
CITY OF WEST PALM BEACH, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2020



CITY OF WEST PALM BEACH, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE

FISCAL YEAR ENDED

SEPTEMBER 30, 2020

Prepared by The Finance Department

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

Karen Malcolm
Accounting Manager



Apoxee Trailhead Park
By Captain Kimo

**CITY OF WEST PALM BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

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Gettler Park
By City of West Palm Beach





Photo by Palm Beach Atlantic University

INTRODUCTORY SECTION



April 26, 2021

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 **Annual Comprehensive Financial Report** for the City of West Palm Beach, Florida, (the “City”) for the fiscal year ended September 30, 2020. 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.

Starting in February of 2020, the world was engulfed in a pandemic. The pandemic was an airborne virus called, COVID-19. The pandemic resulted in government forced business shutdowns, protective face mask worn by individuals, and quarantining of individuals to thwart the spread of the virus. To remain financially sustainable, the City remained diligent in providing the residents with the services they needed 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. During the pandemic, the fiscal year 2021 adopted budget was achieved by making cuts to virtually all discretionary spending, pay freezes for senior staff and other non-union employees, and the elimination of forty-three vacant positions that were funded in the budget.

The result was a balanced, \$193.5 million General Fund budget that included no increase in fees, no layoffs of full-time employees, and no change to our millage rate. This budget prioritizes essential services for our residents and neighborhoods with minimal workforce reductions. The budget will maintain the overall quality of life for residents, help make our community even safer, and promote continued economic development within our city.

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

MAJOR INITIATIVES

Looking forward into fiscal year 2021 and beyond, the City must continue to look at ways to further streamline operations and look at the way we provide services to our community. We must continue to call on our department heads and our City Commission to look closely at the services we provide and find ways to reduce or eliminate

programs that are not providing excellent value to our community. Also, post-pandemic, we must identify resources to help our business community through recovery from the impacts of the COVID-19 pandemic.

Economic Development:

Economic Development must continue to 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. A recent study highlighted the City's highly competitive business climate with no personal income tax and a relatively low corporate tax rate.

Due to the COVID-19 pandemic, the City had to act quickly to develop programs to uplift our residents and businesses. The City was the first entity to get money into peoples' hands to assist them weather the challenges of the pandemic. The City will continue to develop programs to help residents given the pandemic has persisted longer than anticipated.

ECONOMIC CONDITIONS AND OUTLOOK

Prior to the pandemic, West Palm Beach's economy was the strongest it has been since emerging from the economic downturn from the Great Recession in 2007 through 2009. In fact, West Palm Beach's unemployment rate was 3.2% in early 2020, down from the almost 10% in 2011. As a result of the pandemic, unemployment surged to 14.4% in April of 2020, but as the economy began to reopen, there is a downward trend. The unemployment rate as of September 30, 2020 was 7.6%.

Our City's tax base has gone up consistently, in the last six years, to \$14.7 billion. As a sign that even more businesses are moving to West Palm Beach, our business tax receipts have gone up six years in a row. Right now, with over two billion dollars of projects in our pipeline, we can safely say that our property tax base should continue to grow over the next few years. For the eighth year in a row, ad valorem tax revenues continued to climb from the depths of the Great Recession. In fiscal year 2020, ad valorem tax revenues rose \$7.7 million (9.3%).

While West Palm Beach undergoes an economic revival, the City is also investing in infrastructure. No

world class city would be complete without superior infrastructure. Over the next few years, we will undertake over one hundred and fifty capital improvement projects.

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 mechanism 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 is invested in certificates of Deposit (CDs) and highly liquid investment pools. Longer-term funds are 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.

Financial Policies

The City of West Palm Beach has formally adopted financial policies including reserve policies, contingency policies, budgetary control, debt management, and a fund balance shortfall plan. The establishment of specific reserve policies is an important part of prudent financial management. Reserve policies reduce ambiguity and guide the creation, maintenance and use of resources for financial stabilization purposes. The City maintains an emergency fund of 10% and a minimum level of unassigned fund balance of 5% of general fund operating revenues. This provides the City with working capital in the event of an emergency.

The ending unassigned fund balance of \$14,663,272 as of September 30, 2020, represents 8% of the general fund operating revenues.

Long-Term Financial Planning

Since fiscal year 2013, the city has prepared a Long-Term Financial Plan. The City prepares annual updates of the long-term financial plan that encompasses a 10-year time horizon. Copies of the Long-Term Financial Plan can be found in the City's budget book.

In fiscal year 2019, the City commissioned and completed a comprehensive Parks and Recreation Master Plan Study. The study provided the City with a roadmap on how to strategically improve our Parks' system.

Based on the Master Plan, a \$30 million bond referendum was presented to the Citizens and passed overwhelmingly to fund many of the projects in the Master Plan. Because of COVID-19, the Parks and Recreation Division must reimagine their offering to incorporate safety protocols dictated by the Center for Disease Control (CDC). Programs were also halted as the Division determined how best to move forward considering the safety of our residents

As part of its strategic plan, the City also envisions continued revitalization within City limits, which began with the installation of new streetscapes throughout various communities. Separate bond funding issued by the City and the Community Redevelopment Agency will provide funding for these capital improvement projects, which will include new sidewalks, streetscapes, lighting fixtures, and benches.

During the pandemic, due to decreased automobile and pedestrian traffic, the City took the opportunity to complete various phases of its streetscape projects, without causing significant inconvenience to businesses and citizens.

The City maintains a vehicle replacement policy, which serves as its fleet replacement guide over a five-year period. During fiscal year 2020, the City was able to improve its fleet by purchasing eleven fire trucks and five sanitation vehicles. These vehicles will improve service while conserving energy and lowering maintenance costs. Additional fleet

replacement vehicles will be purchased as funding becomes available.

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 Plante Moran, PLLC.

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, United States 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 for the fiscal year ended September 30, 2019. 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 report 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 forty 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.

The City also received the GFOA Award for Distinguished Budget Presentation for the City's fiscal year 2020 Budget.

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, Shelda Hodges, Mindy Bellaz, Carol Bishop, Dathan Griffiths, and Sophia Taylor) who worked diligently to ensure the timeliness and accuracy of the report.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Mark A. Parks, Jr.', is positioned above the printed name.

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of West Palm Beach
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Executive Director/CEO



Fogleman Park
By City of West Palm Beach



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



Christy Fox
Commissioner, District 3



Christina Lambert
Commissioner, District 5



Joseph Peduzzi
Commissioner, District 4

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

September 30, 2020

Mayor
Keith A. James

City Administrator
Faye W. Johnson, MPA

Assistant City Administrator
Armando Fana

Assistant City Administrator
Ricardo Mendez-Saldivia

City Attorney

Kimberly L. Rothenburg

Development Services Director

Richard E. Greene

Engineering Director

Kevin Volbrecht

Chief Human Resources Officer

Jose Luis Rodriguez

Chief Financial Officer

Mark A. Parks, Jr.

Chief Technology Officer

Paul L. Jones

Fire Chief

Diana J. Matty

Housing and Community Development Director

Yennifer Ferriol

Internal Auditor

Beverly Mahaso

Library Director

Lisa R. Hathaway

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



George S. Petty Park
By City of West Palm Beach



Photo by Captain Kimo

FINANCIAL SECTION

Independent Auditor's Report

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 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, 2020 and the related notes to the financial statements, which collectively comprise the City of West Palm Beach, Florida'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 71.27 percent, 73.71 percent, and 39.82 percent of the assets, net position, and revenues, respectively, 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, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The Firefighters' Pension Fund and the Police Pension Fund were not audited under *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 of West Palm Beach, Florida as of September 30, 2020 and the respective changes in its 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.

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

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, 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, which 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplemental Information

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

The combining and individual fund financial 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, the combining and individual fund financial 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 our report dated April 26, 2021 on our consideration of the City of West Palm Beach, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of West Palm Beach, Florida's internal control over financial reporting and compliance.



April 26, 2021



Mary Brandon Park
By City of West Palm Beach



Photo by Captain Kimo

MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)

**CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
(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, 2020.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows (net position) at the close of fiscal 2020 by approximately \$783.1 million. Of this amount, \$131.3 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 approximately \$46.8 million or 6.4% from the prior year. The overall increase is attributed to charges for services and other general revenues which exceeded operating and pension-related expenses, during fiscal year 2020.
- At the close of fiscal year 2020, the City's governmental funds reported combined fund balances of \$261.4 million while the proprietary funds reported a combined net position of \$554.2 million.
- The City's total of bonds, notes and capital leases increased by \$3.8 million, from \$619.9 million to \$623.7 million, or approximately 0.6%, reflecting repayments accompanied by the issuance of long-term debt in fiscal year 2020 totaling \$24.5 million, net of premiums.
- Total spending for all City governmental activities was approximately \$256.5 million, up \$16.1 million from last fiscal year. Expenditures for the largest governmental activities were public safety (\$138.0 million), general government (\$21.5 million), economic environment (\$34.0 million) and leisure services (\$27.7 million).
- At the end of fiscal 2020, the total of the restricted, assigned, and unassigned components of fund balance for the General Fund was \$16.8 million, or approximately 9.5% of General Fund expenditures. The General Fund balance also included \$18.0 million committed for emergencies and another \$3.5 million of nonspendable balances.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

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

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.

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 and parking facilities.

CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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- **Internal Service Funds:** The City uses internal service funds to accumulate and allocate costs internally among the City's various functions. These funds primarily serve the City's departments and account for the City's information systems, fleet management, self-insurance program and employee health and life insurance benefits programs. Because all of these services predominantly benefit governmental rather than business-type functions, the assets and liabilities of these funds have been included within the governmental activities' column of the government-wide Statement of Net Position.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, but in more detail. The financial statements provide separate information for the water and sewer system and the storm water system, both of which are considered major funds of the City. The parking facilities fund is a non-major enterprise fund. 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 to the financial statements 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.

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 and parking 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.

The City's assets and deferred outflows exceeded liabilities and deferred inflows by \$783.1 million at the close of the most recent fiscal year, an increase by \$46.8 million. Most of the increase is attributed to an increase in charges for services and other general revenues and a reduction in payments for the City's long-term debt.

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Total assets of the City as of the end of the current fiscal year increased by \$61.7 million or 4.1%. The increase is attributed to an increase in the addition of capital assets, net of retirements and depreciation, increase in the City's investment in joint ventures and cash proceeds from new debt issuances in the current fiscal year.

The City reported an increase in deferred outflows of resources by \$4.6 million or 6.4%. The increase is attributed to the increase in the pension contributions subsequent the measurement date and an increase in the fair market value of the interest rate swap.

Long-term liabilities increased by \$44.7 million primarily due to an increase in the pension liabilities by \$32.3 million, new debt issuances, net of current fiscal year repayments by \$10.7 million and increased insurance claims payable by \$2.2 million. Pension liabilities and insurance claims increased as a result of the effect of the pandemic on the overall investment market and general employee health.

Deferred inflows of resources decreased by \$29.2 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 \$447.9 million from \$437.2 million in fiscal year 2020. These capital investments represent 57.2% and 59.4% of net position as of September 30, 2020 and 2019, respectively. These asset values are presented less any outstanding debt related to the acquisition and accumulated depreciation of those assets. The 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 \$203.9 million or 26.0% which represents resources that are subject to constraints such as debt covenants, grantors, laws or regulations. Unrestricted net position of approximately \$131.3 million or 16.8%, is that portion of the City's resources that are available to meet the ongoing obligations to residents, creditors, and enterprise fund customers.

Governmental Activities – Net Position

The 2020 net position of \$228.9 million is comprised of \$164.7 million net investment in capital assets, \$107.1 million in restricted net position and \$42.9 million unrestricted deficit.

During the current fiscal year, the City had continued growth in property values creating an increase in related tax revenues of \$7.4 million. However, effects of the pandemic created economic challenges for local business operations within the City and investment markets around the nation, resulting in lower state and local shared revenues, interest income and other revenues to the City than in the previous fiscal year by \$2.8 million. Increased property tax revenues and transfers from business-type activities resulted in the net increase in the current fiscal year's net position by \$9.5 million.

The net investment in capital assets of \$164.7 million increased by \$0.8 million. Other resources of \$107.1 million, which are externally restricted, increased by \$48.5 million, while the unrestricted net position of \$(42.9) million decreased by \$39.7 million. The change in the restricted and unrestricted net position reflects the increase in amounts restricted for debt service requirements and the result of operations, respectively.

Business-Type Activities – Net Position

The 2020 net position of \$554.2 million is comprised of \$283.1 million net investment in capital assets, \$96.8 million in restricted net position and \$174.3 million unrestricted net position.

CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
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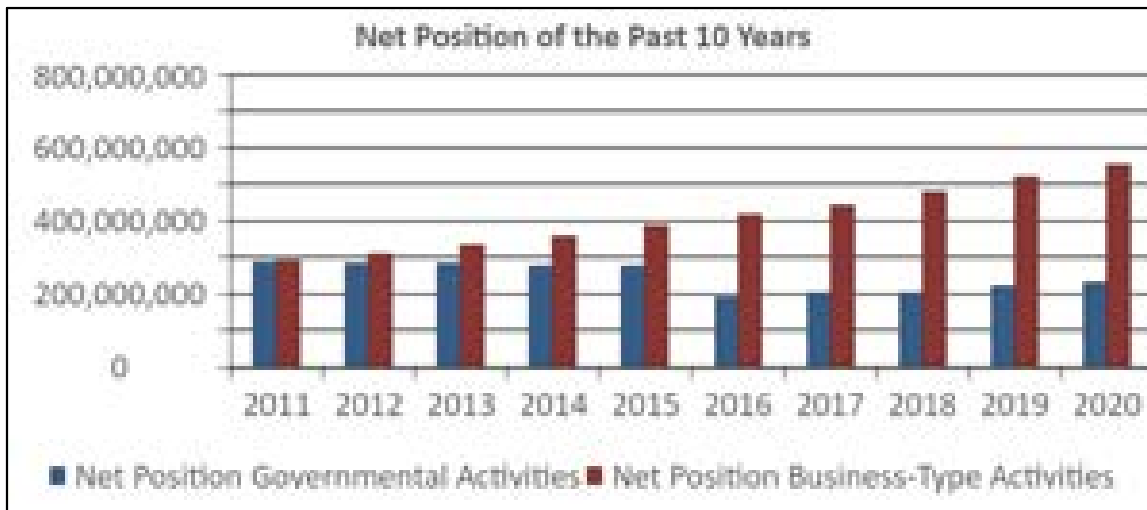
The net investment in capital assets increased from the previous year by \$9.9 million, largely due to new additions, net of related depreciation of \$3.9 million, and the reduction of outstanding long-term debt which was used to acquire the assets of \$7.9 million.

Restricted net position of \$96.8 million decreased by \$7.2 million or 6.9% to comply with the City's debt service requirements while the unrestricted net position increased by \$34.5 million as a result of the current fiscal year's operations.

The following table provides a comparative analysis of the City's net position for the fiscal years ended September 30, 2020 and 2019.

Condensed Statement of Net Position
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 338,754	\$ 315,564	\$ 347,209	\$ 321,329	\$ 685,963	\$ 636,893
Capital assets	373,175	361,866	494,365	493,016	867,540	854,882
Total assets	711,929	677,430	841,574	814,345	1,553,503	1,491,775
Total deferred outflows of resources	44,368	44,128	31,463	27,148	75,831	71,276
Current liabilities	29,516	22,856	22,684	25,409	52,200	48,265
Long-term debt and other non- current liabilities	494,622	447,155	296,057	298,837	790,679	745,992
Total liabilities	524,138	470,011	318,741	324,246	842,879	794,257
Total deferred inflows of resources	3,291	32,218	85	313	3,376	32,531
Net investment in capital assets	164,740	163,944	283,128	273,228	447,868	437,172
Restricted	107,073	58,602	96,811	103,978	203,884	162,580
Unrestricted	(42,945)	(3,217)	174,272	139,728	131,327	136,511
Total net position	\$ 228,868	\$ 219,329	\$ 554,211	\$ 516,934	\$ 783,079	\$ 736,263



The City reported total revenues of \$405.0 million which, in part, represents \$202.8 million in charges for services and \$166.1 million in property and other taxes. Total expenses were \$358.2 million. As shown below, both revenues and expenses increased during the current fiscal year by \$8.9 million and \$15.8 million, respectively. The majority of the increase in revenues is attributed to the increase in charges for services of \$8.0 million, while property and other taxes went up by \$14.5 million. Interest income decreased by \$3.6 million. The overall increase in expenses is primarily attributed to the increased costs of providing quality police and fire protection and the providing various services and assistance to citizens during the pandemic.

Governmental Activities – Change in Net Position

Revenues for the City’s governmental activities of \$254.7 million which includes \$60.4 million in charges for services, as well as, \$172.4 million in property, state shared and local taxes.

For the year, the City’s governmental activities revenues increased \$7.7 million or 3.1%. Charges for services and other revenues, except for capital grants and contributions, increased from the prior year. Capital grants and contributions decreased during the fiscal year by \$8.1 million, compared to the prior fiscal year.

The cost of all governmental activities during the current fiscal year was \$256.5 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 \$110.9 million. This is because \$60.4 million of the cost was paid for by those who directly benefited from the programs as well as other governments and organizations that subsidized certain programs with grants and contributions, providing \$15.5 million. The City paid for the remaining “public benefit” portion of governmental activities with taxes (some of which could only be used for certain programs) and with other revenues such as interest and general entitlements.

Business-Type Activities – Changes

Revenues of the City’s business-type activities of \$150.3 million, includes an increase of \$1.2 million or 0.8% over the prior fiscal year. Charges for services went up by \$5.6 million, while, interest and miscellaneous income decreased by \$3.1 million. Capital contributions decreased by \$1.3 million. Overall revenue increase was mostly derived from a slight increase in rate charges. As a result of the pandemic, market conditions were less favorable than the prior fiscal year and resulted in significantly less gains on investments during the current fiscal year.

The business-type activities reported expenses totaling \$101.7 million and remained fairly consistent with the prior fiscal year.

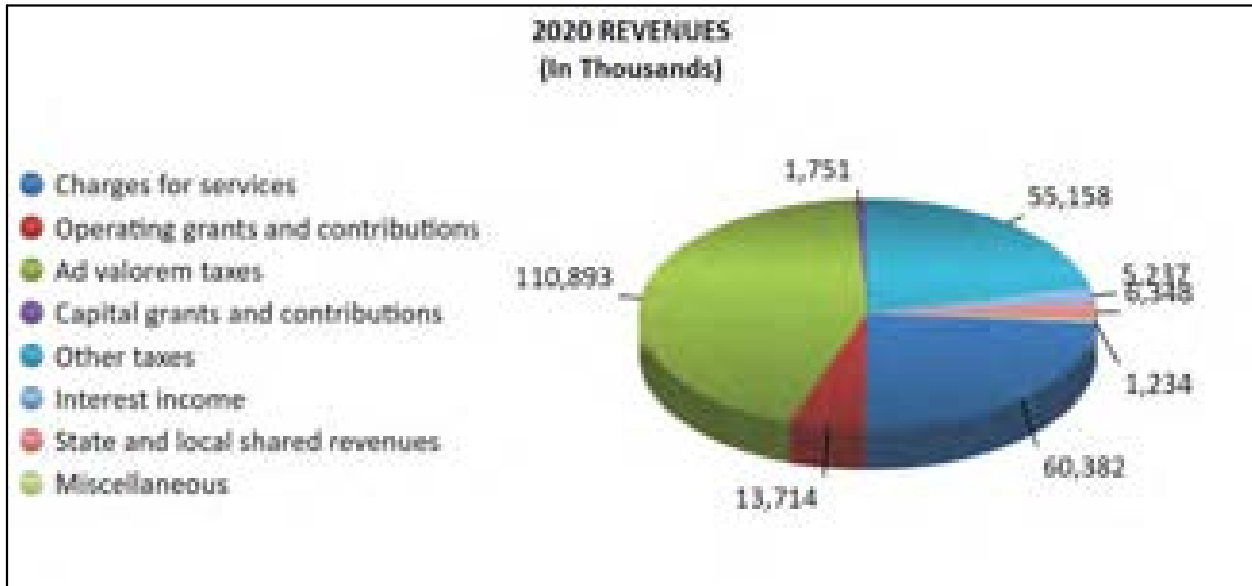
**CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The following table provides a comparative analysis of the City's changes in net position for the fiscal years ended September 30, 2020 and 2019:

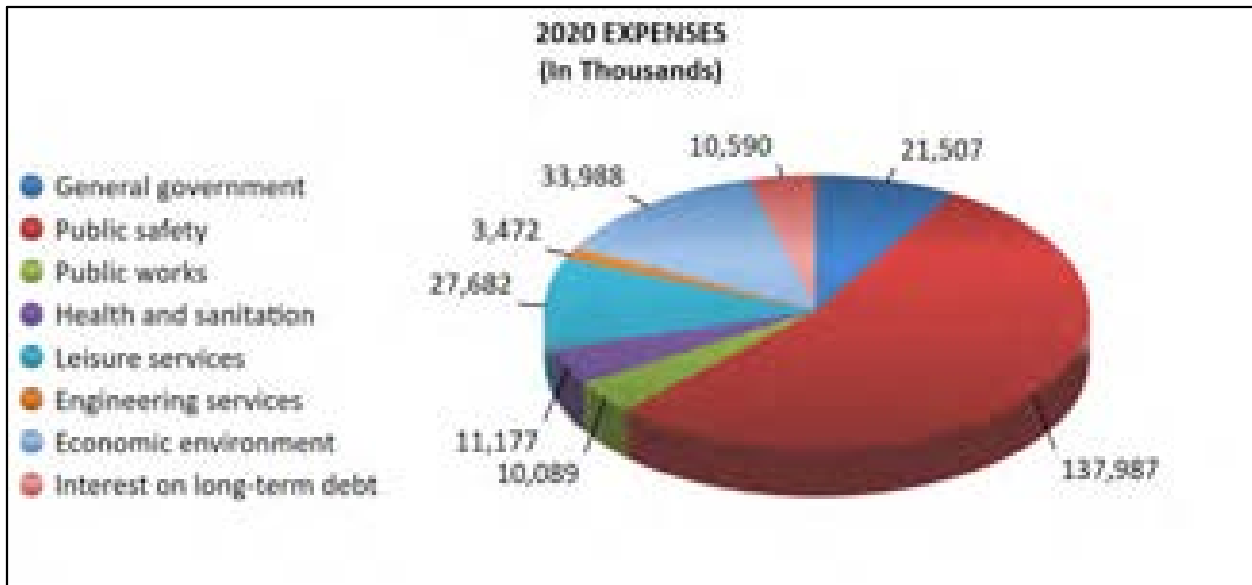
**Combined Schedule of Changes in Net Position
For the Fiscal Years Ended September 30, 2020 and 2019
(in thousands)**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenue:						
Charges for services	\$ 60,382	\$ 57,924	\$ 142,371	\$ 136,815	\$ 202,753	\$ 194,739
Operating grants and contributions	13,714	12,076	-	-	13,714	12,076
Capital grants and contributions	1,751	9,834	1,150	2,433	2,901	12,267
General revenue:						
Ad valorem taxes	110,893	103,450	-	-	110,893	103,450
Other taxes	55,158	48,103	-	-	55,158	48,103
Interest income	5,237	6,768	5,250	7,328	10,487	14,096
State and local shared revenues	6,348	6,969	-	-	6,348	6,969
Miscellaneous	1,234	1,847	1,519	2,536	2,753	4,383
Total revenues	254,717	246,971	150,290	149,112	405,007	396,083
Expenses:						
Governmental activities:						
General government	21,507	19,106	-	-	21,507	19,106
Public safety	137,987	126,637	-	-	137,987	126,637
Public works	10,089	10,934	-	-	10,089	10,934
Engineering services	3,472	3,129	-	-	3,472	3,129
Economic environment	33,988	31,457	-	-	33,988	31,457
Health and sanitation	11,177	11,534	-	-	11,177	11,534
Leisure services	27,682	28,317	-	-	27,682	28,317
Interest on long-term debt	10,590	9,249	-	-	10,590	9,249
Business-Type activities:						
Water and sewer	-	-	85,977	82,729	85,977	82,729
Stormwater utility	-	-	10,845	11,157	10,845	11,157
Parking facilities	-	-	4,876	6,357	4,876	6,357
Golf course	-	-	-	1,763	-	1,763
Total expenses	256,492	240,363	101,698	102,006	358,190	342,369
Increase (decrease) in net position before transfers	(1,775)	6,608	48,592	47,106	46,817	53,714
Transfers	11,314	11,091	(11,314)	(11,091)	-	-
Special item:						
Forgiveness of advance to other fund	-	(401)	-	401	-	-
Increase (decrease) in net position	9,539	17,298	37,278	36,416	46,817	53,714
Net position - beginning of year	219,329	202,031	516,933	480,518	736,262	682,549
Net position - end of year	\$ 228,868	\$ 219,329	\$ 554,211	\$ 516,934	\$ 783,079	\$ 736,263

The following chart shows the revenues by source (in thousands) for the City's governmental activities during fiscal year 2020:



The following chart shows the expenses by function (in thousands) for the City's governmental activities during fiscal year 2020:



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 \$38.3 million; \$18.0 million was committed for the emergency reserve, \$2.2 million was assigned to the fiscal year 2021 budget, and \$3.5 million was nonspendable and the remaining \$14.7 million was unassigned.

General Fund expenditures increased by \$2.2 million primarily due to increased public safety and leisure services expenses. The increases are offset by decreases in capital outlay expenditures by \$2.4 million. During fiscal year 2020, the City responded to public rioting and pandemic related events which created increased spending in the general fund over the prior year. Capital outlay expenditures were funded by debt issued proceeds in other funds rather than general fund revenues resulting to the decrease. The City continues to meet its commitment to provide quality police and fire protection, as well as community programs and activities to meet the needs of its citizens.

As a measure of the General Fund's liquidity, it may be useful to compare the total fund balance to total expenditures. At the end of fiscal year 2020, the total fund balance represented 21.6% of total General Fund expenditures.

Community Redevelopment Agency Funds (CRA): City Center Community Redevelopment Agency Fund (CCCRA) and the Northwood/Pleasant City Community Redevelopment Agency Fund (NPCCRA), major funds, are the operating funds of each redevelopment area of the City's Community Redevelopment Agency (CRA). Fund balances at the end of the fiscal year for the CCCRA and NPCCRA were \$33.0 million and \$4.8 million, respectively. The fund balances for the CCCRA and the NPCCRA were restricted for the operations of the CRA.

Total expenditures and net transfers for the CCCRA increased by \$8.5 million during the current fiscal year for increases in capital spending and community assistance to residents during the pandemic. Total revenues for the CCCRA also increased in the current year by \$4.6 million, mainly due to the increase in the property tax base and corresponding revenues. Expenditures for the NPCCRA declined in the current fiscal year by \$1.9 million as there were no capital outlay charges incurred. Revenues for the NPCCRA were relatively consistent with the prior fiscal year.

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 Parking fund, a non-major enterprise fund is used to account for revenues and expenses related to providing covered garage, metered parking spaces and surface lot parking in the City.

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.

**CITY OF WEST PALM BEACH, FLORIDA
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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 General Fund revenues 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.

The General Fund budget was estimated to generate \$182.6 million in revenues to offset \$202.3 million in expenditures and the use of a portion of the prior year's fund balance, transfers from other funds and proceeds of sale of capital assets.

Total General Fund expenditures of \$192.7 million (including encumbrances of \$2.2 million and \$16.3 million in administrative costs) were higher than the final fiscal year 2020 budget by about \$9.5 million.

All expenditure categories were lower than budgeted, although leisure services – parks and recreation expenditures – had the largest positive variance of \$1.5 million as recreational activities were halted after the pandemic during FY 2020. The pandemic also impacted the many operating activities of the City and the use of budgeted funds were less than anticipated.

Total revenues of the City's Community Redevelopment Agencies (The Community Redevelopment Agency fund and the Northwood/Pleasant City CRA Fund) were more than budgeted by approximately \$0.9 million. Expenditures during 2020 were also less than budgeted \$34.7 million due to the delays incurred in major capital projects ongoing within the CRA communities. Nevertheless, the City continues to promote and provide programs like the relocation assistance to its citizens through the residential rehabilitation projects and the home buying program. At the peak of the pandemic in 2020, the City and the CRA responded to the needs of small business owners by partnering with the Downtown Development Authority to provide \$510,000 in micro loans to cover payroll and other necessary operating expenses so that they would stay open.

