fund balances - ending			<u>\$ 383,260</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
SERIES 2019 CCCRA DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	\$ -	\$ -	\$ 20,450	\$ 20,450
Total revenues	<u>-</u>	<u>-</u>	<u>20,450</u>	<u>20,450</u>
Expenditures:				
Debt Service:				
Interest charges	-	425,918	425,918	-
Issuance cost and other	-	310,037	310,037	-
Total expenditures	<u>-</u>	<u>735,955</u>	<u>735,955</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(735,955)</u>	<u>(715,505)</u>	<u>20,450</u>
Other financing sources (uses):				
Payment to refunded bond escrow agent	-	(24,265,000)	(24,265,000)	-
Transfers in	-	31,842,830	31,842,830	-
Total other financing sources (uses)	<u>-</u>	<u>7,577,830</u>	<u>7,577,830</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 6,841,875</u>	6,862,325	<u>\$ 20,450</u>
Fund balances - beginning			<u>-</u>	
Fund balances - ending			<u>\$ 6,862,325</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
OTHER CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	\$ -	\$ -	\$ 245,452	\$ 245,452
Total revenues	<u>-</u>	<u>-</u>	<u>245,452</u>	<u>245,452</u>
Expenditures:				
Current:				
General government:				
Support services	6,355	36,355	-	36,355
Public safety:				
Fire	257,410	257,410	49,555	207,855
Public works	148,240	148,240	-	148,240
Engineering services	360,326	460,326	-	460,326
Leisure services:				
Parks and recreation	1,383,161	1,483,161	550,314	932,847
Capital outlay	<u>5,797,593</u>	<u>28,697,720</u>	<u>8,590,111</u>	<u>20,107,609</u>
Total expenditures	<u>7,953,085</u>	<u>31,083,212</u>	<u>9,189,980</u>	<u>21,893,232</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>(7,953,085)</u>	<u>(31,083,212)</u>	<u>(8,944,528)</u>	<u>22,138,684</u>
Other financing sources (uses):				
Proceeds from notes payable	-	15,055,000	15,055,000	-
Transfers in	835,278	9,442,645	8,942,645	(500,000)
Transfer out	<u>-</u>	<u>(532,240)</u>	<u>(55,000)</u>	<u>477,240</u>
Total other financing source (uses)	<u>835,278</u>	<u>23,965,405</u>	<u>23,942,645</u>	<u>(22,760)</u>
Net change in fund balances	<u>\$ (7,117,807)</u>	<u>\$ (7,117,807)</u>	14,998,117	<u>\$ 22,115,924</u>
Fund balance - beginning			<u>5,971,449</u>	
Fund balances - ending			<u>\$ 20,969,566</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ART IN PUBLIC PLACES FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 250,000	\$ 250,000	\$ 325,725	\$ 75,725
Interest	-	-	36,701	36,701
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>362,426</u>	<u>112,426</u>
Expenditures:				
Current:				
General Government:				
Mayor's office	435,993	603,197	205,966	397,231
Leisure Services:				
Parks and recreation	4,454	1,250	1,250	-
Capital outlay	259,000	-	-	-
Total expenditures	<u>699,447</u>	<u>604,447</u>	<u>207,216</u>	<u>397,231</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(449,447)</u>	<u>(354,447)</u>	<u>155,210</u>	<u>509,657</u>
Other financing sources (uses):				
Transfer out	<u>(1,307)</u>	<u>(1,307)</u>	<u>(1,307)</u>	-
Total other financing sources (uses)	<u>(1,307)</u>	<u>(1,307)</u>	<u>(1,307)</u>	-
Net change in fund balances	<u>\$ (450,754)</u>	<u>\$ (355,754)</u>	153,903	<u>\$ 509,657</u>
Fund balances - beginning			<u>968,958</u>	
Fund balances - ending			<u>\$ 1,122,861</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
INFRASTRUCTURE SURTAX FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 8,300,000	\$ 8,300,000	\$ 8,126,122	\$ (173,878)
Interest	-	-	455,544	455,544
Total revenues	<u>8,300,000</u>	<u>8,300,000</u>	<u>8,581,666</u>	<u>281,666</u>
Expenditures:				
Current:				
Economic environment	4,638,241	4,638,241	1,224,441	3,413,800
Leisure services:				
Parks and recreation	1,330,151	1,330,151	29,299	1,300,852
Debt Service:				-
Capital outlay	<u>9,130,192</u>	<u>9,130,192</u>	<u>451,497</u>	<u>8,678,695</u>
Total expenditures	<u>15,098,584</u>	<u>15,098,584</u>	<u>1,705,237</u>	<u>13,393,347</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,798,584)</u>	<u>(6,798,584)</u>	<u>6,876,429</u>	<u>13,675,013</u>
Net change in fund balances	\$ <u>(6,798,584)</u>	\$ <u>(6,798,584)</u>	6,876,429	\$ <u>13,675,013</u>
Fund balances - beginning			<u>12,296,134</u>	
Fund balances - ending			\$ <u>19,172,563</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
VEHICLE REPLACEMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	\$ -	\$ -	\$ 62,794	\$ 62,794
Total revenues	<u>-</u>	<u>-</u>	<u>62,794</u>	<u>62,794</u>
Expenditures:				
Capital outlay	149,505	149,505	11,410	138,095
Total expenditures	<u>149,505</u>	<u>149,505</u>	<u>11,410</u>	<u>138,095</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(149,505)</u>	<u>(149,505)</u>	<u>51,384</u>	<u>200,889</u>
Other financing sources (uses):				
Transfers in	2,544,417	82,606	82,606	-
Total other financing sources (uses)	<u>2,544,417</u>	<u>82,606</u>	<u>82,606</u>	<u>-</u>
Net change in fund balances	\$ <u>2,394,912</u>	\$ <u>(66,899)</u>	133,990	\$ <u>200,889</u>
Fund balances - beginning			<u>1,933,347</u>	
Fund balances - ending			<u>\$ 2,067,337</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
TECHNOLOGY REPLACEMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	\$ -	\$ -	\$ 97,312	\$ 97,312
Total revenues	<u>-</u>	<u>-</u>	<u>97,312</u>	<u>97,312</u>
Expenditures:				
Current:				
General government:				
Non-departmental government	467,150	467,150	154,860	312,290
Public safety:				
Fire	337,472	337,472	17,014	320,458
Police	655,284	655,284	189,179	466,105
Public works	132,802	132,802	69,224	63,578
Leisure services:				
Library services	20,000	20,000	-	20,000
Capital outlay	29,167	29,167	7,746	21,421
Total expenditures	<u>1,641,875</u>	<u>1,641,875</u>	<u>438,023</u>	<u>1,203,852</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,641,875)</u>	<u>(1,641,875)</u>	<u>(340,711)</u>	<u>1,301,164</u>
Net change in fund balances	<u>\$ (1,641,875)</u>	<u>\$ (1,641,875)</u>	<u>(340,711)</u>	<u>\$ 1,301,164</u>
Fund balances - beginning			<u>3,095,154</u>	
Fund balances - ending			<u>\$ 2,754,443</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
2016 CAPITAL BOND FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

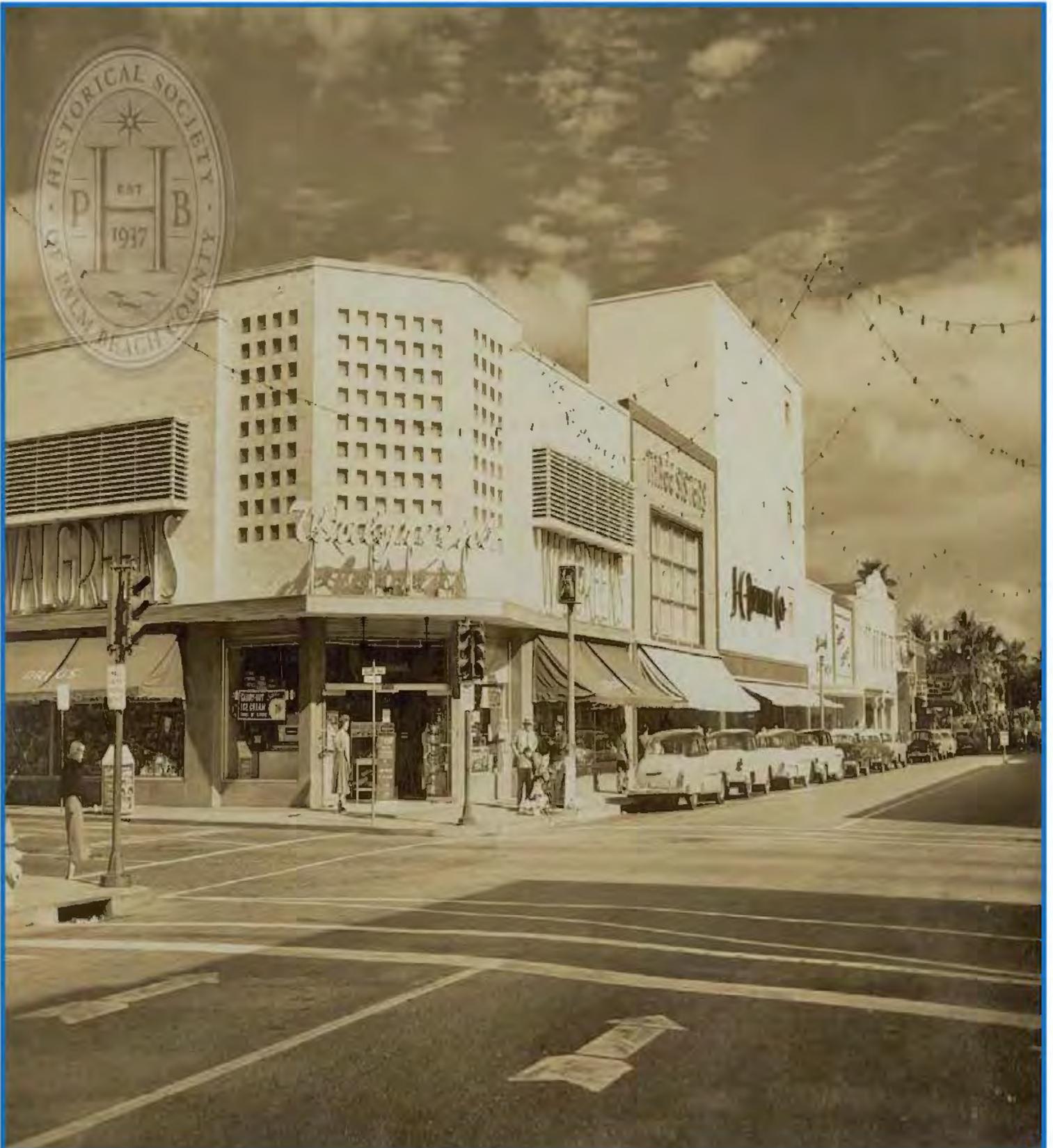
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	\$ -	\$ -	\$ 521,729	\$ 521,729
Total revenues	<u>-</u>	<u>-</u>	<u>521,729</u>	<u>521,729</u>
Expenditures:				
Current:				
General government:				
Support services	20,000	20,000	-	20,000
Public safety:				
Fire	364,049	372,875	203,351	169,524
Economic environment	-	242,135	142,133	100,002
Public works	3,085,274	2,909,894	1,372,862	1,537,032
Leisure services:				
Parks and recreation	670,180	570,180	443,799	126,381
Capital outlay	<u>19,629,250</u>	<u>19,888,247</u>	<u>6,197,986</u>	<u>13,690,261</u>
Total expenditures	<u>23,768,753</u>	<u>24,003,331</u>	<u>8,360,131</u>	<u>15,643,200</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,768,753)</u>	<u>(24,003,331)</u>	<u>(7,838,402)</u>	<u>16,164,929</u>
Net change in fund balances	<u>\$ (23,768,753)</u>	<u>\$ (24,003,331)</u>	<u>(7,838,402)</u>	<u>\$ 16,164,929</u>
Fund balances - beginning			<u>18,372,867</u>	
Fund balances - ending			<u>\$ 10,534,465</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NPCCRA SERIES 2005A CONSTRUCTION FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	\$ 500	\$ 500	\$ 25,180	\$ 24,680
Total revenues	<u>500</u>	<u>500</u>	<u>25,180</u>	<u>24,680</u>
Expenditures:				
Current:				
Economic environment	515,302	515,302	158,619	356,683
Capital outlay	<u>650,606</u>	<u>650,606</u>	-	<u>650,606</u>
Total expenditures	<u>1,165,908</u>	<u>1,165,908</u>	<u>158,619</u>	<u>1,007,289</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,165,408)</u>	<u>(1,165,408)</u>	<u>(133,439)</u>	<u>1,031,969</u>
Net change in fund balances	<u>\$ (1,165,408)</u>	<u>\$ (1,165,408)</u>	(133,439)	<u>\$ 1,031,969</u>
Fund balances - beginning			<u>1,169,928</u>	
Fund balances - ending			<u>\$ 1,036,489</u>	

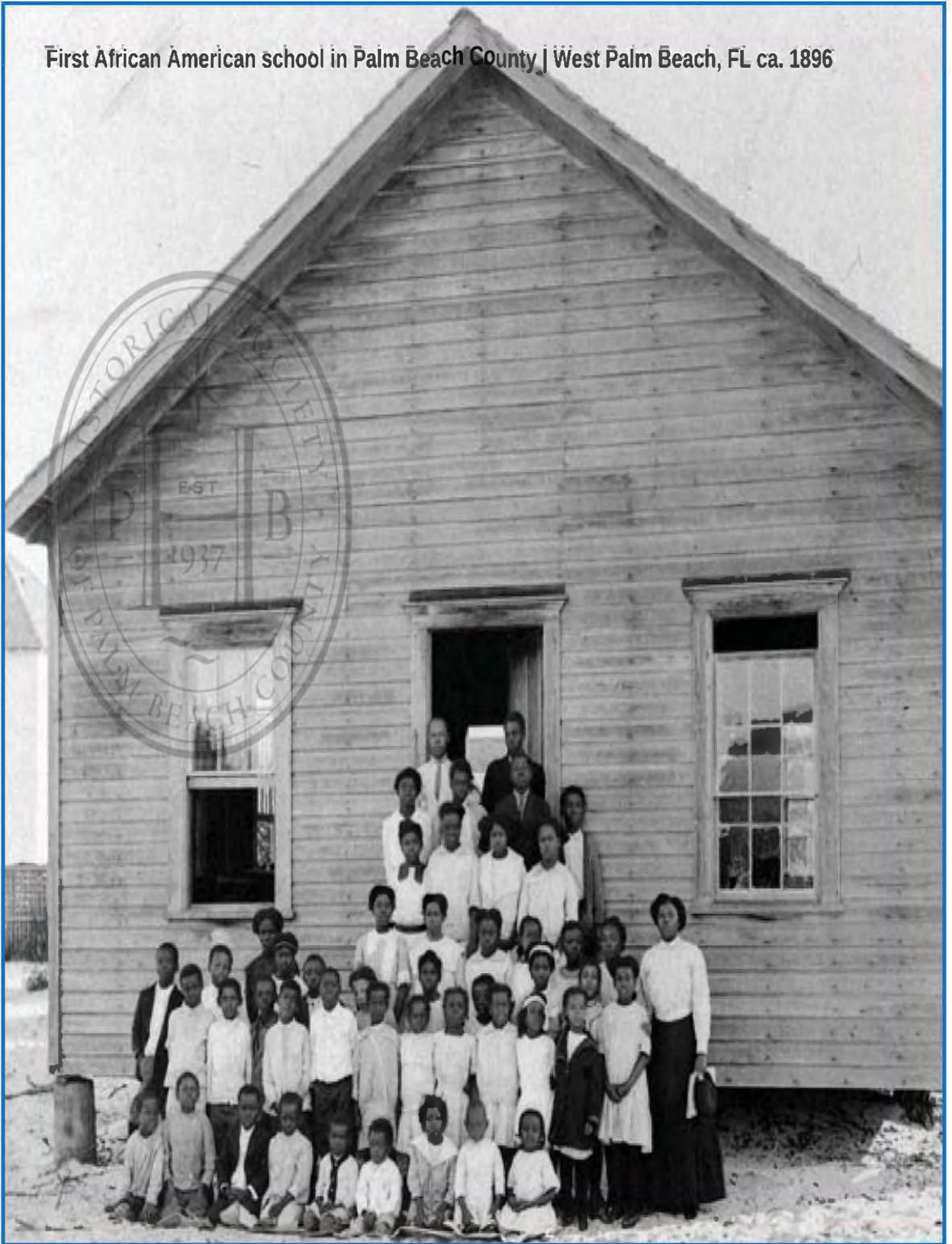
CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
CAPITAL GRANTS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 970,946	\$ 970,946	\$ 425,473	\$ (545,473)
Total revenues	<u>970,946</u>	<u>970,946</u>	<u>425,473</u>	<u>(545,473)</u>
Expenditures:				
Current:				
Public works	467,572	467,572	-	467,572
Capital outlay	<u>503,374</u>	<u>1,592,402</u>	<u>654,485</u>	<u>937,917</u>
Total expenditures	<u>970,946</u>	<u>2,059,974</u>	<u>654,485</u>	<u>1,405,489</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>-</u>	<u>(1,089,028)</u>	<u>(229,012)</u>	<u>860,016</u>
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>1,089,028</u>	<u>229,012</u>	<u>(860,016)</u>
Total other financing source (uses)	<u>-</u>	<u>1,089,028</u>	<u>229,012</u>	<u>(860,016)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning			<u>-</u>	
Fund balances - ending			<u>\$ -</u>	



**STATISTICAL INFORMATION
(Unaudited)**

First African American school in Palm Beach County | West Palm Beach, FL ca. 1896



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 - ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2019
(UNAUDITED)
(IN THOUSANDS)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities:										
Net investment in capital assets	\$ 207,495	\$ 197,684	\$ 188,937	\$ 183,764	\$ 178,930	\$ 169,012	\$ 175,216	\$ 164,702	\$ 163,730	\$ 163,944
Restricted	21,336	24,352	24,899	32,204	29,614	37,402	45,558	61,539	56,027	58,602
Unrestricted	56,426	60,816	66,906	59,001	68,195	(18,232)	(20,065)	(25,779)	(17,725)	(3,217)
Total net position (deficit) of governmental activities	285,257	282,852	280,742	274,969	276,739	188,181	200,709	200,462	202,031	219,329
Business-type Activities:										
Net investment in capital assets	193,842	194,738	201,814	205,203	209,585	215,130	231,703	247,569	265,866	273,228
Restricted	38,758	46,908	50,272	56,841	59,584	91,887	106,348	92,697	94,436	103,978
Unrestricted	57,950	66,500	79,348	94,904	115,206	110,162	101,636	124,380	120,216	139,728
Total net position of governmental activities	290,550	308,146	331,434	356,948	384,374	417,179	439,687	464,646	480,518	516,934
Primary Government:										
Net investment in capital assets	401,338	392,422	390,752	388,967	388,515	384,142	406,919	412,271	429,595	437,172
Restricted	60,094	71,260	75,171	89,045	89,198	129,289	151,906	154,236	150,464	162,580
Unrestricted	114,376	127,316	146,253	153,905	183,401	110,143	101,616	124,354	102,490	136,511
Total net position of governmental activities	\$ 575,808	\$ 590,998	\$ 612,176	\$ 631,917	\$ 661,113	\$ 605,360	\$ 640,396	\$ 665,108	\$ 682,549	\$ 736,263