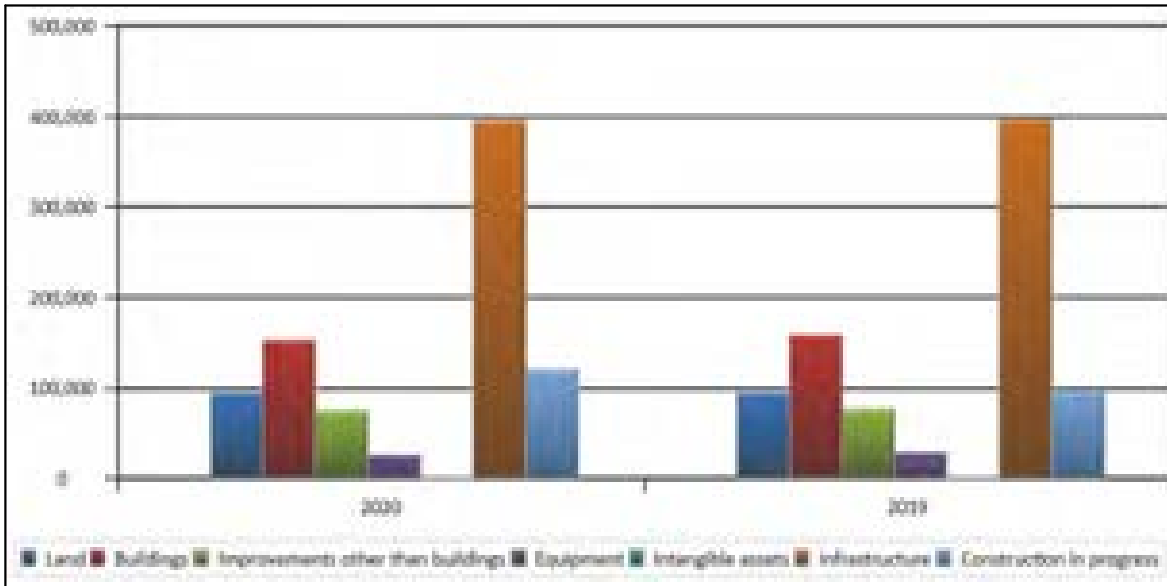
Capital Assets and Debt Administration

Capital Assets: The City's capital assets for its governmental and business-type activities as of September 30, 2020 totaled \$867.5 million, net of accumulated depreciation, (in thousands). The net investment in capital assets was \$447.9 million, an increase of \$10.7 million from the 2019 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 charts compares the City's capital assets from 2019 to 2020, in thousands:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land	\$ 85,096	\$ 85,051	\$ 10,313	\$ 10,313	\$ 95,409	\$ 95,364
Buildings	131,738	136,590	21,107	22,797	152,845	159,387
Improvements other than buildings	75,248	77,217	-	-	75,248	77,217
Equipment	20,209	23,045	6,267	5,098	26,476	28,143
Intangible assets	469	513	-	-	469	513
Infrastructure	83	186	395,823	396,988	395,906	397,174
Construction in progress	60,332	39,265	60,855	57,821	121,187	97,086
Total	\$ 373,175	\$ 361,867	\$ 494,365	\$ 493,017	\$ 867,540	\$ 854,884

The following chart compares the City's capital assets from 2019 to 2020:



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

Governmental Activities:

- Clematis streetscape improvements, \$6.2 million
- Currie Park Improvements, \$1.1 million
- Other Streetscape projects, \$1.8 million

Business-type Activities:

- Subaqueous Crossing at Southern Blvd - Phase I, \$2.7 million
- Windsor Avenue utility improvement, \$2.5 million
- Sodium chloride station rehabilitation, \$2.6 million
- Northwood rail utility improvement, \$1.6 million

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

CITY OF WEST PALM BEACH, FLORIDA
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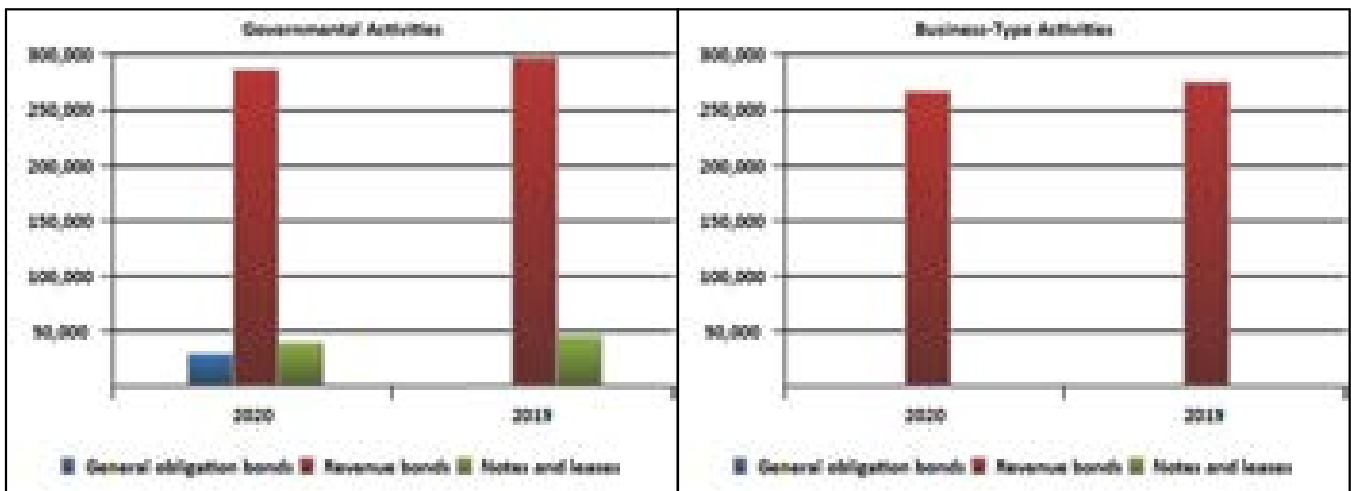
Long-term debt: Of the \$790.7 million in noncurrent liabilities, \$583.9 million is in the form of bonded debt. Of the total bonded debt, \$30.0 million consists of debt backed by the full faith and credit of the government. The remainder of the City's bonded debt represents bonds secured solely by specified revenue sources. \$267.3 million is secured by water, sewer and storm water fees and \$122.4 million is secured by covenants to budget and appropriate from legally available non-ad valorem revenues. The CRA's \$164.2 million of bonded debt is secured by a stand-alone pledge of tax increment revenue.

The City's total of bonds, notes payable and leases rose only marginally during the current fiscal year as repayments largely offset the issuance of the General Obligation Bonds, Series 2020 to fund improvements for various parks and recreation projects.

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.

Schedule of Bonded Debt, Notes and Leases
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
	General obligation bonds	\$ 24,465	\$ 1,525	\$ -	\$ -	\$ 24,465
General obligation bond premiums	5,532	3	-	-	5,532	3
Revenue bonds	258,438	266,106	251,050	257,745	509,488	523,851
Revenue bonds premiums	28,178	31,226	16,216	17,431	44,394	48,657
Total bonds	316,613	298,860	267,266	275,176	583,879	574,036
Notes and leases	39,835	45,909	-	-	39,835	45,909
Total bonds, notes and leases	\$ 356,448	\$ 344,769	\$ 267,266	\$ 275,176	\$ 623,714	\$ 619,945



Economic Factors and Next Year's Budgets and Rates

The City's next year's budget is consistent with maintaining services to its citizens without raising the millage rate. Despite the effects of the pandemic during fiscal year 2020, property values continued an upward trend and resulted in increased tax revenues. The City continues to be an attractive place for large companies to relocate from other places where the tax rate is higher, as well to enjoy the local sunshine year-round. This demand for property for relocated employers and employees has aided the increase in property values. However, the pandemic has affected other areas of the City's operating revenues and created challenges in how services are provided to citizens. The financial planning strategy includes using debt proceeds from the 2020 debt issuance to provide various park improvements and using other remaining unspent debt proceeds to improve road and utility infrastructure around the City. The projected benefits of the capital improvements will be lower repair and maintenance costs, aesthetically improved public areas which will allow the City to take advantage of big data analysis that are congruent with a world class city.

The City considered the following key measures in developing its fiscal year 2021 budget:

- The continued growth in the City's resident population from 115,176 in fiscal year 2019 to 116,781 in fiscal year 2020.
- Overall the housing market continues to show a steady increase, although somewhat slowing from the stronger growth enjoyed over the past few years.
- The unemployment rate increased as a result of the pandemic. At the end of the prior fiscal year, the City enjoyed an unemployment rate of approximately 3.2%, which was considered below the "full employment" unemployment rate and was consistent with the unemployment rate across the State. The rate was further reduced to 2.8% in February 2020, the lowest unemployment rate since 1976. At the start of the pandemic, the unemployment rate spiked to 13.8%, higher than the prior peak rate of 11.3% during the period of the great recession in 2010. At the close of the fiscal year, the unemployment rate had declined significantly to 7.8% but is still substantially higher than the prior fiscal year.
- Tourism, a major component of the City's economy, declined in fiscal year 2020 as a result of the pandemic. The forecast for fiscal year 2021 expects this trend to continue with fewer domestic and international visitors until businesses and attractions around the City can reopen safely and recreation activities can resume.
- The local economy has been heavily affected by the pandemic. Many businesses were closed for long periods and other businesses have had to close permanently. The economic recovery is expected to be slow over the next several years.
- The City's highly competitive business climate with no personal income tax and a relatively low corporate tax rate continues to be attractive to large corporations for relocation, resulting in consistent high demand for property and consequently increased property tax revenues.
- Utility rates are expected to rise as previously approved rate increases for water, wastewater and storm water services are effective October 1, 2020.
- The value of permits issued in the current fiscal year increased \$40.4 million, or 7.9%, over the prior fiscal year, attributed mostly to commercial construction.

**CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
(UNAUDITED)**

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.



Osprey Park
By City of West Palm Beach



Photo by CFay - City of West Palm Beach

BASIC FINANCIAL STATEMENTS

CITY OF WEST PALM BEACH, FLORIDA
BASIC FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 85,226,944	\$ 37,684,910	\$ 122,911,854
Investments	94,063,845	69,652,063	163,715,908
Receivables, net			
Accounts	15,842,236	12,997,964	28,840,200
Interest	502,114	378,789	880,903
Notes	2,863,374	-	2,863,374
Liens and assessments	233,179	1,479,074	1,712,253
Due from other government	4,167,775	401,994	4,569,769
Inventory	537,013	1,022,306	1,559,319
Land held for resale	5,442,306	-	5,442,306
Prepaid items	1,072,820	28,060	1,100,880
Advances to defined benefit pension plan	3,073,102	-	3,073,102
Investment in direct financing leases	2,185,649	-	2,185,649
Restricted assets:			
Cash and cash equivalents	112,633,635	105,068,878	217,702,513
Investments	6,490,942	67,446,144	73,937,086
Interest on restricted cash and investments	4,025	286,912	290,937
Net pension assets	2,054,788	307,040	2,361,828
Net OPEB asset	634,846	94,862	729,708
Investment in joint venture	1,724,827	50,235,122	51,959,949
Bond insurance costs, net	-	125,172	125,172
Capital assets:			
Nondepreciable	145,427,507	71,168,224	216,595,731
Depreciable, net of accumulated depreciation	227,747,102	423,196,560	650,943,662
Total assets	\$ 711,928,029	\$ 841,574,074	\$ 1,553,502,103
DEFERRED OUTFLOWS OF RESOURCES:			
Interest rate swap	\$ -	\$ 25,581,358	\$ 25,581,358
Deferred loss on refunding	679,631	5,673,486	6,353,117
Deferred outflows related to OPEB	1,241,668	185,536	1,427,204
Deferred outflows related to pension	42,446,709	22,633	42,469,342
Total deferred outflows of resources	\$ 44,368,008	\$ 31,463,013	\$ 75,831,021

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, 2020

	Governmental Activities	Business-Type Activities	Total
LIABILITIES:			
Accounts payable and accrued liabilities	\$ 25,447,604	\$ 7,769,716	\$ 33,217,320
Due to other governments	352,572	10,926	363,498
Unearned revenues	2,608,439	-	2,608,439
Deposits payable	965,277	10,441,674	11,406,951
Accrued interest payable	140,461	4,461,100	4,601,561
Due within one year:			
Compensated absences payable	8,882,886	1,585,264	10,468,150
Capital leases payable	4,030,952	-	4,030,952
Notes payable	4,650,580	-	4,650,580
Bonds payable	9,272,528	6,920,000	16,192,528
Insurance claims payable	4,104,033	-	4,104,033
Due in more than one year:			
Unearned revenues	-	348,004	348,004
Compensated absences payable	10,880,221	1,276,573	12,156,794
Capital leases payable	8,986,039	-	8,986,039
Notes payable	22,167,424	-	22,167,424
Bonds payable	307,361,651	260,345,558	567,707,209
Interest rate swap	-	25,581,358	25,581,358
Insurance claims payable	10,261,307	-	10,261,307
Net pension liability	104,024,038	-	104,024,038
Total liabilities	\$ 524,136,012	\$ 318,740,173	\$ 842,876,185
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to pension	\$ 2,719,672	\$ -	\$ 2,719,672
Deferred inflows related to OPEB	571,689	85,425	657,114
Total deferred inflows of resources	\$ 3,291,361	\$ 85,425	\$ 3,376,786
NET POSITION:			
Net investment in capital assets	\$ 164,740,377	\$ 283,127,884	\$ 447,868,261
Restricted:			
Operation and maintenance	-	14,137,614	14,137,614
Debt service	7,291,142	6,920,000	14,211,142
Capital improvements	36,166,678	-	36,166,678
Renewal and replacement	-	65,423,728	65,423,728
Developer impact fund	-	9,805,369	9,805,369
Grants	7,937,147	-	7,937,147
Pension and OPEB	2,689,634	524,646	3,214,280
Community development	41,317,251	-	41,317,251
Building code enforcement	11,671,346	-	11,671,346
Unrestricted	(42,944,911)	174,272,248	131,327,337
Total net position	\$ 228,868,664	\$ 554,211,489	\$ 783,080,153

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, 2020

FUNCTIONS/PROGRAMS:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 21,506,973	\$ 13,124,506	\$ 6,883,206	\$ -
Public safety	137,986,656	15,645,444	3,282,943	-
Public works	10,088,700	-	-	-
Economic environment	33,988,270	13,849,280	3,442,484	1,750,887
Engineering services	3,471,754	616,532	-	-
Health and sanitation	11,177,498	16,080,284	-	-
Leisure services	27,681,527	1,065,501	105,471	-
Interest on long-term debt	10,590,175	-	-	-
Total governmental activities	256,491,553	60,381,547	13,714,104	1,750,887
Business-Type activities:				
Water and sewer	85,975,919	122,129,773	-	1,150,115
Stormwater utility	10,845,454	14,776,119	-	-
Parking facilities	4,875,849	5,464,845	-	-
Total business-type activities	101,697,222	142,370,737	-	1,150,115
Total	\$ 358,188,775	\$ 202,752,284	\$ 13,714,104	\$ 2,901,002

General revenue:

Taxes:

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

Total general revenues and transfers

Change in net position

Net position at beginning of year

Net position at end of year

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

Net Revenue (Expense) and Change in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (1,499,261)	\$ -	\$ (1,499,261)
(119,058,269)	-	(119,058,269)
(10,088,700)	-	(10,088,700)
(14,945,619)	-	(14,945,619)
(2,855,222)	-	(2,855,222)
4,902,786	-	4,902,786
(26,510,555)	-	(26,510,555)
(10,590,175)	-	(10,590,175)
<u>(180,645,015)</u>	<u>-</u>	<u>(180,645,015)</u>
-	37,303,969	37,303,969
-	3,930,665	3,930,665
-	588,996	588,996
<u>-</u>	<u>41,823,630</u>	<u>41,823,630</u>
<u>\$ (180,645,015)</u>	<u>\$ 41,823,630</u>	<u>\$ (138,821,385)</u>

\$ 110,892,844	\$ -	\$ 110,892,844
2,969,535	-	2,969,535
1,577,273	-	1,577,273
3,765,602	-	3,765,602
8,905,174	-	8,905,174
21,623,713	-	21,623,713
8,501,405	-	8,501,405
7,815,015	-	7,815,015
6,347,729	-	6,347,729
5,237,396	5,250,347	10,487,743
1,234,103	1,518,503	2,752,606
11,314,148	(11,314,148)	-
<u>190,183,937</u>	<u>(4,545,298)</u>	<u>185,638,639</u>
9,538,922	37,278,332	46,817,254
<u>219,329,742</u>	<u>516,933,157</u>	<u>736,262,899</u>
<u>\$ 228,868,664</u>	<u>\$ 554,211,489</u>	<u>\$ 783,080,153</u>

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

**CITY OF WEST PALM BEACH, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	General Fund	City Center Community Redevelopment Agency Fund	Northwood / Pleasant City Community Redevelopment Agency Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	\$ 18,745,583	\$ 16,060,266	\$ 2,382,506	\$ 140,871,153	\$ 178,059,508
Investments	20,160,882	17,972,032	2,666,112	41,870,005	82,669,031
Receivables, net					
Accounts	13,392,089	27,553	2,550	1,684,943	15,107,135
Interest	115,397	95,901	14,546	183,809	409,653
Notes	547,418	246,822	-	2,069,134	2,863,374
Liens and assessments	179,542	-	-	53,637	233,179
Due from other funds	1,353,557	-	-	758,595	2,112,152
Due from other governments	1,952,339	601,554	-	1,604,837	4,158,730
Inventory	384,953	-	-	60,967	445,920
Land held for resale	-	-	-	5,442,306	5,442,306
Prepaid expenses	57,043	6,269	-	15,028	78,340
Advances to defined benefit pension plan	3,073,102	-	-	-	3,073,102
Investment in direct financing leases	-	-	-	2,185,649	2,185,649
Total assets	59,961,905	35,010,397	5,065,714	196,800,063	296,838,079
LIABILITIES:					
Accounts payable and accrued liabilities	12,115,736	1,726,507	190,420	8,642,599	22,675,262
Deposits payable	678,652	47,760	25,300	70,570	822,282
Unearned revenue	2,608,439	-	-	-	2,608,439
Due to other governments	23,916	23,235	-	305,421	352,572
Due to other funds	758,595	-	-	1,353,557	2,112,152
Total liabilities	16,185,338	1,797,502	215,720	10,372,147	28,570,707
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	5,443,814	256,681	2,550	1,153,061	6,856,106
FUND BALANCES:					
Nonspendable	3,515,098	6,269	-	75,995	3,597,362
Restricted	-	32,949,945	4,847,444	169,841,534	207,638,923
Committed	17,984,313	-	-	15,357,485	33,341,798
Assigned	2,170,070	-	-	-	2,170,070
Unassigned	14,663,272	-	-	(159)	14,663,113
Total fund balances	38,332,753	32,956,214	4,847,444	185,274,855	261,411,266
Total liabilities, deferred inflows of resources and fund balances	\$ 59,961,905	\$ 35,010,397	\$ 5,065,714	\$ 196,800,063	\$ 296,838,079

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, 2020

TOTAL - GOVERNMENTAL FUNDS		\$ 261,411,266
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		360,903,188
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.		6,856,106
Other assets and deferred outflows of resources used in governmental activities are not current financial resources and are not reported in the governmental funds:		
Net pension assets	2,054,788	
Net OPEB asset resulting from excess contributions to the OPEB Plan	634,846	
Deferred Loss on debt refunding	<u>679,631</u>	3,369,265
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Accrued interest payable	(140,459)	
Compensated absences	(18,978,622)	
Capital leases payable	(13,016,991)	
Notes payable	(22,425,605)	
Bonds payable	(316,612,696)	
Arbitrage payable	(21,483)	
Net pension liability	<u>(104,024,038)</u>	(475,219,894)
Certain deferred inflows/outflows related to pension and OPEB are not reported on the modified accrual basis of accounting:		
Deferred outflows of resources related to pensions	42,446,709	
Deferred outflows of resources related to OPEB	1,241,668	
Deferred inflows of resources related to pensions	(2,719,672)	
Deferred inflows of resources related to OPEB	<u>(571,689)</u>	40,397,016
Net position of internal service funds are reported with governmental activities		<u>31,151,717</u>
Net position of governmental activities		<u><u>\$ 228,868,664</u></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 YEAR ENDED SEPTEMBER 30, 2020

	General Fund	City Center Community Redevelopment Agency Fund	Northwood / Pleasant City Community Redevelopment Agency Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes	116,872,695	23,223,687	2,718,972	1,575,912	144,391,266
Licenses and permits	3,765,602	-	-	10,206,620	13,972,222
Intergovernmental	16,538,967	15,716,450	1,535,868	16,418,375	50,209,660
Charges for services	26,731,903	-	-	9,052,690	35,784,593
Fines and forfeitures	336,913	-	-	6,162	343,075
Rents and royalties	530,559	319,437	-	614,975	1,464,971
Interest income	1,211,041	843,912	128,226	2,289,086	4,472,265
Miscellaneous	693,340	491,624	84,052	502,025	1,771,041
Total revenues	166,681,020	40,595,110	4,467,118	40,665,845	252,409,093
EXPENDITURES:					
Current:					
General government	19,598,090	-	-	661,283	20,259,373
Public safety	105,102,161	-	-	14,504,426	119,606,587
Public works	3,590,076	-	-	5,648,341	9,238,417
Economic environment	-	19,940,512	1,753,230	6,292,477	27,986,219
Engineering services	3,152,194	-	-	401,440	3,553,634
Health and sanitation	10,551,753	-	-	-	10,551,753
Leisure services	23,047,347	-	-	4,269,191	27,316,538
Capital outlay	1,035,634	4,766,814	-	28,441,465	34,243,913
Debt service:					
Principal	5,878,521	3,373,012	988,089	5,066,208	15,305,830
Interest expense	5,290,975	1,748,568	793,417	5,246,695	13,079,655
Other issuance and debt costs	-	-	-	274,564	274,564
Total expenditures	177,246,751	29,828,906	3,534,736	70,806,090	281,416,483
Excess (deficiency) of revenues over (under) expenditures	(10,565,731)	10,766,204	932,382	(30,140,245)	(29,007,390)
OTHER FINANCING SOURCES (USES):					
Issuance of bonds payable	-	-	-	24,465,000	24,465,000
Premium on issuance of bonds payable	-	-	-	5,532,188	5,532,188
Issuance of lease payable	-	-	-	2,185,649	2,185,649
Sale of assets	365,348	-	-	162,929	528,277
Transfers In	13,217,618	75,684	-	19,701,019	32,994,321
Transfers out	(483,416)	(8,541,451)	-	(13,674,567)	(22,699,434)
Total other financing sources (uses)	13,099,550	(8,465,767)	-	38,372,218	43,006,001
Net change in fund balances	2,533,819	2,300,437	932,382	8,231,973	13,998,611
Fund balances - beginning	35,798,934	30,655,777	3,915,062	177,042,882	247,412,655
Fund balances - ending	\$ 38,332,753	\$ 32,956,214	\$ 4,847,444	\$ 185,274,855	\$ 261,411,266

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 YEAR ENDED SEPTEMBER 30, 2020**

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		\$ 13,998,611
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 expenses exceeded capital outlay in the current period		
Capital outlay	34,199,791	
Depreciation expense	<u>(21,749,110)</u>	12,450,681
The net effect of various miscellaneous transactions involving capital assets		
Retirement of capital assets		(210,517)
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	532,047	
Charges for services	<u>363,166</u>	895,213
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of insurance 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	(24,465,000)	
Premium on bonds issuance	(5,532,188)	
Issuance of capital leases	(2,185,649)	
Principal repayment on notes payable	2,603,978	
Principal repayment on capital leases	3,508,840	
Principal repayment on bonds payable	<u>9,193,012</u>	(16,877,007)
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)	(34,216,758)	
Change in net OPEB asset	1,177,502	
Change in deferred inflows/outflows related to pension	30,172,629	
Change in deferred inflows/outflows related to OPEB	(853,313)	
Change in accrued interest payable	9,166	
Change in deferred loss on refunding	(152,802)	
Amortization of bond insurance costs	(2,592)	
Amortization of bond premiums	3,051,377	
Compensated absences	<u>(1,532,439)</u>	(2,347,230)
The internal service funds are used by management to charge the cost of certain activities to individual funds. The net revenue (expense) of certain activities of the internal service funds is reported with governmental activities.		
		<u>1,629,171</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 9,538,922</u>

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, 2020

	Business-Type Enterprise Funds				Governmental
				Non-Major	Activities
	Water and Sewer System Fund	Stormwater Utility Fund	Parking Facilities Fund	Total Proprietary Funds	Internal Service Funds
ASSETS:					
Current unrestricted assets:					
Cash and cash equivalents	\$ 24,241,658	\$ 8,373,957	\$ 5,069,295	\$ 37,684,910	\$ 15,983,169
Investments	52,869,636	11,106,213	5,676,214	69,652,063	17,885,756
Receivables, net:					
Accounts	11,088,892	1,857,321	51,751	12,997,964	735,101
Interest	285,535	63,860	29,394	378,789	96,486
Liens and assessments	1,141,938	337,136	-	1,479,074	-
Due from other governments	330,035	62,326	9,633	401,994	9,045
Inventory	1,022,306	-	-	1,022,306	91,093
Prepaid expenses	28,060	-	-	28,060	994,480
Current restricted assets:					
Cash and cash equivalents	36,373,429	4,876,838	24,454	41,274,721	3,817,902
Total current assets	127,381,489	26,677,651	10,860,741	164,919,881	39,613,032
Non-current assets:					
Restricted cash and cash equivalents	47,918,076	15,876,081	-	63,794,157	-
Restricted Investments	54,622,094	12,824,050	-	67,446,144	-
Interest receivable	247,414	39,498	-	286,912	-
Net pension asset	307,040	-	-	307,040	-
Net OPEB asset	94,862	-	-	94,862	-
Investment in joint venture	50,235,122	-	-	50,235,122	1,724,827
Unamortized bond insurance costs	106,856	18,316	-	125,172	-
Capital assets:					
Non-depreciable	55,496,139	10,719,970	4,952,115	71,168,224	-
Depreciable, net	362,985,605	58,728,232	1,482,723	423,196,560	12,271,421
Total non-current assets	572,013,208	98,206,147	6,434,838	676,654,193	13,996,248
Total assets	699,394,697	124,883,798	17,295,579	841,574,074	53,609,280
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred outflow-interest rate swap	22,306,944	3,274,414	-	25,581,358	-
Deferred outflow-loss on defeased debt	3,889,795	1,783,691	-	5,673,486	-
Deferred outflow-pension	22,633	-	-	22,633	-
Deferred Outflow - OPEB	185,536	-	-	185,536	-
Total deferred outflows of resources	26,404,908	5,058,105	-	31,463,013	-

Continued

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

CITY OF WEST PALM BEACH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Business-Type Enterprise Funds				Governmental
	Non-Major			Total Proprietary	Internal Service
	Water and Sewer System Fund	Stormwater Utility Fund	Parking Facilities Fund		
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued liabilities	2,938,542	208,374	648,467	3,795,383	2,772,344
Due to other governments	-	-	10,926	10,926	-
Compensated absences payable	1,397,705	123,921	63,638	1,585,264	381,118
Notes payable - current	-	-	-	-	1,138,416
Insurance claims payable	-	-	-	-	4,104,033
Current liabilities payable from restricted assets:					
Accounts payable and accrued liabilities	3,551,665	422,668	-	3,974,333	-
Accrued interest payable	3,351,674	1,109,426	-	4,461,100	-
Deposits payable	10,417,220	-	24,454	10,441,674	142,995
Bonds payable - current	5,323,215	1,596,785	-	6,920,000	-
Total current liabilities	26,980,021	3,461,174	747,485	31,188,680	8,538,906
Non-current liabilities:					
Unavailable revenue	298,010	49,994	-	348,004	-
Compensated absences payable	1,038,724	162,918	74,931	1,276,573	403,367
Notes payable - long term	-	-	-	-	3,253,983
Bonds payable - long term, net	201,088,452	59,257,106	-	260,345,558	-
Interest rate swap	22,306,944	3,274,414	-	25,581,358	-
Insurance claims payable - long term	-	-	-	-	10,261,307
Total non-current liabilities	224,732,130	62,744,432	74,931	287,551,493	13,918,657
Total liabilities	251,712,151	66,205,606	822,416	318,740,173	22,457,563
DEFERRED INFLOWS OF RESOURCES:					
Deferred inflows - OPEB	85,425	-	-	85,425	-
Total deferred inflows of resources	85,425	-	-	85,425	-
NET POSITION:					
Net investment in capital assets	245,148,827	31,544,219	6,434,838	283,127,884	7,879,022
Restricted for:					
Operation and maintenance	12,586,775	1,550,839	-	14,137,614	-
Debt service	5,323,215	1,596,785	-	6,920,000	-
Renewal and replacement	59,656,840	5,766,888	-	65,423,728	-
Developer impact fund	9,805,369	-	-	9,805,369	-
Restated employees pension and OPEB	524,646	-	-	524,646	-
Unrestricted	140,956,357	23,277,566	10,038,325	174,272,248	23,272,695
Total net position	\$ 474,002,029	\$ 63,736,297	\$ 16,473,163	\$ 554,211,489	\$ 31,151,717

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



Howard Park
By City of West Palm Beach



CITY OF WEST PALM BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Enterprise Funds				Governmental
	Water and Sewer System Fund	Stormwater Fund	Non-Major		Internal Service Funds
			Parking Facilities Fund	Total Proprietary Funds	
OPERATING REVENUES:					
Charges for services	\$ 112,942,657	\$ 14,776,119	\$ 5,092,641	\$ 132,811,417	\$ 62,555,604
Fines and forfeitures	1,087,489	-	577,389	1,664,878	-
Equity in earnings of joint ventures	8,099,627	-	-	8,099,627	100,000
Miscellaneous and other	935,968	31,568	1,300	968,836	225,983
Total operating revenues	123,065,741	14,807,687	5,671,330	143,544,758	62,881,587
OPERATING EXPENSES:					
Personnel services	24,304,470	2,312,743	1,016,496	27,633,709	8,014,851
Contractual services	12,504,860	1,651,419	1,418,890	15,575,169	15,637,136
Utilities	2,803,135	174,362	240,622	3,218,119	733,833
Repair and maintenance	5,258,820	984,856	821,408	7,065,084	1,019,117
Other supplies and expenses	9,958,266	656,869	616,064	11,231,199	2,025,109
Depreciation	14,602,465	2,652,322	473,460	17,728,247	961,174
Insurance claims and expenses	933,987	115,942	288,909	1,338,838	34,515,047
Wastewater treatment and disposal	7,663,080	-	-	7,663,080	-
Total operating expenses	78,029,083	8,548,513	4,875,849	91,453,445	62,906,267
Operating income (loss)	45,036,658	6,259,174	795,481	52,091,313	(24,680)
NON-OPERATING REVENUE (EXPENSES):					
Interest income	4,168,811	853,971	227,565	5,250,347	766,530
Interest expense	(7,946,836)	(2,296,941)	-	(10,243,777)	(131,941)
Sale of capital assets	138,047	196,485	9,950	344,482	-
Total non-operating revenue (expenses)	(3,639,978)	(1,246,485)	237,515	(4,648,948)	634,589
Income (loss) before contributions and transfers	41,396,680	5,012,689	1,032,996	47,442,365	609,909
CONTRIBUTIONS, TRANSFERS AND OTHER:					
Capital contributions - impact fees	1,150,115	-	-	1,150,115	-
Transfers In	-	-	-	-	1,094,946
Transfers out	(10,730,770)	-	(583,378)	(11,314,148)	(75,684)
Total contributions, transfers and other	(9,580,655)	-	(583,378)	(10,164,033)	1,019,262
Change in net position	31,816,025	5,012,689	449,618	37,278,332	1,629,171
Net position - beginning	442,186,004	58,723,608	16,023,545	516,933,157	29,522,546
Net position - ending	\$ 474,002,029	\$ 63,736,297	\$ 16,473,163	\$ 554,211,489	\$ 31,151,717

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

CITY OF WEST PALM BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental</u>
	Water and Sewer System Fund	Stormwater Utility Fund	Non-Major	Totals	<u>Activities</u>
			Parking Facilities Fund		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 112,571,129	\$ 14,650,689	\$ 5,081,834	\$ 132,303,652	\$ 62,565,898
Cash payments to suppliers/contractors	(39,914,830)	(3,957,593)	(3,146,165)	(47,018,588)	(18,839,763)
Cash payments to employees	(24,163,967)	(2,335,612)	(998,892)	(27,498,471)	(7,915,282)
Other operating receipts	2,546,047	31,568	615,490	3,193,105	225,983
Cash payments for insurance	-	-	-	-	(32,134,641)
Net Cash Provided by Operating Activities	51,038,379	8,389,052	1,552,267	60,979,698	3,902,195
CASH FLOWS FROM NONCAPITAL FINANCING					
ACTIVITIES:					
Transfers in	-	-	-	-	1,094,946
Transfers out	(10,730,770)	-	(583,378)	(11,314,148)	(75,684)
Net Cash Provided by (Used for) Noncapital Financing Activities	(10,730,770)	-	(583,378)	(11,314,148)	1,019,262
CASH FLOWS FROM CAPITAL AND RELATED FINANCING					
ACTIVITIES:					
Acquisition/construction of capital assets	(17,172,166)	(3,231,501)	(1,113,213)	(21,516,880)	(32,145)
Principal paid on bonds	(6,049,178)	(1,861,430)	-	(7,910,608)	-
Principal paid on notes and leases	-	-	-	-	(2,146,547)
Interest and fees paid on long term debt	(7,582,909)	(2,188,784)	-	(9,771,693)	(131,941)
Capital contributions from impact fees	1,150,115	-	-	1,150,115	-
Proceeds from sale of capital assets	193,169	185,505	9,950	388,624	-
Net Cash Used for Capital and Related Financing Activities	(29,460,969)	(7,096,210)	(1,103,263)	(37,660,442)	(2,310,633)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchases and sales of investments, net	16,841,077	7,460,097	920,384	25,221,558	1,069,094
Interest on investments	3,081,531	680,466	165,457	3,927,454	538,467
Net Cash Provided by Investing Activities	19,922,608	8,140,563	1,085,841	29,149,012	1,607,561
Net Increase in Cash and Cash Equivalents	30,769,248	9,433,405	951,467	41,154,120	4,218,385
Cash and Cash Equivalents - Beginning of Year	77,763,915	19,693,471	4,142,282	101,599,668	15,582,686
Cash and Cash Equivalents - End of Year	\$ 108,533,163	\$ 29,126,876	\$ 5,093,749	\$ 142,753,788	\$ 19,801,071
DISPLAYED AS:					
Unrestricted cash and cash equivalents	24,241,658	8,373,957	5,069,295	37,684,910	15,983,169
Restricted cash and cash equivalents	84,291,505	20,752,919	24,454	105,068,878	3,817,902
Total cash and cash equivalents	\$ 108,533,163	\$ 29,126,876	\$ 5,093,749	\$ 142,753,788	\$ 19,801,071

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

CITY OF WEST PALM BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Water and Sewer System Fund</u>	<u>Stormwater Utility Fund</u>	<u>Non-Major Parking Facilities Fund</u>	<u>Totals</u>	<u>Internal Service Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:					
Operating income (loss)	\$ 45,036,658	\$ 6,259,174	\$ 795,481	\$ 52,091,313	\$ (24,680)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities					
Depreciation	14,602,465	2,652,322	473,460	17,728,247	961,174
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(708,330)	(147,233)	(7,196)	(862,759)	(11,074)
(Increase) decrease in (gain) loss in joint ventures	(8,099,627)	-	-	(8,099,627)	(100,000)
(Increase) decrease in liens receivable	96,544	21,803	-	118,347	-
(Increase) decrease in due from other governments	522,590	-	36,801	559,391	-
(Increase) decrease in inventory	(407,061)	-	-	(407,061)	-
(Increase) decrease in prepaid expenses	(721)	-	-	(721)	-
(Increase) decrease in net pension asset	151,977	-	-	151,977	-
(Increase) decrease in OPEB asset	(94,862)	-	-	(94,862)	-
(Increase) decrease in deferred outflow	(4,042)	-	-	(4,042)	-
Increase (decrease) in accounts payable and accrued liabilities	(384,900)	(374,143)	239,728	(519,315)	682,864
Increase (decrease) in due to other governments	-	-	(3,611)	(3,611)	-
Increase (decrease) in compensated absences payable	220,330	(22,871)	17,604	215,063	99,569
Increase (decrease) in net pension liability	(81,087)	-	-	(81,087)	-
Increase (decrease) in deferred inflow	(51,813)	-	-	(51,813)	-
Increase (decrease) in deposits payable	240,258	-	-	240,258	21,368
Increase (decrease) in insurance claims payable	-	-	-	-	2,425,633
Total Adjustments	6,001,721	2,129,878	756,786	8,888,385	4,079,534
Net Cash Provided by Operating Activities	\$ 51,038,379	\$ 8,389,052	\$ 1,552,267	\$ 60,979,698	\$ 4,054,854
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING AND INVESTING ACTIVITIES:					
Change in fair value of investments	\$ 1,123,065	\$ 187,869	\$ 65,635	\$ 1,376,569	\$ 223,543

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

CITY OF WEST PALM BEACH, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - PENSION AND OTHER EMPLOYEE BENEFIT PLANS
SEPTEMBER 30, 2020

ASSETS:

Cash and cash equivalents	\$ 4,137,891
Receivables:	
Plan members	-
Drop loans	1,464,291
Interest and dividends	403,218
Account receivable - sale of Investments	37,765
Other	616,569
Florida state excise rebate	<u>2,969,535</u>
Total receivables	5,491,378
Investments:	
Money market	10,041,317
U.S. government obligations	17,582,550
U.S. government agencies	36,198,771
Corporate obligations	46,002,601
Equity securities	30,094,562
Domestic stocks	161,042,397
Domestic equity investment funds	165,035,686
Domestic fixed income investment funds	33,423,457
Domestic private equity investment funds	17,936,881
Fixed income mutual fund	4,382,365
International equity investment funds	81,462,074
International fixed income investment funds	10,773,703
Real estate investment trust funds	91,193,714
Temporary investments	-
Total investments	705,170,078
Prepaid expenses	<u>1,333,765</u>
Total assets	716,133,112

LIABILITIES:

Accounts payable and accrued expenses	3,074,878
Advanced city contribution	<u>3,073,102</u>
Total liabilities	6,147,980

NET POSITION:

Restricted for:	
Pension benefits	694,991,021
OPEB	14,994,111
Total net position	\$ <u>709,985,132</u>

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 - PENSION AND OTHER EMPLOYEE BENEFIT PLANS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Additions

Contributions:	
Plan members	\$ 7,169,129
Insurance premium taxes collected by the State of Florida on behalf of the City of West Palm Beach	2,969,535
City of West Palm Beach	<u>16,367,396</u>
Total contributions	26,506,060
Investment income:	
Net appreciation in fair value of investments	40,272,331
Interest and dividends	12,401,539
Class action revenue	14,815
Rebates and other revenue	<u>59,408</u>
	52,748,093
Less investment expense	<u>2,140,637</u>
Net investment income	<u>50,607,456</u>
Total additions	77,113,516

Deductions

Participant benefit payments	39,931,858
Refunds of participant contributions	266,584
Administrative Expenses	<u>581,422</u>
Total deductions	40,779,864

Net increase in net position 36,333,652

Net position restricted for pension benefits and OPEB:

Beginning of year	<u>673,651,480</u>
End of year	<u><u>\$ 709,985,132</u></u>

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



Greenwood Greenway Park
By City of West Palm Beach

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

(1) Financial Reporting Entity

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

(2) Blended Component Units

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

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

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

(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.

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.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(3) Pension Trust Funds (Continued)

The Pension Trust Funds and the Other Post-Employment Benefit (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.

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.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(6) Government-wide and fund financial statements (Continued)

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 180 days 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.

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.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 CRA 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, the Northwood/Pleasant City CRA Fund is deemed a major fund and is reported separately due to its high level of public interest.

The City reports the following major proprietary funds:

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

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

In addition, the City reports the following other funds:

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

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

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.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Cash and Cash Equivalents

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

Investments

Primary Government:

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

Pension and Other Post-Employment Benefit (OPEB) Plans:

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

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

Interfund Receivables and Payables

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Receivables

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

Inventories

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

Prepaid Items

Prepaid items represent payments made to vendors for services that will benefit the period beyond September 30, 2020. These services are recorded as expenditures/expenses when consumed.

Restricted Assets

Certain proceeds from fund revenue bonds, as well as other resources set aside in accordance with bond indentures and other arrangements, are classified as restricted assets in the government-wide and proprietary funds Statements of Net Position. Restricted assets are not required to be presented on the balance sheets of the governmental funds under the modified accrual basis of accounting; however, certain assets of these funds are restricted as to use.

Investment in Joint Ventures

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

Capital Assets

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

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

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets (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.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Long-term Obligations (Continued)

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.

Pensions

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

Other Post-Employment Benefits (OPEB)

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

Deferred Outflows/Inflows of Resources

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

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

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deferred Outflows/Inflows of Resources (Continued)

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

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

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

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.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Balance and Net Position (Continued)

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.

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

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

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

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Minimum Fund Balance (Continued)

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

Estimates

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

Budgets and Budgetary Accounting

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

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

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

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

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.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(9) Pronouncement issued and adopted by the City

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, was effective immediately. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or were scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of certain provisions contained in Statements Nos. 83, 84, 88 through 93 and Implementation Guide Nos. 2017-3, 2018-1, 2019-1 and 2019-2 pronouncements are postponed by one year. The effective dates of Statement No. 87, Leases and Implementation Guide No. 2019-3 are postponed by 18 months.

(10) Recently Issued Accounting Pronouncements

GASB Statement No. 84, *Fiduciary Activities*, will be effective for the fiscal year ending September 30, 2021. 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 the fiscal year ending September 30, 2022. 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 City's financial statements.

GASB Statement No. 90, *Majority Equity Interests - An amendment of GASB Statements No. 14 and No. 61*, will be effective for the fiscal year ending September 30, 2021. 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 the 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 cash 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.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(10) Recently Issued Accounting Pronouncements (Continued)

GASB Statement No. 91, *Conduit Debt Obligations*, is effective for the fiscal year ending September 30, 2023. 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 the fiscal year ending September 30, 2022 with the requirements related to GASB Statement No. 87 implementation, reinsurance recoveries 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. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates (IBOR)*, has various effective dates. The removal of LIBOR as an appropriate benchmark interest rate for a hedging derivative instrument is effective for the City's financial statements for the September 30, 2022 fiscal year. All other requirements of the statement are effective for the City's financial statements for the September 30, 2021 fiscal year. This Statement establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The Statement amends Statement No. 40, *Deposit and Investment Risk Disclosures*, paragraph 16; Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, paragraphs 22, 35, 37, 38, 46, 64, 76, and 82; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989*. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, is effective for the fiscal year ending September 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and the availability payment arrangements (APAs). This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(10) Recently Issued Accounting Pronouncements (Continued)

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, is effective for the fiscal year ending September 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The requirements of this Statement are effective as follows:

- The requirements in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately.
- All other requirements of this Statement are effective for reporting for the fiscal year ending September 30, 2022.

The City's OPEB plan is accounted for and reported the under the provisions of GASB Statement Nos. 74 and 75 and does not meet the criteria of GASB Statement No. 97. Management is currently evaluating the impact of the adoption of the relevant portions of this statement on the City's financial statements.

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, 2020, the city was required to maintain a compensating balance of \$37,630,167 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's investment practices are governed by Chapter 280 and 218, Florida Statutes, City Code of Ordinances and the City's adopted investment policy, and various legal covenants related to outstanding bond issues. For all investments authorized by statute and policy, the City applies the "Prudent Man Rule" when developing investment strategies.

NOTE B - DEPOSITS AND INVESTMENTS (CONTINUED)

Authorized Investments and Credit Risk (Continued)

The City has no formal policy relating to foreign currency risk. For the year ended September 30, 2020 the City had no investment exposure to foreign currency. The City's policy regarding derivative instruments specifically states that City Commission approval is required prior to the use of derivatives. For the year ended September 30, 2020, the City had no investment exposure to derivative instruments.

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

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

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

NOTE B - DEPOSITS AND INVESTMENTS (CONTINUED)

Authorized Investments and Credit Risk (Continued)

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 a state pool managed by the State Board Administration (SBA), who provides regulatory oversight. In order to accommodate pool participants with readily available cash, a substantial portion of the portfolio is placed in short-term securities. 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.

Florida PRIME is governed by the rules of Chapter 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of the Florida PRIME. Additionally, the Office of the Auditor General performs the operational audit of the activities and investment of the SBA.

According to the SBA, the pool follows GASB No. 31, *Accounting and Financial Reporting for Certain Investment and for External Investment Pools*, and GASB No. 79, *Certain External Investment Pools and Pool Participants*, where the City owns a share of the respective pool, not the underlying securities. Accordingly, the City's investment in Florida PRIME is stated at amortized cost. (For investment pools valued at amortized cost under GASB No. 79, we must disclose if there are any of the following: any limitations or restrictions on participant withdrawals, such as redemption notice periods, maximum transactions, authority to impose liquidity fees or redemption gates.) There are no limitations or restrictions on participant withdrawals for the SBA investment fund that is recorded at amortized cost.

Florida PRIME is exempt from the GASB No. 72 fair value hierarchy disclosures. Additionally, the investment in the Florida PRIME is not insured by FDIC or any other governmental agency. Investments at September 30, 2020, were in the Florida PRIME with weighted average days to maturity (WAM) of 48 days. The City's investment in the Florida PRIME investment pool is rated AAAM by Standard and Poor's.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (CONTINUED)

Authorized Investments and Credit Risk (Continued)

As of September 30, 2020, the primary government and the OPEB Trust Fund had the following cash and investment types and effective duration presented in terms of years:

<u>Credit and Interest Rate Risk</u>	<u>Rating</u>	<u>% of Portfolio</u>	<u>Duration Years</u>	<u>As of September 30, 2020 (in thousands)</u>		
				<u>Total Portfolio</u>	<u>Cash Equivalents</u>	<u>Investments</u>
Cash deposits	NR	14.5%	0.00	\$ 86,158	\$ 86,158	\$ -
Money market funds	AAAm	21.9%	0.13	129,770	129,770	-
Florida prime	AAAm	12.4%	0.13	73,405	73,405	-
Florida coop. liquid assets securities system	AAAm	1.6%	0.14	9,785	9,785	-
Certificates of deposits	NR	9.0%	2.28	53,273	37,008	16,265
Sovereign government	NR	0.6%	0.54	3,437	-	3,437
United States treasuries	NR	12.6%	1.51	74,649	-	74,649
Federal instrumentalities	NR	18.2%	1.69	108,152	-	108,152
Municipal bonds	AA+	5.0%	2.57	29,387	-	29,387
Corporate notes:						
Bonds	AAA	-%	.11	155	-	155
Bonds	A+	0.1%	.52	697	-	697
Bonds	NR	0.5%	1.18	2,795	-	2,795
Bonds	AA+	0.2%	1.34	1,102	-	1,102
Bonds	AA	0.1%	1.85	420	-	420
Bonds	AA+	0.1%	2.58	517	-	517
Bonds	AA	0.1%	3.51	467	-	467
Commercial paper	AA-	0.9%	0.25	5,591	5,591	-
Exchange traded funds (ETF)	NR	2.2%	0.00	13,470	-	13,470
		<u>100.0%</u>		<u>\$ 593,230</u>	<u>\$ 341,717</u>	<u>\$ 251,513</u>

Reconciliation to Statement of Net Position:

Portfolio value	\$ 593,230
Petty cash	32
Less: OPEB cash and investments	(14,994)
Total cash and investments on Statement of Net Position	<u>\$ 578,268</u>

Amounts from Statement of Net Position:

Unrestricted cash and cash equivalents	\$ 122,912
Unrestricted investments	163,716
Restricted cash and cash equivalents	217,703
Restricted investments	73,937
Total cash and investments on Statement of Net Position	<u>\$ 578,268</u>

NOTE B - DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2020, 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.

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, 2020 investments in the following Federal Instrumentalities exceed 5% of the portfolio:

Investment Vehicle	% of Portfolio	Amount (in thousands)
United States treasuries	12.6%	\$ 74,649
Federal farm credit banks funding corporation	6.2%	37,039
Total	18.8%	\$ 111,688

As of September 30, 2020, the City had the following issuer concentrations in the investment portfolio based on fair value:

Issuer	% of Portfolio	Amount (in thousands)
Treasury obligations fund	21.9%	\$ 129,770
United States treasuries	12.6%	74,649
Florida prime	12.4%	73,405
Federal farm credit banks funding corporation	6.2%	37,039
Other	46.9%	278,367
Total	100.0%	\$ 593,230

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (CONTINUED)

As of September 30, 2020, 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.

As of September 30, 2020, the City had the following investment types portfolio based on fair value:

Investment	Fair Value (in thousands)			Total
	Quoted Prices in		Significant Unobservable Inputs	
	Active Markets For Identical Assets	Significant Other Observable Inputs		
	Level 1	Level 2	Level 3	
Municipal obligation	\$ -	\$ 29,387	\$ -	\$ 29,387
Federal instrumentalities	-	108,152	-	108,152
United States treasuries	-	74,649	-	74,649
Sovereign government	-	3,437	-	3,437
Corporate notes	-	6,153	-	6,153
Commercial paper	-	5,591	-	5,591
Exchange traded funds	13,470	-	-	13,470
Money market funds	129,770	-	-	129,770
Florida coop. liquid assets securities system	9,785	-	-	9,785
Total investments by fair value level	\$ 206,206	\$ 227,369	\$ -	380,394
Florida prime (exempt)				73,405
Certificates of deposits (exempt)				53,181
Cash deposits (exempt)				86,250
Total				\$ 593,230

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (CONTINUED)

As of September 30, 2020, the pension funds had the following cash and investment types:

Investment Type	As of September 30, 2020 (in thousands)		
	Total Portfolio	Cash Equivalents	Investments
Cash deposits	\$ 2,614	\$ 2,614	\$ -
United States government obligations	14,735	-	14,735
United States government agency obligations	39,046	-	39,046
Corporate bonds	46,003	-	46,003
Mutual funds	12,338	-	12,338
Money market funds	6,005	6,005	-
Domestic fixed investment fund	33,402	-	33,402
Domestic stocks	174,905	-	174,905
Domestic equity investment funds	171,056	-	171,056
International fixed income investment funds	12,566	-	12,566
International equity investment funds	85,356	-	85,356
Real estate investment funds	91,194	-	91,194
Temporary investments	4,036	-	4,036
Alternative investments	1,058	-	1,058
Total	<u>\$ 694,314</u>	<u>\$ 8,619</u>	<u>\$ 685,695</u>

The pension plans held the following fixed investments at September 30, 2020:

Investment Type	Firefighters Pension Fund			Police Pension Fund		
	Fair Value (in thousands)	Average Effective Duration (Years)	Overall Credit Rating	Fair Value (in thousands)	Average Effective Duration (Years)	Overall Credit Rating
United States agency obligations	\$ 853	7.8	A-AA	\$ 35,346	7.1	AA
United States government obligations	9,865	6.7	A-AA	4,299	4.9	AA
Corporate bonds	13,620	5.9	A-AA	28,009	4.9	A-AAA
Domestic fixed income investment funds	31,231	N/A	N/A	-	N/A	N/A
International fixed income investment funds	10,774	N/A	A-AA	-	N/A	N/A
Temporary investment funds	4,036	N/A	N/A	-	N/A	N/A
Fixed income mutual funds	-			4,988	N/A	N/A
Total	<u>\$ 70,379</u>			<u>\$ 72,642</u>		

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (CONTINUED)

Restated Employees Defined Benefit System			
Investment Type	Fair Value (in thousands)	Average Effective Duration (Years)	Overall Credit Rating
United States agency obligations	\$ 2,848	5.82	AA+ or unrated*
United States treasuries	571	10.0	Unrated*
Corporate bonds	4,373	10.0	AA - BBB+
Fixed income mutual funds	3,963	8.0	AAA - B - or unrated*
Total	<u>\$ 11,755</u>		

* A portion of the U.S. government securities were unrated.

The following table presents the pension funds fair value hierarchy for investments at fair value as of September 30, 2020:

Investment	Fair Value (in thousands)				Amounts (in thousands) Total
	Prices in Active Markets For Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	Level 3	
	Level 1	Level 2	Level 3		
	Level 1	Level 2	Level 3		
United States government obligations	\$ 571	\$ 14,164	\$ -	\$ -	\$ 14,735
United States government agency obligations	-	39,046	-	-	39,046
Corporate bonds	-	46,003	-	-	46,003
Mutual funds	12,338	-	-	-	12,338
Domestic fixed investment fund	33,402	-	-	-	33,402
Domestic stocks	174,905	-	-	-	174,905
Domestic equity investment funds	171,056	-	-	-	171,056
International fixed income investment funds	12,566	-	-	-	12,566
International equity investment funds	85,356	-	-	-	85,356
Temporary investments	4,036	-	-	-	4,036
Total Investments by Fair Value Level	<u>\$ 494,230</u>	<u>\$ 99,213</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 593,443</u>
Cash Deposits (exempt)					2,614
<u>Investments measured at the net asset value (NAV)**</u>					
Real estate investment funds					91,194
Alternative investments					1,058
Money market mutual funds					6,005
Total					<u>\$ 694,314</u>

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

NOTE B - DEPOSITS AND INVESTMENTS (CONTINUED)

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

The alternative investment vehicle for the Firefighters Pension Plan is held with a broker-dealer registered with the United States Securities and Exchange Commission and serves as the principal underwriter for the private fund.

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.

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	Non-Major Governmental Funds	Internal Service Funds	Total
Receivables:						
Accounts (gross)	\$ 21,561,595	\$ 27,553	\$ 2,550	\$ 1,684,943	\$ 735,101	\$ 24,011,742
Allowance for uncollectibles	(8,169,506)	-	-	-	-	(8,169,506)
Accounts (net)	<u>13,392,089</u>	<u>27,553</u>	<u>2,550</u>	<u>1,684,943</u>	<u>735,101</u>	<u>15,842,236</u>
Interest	115,397	95,901	14,546	183,809	96,486	506,139
Notes (gross)	547,418	246,822	-	16,695,131	-	17,489,371
Allowance for uncollectibles	-	-	-	(14,625,997)	-	(14,625,997)
Notes (net)	<u>547,418</u>	<u>246,822</u>	<u>-</u>	<u>2,069,134</u>	<u>-</u>	<u>2,863,374</u>
Liens (gross)	179,542	-	-	424,880	-	604,422
Allowance for uncollectibles	-	-	-	(371,243)	-	(371,243)
Liens (net)	<u>179,542</u>	<u>-</u>	<u>-</u>	<u>53,637</u>	<u>-</u>	<u>233,179</u>
Total receivables	<u>\$ 14,234,446</u>	<u>\$ 370,276</u>	<u>\$ 17,096</u>	<u>\$ 3,991,523</u>	<u>\$ 831,587</u>	<u>\$ 19,444,928</u>

NOTE C - RECEIVABLES AND UNEARNED REVENUE (CONTINUED)

Significant Uncollectibles

The allowance for accounts receivable in the General Fund includes \$6.7 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 \$0.5 million is included for other miscellaneous billed receivables. The notes receivable of \$16.7 million in the Non-major Governmental Funds is comprised of mortgages containing covenants exempting mortgages from repayment if certain conditions are met. In issuing these notes receivable, the primary emphasis is on community development and repayment is a secondary consideration. Notes receivable deemed uncollectible is estimated at approximately \$14.6 million.

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

	Water and Sewer System Fund	Stormwater Utility Fund	Non-Major Enterprise Funds	Total
Receivables:				
Accounts (gross)	\$ 14,345,174	\$ 4,475,064	\$ 51,751	\$ 18,871,989
Allowance for uncollectibles	<u>(3,256,282)</u>	<u>(2,617,743)</u>	-	<u>(5,874,025)</u>
Accounts (net)	11,088,892	1,857,321	51,751	12,997,964
Interest - Unrestricted	285,535	63,860	29,394	378,789
Liens (gross)	<u>1,141,938</u>	<u>337,136</u>	-	<u>1,479,074</u>
Subtotal, receivables - unrestricted	1,427,473	400,996	29,394	1,857,863
Interest - restricted	247,414	39,498	-	286,912
Total receivables	<u>\$ 12,763,779</u>	<u>\$ 2,297,815</u>	<u>\$ 81,145</u>	<u>\$ 15,142,739</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.

CITY OF WEST PALM BEACH, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020

NOTE C - RECEIVABLES AND UNEARNED REVENUE (CONTINUED)

Unearned/unavailable revenue (Continued)

The components of unearned/unavailable revenues as of September 20, 2020 are as follows:

	General Fund	City Center Community Redevelopment Agency Fund	Northwood / Pleasant City Community Redevelopment Agency Fund	Non-Major Governmental Funds	Total
Revenues earned but not available:					
Liens and mortgages receivable	\$ 547,418	\$ 246,822	\$ -	\$ 1,103,225	\$ 1,897,465
EMS receivables	1,719,035	-	-	-	1,719,035
Other receivables	3,177,361	9,859	2,550	49,836	3,239,606
Total unavailable	<u>5,443,814</u>	<u>256,681</u>	<u>2,550</u>	<u>1,153,061</u>	<u>6,856,106</u>
Unearned revenue:					
Prepaid occupational licenses	2,608,439	-	-	-	2,608,439
Total unearned	<u>2,608,439</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,608,439</u>
Total unearned/unavailable revenue	<u>\$ 8,052,253</u>	<u>\$ 256,681</u>	<u>\$ 2,550</u>	<u>\$ 1,153,061</u>	<u>\$ 9,464,545</u>

NOTE D - RESTRICTED CASH AND INVESTMENTS

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

Purpose	GOVERNMENTAL ACTIVITIES		
	Non-Major Governmental Funds	Internal Service Funds	Totals
	Debt service	\$ 7,801,924	\$ -
Revenue bond and capital improvement accounts	107,504,751	-	107,504,751
Self insurance claims	-	3,817,902	3,817,902
Total restricted assets	<u>\$ 115,306,675</u>	<u>\$ 3,817,902</u>	<u>\$ 119,124,577</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE D - RESTRICTED CASH AND INVESTMENTS (CONTINUED)

Purpose	BUSINESS-TYPE ACTIVITIES			Totals
	Water and Sewer System Fund	Stormwater Utility Fund	Non-Major Enterprise Funds	
Deposits payable	\$ 10,417,220	\$ -	\$ 24,454	\$ 10,441,674
Operations and maintenance restricted by revenue bond covenant	12,586,775	1,550,839	-	14,137,614
Revenue bond construction accounts	33,435,138	23,081,634	-	56,516,772
Revenue bond debt service accounts	8,674,889	2,706,211	-	11,381,100
Revenue bond renewal and replacement accounts	57,849,305	6,041,165	-	63,890,470
Town of Palm Beach renewal and replacement accounts	4,828,587	-	-	4,828,587
Impact fee capital contributions account	9,778,805	-	-	9,778,805
Interest rate swap collateral	1,342,880	197,120	-	1,540,000
Total restricted assets	<u>\$ 138,913,599</u>	<u>\$ 33,576,969</u>	<u>\$ 24,454</u>	<u>\$ 172,515,022</u>

NOTE E - INVESTMENT IN JOINT VENTURES

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

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

The Agreement also provides for the establishment of a Board (the “Board”) comprised of one representative from each Entity participating in the Agreement to administer ECR. Under the Agreement, the Board has the power to enter into contracts, employ personnel and enter into debt in accordance with Section 163.01(7) of the Florida statutes.

In accordance with the Agreement, the City operates and manages ECR on behalf of the Board. All costs of operating ECR, excluding non-cash expenditures, are shared by each of the Entities based on actual flows of wastewater.

Costs associated with capital projects, renewal and replacement and debt service are shared among the participating governments based on their pro-rata share of reserve capacity except as noted below.

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

NOTE E - INVESTMENT IN JOINT VENTURES (CONTINUED)

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 audited financial statements, for September 30, 2020, reported total ECR assets of \$350,672,169 and total net position of \$171,795,838 including a \$121,831,882 net investment in capital assets and \$5,430,631 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, 2020 were:

Participant Percentages	Reserve Capacity
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	8.57 %
Total	<u>100.00 %</u>

During fiscal year 2000, the City entered into an agreement with ECR concerning the construction, operation and maintenance of a reclaimed water production facility. This equipment and structures are known as the Advanced Water Treatment ("AWT") facility. This facility was completed at the end of fiscal year 2006 and treated ECR effluent in order to provide reusable water for the benefit of the City. Since it is constructed on ECR land, the facility is considered ECR property with 100% of its capacity and beneficial interest allocated to the City.

At September 30, 2020, the city's investments in ECR and AWT were reported at a combined net book value of \$50,235,122 in the water and sewer systems proprietary fund.

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

During fiscal year 2020, member costs for the City were \$100,000 and the year-end value of the City's investment was \$1,724,827. The City's investment and related member costs are recorded in the MIS Processing Fund which is an Internal Service Fund.