CITY OF WEST PALM BEACH, FLORIDA
CHANGES IN NET POSITION - ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2019
(UNAUDITED)
(IN THOUSANDS)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EXPENSES (1)										
Governmental Activities:										
General Government,										
Community relations, Planning										
and zoning, Building permits,	\$ 37,381	\$ 32,718	\$ 30,883	\$ 33,286	\$ 30,660	\$ 33,361	\$ 25,312	\$ 19,392	\$ 27,681	\$ 19,106
Public safety	81,568	79,622	84,595	80,107	89,378	89,847	99,639	126,120	115,721	126,637
Engineering services and										
Public works	21,551	21,100	18,975	19,401	19,035	19,096	7,485	7,857	9,472	14,063
Economic Environment										
(Downtown and Northwood)	16,901	17,600	14,604	15,857	16,489	17,318	20,497	22,704	28,105	31,457
Health and sanitation	9,008	8,285	8,631	9,379	10,043	9,119	11,035	10,930	11,335	11,534
Leisure services	20,538	20,965	19,455	17,598	21,849	19,785	21,012	23,916	25,932	28,317
Interest on long-term debt	10,274	9,356	9,803	9,003	7,800	8,434	8,264	8,892	8,747	9,249
Total governmental activities	<u>197,222</u>	<u>189,646</u>	<u>186,947</u>	<u>184,630</u>	<u>195,254</u>	<u>196,960</u>	<u>193,245</u>	<u>219,811</u>	<u>226,993</u>	<u>240,363</u>
Business-type activities:										
Water and sewer	58,702	67,102	61,212	63,491	63,841	65,082	76,763	82,294	90,033	82,729
Stormwater utility	6,433	6,962	6,994	7,352	6,841	8,042	10,981	9,978	10,342	11,157
Parking system	4,013	4,078	4,106	4,465	4,891	5,675	5,673	5,339	6,463	6,357
Golf Course	2,281	1,941	1,765	1,781	1,662	1,854	1,962	1,591	1,407	1,763
Total business-type activities	<u>71,429</u>	<u>80,084</u>	<u>74,077</u>	<u>77,089</u>	<u>77,234</u>	<u>80,653</u>	<u>95,379</u>	<u>99,201</u>	<u>108,245</u>	<u>102,006</u>
Total primary government	<u>\$ 268,649</u>	<u>\$ 269,729</u>	<u>\$ 261,024</u>	<u>\$ 261,719</u>	<u>\$ 272,488</u>	<u>\$ 277,613</u>	<u>\$ 288,623</u>	<u>\$ 319,012</u>	<u>\$ 335,238</u>	<u>\$ 342,369</u>

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 - ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2019
(UNAUDITED)
(IN THOUSANDS)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
PROGRAM REVENUES (1)										
Governmental activities:										
Charges for services										
General government and										
Building permits	\$ 9,270	\$ 10,225	\$ 12,156	\$ 12,778	\$ 15,938	\$ 11,507	\$ 13,060	\$ 10,487	\$ 11,843	\$ 13,735
Public Safety	9,576	18,671	18,878	10,637	18,165	20,770	15,748	7,379	9,563	12,166
Engineering and										
public works	-	-	-	-	-	-	-	334	768	985
Economic Environment	2,265	4	1,926	2,111	(147)	5,104	729	11,336	9,611	13,068
Health and sanitation	13,095	14,248	14,022	13,708	14,013	14,301	14,550	15,715	14,703	15,755
Leisure services	1,015	1,574	2,412	1,734	1,886	2,188	3,022	2,615	2,160	2,215
Operating grants										
and contributions	22,249	20,137	19,987	19,618	20,022	20,344	23,213	6,059	12,517	12,076
Capital grants and										
contributions	7,683	3,043	3,125	639	4,006	1,265	3,310	11,499	9,432	9,834
Total governmental activities	65,153	67,903	72,505	61,226	74,030	75,478	73,633	65,424	70,597	79,835
Business-type activities:										
Charges for services:										
Water and sewer	78,136	84,713	86,717	91,451	96,524	99,108	101,474	109,918	105,902	114,828
Stormwater utility	9,633	10,147	10,604	11,010	10,777	10,842	10,865	13,222	13,806	14,274
Parking system	4,325	4,623	4,613	5,356	5,931	6,045	1,660	6,831	6,657	7,708
Golf Course	1,697	1,546	1,547	1,589	1,505	1,513	6,717	1,432	775	5
Capital grants and										
contributions	2,388	4,209	4,391	873	550	3,306	6,004	980	3,259	2,432
Total business-type										
activities	96	105,237	104,747	110,279	115,287	120,814	126,719	132,383	130,400	139,247
Total primary government	157,651	173,141	177,252	171,504	189,317	196,292	200,352	197,806	200,997	219,082
NET REVENUES (EXPENSES):										
Governmental activities	(135,748)	(130,196)	(122,869)	(127,739)	(126,738)	(131,568)	(127,774)	(154,387)	(156,396)	(160,528)
Business-type activities	24,750	25,154	30,670	33,190	38,051	40,162	31,340	33,182	22,154	37,241
Total primary government	\$ (110,998)	\$ (105,042)	\$ (92,199)	\$ (93,569)	\$ (88,685)	\$ (91,406)	\$ (96,434)	\$ (121,205)	\$ (134,241)	\$ (123,287)

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 - ACCRUAL BASIS OF ACCOUNTING (continued)
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2019
(UNAUDITED)
(IN THOUSANDS)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GENERAL REVENUES AND OTHER										
CHANGES IN NET POSITION:										
Governmental activities:										
Taxes										
Ad valorem	\$ 81,607	\$ 71,864	\$ 66,693	\$ 66,864	\$ 68,567	\$ 73,132	\$ 82,075	\$ 90,266	\$ 96,783	\$ 103,450
Insurance premium	2,565	2,585	2,374	2,501	2,874	2,900	-	2,674	2,797	2,791
Business	2,547	2,551	2,486	2,507	2,877	3,017	3,195	3,962	5,052	5,073
Franchise	8,294	7,803	8,549	8,383	9,093	9,338	9,008	9,248	9,463	9,355
Utility service taxes	19,591	19,470	19,440	19,715	20,459	20,658	20,826	21,202	21,685	21,921
Grants and contributions not restricted to specific programs										
State and local grants/shared revenues	6,340	3,134	3,221	3,436	3,619	3,928	3,934	4,845	6,448	6,968
Sales tax	3,305	7,067	6,036	6,949	7,470	7,996	8,312	8,355	8,837	8,963
Investment earnings	3,362	1,493	1,477	802	911	1,082	1,441	1,189	2,160	6,768
Miscellaneous	3,823	3,503	2,265	1,318	4,893	5,044	1,390	2,138	1,417	1,846
Transfers	7,832	8,322	8,217	8,081	9,113	10,196	10,121	10,261	9,632	11,091
Total governmental activities	139,266	199,655	187,451	187,420	198,444	210,425	140,302	154,140	164,275	178,228
Business-type activities:										
Investment earnings	1,426	764	836	405	686	1,064	1,289	1,139	2,313	7,328
Miscellaneous	-	-	-	-	-	-	-	890	1,037	2,536
Transfers	(7,832)	(8,322)	(8,217)	(8,081)	(9,113)	(10,196)	(10,121)	(10,261)	(9,632)	(11,337)
Total business-type activities	(6,406)	(7,558)	(7,381)	(7,675)	(8,427)	(9,133)	(8,832)	(8,223)	(6,282)	(1,472)
Total primary government	132,859	120,233	113,377	112,880	121,449	128,160	131,470	145,917	157,992	177,001
Special item - forgiveness of advance										
Governmental activities	-	-	-	-	-	-	-	-	-	(401)
Business type activities	-	-	-	-	-	-	-	-	-	401
Total primary government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CHANGE IN NET POSITION										
Governmental activities	3,518	(2,404)	(2,111)	(7,184)	(3,138)	5,725	12,528	(247)	7,879	17,299
Business type activities	18,344	17,595	23,289	25,515	29,625	31,029	22,508	24,958	15,872	36,415
Total primary government	\$ 21,862	\$ 15,191	\$ 21,177	\$ 18,331	\$ 32,764	\$ 36,754	\$ 35,036	\$ 24,711	\$ 23,751	\$ 53,714

CITY OF WEST PALM BEACH, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS - ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2019
(UNAUDITED)
(IN THOUSANDS)

General fund:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Reserved										
Encumbrances	\$ 241	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventories	217	-	-	-	-	-	-	-	-	-
Prepaid items	30	-	-	-	-	-	-	-	-	-
Advances to other funds	10,189	-	-	-	-	-	-	-	-	-
Nonspendable (1)	-	9,543	8,855	6,830	4,860	2,769	851	733	617	-
Advances to other funds	-	216	205	226	286	149	292	336	378	324
Inventories	-	62,598	61	7,529	6,159	51	5,688	4,612	3,661	3,239
Prepaid items and advance to defined benefit pension	-	-	-	-	-	5,366	-	-	-	-
Deferred outflows	-	-	-	-	-	-	-	-	-	-
Restricted (1)	-	-	-	-	-	-	-	2,380	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Committed (1)	-	12,016	12,083	12,031	12,732	13,287	13,722	14,542	15,224	16,127
Emergency reserve	-	-	-	-	-	-	-	-	-	-
Unreserved, designated:										
Reserve for emergencies	23,542	-	-	-	-	-	-	-	-	-
For subsequent year's expenditures	65	-	-	-	-	-	-	-	-	-
Assigned (1)	-	-	-	-	-	-	-	-	-	-
For subsequent year's expenditures	-	7,683	10,533	9,630	633	2,998	2,405	4,334	4,005	3,998
Unreserved, undesignated	1,536	-	-	-	-	-	-	-	-	-
Unassigned (1)	-	6,874	7,203	-	12,332	16,225	18,060	19,048	22,289	12,111
Total general fund	\$ 35,821	\$ 36,395	\$ 38,941	\$ 36,247	\$ 37,003	\$ 40,845	\$ 41,018	\$ 45,985	\$ 46,174	\$ 35,799

Continued

(1) Categories pursuant to GASB 54.
Comprehensive Annual Financial Report - FYE 2019

CITY OF WEST PALM BEACH, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS - ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2019
(UNAUDITED)
(IN THOUSANDS)

All other governmental funds:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Reserved	\$ 21,173	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable (1)	-	76	73	71	69	66	63	61	61	76
Inventories	-	-	-	-	-	-	-	-	20	6
Prepaid items	-	-	-	-	-	-	-	-	-	-
Restricted (1)	-	-	-	2,857	2,857	7,014	2,927	-	-	-
Land held for resale	-	-	-	927	856	752	608	962	837	778
Forfeiture	-	1,094	991	927	856	752	608	962	837	778
Cemetery trust	-	945	989	1,020	1,055	1,111	1,149	1,070	1,091	1,163
Transportation	-	4,549	5,635	6,872	8,077	9,599	8,283	12,769	15,661	6,817
Public safety	-	22,902	21,485	20,479	19,672	25,308	32,241	17,915	18,785	18,155
Economic Environment	-	707	707	707	707	707	-	40,698	38,280	110,495
Wetlands Mitigation	-	-	-	8	63	(26)	39	-	-	-
Library	-	1,728	1,776	1,805	1,839	2,922	2,110	194	-	7,369
Debt Service	-	4,053	6,427	3,205	2,064	2,922	39,299	40,320	31,839	45,744
Capital outlay	-	-	-	-	3,965	-	-	-	-	-
Land held for resale	-	-	847	-	-	-	11,054	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Committed (1)	-	500	932	4,148	9,079	9,887	2,090	1,198	1,604	4,426
Public safety	-	-	-	-	-	-	-	2,862	2,862	2,862
Land held for resale	-	53	472	140	298	486	863	-	344	1,742
Leisure services	-	6,303	6,430	4,973	5,301	4,204	3,837	6,878	8,747	11,981
Capital outlay	-	-	-	-	-	-	-	-	-	-
Assigned (1)	-	-	-	-	-	-	-	-	-	-
For subsequent year's expenditures	-	2	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	144	-	-	-	-	-	-
Debt service	-	(836)	-	-	-	-	-	-	-	-
Unreserved, Undesignated	-	-	-	-	-	-	-	-	-	-
Special revenue funds	16,763	-	-	-	-	-	-	-	-	-
Debt service funds	1,715	-	-	-	-	-	-	-	-	-
Capital project funds	12,380	-	-	-	-	-	-	-	-	-
Unassigned (1)	-	-	(4)	(22)	(2)	-	-	(1)	-	-
Total all other governmental funds	52,031	45,494	48,892	50,220	55,901	63,844	104,564	124,927	120,131	211,614
Total governmental funds	\$ 88	\$ 81,889	\$ 87,834	\$ 86,467	\$ 92,904	\$ 104,690	\$ 145,582	\$ 170,911	\$ 166,305	\$ 247,413

(1) Categories pursuant to GASB 54.

CITY OF WEST PALM BEACH, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS - ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2019
(UNAUDITED)
(IN THOUSANDS)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Taxes	\$ 111,938	\$ 101,640	\$ 97,100	\$ 97,402	\$ 100,815	\$ 105,941	\$ 112,417	\$ 123,389	\$ 130,729	\$ 137,518
Licenses and permits	6,454	6,330	7,729	8,626	12,916	10,788	13,319	12,653	14,521	15,431
Intergovernmental	38,034	33,873	31,767	30,976	35,498	33,533	36,766	43,500	47,061	49,132
Charges for services	21,683	23,138	24,012	22,680	24,077	26,160	26,632	27,781	28,507	32,486
Special assessments	3	2	-	4	-	-	-	-	-	-
Fines and forfeitures	798	948	1,387	1,276	4,215	1,005	272	277	252	360
Rents and royalties/Impact fees	1,171	1,400	1,530	1,458	1,549	4,050	1,460	914	977	1,365
Interest	3,055	1,358	1,342	795	862	927	1,441	1,073	1,917	5,764
Miscellaneous	2,185	1,122	722	924	3,634	3,562	2,236	2,006	1,725	1,612
Total Revenues	185,321	169,811	165,588	164,141	183,566	185,966	194,544	211,593	225,690	243,669
Expenditures:										
Current:										
General government	16,757	13,226	13,025	11,890	11,804	13,478	12,925	15,155	20,513	19,512
Public safety	82,260	81,534	80,636	82,437	90,896	91,225	98,351	97,976	106,317	112,785
Engineering services and Public Works	10,213	8,449	6,260	6,338	5,799	5,457	5,190	6,180	7,877	13,291
Economic environment	19,664	18,177	15,480	16,261	17,180	18,505	20,744	22,986	27,212	29,738
Health and sanitation	8,655	8,089	8,221	8,966	9,005	9,001	9,981	10,274	10,698	10,944
Leisure services	19,727	20,533	18,914	20,327	21,039	20,625	21,319	23,613	25,638	28,045
Capital outlay	28,463	11,304	11,975	8,647	13,770	6,423	13,107	16,165	35,959	34,767
Debt service:										
Principal retirement	11,300	11,765	9,103	9,543	10,375	6,576	8,196	7,666	10,620	13,763
Interest charges	10,175	9,297	9,100	8,530	8,544	7,630	6,253	10,901	9,740	10,090
Issuance costs and other	234	3	515	54	2	755	2,102	-	-	689
Total Expenditures	207,447	182,377	173,229	172,993	188,414	179,676	198,167	210,915	254,574	273,624
Excess of Revenues										
Over (Under) Expenditures	(48,277)	(22,127)	(12,566)	(7,639)	(8,852)	(4,848)	6,290	(3,623)	678	(29,955)

Continued

CITY OF WEST PALM BEACH, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS - ACCRUAL BASIS OF ACCOUNTING
SEPTEMBER 30, 2019
(UNAUDITED)
(IN THOUSANDS)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Other Financing Sources (Uses):										
Issuance of Debt	\$ -	\$ -	\$ 6,900	\$ 2,581	\$ 6,215	\$ 67,809	\$ 50,400	\$ 6,939	\$ 5,928	\$ 106,340
Premium on issuance of refunded debt	27,354	-	-	-	-	-	41,973	350	-	18,936
Proceeds from sale of capital assets	-	-	-	-	-	-	-	1,787	13,653	2,704
Payment to escrow agent for refunding	(27,208)	-	-	-	-	(67,198)	(41,680)	-	-	-
Refunded bonds	-	-	-	-	-	-	-	-	-	(24,265)
Transfers in	51,398	47,330	31,929	20,711	17,940	16,297	18,192	28,048	24,859	58,458
Transfers out	(45,760)	(40,726)	(25,245)	(15,807)	(12,870)	(11,941)	(14,628)	(12,472)	(20,161)	(50,709)
Total Other Financing Sources (Uses)	51,353	47,289	31,911	23,276	24,142	84,027	110,509	37,111	44,420	111,464
Special item (uses)	-	-	-	-	-	-	(50,000)	-	-	-
Bond proceeds to police pension forgiveness of advance to other fund (Note F)	-	-	-	-	-	-	-	-	-	(401)
Net Changes in Fund Balances	(16,343)	(5,962)	5,945	(1,367)	6,437	11,786	40,892	25,330	(4,606)	81,107
Fund Balances (Deficit) - beginning of year	104,194	87,851	81,889	87,834	86,467	92,904	104,690	145,582	170,911	166,305
Fund Balances (Deficit) - end of year	\$ 87,851	\$ 81,889	\$ 87,834	\$ 86,467	\$ 929,904	\$ 104,690	\$ 145,582	\$ 170,911	\$ 166,305	\$ 247,413
Debt service as a percentage of non-capital expenditures	12.13%	12.31%	11.61%	11.03%	10.83%	8.64%	8.94%	9.53%	9.31%	10.27%

CITY OF WEST PALM BEACH, FLORIDA
GOVERNMENTAL FUNDS REVENUES BY SOURCE
LAST TEN FISCAL YEARS
GAAP BASIS - MODIFIED ACCRUAL
SEPTEMBER 30, 2019
(UNAUDITED)

Fiscal Year Ended September 30	Total		Total Taxes	Inter-		Charges for Services	Fines and Forfeitures		Interest	Rents and Royalties		Miscellaneous
	Revenue	Taxes		Governmental Revenue	Licenses and Permits		Governmental Revenue	Services		Forfeitures	Interest	
2010	\$ 185,320,243	\$ 111,938,012	\$ 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	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	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	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	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	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	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	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	130,728,560	14,520,831	47,061,381	28,506,953	251,893	1,917,450	977,111	1,725,435		
2019	243,668,793	137,518,111	137,518,111	15,430,912	49,132,304	32,485,709	360,345	5,764,117	1,365,391	1,611,904		

CITY OF WEST PALM BEACH, FLORIDA
GOVERNMENTAL FUNDS EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS
GAAP BASIS - MODIFIED ACCRUAL
SEPTEMBER 30, 2019
(UNAUDITED)

Fiscal Year Ended	Total Expenditures	General Government	Public Safety	Public Work & Engineering	Economic Environment	Health and Sanitation	Leisure Services	Capital Outlay	Debt Service Requirements
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
2019	273,624,109	19,512,369	112,785,147	13,290,610	29,738,165	10,944,355	28,044,511	34,766,541	24,542,411

Source – City of West Palm Beach Finance Department
Comprehensive Annual Financial Report - FYE 2019

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, 2019
(UNAUDITED)

-----Unreserved Fund Balances-----							
Fiscal Year Ended	Subsequent Years' Expenditures and Other				Total	Annual	Unreserved
September 30	Undesignated	Designations	Designated for Emergencies	Unreserved	Expenditures	Expenditures	Fund Balance as Percent of Expenditures
2010	\$ 1,535,628	\$ 65,095	\$ 23,542,117	\$ 25,142,840	\$ 131,491,267		19.1%
Fiscal Year Ended	Non - Spendable	Committed	Assigned	Unassigned	Annual	Unassigned	Fund Balance as Percentage of Expenditures
September 30	Expenditures	Expenditures	Expenditures	Expenditures	Expenditures	Fund Balance	as Percentage of
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%	
2019	3,562,551	16,126,928	3,998,170	12,111,285	174,999,987	6.9%	

CITY OF WEST PALM BEACH, FLORIDA
GENERAL FUND TAX REVENUES BY SOURCE
FOR THE LAST TEN FISCAL YEARS
GAAP BASIS - MODIFIED ACCRUAL
SEPTEMBER 30, 2019
(UNAUDITED)

Fiscal Year Ended September 30	Total Taxes	General Property Taxes	Utilities Taxes	Franchise Taxes	Insurance Premium Taxes
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
2019	112,450,658	78,382,945	21,921,261	9,355,267	2,791,185

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, 2019
(UNAUDITED)

<u>Fiscal Year Ended</u>	<u>Total Franchise Revenue</u>	<u>Electric</u>	<u>Cable TV</u>	<u>Towing</u>	<u>Rolloff Container</u>	<u>Utilities</u>
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
2019	9,355,267	8,883,769	-	30,000	441,498	-

CITY OF WEST PALM BEACH, FLORIDA
PROPERTY TAXES LEVIES AND COLLECTIONS
FOR THE LAST TEN FISCAL YEARS
GAAP BASIS - MODIFIED ACCRUAL
SEPTEMBER 30, 2019
(UNAUDITED)

Fiscal Year Ended September 30	Total		Current		Percent of Levy Collected	Delinquent		Total Property Tax Collections	Total Collections as Percent of Current Levy		Outstanding Delinquent Taxes as Percent of Current Levy	
	Property Tax Levy	Property Tax Collections	Gross Property Tax Collections	Property Tax Collections		Property Tax Collections	Property Tax Collections		Outstanding Delinquent Taxes	Outstanding Delinquent Taxes		
2010	\$ 84,726,133	\$ 80,442,081	\$ 80,442,081	\$ 1,165,045	\$ 81,607,126	\$ 695,052	\$ 0.8%	\$ 0.8%				
2011	74,310,620	71,034,798	71,034,798	827,967	71,862,765	575,638	0.8%	0.8%				
2012	69,227,999	63,978,383	63,978,383	2,715,092	66,693,475	166,797	0.2%	0.2%				
2013	69,341,005	64,406,609	64,406,609	2,457,707	66,864,316	272,321	0.4%	0.4%				
2014	69,644,759	66,475,683	66,475,683	2,091,703	68,567,386	2,285,147	3.3%	3.3%				
2015	73,988,745	70,973,106	70,973,106	1,849,963	71,977,487	399,004	0.5%	0.5%				
2016	87,199,972	81,639,326	81,639,326	1,250,931	82,890,258	5,560,645	6.4%	6.4%				
2017	94,758,234	89,918,038	89,918,038	474,276	90,392,314	4,840,196	5.1%	5.1%				
2018	103,719,989	97,007,660	97,007,660	37,005	97,044,665	6,712,329	6.5%	6.5%				
2019	107,652,806	103,273,195	103,273,195	216,999	103,490,194	1,435,107	1.3%	1.3%				

Source - City of West Palm Beach Finance Department and the Palm Beach County Tax Collector's Office.

**CITY OF WEST PALM BEACH, FLORIDA
TAXABLE VALUES AND GROSS ASSESSED VALUE OF PROPERTY
FOR THE LAST TEN FISCAL YEARS
SEPTEMBER 30, 2019
(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	Total Assessed Values			
2009	2010	\$ 9,476,076,845	\$ 708,548,436	\$ 12,358,014	\$ 10,196,983,298	\$ 3,686,804,390	\$ 12,883,787,688	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	10,715,230,626	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, 2019
(UNAUDITED)

Taxpayer	Fiscal Year 2019			Fiscal Year 2010		
	Assessed Value (1)	Rank	Percentage of Total Assessed Valuation	Assessed Value (1)	Rank	Percentage of Total Assessed Valuation
CPT Phillips Point LLC	\$ 195,344,988	1	1.21%	\$ 110,857,434	1	0.96%
Palm Beach Outlets I LLC	177,848,463	2	1.10%			
CPT Equity LLC	132,889,484	3	0.82%			
222 Lakeview LLC	104,296,745	4	0.64%			
Aaron Drive Holdings LLC	88,772,099	5	0.55%			
Cityplace Retail LLC	86,725,547	6	0.54%			
WPB Rosemary LLC	85,000,000	7	0.53%			
Avalon Alexander LLC	78,590,278	8	0.49%			
CLPF Marketplace LLC	77,830,658	9	0.48%			
Tradition of the Palm Beaches Inc	73,685,887	10	0.46%			
Kravis Center for the Performing Arts				52,031,147	2	0.45%
West Palm Beach CRA Lessor				50,700,000	3	0.44%
City Place Office 1, LLC				51,322,523	4	0.44%
Esperante Partners LP				50,881,800	5	0.44%
Flagler Center Properties				28,000,000	6	0.24%
One ClearLake Centre VEF III				26,282,657	7	0.23%
Lourdes-Noreen McKeen Residence				24,971,831	8	0.22%
Gaedeke Holdings LTD				23,000,000	9	0.20%
PBM Properties, LLC				22,610,223	10	0.20%
	<u>\$ 1,100,984,149</u>		<u>6.81%</u>	<u>\$ 329,800,181</u>		<u>3.82%</u>

**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, 2019
(UNAUDITED)**

Fiscal Year Ended	Governmental Activities Debt				Business-Type Activities Debt				Total Debt	Net Bonded Debt	Net Debt Per Capita (2)
	General Obligation Bonds (3)	Non-Ad Valorem Revenue Bonds (3)	Promissory Notes - Gov	Capital Leases	Promissory Notes - ISF	Revenue Bonds	Loans Payable	Capital Leases			
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	\$ 4,354
2011	11,605,000	172,900,845	7,583,585	989,077	-	243,505,000	1,907,045	-	438,490,552	428,010,845	4,284
2012	10,510,000	165,468,836	6,864,930	10,192,167	-	238,665,000	-	-	431,700,933	414,643,836	4,078
2013	9,380,000	157,646,162	6,122,026	10,773,461	-	233,965,000	-	-	417,886,649	400,991,162	3,935
2014	8,215,000	148,417,339	17,228,987	9,588,753	-	229,105,000	-	-	412,555,079	385,737,339	3,766
2015	7,000,000	142,849,686	12,654,303	8,589,096	-	224,070,000	-	-	395,163,085	373,919,686	3,594
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
2019	1,527,589	297,331,513	25,029,525	15,371,475	5,507,662	275,176,166	-	-	619,943,930	574,035,268	4,984

(1) Personal income is not available for fiscal year 2010.

(2) See first page of Demographic and Economic section.

GENERAL OBLIGATION DEBT RATIOS

Fiscal Year Ended	General Obligation Bonded Debt (3)	Gross Assessed Value	Ratio of GO Debt to Assessed Value	Population	GO Debt Per Capita
September 30	Debt (3)	Value	Assessed	Population	Capita
2010	\$ 14,885,000	\$ 12,883,787,688	0.13%	102,475	\$ 145
2011	11,605,000	11,588,017,532	0.10%	99,919	116
2012	10,510,000	11,059,697,005	0.10%	101,668	103
2013	9,380,000	10,715,230,626	0.09%	101,903	92
2014	8,215,000	10,958,323,225	0.07%	102,436	80
2015	7,000,000	11,565,470,405	0.05%	104,031	67
2016	5,725,000	12,779,662,065	0.04%	106,779	54
2017	4,385,000	13,995,241,247	0.03%	110,396	40
2018	2,985,000	15,084,188,866	0.02%	112,906	26
2019	1,527,589	16,154,248,653	0.01%	115,176	13

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(3) Principal outstanding.

CITY OF WEST PALM BEACH, FLORIDA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2019
(UNAUDITED)

	<u>Debt</u>	<u>Applicable to</u>		<u>Applicable to</u>
City of West Palm Beach (1)				
Total bonds (2)	\$ 298,859,102			
Promissory notes, governmental funds	25,029,525			
Promissory notes, internal service funds	5,507,662			
Capital leases	<u>15,371,475</u>			
Total direct debt	344,767,764	100.00%	(5)	\$ 344,767,764
Palm Beach County (3)	916,109,355	7.00%	(5)	64,127,655
School Board (4)	9,198,000	7.00%	(5)	<u>643,860</u>
Total overlapping debt				64,771,515
Total direct and overlapping debt				<u>\$ 409,539,279</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, 2019
(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)	\$	329,396,289	
Less:			
Amount available in general debt service funds		7,368,942	
Other deductions allowed by law:			
Revenue Bonds		<u>297,331,513</u>	
Total applicable debt:			<u>24,695,834</u>
Legal Debt Margin		\$	<u>1,243,771,343</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, 2019
(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)					
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	127,972,772	80,822,173	47,254,364	6,032,516	8,887,587	14,920,103	316.7%
2019	139,121,048	73,807,891	65,313,157	6,253,496	7,568,774	13,822,270	472.5%

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, 2019
(UNAUDITED)

Fiscal Year	Population	Median Age	School Enrollment	Unemployment Rate	Per Capita Personal Income	Total Personal Income
	(1)	(2)	(3)	(4)	(5)	
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
2019	115,176	39.6	21,064	3.2%	31,388	3,615,144,288

(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, 2019
(UNAUDITED)

	<u>2019</u>			<u>2010</u>		
	<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%
	<u>53,606</u>		<u>7.60%</u>	<u>58,515</u>		<u>12.15%</u>

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, 2019
(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
2009	2010	\$ 12,883,787,688	22	\$ 16,485,237	24	\$ 4,116,260	7,160	\$ 125,425,379
2010	2011	11,588,017,532	17	7,497,358	24	6,871,594	8,091	102,348,565
2011	2012	11,059,697,005	6	97,372,282	23	3,981,308	8,148	207,412,287
2012	2013	10,715,230,626	53	30,188,221	52	9,652,512	9,179	160,497,510
2013	2014	10,958,323,225	59	180,212,461	133	21,067,917	11,700	401,739,973
2014	2015	11,565,470,405	26	114,952,309	156	29,181,810	11,388	291,304,248
2015	2016	12,779,662,065	55	190,370,413	205	49,128,855	12,121	447,832,917
2016	2017	13,995,241,247	41	283,099,629	49	15,863,343	11,509	500,949,830
2017	2018	15,084,188,866	34	192,273,893	59	22,348,397	12,512	458,399,968
2018	2019	16,154,248,653	25	164,719,561	87	32,234,170	13,500	511,156,012

(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, 2019
(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
2019 (University of FL)	115,176

EDUCATION (CITY-WIDE):

Number of public schools	21
Number of full time employees (teachers and support)	1,686
Number of students	17,944

Source - School District of Palm Beach County.

STREETS, SIDEWALKS AND STORM SEWERS:

523 miles of paved streets and alleys
1,324 miles of sidewalks
341 miles of storm sewers

Source - City of West Palm Beach, MIS Support Services (GIS).

STREET LIGHTS:

Number of street lights - 18,117

Continued

Source - City of West Palm Beach, MIS Support Services (GIS).

**CITY OF WEST PALM BEACH, FLORIDA
 MISCELLANEOUS STATISTICAL DATA
 SEPTEMBER 30, 2019
 (UNAUDITED)**

ELECTIONS:

68,254	Registered Voters at last municipal election
11,480	Votes cast in last municipal election
16.82%	Registered voters voting

Source - City of West Palm Beach City Clerk

EMPLOYEES AS OF SEPTEMBER 30, 2019

1,516	Full Time Employees
-------	---------------------

Source - City of West Palm Beach Human Resources Department.

POLICE PROTECTION:

296	Sworn Police officers
<u>107</u>	Civilian Employees (full-time and part-time)
<u>403</u>	Total

Source - City of West Palm Beach Police Department.

FIRE PROTECTION:

8	Suppression Units
10	Advanced Life Support Units (Rescue units)
9	Fire stations
<u>246</u>	Employees (full-time)
<u>273</u>	Total

Source - City of West Palm Beach Fire Department.

Continued

CITY OF WEST PALM BEACH, FLORIDA
MISCELLANEOUS STATISTICAL DATA
SEPTEMBER 30, 2019
(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 swimming pool - 1

Source - City of West Palm Beach Parks and Recreation Department.

ENTERPRISE FUNDS:

Parking facilities

1,535 Metered on street spaces

2,595 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	34,448	27,613
Capacity per day (million gallons) (1)	47 MGD	70 MGD
Miles of mains (2)	568	338
Fire hydrants:		
West Palm Beach	3,449	
Palm Beach	396	
South Palm Beach	11	

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.

Continued

CITY OF WEST PALM BEACH, FLORIDA
MISCELLANEOUS STATISTICAL DATA
SEPTEMBER 30, 2019
(UNAUDITED)

Population Growth

Year	Palm Beach County			Florida			United States		
	Population	% Change		Population	% Change		Population	% Change	
2010	1,286,461	0.51	(1)	18,772,352	1.26	(1)	310,988,987	1.30	(1)
2011	1,320,134	2.62	(1)	18,801,310	0.15	(1)	312,602,730	0.43	(1)
2012	1,335,187	1.10	(1)	19,057,542	0.14	(1)	314,969,523	0.76	(1)
2013	1,356,545	0.02	(1)	19,317,568	1.36	(1)	313,914,040	-0.34	(1)
2014	1,372,171	0.01	(2)	19,552,860	1.23	(2)	316,128,839	0.07	(2)
2015	1,397,710	0.02	(2)	19,893,297	1.74	(2)	318,857,056	0.86	(2)
2016	1,422,789	0.02	(2)	20,612,439	0.04	(2)	323,127,513	0.86	(2)
2017	1,443,810	0.01	(2)	20,984,400	0.02	(2)	325,719,178	0.80	(2)
2018	1,471,150	0.02	(2)	21,299,325	0.02	(2)	327,747,936	0.62	(2)
2019	1,485,941	0.01	(2)	21,477,737	0.01	(2)	328,239,523	0.00	(2)

(1) Source: University of Florida Bureau of Business and Economic Development.

(2) Source - US Census Bureau.

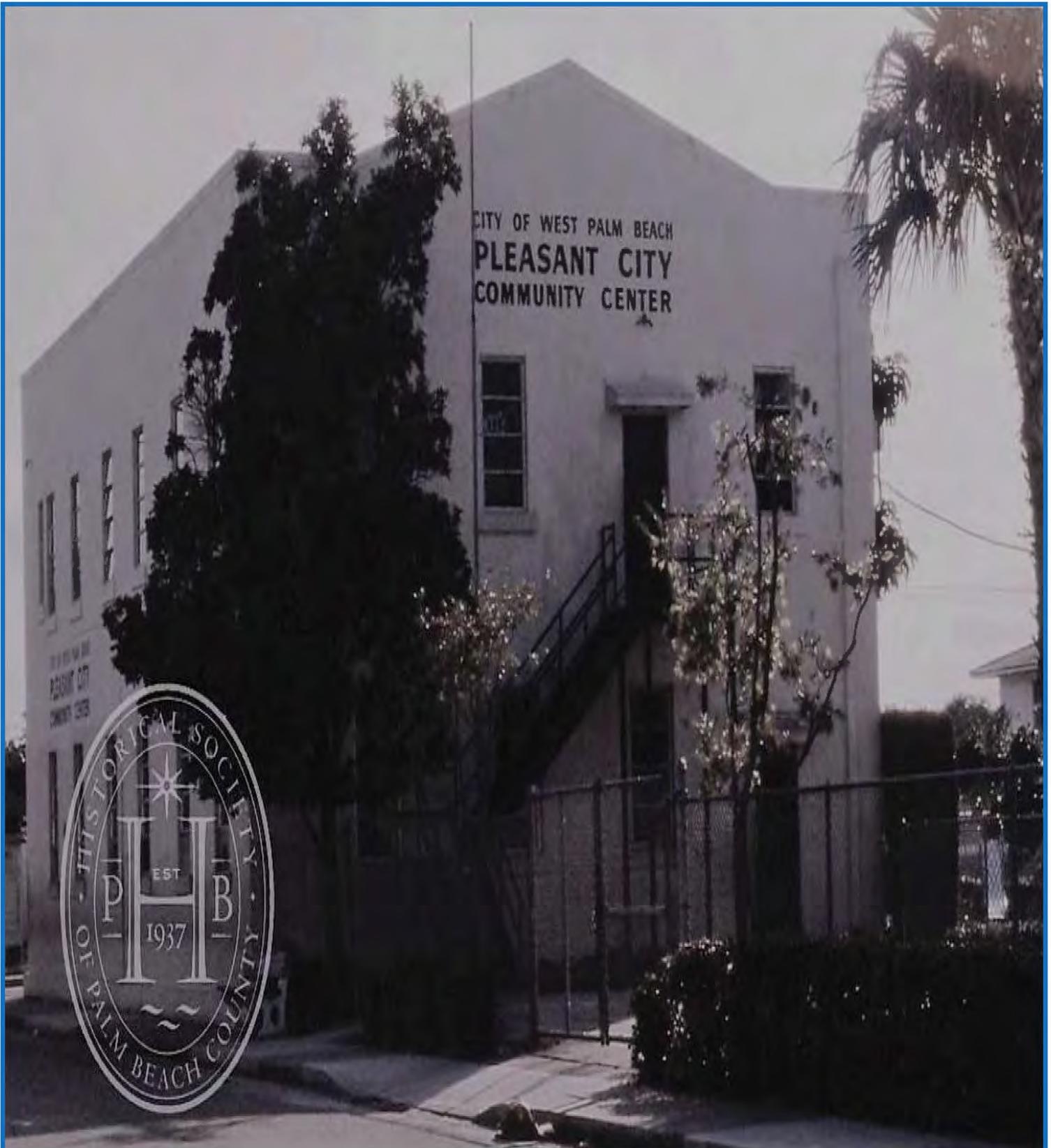
Palm Beach County

Year	Population	Personal Income		Per Capita Personal Income	Civilian Labor Force		Unemployment (3)
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%
2019	1,485,941	N/A	(2)	31,388	745,298	(3)	3.2%

(1) Source: University of Florida Bureau of Economic and Business Research.