NOTE F - INVESTMENT IN DIRECT FINANCING LEASES

The City entered into a lease purchase agreement with a third party lender for the acquisition of vehicles within the Fire Department. In accordance with the agreement, the lender advanced the City the funds totaling \$2,185,649 to acquire the vehicles. As September 30, 2020, unspent proceeds from the advance totaled \$2,185,649 and is reported in the Balance sheet – Governmental Funds.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE G - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 85,050,622	\$ 44,975	\$ -	\$ -	\$ 85,095,597
Construction in progress	39,265,074	30,232,885	-	(9,166,049)	60,331,910
Total governmental activities	<u>124,315,696</u>	<u>30,277,860</u>	<u>-</u>	<u>(9,166,049)</u>	<u>145,427,507</u>
Capital assets being depreciated:					
Buildings	204,390,433	301,783	-	-	204,692,216
Improvements other than buildings	222,196,118	66,566	-	9,166,049	231,428,733
Infrastructure	114,223,197	-	-	-	114,223,197
Machinery, furniture, and equipment	64,168,215	3,582,730	(4,006,440)	-	63,744,505
Intangible Assets	2,668,677	-	-	-	2,668,677
Total capital assets being depreciated	<u>607,646,640</u>	<u>3,951,079</u>	<u>(4,006,440)</u>	<u>9,166,049</u>	<u>616,757,328</u>
Total capital assets	<u>731,962,336</u>	<u>34,228,939</u>	<u>(4,006,440)</u>	<u>-</u>	<u>762,184,835</u>
Less accumulated depreciation and amortization:					
Buildings	67,800,752	5,153,799	-	-	72,954,551
Improvements other than buildings	144,979,074	11,201,386	-	-	156,180,460
Infrastructure	114,037,220	102,876	-	-	114,140,096
Machinery, furniture, and equipment	41,123,471	6,207,612	(3,795,923)	-	43,535,160
Intangible Assets	2,155,352	44,607	-	-	2,199,959
Total accumulated depreciation and amortization	<u>370,095,869</u>	<u>22,710,280</u>	<u>(3,795,923)</u>	<u>-</u>	<u>389,010,226</u>
Total capital assets being depreciated, net	<u>237,550,771</u>	<u>(18,759,201)</u>	<u>(210,517)</u>	<u>9,166,049</u>	<u>227,747,102</u>
Governmental Activities					
Capital assets, net	<u>\$ 361,866,467</u>	<u>\$ 11,518,659</u>	<u>\$ (210,517)</u>	<u>\$ -</u>	<u>\$ 373,174,609</u>

CITY OF WEST PALM BEACH, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020

NOTE G - CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Business-type Activities:					
Capital assets not being depreciated:					
Land:					
Water and Sewer Systems Fund	\$ 6,268,750	\$ -	\$ -	\$ -	\$ 6,268,750
Non-major Funds	4,044,086	-	-	-	4,044,086
Total land	<u>10,312,836</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,312,836</u>
Construction in progress:					
Water and Sewer Systems Fund	48,131,597	12,764,316	-	(11,668,524)	49,227,389
Stormwater System Fund	9,689,463	1,925,755	-	(895,248)	10,719,970
Nonmajor Funds	-	908,029	-	-	908,029
Total construction in progress	<u>57,821,060</u>	<u>15,598,100</u>	<u>-</u>	<u>(12,563,772)</u>	<u>60,855,388</u>
Total capital assets not being depreciated	<u>68,133,896</u>	<u>15,598,100</u>	<u>-</u>	<u>(12,563,772)</u>	<u>71,168,224</u>
Capital assets being depreciated:					
Buildings:					
Water and Sewer Systems Fund	89,612,312	-	-	-	89,612,312
Nonmajor Funds	9,302,578	-	-	-	9,302,578
Total buildings	<u>98,914,890</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,914,890</u>
Infrastructure:					
Water and Sewer Systems Fund	476,488,627	93,692	-	11,668,524	488,250,843
Stormwater System Fund	80,234,250	25,496	-	895,248	81,154,994
Non-major Funds	3,828,981	-	-	-	3,828,981
Total infrastructure	<u>560,551,858</u>	<u>119,188</u>	<u>-</u>	<u>12,563,772</u>	<u>573,234,818</u>
Machinery, furniture, and equipment:					
Water and Sewer Systems Fund	16,017,947	2,079,172	(1,693,798)	(54,900)	16,348,421
Stormwater System Fund	4,457,377	1,119,069	(676,005)	54,900	4,955,341
Non-major Funds	2,526,761	205,185	(57,372)	-	2,674,574
Total machinery, furniture, and equipment	<u>23,002,085</u>	<u>3,403,426</u>	<u>(2,427,175)</u>	<u>-</u>	<u>23,978,336</u>
Total capital assets being depreciated	<u>682,468,833</u>	<u>3,522,614</u>	<u>(2,427,175)</u>	<u>12,563,772</u>	<u>696,128,044</u>

CITY OF WEST PALM BEACH, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020

NOTE G - CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Business-type Activities (Continued)					
Less accumulated depreciation and amortization					
Buildings:					
Water and Sewer Systems Fund	66,876,787	1,643,932	-	-	68,520,719
Non-major Funds	9,240,723	46,603	-	-	9,287,326
Total buildings	<u>76,117,510</u>	<u>1,690,535</u>	<u>-</u>	<u>-</u>	<u>77,808,045</u>
Infrastructure:					
Water and Sewer Systems Fund	138,785,385	11,645,623	-	-	150,431,008
Stormwater System Fund	22,071,391	2,049,114	-	-	24,120,505
Non-major Funds	2,707,508	153,226	-	-	2,860,734
Total infrastructure	<u>163,564,284</u>	<u>13,847,963</u>	<u>-</u>	<u>-</u>	<u>177,412,247</u>
Machinery, furniture, and equipment:					
Water and Sewer Systems Fund	12,654,903	1,312,910	(1,649,647)	(43,920)	12,274,246
Stormwater System Fund	3,290,451	603,208	(675,981)	43,920	3,261,598
Non-major Funds	1,959,090	273,631	(57,373)	-	2,175,348
Total machinery, furniture, and equipment	<u>17,904,444</u>	<u>2,189,749</u>	<u>(2,383,001)</u>	<u>-</u>	<u>17,711,192</u>
Total accumulated depreciation and amortization	<u>257,586,238</u>	<u>17,728,247</u>	<u>(2,383,001)</u>	<u>-</u>	<u>272,931,484</u>
Total capital assets being depreciated, net	<u>\$ 424,882,595</u>	<u>\$ (14,205,633)</u>	<u>\$ (44,174)</u>	<u>\$ 12,563,772</u>	<u>\$ 423,196,560</u>
Business-type Activities					
Capital assets, net	<u>\$ 493,016,491</u>	<u>\$ 1,392,467</u>	<u>\$ (44,174)</u>	<u>\$ -</u>	<u>\$ 494,364,784</u>

Depreciation and amortization additions (expense) by program:

Governmental activities:

General government	\$ 786,298
Public safety	13,244,329
Economic environment	5,256,837
Public works	1,554,253
Health and sanitation	620,601
Leisure services	286,792
Sub total	<u>21,749,110</u>

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	961,174
Total depreciation expense - governmental activities	<u>\$ 22,710,284</u>

Business-type activities:

Water and Sewage Disposal System	\$ 14,602,465
Stormwater System Fund	2,652,322
Non-major Funds	473,460
Total depreciation expense - business-type activities	<u>\$ 17,728,247</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE H - LONG-TERM DEBT

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

	Beginning Balances	Additions	Reductions	Ending Balances	Total Current Liabilities	Total Noncurrent Liabilities
Governmental activities:						
Bonds:						
General obligation bonds	\$ 1,525,000	\$ 24,465,000	\$ (1,525,000)	\$ 24,465,000	\$ 790,000	\$ 23,675,000
General obligation premiums	2,589	5,532,188	(2,589)	5,532,188	-	5,532,188
Revenue bonds	266,105,540	-	(7,668,012)	258,437,528	8,482,528	249,955,000
Revenue premiums	31,225,973	-	(3,047,991)	28,177,982	-	28,177,980
Total bonds	298,859,102	29,997,188	(12,243,592)	316,612,698	9,272,528	307,340,168
Notes payable	30,537,187	-	(3,719,183)	26,818,004	4,650,580	22,167,424
Arbitrage rebate payable	22,279	-	(796)	21,483	-	21,483
Capital leases payable	15,371,474	2,185,649	(4,540,132)	13,016,991	4,030,952	8,986,039
Compensated absences payable	18,131,152	9,159,575	(7,527,620)	19,763,107	8,882,886	10,880,221
Insurance claims payable	11,939,707	2,557,497	(131,864)	14,365,340	4,104,033	10,261,307
Net pension liability	71,752,093	32,271,945	-	104,024,038	-	104,024,038
Net OPEB (asset) liability	542,656	542,656	(1,720,158)	(634,846)	-	(634,846)
Total Governmental Activities	\$ 447,155,650	\$ 76,714,510	\$ (29,883,345)	\$ 493,986,815	\$ 30,940,979	\$ 463,045,834

For the governmental activities, compensated absences, pension liabilities and other post-employment benefits are generally liquidated by the General Fund. About 87% has been charged to governmental funds and about 13% to enterprise funds.

Internal service funds predominantly serve the governmental funds. Accordingly, their long-term liabilities totaling \$19.5 million are included as part of the above totals for governmental activities.

Bonds outstanding at September 30, 2020 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 2050. Interest rates on these long-term obligation ranges from 4.00% to 5.00% on general obligation bonds, 1.10% to 5.00% on special obligation bonds and 2.25% to 5.68% on tax increment revenue bonds.

General Obligation Bonds:

The \$14,975,000 General Obligation Refunding Bonds, Series 2005, were issued on July 7, 2005 to advance refund a portion of the 2000 Series General Obligation Bonds. The bonds matured March 1, 2020 and were pledged by the full faith, credit and taxing power of the City. The principal balance at September 30, 2020 the bond was fully repaid.

The \$24,465,000 General Obligation Bonds, Series 2020, were issued on August 27, 2020. The proceeds are to be used to fund various parks and recreation improvement projects. The interest rate on the annual principal amounts payable is fixed at 2.50%. The bonds mature on April 1, 2050 and are pledged by the full faith, credit and taxing power of the City. The principal balance at September 30, 2020 was \$24,465,000.

NOTE H - LONG-TERM DEBT (CONTINUED)

Tax Increment Revenue Bonds:

On June 3, 2005 and December 14, 2005, the City issued \$17,530,000 and \$7,280,000 of Northwood/Pleasant City Community Redevelopment Area (NPCCRA) Subordinate Tax Increment Revenue Bonds, Series 2005A and 2005B, respectively. The proceeds were used to fund the NPCCRA redevelopment project. The Series 2005A was refunded by the Tax Increment Revenue Bond, Series 2015. The interest rate on remaining annual principal amounts payable is fixed at 5.68% and matures on March 1, 2021. The Series 2010 Bond is secured by an irrevocable subordinate lien on Pledged Funds derived by the CRA from (i) CCCRA Tax Increment Revenues and (ii) all moneys securities and instruments held in the accounts and subaccounts created under the Bond Resolution, except the CCCRA Rebate Account. At September 30, 2020 the principal balance was \$655,000.

The \$77,175,000 City Center Community Redevelopment Area (CCCRA) Tax Increment Revenue Bonds, Series 2006A, were issued on November 30, 2006. Interest rates on remaining annual principal amounts payable vary from 4.00% to 5.00%. Proceeds of the bond are used to finance the costs of the CCCRA Redevelopment Project and mature on March 1, 2036. The Bonds will be payable solely from and are secured by Pledged Funds derived by the CRA from: (i) 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. 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. At September 30, 2020 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, 2020 the principal balance was \$1,057,528.

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, 2020 the principal balance was \$18,070,000.

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, 2020 the principal balance was \$35,275,000.

The \$91,285,000 CCCRA Tax Increment Revenue Bonds, Series 2019, were issued July 23, 2019. Proceeds of the bond were used to finance the costs of the CCCRA redevelopment projects and partially refund the outstanding Series 2006A Bonds of \$24,265,000. The interest rate on the annual principal amounts payable is 5.0% and Matures on March 1, 2036.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE H - LONG-TERM DEBT (CONTINUED)

Tax Increment Revenue Bonds: (Continued)

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 Board Resolution, except the CCCRA Rebate Account. At September 30, 2020 the principal balance was \$90,110,000

Special Obligation Revenue Bonds:

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

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

The proceeds of \$35,990,000 Special Obligation Refunding Bonds, Series 2016C, were used to refund all of the City's Special Obligations Bonds (City Hall Project) outstanding immediately prior to issuance of the Series 2016C Bonds. Interest rates on the remaining annual principal amounts payable, vary from 3.00% to 5.00% and matures on October 1, 2036. As of September 30, 2020, the principal balances of the Special Obligation Bonds, Series 2016A, 2016B and 2016C were \$43,480,000, \$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, 2020 are as follows:

Fiscal Years Ending September 30	GOVERNMENTAL ACTIVITIES					
	General Obligation Bonds			Revenue Bonds		
	Principal	Interest	Total Required	Principal	Interest	Total Required
2021	\$ 790,000	\$ 1,123,397	\$ 1,913,397	\$ 8,482,528	\$ 11,502,809	\$ 19,985,337
2022	410,000	994,750	1,404,750	10,360,000	11,035,779	21,395,779
2023	430,000	973,750	1,403,750	10,810,000	10,589,652	21,399,652
2024	450,000	951,750	1,401,750	11,285,000	10,144,205	21,429,205
2025	470,000	928,750	1,398,750	11,775,000	9,612,676	21,387,676
2026 - 2030	2,740,000	4,256,250	6,996,250	67,175,000	39,593,736	106,768,736
2031 - 2035	3,475,000	3,512,650	6,987,650	84,130,000	22,409,210	106,539,210
2036 - 2040	4,250,000	2,728,400	6,978,400	46,325,000	5,918,611	52,243,611
2041 - 2045	5,165,000	1,789,700	6,954,700	8,095,000	-	8,095,000
2046 - 2050	6,285,000	648,500	6,933,500	-	-	-
Total	\$ 24,465,000	\$ 17,907,897	\$ 42,372,897	\$ 258,437,528	\$ 120,806,678	\$ 379,244,206
Current portion	(790,000)			(8,482,528)		
Premium	5,532,188			28,177,982		
Long-term portion	\$ 29,207,188			\$ 278,132,982		

NOTE H - LONG-TERM DEBT (CONTINUED)

Pledged Revenue:

The City has pledged legally available non-ad valorem revenues to pay the Special Obligation Bonds, Series 2016A, 2016B and 2016C. The non-ad valorem revenue used for the bonds consists of utility taxes, franchise taxes, licenses and permits, fines and forfeitures, intergovernmental charges for services and other. For the current year, principal and interest of \$6,861,771 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 \$2,211,689 was paid on these four notes. Non-ad valorem revenues were \$94,122,794.

Tax Increment Revenue Bonds are those secured by a pledge of and first lien on the Pledged Funds derived from the CRA. The City has two types of Tax Increment Revenue Bonds: the Northwood/Pleasant City Community Redevelopment Area (NPCCRA), 2005B and 2015 and the City Center Community Redevelopment Area (CCCRA) Tax increment Revenue Bonds, 2006A, 2010A, 2015 and 2019. Revenue received from the NPCCRA and CCCRA in fiscal year 2020 was \$2,718,972 and \$23,223,687 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 installments 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, 2020, the principal balance of the note was \$750,000.

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, 2020, the principal balance was \$437,472.

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, 2020, the principal balance was \$958,132.

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, 2020, the principal balance was \$4,392,399.

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, 2020 the principal balance was \$230,865. Subsequent fiscal year end, this Note was repaid in and the \$50,000 was forgiven by Palm Beach County, upon the confirmation that the conditions for repayment were met.

During the fiscal year ended September 30, 2018, the existing balances on the lines of credit totaling \$8,323,559 were converted to a note payable and matures on July 1, 2023, bearing interest at a fixed rate of 3.87%. 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, 2020, the principal balance of the converted line of credit was \$4,994,136.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE H - LONG-TERM DEBT (CONTINUED)

Promissory Notes: (Continued)

On September 5, 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, 2020, the principal balance was \$15,055,000

The annual requirements to pay governmental activities principal and interest on the promissory notes outstanding at September 30, 2020 were as follows:

Fiscal Years	Principal	Interest	Total Required
2021	\$ 4,650,580	\$ 579,548	\$ 5,230,128
2022	4,259,659	439,288	4,698,947
2023	4,311,926	325,047	4,636,973
2024	2,072,706	225,386	2,298,092
2025	983,437	194,085	1,177,522
2026 - 2030	5,059,696	689,171	5,748,867
2031 - 2035	5,480,000	204,411	5,684,411
Total	\$ 26,818,004	\$ 2,656,936	\$ 29,474,940
Current portion	(4,650,580)		
Long-term portion	\$ 22,167,424		

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, 2020, value of the asset net of related accumulated depreciation and the principal outstanding balance totaled \$3,493,259 and \$4,112,171 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, 2020, value of the asset net of related accumulated depreciation and the principal outstanding balance totaled \$632,611 and \$580,895, 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, 2020, value of the asset net of related accumulated depreciation totaled \$0 and the lease was fully repaid.

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, 2020, value of the asset, net of related accumulated depreciation and the principal outstanding balance totaled \$0 and \$246,698, 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, 2020, value of the asset, net of related accumulated depreciation and the principal outstanding balance totaled \$1,231,568 and \$550,004, respectively.

NOTE H - LONG-TERM DEBT (CONTINUED)

Capital Leases: (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, 2020, the value of the asset, net of related accumulated depreciation and the principal outstanding balance totaled \$1,657,516 and \$1,721,604, 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, 2020, the value of the asset, net of related accumulated depreciation and the principal outstanding balance totaled \$1,563,416 and \$3,619,970, respectively.

On September 29, 2020, the City entered into a five-year capital lease to acquire three vehicles for the Fire Department. The lease carries an interest rate of 1.09% with annual payments of \$449,931.52 including principal and interest. At September 30, 2020 there was no asset or accumulated depreciation recorded for these assets. At September 30, 2020 the principal outstanding balance totaled \$2,185,649.

The annual requirements to pay governmental activities principal and interest on the capital leases outstanding at September 30, 2020 were as follows:

<u>Fiscal years ending September 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Required</u>
2021	\$ 4,030,952	\$ 224,948	\$ 4,255,900
2022	3,281,697	162,754	3,444,451
2023	2,157,556	107,986	2,265,542
2024	947,449	70,627	1,018,076
2025	964,519	53,557	1,018,076
2026 - 2030	1,634,818	69,487	1,704,305
Total	<u>13,016,991</u>	<u>689,359</u>	<u>13,706,350</u>
Current portion	<u>4,030,952</u>		
	<u>\$ 8,986,039</u>		

CITY OF WEST PALM BEACH, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020

NOTE H - LONG-TERM DEBT (CONTINUED)

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

	Purpose of Issue	Amount Issued	Principal Amount Outstanding	Stated Interest Rate	Maximum Annual Debt Service
GOVERNMENTAL ACTIVITIES:					
Bonds:					
General obligation bonds:					
Series 2020	Parks projects	\$ 24,465,000	\$ 24,465,000	4.00%	\$ 1,913,397
Revenue bonds:					
Series 2005B, NPCCRA	Redevelopment	7,280,000	655,000	5.68%	673,415
Series 2006A, CCCRA	Redevelopment	77,175,000	5,000	4.00 - 5.00%	5,111
Series 2010A, CCCRA	Refunding	9,829,000	1,057,528	5.06%	1,122,615
Series 2015, NPCCRA	Refunding	18,870,000	18,070,000	2.250 - 4.125%	1,654,731
Series 2015, CCCRA	Refunding	44,060,000	35,275,000	3.250 - 4.125%	4,119,150
Series 2016A Special Obligation	Police Pension	50,400,000	43,480,000	1.640 - 3.521%	3,569,421
Series 2016B special obligation	Capital Improvement	33,795,000	33,795,000	5.00%	8,147,000
Series 2016C special obligation	Refunding	35,990,000	35,990,000	3.00 - 5.00%	3,060,850
Series 2019, CCCRA	Refunding	91,285,000	90,110,000	5.00%	11,443,500
Total Revenue Bonds		<u>368,684,000</u>	<u>258,437,528</u>		<u>33,795,793</u>
Total Bonds		<u>393,149,000</u>	<u>282,902,528</u>		<u>35,709,190</u>
Notes Payable:					
Governmental funds:					
Series 2006 note	City Hall Land	4,066,000	437,472	5.06%	464,393
Promissory note	Convention Center	5,000,000	980,865	0.00%	250,000
Series 2014 Revenue Note	Vehicles	2,375,000	958,132	2.28%	270,892
Line of credit rollover loan	Fire Stations	8,323,559	4,994,136	3.87%	1,844,742
Promissory note	Brownfield Note	350,000	-	3.00%	40,556
Special obligation note 2019	Capital Improvement and Vehicles	15,055,000	15,055,000	1.83%	1,141,282
Total governmental funds notes		<u>35,169,559</u>	<u>22,425,605</u>		<u>4,011,865</u>
Internal Service Funds					
Series 2014 Revenue Note	Communications	10,000,000	4,392,399	2.06%	1,220,318
Total Promissory Notes		<u>45,169,559</u>	<u>26,818,004</u>		<u>5,232,183</u>
Total bonds and notes for governmental activities		<u>\$ 438,318,559</u>	<u>\$ 309,720,532</u>		<u>\$ 40,941,373</u>

CITY OF WEST PALM BEACH, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020

NOTE H - LONG-TERM DEBT (CONTINUED)

The City had the following pledged debt as of September 30, 2020 in its governmental activities:

Description of Issue	Purpose	Pledged Revenue	Revenue Received in FY 2020 (1)	Principal and Interest Paid in FY 2020	Debt Service as a Percentage of Revenues Pledged	Outstanding Principal and Interest (1)	Pledged Through
Special Obligation Bonds 2016A, B and C	A - to fund Police Pension B - to finance new capital projects C - to refund 2006 Special Obligation Bonds	Non-Ad Valorem Tax Revenue (3)	\$94,122,794	\$ 6,867,141	7.3%	\$ 171,355,104	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	2,718,972	1,740,755	64.0%	24,781,487	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	\$23,223,687	\$11,292,705	48.6%	\$ 183,077,614	Fiscal years 2021 through 2036

(1) FY 2020 Revenue

Utility service tax	\$ 21,623,713
Franchise taxes	8,905,174
Charges for services	26,731,903
Intergovernmental	16,538,967
Licenses and permits	3,765,602
Fines and forfeitures	336,913
Interest income	1,211,041
Insurance premium taxes	2,969,535
Rents and royalties	530,559
Payment in lieu of taxes	10,816,047
Miscellaneous	693,340
Total non-ad valorem revenue	<u>\$ 94,122,794</u>

CITY OF WEST PALM BEACH, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020

NOTE H - LONG-TERM DEBT (CONTINUED)

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

	Beginning Balances	Additions	Reductions	Ending Balances	Total Current Liabilities	Total Noncurrent Liabilities
Business-Type activities:						
Water and Sewer Systems Fund						
Revenue bonds	\$ 200,237,991	\$ -	\$ (5,169,950)	\$ 195,068,041	\$ 5,323,215	\$ 189,744,826
Revenue premiums	12,222,854	-	(879,228)	11,343,626	-	11,343,626
Net bonds payable	212,460,845	-	(6,049,178)	206,411,667	5,323,215	201,088,452
Compensated absences payable	2,216,099	1,403,611	(1,183,281)	2,436,429	1,397,705	1,038,724
Net OPEB liability (asset)	81,087	-	173,987	(92,900)	-	(92,900)
Fund totals	<u>\$ 214,758,031</u>	<u>\$ 1,403,611</u>	<u>\$ (7,406,446)</u>	<u>\$ 208,755,196</u>	<u>\$ 6,720,920</u>	<u>\$ 202,034,276</u>
Stormwater System Fund						
Revenue bonds	\$ 57,507,009	\$ -	\$ (1,525,050)	\$ 55,981,959	\$ 1,596,785	\$ 54,385,174
Revenue premiums	5,208,312	-	(336,380)	4,871,932	-	4,871,932
Net bonds payable	62,715,321	-	(1,861,430)	60,853,891	1,596,785	59,257,106
Compensated absences payable	309,710	109,400	(132,271)	286,839	123,921	162,918
Fund totals	<u>\$ 63,025,031</u>	<u>\$ 109,400</u>	<u>\$ (1,993,701)</u>	<u>\$ 61,140,730</u>	<u>\$ 1,720,706</u>	<u>\$ 59,420,024</u>
Non-major Business-Type Funds						
Compensated absences payable	\$ 120,963	\$ 63,749	\$ (46,143)	\$ 138,569	\$ 63,638	\$ 74,931
Fund totals	<u>120,963</u>	<u>63,749</u>	<u>(46,143)</u>	<u>138,569</u>	<u>63,638</u>	<u>74,931</u>
Total Business-Type Activities	<u><u>\$ 277,904,025</u></u>	<u><u>\$ 1,576,760</u></u>	<u><u>\$ (9,446,290)</u></u>	<u><u>\$ 270,034,495</u></u>	<u><u>\$ 8,505,264</u></u>	<u><u>\$ 261,529,231</u></u>

The City has pledged future utility 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 \$358,228,961. Principal and interest paid for the current year and total customer net revenues were \$17,236,545 and \$66,641,471, respectively.

Revenue Bonds

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 4.25 % and the bond matures October 1, 2020. As of September 30, 2020, the principal balance of \$1,045,000 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.

NOTE H - LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued)

The 2017C Utility bonds partially refunded the 2008C series. As of September 30, 2020, the principal balance of \$58,145,000 remains.

On February 24, 2010, the City issued \$15,140,000 Utility System Revenue Refunding Bonds, Series 2010, to extinguish all outstanding Series 1998 Utility System Revenue Refunding Bonds. Interest rates on the remaining annual principal amounts payable vary between 3.25 and 4.25 %. The bonds mature October 1, 2027. As of September 30, 2020, the principal balance of \$12,035,000 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, 2020, the principal balance of \$6,915,000 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, 2020, the principal balance of \$39,215,000 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, 2020, 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 1.49 and 3.39% and the bonds mature October 1, 2029. As of September 30, 2020, the principal balance of \$37,840,000 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, 2020, the principal balance of \$35,100,000 remains.

CITY OF WEST PALM BEACH, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020

NOTE H - LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued)

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

Fiscal Years Ending September 30	BUSINESS-TYPE ACTIVITIES					
	Water and Sewer System Bonds			Stormwater Utility Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 5,323,215	\$ 6,084,953	\$ 11,408,168	\$ 1,596,785	\$ 2,130,609	\$ 3,727,394
2022	5,450,840	5,948,554	11,399,394	1,689,160	2,072,976	3,762,136
2023	5,201,930	5,755,911	10,957,841	1,693,070	2,005,527	3,698,597
2024	5,420,370	5,547,548	10,967,918	1,769,630	1,924,963	3,694,593
2025	6,255,640	5,333,449	11,589,089	1,469,360	1,862,477	3,331,837
2026 - 2030	34,371,820	22,806,397	57,178,217	9,038,180	8,313,427	17,351,607
2031 - 2035	44,863,320	14,141,416	59,004,736	9,816,680	6,357,754	16,174,434
2036 - 2040	58,185,191	9,311,143	67,496,334	12,244,809	5,172,857	17,417,666
2041 - 2045	29,995,715	1,548,643	31,544,358	16,664,285	860,357	17,524,642
Total	\$ 195,068,041	\$ 76,478,014	\$ 271,546,055	\$ 55,981,959	\$ 30,700,947	\$ 86,682,906
Current portion	(5,323,215)			(1,596,785)		
Premium	11,343,626			4,871,932		
Long-term portion	\$ 201,088,452			\$ 59,257,106		

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

	Purpose of Issue	Amount Issued	Principal Amount Outstanding	Stated Interest Rate	Maximum Annual Debt Service
BUSINESS-TYPE ACTIVITIES:					
Utility system revenue bonds:					
Series 2008B	Water/Sewer	\$ 12,372,390	\$ 959,310	4.125 - 4.250%	\$ 959,310
Series 2008C	Water/Sewer	83,591,640	50,702,440	See swap information	13,422,047
Series 20017A	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	12,035,000	3.75 - 4.50%	2,781,488
Series 2011A	Water/Sewer	15,264,000	5,497,425	5.00%	1,487,048
Series 2012A	Water/Sewer	22,935,000	22,835,000	2.00 - 5.00%	4,989,658
Series 2017B	Water/Sewer	36,122,310	33,374,880	1.639 - 3.391%	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	11,343,626		-
Total Water and Sewer Systems Fund		<u>271,898,719</u>	<u>206,411,667</u>		<u>44,903,694</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE H - LONG-TERM DEBT (CONTINUED)

	Purpose of Issue	Amount Issued	Principal Amount Outstanding	Stated Interest Rate	Maximum Annual Debt Service
Utility system revenue bonds:					
Series 2008B	Storm Water	2,462,610	85,690	4.125 - 4.250%	85,690
Series 2008C	Storm Water	16,398,360	7,442,560	See swap information	1,970,209
Series 20017A	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	1,417,575	5.00%	383,453
Series 2012A	Storm Water	20,105,000	16,380,000	2.00 - 5.00%	1,465,073
Series 2017B	Storm Water	4,832,690	4,465,120	1.639 - 3.391%	765,789
Series 2017C	Storm Water	4,492,800	4,492,800	3.00 - 5.00%	730,912
Premium	Storm Water	6,922,964	4,871,932		-
Total Storm Water Fund		<u>80,848,638</u>	<u>60,853,891</u>		<u>11,268,269</u>
Total Business-Type Activities		<u>\$ 352,747,357</u>	<u>\$ 267,265,558</u>		<u>\$ 56,171,963</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.

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, 2020 the total hedged and unhedged swap liability outstanding was \$56,335,000 and \$1,475,000, respectively.

In April 2020 the counterparty issued two margin calls totaling \$3,210,000 as the City's swap valuation fell below the maintenance margin threshold. In September 2020 \$1,670,000 was refunded to the City as the swap valuation improved. The balance of swap collateral with the counterparty at September 30, 2020 is \$1,540,000.

NOTE I - INTEREST RATE SWAP (CONTINUED)

As of September 30, 2020, bond and swap rates were as follows:

Interest Rate Swap:	Terms	Rates
Fixed payment to counterparty	Fixed	3.539 %
Variable payment from founterparty (1)	72% of Monthly LIBOR rate	<u>(0.110)%</u>
Net interest rate swap payments		3.429 %
variable rate bond coupon payments (2)	7 Day Market Rate	<u>0.150 %</u>
Synthetic interest rate on bonds		<u>3.579 %</u>

(1) 0.110% rate based on the rate received from the swap counterparty for the period ending October 7, 2020

(2) 0.150% rate based on the rate paid to the corporate trustee for the week ending October 6, 2020

Fair Value:

As of September 30, 2020, the swap had a negative fair value of \$25,581,358. The swap's negative fair value is due to the interest rate of the counterparty (at September 30, 2020) 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:

Cash Flow Hedge	Classification	Amount	Classification	Amount	Change in Fair Value
	Deferred Outflow	\$ 25,581,358	Liability	\$ (25,581,358)	\$ (4,996,341)

(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 FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE I - INTEREST RATE SWAP (CONTINUED)

Debt service requirements

The following table, which estimates debt service requirements of the variable rate bond and the swap payments, assumes that LIBOR rates will remain at .097% on September 30, 2020 through 2021, rise to 2% in 2022 and then remain constant at 2.5% for the duration of those instruments.

Fiscal Years Ending September 30	Variable Rate Bonds - Hedged				Interest Rate Swap	
	Notional Value	Interest (1)	Liquidity Fees (2)	Remarketing Fees (3)	Net Amount (4)	Total
2021	\$ 56,335,000	\$ 39,344	\$ 281,675	\$ 70,419	\$ 1,931,727	\$ 2,323,165
2022	56,335,000	811,224	281,675	70,419	1,931,727	3,095,045
2023	56,335,000	1,014,030	281,675	70,419	1,931,727	3,297,851
2024	56,335,000	1,014,030	281,675	70,419	1,931,727	3,297,851
2025	56,335,000	1,014,030	281,675	70,419	1,931,727	3,297,851
2026 - 2030	56,335,000	5,070,150	1,408,375	352,094	9,658,636	16,489,255
2031 - 2035	56,335,000	5,070,150	1,408,375	352,094	9,658,636	16,489,255
2036 - 2038	14,950,000	1,572,480	436,800	109,200	2,995,845	5,114,325
Total		<u>\$ 15,605,438</u>	<u>\$ 4,661,925</u>	<u>\$ 1,165,483</u>	<u>\$ 31,971,752</u>	<u>\$ 53,404,598</u>

Fiscal Years Ending September 30	Variable Rate Bonds - Unhedged		
	Principal	Interest (1)	Total
2021	\$ 335,000	\$ 2,715	\$ 363,960
2022	1,475,000	2,713	1,486,800
Total	<u>\$ 1,810,000</u>	<u>\$ 5,428</u>	<u>\$ 1,850,760</u>

- (1) Interest rates over the period are calculated .150% which was the rate in effect at September 30, 2020.
- (2) Liquidity fees are 48 basis points or 0.48% of the outstanding bond principal amount and provide for a ready buyer in the event that no other bond buyers can be found when these bonds are remarketed weekly.
- (3) The remarketing fees are 12.5 basis points or 0.125% of the outstanding bond principal amount.
- (4) Computed: (3.539% - .10969%) multiplied by the notional amount outstanding (see Interest Rate Swap Rate Table).

NOTE I - INTEREST RATE SWAP (CONTINUED)

Debt service requirements (Continued)

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

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, 2020, 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.