(2) Source - US Census Bureau.

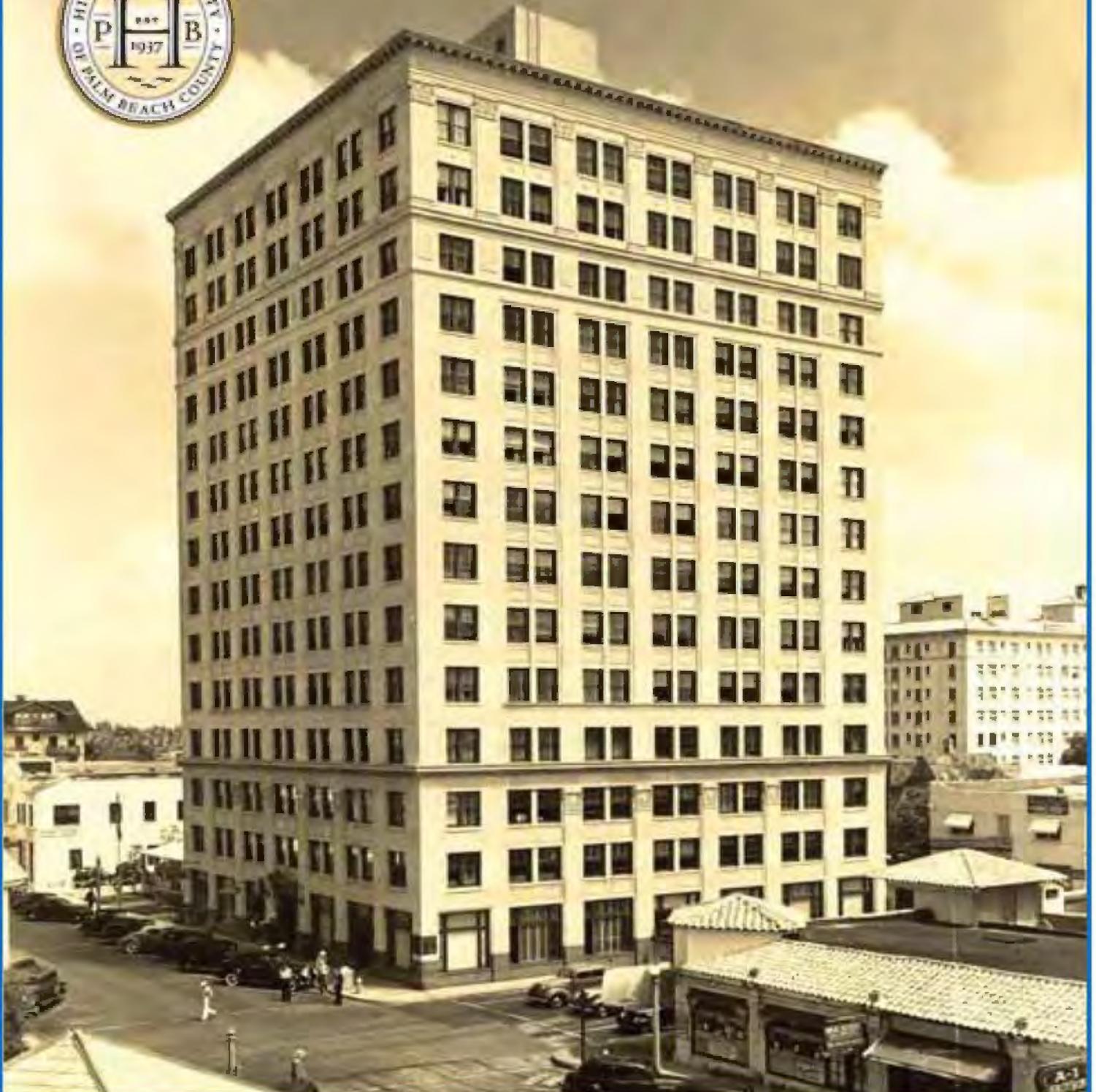
(3) Source - Labor Force and Unemployment data are for September of each year.



**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)**

Fiscal Year Ended September 30	Total Non-Ad Valorem Collections (1)	Utility Services Taxes		Franchise Taxes	Insurance Premium Taxes	Charges for Services	Inter-Governmental Revenue	Licenses and Permits		Fines and Forfeitures	Interest	Rents and Royalties	Payment in Lieu of Taxes	Miscellaneous
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		
2019	93,712,517	21,921,261	9,355,267	2,791,185	26,312,707	15,475,846	3,745,686	355,609	1,758,271	665,174	10,826,185	505,326		

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: SPECIAL OBLIGATION BONDS
OUTSTANDING NON-AD VALOREM DEBT
SEPTEMBER 30, 2019
(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	\$ 854,460	0.65%	\$ 464,743
Communication System Note, Series 2014 (2)	2024	5,507,662	4.22%	1,220,143
Vehicle Acquisition Note, Series 2014 (2)	2024	1,197,264	0.92%	270,892
Palm Beach County Promissory Note (3)	2023	1,000,000	0.77%	250,000
Special Obligation Series 2016	2040	115,430,000	88.35%	15,017,644
JPMC 2018 Term Loan	2023	<u>6,658,847</u>	<u>5.10%</u>	<u>1,909,882</u>
TOTAL		<u>\$ 130,648,233</u>	<u>100.00%</u>	<u>\$ 19,133,304</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	D=(A-B-C)	E	F=D/E
		Available Non-Ad Valorem Revenues Used for Essential Services (1)	Non-Ad Valorem Revenues Available for Covenant to Budget and Appropriated Debt	Debt Service on Covenant to Budget and Appropriated Debt (2)	Debt Service Coverage on Covenant to Budget and Appropriated Debt
Fiscal Year Ended September 30	Total Non-Ad Valorem Revenues				
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
2019	93,889,892	32,026,780	61,863,112	11,050,413	5.60x

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.

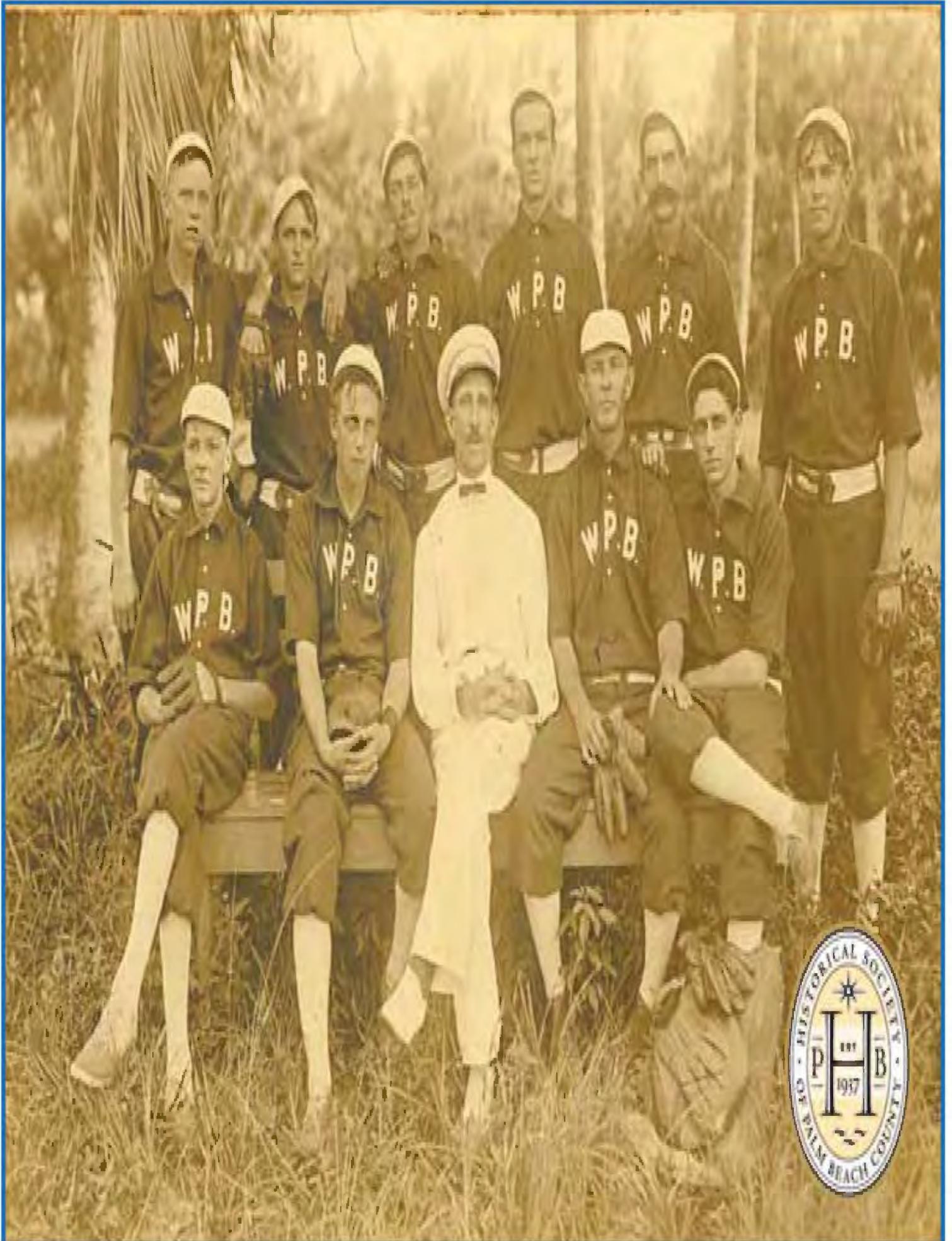
(2) Represents debt service on (i) the CityPlace CDD Bonds, Series 1998, (ii) the Sunshine State Loans, Series 1996, 1997, and 2001, (iii) the Palm Beach County Promissory Note, (iv) the Capital Improvement Revenue Note, Series 2003, (v) the Capital Improvement Revenue Refunding Note, Series 2006, (vi) 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.

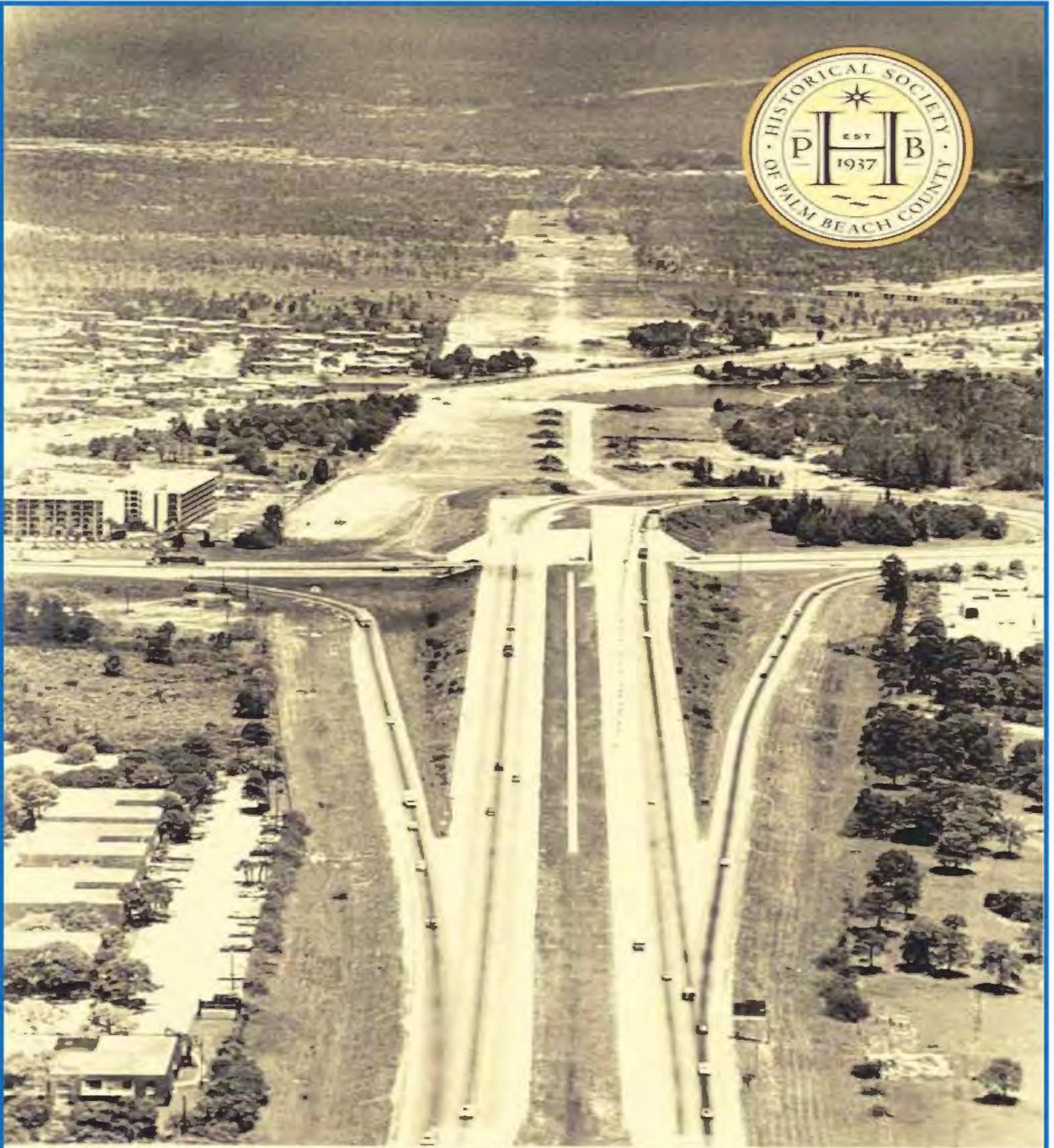
CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: SPECIAL OBLIGATION BONDS
HISTORICAL NON-AD VALOREM REVENUES, DEBT SERVICE AND
COVERAGE (ACCOUNTING FOR DEBT SERVICE PAYMENTS
MADE BY OTHER DEDICATED REVENUE SOURCES)
FOR THE LAST FIVE FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended September 30	A	B	C=(A-B)	D	E	F=C/(D+E)
	Total Non-Ad Valorem Revenues	Available Non-Ad Valorem Revenues Used for Essential Services (1)	Non-Ad Valorem Revenues Available for Covenant to Budget and Appropriate Debt	Debt Service on Covenant to Budget and Appropriate Debt (2)	Maximum Annual Debt Service on Series 2006 and 2016 Bonds (3)	Debt Service Coverage on all Covenant to Budget and Appropriate Debt
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	15,017,644	3.74x
2019	93,889,892	32,026,780	61,863,112	473,485	19,133,304	3.16x

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) 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.
- (3) 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*
FISCAL YEAR 2019
(UNAUDITED)

Water Customers and Sales (*)

<u>Average Annual Number of Accounts Served</u>	<u>Average Annual Number of ERCs Served</u>	<u>Water Sales (Thousands of Gallons)</u>
32,223	87,791	8,421,482

* Includes customers located outside the corporate limits of the City.

Wastewater Customers and Sales (*)

<u>Average Annual Number of Accounts Served</u>	<u>Average Annual Number of ERCs Served</u>	<u>Water Sales (Thousands of Gallons)</u>
27,240	63,068	4,577,520

* Includes customers located outside the corporate limits of the City.

Stormwater Customers and Sales (*)

<u>Average Annual Number of Accounts Served</u>	<u>Average Annual Number of ERCs Served</u>
27,476	100,401

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>		
	<u>Annual Average Daily Flow (MGD)</u>	<u>Allotted Capacity (MGD)</u>	<u>Percent of Allotment</u>	<u>Annual Average Daily Flow (MGD)</u>	<u>Permitted Capacity (MGD)</u>	<u>Percent of Capacity</u>
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%
2019	12.61	20.50	61.5%	39.99	70.00	57.13%

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, 2019
(UNAUDITED)

	<u>Water Rates</u>	<u>Wastewater Rates</u>
Residential Service		
Service Charge (per dwelling unit) [2]	\$ 23.08	\$ 13.77
Commodity Charge (per units of water used) [3]		
0-8 units	\$ 2.67	\$ 4.06
9-16 units	3.35	4.06 [4]
17-36 units	3.94	N/A
37-76 units	4.61	N/A
77-200 units	5.32	N/A
Above 201 units	5.98	N/A
Non-Residential and Irrigation		
Service Charge (per service meter) [2]		
5/8-inch	\$ 23.08	\$ 13.77
3/4-inch	35.21	20.68
1-inch	57.73	34.49
1+1/2-inch	115.53	68.85
2-inch	184.85	110.16
3-inch	346.62	206.54
4-inch	577.70	346.81
6-inch	1,155.39	688.45
8-inch	1,848.60	1,101.56
10-inch	2,657.36	1,583.49
12-inch	4,962.36	2,962.44
Commodity Charge (per units of water used) [3]		
0-8 units	\$ 2.67	\$ 4.06
9-16 units	3.35	4.06
17-36 units	3.94	4.06
37-76 units	4.61	4.06
77-200 units	5.32	4.06
Above 201 units	5.98	4.06
Irrigation Service		
0-75 units	\$ 4.61	N/A
76-200 units	5.32	N/A
Above 201 units	5.98	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			Customer Deposits		
<u>Meter Size</u>	<u>Effective October 1, 2019</u>		<u>Meter Size</u>	<u>Effective October 1, 2019</u>	
	<u>Water</u>	<u>Wastewater</u>		<u>Residential</u>	<u>General Service</u>
5/8 - inch	\$ 2,190	\$ 1,270	5/8 inch	\$ 190	\$ 220
3/4 - inch	3,285	1,905	3/4 inch	285	330
1 - inch	5,475	3,175	1 inch	480	550
1 1/2 - inch	10,950	6,350	1 1/2 inch	955	1,100
2 - inch	17,520	10,160	2 inch	1,530	1,760
3 - inch	35,040	20,320	3 inch	2,865	3,300
4 - inch	54,750	31,750	4 inch	4,775	5,500
6 - inch	109,500	63,500	6 inch	9,550	11,000
8 - inch	175,200	101,600	8 inch	15,280	17,600
10 - inch	251,850	146,050	10 inch	21,965	25,300
12 - inch	470,850	273,050	12 inch	41,085	47,300
			Fire Hydrant Meter Deposit	\$	1,500
			Detector check Meter deposit	\$	175

Meter Installation Charges

<u>Meter Size</u>	<u>Effective October 1, 2019</u>	
	<u>Installation</u>	<u>Tap-In Charge</u>
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, 2019
(UNAUDITED)

	<u>Stormwater Rates</u>
Class A110 [2]	\$ 14.40
Class A110 [3]	9.81
Class A110 [4]	5.37

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, 2019
(UNAUDITED)**

Water System Customer Growth											
Water System Customer Growth											
Fiscal Year Ended September 30	West Palm Beach			Palm Beach			South Palm Beach			Total	
	Average Annual Units	Water Sales (ccf)	Average Annual Units	Water Sales (ccf)	Average Annual Units	Water Sales (ccf)	Average Annual Units	Water Sales (ccf)	Average Annual Units	Water Sales (ccf)	Average Monthly Use per Unit (Gallons)
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		
2019	54,568	6,890,259	9,330	3,696,086	1,954	146,182	65,801	10,732,527	9,358		

Water System Customer Growth											
Water System Customer Growth											
Average Annual Compound Growth Rate	West Palm Beach			Palm Beach			South Palm Beach			Total	
	Average Annual Units	Water Sales (ccf)	Average Annual Units	Water Sales (ccf)	Average Annual Units	Water Sales (ccf)	Average Annual Units	Water Sales (ccf)	Average Annual Units	Water Sales (ccf)	Average Monthly Use per Unit (Gallons)
2009 to 2019	0.03%	0.00%	-0.12%	1.09%	0.15%	0.82%	0.02%	0.35%	-0.55%		
2014 to 2019	0.47%	0.35%	0.02%	1.65%	0.23%	-1.19%	0.39%	0.75%	-1.41%		
2017 to 2019	0.13%	-0.27%	0.29%	-1.22%	1.23%	6.36%	0.18%	-0.51%	-4.98%		

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, 2019
(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
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
2019	22,535	22,535	2,073	29,174	2,868	48,692	27,476	100,401

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
2009 to 2019	0.04%	0.04%	-0.22%	0.46%	0.24%	0.46%	0.04%	0.37%
2014 to 2019	0.08%	0.08%	-0.37%	1.09%	0.04%	0.09%	0.04%	0.37%
2017 to 2019	0.06%	0.06%	-0.16%	1.21%	0.23%	0.18%	0.06%	0.45%

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, 2019
(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>
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
2019	53,461	6,119,679	6,915

<u>Average Annual Compound</u>	<u>Average Annual</u>	<u>Billed</u>	<u>Average Monthly Billed Flow</u>
2009 to 2019	0.05%	0.66%	0.30%
2014 to 2019	0.41%	1.33%	0.28%
2017 to 2019	-0.11%	2.14%	0.66%

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)

	<u>Fiscal Year Ended September 30:</u>				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Water System Sales	\$ 60,574,857	\$ 61,392,172	\$ 64,754,761	\$ 64,056,807	\$ 67,674,244
Wastewater System Sales	28,637,971	29,170,820	30,324,107	31,035,061	32,428,909
Stormwater System Sales	10,840,359	10,853,567	13,164,288	13,785,784	14,255,283
Other Operating Revenues	<u>9,714,930</u>	<u>10,242,081</u>	<u>10,224,984</u>	<u>11,268,523</u>	<u>11,749,253</u>
Total Operating Revenues	109,768,117	111,658,640	118,468,140	120,146,175	126,107,689
Other Income	<u>1,577,763</u>	<u>1,166,279</u>	<u>1,613,194</u>	<u>3,030,549</u>	<u>5,050,630</u>
Total Revenues	111,345,880	112,824,919	120,081,334	123,176,724	131,158,319
Operating Expenses	56,521,647	63,087,241	63,298,326	67,826,636	69,167,531
Applicable Impact Fees	<u>781,849</u>	<u>778,246</u>	<u>726,433</u>	<u>862,450</u>	<u>856,589</u>
Net Revenues	55,606,082	50,515,924	57,509,441	56,212,538	62,847,377
As a Percent of Total Revenues	49.94%	44.77%	47.89%	45.64%	47.92%
Other Transfers [1]	<u>35,291,607</u>	<u>36,793,847</u>	<u>39,884,935</u>	<u>39,369,889</u>	<u>41,160,453</u>
Debt Service Coverage:					
Rate Covenant Test 1	3.55	3.38	3.11	3.04	3.39
Rate Covenant Test 2	1.58	1.37	1.44	1.43	1.53
Amount available for other purposes	\$ <u>20,314,475</u>	\$ <u>13,722,077</u>	\$ <u>17,624,506</u>	\$ <u>16,842,649</u>	\$ <u>21,686,924</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)
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
2019	131,158,319	69,167,531	62,847,377	18,516,833	3.39

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.

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
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
2018	2019	2,540,870	1,471,018	4,011,888	9.47%	347,183

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.



**TAX INCREMENT REVENUE BONDS
(NPCCRA - Unaudited)**

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)

		A		B		=A-B	
Tax Roll Year Ended December 31	Fiscal Year Ended September 30	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
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
2018	2019	403,823,945	8.93%	86,933,276	316,890,669	11.66%	33,102,363

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 Taxable Value
2014	2015	\$ 562,500
2015	2016	240,800
2016	2017	(156,783)
2017	2018	166,460
2018	2019	8,770,774

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:					
	2015	2016	2017	2018	2019	Total
Revenues						
Tax Increment						
City of West Palm Beach	\$ 1,586,281	\$ 1,822,340	\$ 2,127,784	\$ 2,263,248	\$ 2,540,870	\$ 10,340,523
Intergovernmental	905,194	1,039,511	1,009,039	1,401,457	1,471,018	5,826,219
Total Tax Increment	<u>2,491,475</u>	<u>2,861,851</u>	<u>3,136,823</u>	<u>3,664,705</u>	<u>4,011,888</u>	<u>16,166,742</u>
Miscellaneous						
Loan/ Assessment Repayments	34,815	27,127	37,177	60,100	78,311	237,530
Investment Earnings (General)	19,472	34,947	32,518	51,461	165,401	303,799
Total Miscellaneous	<u>54,287</u>	<u>62,074</u>	<u>69,695</u>	<u>111,561</u>	<u>243,712</u>	<u>541,329</u>
Total Revenues	<u>2,545,762</u>	<u>2,923,925</u>	<u>3,206,518</u>	<u>3,776,266</u>	<u>4,255,600</u>	<u>16,708,071</u>
Expenditures						
Debt Service Series 2005A	438,250	-	-	-	-	438,250
Debt Service 2005B	849,183	844,794	847,698	848,968	847,813	4,238,456
Debt Service 2015	154,321	841,444	840,344	839,944	840,284	3,516,337
2016 PBC NOTE	-	-	30,585	37,363	40,556	108,504
Total Debt	<u>1,441,754</u>	<u>1,687,950</u>	<u>1,718,627</u>	<u>1,726,275</u>	<u>1,728,653</u>	<u>8,301,547</u>
Operations						
City Cost Allocation (1)						
Operating Expense	570,010	520,006	539,539	578,640	686,767	2,894,962
City Administrative Expense	431,459	425,550	667,216	667,216	705,369	2,896,810
Innovative Policing Expense	287,049	284,428	188,811	162,365	150,414	1,073,067
Capital Outlay	-	149,463	95,850	116,344	2,200,000	2,561,657
Total Operations	<u>1,288,518</u>	<u>1,379,447</u>	<u>1,491,416</u>	<u>1,524,565</u>	<u>3,742,550</u>	<u>9,426,496</u>
Total Expenditures	<u>2,730,272</u>	<u>3,067,397</u>	<u>3,210,043</u>	<u>3,250,840</u>	<u>5,471,203</u>	<u>17,728,043</u>
Surplus	\$ <u>(184,510)</u>	\$ <u>(143,472)</u>	\$ <u>(3,525)</u>	\$ <u>525,426</u>	\$ <u>(1,215,603)</u>	\$ <u>(1,019,972)</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 SERVICES,
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 on Series 2005B Bonds		Debt Service on Series 2015 Bonds		Debt Service on Series 2005A, 2005B and 2015 Bonds		Maximum Annual Debt Service Coverage (2)
		Revenues	Debt Service on Series 2005A Bonds	Debt Service on Series 2005B Bonds	Debt Service on Series 2015 Bonds	Debt Service on Series 2005A, 2005B and 2015 Bonds	Debt Service on Series 2015 Bonds	Debt Service on Series 2005A, 2005B and 2015 Bonds		
2015	2,491,475	\$ 438,250	5.69	\$ 849,183	2.42	\$ 154,321	9.64	\$ 1,726,125	1.44	X
2016	2,861,851	-	-	844,794	3.39	841,444	1.40	2,503,696	1.14	X
2017	3,486,823	-	-	847,698	4.11	840,344	2.14	2,503,696	1.39	X
2018	3,664,705	-	-	848,968	4.32	839,944	2.35	2,502,507	1.46	X
2019	4,011,888	-	-	847,813	4.73	840,284	2.77	2,499,182	1.61	X

(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)				
	2015	2016	2017	2018	2019
Actual Revenue Growth	4.74%	11.51%	15.81%	11.38%	15.26%
Existing Value	\$ 286,205,968	\$ 311,499,398	\$ 346,194,232	\$ 370,555,122	\$ 395,053,171
Taxing Authority:					
City of West Palm Beach					
New Construction	562,500	240,800	(156,783)	166,460	8,770,774
Taxable Value	286,768,468	311,740,198	346,037,449	370,721,582	403,823,945
Base Year Value	86,933,276	86,933,276	86,933,276	86,933,276	86,933,276
Tax Increment	199,835,192	224,806,922	259,104,173	283,788,306	316,890,669
Millage Rate (City)	8.3465	8.3465	8.3465	8.3465	8.3465
Gross Incremental Revenue	1,667,924	1,876,351	2,162,613	2,368,639	2,644,928
Statutory Reduction	0.95%	0.95%	0.95%	0.95%	0.95%
Incremental Revenue	1,584,528	1,782,533	2,054,482	2,250,207	2,512,682
Palm Beach County					
Millage Rate (County)	4.7815	4.7815	4.7815	4.7815	4.7815
Gross Incremental Revenue	955,512	1,074,914	1,238,907	1,356,934	1,515,213
Statutory Reduction	0.95%	0.95%	0.95%	0.95%	0.95%
Incremental Revenue	907,736	1,021,169	1,176,961	1,289,087	1,439,452
Total Revenue	<u>\$ 2,492,265</u>	<u>\$ 2,803,702</u>	<u>\$ 3,231,444</u>	<u>\$ 3,539,294</u>	<u>\$ 3,952,134</u>

(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 2018/FISCAL YEAR 2019
(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 Multistory	\$ 29,500,000	7.96%
920 N Stanley Partners LLC	Vacant Commercial	13,626,900	3.68%
Park PB LLC	Multifamily	13,200,000	3.56%
U & Me Transfer Inc.	Warehouse/Dist Term	8,877,437	2.39%
2014 Cahuenga Partners LP	Vacant Commercial	7,949,025	2.14%
Mountain West Palm Real Estate, Inc.	Warehouse/Distribution	7,769,618	2.10%
La Boheme Properties Inc	Light Manufacturing	5,558,699	1.50%
Business Development Center LLC	Warehouse/Dist Term Condo	3,959,552	1.07%
Silc R W	Light Manufacturing	3,602,086	0.97%
CK 1919 LLC	Office One Story	3,563,098	0.96%
Total		26.33%	

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 2018/FISCAL YEAR 2019
(UNAUDITED)

Development	Use of Property	Taxable Value (1),(2)	Percentage of Fiscal Prior Year Gross Taxable Value
Flagler Pointe Condominium	Condominium	\$ 58,570,424	15.80%
Bethesda Park	Store/Office/Residential	43,690,743	11.79%
Northwood Addition-Platt Book 8	Store/Office/Residential	43,249,991	11.67%
The Slade Condominium	Condominium	42,927,404	11.58%
1515 N Flagler	Office Multistory	29,500,000	7.96%
Northwood Add 7	Warehouse/Dist Term	23,515,937	6.34%
Portofino Condominium	Condominium	16,953,026	4.57%
Westfield WPB No. 1	Warehouse/Dist Term	15,921,784	4.29%
La Fontana Condominium	Cooperative	13,317,009	3.59%
Parkland Replat	Multifamily	13,200,000	3.56%
Total		81.15%	

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
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
2018	2019	8.3465	4.7815

Source - City of West Palm Beach Finance Department.

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
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%
2018	2019	20,993,469	11,871,100	1,806,897	34,671,466	8.00%

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.



**TAX INCREMENT REVENUE BONDS
(CCCRA - Unaudited)**

**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		Debt Service Coverage on Series 2010A		Debt Service Coverage on Series 2010B		Debt Service Coverage on Series 2015 Refunding Bonds		Debt Service Coverage on Series 2019 Bonds		Maximum Annual Debt Service on Series 2006A, 2010A, 2010B, 2015 and 2019 Bonds (1)	
		Debt Service on Series 2006A Bonds	Debt Service Coverage on Series 2006A 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	Debt Service Coverage on Series 2015 Refunding Bonds	Debt Service on Series 2019 Bonds	Debt Service Coverage on Series 2019 Bonds	Debt Service on Series 2006A, 2010A, 2010B, 2015 and 2019 Bonds (1)	Maximum Annual Debt Service
2015	\$ 22,494,380	\$ 5,411,950	4.16	\$ 1,113,985	15.33	\$ 707,392	22.57	\$ 2,500	6,104.42	\$ -	N/A	\$ 7,233,614	3.11
2016	25,824,079	3,227,390	8.00	1,112,950	20.30	761,385	28.22	2,080,103	9.96	-	N/A	7,179,730	3.60
2017	29,348,790	1,080,015	27.17	1,113,481	25.39	-	N/A	4,112,650	6.60	-	N/A	6,341,781	4.63
2018	32,103,399	1,080,015	29.72	1,136,909	27.29	-	N/A	4,118,400	7.26	-	N/A	6,341,781	5.06
2019	34,671,466	1,001,935	34.60	1,144,668	29.41	-	N/A	4,324,780	7.52	-	N/A	16,702,900	2.08

(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	Fiscal Year Ended	A		Percentage Increase Over Prior Year	B Base Year Taxable Value	=A-B		Percentage Increase Over Prior Year
		Final Gross Taxable Value	September 30			Incremental Value (1)	Value (1)	
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%
2018 (2)	2019 (2)	2,863,079,310		7.03%	251,511,950		2,611,567,360	7.75%

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 (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		B		=A-B		Percentage Increase Over Prior Year
		Final Gross Taxable Value	September 30	Base Year Taxable Value	Year	Incremental Value (1)	Prior Year	
2009	2010	\$ 1,678,294,850		\$ 191,563,585		\$ 1,486,731,265		-12.55%
2010	2011	1,439,291,701		191,563,585		1,247,728,116		-16.08%
2011	2012	1,387,796,768		191,563,585		1,196,233,183		-4.13%
2012	2013	1,362,354,481		191,563,585		1,170,790,896		-2.13%
2013	2014	1,271,519,588		191,563,585		1,079,956,003		-7.76%
2014	2015	1,354,104,804		191,563,585		1,162,541,219		7.65%
2015 (2)	2016 (2)	1,516,013,663		191,563,585		1,324,450,078		13.93%
2016 (2)	2017 (2)	1,725,462,556		191,563,585		1,533,898,971		15.81%
2017 (2)	2018 (2)	1,936,430,582		191,563,585		1,744,866,997		13.75%
2018 (2)	2019 (2)	2,093,248,416		191,563,586		1,901,684,830		8.99%

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 <u>December 31</u>	Fiscal Year Ended <u>September 30</u>	New Construction Taxable Value (1)
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
2018	2019	140,119,568

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
2014	2015	\$ 28,317,960
2015	2016	12,314,153
2016	2017	40,594,679
2017	2018	24,048,035
2018	2019	59,792,939

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 2018/FISCAL YEAR 2019
(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	\$ 195,344,988	7.30%
CPT Equity, LLC	Office Multistory	132,889,484	4.97%
222 Lakeview LLC	Office Multistory	104,296,745	3.90%
Cityplace Retail LLC	Shopping Center	86,725,547	3.24%
WPB Rosemary LLC	Multifamily	85,000,000	3.18%
Avalon Alexander LLC	Multifamily	75,533,908	2.82%
Northbridge Property Owner LLC	Office Multistory	67,016,882	2.51%
Broadstone City Center LLC	Multifamily	65,000,000	2.43%
CL Loftin Place LP	Multifamily	53,406,096	2.00%
Flagler Center Properties	Office Multistory	48,703,184	1.82%
TOTAL			<u>34.16%</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
CCCRA PRINCIPAL DEVELOPMENTS
TAX ROLL YEAR 2018/FISCAL YEAR 2019
(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	Shopping Center Regional	\$ 215,465,031	8.05%
Two City Plaza Condominium	Condominium	197,817,788	7.39%
Phillips Point Resub Blks A & B	Office Multistory	170,203,655	6.36%
Trump Plaza of the Palm Beaches Condomini	Condominium	153,063,001	5.72%
Phillips Point Add to WPB	Office Multistory	143,297,139	5.36%
One Watermark Place of the Palm Beach	Condominium	138,431,824	5.17%
Cityplace South Tower Condominium	Condominium	134,294,049	5.02%
Waterview Towers Condomium	Condominium	128,964,125	4.82%
One City Plaza Condominium	Condominium	102,876,348	3.85%
Brightline Parking Garage WPB	Multifamily	85,000,000	3.18%
TOTAL			<u>54.93%</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, 2019
(UNAUDITED)

	2019			2010		
	<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)
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
2018	2019	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
CCRA TAX INCREMENT REVENUES
DEBT SERVICE ON BONDS AND DEBT SERVICE COVERAGE (INCLUDING COVERAGE REVENUES AS CCRA TAX INCREMENT REVENUES)
FOR THE LAST FIVE FISCAL YEARS
(UNAUDITED)

Fiscal Year	Total Tax Increment Revenues (1)	Prior Senior Obligations (minus Coverage Revenues)	CCRA 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
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
2019	34,671,466	4,456,750	30,214,716	5,326,715	5.67 x	1,144,668	4.67 x	16,702,900	1.81 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 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
2015	\$ 22,494,380	\$ 6,682,336	\$ 15,812,044	\$ 5,415,200	\$ 1,820,376	2.92 x	\$ 7,233,614	2.19 x
2016	25,824,079	6,845,135	18,978,944	5,308,243	1,874,334	3.58 x	7,179,730	2.64 x
2017	29,348,790	7,488,027	21,860,763	5,193,415	1,113,481	4.21 x	6,341,781	3.47 x
2018	32,103,399	7,525,566	24,577,833	5,199,165	1,136,909	4.73 x	6,341,781	3.88 x
2019	34,671,466	7,525,566	27,145,900	5,326,715	1,144,668	5.10 x	16,702,900	4.19 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 LAST FIVE FISCAL YEARS
(UNAUDITED)**

	For the Fiscal Year Ending September 30:				
	2015	2016	2017	2018	2019
Increase (Decrease) in Existing Value					
Existing Value	\$ 1,941,548,114	\$ 2,179,323,055	\$ 2,398,893,670	\$ 2,651,086,418	\$ 2,803,286,371
New construction	28,317,960	12,314,153	40,594,679	24,048,035	59,792,939
Final Gross Taxable Value	1,969,866,074	2,191,637,208	2,439,488,349	2,675,134,453	2,863,079,310
Base Year Taxable Value	(251,511,950)	(251,511,950)	(251,511,950)	(251,511,950)	(251,511,950)
Incremental Taxable Value	1,718,354,124	1,940,125,258	2,187,976,399	2,423,622,503	2,611,567,360
City of West Palm Beach					
Millage Rate (City)	8.3465	8.3465	8.3465	8.3465	8.3465
Gross Incremental Revenue	14,342,243	16,193,255	18,261,945	20,228,765	21,797,447
Adjustment (1)	(29,355)	406,021	650,382	236,490	236,490
Statutory Reduction (5%)	(715,644)	(829,964)	(945,616)	(1,023,263)	(1,101,697)
City Tax Incremental Revenue	13,597,243	15,769,313	17,966,711	19,441,992	20,932,240
Palm Beach County					
Millage Rate (County)	4.7815	4.7815	4.7815	4.7815	4.7815
Gross Incremental Revenue	8,216,310	9,276,709	10,461,809	11,588,551	12,487,209
Adjustment (1)	(13,504)	(24,517)	(18,066)	(8,471)	(8,471)
Statutory Reduction (5%)	(410,140)	(462,610)	(522,187)	(579,004)	(623,937)
County Tax Incremental Revenue	7,792,666	8,789,582	9,921,556	11,001,076	11,854,801
Downtown Redevelopment Authority					
Final Gross Taxable Value	1,354,104,804	1,516,013,663	1,725,462,556	1,936,430,582	2,093,248,416
Base Year Taxable Value	(191,563,585)	(191,563,585)	(191,563,585)	(191,563,585)	(191,563,585)
Incremental Taxable Value	1,162,541,219	1,324,450,078	1,533,898,971	1,744,866,997	1,901,684,831
Millage Rate (DDA)	1.0000	1.0000	1.0000	1.0000	1.0000
Gross Incremental Revenue	1,162,541	1,324,450	1,533,899	1,744,867	1,901,685
Adjustment (1)	56	6,956	3,494	2,850	2,850
Statutory Reduction (5%)	(58,127)	(66,223)	(76,870)	(87,386)	(95,227)
DDA Tax Incremental Revenue	\$ 1,104,470	\$ 1,265,184	\$ 1,460,523	\$ 1,660,331	\$ 1,809,308

(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.