NOTE I - INTEREST RATE SWAP (CONTINUED)

Debt service requirements (Continued)

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

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

NOTE J - INTERFUND RECEIVABLES AND PAYABLES

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These amounts also include balances of working capital loans made to several nonmajor governmental funds, which the general fund expects to collect in the subsequent year. These composition of interfund balances as of September 30, 2020 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 1,353,557
Non-Major Governmental Funds	General Fund	758,595
Totals		<u>\$ 2,112,152</u>

NOTE K - INTERFUND TRANSFERS

Transfers-out from the General Fund to Non-Major Governmental Funds funded debt service obligations, capital improvements, technology replacement, and grant matching requirements. Transfers-out from the City Center Community Redevelopment Agency Fund to the General Fund and Non-Major Governmental Funds funded debt service obligations and recreational activity for community engagement. Other transfers between the Non-Major Governmental Funds funded capital improvement and debt service obligations. Transfers-out from the Water and Sewer Systems Fund and the non-major enterprise fund to the General Fund represented Payments-In-Lieu-Of-Taxes (i.e., “PILOT”). The following is a summary of interfund transfer activity:

	<u>Transfer-In Funds:</u>				Total
	General Fund	City Center Community Redevelopment Agency Fund	Non-Major Governmental Funds	Internal Service Funds	
Transfer-Out Funds:					
General	\$ -	\$ -	\$ 118,434	\$ 364,982	\$ 483,416
City Center Community Redevelopment Agency	310,000	-	8,231,451	-	8,541,451
Non-major governmental	1,958,451	-	11,351,134	364,982	13,674,567
Non-major enterprise	583,378	-	-	-	583,378
Water and Sewer System	10,365,789	-	-	364,982	10,730,771
Internal Service	-	75,684	-	-	75,684
Total Transfers	<u>\$ 13,217,618</u>	<u>\$ 75,684</u>	<u>\$ 19,701,019</u>	<u>\$ 1,094,946</u>	<u>\$ 34,089,267</u>

NOTE L - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget

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

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

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

During the fiscal year ended September 30, 2020, 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

During the fiscal year ended September 30, 2020, the City issued the Series 2020 General Obligation Bond to provide funding for the capital improvement of various parks throughout the City. Actual proceeds and premium received and the costs related to the issuance totaling \$24,465,000, \$5,532,188 and \$274,564, respectively, were not budgeted and created a budgetary violation. Due to the timing of the completion of the bond issuance, close to the end of the fiscal year, the funds totaling \$29,997,188 were budgeted for the respective capital improvement projects in the subsequent year's budget.

At September 30, 2020, the Community Development Fund, a non-major special revenue fund had a deficit fund balance of \$159 resulting from the increase in the allowance for doubtful accounts receivable. This deficit will be eliminated as resources are obtained (e.g., from revenues and transfers) in the subsequent fiscal year.

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.

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.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE M - RISK MANAGEMENT (CONTINUED)

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 \$327,000,000 (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, 2020. The discount rate used in calculating the Self Insurance Fund's liability is 3%. No discounting was done in calculating the Employee Benefits Fund's liability. No non-incremental claims adjustments have been made.

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

	Fiscal Year 2020	Fiscal Year 2019
Unpaid claims as of October 1	\$ 10,717,744	\$ 11,567,305
Incurred claims (including claims incurred but not reported as of September 30):		
Provision for current year events where the City has retained risk of loss	6,037,795	3,775,934
Increases in provision for prior years' events where the City has retained risk of loss	<u>1,686,756</u>	<u>1,758,015</u>
Total incurred claims	<u>7,724,551</u>	<u>5,533,949</u>
Payments:		
Claims attributable to current year events where the City has retained risk of loss	1,622,515	1,087,927
Claims attributable to prior years' events where the City has retained risk of loss	<u>3,554,516</u>	<u>5,295,583</u>
Total payments	<u>5,177,031</u>	<u>6,383,510</u>
Unpaid claims as of September 30	<u>\$ 13,155,264</u>	<u>\$ 10,717,744</u>
Reconciliation to Internal Service Funds Statement of Net Position:		
Insurance claims payable, current portion	2,893,957	2,676,585
Insurance claims payable, long term portion	<u>10,261,307</u>	<u>8,041,159</u>
	<u>\$ 13,155,264</u>	<u>\$ 10,717,744</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE M - RISK MANAGEMENT (CONTINUED)

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

	Fiscal Year 2020	Fiscal Year 2019
Unpaid claims as of October 1	<u>\$ 1,221,963</u>	<u>\$ 1,103,300</u>
Incurred claims (including claim incurred but not reported as of September 30):		
Provision for current year events where the City has retained risk of loss	67,095,290	47,873,404
Decreases in provision for prior years' events where the City has retained risk of loss	<u>(47,885,291)</u>	<u>(40,567,984)</u>
Total incurred claims	<u>19,209,999</u>	<u>7,305,420</u>
Payments:		
Claims attributable to current year events where the City has retained risk of loss	18,188,943	6,009,247
Claims attributable to prior years' events where the City has retained risk of loss	<u>1,032,943</u>	<u>1,174,510</u>
Total payments	<u>19,221,886</u>	<u>7,183,757</u>
Unpaid claims as of September 30	<u>\$ 1,210,076</u>	<u>\$ 1,221,963</u>
Reconciliation to Internal Service Funds Statement of Net Position		
Insurance claims payable, current portion	1,210,076	1,221,963
Insurance claims payable, long term portion	-	-
	<u>\$ 1,210,076</u>	<u>\$ 1,221,963</u>

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 activities:

2016 Capital Bond Fund	\$ 4,511,331
2019 Capital Bond Fund	6,071,744
All Other Governmental Funds	<u>34,860,690</u>
	<u>\$ 45,443,765</u>

Business-Type activities:

Water and Sewer System Fund	\$ 17,119,976
Stormwater Fund	<u>1,818,826</u>
	<u>\$ 18,938,802</u>

NOTE N - COMMITMENTS AND CONTINGENCIES (CONTINUED)

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 \$2,000,000 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, 2020, neither the City nor the CRA has an outstanding liability to the CDD.

Leased Property

On March 30, 2018, the City and the CCCRA entered into a ground lease and development agreement (the "Agreement") with a developer to lease property. In accordance with the Agreement, the lessee will construct and develop commercial and residential buildings for the benefit of the public. The initial term of the lease is 50 years with an option to renew for an additional 25 years. No rent is payable by the buyer within the initial term. If the buyer elects to exercise the renewal option, the annual rent shall be the fair rental value of the leased property at renewal. Upon expiration of the lease, the ownership of improvements to the leased property will automatically revert to the City or the CCCRA.

On September 22, 2020, the NPCCRA entered into a property development and lease agreement (the "Development and Lease Agreement") with a third party to lease property for development and to remedy blight in the Northwood/Pleasant City Community Redevelopment District. In accordance with the Development and Lease Agreement, the lessee will construct and develop commercial and residential buildings in accordance with a specific plan to be approved by the CRA Board. The term of the lease is 50 years, with an option to purchase the property after 10 years, following the issuance of the final Certificate of Occupancy for the project. Annual base rent of \$174,000 is due in twelve monthly installments after the final Certificate of Occupancy is issued. The base rent is subject to annual increases based on the National Consumer Price Index (CPI Index). On the 25th anniversary of the Development and Lease Agreement, the annual base rent will be recalculated without the CPI Index by multiplying the appraised value by the 20-year United States Treasury Note Interest Rate, or its equivalent at such time.

The NPCCRA shall not sell the property to a third party other than the developer or an affiliate of the developer for a period of 10 years, following the issuance of the final Certificate of Occupancy for the project. Should the developer elect to exercise the option to purchase the property, the purchase price shall be \$4,350,000.

NOTE N - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Leased Property (Continued)

During the construction phase of the project, the NPCCRA commits to reimburse the developer for building permit fees and other related charges, not to exceed \$1,000,000. Upon expiration of the lease, the ownership of improvements to the leased property will remain with the developer.

NOTE O - EMPLOYEE RETIREMENT PLANS

During the fiscal year ended September 30, 2020, 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, 2020, the actuarial valuation date for all plans is September 30, 2018, and the measurement date is September 30, 2019. 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 2020, 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 2020, as discounted for payment at the beginning of the fiscal year, was \$5,240,652. This contribution represented approximately 21.0% of covered payroll. Chapter 185 funds, as mentioned above, amounted to \$1,611,609 for fiscal year 2020. 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 wppppf.com.

Firefighters pension plan: The Firefighters Pension Fund ("the plan") was created in 1947 by a special act of the Florida legislature, Chapter 24981, Section 17, Laws of Florida, as amended. The plan provides retirement benefits for firefighters and fire department officers and is maintained through contributions from employee members, actuarially determined contributions from the City, and from investment earnings. In addition, the State of Florida, pursuant to Chapter 175 of the Florida Statutes, pays to the plan all property insurance premium surcharges collected from within the city limits.

NOTE O - EMPLOYEE RETIREMENT PLANS (CONTINUED)

(1) Defined benefit plans (Continued)

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 2020, 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 2020, as discounted for payment at the beginning of the fiscal year, was \$9,737,863.

Chapter 175 funds, as mentioned above, amounted to \$1,357,926 for fiscal year 2020. In accordance with the union contract, 100% of the Chapter 175 monies, or \$1,357,926, was remitted to the pension plan. These combined contributions, amounting to \$11,095,789, represented 52.8% 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 Employees 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, 2020, the remaining advance was \$3,073,102 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 1-561-822-1310 or thru resourcecenters.com.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE O - EMPLOYEE RETIREMENT PLANS (CONTINUED)

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

	Police Pension September 30, 2018	Firefighters Pension September 30, 2018	Restated Employees Pension September 30, 2018
Membership as of valuation date:			
Number of:			
Retirees and beneficiaries	256	209	167
Inactive, nonretired members	9	-	6
Active members	269	226	16
Total	<u>534</u>	<u>435</u>	<u>189</u>
Covered payroll	<u>\$ 25,098,209</u>	<u>\$ 19,890,980</u>	<u>\$ 1,054,882</u>
Net pension (asset) liability:			
Total pension liability	\$ 408,293,394	\$ 313,047,802	\$ 43,439,476
Fiduciary net position	<u>(383,442,225)</u>	<u>(233,874,933)</u>	<u>(45,801,302)</u>
Net pension (asset) liability	<u>\$ 24,851,169</u>	<u>\$ 79,172,869</u>	<u>\$ (2,361,826)</u>
Fiduciary net position as a % of total pension liability	<u>93.91 %</u>	<u>74.71 %</u>	<u>105.44 %</u>
Net pension (asset) liability as a % of covered payroll	<u>99.02 %</u>	<u>398.03 %</u>	<u>-223.89 %</u>
	Police Pension	Firefighters Pension	Restated Employees Pension
	Increase (Decrease)		
Total pension liability			
Balance at September 30, 2018	<u>\$ 383,532,907</u>	<u>\$ 299,469,334</u>	<u>\$ 43,769,792</u>
Changes for the year:			
Service cost	5,950,838	4,637,520	61,354
Interest on the total pension liability	29,213,639	14,635,101	3,169,813
Difference between expected and actual experience of the total pension liability	2,559,101	1,566,360	(488,903)
Changes of assumptions	4,539,371	-	-
Benefit payments including refunds of employee contributions	(19,116,280)	(15,981,914)	(3,072,580)
Other (DROP and share plan adjustments)	1,613,818	8,721,401	-
Net change in total pension liability	<u>24,760,487</u>	<u>13,578,468</u>	<u>(330,316)</u>
(a) Balance at September 30, 2019	<u>\$ 408,293,394</u>	<u>\$ 313,047,802</u>	<u>\$ 43,439,476</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE O - EMPLOYEE RETIREMENT PLANS (CONTINUED)

	Police Pension	Firefighters Pension	Restated Employees Pension
	Increase (Decrease)		
Plan fiduciary net position:			
Balance at September 30, 2018	\$ 384,460,632	\$ 227,717,241	\$ 47,300,688
Contributions - Employer	5,846,316	10,373,258	-
Contributions - Employee	2,787,968	2,738,646	58,116
Net investment income	9,669,966	9,177,925	1,603,850
Benefit payments including refunds of employee contributions	(19,116,280)	(15,981,914)	(3,072,580)
Pension plan administrative expense	(336,885)	(176,142)	(89,898)
Other	130,508	25,919	1,126
Net change in plan fiduciary net position	<u>(1,018,407)</u>	<u>6,157,692</u>	<u>(1,499,386)</u>
(b) Plan fiduciary net position:			
Balance at September 30, 2019	<u>\$ 383,442,225</u>	<u>\$ 233,874,933</u>	<u>\$ 45,801,302</u>
(a) - (b) Net pension (asset) liability	<u>\$ 24,851,169</u>	<u>\$ 79,172,869</u>	<u>\$ (2,361,826)</u>
Plan fiduciary net position as a percentage of the total pension liability			
	<u>93.91 %</u>	<u>74.71 %</u>	<u>105.44 %</u>
Covered payroll	<u>\$ 25,098,209</u>	<u>\$ 19,890,980</u>	<u>\$ 1,054,882</u>
Net pension liability as a percentage of covered payroll			
	<u>99.02 %</u>	<u>398.03 %</u>	<u>-223.89 %</u>

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.

NOTE O - EMPLOYEE RETIREMENT PLANS (CONTINUED)

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

Governmental Activities					
Pension Plan	Net Pension Asset	Net Pension Liability	Deferred Inflows of Resources	Deferred Outflows of Resources	Pension Expense (Credit)
Restated Employees	\$ 2,054,788	\$ -	\$ -	\$ 151,473	\$ (210,041)
Police	-	24,851,169	-	24,905,796	12,449,858
Firefighters	-	79,172,869	2,719,672	17,389,440	9,702,310
Total	<u>\$ 2,054,788</u>	<u>\$104,024,038</u>	<u>\$ 2,719,672</u>	<u>\$ 42,446,709</u>	<u>\$ 21,942,127</u>

Business-Type Activities					
Pension Plan	Net Pension Asset	Net Pension Liability	Deferred Inflows of Resources	Deferred Outflows of Resources	Pension Expense (Credit)
Restated Employees	\$ 307,040	\$ -	\$ -	\$ 22,633	\$ (31,385)
Total	<u>\$ 307,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,633</u>	<u>\$ (31,385)</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 FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE O - EMPLOYEE RETIREMENT PLANS (CONTINUED)

The following assumptions were used to produce the actuarial reports:

	<u>Police Pension</u>	<u>Firefighters Pension</u>	<u>Restated Employees Pension</u>
Valuation date:	September 30, 2018	September 30, 2018	September 30, 2018
Measurement date:	September 30, 2019	September 30, 2019	September 30, 2019
Reporting date:	September 30, 2020	September 30, 2020	September 30, 2020

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	4.10% to 4.60%, including inflation	5.00% to 8.80% per year
Investment rate of return:	7.625%	7.50%	7.50%
Long-term municipal bond rate:	2.75%	2.75%	2.75%
Retirement age:	Experience-based table of rates that are specific to the type of eligibility condition.	Age and experience-based table of rates specific to the type of eligibility condition. Last updated for the 2012 valuation.	Age-based table of rates that are specific to the type of eligibility condition.
Mortality:	RP-2000 Combined Health 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 base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) in the July 1, 2017 FRS Valuation, as mandated by Chapter 112.63, Florida Statutes.	The Florida Retirement System (FRS) mortality tables, based on the RP-2000 fully generational Mortality Table with projection scale BB.	The Florida Retirement System (FRS) mortality tables, based on the RP-2000 fully generational Mortality Table with projection scale BB.
Other information:	Effective as of September 30, 2018, the investment return assumption was lowered from 7.75% to 7.625%	No benefit changes or assumption changes were reflected in the TPL as of September 30, 2019. Cost of living adjustments were 5.50% per year for Plan A recipients (hired prior to May 1, 1959). Implied 0% per year for prior Plan B recipients as of September 30, 2018, if aggregate gains from all sources do not limit it.	Cost of living adjustments were 2.00% simple.

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, 2020:

Description	Deferred Outflows (Inflows)			Total
	Police Pension	Firefighters Pension	Restated Employees Pension	
City and State contribution subsequent to measurement date	\$ 6,852,261	\$ 9,737,863	\$ -	\$ 16,590,124
Differences between expected and actual experience	3,839,380	(455,762)	-	3,383,618
Change of assumptions	8,825,915	7,651,577	-	16,477,492
Net difference between projected and actual earnings on pension investments	5,388,240	(2,263,910)	174,106	3,298,436
	<u>\$ 24,905,796</u>	<u>\$ 14,669,768</u>	<u>\$ 174,106</u>	<u>\$ 39,749,670</u>

Amounts from Statement of Net Position:

Deferred outflows related to pension	42,469,342
Deferred inflows related to pension	(2,719,672)
	<u>\$ 39,749,670</u>

(2) Plan assets

Discount rate: The discount rates illustrated in the table below were used to measure the total pension liability for all three plans. The 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 Rate		
	1% Decrease	Assumption	1% Increase
	6.50%	7.50%	8.50%
Restated Employees Pension	\$ 2,279,300	\$ (2,361,826)	\$ (6,271,717)

	Discount Rate		
	1% Decrease	Assumption	1% Increase
	6.50%	7.50%	8.50%
Firefighters Pension	\$ 105,152,794	\$ 79,172,869	\$ 57,936,093

NOTE O - EMPLOYEE RETIREMENT PLANS (CONTINUED)

(2) Plan assets (Continued)

	Discount Rate		
	1% Decrease	Assumption	1% Increase
	6.625%	7.625%	8.625%
Police Pension	\$ 64,151,039	\$ 24,851,169	\$ (7,000,079)

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 7.50%, 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 to the measurement date of September 30, 2019, the City contributed \$6,852,261 and \$9,737,863 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:

<u>Fiscal Year Ending September 30</u>	<u>Police Pension</u>	<u>Firefighters Pension</u>	<u>Restated Employees Pension</u>
2021	\$ 3,447,920	\$ (914,352)	\$ (193,436)
2022	2,849,228	(378,738)	(260,968)
2023	5,791,427	1,669,069	263,044
2024	5,563,159	3,200,405	365,466
2025	401,802	1,021,063	-
Thereafter	-	334,459	-
Total	<u>\$ 18,053,536</u>	<u>\$ 4,931,906</u>	<u>\$ 174,106</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, 2020 are summarized in the following table.

Police Pension:		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	47 %	5.10 %
International equity	14 %	8.50 %
Domestic bonds	22 %	2.50 %
Real estate	14 %	4.50 %
Alternative assets	3 %	6.00 %

NOTE O - EMPLOYEE RETIREMENT PLANS (CONTINUED)

Firefighters Pension:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	49 %	4.2 %
International equity	10 %	8.5 %
Domestic bonds	14 %	2.5 %
International bonds	5 %	3.5 %
Real estate	12 %	4.5 %
Alternative assets	10 %	6.2 %

Restated Employees Pension:

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

(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 2020 was \$4.2 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.

(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.

NOTE O - EMPLOYEE RETIREMENT PLANS (CONTINUED)

(4) Voluntary employees' beneficiary association plans (Continued)

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

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

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

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

NOTE P - DEFERRED COMPENSATION PLANS

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

NOTE Q - OTHER POST-EMPLOYMENT 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.

NOTE Q - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

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 Trust Fund, 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:

	<u>Number of Employees</u>
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

NOTE Q - OTHER POST-EMPLOYMENT 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%

Rate of return: For the year ended September 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 9.1%. 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, 2020, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	7.5 %
International equity	8.5 %
Domestic bonds	2.5 %
International bonds	3.5 %
Real estate	4.5 %
Alternative assets	6.0 %

CITY OF WEST PALM BEACH, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020

NOTE Q - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Net OPEB Liability of the City:

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

	Net OPEB (Asset) Liability
Balance recognized at October 1, 2019,	<u>\$ 623,743</u>
Changes for the fiscal year:	
Service cost	458,229
Interest on the total OPEB liability	1,064,810
Changes in assumptions and other inputs	(356,176)
Contributions - employer	(1,260,603)
Net investment income	<u>(1,259,711)</u>
Net change in net OPEB	<u>(1,353,451)</u>
Net OPEB asset at September 30, 2020	<u><u>\$ (729,708)</u></u>
Plan fiduciary net position as a % of total OPEB liability	<u>105.1 %</u>
Covered payroll	<u>\$ 96,900,734</u>
Net OPEB liability as a % of covered payroll	<u>-0.8 %</u>
Measurement date	September 30, 2020

At September 30, 2020, the City reported deferred outflows/(inflows) of resources related to the OPEB plan as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 617,451	\$ (605,570)
Changes in assumptions	-	(51,544)
Net difference between projected and actual earnings in OPEB plan investments	809,753	-
Total	<u>\$ 1,427,204</u>	<u>\$ (657,114)</u>

NOTE Q - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The balances as of September 30, 2020 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>
2021	\$ 395,014
2022	395,014
2023	51,192
2024	(50,747)
2025	68,661
Thereafter	(89,044)

The total OPEB liability was determined by an actuarial valuation as of September 30, 2020, using the following assumptions included in the measurement as follows:

Measurement date:	For the fiscal year ending September 30, 2020, September 30, 2020 measurement date was used.
Actual valuation date:	October 1, 2019 with results actuarially projected on a 'no gain/no loss' to get to the September 30, 2020 measurement date. Liabilities as of October 1, 2019 are based on actuarial valuation date as of October 1, 2019.
Inflation:	3.0% per annum is included in the payroll growth rates
Discount rate:	7.50%
Investment rate of return:	7.50%
Payroll growth:	The salary scale is based on the City's pension valuation as of September 30, 2018

<u>Years of Service</u>	<u>Fire</u>	<u>Police</u>	<u>General</u>
0 - 10	4.60%	5.00%	4.00%
11 - 12	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% for FY 2027.
Mortality rates:	<p>General Employees and Retirees: SOA PUB-2010 General Head Count on Weighted Mortality Table fully generational using Scale MP-2019</p> <p>Police and Fire Employees and Retirees: SOA Pub-2010 Public Safety Head Count on Weighted Mortality Table fully generational using Scale MP-2019</p> <p>Surviving Spouses: SOA Pub-2010 Contingent Survivor Head Count on Weighted Mortality Table fully generational using Scale MP-2019</p>

NOTE Q - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

Total OPEB liability:	
Service cost	\$ 458,229
Interest	1,064,810
Difference between expected and actual experience	(356,176)
Benefit payments	<u>(1,260,603)</u>
Net change in total OPEB (asset) liability	(93,740)
Total OPEB liability - beginning of year	<u>14,358,143</u>
Total OPEB liability - end of year (a)	<u><u>14,264,403</u></u>
Plan fiduciary net position:	
Contributions - employer	1,260,603
Contributions - active employees	-
Net investment income	1,259,711
Benefit payments	(1,260,603)
Trust administrative expenses	<u>-</u>
Net change in plan fiduciary net position	1,259,711
Plan fiduciary net position - beginning of year	<u>13,734,400</u>
Plan fiduciary net position - end of year (b)	<u><u>14,994,111</u></u>
Net OPEB (asset) liability - end of year (a - b)	<u><u>\$ (729,708)</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, 2020:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net OPEB (Asset) Liability	\$ 292,282	\$ (729,708)	\$ (1,648,765)

NOTE Q - OTHER POST-EMPLOYMENT 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, 2020:

	1% Decrease 6.50%	Current Trend Rate 7.50%	1% Increase 8.50%
Net OPEB (Asset) Liability	\$ (1,893,054)	\$ (729,708)	\$ 604,262

OPEB Trust Fund financial statements for the fiscal year ended September 30, 2020, which are included in the Fiduciary Fund Financial Statements of this report, are as follows:

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

**STATEMENT OF FIDUCIARY NET POSITION
 September 30, 2020**

Cash and cash equivalents	\$ 1,524,086
Investments:	
Fixed income	2,192,267
Equities	10,858,875
Mutual funds	418,883
Total investments	<u>13,470,025</u>
Total assets	<u>14,994,111</u>
Net position	<u>\$ 14,994,111</u>

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 For the Fiscal year Ended September 30, 2020**

Additions:	
Employer contributions	\$ 1,260,603
Change in fair market value	1,259,711
Total additions	<u>2,520,314</u>
Deductions:	
Participant payments	1,260,603
Total deductions	<u>1,260,603</u>
Net increase	1,259,711
Net position restricted for OPEB:	
Beginning of year	13,734,400
End of year	<u>\$ 14,994,111</u>

CITY OF WEST PALM BEACH, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020

NOTE R - FUND BALANCE CONSTRAINTS

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

	General Fund	City Center Community Redevelopment Agency Fund	Northwood / Pleasant City Community Redevelopment Agency Fund	Non-Major Governmental Funds	Total Governmental Funds
Fund balances:					
Nonspendable:					
Inventories	\$ 384,953	\$ -	\$ -	\$ 60,967	\$ 445,920
Prepaid items	57,043	6,269	-	15,028	78,340
Advances to defined benefit pension plan	3,073,102	-	-	-	3,073,102
Restricted:					
Forfeiture	-	-	-	627,468	627,468
Cemetery trust	-	-	-	1,199,788	1,199,788
Transportation	-	-	-	4,731,989	4,731,989
Public safety	-	-	-	11,686,523	11,686,523
Economic environment	-	32,949,945	4,847,444	8,196,015	45,993,404
Debt service	-	-	-	7,431,601	7,431,601
Capital outlay	-	-	-	135,968,150	135,968,150
Committed:					
Emergency reserve	16,667,202	-	-	-	16,667,202
Art in public places	1,317,111	-	-	-	1,317,111
Debt service	-	-	-	355,507	355,507
Land held for resale	-	-	-	2,862,599	2,862,599
Public safety	-	-	-	5,681,875	5,681,875
Leisure services	-	-	-	1,486,107	1,486,107
Capital outlay	-	-	-	4,971,977	4,971,977
Assigned:					
For subsequent year's expenditures	2,170,070	-	-	-	2,170,070
Unassigned	14,663,272	-	-	(159)	14,663,113
Total fund balances	\$ 38,332,753	\$ 32,956,214	\$ 4,847,444	\$ 185,275,435	\$ 261,411,846

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

NOTE S - SUBSEQUENT EVENT

On October 1, 2020, the City issued the \$11,805,000 Utility System Revenue Refunding bonds, Series 2020, to refund the Series 2010 bonds outstanding. The interest rate on annual principal amounts payable is fixed at 1.52% and the bonds mature on October 1, 2027. At September 30, 2020, the outstanding principal due on the Series 2010 bonds was \$12,035,000.

On October 1, 2020, the City, also entered into a Forward Delivery Bond Purchase Agreement to issue the \$36,625,000 Utility System Revenue Refunding bonds, Series 2022 to refund the Series 2012A bonds. The effective date of the refunding will be October 1, 2022. At September 30, 2020, the outstanding principal due on the Series 2012A bonds was \$39,215,000.



Brian H. Chappell Park
By City of West Palm Beach



Photo by CFay - City of West Palm Beach

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, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget - Positive (Negative)
REVENUES:				
Taxes	\$ 114,448,828	\$ 114,448,828	\$ 113,903,165	\$ (545,663)
Licenses and permits	3,770,300	3,770,300	3,765,602	(4,698)
Intergovernmental	15,643,608	18,017,880	16,538,967	(1,478,913)
Charges for services	43,029,561	43,646,102	43,029,516	(616,586)
Fines and forfeitures	356,000	356,000	336,913	(19,087)
Rents and royalties	515,000	515,000	530,559	15,559
Interest income	1,026,000	1,026,000	1,211,041	185,041
Miscellaneous	409,925	780,942	693,340	(87,602)
Total revenues	179,199,222	182,561,052	180,009,103	(2,551,949)
EXPENDITURES:				
Current:				
General government				
Mayor's Office	8,663,506	8,359,756	6,743,453	1,616,303
Internal Audit	751,985	751,985	650,215	101,770
Non-departmental Government	2,627,070	2,779,209	2,727,112	52,097
Finance	4,434,069	4,447,369	4,073,477	373,892
Support Services	3,510,517	3,510,517	3,382,481	128,036
Human Resources	2,484,125	2,484,125	2,180,386	303,739
Department of City Attorney	4,662,903	4,732,903	4,324,755	408,148
Housing and Community Development	2,219,301	2,229,423	1,489,498	739,925
Development Services	5,700,249	5,933,999	4,801,688	1,132,311
Public works	3,809,818	3,870,418	3,593,710	276,708
Engineering services	3,377,902	3,382,102	3,163,947	218,155
Health and sanitation	11,209,165	11,149,765	10,585,039	564,726
Leisure services				
Library	4,935,903	4,947,003	4,770,633	176,370
Parks and recreation	19,927,705	19,948,290	18,410,220	1,538,070
Public safety				
Police	62,296,169	63,227,081	63,223,371	3,710
Fire	43,165,871	45,372,941	45,194,099	178,842
Capital outlay	1,900,211	2,883,159	2,261,324	621,835
Debt service:				
Principal	7,220,258	6,940,159	5,878,521	1,061,638
Interest expense	5,055,577	5,335,676	5,290,975	44,701
Total expenditures	197,952,304	202,285,880	192,744,904	9,540,976
Excess (deficiency) of revenues over (under) expenditures	(18,753,082)	(19,724,828)	(12,735,801)	6,989,027

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, 2020**

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES AND USES:				
Sale of capital assets	749,000	772,859	365,348	(407,511)
Transfers In	11,290,763	11,516,743	13,217,618	1,700,875
Transfers out	(383,045)	(483,416)	(483,416)	-
Total other financing sources and uses	<u>11,656,718</u>	<u>11,806,186</u>	<u>13,099,550</u>	<u>1,293,364</u>
Net changes in fund balances	<u>\$ (7,096,364)</u>	<u>\$ (7,918,642)</u>	\$ 363,749	<u>\$ 10,799,561</u>
Reconciliation of budgetary to GAAP basis revenues:				
Revenues reported in this statement			\$ 180,009,103	
On-behalf payments			2,969,535	
Deduct administrative charges			<u>(16,297,618)</u>	
Revenues GAAP basis			<u>\$ 166,681,020</u>	
Reconciliation of budgetary to GAAP basis expenditures:				
Expenditures reported in this statement			\$ 192,744,904	
On-behalf payments			2,969,535	
Deduct year end encumbrances			(2,170,070)	
Deduct administrative expenditures			<u>(16,297,618)</u>	
Expenditures GAAP basis			<u>\$ 177,246,751</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, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget - Positive (Negative)
REVENUES:				
Taxes	\$ 22,925,681	\$ 22,925,681	\$ 23,223,687	\$ 298,006
Intergovernmental	16,051,321	16,051,321	15,716,450	(334,871)
Rents and royalties	220,827	220,827	319,437	98,610
Interest income	225,000	225,000	843,912	618,912
Miscellaneous	4,937	486,360	491,624	5,264
Total revenues	39,427,766	39,909,189	40,595,110	685,921
EXPENDITURES:				
Current:				
Economic environment	37,895,002	37,883,445	19,940,512	17,942,933
Capital outlay	17,470,612	18,083,501	4,766,814	13,316,687
Debt service:				
Principal	3,373,012	3,373,012	3,373,012	-
Interest expense	1,858,097	1,858,097	1,748,568	109,529
Total expenditures	60,596,723	61,198,055	29,828,906	31,369,149
Excess (deficiency) of revenues over (under) expenditures	(21,168,957)	(21,288,866)	10,766,204	32,055,070
OTHER FINANCING SOURCES (USES):				
Sale of assets	663,525	663,525	-	(663,525)
Transfers In	75,684	75,684	75,684	-
Transfers out	(8,361,360)	(8,541,451)	(8,541,451)	-
Total other financing sources (uses)	(7,622,151)	(7,802,242)	(8,465,767)	(663,525)
Net changes in fund balances	\$ (28,791,108)	\$ (29,091,108)	\$ 2,300,437	\$ 31,391,545
Fund balances - beginning			30,655,777	
Fund balances - ending			\$ 32,956,214	

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, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget - Positive (Negative)
REVENUES:				
Taxes	\$ 2,684,082	\$ 2,684,082	\$ 2,718,972	\$ 34,890
Intergovernmental	1,537,025	1,537,025	1,535,868	(1,157)
Interest income	30,000	30,000	128,226	98,226
Miscellaneous	25,500	25,500	84,052	58,552
Total revenues	4,276,607	4,276,607	4,467,118	190,511
EXPENDITURES:				
Current:				
Economic environment	5,173,114	5,115,392	1,753,230	3,362,162
Debt service:				
Principal	988,089	988,089	988,089	-
Interest expense	740,548	798,270	793,417	4,853
Total expenditures	6,901,751	6,901,751	3,534,736	3,367,015
Excess (deficiency) of revenues over (under) expenditures	(2,625,144)	(2,625,144)	932,382	3,557,526
Net changes in fund balances	\$ (2,625,144)	\$ (2,625,144)	\$ 932,382	\$ 3,557,526
Fund balances - beginning			3,915,062	
Fund balances - ending			\$ 4,847,444	

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
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
<u>Total Pension Liability ("TPL")</u>				
CHANGES FOR THE YEAR:				
Service Cost	\$ 6,248,573	\$ 5,950,838	\$ 4,969,598	\$ 4,465,713
Interest on the TPL	30,656,907	29,213,639	27,649,993	26,458,916
Benefit changes	-	-	2,595,355	-
Difference - expected vs. actual experience of TPL	1,972,997	2,559,101	2,535,765	335,340
Changes in assumptions	4,439,753	4,539,371	3,904,405	5,183,638
Benefit payments	(18,512,808)	(18,963,330)	(18,801,870)	(18,064,650)
Refunds	(206,949)	(152,950)	(225,759)	(25,530)
Other	1,773,794	1,613,818	2,765,374	2,237,938
Net Change in TPL	26,372,267	24,760,487	25,392,861	20,591,365
TPL balance - beginning of year	408,293,394	383,532,907	358,140,046	337,548,681
TPL balance - end of year	<u>\$ 434,665,661</u>	<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	\$ 6,852,261	\$ 5,846,316	\$ 5,012,935	\$ 4,618,111
Contributions - employees	2,806,839	2,787,968	2,679,979	2,427,068
Net investment income	25,816,070	9,669,966	33,555,721	44,494,434
Benefit payments	(18,512,808)	(18,963,330)	(18,801,870)	(18,064,650)
Refunds	(206,949)	(152,950)	(225,759)	(25,530)
Pension plus administrative expense	(304,417)	(336,885)	(319,039)	(308,777)
Other	162,185	130,508	1,309,407	904,892
Net change in FNP	16,613,181	(1,018,407)	23,211,374	34,045,548
FNP balance - beginning of year	383,442,225	384,460,632	361,249,258	327,203,710
FNP balance - end of year	<u>\$ 400,055,406</u>	<u>\$ 383,442,225</u>	<u>\$ 384,460,632</u>	<u>\$ 361,249,258</u>
Net Pension (Asset) Liability	<u>\$ 34,610,255</u>	<u>\$ 24,851,169</u>	<u>\$ (927,725)</u>	<u>\$ (3,109,212)</u>
Plan FNP as a percentage of TPL	<u>92.04 %</u>	<u>93.91 %</u>	<u>100.24 %</u>	<u>100.87 %</u>
Covered employee payroll	<u>\$ 24,972,409</u>	<u>\$ 25,098,209</u>	<u>\$ 23,929,891</u>	<u>\$ 21,679,436</u>
NPL as a percentage of covered payroll	<u>138.59 %</u>	<u>99.02 %</u>	<u>-3.88 %</u>	<u>-14.34 %</u>

Note: This schedule is presented to illustrate the requirements to show information for ten years. However, until a full ten-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
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)**

	Measurement Year 2016	Measurement Year 2015	Measurement Year 2014
<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
Benefit changes	-	-	-
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	17,167,497	17,434,431	12,998,154
TPL balance - beginning of year	320,381,184	302,946,753	289,948,599
TPL balance - end of year	<u>\$ 337,548,681</u>	<u>\$ 320,381,184</u>	<u>\$ 302,946,753</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	68,369,490	(332,774)	20,664,304
FNP balance - beginning of year	258,834,220	259,166,994	238,502,690
FNP balance - end of year	<u>\$ 327,203,710</u>	<u>\$ 258,834,220</u>	<u>\$ 259,166,994</u>
Net Pension (Asset) Liability	<u>\$ 10,344,971</u>	<u>\$ 61,546,964</u>	<u>\$ 43,779,759</u>
Plan FNP as a percentage of TPL	<u>96.94 %</u>	<u>80.79 %</u>	<u>85.55 %</u>
Covered employee payroll	<u>\$ 20,603,955</u>	<u>\$ 18,805,018</u>	<u>\$ 17,446,782</u>
NPL as a percentage of covered payroll	<u>50.21 %</u>	<u>327.29 %</u>	<u>250.93 %</u>

Note: This schedule is presented to illustrate the requirements to show information for ten years. However, until a full ten-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
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
<u>Total Pension Liability ("TPL")</u>				
CHANGES FOR THE YEAR:				
Service Cost	\$ 4,748,948	\$ 4,637,520	\$ 4,299,275	\$ 3,997,127
Interest on the TPL	15,356,555	14,635,101	14,539,716	13,652,932
Difference expected vs. actual experience of TPL	(1,290,643)	1,566,360	(748,224)	(944,506)
Changes in assumptions	(4,748,226)	-	6,304,411	5,482,333
Benefit payments	(17,032,126)	(15,940,655)	(16,056,923)	(17,896,859)
Refunds	(59,635)	(41,259)	(102,314)	(225,496)
Other	12,174,555	8,721,401	10,283,962	11,407,181
Net Change in TPL	9,149,428	13,578,468	18,519,903	15,472,712
TPL balance - beginning of year	313,047,802	299,469,334	280,949,431	265,476,719
TPL balance - end of year	<u>\$ 322,197,230</u>	<u>\$ 313,047,802</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	\$ 11,095,789	\$ 10,373,258	\$ 9,398,714	\$ 7,594,810
Contributions - employees	4,144,354	2,738,646	3,325,997	5,631,366
Net investment income	20,389,301	9,177,925	24,051,595	23,590,017
Benefit payments	(17,032,126)	(15,940,655)	(16,056,923)	(17,896,859)
Refunds	(59,635)	(41,259)	(102,314)	(225,496)
Pension plus administrative expense	(196,920)	(176,142)	(199,057)	(183,315)
Other	14,987	25,919	25,833	19,789
Net change in FNP	18,355,750	6,157,692	20,443,845	18,530,312
FNP balance - beginning of year	233,874,933	227,717,241	207,273,396	188,743,084
Adjustment	-	-	-	-
FNP balance - end of year	<u>\$ 252,230,683</u>	<u>\$ 233,874,933</u>	<u>\$ 227,717,241</u>	<u>\$ 207,273,396</u>
Net Pension (Asset) Liability	<u>\$ 69,966,547</u>	<u>\$ 79,172,869</u>	<u>\$ 71,752,093</u>	<u>\$ 73,676,035</u>
Plan FNP as a percentage of TPL	<u>78.28 %</u>	<u>74.71 %</u>	<u>76.04 %</u>	<u>73.78 %</u>
Covered employee payroll	<u>\$ 21,020,508</u>	<u>\$ 19,890,980</u>	<u>\$ 19,303,606</u>	<u>\$ 17,540,397</u>
NPL as a percentage of covered payroll	<u>332.85 %</u>	<u>398.03 %</u>	<u>371.70 %</u>	<u>420.04 %</u>

Note: This schedule is presented to illustrate the requirements to show information for ten years. However, until a full ten-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
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

	Measurement Year 2016	Measurement Year 2015	Measurement Year 2014
<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)	-
Changes in assumptions	-	-	-
Benefit payments	(14,902,198)	(14,063,173)	(15,745,308)
Refunds	(19,093)	(246,947)	(202,153)
Other	13,603,677	7,613,395	14,700,037
Net Change in TPL	15,694,973	7,203,824	14,735,163
TPL balance - beginning of year	249,781,746	242,577,922	227,842,759
TPL balance - end of year	<u>\$ 265,476,719</u>	<u>\$ 249,781,746</u>	<u>\$ 242,577,922</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	56,439	58,204	107,826
Net change in FNP	12,573,033	(877,482)	12,394,940
FNP balance - beginning of year	176,170,051	176,974,492	164,579,552
Adjustment	-	73,041	-
FNP balance - end of year	<u>\$ 188,743,084</u>	<u>\$ 176,170,051</u>	<u>\$ 176,974,492</u>
Net Pension (Asset) Liability	<u>\$ 76,733,635</u>	<u>\$ 73,611,695</u>	<u>\$ 65,603,430</u>
Plan FNP as a percentage of TPL	<u>71.10 %</u>	<u>70.53 %</u>	<u>72.96 %</u>
Covered employee payroll	<u>\$ 16,634,526</u>	<u>\$ 16,144,923</u>	<u>\$ 15,363,247</u>
NPL as a percentage of covered payroll	<u>461.29 %</u>	<u>455.94 %</u>	<u>427.02 %</u>

Note: This schedule is presented to illustrate the requirements to show information for ten years. However, until a full ten-year trend is compiled, only information for those years for which data are available will be presented.

City of West Palm Beach, Florida
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
RESTATED EMPLOYEES PENSION FUND
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
<u>Total Pension Liability ("TPL")</u>				
CHANGES FOR THE YEAR:				
Service Cost	\$ 49,760	\$ 61,354	\$ 93,853	\$ 86,849
Interest on the TPL	3,142,590	3,169,813	3,190,156	3,225,757
Difference expected vs. actual experience of TPL	258,174	(488,903)	(518,168)	(374,998)
Changes in assumptions	-	-	-	2,171,968
Benefit payments	(3,126,322)	(3,072,580)	(2,969,061)	(2,830,193)
Refunds	-	-	-	-
Net Change in TPL	324,202	(330,316)	(203,220)	2,279,383
TPL balance - beginning of year	43,439,476	43,769,792	43,973,012	41,693,629
TPL balance - end of year	<u>\$ 43,763,678</u>	<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 - employees	55,751	58,116	65,868	78,838
Net investment income	3,159,385	1,603,850	3,880,565	5,968,401
Benefit payments	(3,126,322)	(3,072,580)	(2,969,061)	(2,830,193)
Refunds	-	-	-	-
Pension plus administrative expense	(92,658)	(89,898)	(92,844)	(87,504)
Other	(19,424)	1,126	10,931	3,774
Net change in FNP	(23,268)	(1,499,386)	895,459	3,133,316
FNP balance - beginning of the year	45,801,302	47,300,688	46,405,229	43,271,913
Adjustment	-	-	-	-
FNP balance - end of year	<u>\$ 45,778,034</u>	<u>\$ 45,801,302</u>	<u>\$ 47,300,688</u>	<u>\$ 46,405,229</u>
Net Pension (Asset) Liability	<u>\$ (2,014,356)</u>	<u>\$ (2,361,826)</u>	<u>\$ (3,530,896)</u>	<u>\$ (2,432,217)</u>
Plan FNP as a percentage of TPL	<u>104.60 %</u>	<u>105.44 %</u>	<u>108.07 %</u>	<u>105.53 %</u>
Covered employee payroll	<u>\$ 1,021,817</u>	<u>\$ 1,054,882</u>	<u>\$ 1,407,812</u>	<u>\$ 1,500,533</u>
NPL as a percentage of covered payroll	<u>-197.13 %</u>	<u>-223.89 %</u>	<u>-250.81 %</u>	<u>-162.09 %</u>

Note: This schedule is presented to illustrate the requirements to show information for ten years. However, until a full ten-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
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

	Measurement Year 2016	Measurement Year 2015	Measurement Year 2014
<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	2,899,087	(74,241)	485,324
TPL balance - beginning of year	38,794,542	38,868,783	38,383,459
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	(84,157)	(83,101)	(78,375)
Other	6,518	2,380	2,139
Net change in FNP	286,850	(2,186,688)	3,378,976
FNP balance - beginning of the year	42,985,063	45,171,494	41,792,518
Adjustment	-	257	-
FNP balance - end of year	<u>\$ 43,271,913</u>	<u>\$ 42,985,063</u>	<u>\$ 45,171,494</u>
Net Pension (Asset) 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 employee 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 requirements to show information for ten years. However, until a full ten-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, 2020
 (UNAUDITED)**

METHODS AND ASSUMPTIONS USED TO DETERMINE THE PENSION CONTRIBUTION RATES

Police Pension Fund:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuation method	4-year smoothed market
Inflation	2.50%
Salary increases	5.00 %, including inflation
Investment rate of return	7.625%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition 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.
Mortality	
Other Information:	
Notes	Effective as of September 30, 2018, the investment return assumption was lowered from 7.75% to 7.625%.

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	4.10%
Salary increases	4.10 to 4.60%, including inflation
Long-term expected investment rate of return	7.50%
Long-term municipal bond rate	2.41%
Retirement age	Age and experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation. The Florida Retirement System (FRS) mortality tables which use variations of the RP-2000 fully generational Mortality Table with projection scale BB.
Mortality	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, 2018, if aggregate gains from all sources do not limit it.
Cost-of-living adjustment	

Continued

**CITY OF WEST PALM BEACH, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF METHODS AND ASSUMPTIONS
 MEASUREMENT DATE SEPTEMBER 30, 2020
 (UNAUDITED)**

Restated Employees Pension Fund:

Actuarial cost method	Entry-Age Normal Experience gains/losses and one-time events (e.g., assumption changes) are measured using the Entry Age Normal Cost Method and amortized over separate 10-year bases with level dollar payments
Amortization method	
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	2.75%
Retirement age	Age-based tables that are specific to the type of eligibility condition. The Florida Retirement System (FRS) mortality tables which use variations of the RP-2000 fully generational Mortality Table with projection scale BB.
Mortality	The City established a prepaid contribution reserve using deferred revenue and by changing the actuarial cost method to Aggregate
Notes	
Cost-of-living adjustment	2.0% Simple

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

<u>Fiscal Year Ended September 30</u>		<u>Police Pension Fund</u>	<u>Firefighters Pension Fund</u>	<u>Restated Employees Pension Fund</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 %

Continued

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

<u>Fiscal Year Ended September 30</u>		<u>Police Pension Fund</u>	<u>Firefighters Pension Fund</u>	<u>Restated Employees Pension Fund</u>
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	\$ 20,108,941	\$ 1,054,882
	Actual contribution as % of covered payroll	17.4 %	51.6 %	40.1 %
2020	Actuarially determined employer contributions	\$ 5,240,652	\$ 9,737,863	\$ 128,278
	Actual contributions	<u>5,240,652</u>	<u>11,095,789</u>	<u>128,278</u>
	Contribution deficiency (excess)	-	(1,357,926)	-
	Covered payroll	\$ 24,972,409	\$ 21,020,508	\$ 1,021,817
	Actual contribution as % of covered payroll	21.0 %	52.8 %	12.6 %

Notes:

- (1) In 2013, the City contributed the full amount of the outstanding pension liability to the Restated Pension Plan. The payment was booked as a prepayment and each year the City recognized 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)**

September 30,	Annual money-weighted rate of return, net of investment expenses
2014	8.98 %
2015	0.35 %
2016	8.35 %
2017	13.29 %
2018	10.04 %
2019	1.88 %
2020	5.71 %

Note: This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten 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)**

September 30,	Annual money-weighted rate of return, net of investment expenses
2014	10.17 %
2015	2.07 %
2016	9.40 %
2017	12.65 %
2018	11.67 %
2019	3.98 %
2020	8.84 %

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

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

September 30,	Annual money-weighted rate of return, net of investment expenses
2014	14.75 %
2015	1.13 %
2016	7.33 %
2017	14.48 %
2018	8.88 %
2019	3.56 %
2020	7.17 %

Note: This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten 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, 2020	September 30, 2019
Actuarially determined Contribution (ADC)	\$ 1,260,603	\$ 1,153,020
Contribution made in relation to the ADC	<u>1,260,603</u>	<u>1,153,020</u>
Contribution - deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered employee payroll	\$ 96,900,734	\$ 96,685,320
Contributions as a percentage of covered employee payroll	1.30 %	1.2 %

Notes to Schedule:

	September 30, 2019	September 30, 2019
Valuation date		
The following actuarial methods and assumptions were used in 2019 to determine contribution rates reported in this schedule:		
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level % of salary	Level % of salary
Amortization period	11 Years	12 Years
Actuarial assumptions:		
inflation rate	1.5 %	1.5 %
Investment rate of return	7.5 %	7.5 %
Discount rate	7.5 %	7.5 %
Healthcare cost trend rates		
Medical	7.5% for 2019/2020 graded to 4.5%	8.0% for 2018/2019 graded to 5.5%
Select rates	2021/2022	2024/2025
Ultimate rate	4.5 %	4.5 %

Note: This schedule is presented to illustrate the requirements to show information for ten years. However, until a full ten-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, 2018	September 30, 2017
Actuarially determined Contribution (ADC)	\$ 1,094,540	\$ 945,053
Contribution made in relation to the ADC	<u>1,094,540</u>	<u>945,053</u>
Contribution - deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered employee payroll	\$ 91,507,955	\$ 88,842,675
Contributions as a percentage of covered employee payroll	1.2 %	1.1 %

Notes to Schedule:

	September 30, 2018	September 30, 2017
Valuation date	September 30, 2018	September 30, 2017
The following actuarial methods and assumptions were used in 2019 to determine contribution rates reported in this schedule:		
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level % of salary	Level % of salary
Amortization period	15 Years	15 Years
Actuarial assumptions:		
inflation rate	3.0 %	3.0 %
Investment rate of return	7.5 %	7.0 %
Discount rate	7.5 %	7.0 %
Healthcare cost trend rates		
Medical	9.0% for 2017/2018 graded to 6.0%	9.0% for 2016/2017 graded to 6.5%
Select rates	2023/2024	2022/2023
Ultimate rate	5.0 %	5.0 %

Note: This schedule is presented to illustrate the requirements to show information for ten years. However, until a full ten-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)**

	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
Total OPEB Liability				
Service cost	\$ 458,229	\$ 408,359	\$ 389,985	\$ 434,206
Interest	1,064,810	987,405	1,004,278	928,592
Changes in assumptions	-	(72,162)	-	194,768
Difference between expected and actual experience	(356,176)	864,431	(514,353)	80,037
Benefit payments	(1,260,603)	(1,153,020)	(1,094,540)	(945,053)
Net change in total OPEB liability	(93,740)	1,035,013	(214,630)	692,550
Total OPEB liability - beginning of year	14,358,143	13,323,130	13,537,760	12,845,210
Total OPEB liability - end of year (a)	14,264,403	14,358,143	13,323,130	13,537,760
Plan Fiduciary Net Position				
Contributions - employer	1,260,603	1,153,020	1,094,540	1,890,106
Net investment income	1,259,711	484,087	(674,736)	1,403,589
Benefit payments	(1,260,603)	(1,153,020)	(1,094,540)	(945,053)
Trust administrative expenses	-	-	-	(27,359)
Net change in plan fiduciary net position	1,259,711	484,087	(674,736)	2,321,283
Plan Fiduciary Net Position - beginning of year	13,734,400	13,250,313	13,925,049	11,603,766
Plan Fiduciary Net Position - end of year (b)	14,994,111	13,734,400	13,250,313	13,925,049
Net OPEB Liability - end of year (a) - (b)	(729,708)	623,743	72,817	(387,289)
Plan fiduciary net position as % of total OPEB liability	105.1 %	95.7 %	99.5 %	102.9 %
Covered employee payroll	96,900,734	96,685,320	91,507,955	88,842,675
Net OPEB liability as % of covered payroll	-0.8 %	0.6 %	0.1 %	-0.4 %
Measurement date	9/30/2020	9/30/2019	9/30/2018	9/30/2017

Note: This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten 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)**

September 30,	Annual money-weighted rate of return, net of investment expenses
2017	6.00 %
2018	6.00 %
2019	6.00 %
2020	9.10 %

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

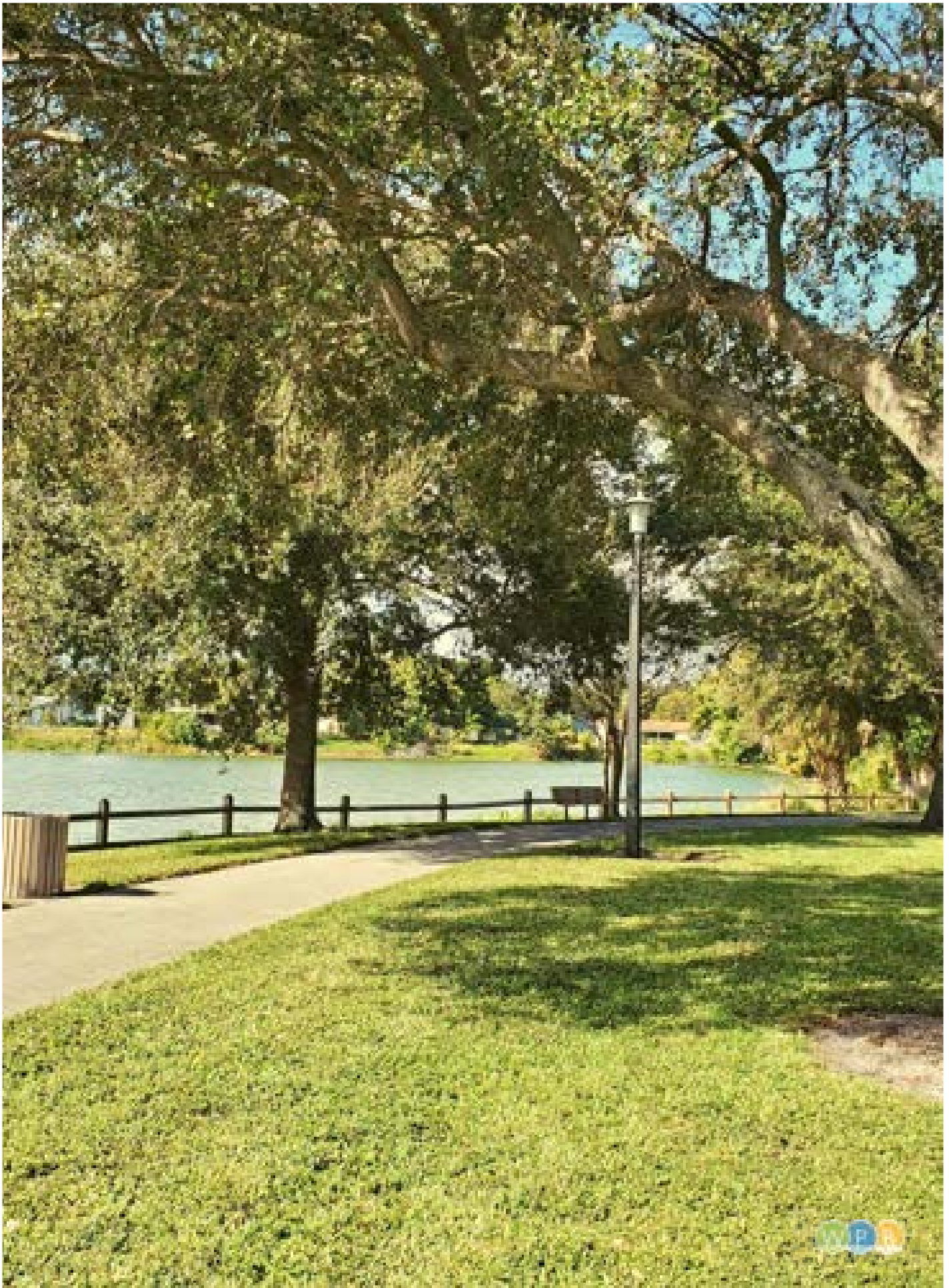
Budgetary Data

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

- (1) Prior to August 1, the City Administration submits to the City Commission a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted.
- (3) Prior to October 1, the budget is legally enacted.
- (4) The level of control (level at which expenditures may not exceed budget) is the department. The City Manager 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-appointed 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 year-end are only reported to the extent of revenues recognized and expenditures incurred for the current year.



Echo Lake Park
By City of West Palm Beach



Photo by Rosmary Square

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



Dreher Park
By Captain Kimo





Photo by CFay - City of West Palm Beach

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 Fee 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.

General Obligation Bonds Debt Service 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.

Series 2020 General Obligation Bond Fund ' This fund accounts for the capital improvement of various parks throughout the City, funded by this bond series.

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.

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

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

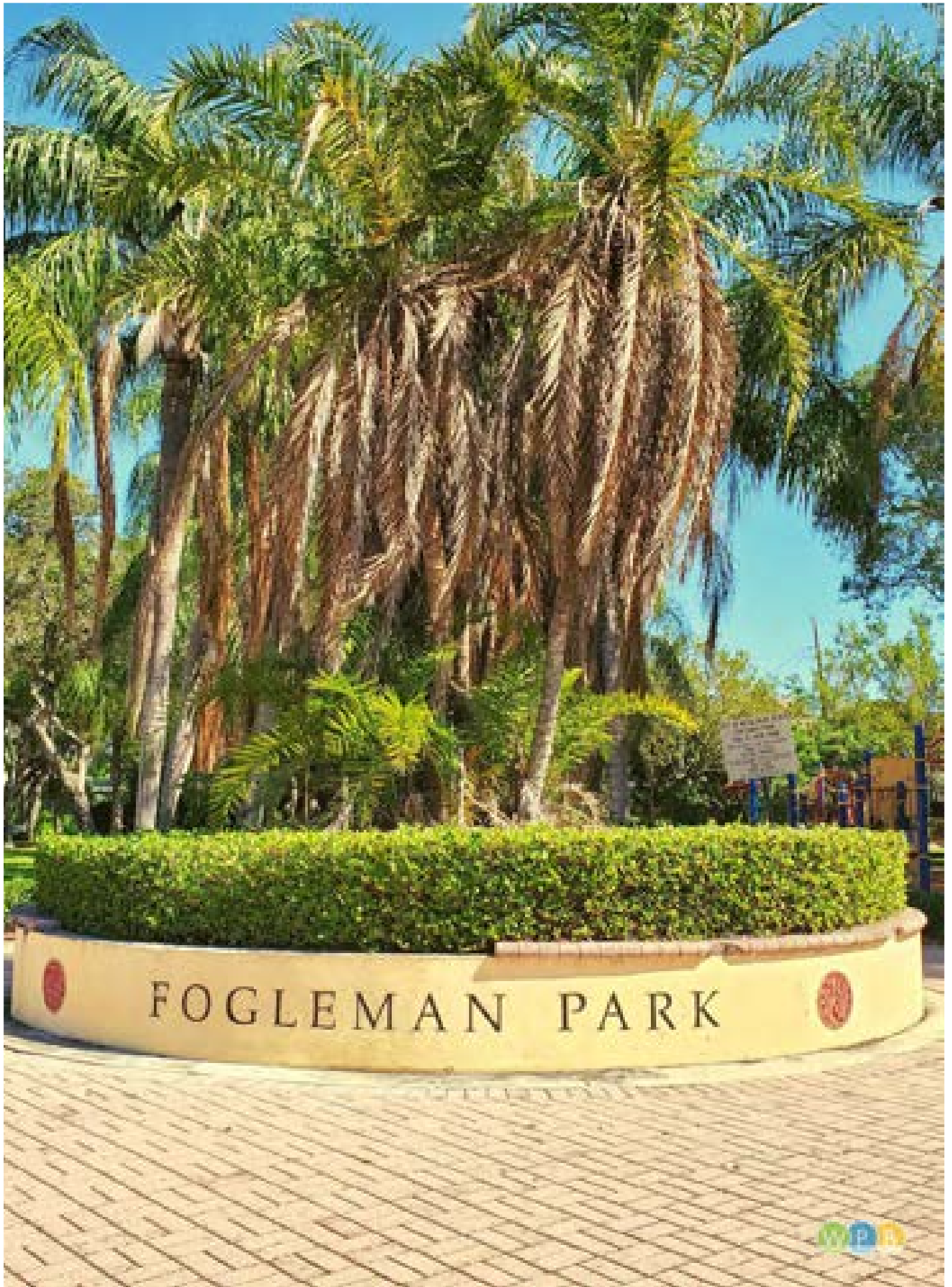
Technology Replacement Fund - This fund is used to account for replacement of equipment used in providing data processing and telecommunications services used by governmental activities.

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

Series 2019 CCCRA Capital Bond Fund - This fund is used to account for the 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 City's Official Statement.

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.