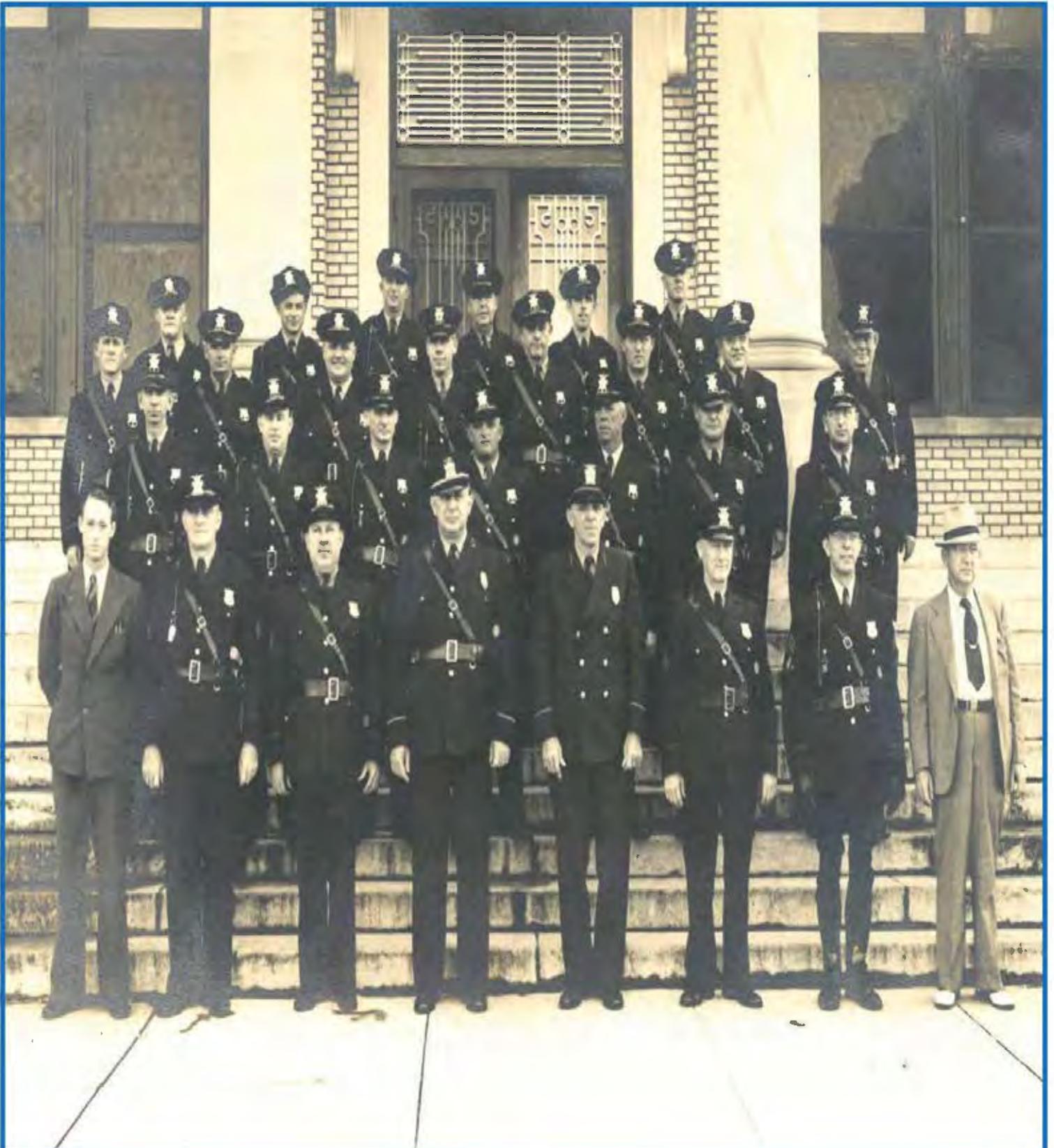
CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
CCCRA STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE LAST FIVE FISCAL YEARS ENDED SEPTEMBER 30:
(UNAUDITED)

	2015	2016	2017	2018	2019
Revenues					
Tax Increment					
City of West Palm Beach County	\$ 13,597,244	\$ 15,769,313	\$ 17,966,711	\$ 19,441,992	\$ 20,993,469
Palm Beach County	7,792,666	8,789,582	9,921,556	11,001,076	11,871,100
Downtown Development Authority	1,104,470	1,265,184	1,460,523	1,660,331	1,806,897
	<u>22,494,380</u>	<u>25,824,079</u>	<u>29,348,790</u>	<u>32,103,399</u>	<u>34,671,466</u>
Other intergovernmental revenue	265,867	173,050	-	183,366	18,468
Other Revenues					
Rents and Royalties	3,412,287	791,055	309,429	253,497	130,101
Investment Earnings (General)	100,608	240,549	140,116	308,613	1,031,501
Miscellaneous Revenues (1)	26,515	34,501	14,609	16,122	181,888
Proceeds From Sale of Capital Assets					760,000
Total Other Revenues	<u>3,539,410</u>	<u>1,066,105</u>	<u>464,154</u>	<u>578,232</u>	<u>2,103,490</u>
Total CCCRA Revenues	<u>\$ 26,299,657</u>	<u>\$ 27,063,234</u>	<u>\$ 29,812,944</u>	<u>\$ 32,864,997</u>	<u>\$ 36,793,424</u>
Expenditure					
Prior Senior Obligations					
CDD Bonds	3,604,500	3,676,250	4,270,000	4,274,250	4,276,750
Renaissance Increment Revenues	180,000	180,000	180,000	180,000	180,000
Total Prior Senior Obligations	<u>3,784,500</u>	<u>3,856,250</u>	<u>4,450,000</u>	<u>4,454,250</u>	<u>4,456,750</u>
Obligations Under Original Resolution					
Senior Bonds (2)	5,415,200	5,308,243	5,193,415	5,199,165	5,326,715
Subordinate Bonds (2)	1,820,376	1,874,334	1,113,481	1,136,909	1,144,668
Total original Resolution Obligations	<u>7,235,576</u>	<u>7,182,577</u>	<u>6,306,896</u>	<u>6,336,074</u>	<u>6,471,383</u>
Senior Bonds Debt Service Coverage	4.16	4.37	4.88	5.46	6.07
Total Debt Service Coverage	3.11	3.23	4.02	4.48	5.00
Subordinate Obligations					
City Advances and Loans (3)	1,605,802	1,870,013	1,908,050	2,700,631	2,530,131
DDA Interlocal Agreement	2,390,926	2,712,353	3,103,032	3,502,647	3,795,780
Total Subordinate Obligations	<u>3,996,728</u>	<u>4,582,366</u>	<u>5,011,082</u>	<u>6,203,278</u>	<u>6,325,911</u>
Operations					
City Cost Allocation					
City Administrative Expense	3,437,189	3,576,593	4,352,612	4,352,612	4,701,549
Trolley Contribution	101,527	203,054	135,369	135,369	33,842
DDA Project Funding	648,234	584,234	580,000	580,000	413,938
Clematis Streetscape	-	-	-	1,638,577	1,886,303
Redevelopment Incentive Grants	-	-	-	488,191	1,271,495
Other Operating Costs	1,290,195	1,500,033	2,663,975	3,173,531	3,587,371
Capital Outlay	613,000	2,802,609	1,331,090	9,209,858	1,577,924
Total Operations	<u>6,090,145</u>	<u>8,666,523</u>	<u>9,063,046</u>	<u>19,578,138</u>	<u>13,472,422</u>
Total Expenditures	<u>21,106,949</u>	<u>24,287,716</u>	<u>24,831,024</u>	<u>36,571,740</u>	<u>30,726,466</u>
Net Change in Fund Balances					
Fund Balances - Beginning	14,591,169	19,783,877	22,559,395	27,541,315	23,834,572
Fund Balances - Ending	<u>\$ 19,783,877</u>	<u>\$ 22,559,395</u>	<u>\$ 27,541,315</u>	<u>\$ 23,834,572</u>	<u>\$ 29,901,530</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 OBLIGATIONS 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)			Total Property	Exemptions & Adjustments (2)	Gross Assessed Values
		Real Property	Personal Property	Centrally Assessed			
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
2018	2019	12,000,259,772	668,264,350	16,147,650	12,684,671,772	3,469,576,881	16,154,248,653

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		Current		Percent of Levy Collected	Delinquent		Total 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
	Property Tax Levy	Property Tax Collections	Gross Property Tax Collections	Property Tax Collections		Property Tax Collections	Property Tax Collections					
2010	\$ 84,726,133	\$	80,442,081	\$ 1,165,045	94.9%	\$	81,607,126	\$ 695,052	96.3%	\$	695,052	0.8%
2011	74,310,620		71,034,798	827,967	95.6%		71,862,765	575,638	96.7%		575,638	0.8%
2012	69,227,999		63,978,383	2,715,092	92.4%		66,693,475	166,797	96.3%		166,797	0.2%
2013	69,341,005		64,406,609	2,457,707	92.9%		66,864,316	272,321	96.4%		272,321	0.4%
2014	69,644,759		66,475,683	2,091,703	95.4%		68,567,386	2,285,147	98.5%		2,285,147	3.3%
2015	73,988,745		70,973,106	1,849,963	95.9%		71,977,487	399,004	97.3%		399,004	0.5%
2016	87,199,972		81,639,326	1,250,931	93.6%		82,890,258	5,560,645	95.1%		5,560,645	6.4%
2017	94,758,234		89,918,038	474,276	94.9%		90,392,314	4,840,196	95.4%		4,840,196	5.1%
2018	103,719,989		97,007,660	37,005	93.5%		97,044,665	6,712,329	93.6%		6,712,329	6.5%
2019	107,652,806		103,273,195	216,999	96.0%		103,622,352	1,435,107	96.2%		1,435,107	1.3%

Source - City of West Palm Beach Finance Department and the Palm Beach County Tax Collector's Office.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: GENERAL OBLIGATION BONDS
PRINCIPAL TAXPAYERS
TAX ROLL YEAR 2018/FISCAL YEAR 2019
(UNAUDITED)

Taxpayer	Assessed Value (1)		Percentage of Total Assessed Valuation
CPT Phillips Point LLC	\$ 195,344,988	1	1.21%
Palm Beach Outlets I LLC	177,848,463	2	1.10%
CPT Equity LLC	132,889,484	3	0.82%
222 Lakeview LLC	104,296,745	4	0.64%
Aaron Drive Holding LLC	88,772,099	5	0.55%
City Place Retail LLC	86,725,547	6	0.54%
WPB Rosemary LLC	85,000,000	7	0.53%
Avalon Alexander LLC	78,590,278	8	0.49%
CLPF Marketplace LLC	77,830,658	9	0.48%
Tradition of the Palm Beaches Inc	73,685,887	10	0.46%
			6.81%

(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)	South Florida			Total (1)		
		General Operations	Debt Service	Total				Palm Beach County	Palm Beach School Board	Water Management District		Everglades Construction	Health Care District
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
2018	2019	8.3465	0.1283	8.4748	1.0000	0.6403	0.0320	4.8980	6.5720	0.1209	0.0417	0.7261	22.5058

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	
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	11,565,470,405	7,000,000	12,654,303	142,849,686	8,589,096	(2,921,514)	168,171,571	1.45%	1,617	
2016	106,779	12,779,662,065	5,725,000	22,667,820	215,596,625	12,673,165	(2,109,697)	254,552,913	1.99%	2,384	
2017	110,396	13,995,241,247	4,385,000	21,111,355	211,371,552	17,377,828	(193,858)	254,051,877	1.82%	2,301	
2018	112,906	15,084,188,866	2,985,000	19,151,992	205,339,036	19,991,923	(344,057)	247,123,894	1.64%	2,189	
2019	115,176	16,154,248,653	1,525,000	30,537,245	266,105,540	15,386,964	(7,368,942)	306,185,807	1.90%	2,658	

Source - City of West Palm Beach Finance Department and the Palm Beach County Property Appraiser's Office.

(1) Population figures for 2009-2013 and 2018-2019 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, 2019
(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)	\$ 267,630,540		
Promissory notes, governmental funds	25,029,583		
Promissory notes, internal service funds	5,507,662		
Capital leases	15,441,605		
Total direct debt	313,609,390	100.00% (5)	\$ 313,609,390
Palm Beach County (3)	916,109,355	7.00% (5)	64,127,655
School Board (4)	9,198,000	7.00% (5)	<u>643,860</u>
Total overlapping debt			64,771,515
Total direct and overlapping debt			<u>\$ 378,380,905</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.

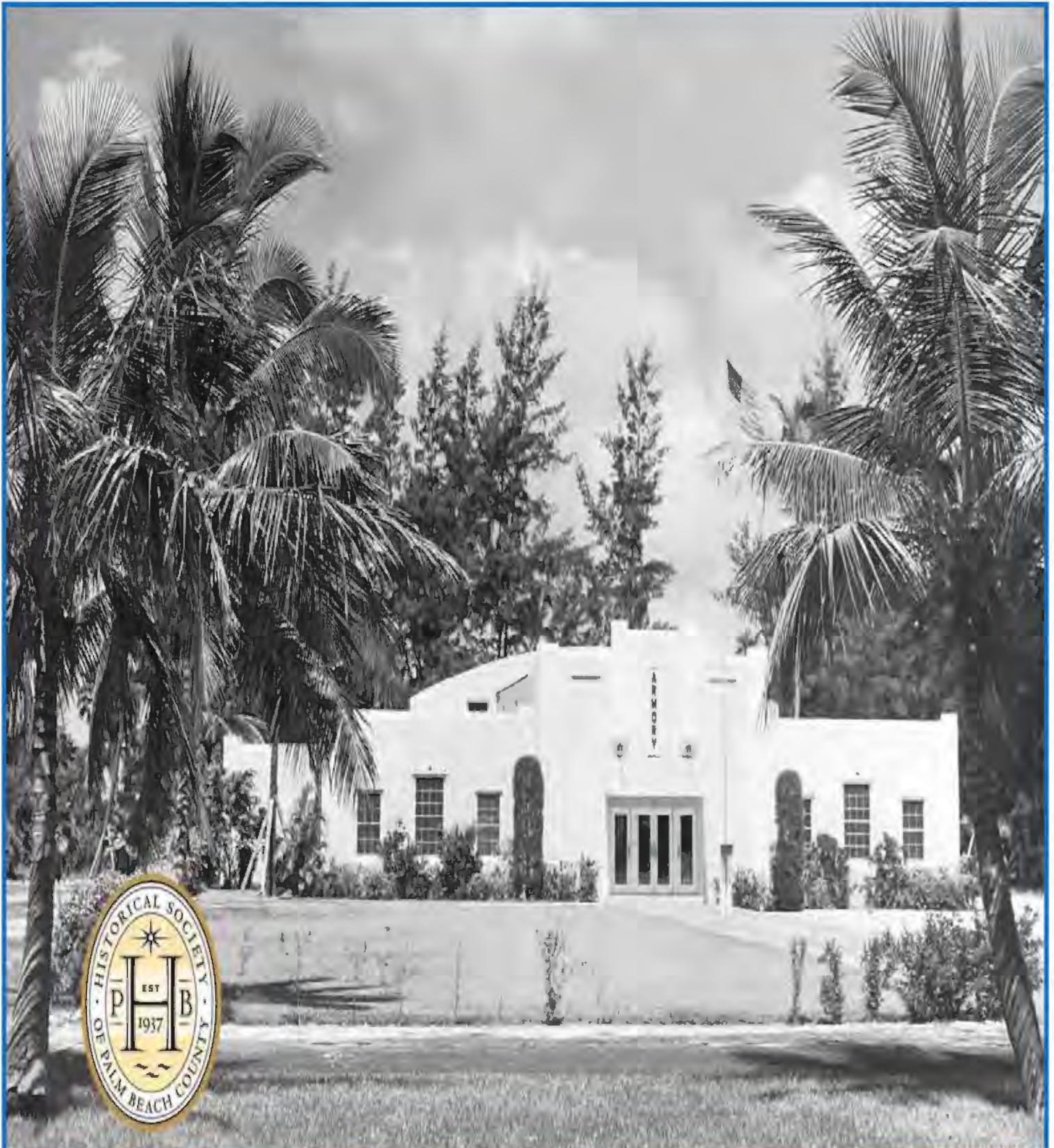
CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: GENERAL OBLIGATION BONDS
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

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)		
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%
2019	1,460,000	90,200	1,550,200	174,999,987	0.9%

Source - City of West Palm Beach Finance Department.

(1) Includes general obligation bonded debt only.

(2) Includes General Fund only, GAAP basis.



REPORTING SECTION



RSM US LLP

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 31, 2020. Our report included a reference to other auditors who audited the financial statements of the Firefighter's Pension Fund, the Police Pension Fund, and the Restated Employees' Defined Benefit Retirement System, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing on internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Firefighters' Pension Fund and the financial statements of the Police Pension Fund were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying *schedule of findings and questioned costs* as item 2019-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

City's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

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

RSM US LLP

West Palm Beach, Florida
March 31, 2020



RSM US LLP

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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program and State Project

We have audited the City of West Palm Beach, Florida's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *Florida Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal program and state projects for the year ended September 30, 2019. The City's major federal program and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with statutes, regulations and the terms and conditions of its awards applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal program and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*, State of Florida. Those standards and the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or major state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program and state projects for the year ended September 30, 2019.

Other Matters

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

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

RSM US LLP

West Palm Beach, Florida
May 21, 2020

City of West Palm Beach, Florida

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

Federal Agency, Pass-through Entity, Federal Program, State Agency	CFDA/CSFA Number	Pass-Through Entity Identifying Number	Contract Number	Expenditures	Transfers to Subrecipients
Federal Awards:					
U.S. Department of Housing and Urban Development:					
<u>Direct:</u>					
Community Development Block Grant (CDBG)	14.218	NA	B-10-MC-12-0022 through B-18-MC-12-0022	\$ 1,180,039	\$ 198,609
Community Development Block Grant (CDBG)	14.218	NA	B-08-MC-12-0022	6,279	-
Total CDBG Entitlement Grants Cluster				<u>1,186,318</u>	<u>198,609</u>
Home Investment Partnership Program Grant	14.239	NA	M-10-MC-12-0224 through M-18-MC-12-0224	2,004,267	82,722
Housing Opportunity for People with AIDS (HOPWA) Grant	14.241	NA	FL-H-17-F-006 through FL-H-18-F-006	3,041,045	2,978,199
Total U.S. Department of Housing and Urban Development				<u>6,231,630</u>	<u>3,259,530</u>
U.S. Department of Homeland Security:					
<u>Direct:</u>					
Assistance to Firefighters	97.044	NA	EMW-2016-FO-03822	16,904	-
Assistance to Firefighters	97.044	NA	EMW-2017-FO-06127	155,992	-
Total Assistance to Firefighters				<u>172,896</u>	<u>-</u>
Staffing for Adequate Fire & Emergency Response (SAFER III) – Hiring	97.083	NA	EMW-2016-FH-00463	821,259	-
Passed-through State of Florida Division of Emergency Management:					
Public Assistance Grant – Hurricane Irma	97.036	Z0368	NA	865,487	-
Total U.S. Department of Homeland Security				<u>1,859,642</u>	<u>-</u>
U.S. Department of Justice:					
<u>Direct:</u>					
Forfeiture Equitable Sharing Program	16.922	NA	NA	341,285	-
Justice Assistance Grant	16.738	NA	2017-DJ-BX-0679	59,970	-
Justice Assistance Grant	16.738	NA	2018-DJ-BX-0872	64,773	-
Total U.S. Department of Justice				<u>466,028</u>	<u>-</u>
Department of the Treasury:					
<u>Direct:</u>					
Treasury Forfeiture Fund Program	21.000	NA	NA	937	-
Total Department of the Treasury				<u>937</u>	<u>-</u>
U.S. Department of Transportation:					
Highway Planning and Construction Cluster:					
Federal Highway Administration (FHWA)					
Passed Through Florida Department of Transportation (FDOT):					
Fern St Streetscape/Pedestrian Improvements	20.205	FPN No. 433474-1-58/68-01	NA	124,804	-
Subtotal Highway Planning and Construction Cluster Passed Through Florida Department of Transportation (FDOT)				<u>124,804</u>	<u>-</u>
Transit Services Programs Cluster:					
Federal Transit Administration (FTA)					
Passed Through South Florida Regional Transportation Authority (SFRTA):					
Trolley Job Access and Reverse Commute Program (JARC III)	20.516	FL-37-X082-00	NA	177,917	-
Subtotal Transit Services Programs Cluster Passed Through South Florida Regional Transportation Authority (SFRTA)				<u>177,917</u>	<u>-</u>
Total U.S. Department of Transportation				<u>302,721</u>	<u>-</u>

(Continued)

City of West Palm Beach, Florida

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

Federal Agency, Pass-through Entity, Federal Program, State Agency	CFDA/CSFA Number	Pass-Through Entity Identifying Number	Contract Number	Expenditures	Transfers to Subrecipients
U.S. Department of Agriculture:					
<u>Direct:</u>					
Childcare Food Program (CCFP)	10.558	NA	NA	35,863	-
Passed through Florida Department of Agriculture and Consumer Services Urban and Community Forestry Grant	10.664	17-DG-11083112-001	NA	12,500	-
Total U.S. Department of Agriculture				<u>48,363</u>	<u>-</u>
U.S. Department of Environmental Protection Agency (EPA):					
<u>Direct:</u>					
Brownfields Program	66.818	NA	BF-00D47416-0	159,423	-
Passed through Palm Beach County: Brownfields Program	66.818	BF-00D12713-0	NA	31,566	-
Total U.S. Department of Environmental Protection				<u>190,989</u>	<u>-</u>
Institute of Museum and Library Services					
Passed through Florida Department of State Division of Libraries and Information Service:					
Library Service and Technology Grant – Square 1 Initiative	45.310	16-LTSA-B-03	NA	2,875	-
Total Institute of Museum and Library Services				<u>2,875</u>	<u>-</u>
U.S. Department of Health and Human Services:					
<u>Direct:</u>					
RAND Corporation HIV Care and Housing Coordination	93.145	NA	9920190013	7,740	-
Total U.S. Department of Health and Human Services				<u>7,740</u>	<u>-</u>
Total Expenditures of Federal Awards				<u>\$ 9,110,925</u>	<u>\$ 3,259,530</u>
State Financial Assistance:					
Florida Housing Finance Corporation:					
<u>Direct:</u>					
State Housing Initiatives Partnership (SHIP) Program	40.901	NA	NA	\$ 546,522	\$ -
Total Florida Housing Finance Corporation				<u>546,522</u>	<u>-</u>
Florida Department of State:					
<u>Direct:</u>					
Division of Libraries and Information Service – State Aid to Library Programs	45.030	NA	15-ST-61 through 17-ST-61C	226,005	-
Historical Preservation Grant – Sunset Lounge	45.031	NA	18.h.sc.100.069	8,468	-
Total Florida Department of State				<u>234,473</u>	<u>-</u>
Florida Department of Environmental Protection					
<u>Direct:</u>					
Pineapple Park Water Quality and Low Impact Development Retrofit	37.039	NA	LP50032	74,511	-
Total Florida Department Environmental Protection				<u>74,511</u>	<u>-</u>
Florida Department of Law Enforcement					
<u>Direct:</u>					
Office of Criminal Justice – Enhancing Critical Incident Response Capability	71.032	NA	2019-SFA-GAA-50-5P-003	300,000	-
Total Florida Department Law Enforcement				<u>300,000</u>	<u>-</u>
Total Expenditures of State Financial Assistance				<u>\$ 1,155,506</u>	<u>\$ -</u>
Total Expenditures of Federal Awards and State Financial Assistance				<u>\$ 10,266,431</u>	<u>\$ 3,259,530</u>

NA – Not Applicable

See Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

City of West Palm Beach, Florida

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) presents the activity of all federal awards and state projects of the City of West Palm Beach, Florida (the City) for the year ended September 30, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of the City, they are not intended to and do not present the financial position, changes in net positions, or cash flows of the City. The City's reporting entity is defined in Note A to the City's basic financial statements.

Note 2. Summary of Significant Accounting Policies

The Schedule is presented using the modified accrual basis of accounting for expenditures accounted for in the governmental funds and on the accrual basis of accounting for expenses of the proprietary fund types, which are described in Note A to the City's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Recovery

The City did not recover its indirect costs using the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance.

City of West Palm Beach, Florida

Schedule of Findings and Questioned Costs

I – Summary of Independent Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified that are not considered to be material weakness(es)?

 X Yes _____ None Reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal program:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X No

Type of auditor’s report issued on compliance for major federal program:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?

_____ Yes X No

Identification of major federal program:

CFDA Number

Name of Federal Program or Cluster

14.241

Housing Opportunity for People with AIDS (HOPWA) Grant

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

\$ 750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

(Continued)

Schedule of Findings and Questioned Costs (Continued)

Section II. Financial Statement Findings

A. *Internal Control Over Financial Reporting*

2019-001 Financial Reporting Process

Criteria: Internal control policies and procedures should provide reasonable assurance regarding the reliability of the financial reporting process. The post-closing and financial reporting process, including the accurate recording and accounting of transactions is a critical function of the City and should be completed in a timely manner.

Condition: We noted that the City does not appear to have a formalized financial reporting process which would include the review and approval of changes/revisions made to the financial statements. Preparation and review of year-end financial statements appears to be performed primarily by the Accounting Manager. There appears to be no review of the financial statements beyond that of the Accounting Manager, as such the individual processing many of the corrections is also the individual reviewing and approving those changes.

As part of the audit review of the financial statements by the independent auditors, RSM noted multiple errors in amounts and presentation of items throughout the financial statements, which resulted in the preparation of multiple drafts of the financial statements presented to the auditors. Each draft provided to the auditors contained numerous errors until the fifth and final version. Errors included amounts not agreeing within the document from combining or supplemental schedules to other schedules or the management discussion and analysis, amounts not agreeing to supporting documentation provided by management (i.e. restricted assets footnote disclosure), errors in the recording of the closeout of the golf course fund which was a special item since it was unusual in nature but in the control of management.

Context: The finding is considered systemic in nature.

Effect: Failure to implement strong internal control policies and procedures for financial reporting could result in potential misstatements in the financial statements that are not properly and timely detected. In this case, there were numerous errors which were identified by the auditors and subsequently corrected. However, the lack of a formal process for review of changes could result in additional changes occurring within the document and not being detected.

Cause: The finance department does not appear to have sufficient resources to thoroughly perform the year-end close and drafting of the financial statements accurately. This has been caused in part by turnover over the years within the department. As a result, a significant amount of the responsibility for both the drafting and reviewing of the annual financial report appears to fall on the Accounting Manager. While the individual appears to be capable of reviewing the document, there is an inherent risk in the individual responsible for preparing the document also doing the primary review and as such it is very possible that errors that would otherwise have been detected and corrected can be missed.

Recommendation: We recommend that the City review its present policies and procedures over accounting and financial reporting, evaluate whether it would be possible to enhance the level of expertise and the number of individuals involved in the financial reporting process. Also the City should implement additional procedures to provide timely training and continuing education to accounting and finance staff to keep them updated with changes in governmental accounting standards and increase the depth of resources capable of assisting with the preparation of the financial statements.

City of West Palm Beach, Florida

Schedule of Findings and Questioned Costs (Continued)

Views of Responsible Officials and Planned Corrective Action: The primary issues the Auditors have identified are errors related to rounding of small amounts and numbers flowing throughout the report when changes were made. Also as noted by the Auditors, we have experienced the turnover of all except one person who previously worked on the financial statements. We now have a very talented, but relatively inexperienced team who worked on the financial statements. Though they reviewed each other's work, the onus did fall on the Accounting Manager. To assure better results moving forward, several initiatives will be put in place: 1) A tenured Assistant Director has been hired who will have direct oversight into the process, 2) A formal review process will be refined and followed, 3) We will have a comprehensive off-season training on the intricacies of governmental financial reporting that will be required for all preparers of the financial statements and optional, but strongly recommended to the entire Finance staff.

B. Compliance

No matters to report.

City of West Palm Beach, Florida

Schedule of Findings and Questioned Costs (Continued)

Section III. Federal Awards and State Financial Assistance Findings and Questioned Costs

A. Internal Control Over Compliance

Federal Awards

No matters to report.

State Financial Assistance

No matters to report.

City of West Palm Beach, Florida

Schedule of Findings and Questioned Costs (Continued)

B. Compliance

Federal Awards

No matters to report.

State Financial Assistance

**2019-002 Special Tests
(A repeat of finding 2018-005)**

**State of Florida Housing and Finance Corporation -
State Housing Initiatives Partnership Program (SHIP) (CSFA No. 40.901)**

Criteria: Loans or grants for eligible rental housing constructed, rehabilitated, or otherwise assisted from the local housing assistance trust fund must be subject to recapture requirements as provided by the county or eligible municipality in its local housing assistance plan unless reserved for eligible persons for 15 years or the term of the assistance, whichever period is longer. (Florida Statutes Part VII, Section 420.9071(25) and Section 420.9075(5)(i and j)). Per the promissory notes issued by the City, the agreement states, "the property shall remain the principal residence of the Mortgagor throughout the Term of the Note. If the Mortgagor fails to occupy the dwelling as a principal residence, uses the premises for business or economic purposes, sells, leases or rents all or a portion thereof, assigns the Note and/or this Mortgage or in any manner transfers title, use, or occupancy of the dwelling before the last day of the Term of the Note, the entire principal amount of the Note becomes immediately due and payable in full. In the event of the death of the Mortgagor prior to the end of the Term of the Note, the outstanding balance of the loan becomes immediately due and payable."

Condition: For 4 out of 20 loans selected for testing, we were unable to determine if the recipient complied with the residency requirement per recapture requirements either because there was no homestead exemption filed per review of the 2018/2019 tax bill or the recipient was no longer the owner of the property.

Questioned Costs: \$449,653.

Context: As of September 30, 2019, there were 175 loans with outstanding balances. We noted for the 20 loans selected for testing, one of the properties changed ownership and 3 of the properties we were unable to determine primary residency.

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

Cause: The Department of Housing and Community Development has performed due diligence by reviewing all SHIP loans to determine residency requirements, however, the Department has to work with the City Attorney's office and City Commission to seek the appropriate remedy in accordance with each contract/agreement.

Recommendation: We noted that the City has established policies and procedures over the review of all SHIP loans in accordance with grant requirements. However, we recommend that the City continue to work with the legal department and City Commission to take the appropriate corrective action in accordance with each contract/agreement.

City of West Palm Beach, Florida

Schedule of Findings and Questioned Costs (Continued)

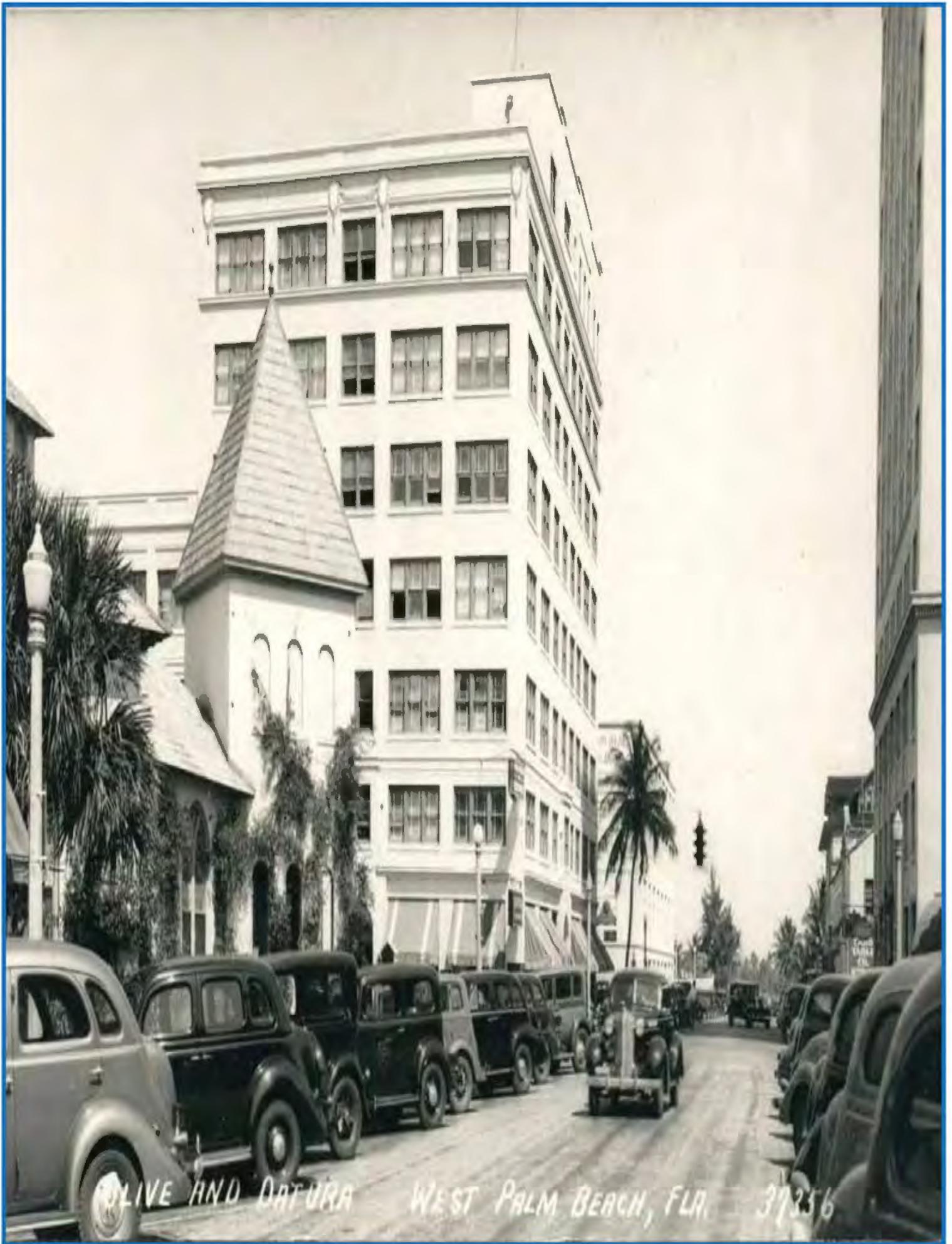
Views of Responsible Officials and Planned Corrective Action: The Department of Housing and Community Development conducted a review of all SHIP to ensure that the residency requirements are met during the term of the agreement/note. The Department updated their analysis in each program file and is currently working with the City Attorney's office, where applicable, to seek appropriate remedies in accordance with the individual contracts/agreements.