Fogleman Park
By City of West Palm Beach

**CITY OF WEST PALM BEACH, FLORIDA
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2020**

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
ASSETS:				
Cash and cash equivalents	\$ 15,153,370	\$ 7,502,962	\$ 118,214,821	\$ 140,871,153
Investments	16,465,044	658,965	24,745,996	41,870,005
Receivables, net:				
Accounts	354,192	-	1,330,751	1,684,943
Interest	89,103	6,127	88,579	183,809
Notes	2,069,134	-	-	2,069,134
Liens and assessments	53,637	-	-	53,637
Due from other funds	-	-	758,595	758,595
Due from other governments	1,370,946	-	233,891	1,604,837
Inventory	60,967	-	-	60,967
Land held for resale	2,585,734	-	2,856,572	5,442,306
Prepaid expenses	15,028	-	-	15,028
Investment in direct financing leases	-	-	2,185,649	2,185,649
Total assets	38,217,155	8,168,054	150,414,854	196,800,063
LIABILITIES:				
Accounts payable and accrued liabilities	2,345,452	380,946	5,916,201	8,642,599
Deposits payable	70,570	-	-	70,570
Due to other governments	305,421	-	-	305,421
Due to other funds	657,050	-	696,507	1,353,557
Total liabilities	3,378,493	380,946	6,612,708	10,372,147
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue	1,153,061	-	-	1,153,061
FUND BALANCES:				
Nonspendable	75,995	-	-	75,995
Restricted	26,441,783	7,431,601	135,968,150	169,841,534
Committed	7,167,982	355,507	7,833,996	15,357,485
Unassigned	(159)	-	-	(159)
Total fund balances	33,685,601	7,787,108	143,802,146	185,274,855
Total liabilities, deferred inflows of resources and fund balances	\$ 38,217,155	\$ 8,168,054	\$ 150,414,854	\$ 196,800,063

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, 2020

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
REVENUES:				
Taxes	\$ -	\$ 1,575,912	\$ -	\$ 1,575,912
Licenses and permits	10,206,620	-	-	10,206,620
Intergovernmental	8,386,122	-	8,032,253	16,418,375
Charges for services	8,734,594	-	318,096	9,052,690
Fines and forfeitures	6,162	-	-	6,162
Rents and royalties	614,975	-	-	614,975
Interest income	721,890	177,501	1,389,695	2,289,086
Miscellaneous	498,625	-	3,400	502,025
Total revenues	29,168,988	1,753,413	9,743,444	40,665,845
EXPENDITURES:				
Current:				
General government	93,470	-	567,813	661,283
Public safety	13,802,373	-	702,053	14,504,426
Public works	4,738,466	-	909,875	5,648,341
Economic environment	4,479,212	-	1,813,265	6,292,477
Engineering services	-	-	401,440	401,440
Leisure services	3,848,568	-	420,623	4,269,191
Capital outlay	138,423	-	28,303,042	28,441,465
Debt service:				
Principal	-	5,066,208	-	5,066,208
Interest expense	-	5,246,695	-	5,246,695
Other issuance and debt costs	-	-	274,564	274,564
Total expenditures	27,100,512	10,312,903	33,392,675	70,806,090
Excess (deficiency) of revenues over (under) expenditures	2,068,476	(8,559,490)	(23,649,231)	(30,140,245)
OTHER FINANCING SOURCES (USES):				
Issuance of bonds payable	-	-	24,465,000	24,465,000
Premium on issuance of bonds payable	-	-	5,532,188	5,532,188
Issuance of lease payable	-	-	2,185,649	2,185,649
Sale of capital assets	117,430	-	45,499	162,929
Transfers In	2,036,637	8,977,656	8,686,726	19,701,019
Transfers out	(11,716,116)	-	(1,958,451)	(13,674,567)
Total other financing sources (uses)	(9,562,049)	8,977,656	38,956,611	38,372,218
Net changes in fund balances	(7,493,573)	418,166	15,307,380	8,231,973
Fund balances - beginning	41,179,174	7,368,942	128,494,766	177,042,882
Fund balances - ending	\$ 33,685,601	\$ 7,787,108	\$ 143,802,146	\$ 185,274,855

**CITY OF WEST PALM BEACH, FLORIDA
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2020**

	Local Gas Tax Fund	Impact Fees Western Expansion Fee Fund	Community Development Fund	Neighborhood Stabilization Program Fund	Home Program Fund
ASSETS:					
Cash and cash equivalents	\$ 2,528,702	\$ 398,077	\$ -	\$ 273,714	\$ 26,672
Investments	2,829,712	445,463	-	306,296	29,847
Receivables, net:					
Accounts	354,192	-	-	-	-
Interest	15,061	2,324	-	-	-
Notes	-	490,671	-	1,028,463	-
Liens and assessments	-	-	-	-	-
Due from other governments	-	-	652,942	-	-
Inventory	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Land held for resale	-	-	-	2,487,196	98,538
Total assets	5,727,667	1,336,535	652,942	4,095,669	155,057
LIABILITIES:					
Accounts payable and accrued liabilities	995,678	-	14,867	3,797	7,803
Deposits payable	-	-	-	426	-
Due to other governments	-	-	-	-	-
Due to other funds	-	-	638,234	-	-
Total liabilities	995,678	-	653,101	4,223	7,803
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	-	478,943	-	74,282	-
FUND BALANCES:					
Nonspendable	-	-	-	-	-
Restricted	4,731,989	857,592	-	4,017,164	147,254
Committed	-	-	-	-	-
Unassigned	-	-	(159)	-	-
Total fund balances	4,731,989	857,592	(159)	4,017,164	147,254
Total liabilities, deferred inflows of resources and fund balances	\$ 5,727,667	\$ 1,336,535	\$ 652,942	\$ 4,095,669	\$ 155,057

Continued

CITY OF WEST PALM BEACH, FLORIDA
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2020

	HOPWA Fund	SHIP Program Fund	Housing Trust Fund	Permits Fund	Fire Assessment Fee Fund	Red Light Camera Fund
ASSETS:						
Cash and cash equivalents	\$ -	\$ 439,785	\$ 1,012,225	\$ 5,739,726	\$ 2,772,801	\$ 30,597
Investments	-	-	1,132,717	6,422,966	3,102,866	34,239
Receivables, net:						
Accounts	-	-	-	-	-	-
Interest	-	-	5,947	43,714	16,502	177
Notes	-	-	550,000	-	-	-
Liens and assessments	-	-	-	53,637	-	-
Due from other governments	78,941	-	-	3,023	-	-
Inventory	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	15,028	-
Land held for resale	-	-	-	-	-	-
Total assets	78,941	439,785	2,700,889	12,263,066	5,907,197	65,013
LIABILITIES:						
Accounts payable and accrued liabilities	60,125	58,381	11,314	286,330	210,294	-
Deposits payable	-	-	-	-	-	-
Due to other governments	-	-	-	305,390	-	-
Due to other funds	18,816	-	-	-	-	-
Total liabilities	78,941	58,381	11,314	591,720	210,294	-
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenue	-	-	550,000	49,836	-	-
FUND BALANCES:						
Nonspendable	-	-	-	-	15,028	-
Restricted	-	381,404	2,139,575	11,621,510	-	65,013
Committed	-	-	-	-	5,681,875	-
Unassigned	-	-	-	-	-	-
Total fund balances	-	381,404	2,139,575	11,621,510	5,696,903	65,013
Total liabilities, deferred inflows of resources and fund balances	\$ 78,941	\$ 439,785	\$ 2,700,889	\$ 12,263,066	\$ 5,907,197	\$ 65,013

Continued

**CITY OF WEST PALM BEACH, FLORIDA
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2020**

	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	\$ 785,701	\$ 236,429	\$ 582,388	\$ 326,553	\$ 15,153,370
Investments	879,229	264,571	651,713	365,425	16,465,044
Receivables, net:					
Accounts	-	-	-	-	354,192
Interest	-	-	3,387	1,991	89,103
Notes	-	-	-	-	2,069,134
Liens and assessments	-	-	-	-	53,637
Due from other governments	1,650	634,390	-	-	1,370,946
Inventory	-	-	60,967	-	60,967
Prepaid expenses	-	-	-	-	15,028
Land held for resale	-	-	-	-	2,585,734
Total assets	1,666,580	1,135,390	1,298,455	693,969	38,217,155
LIABILITIES:					
Accounts payable and accrued liabilities	131,684	482,364	37,700	45,115	2,345,452
Deposits payable	48,758	-	-	21,386	70,570
Due to other governments	31	-	-	-	305,421
Due to other funds	-	-	-	-	657,050
Total liabilities	180,473	482,364	37,700	66,501	3,378,493
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	-	-	-	-	1,153,061
FUND BALANCES:					
Nonspendable	-	-	60,967	-	75,995
Restricted	-	653,026	1,199,788	627,468	26,441,783
Committed	1,486,107	-	-	-	7,167,982
Unassigned	-	-	-	-	(159)
Total fund balances	1,486,107	653,026	1,260,755	627,468	33,685,601
Total liabilities, deferred inflows of resources and fund balances	\$ 1,666,580	\$ 1,135,390	\$ 1,298,455	\$ 693,969	\$ 38,217,155

**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, 2020**

	Local Gas Tax Fund	Impact Fees Western Expansion Fee Fund	Community Development Fund	Neighborhood Stabilization Program Fund	Home Program Fund
REVENUES:					
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,243,518	72	843,034	41,259	337,213
Charges for services	250,713	-	-	-	96,657
Fines and forfeitures	-	-	-	-	-
Rents and royalties	-	-	-	-	-
Interest income	120,502	18,690	46	-	3,325
Miscellaneous	-	6,973	29,451	-	-
Total revenues	2,614,733	25,735	872,531	41,259	437,195
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	4,700,026	-	-	-	-
Economic environment	-	-	498,028	35,581	388,497
Leisure services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	4,700,026	-	498,028	35,581	388,497
Excess (deficiency) of revenues over (under) expenditures	(2,085,293)	25,735	374,503	5,678	48,698
OTHER FINANCING SOURCES:					
Sale of capital assets	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers out	-	-	(438,507)	-	-
Total other financing sources	-	-	(438,507)	-	-
Net changes in fund balances	(2,085,293)	25,735	(64,004)	5,678	48,698
Fund balances - beginning	6,817,282	831,857	63,845	4,011,486	98,556
Fund balances - ending	\$ 4,731,989	\$ 857,592	\$ (159)	\$ 4,017,164	\$ 147,254

Continued

**CITY OF WEST PALM BEACH, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	HOPWA Fund	SHIP Program Fund	Housing Trust Fund	Permits Fund	Fire Assessment Fee Fund	Red Light Camera Fund
REVENUES:						
Licenses and permits	\$ -	\$ -	\$ -	\$ 10,206,620	\$ -	\$ -
Intergovernmental	2,970,735	194,427	-	-	-	-
Charges for services	-	-	-	26,442	7,711,872	-
Fines and forfeitures	-	-	-	-	-	6,162
Rents and royalties	-	-	-	-	-	-
Interest income	-	180	46,108	364,458	141,618	1,319
Miscellaneous	-	133,613	39,001	7,238	-	-
Total revenues	2,970,735	328,220	85,109	10,604,758	7,853,490	7,481
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	9,290,142	3,059,974	-
Public works	-	-	-	-	-	-
Economic environment	2,970,735	203,381	212,235	-	-	-
Leisure services	-	-	-	-	-	-
Capital outlay	-	-	-	-	50,261	-
Total expenditures	2,970,735	203,381	212,235	9,290,142	3,110,235	-
Excess (deficiency) of revenues over (under) expenditures	-	124,839	(127,126)	1,314,616	4,743,255	7,481
OTHER FINANCING SOURCES:						
Sale of capital assets	-	-	117,430	-	-	-
Transfers In	-	-	-	-	-	-
Transfers out	-	-	-	(7,790,110)	(3,487,499)	-
Total other financing sources	-	-	117,430	(7,790,110)	(3,487,499)	-
Net changes in fund balances	-	124,839	(9,696)	(6,475,494)	1,255,756	7,481
Fund balances - beginning	-	256,565	2,149,271	18,097,004	4,441,147	57,532
Fund balances - ending	\$ -	\$ 381,404	\$ 2,139,575	\$ 11,621,510	\$ 5,696,903	\$ 65,013

Continued

**CITY OF WEST PALM BEACH, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Waterfront District Fund	Special Revenue Grant Programs Fund	Cemetery Sinking Fund	Miscellaneous Trust Fund	Total Non- Major Special Revenue Funds
REVENUES:					
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ 10,206,620
Intergovernmental	-	1,385,731	-	370,133	8,386,122
Charges for services	598,900	-	50,010	-	8,734,594
Fines and forfeitures	-	-	-	-	6,162
Rents and royalties	614,975	-	-	-	614,975
Interest income	-	-	25,644	-	721,890
Miscellaneous	5,574	276,775	-	-	498,625
Total revenues	1,219,449	1,662,506	75,654	370,133	29,168,988
EXPENDITURES:					
Current:					
General government	-	93,470	-	-	93,470
Public safety	-	943,628	-	508,629	13,802,373
Public works	-	-	38,440	-	4,738,466
Economic environment	-	170,755	-	-	4,479,212
Leisure services	3,400,785	447,783	-	-	3,848,568
Capital outlay	11,013	64,923	-	12,226	138,423
Total expenditures	3,411,798	1,720,559	38,440	520,855	27,100,512
Excess (deficiency) of revenues over (under) expenditures	(2,192,349)	(58,053)	37,214	(150,722)	2,068,476
OTHER FINANCING SOURCES:					
Sale of capital assets	-	-	-	-	117,430
Transfers In	1,936,266	100,371	-	-	2,036,637
Transfers out	-	-	-	-	(11,716,116)
Total other financing sources	1,936,266	100,371	-	-	(9,562,049)
Net changes in fund balances	(256,083)	42,318	37,214	(150,722)	(7,493,573)
Fund balances - beginning	1,742,190	610,708	1,223,541	778,190	41,179,174
Fund balances - ending	\$ 1,486,107	\$ 653,026	\$ 1,260,755	\$ 627,468	\$ 33,685,601

CITY OF WEST PALM BEACH, FLORIDA
 COMBINING BALANCE SHEET
 NON-MAJOR DEBT SERVICE FUNDS
 SEPTEMBER 30, 2020

	Other Debt Service Fund	General Obligation Bond Fund	Series 2019 CCCRA Debt Service	Total Non- major Debt Service Funds
ASSETS:				
Cash and cash equivalents	\$ 169,889	\$ 197,074	\$ 7,135,999	\$ 7,502,962
Investments	190,114	220,533	248,318	658,965
Interest	992	1,151	3,984	6,127
Total assets	<u>360,995</u>	<u>418,758</u>	<u>7,388,301</u>	<u>8,168,054</u>
LIABILITIES:				
Accounts payable and accrued liabilities	5,488	-	375,458	380,946
Total liabilities	<u>5,488</u>	<u>-</u>	<u>375,458</u>	<u>380,946</u>
FUND BALANCES:				
Restricted	-	418,758	7,012,843	7,431,601
Committed	355,507	-	-	355,507
Total fund balances	<u>355,507</u>	<u>418,758</u>	<u>7,012,843</u>	<u>7,787,108</u>
Total liabilities and fund balances	<u>\$ 360,995</u>	<u>\$ 418,758</u>	<u>\$ 7,388,301</u>	<u>\$ 8,168,054</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, 2020**

	Other Debt Service Fund	Go Bond Debt Service	Series 2019 CCCRA Debt Service	Total Non-major Debt Service Funds
REVENUES:				
Property taxes	\$ -	\$ 1,575,912	\$ -	\$ 1,575,912
Interest income	31,874	15,086	130,541	177,501
Total revenues	31,874	1,590,998	130,541	1,753,413
EXPENDITURES:				
Debt service:				
Principal	2,366,208	1,525,000	1,175,000	5,066,208
Interest expense	218,015	30,500	4,998,180	5,246,695
Total expenditures	2,584,223	1,555,500	6,173,180	10,312,903
Excess (deficiency) of revenues over (under) expenditures	(2,552,349)	35,498	(6,042,639)	(8,559,490)
OTHER FINANCING SOURCES				
Transfers In	2,784,499	-	6,193,157	8,977,656
Total other financing sources	2,784,499	-	6,193,157	8,977,656
Net change in fund balances	232,150	35,498	150,518	418,166
Fund balances - beginning	123,357	383,260	6,862,325	7,368,942
Fund balances - ending	\$ 355,507	\$ 418,758	\$ 7,012,843	\$ 7,787,108

**CITY OF WEST PALM BEACH, FLORIDA
 COMBINING BALANCE SHEET
 NON-MAJOR CAPITAL PROJECTS FUNDS
 SEPTEMBER 30, 2020**

	Other Capital Projects Fund	Series 2020 General Obligation Bond Fund	Art in Public Places Fund	City Commons & Waterfront Park Construction Fund	Infrastructure Surtax Fund	2016 Capital Bond Fund
ASSETS:						
Cash and cash equivalents	\$ 16,579,247	\$ 29,734,322	\$ -	\$ 53,137	\$ 10,627,830	\$ 6,976,412
Investments	1,634,777	12,964	-	59,463	11,892,936	205,291
Receivables, net:						
Accounts	-	-	-	-	1,330,751	-
Interest	9,187	766	-	310	61,415	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Land held for resale	-	-	-	-	-	-
Investment in direct financing leases	-	-	-	-	-	-
Total assets	18,223,211	29,748,052	-	112,910	23,912,932	7,181,703
LIABILITIES:						
Accounts payable and accrued liabilities	460,393	23,901	-	44,265	711,202	548,681
Due to other funds	-	-	-	-	-	-
Total liabilities	460,393	23,901	-	44,265	711,202	548,681
DEFERRED INFLOWS OF RESOURCES						
FUND BALANCES:						
Restricted	15,118,367	29,724,151	-	-	23,201,730	6,633,022
Committed	2,644,451	-	-	68,645	-	-
Total fund balances	17,762,818	29,724,151	-	68,645	23,201,730	6,633,022
Total liabilities and fund balances	\$ 18,223,211	\$ 29,748,052	\$ -	\$ 112,910	\$ 23,912,932	\$ 7,181,703

Continued

**CITY OF WEST PALM BEACH, FLORIDA
 COMBINING BALANCE SHEET
 NON-MAJOR CAPITAL PROJECTS FUNDS
 SEPTEMBER 30, 2020**

	Vehicle Replacement Fund	Technology Replacement Fund	NPCCRA Series 2005A Construction Fund	Series 2019 CC CRA Capital Bond	Capital Grants Fund	Land Acquisition Fund	Total Non- Major Capital Projects Funds
ASSETS:							
Cash and cash equivalents	\$ 880,684	\$ 3,706,793	\$ 990,456	\$ 48,663,103	\$ -	\$ 2,837	\$ 118,214,821
Investments	985,518	4,148,038	6,182	5,797,654	-	3,173	24,745,996
Receivables, net:							
Accounts	-	-	-	-	-	-	1,330,751
Interest	5,198	11,645	41	-	-	17	88,579
Due from other funds	-	-	-	-	758,595	-	758,595
Due from other governments	-	-	-	-	233,891	-	233,891
Land held for resale	-	-	-	-	-	2,856,572	2,856,572
Investment in direct financing leases	2,185,649	-	-	-	-	-	2,185,649
Total assets	4,057,049	7,866,476	996,679	54,460,757	992,486	2,862,599	150,414,854
LIABILITIES:							
Accounts payable and accrued liabilities	-	72,847	-	3,758,933	295,979	-	5,916,201
Due to other funds	-	-	-	-	696,507	-	696,507
Total liabilities	-	72,847	-	3,758,933	992,486	-	6,612,708
DEFERRED INFLOWS OF RESOURCES							
FUND BALANCES:							
Restricted	2,185,649	7,406,728	996,679	50,701,824	-	-	135,968,150
Committed	1,871,400	386,901	-	-	-	2,862,599	7,833,996
Total fund balances	4,057,049	7,793,629	996,679	50,701,824	-	2,862,599	143,802,146
Total liabilities and fund balances	\$ 4,057,049	\$ 7,866,476	\$ 996,679	\$ 54,460,757	\$ 992,486	\$ 2,862,599	\$ 150,414,854

**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, 2020**

	Other Capital Projects Fund	Series 2020 General Obligation Bond Fund	Art in Public Places Fund	City Commons & Waterfront Park Construction Fund	Infrastructure Surtax Fund	2016 Capital Bond Fund
REVENUES:						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 7,815,015	\$ -
Charges for services	15,964	-	302,132	-	-	-
Interest income	203,361	1,527	27,727	2,351	452,520	103,251
Miscellaneous	-	-	-	-	-	-
Total revenues	219,325	1,527	329,859	2,351	8,267,535	103,251
EXPENDITURES:						
Current:						
General government	9,750	-	256,600	-	-	-
Public safety	-	-	-	-	-	186,580
Public works	-	-	-	-	-	909,875
Economic environment	-	-	-	-	1,195,365	69,060
Engineering services	166,971	-	-	-	-	17,231
Leisure services	217,499	-	-	-	104,413	98,711
Capital outlay	3,257,613	-	-	-	2,938,590	2,723,237
Debt service:						
Other issuance and debt costs	-	274,564	-	-	-	-
Total expenditures	3,651,833	274,564	256,600	-	4,238,368	4,004,694
Excess (deficiency) of revenues over (under) expenditures	(3,432,508)	(273,037)	73,259	2,351	4,029,167	(3,901,443)
OTHER FINANCING SOURCES (USES):						
Issuance of bonds payable	-	24,465,000	-	-	-	-
Premium on issuance of bonds payable	-	5,532,188	-	-	-	-
Issuance of lease payable	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers In	703,000	-	120,091	-	-	-
Transfers out	(477,240)	-	(1,316,211)	-	-	-
Total other financing sources (uses)	225,760	29,997,188	(1,196,120)	-	-	-
Net changes in fund balances	(3,206,748)	29,724,151	(1,122,861)	2,351	4,029,167	(3,901,443)
Fund balances - beginning	20,969,566	-	1,122,861	66,294	19,172,563	10,534,465
Fund balances - ending	\$ 17,762,818	\$ 29,724,151	\$ -	\$ 68,645	\$ 23,201,730	\$ 6,633,022

Continued

**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, 2020**

	Vehicle Replacement Fund	Technology Replacement Fund	NPC CRA Series 2005A Construction Fund	Series 2019 CCCRA Capital Bond	Capital Grants Fund	Land Acquisition Fund	Total Non- Major Capital Projects Funds
REVENUES:							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 217,238	\$ -	\$ 8,032,253
Charges for services	-	-	-	-	-	-	318,096
Interest income	40,988	69,734	6,274	481,836	-	126	1,389,695
Miscellaneous	3,400	-	-	-	-	-	3,400
Total revenues	44,388	69,734	6,274	481,836	217,238	126	9,743,444
EXPENDITURES:							
Current:							
General government	-	301,463	-	-	-	-	567,813
Public safety	-	515,473	-	-	-	-	702,053
Public works	-	-	-	-	-	-	909,875
Economic environment	-	18,400	46,084	484,356	-	-	1,813,265
Engineering services	-	-	-	-	217,238	-	401,440
Leisure services	-	-	-	-	-	-	420,623
Capital outlay	120,824	1,620,340	-	17,203,931	438,507	-	28,303,042
Debt service:							
Other issuance and debt costs	-	-	-	-	-	-	274,564
Total expenditures	120,824	2,455,676	46,084	17,688,287	655,745	-	33,392,675
Excess (deficiency) of revenues over (under) expenditures	(76,436)	(2,385,942)	(39,810)	(17,206,451)	(438,507)	126	(23,649,231)
OTHER FINANCING SOURCES (USES):							
Issuance of bonds payable	-	-	-	-	-	-	24,465,000
Premium on issuance of bonds payable	-	-	-	-	-	-	5,532,188
Issuance of lease payable	2,185,649	-	-	-	-	-	2,185,649
Sale of capital assets	45,499	-	-	-	-	-	45,499
Transfers In	-	7,425,128	-	-	438,507	-	8,686,726
Transfers out	(165,000)	-	-	-	-	-	(1,958,451)
Total other financing sources (uses)	2,066,148	7,425,128	-	-	438,507	-	38,956,611
Net changes in fund balances	1,989,712	5,039,186	(39,810)	(17,206,451)	-	126	15,307,380
Fund balances - beginning	2,067,337	2,754,443	1,036,489	67,908,275	-	2,862,473	128,494,766
Fund balances - ending	\$ 4,057,049	\$ 7,793,629	\$ 996,679	\$ 50,701,824	\$ -	\$ 2,862,599	\$ 143,802,146



Osprey Park
By City of West Palm Beach



Photo by Lannis Waters/THE PALM BEACH

INTERNAL SERVICE FUNDS



Currie Park
By City of West Palm Beach



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, 2020

	MIS Processing Fund	Fleet Management Fund	Self Insurance Fund	Employee Benefits Fund	Totals
ASSETS:					
Current unrestricted assets:					
Cash and cash equivalents	\$ 6,123,873	\$ 162,496	\$ 6,013,596	\$ 3,683,204	\$ 15,983,169
Investments	6,852,841	181,838	6,729,436	4,121,641	17,885,756
Receivables, net					
Accounts	-	14,983	-	720,118	735,101
Interest	37,627	548	35,773	22,538	96,486
Due from other governments	6,860	1,804	381	-	9,045
Inventory	-	91,093	-	-	91,093
Prepaid expenses	-	-	994,480	-	994,480
Current restricted assets:					
Cash and cash equivalents	-	-	175,000	3,642,902	3,817,902
Total current assets	13,021,201	452,762	13,948,666	12,190,403	39,613,032
Non-current assets:					
Investment in joint venture	1,724,827	-	-	-	1,724,827
Capital assets					
Depreciable, net	11,570,497	461,824	83,505	155,595	12,271,421
Total non-current assets	13,295,324	461,824	83,505	155,595	13,996,248
Total assets	26,316,525	914,586	14,032,171	12,345,998	53,609,280
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued liabilities	1,548,570	573,187	78,736	571,851	2,772,344
Compensated absences payable	236,177	119,322	25,619	-	381,118
Notes payable - current	1,138,416	-	-	-	1,138,416
Insurance claims payable	-	-	2,893,957	1,210,076	4,104,033
Deposits payable	-	-	-	142,995	142,995
Total current liabilities	2,923,163	692,509	2,998,312	1,924,922	8,538,906
Non-current liabilities:					
Compensated absences payable	311,587	91,780	-	-	403,367
Insurance claims payable - long term	-	-	10,261,307	-	10,261,307
Notes payable - long term	3,253,983	-	-	-	3,253,983
Total non-current liabilities	3,565,570	91,780	10,261,307	-	13,918,657
Total liabilities	6,488,733	784,289	13,259,619	1,924,922	22,457,563
NET POSITION:					
Net investment in capital assets	7,178,098	461,824	83,505	155,595	7,879,022
Unrestricted	12,649,694	(331,527)	689,047	10,265,481	23,272,695
Total net position	\$ 19,827,792	\$ 130,297	\$ 772,552	\$ 10,421,076	\$ 31,151,717

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, 2020

	MIS Processing Fund	Fleet Management Fund	Self Insurance Fund	Employee Benefits Fund	Totals
OPERATING REVENUES:					
Charges for services	\$ 16,124,034	\$ 8,608,113	\$ 9,017,928	\$ 28,805,529	\$ 62,555,604
Equity in earnings of joint ventures	100,000	-	-	-	100,000
Miscellaneous	42,624	182,660	699	-	225,983
Total operating revenues	16,266,658	8,790,773	9,018,627	28,805,529	62,881,587
OPERATING EXPENSES:					
Personnel services	4,999,825	2,368,448	646,578	-	8,014,851
Contractual services	9,406,756	4,097,778	740,942	1,391,660	15,637,136
Utilities	639,874	88,849	2,807	2,303	733,833
Repair and maintenance	223,194	790,956	4,967	-	1,019,117
Other supplies and expenses	290,190	1,198,577	46,050	490,292	2,025,109
Depreciation	921,258	31,897	3,194	4,825	961,174
Insurance	19,939	87,493	9,061,560	25,346,055	34,515,047
Total operating expenses	16,501,036	8,663,998	10,506,098	27,235,135	62,906,267
Operating income (loss)	(234,378)	126,775	(1,487,471)	1,570,394	(24,680)
NON-OPERATING REVENUES (EXPENSES):					
Interest income	288,264	1,424	275,906	200,936	766,530
Interest expense	(131,941)	-	-	-	(131,941)
Total non-operating revenues (expenses)	156,323	1,424	275,906	200,936	634,589
Income (loss) before contributions and transfers	(78,055)	128,199	(1,211,565)	1,771,330	609,909
TRANSFERS:					
Transfers In	1,094,946	-	-	-	1,094,946
Transfers out	-	-	-	(75,684)	(75,684)
Total transfers	1,094,946	-	-	(75,684)	1,019,262
Change in net position	1,016,891	128,199	(1,211,565)	1,695,646	1,629,171
Net position - beginning	18,810,901	2,098	1,984,117	8,725,430	29,522,546
Net position - ending	\$ 19,827,792	\$ 130,297	\$ 772,552	\$ 10,421,076	\$ 31,151,717

CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	MIS Processing Fund	Fleet Management Fund	Self Insurance Fund	Employee Benefits Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 16,124,034	\$ 8,597,039	\$ 9,017,928	\$ 28,826,897	\$ 62,565,898
Cash payments to suppliers/contractors	(9,761,980)	(6,358,272)	(913,085)	(1,806,426)	(18,839,763)
Cash payments to employees	(4,913,017)	(2,362,680)	(639,585)	-	(7,915,282)
Other operating receipts	42,625	182,659	699	-	225,983
Cash payments for insurance	-	-	(6,624,040)	(25,510,601)	(32,134,641)
Net cash provided by operating activities	1,491,662	58,746	841,917	1,509,870	3,902,195
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in	1,094,946	-	-	-	1,094,946
Transfers out	-	-	-	(75,684)	(75,684)
Net cash provided by (used for) noncapital financing activities	1,094,946	-	-	(75,684)	1,019,262
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition/construction of capital assets	(32,145)	-	-	-	(32,145)
Principal paid on notes and leases	(2,146,547)	-	-	-	(2,146,547)
Interest and fees paid on long term debt	(131,941)	-	-	-	(131,941)
Net cash used for capital and related financing activities	(2,310,633)	-	-	-	(2,310,633)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchases and sales of investments, net	839,976	(5,867)	480,715	(245,730)	1,069,094
Interest on investments	206,043	(549)	191,984	140,989	538,467
Net cash provided by (used for) investing activities	1,046,019	(6,416)	672,699	(104,741)	1,607,561
Net increase in cash and cash equivalents	1,321,994	52,330	1,514,616	1,329,445	4,218,385
Cash and cash equivalents - beginning of year	4,801,879	110,166	4,673,980	5,996,661	15,582,686
Cash and cash equivalents - end of year	\$ 6,123,873	\$ 162,496	\$ 6,188,596	\$ 7,326,106	\$ 19,801,071
DISPLAYED AS:					
Unrestricted cash and cash equivalents	6,123,873	162,496	6,013,596	3,683,204	15,983,169
Restricted cash and cash equivalents	-	-	175,000	3,642,902	3,817,902
Total cash and cash equivalents	\$ 6,123,873	\$ 162,496	\$ 6,188,596	\$ 7,326,106	\$ 19,801,071

CITY OF WEST PALM BEACH, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	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)	\$ (234,378)	\$ 126,775	\$ (1,487,471)	\$ 1,570,394	\$ (24,680)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	921,258	31,897	3,194	4,825	961,174
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	-	(11,074)	-	-	(11,074)
(Increase) decrease in (gain) loss in joint ventures	(100,000)	-	-	-	(100,000)
Increase (decrease) in accounts payable and accrued liabilities	817,974	(94,620)	(118,319)	77,829	682,864
Increase (decrease) in compensated absences payable	86,808	5,768	6,993	-	99,569
Increase (decrease) in deposits payable	-	-	-	21,368	21,368
Increase (decrease) in insurance claims payable	-	-	2,437,520	(11,887)	2,425,633
Total adjustments	1,726,040	(68,029)	2,329,388	92,135	4,079,534
Net cash provided by operating activities	\$ 1,491,662	\$ 58,746	\$ 841,917	\$ 1,662,529	\$ 4,054,854
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING AND INVESTING ACTIVITIES:					
Change in fair value of investments	\$ 84,684	\$ 1,424	\$ 81,933	\$ 55,502	\$ 223,543



Sunset Park
By City of West Palm Beach





Photo by Captain Kimo

FIDUCIARY FUNDS



Mickens Park
By City of West Palm Beach



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.