City of West Palm Beach, Florida

**Summary Schedule of Prior Year Audit Findings
For the Fiscal Year Ended September 30, 2019**

Financial Statement Findings and Federal Awards Findings and Questioned Costs

No.	Prior Year Finding	Observation is Still Relevant	Observation No Longer Relevant
2018-001	Subrecipient Monitoring Internal Control (CFDA 14.241)		X
2018-002	Allowable Costs/Costs Principles Internal Control – Public Assistance Grant (CFDA 97.036)		X
2018-003	Special Tests Internal Control – State Housing Initiatives Partnership Program (CSFA 40.901)		X
2018-004	Allowable Costs/Costs Principles – Public Assistance Grant (CFDA 97.036)		X
2018-005	Special Tests – State Housing Initiatives Partnership Program (CSFA 40.901)- See 2019-002	X	



OLIVE AND DATURA WEST PALM BEACH, FLA. 37356

City of West Palm Beach, Florida

Management Letter in Accordance With the *Rules of the
Auditor General* of the State of Florida
September 30, 2019

Contents

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Appendix B—Status of prior year’s findings and recommendations	R-24-R-27



RSM US LLP

**Management Letter in Accordance With the
Rules of the Auditor General of the State of Florida**

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

Report on the Financial Statements

We have audited the 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, 2019, and have issued our report thereon dated March 31, 2020. 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 77% of the assets/deferred outflows, 80% of the fund balance/net position and 28% 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. Our report does not address their respective internal control or compliance.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance) and the Chapter 10.550, *Rules of the Florida Auditor General*.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards, AT-C Section 315*, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The status of prior audit findings and recommendations are included in Appendix B to this report under the heading "Status of Prior Year Findings and Recommendations."

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information is disclosed in Note A1 to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a, and 10.556(7), *Rules of the Auditor General*, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. This report does not include any matters that were reported on by other auditors as identified above. The recommendations to improve the City's financial management have been addressed in "Current Year's Recommendations to Improve Financial Management" in Appendix A to this report. Management's responses to the recommendations to improve the City's financial management have been addressed in "Current Year's Recommendations to Improve Financial Management" in Appendix A to this report. We did not audit the City's response, and accordingly, we express no opinion on it.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, require us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of This Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, City Commissioners and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

West Palm Beach, Florida
March 31, 2020

City of West Palm Beach, Florida

Index of Current Year Observations and Recommendations

No. Current Year's Observations and Recommendations

2019-001	Supervisory approval of employee timecards
2019-002	User access review
2019-003	Data recovery testing
2019-004	Terminated employees
2019-005	Pension audit reports

Appendix A—Current Year’s Recommendations to Improve Financial Management

ML 2019-001

**Supervisory Approval of Employee Timecards
(Comment has been repeated from ML 2018-001, ML 2017-001 and ML 2016-001)**

Criteria: The City’s internal control policies and procedures require all Department Managers to electronically review and approve each employee’s timecard between the pay period-end date (Friday) and the payroll period close date (the following Monday at 12:00 p.m.) in Kronos.

Condition: It was noted three out of twenty employee timecards selected for testing were not approved by the Department Manager in Kronos prior to processing for the following departments: Parks Maintenance, Support Serv. Equipment and Public Utility Administration. In the prior year, we noted three out of twelve employee timecards were not approved by the Department Manager.

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

Effect: Failure to review employee timecards may lead to inaccurate processing of payroll for any pay period.

Cause: The City did not follow its policies and procedures in reviewing timecards prior to processing payroll. The payroll was processed without first obtaining evidence of proper approval.

Recommendation: We recommend that the City review its policies and procedures in place with both payroll processing personnel and the departments to help ensure all payroll transactions are properly approved and accurately recorded.

Views of Responsible Officials and Planned Corrective Action: The Finance department continues to monitor supervisors’ review of timecards to ensure payroll transactions are accurately recorded. The City Administrator has enforced the City’s internal control policy stated above which has resulted in almost full compliance.

City of West Palm Beach, Florida

Appendix A—Current Year’s Recommendations to Improve Financial Management (Continued)

ML 2019-002

**User Access Review
(Comment has been repeated from 2018-002, 2017-002 and 2016-006)**

Criteria: Access rights to the organization’s relevant financial reporting applications or data are monitored periodically by management.

Condition: The user access reviews were not performed for Oracle eBusiness Suite, Oracle CC&B or the network during fiscal years 2016, 2017, 2018 and 2019.

Cause: User access reviews were not completed in fiscal years 2016, 2017, 2018 and 2019.

Effect: Risks include unauthorized usage, damage or misuse of IT resources.

Recommendation: User access reviews should be completed for systems with an impact on financial reporting at least annually.

Views of Responsible Officials and Planned Corrective Actions: The City is currently conducting a user access audit to ensure complete compliance with the recommendation. Securing the City’s information technology resources is a top priority of the current administration, and as part of this effort the City hired a new chief information officer (CIO) in August of 2019 with a strong background in information security who maintains industry recognized certifications including CISSP, Security+, GLEG and ITIL Expert. The City also hired an experienced Information Security Officer (ISO) in November 2019.

In addition to hiring the experienced CIO and ISO, an organization-wide Information Security Program has been developed. The program includes a very robust technical layer providing defense-in-depth as well as the evaluation and/or creation of detailed policies including user access audits with measurable compliance goals. To help facilitate a successful implementation of the program, a Security Governance Workgroup was established.

As stated above, a comprehensive user access review was conducted. In addition, new policies and procedures are being developed to ensure the City performs and documents annual user account reviews on all systems that may impact financial reporting. This documentation is being developed in conjunction with the current access audit and will be completed no later than June 15, 2020.

Appendix A—Current Year’s Recommendations to Improve Financial Management (Continued)

ML 2019-003

Data Recovery Testing

Comment has been repeated from 2018-003, 2017-003 and 2016-007)

Criteria: Data recovery testing is performed periodically to test the effectiveness of the restoration process and determine that data, transactions and programs that are necessary for financial reporting can be recovered.

Condition: A full scale recovery test for Oracle eBusiness Suite, Oracle CC&B and the network was not performed in fiscal years 2016, 2017, 2018 and 2019. A full restoration has not been performed in at least four years.

Cause: A full scale recovery test was not completed in fiscal years 2016, 2017, 2018 and 2019 for Oracle eBusiness Suite, Oracle CC&B and the network and testing of the viability of backups was only performed via the completion of ad hoc requests.

Effect: Risks include data loss, increased recovery time and financial loss.

Recommendation: Data recovery testing should be documented and performed once a year to test the effectiveness of the restoration process and determine that data, transactions and programs that are necessary for financial reporting can be recovered.

Views of Responsible Officials and Planned Corrective Actions: In April 2019, the City implemented a new backup system, effectively moving from tape to a disk/cloud solution that allows greater flexibility in backups and restores.

The new backup methodology provides point in time restoration and encompasses both application files and databases files, therefore creating a resilient disaster recovery platform.

As a method to prove viability of the backups and test full recovery, City of West Palm Beach Information Technology (IT) staff performs at least quarterly restores of the production environment to 3 separate environments which reside on a different piece of hardware. All backup and restore activities are logged in log files as evidence of the respective tasks. Additionally, the monthly process will be logged into our IT ticketing system to display compliance for auditing purposes.

Once the restores of the production environment are complete, IT System Analysts along with functional department representatives verify the environments and ensure all applications are running properly with the same functionality of the production system.

City IT has developed a procedure document that outlines the steps required and frequency of the data recovery testing to ensure compliance with system backup and disaster recovery requirements.



City of West Palm Beach, Florida

Appendix A—Current Year’s Recommendations to Improve Financial Management (Continued)

ML 2019-004 – Terminated Employees

Criteria: Procedures should be in place so that user accounts are added and deleted in a timely manner to reduce the risk of unauthorized/inappropriate access to the organization’s relevant financial reporting applications or data.

Condition: System access for terminated employees is not consistently removed or disabled in a timely manner. Specifically, determined that of the two (2) samples selected for testing, one (1) terminated employee in March 2019 did not have access to Oracle CCB and Active Directory (AD) revoked in a timely manner.

Cause: Due to a difference in naming in the Oracle CCB application, the terminated employee’s account was listed incorrectly under another employee’s account. As such, that employee’s access was not revoked upon termination.

Effect: Risks include data loss, increased recovery time and financial loss.

Recommendation: Management should ensure that access to all applications is consistently revoked or removed in a timely manner for all terminated employees. Also, there should be some procedure put in place to have a separate supervisory review performed to verify that all terminations have been timely processed in the system.

Views of Responsible Officials and Planned Corrective Actions: The IT department in conjunction with the human resources department have recently established a new process where IT is notified by HR of any user additions, changes or deletions. In the past it was left up to the affected department to notify the IT team, and this process led to many onboarding changes where appropriate notification was not issued. The new process has led to user accounts being added, changed or deleted in a timely manner.

In addition to this new process, we have implemented a software tool that alerts the ISO and other IT staff of all user account modifications, and we plan on performing random compliance checks to ensure that user accounts are correct. We are also planning an annual check on all user accounts to verify they have been appropriately configured or removed.

The finding of a terminated employee still in the system, it was due to a non-standard naming convention of that user’s name. To address that issue, we established a standardized naming convention for all employees.

City of West Palm Beach, Florida

Appendix A—Current Year’s Recommendations to Improve Financial Management (Continued)

ML 2019-005 – Pension Audit Reports

Criteria: Audits provide essential accountability and transparency over government programs. Given the current challenges facing governments and their programs, the oversight provided through auditing is more critical than ever. Government auditing provides the objective analysis and information needed to make the decisions necessary to help create a better future. The professional standards presented in *Government Auditing Standards (GAS)* (known as the Yellow Book) provide a framework for performing high-quality audit work with competence, integrity, objectivity and independence to provide accountability and to help improve government operations and services.

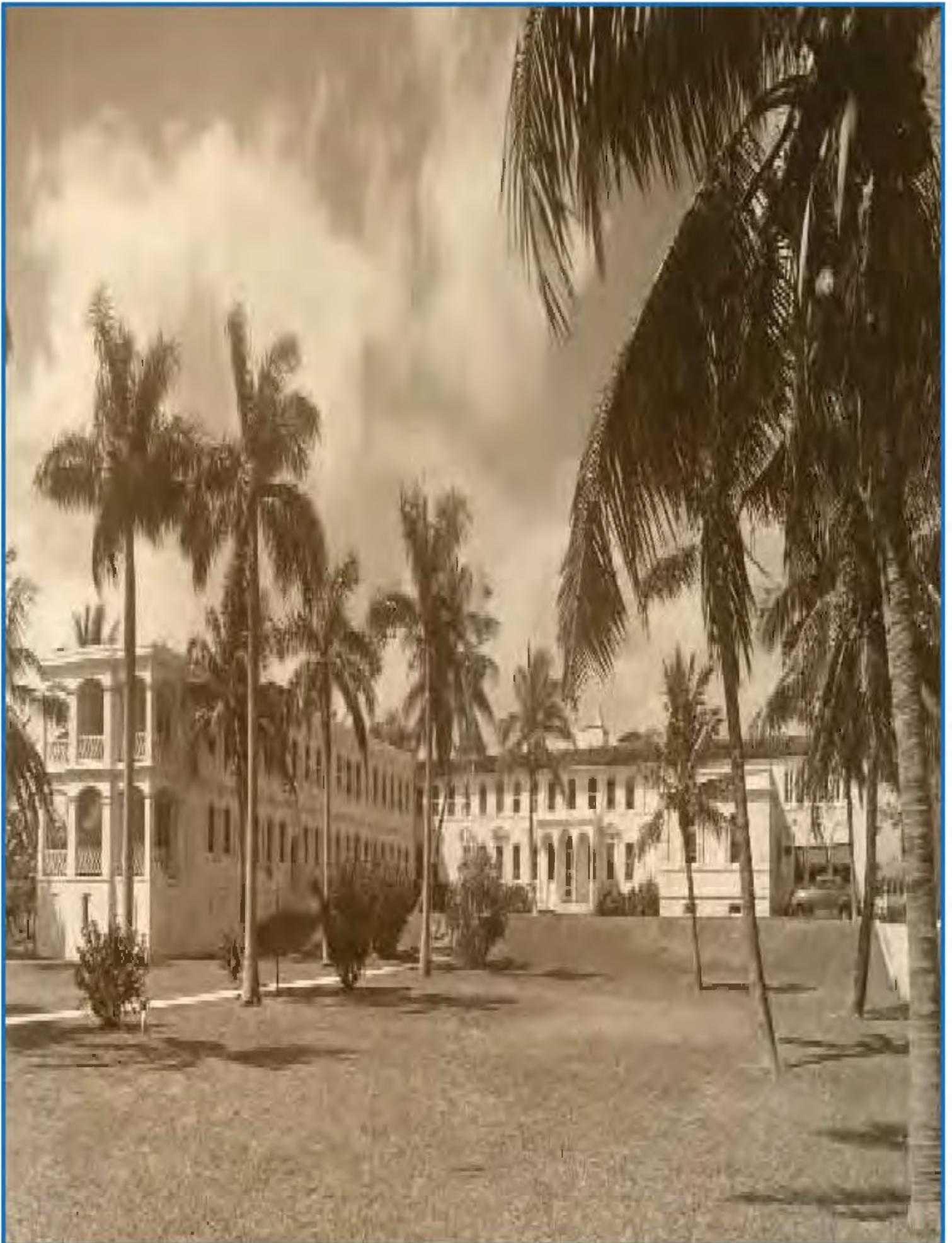
Condition: We noted the City’s Restated Employees Defined Benefit Plan audit was performed in accordance with *GAS* in addition to generally accepted auditing standards. However, we noted both the Police Pension Fund and the Firefighters’ Pension Fund were only audited in accordance with generally accepted auditing standards.

Cause: Although the City’s annual financial audit is required by the Florida Auditor General to be performed in accordance with both *GAS* and generally accepted auditing standards, the arrangements agreed to between the pension boards and their auditors do not have to comply with that requirement. As such only one of the three pension plans audits were also performed in accordance with the additional standards under *GAS*.

Effect: Although this is just an improvement observation, the risks include potential deficiencies in internal controls and compliance or lack of certain controls over operations of the plans that could result in the failure to detect errors and omissions in the financial statements in a timely manner.

Recommendation: While a *GAS* audit is not required for the plans, as a best practice consideration, Management should consider consulting with the representatives of the individual pension boards for Police and Firefighters and requesting that they entertain the idea of also having their statements subjected to the more stringent requirements of *Government Auditing Standards*.

Views of Responsible Officials and Planned Corrective Actions: The City acknowledges that a *GAS* audit is a best practice consideration and that it is not required for the Police and Fire Pension Plans. The City will consider the auditor’s recommendation and discuss with City administration and the respective pension boards the cost and benefit to implement this best practice.



City of West Palm Beach, Florida

Appendix B—Status of Prior Year’s Findings and Recommendations

No.	Prior Year’s Observations	Observation is Still Relevant	Comment No Longer Relevant
2018-001	Supervisory approval of employee timecards	X	
2018-002	User access review	X	
2018-003	Data recovery testing	X	

Appendix B—Status of Prior Year’s Findings and Recommendations (Continued)

ML 2018-001, ML 2017-001 and ML 2016-001

Supervisory Approval of Employee Timecards

Criteria: The City’s internal control policies and procedures require all Department Managers to electronically review and approve each employee’s timecard between the pay period-end date (Friday) and the payroll period close date (the following Monday at 12:00 p.m.) in Kronos.

Prior Year Condition: It was noted three out of twelve employee timecards selected for testing were not approved by the Department Manager in Kronos prior to processing for the following departments: Drainage, WTR Treatment Plant and Criminal Investigation.

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

Effect: Failure to review employee timecards may lead to inaccurate processing of payroll for any pay period.

Cause: The City did not follow its policies and procedures in reviewing timecards prior to processing payroll. The payroll was processed without first obtaining evidence of proper approval.

Prior Year Recommendation: We recommend that the City review its policies and procedures in place with both payroll processing personnel and the departments to help ensure all payroll transactions are properly approved and accurately recorded.

Prior Year Views of Responsible Officials and Planned Corrective Action: We agree that the City did not follow its policies and procedures to ensure all payroll transactions are properly approved and accurately recorded. The Finance Department is currently reviewing and revising processes for payroll and the issue of approvals will be addressed.

Current Year Status: A similar condition was found in the current year. Please refer to ML 2019-001 for more details.

City of West Palm Beach, Florida

Appendix B—Status of Prior Year’s Findings and Recommendations (Continued)

2018-002, 2017-002 and 2016-006 – User Access Review

Criteria: Access rights to the organization’s relevant financial reporting applications or data are monitored periodically by management.

Prior Year Condition: The user access reviews were not performed for Oracle eBusiness Suite, Oracle CC&B or the network during fiscal year 2016, fiscal year 2017 and fiscal year 2018.

Cause: User access reviews were not completed in fiscal year 2016, 2017 and fiscal year 2018.

Effect: Risks include unauthorized usage, damage or misuse of IT resources.

Prior Year Recommendation: User access reviews should be completed for systems with an impact on financial reporting at least annually.

Prior Year Views of Responsible Officials and Planned Corrective Actions: The City agrees with this recommendation. When an employee leaves the organization, their access to the Oracle applications is terminated by Human Resources and the account is locked. The current workflow was designed to ensure that the concept of unauthorized usage, damage or misuse of the application does not arise therefore eliminating the risk for unauthorized usage, damage or misuse of City resources. The City will work on a solution to ensure that an annual review of user access is performed.

Current Year Status: A similar condition was found in the current year. Please refer to ML 2019-002 for more details.

Appendix B—Status of Prior Year’s Findings and Recommendations (Continued)

2018-003, 2017-003 and 2016-007 – Data Recovery Testing

Criteria: Data recovery testing is performed periodically to test the effectiveness of the restoration process and determine that data, transactions and programs that are necessary for financial reporting can be recovered.

Prior Year Condition: A full scale recovery test for Oracle eBusiness Suite, Oracle CC&B and the network was not performed in fiscal year 2016, fiscal year 2017 and fiscal year 2018. A full restoration has not been performed in at least three years.

Cause: A full scale recovery test was not completed in fiscal year 2016, fiscal year 2017 and fiscal year 2018 for Oracle eBusiness Suite, Oracle CC&B and the network and testing of the viability of backups was only performed via the completion of ad hoc requests

Effect: Risks include data loss, increased recovery time and financial loss.

Prior Year Recommendation: Data recovery testing should be documented and performed once a year to test the effectiveness of the restoration process and determine that data, transactions and programs that are necessary for financial reporting can be recovered.

Prior Year Views of Responsible Officials and Planned Corrective Actions: The City agrees with this recommendation. The City currently uses a tape backup solution for the historic retention of the Oracle eBusiness and CC&B application databases. A pass/fail audit of backups of Oracle eBusiness suite and CC&B databases is performed regularly to validate success of the backup process. Project delays have prevented full implementation of the Oracle Disaster Recovery Cloud solution. Once completed full scale recovery tests will be performed.

Current Year Status: A similar condition was found in the current year. Please refer to ML 2019-003 for more details.



RSM US LLP

Independent Accountant's Report

The Honorable Mayor, Members of the
City Commission, and Audit Committee
City of West Palm Beach, Florida

We have examined the City of West Palm Beach, Florida's (the City) compliance with *Section 218.415, Florida Statutes, Local Government Investment Policies* for the year ended September 30, 2019. Management is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

This report is intended solely for the information and use of the Florida Auditor General, the Honorable Mayor, Members of the City Commission, the Audit Committee and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

West Palm Beach, Florida
March 31, 2020