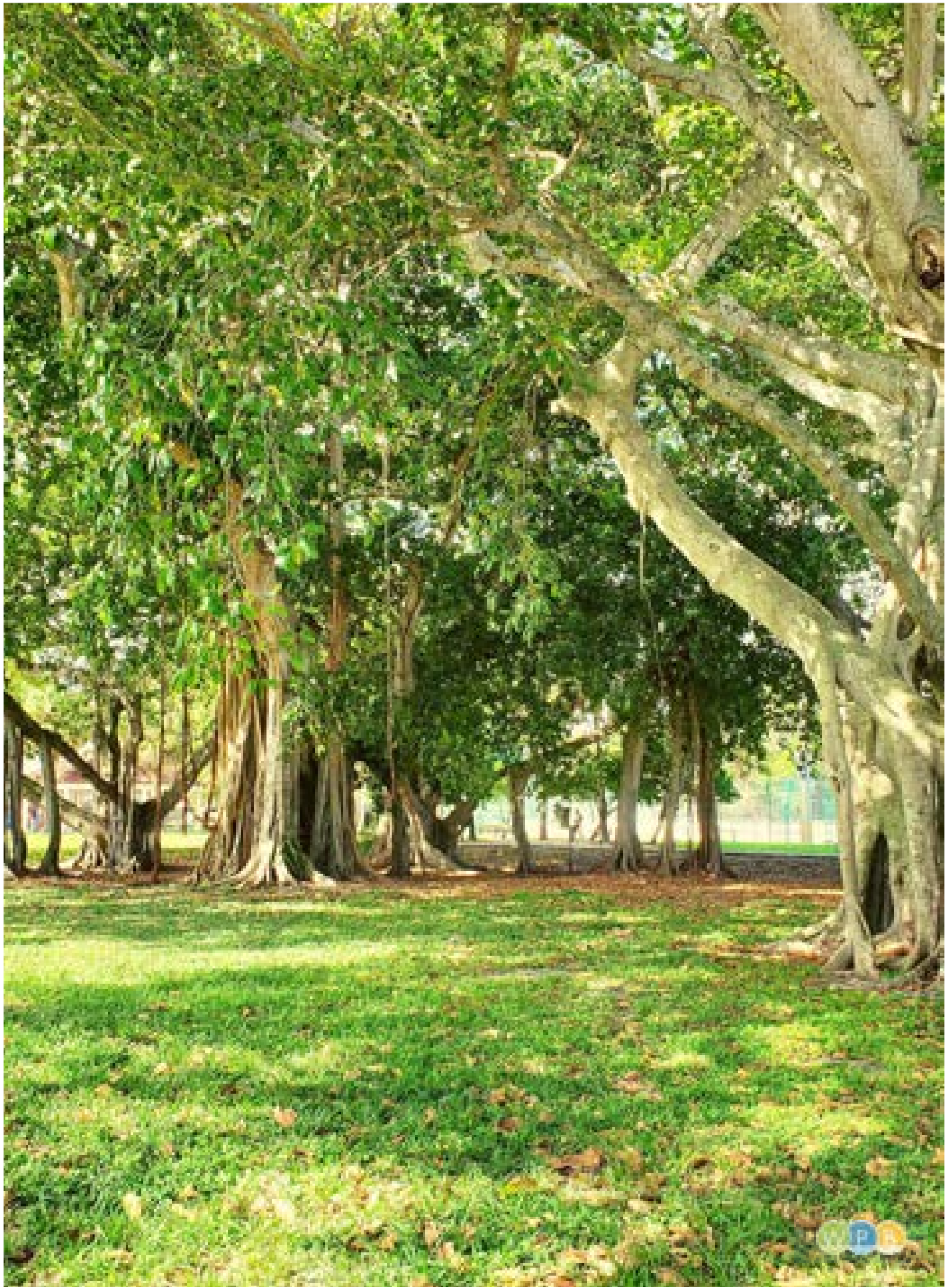
OPEB Fund ' This fund is used to account for assets held in trust for post.employment benefits other than pensions.

CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS - PENSION AND OTHER EMPLOYEE BENEFIT PLANS
SEPTEMBER 30, 2020

	Firefighters Pension Fund	Police Pension Fund	Restated Employees Pension Fund	OPEB Fund	Totals
ASSETS:					
Cash and cash equivalents	\$ 2,013,690	\$ 376,773	\$ 223,342	\$ 1,524,086	\$ 4,137,891
Receivables:					
Drop loans	343,402	1,120,889	-	-	1,464,291
Interest and dividends	173,086	189,667	40,465	-	403,218
Account receivable - sale of Investments	-	-	37,765	-	37,765
Florida state excise rebate	1,357,926	1,611,609	-	-	2,969,535
Other	61,061	555,508	-	-	616,569
Total receivables	1,935,475	3,477,673	78,230	-	5,491,378
Investments:					
Money market	4,036,093	4,988,500	1,016,724	-	10,041,317
U.S. government obligations	9,865,005	4,298,819	3,418,726	-	17,582,550
U.S. government agencies	852,625	35,346,146	-	-	36,198,771
Corporate obligations	13,620,245	28,009,018	4,373,338	-	46,002,601
Equity securities	-	-	30,094,562	-	30,094,562
Domestic stocks	93,047,166	67,995,231	-	-	161,042,397
Domestic equity investment funds	32,838,852	121,337,959	-	10,858,875	165,035,686
Domestic fixed income investment funds	31,231,190	-	-	2,192,267	33,423,457
Domestic private equity investment funds	-	17,936,881	-	-	17,936,881
Fixed income mutual fund	-	-	3,963,482	418,883	4,382,365
International equity investment funds	27,066,635	54,395,439	-	-	81,462,074
International fixed income investment funds	10,773,703	-	-	-	10,773,703
Real estate investment trust funds	26,183,972	62,070,326	2,939,416	-	91,193,714
Total investments	249,515,486	396,378,319	45,806,248	13,470,025	705,170,078
Prepaid expenses	3,211	1,330,554	-	-	1,333,765
Total assets	253,467,862	401,563,319	46,107,820	14,994,111	716,133,112
LIABILITIES:					
Accounts payable and accrued expenses	1,237,179	1,507,913	329,786	-	3,074,878
Advanced city contribution	-	-	3,073,102	-	3,073,102
Total liabilities	1,237,179	1,507,913	3,402,888	-	6,147,980
NET POSITION:					
Net position restricted for pension benefits and OPEB	\$ 252,230,683	\$ 400,055,406	\$ 42,704,932	\$ 14,994,111	\$ 709,985,132

CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS - PENSION AND OTHER EMPLOYEE BENEFIT PLANS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Firefighters Pension Fund	Police Pension Fund	Restated Employees Pension Fund	OPEB Fund	Totals
ADDITIONS:					
Contributions:					
Plan members	\$ 4,144,354	\$ 2,969,024	\$ 55,751	\$ -	\$ 7,169,129
Insurance premium taxes collected by the State of Florida on behalf of the City of West Palm Beach	1,357,926	1,611,609	-	-	2,969,535
City of West Palm Beach	9,737,863	5,240,652	128,278	1,260,603	16,367,396
Total contributions	15,240,143	9,821,285	184,029	1,260,603	26,506,060
Investment income:					
Net appreciation in fair value of investments	15,394,187	21,587,088	2,031,345	1,259,711	40,272,331
Interest and dividends	5,991,583	5,134,190	1,275,766	-	12,401,539
Class action revenue	5,375	9,440	-	-	14,815
Rebates and other revenue	9,612	46,920	2,876	-	59,408
Total investment income	21,400,757	26,777,638	3,309,987	1,259,711	52,748,093
Less investment expense	996,469	961,568	182,600	-	2,140,637
Net investment income	20,404,288	25,816,070	3,127,387	1,259,711	50,607,456
Total additions	35,644,431	35,637,355	3,311,416	2,520,314	77,113,516
DEDUCTIONS:					
Participant benefit payments	17,032,126	18,512,808	3,126,321	1,260,603	39,931,858
Refunds of participant contributions	59,635	206,949	-	-	266,584
Administrative Expenses	196,920	304,417	80,085	-	581,422
Total deductions	17,288,681	19,024,174	3,206,406	1,260,603	40,779,864
Net increase (decrease) in net position	18,355,750	16,613,181	105,010	1,259,711	36,333,652
NET POSITION:					
Beginning of year	233,874,933	383,442,225	42,599,922	13,734,400	673,651,480
End of year	\$ 252,230,683	\$ 400,055,406	\$ 42,704,932	\$ 14,994,111	\$ 709,985,132



Historic Flamingo Park
By City of West Palm Beach



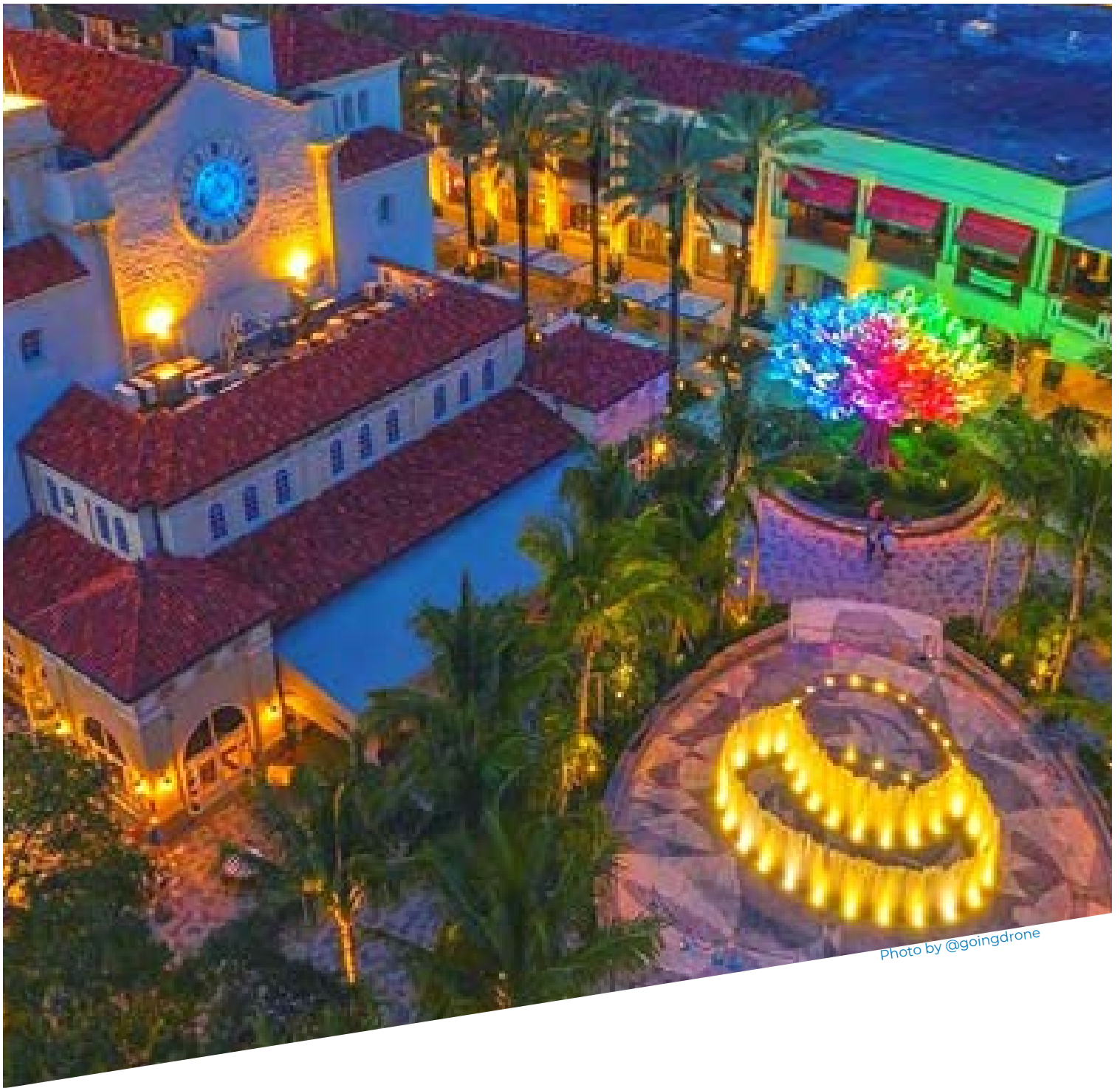


Photo by @goingdrone

BUDGETARY COMPARISON SCHEDULES

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, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 1,863,704	\$ 1,863,704	\$ 2,243,518	\$ 379,814
Charges for services	700,000	700,000	250,713	(449,287)
Interest income	-	-	120,502	120,502
Total revenues	<u>2,563,704</u>	<u>2,563,704</u>	<u>2,614,733</u>	<u>51,029</u>
EXPENDITURES:				
Current:				
Public works	9,089,550	9,089,550	4,700,026	4,389,524
Capital outlay	47,522	47,522	-	47,522
Total expenditures	<u>9,137,072</u>	<u>9,137,072</u>	<u>4,700,026</u>	<u>4,437,046</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,573,368)</u>	<u>(6,573,368)</u>	<u>(2,085,293)</u>	<u>4,488,075</u>
Net change in fund balances	<u>\$ (6,573,368)</u>	<u>\$ (6,573,368)</u>	<u>\$ (2,085,293)</u>	<u>\$ 4,488,075</u>
Fund balances - beginning			<u>6,817,282</u>	
Fund balances - ending			<u>\$ 4,731,989</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, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 985,945	\$ 1,583,053	\$ 843,034	\$ (740,019)
Interest income	-	-	46	46
Miscellaneous	-	17,713	29,451	11,738
Total revenues	<u>985,945</u>	<u>1,600,766</u>	<u>872,531</u>	<u>(728,235)</u>
EXPENDITURES:				
Current:				
Economic environment	1,465,043	2,079,864	498,028	1,581,836
Capital outlay	7,031	7,031	-	7,031
Total expenditures	<u>1,472,074</u>	<u>2,086,895</u>	<u>498,028</u>	<u>1,588,867</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(486,129)</u>	<u>(486,129)</u>	<u>374,503</u>	<u>860,632</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(860,017)	(860,017)	(438,507)	421,510
Total other financing sources (uses)	<u>(860,017)</u>	<u>(860,017)</u>	<u>(438,507)</u>	<u>421,510</u>
Net change in fund balances	<u>\$ (1,346,146)</u>	<u>\$ (1,346,146)</u>	<u>\$ (64,004)</u>	<u>\$ 1,282,142</u>
Fund balances - beginning			<u>63,845</u>	
Fund balances - ending			<u>\$ (159)</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, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 444,036	\$ 444,036	\$ 41,259	\$ (402,777)
Total revenues	<u>444,036</u>	<u>444,036</u>	<u>41,259</u>	<u>(402,777)</u>
EXPENDITURES:				
Current:				
Economic environment	682,579	682,579	35,581	646,998
Capital outlay	<u>332,089</u>	<u>332,089</u>	-	<u>332,089</u>
Total expenditures	<u>1,014,668</u>	<u>1,014,668</u>	<u>35,581</u>	<u>979,087</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(570,632)</u>	<u>(570,632)</u>	<u>5,678</u>	<u>576,310</u>
Net change in fund balances	<u>\$ (570,632)</u>	<u>\$ (570,632)</u>	<u>\$ 5,678</u>	<u>\$ 576,310</u>
Fund balances - beginning			<u>4,011,486</u>	
Fund balances - ending			<u>\$ 4,017,164</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, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 519,602	\$ 434,602	\$ 337,213	\$ (97,389)
Charges for services	-	-	96,657	96,657
Interest income	-	-	3,325	3,325
Total revenues	<u>519,602</u>	<u>434,602</u>	<u>437,195</u>	<u>2,593</u>
EXPENDITURES:				
Current:				
Economic environment	<u>1,233,444</u>	<u>1,148,444</u>	<u>388,497</u>	<u>759,947</u>
Total expenditures	<u>1,233,444</u>	<u>1,148,444</u>	<u>388,497</u>	<u>759,947</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(713,842)</u>	<u>(713,842)</u>	<u>48,698</u>	<u>762,540</u>
Net change in fund balances	<u>\$ (713,842)</u>	<u>\$ (713,842)</u>	<u>\$ 48,698</u>	<u>\$ 762,540</u>
Fund balances - beginning			<u>98,556</u>	
Fund balances - ending			<u>\$ 147,254</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, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 3,351,753	\$ 3,351,753	\$ 2,970,735	\$ (381,018)
Total revenues	<u>3,351,753</u>	<u>3,351,753</u>	<u>2,970,735</u>	<u>(381,018)</u>
EXPENDITURES:				
Current:				
Economic environment	3,351,753	3,351,753	2,970,735	381,018
Total expenditures	<u>3,351,753</u>	<u>3,351,753</u>	<u>2,970,735</u>	<u>381,018</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances - beginning			<u>-</u>	
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, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 155,789	\$ 155,789	\$ 194,427	\$ 38,638
Interest income	-	-	180	180
Miscellaneous	-	-	133,613	133,613
Total revenues	<u>155,789</u>	<u>155,789</u>	<u>328,220</u>	<u>172,431</u>
EXPENDITURES:				
Current:				
Economic environment	412,353	412,353	203,381	208,972
Total expenditures	<u>412,353</u>	<u>412,353</u>	<u>203,381</u>	<u>208,972</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(256,564)</u>	<u>(256,564)</u>	<u>124,839</u>	<u>381,403</u>
Net change in fund balances	<u>\$ (256,564)</u>	<u>\$ (256,564)</u>	<u>\$ 124,839</u>	<u>\$ 381,403</u>
Fund balances - beginning			<u>256,565</u>	
Fund balances - ending			<u>\$ 381,404</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, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 46,108	\$ 46,108
Miscellaneous	-	-	39,001	39,001
Total revenues	<u>-</u>	<u>-</u>	<u>85,109</u>	<u>85,109</u>
EXPENDITURES:				
Current:				
Economic environment	1,902,009	1,902,009	212,235	1,689,774
Total expenditures	<u>1,902,009</u>	<u>1,902,009</u>	<u>212,235</u>	<u>1,689,774</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,902,009)</u>	<u>(1,902,009)</u>	<u>(127,126)</u>	<u>1,774,883</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	-	-	117,430	117,430
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>117,430</u>	<u>117,430</u>
Net change in fund balances	<u>\$ (1,902,009)</u>	<u>\$ (1,902,009)</u>	<u>\$ (9,696)</u>	<u>\$ 1,892,313</u>
Fund balances - beginning			<u>2,149,271</u>	
Fund balances - ending			<u>\$ 2,139,575</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, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Licenses and permits	\$ 9,199,600	\$ 9,199,600	\$ 10,206,620	\$ 1,007,020
Charges for services	7,700	7,700	26,442	18,742
Interest income	90,000	90,000	364,458	274,458
Miscellaneous	24,000	24,000	7,238	(16,762)
Total revenues	<u>9,321,300</u>	<u>9,321,300</u>	<u>10,604,758</u>	<u>1,283,458</u>
EXPENDITURES:				
Current:				
Public Safety:				
Planning and zoning	17,811,166	10,386,038	9,290,142	1,095,896
Total expenditures	<u>17,811,166</u>	<u>10,386,038</u>	<u>9,290,142</u>	<u>1,095,896</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,489,866)</u>	<u>(1,064,738)</u>	<u>1,314,616</u>	<u>2,379,354</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(364,982)	(7,790,110)	(7,790,110)	-
Total other financing sources (uses)	<u>(364,982)</u>	<u>(7,790,110)</u>	<u>(7,790,110)</u>	<u>-</u>
Net change in fund balances	<u>\$ (8,854,848)</u>	<u>\$ (8,854,848)</u>	<u>\$ (6,475,494)</u>	<u>\$ 2,379,354</u>
Fund balances - beginning			<u>18,097,004</u>	
Fund balances - ending			<u>\$ 11,621,510</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, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Charges for services	\$ 6,908,500	\$ 6,908,500	\$ 7,711,872	\$ 803,372
Interest income	17,500	17,500	141,618	124,118
Total revenues	<u>6,926,000</u>	<u>6,926,000</u>	<u>7,853,490</u>	<u>927,490</u>
EXPENDITURES:				
Current:				
Public safety:				
Fire	4,264,242	4,264,242	3,059,974	1,204,268
Capital outlay	833,013	833,013	50,261	782,752
Total expenditures	<u>5,097,255</u>	<u>5,097,255</u>	<u>3,110,235</u>	<u>1,987,020</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,828,745</u>	<u>1,828,745</u>	<u>4,743,255</u>	<u>2,914,510</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(3,487,499)	(3,487,499)	(3,487,499)	-
Total other financing sources (uses)	<u>(3,487,499)</u>	<u>(3,487,499)</u>	<u>(3,487,499)</u>	<u>-</u>
Net change in fund balances	<u>\$ (1,658,754)</u>	<u>\$ (1,658,754)</u>	<u>\$ 1,255,756</u>	<u>\$ 2,914,510</u>
Fund balances - beginning			<u>4,441,147</u>	
Fund balances - ending			<u>\$ 5,696,903</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, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Charges for services	\$ 937,900	\$ 957,900	\$ 598,900	\$ (359,000)
Rents and royalties	425,000	425,000	614,975	189,975
Miscellaneous	-	-	5,574	5,574
Total revenues	<u>1,362,900</u>	<u>1,382,900</u>	<u>1,219,449</u>	<u>(163,451)</u>
EXPENDITURES:				
Current:				
Leisure Services:				
Parks and recreation	4,692,117	4,712,117	3,400,785	1,311,332
Capital outlay	42,450	42,450	11,013	31,437
Total expenditures	<u>4,734,567</u>	<u>4,754,567</u>	<u>3,411,798</u>	<u>1,342,769</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,371,667)</u>	<u>(3,371,667)</u>	<u>(2,192,349)</u>	<u>1,179,318</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	1,936,266	1,936,266	1,936,266	-
Total other financing sources (uses)	<u>1,936,266</u>	<u>1,936,266</u>	<u>1,936,266</u>	<u>-</u>
Net change in fund balances	<u>\$ (1,435,401)</u>	<u>\$ (1,435,401)</u>	<u>\$ (256,083)</u>	<u>\$ 1,179,318</u>
Fund balances - beginning			<u>1,742,190</u>	
Fund balances - ending			<u>\$ 1,486,107</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, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 1,889,753	\$ 3,741,410	\$ 1,385,731	\$ (2,355,679)
Miscellaneous	9,100	278,275	276,775	(1,500)
Total revenues	<u>1,898,853</u>	<u>4,019,685</u>	<u>1,662,506</u>	<u>(2,357,179)</u>
EXPENDITURES:				
Current:				
General government	-	237,000	93,470	143,530
Public safety:				
Fire	677,321	1,573,868	747,072	826,796
Police	70,992	273,041	196,556	76,485
Economic environment	62,000	452,562	170,755	281,807
Engineering services	1,099,000	1,099,000	-	1,099,000
Leisure Services:				
Library	517,756	773,931	417,359	356,572
Parks and recreation	15,700	91,339	30,424	60,915
Capital outlay	66,790	230,021	64,923	165,098
Total expenditures	<u>2,509,559</u>	<u>4,730,762</u>	<u>1,720,559</u>	<u>3,010,203</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(610,706)</u>	<u>(711,077)</u>	<u>(58,053)</u>	<u>653,024</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	100,371	100,371	-
Total other financing sources (uses)	<u>-</u>	<u>100,371</u>	<u>100,371</u>	<u>-</u>
Net change in fund balances	<u>\$ (610,706)</u>	<u>\$ (610,706)</u>	<u>\$ 42,318</u>	<u>\$ 653,024</u>
Fund balances - beginning			<u>610,708</u>	
Fund balances - ending			<u>\$ 653,026</u>	

CITY OF WEST PALM BEACH, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 CEMETERY SINKING FUND
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Charges for services	\$ -	\$ -	\$ 50,010	\$ 50,010
Interest income	-	-	25,644	25,644
Total revenues	<u>-</u>	<u>-</u>	<u>75,654</u>	<u>75,654</u>
EXPENDITURES:				
Current:				
Public works	104,595	104,595	38,440	66,155
Total expenditures	<u>104,595</u>	<u>104,595</u>	<u>38,440</u>	<u>66,155</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(104,595)</u>	<u>(104,595)</u>	<u>37,214</u>	<u>141,809</u>
Net change in fund balances	<u>\$ (104,595)</u>	<u>\$ (104,595)</u>	<u>\$ 37,214</u>	<u>\$ 141,809</u>
Fund balances - beginning			<u>1,223,541</u>	
Fund balances - ending			<u>\$ 1,260,755</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, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ -	\$ 481,000	\$ 370,133	\$ (110,867)
Total revenues	<u>-</u>	<u>481,000</u>	<u>370,133</u>	<u>(110,867)</u>
EXPENDITURES:				
Current:				
Public safety:				
Police	286,416	793,765	508,629	285,136
Capital outlay	<u>82,218</u>	<u>55,869</u>	<u>12,226</u>	<u>43,643</u>
Total expenditures	<u>368,634</u>	<u>849,634</u>	<u>520,855</u>	<u>328,779</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(368,634)</u>	<u>(368,634)</u>	<u>(150,722)</u>	<u>217,912</u>
Net change in fund balances	<u>\$ (368,634)</u>	<u>\$ (368,634)</u>	<u>\$ (150,722)</u>	<u>\$ 217,912</u>
Fund balances - beginning			<u>778,190</u>	
Fund balances - ending			<u>\$ 627,468</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, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 31,874	\$ 31,874
Total revenues	-	-	31,874	31,874
EXPENDITURES:				
Debt service:				
Principal	2,493,205	2,493,205	2,366,208	126,997
Interest expense	291,294	291,294	218,015	73,279
Total expenditures	2,784,499	2,784,499	2,584,223	200,276
Excess (deficiency) of revenues over (under) expenditures	(2,784,499)	(2,784,499)	(2,552,349)	232,150
OTHER FINANCING SOURCES (USES):				
Transfers In	2,784,499	2,784,499	2,784,499	-
Total other financing sources (uses)	2,784,499	2,784,499	2,784,499	-
Net change in fund balances	\$ -	\$ -	\$ 232,150	\$ 232,150
Fund balances - beginning			123,357	
Fund balances - ending			\$ 355,507	

CITY OF WEST PALM BEACH, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 GENERAL OBLIGATION BOND FUND
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 1,555,500	\$ 1,555,500	\$ 1,575,912	\$ 20,412
Interest income	-	-	15,086	15,086
Total revenues	<u>1,555,500</u>	<u>1,555,500</u>	<u>1,590,998</u>	<u>35,498</u>
EXPENDITURES:				
Debt service:				
Principal	1,525,000	1,525,000	1,525,000	-
Interest expense	30,500	30,500	30,500	-
Total expenditures	<u>1,555,500</u>	<u>1,555,500</u>	<u>1,555,500</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>35,498</u>	<u>35,498</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,498</u>	<u>\$ 35,498</u>
Fund balances - beginning			<u>383,260</u>	
Fund balances - ending			<u>\$ 418,758</u>	

CITY OF WEST PALM BEACH, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 SERIES 2019 CCCRA DEBT SERVICE
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 130,541	\$ 130,541
Total revenues	-	-	130,541	130,541
EXPENDITURES:				
Debt service:				
Principal	1,175,000	1,175,000	1,175,000	-
Interest expense	5,018,157	5,018,157	4,998,180	19,977
Total expenditures	6,193,157	6,193,157	6,173,180	19,977
Excess (deficiency) of revenues over (under) expenditures	(6,193,157)	(6,193,157)	(6,042,639)	150,518
OTHER FINANCING SOURCES (USES):				
Transfers In	6,193,157	6,193,157	6,193,157	-
Total other financing sources (uses)	6,193,157	6,193,157	6,193,157	-
Net change in fund balances	\$ -	\$ -	\$ 150,518	\$ 150,518
Fund balances - beginning			6,862,325	
Fund balances - ending			\$ 7,012,843	

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, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Charges for services	\$ -	\$ -	\$ 15,964	\$ 15,964
Interest income	-	-	203,361	203,361
Total revenues	<u>-</u>	<u>-</u>	<u>219,325</u>	<u>219,325</u>
EXPENDITURES:				
Current:				
General government	47,242	47,242	9,750	37,492
Public safety:				
Fire	243,686	243,686	-	243,686
Public works	142,936	142,936	-	142,936
Engineering services	715,630	616,834	166,971	449,863
Leisure Services:				
Library	41,570	41,570	41,570	-
Parks and recreation	891,276	761,276	175,929	585,347
Capital outlay	18,560,794	18,789,590	3,257,613	15,531,977
Total expenditures	<u>20,643,134</u>	<u>20,643,134</u>	<u>3,651,833</u>	<u>16,991,301</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,643,134)</u>	<u>(20,643,134)</u>	<u>(3,432,508)</u>	<u>17,210,626</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	703,000	703,000	703,000	-
Transfers out	(477,240)	(477,240)	(477,240)	-
Total other financing sources (uses)	<u>225,760</u>	<u>225,760</u>	<u>225,760</u>	<u>-</u>
Net change in fund balances	<u>\$ (20,417,374)</u>	<u>\$ (20,417,374)</u>	<u>\$ (3,206,748)</u>	<u>\$ 17,210,626</u>
Fund balances - beginning			<u>20,969,566</u>	
Fund balances - ending			<u>\$ 17,762,818</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
SERIES 2020 GENERAL OBLIGATION BOND FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 1,527	\$ 1,527
Total revenues	<u>-</u>	<u>-</u>	<u>1,527</u>	<u>1,527</u>
EXPENDITURES:				
Debt service:				
Other issuance and debt costs	-	-	274,564	(274,564)
Total expenditures	<u>-</u>	<u>-</u>	<u>274,564</u>	<u>(274,564)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(273,037)</u>	<u>(273,037)</u>
OTHER FINANCING SOURCES (USES):				
Issuance of bonds payable	-	-	24,465,000	24,465,000
Premium on issuance of bonds payable	-	-	5,532,188	5,532,188
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>29,997,188</u>	<u>29,997,188</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,724,151</u>	<u>\$ 29,724,151</u>
Fund balances - beginning			<u>-</u>	
Fund balances - ending			<u>\$ 29,724,151</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, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Charges for services	\$ 300,000	\$ 300,000	\$ 302,132	\$ 2,132
Interest income	-	-	27,727	27,727
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>329,859</u>	<u>29,859</u>
EXPENDITURES:				
Current:				
General government	650,151	758,151	256,600	501,551
Capital outlay	-	195,091	-	195,091
Total expenditures	<u>650,151</u>	<u>953,242</u>	<u>256,600</u>	<u>696,642</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(350,151)</u>	<u>(653,242)</u>	<u>73,259</u>	<u>726,501</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	120,091	120,091	-
Transfers out	-	-	(1,316,211)	1,316,211
Total other financing sources (uses)	<u>-</u>	<u>120,091</u>	<u>(1,196,120)</u>	<u>1,316,211</u>
Net change in fund balances	<u>\$ (350,151)</u>	<u>\$ (533,151)</u>	<u>\$ (1,122,861)</u>	<u>\$ (589,710)</u>
Fund balances - beginning			<u>1,122,861</u>	
Fund balances - ending			<u>\$ -</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, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 8,546,252	\$ 8,546,252	\$ 7,815,015	\$ (731,237)
Interest income	137,000	137,000	452,520	315,520
Total revenues	<u>8,683,252</u>	<u>8,683,252</u>	<u>8,267,535</u>	<u>(415,717)</u>
EXPENDITURES:				
Current:				
Economic environment	6,152,266	1,410,736	1,195,365	215,371
Leisure services:				
Parks and recreation	1,296,651	105,101	104,413	688
Capital outlay	15,278,522	23,211,602	2,938,590	20,273,012
Total expenditures	<u>22,727,439</u>	<u>24,727,439</u>	<u>4,238,368</u>	<u>20,489,071</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,044,187)</u>	<u>(16,044,187)</u>	<u>4,029,167</u>	<u>20,073,354</u>
Net change in fund balances	<u>\$ (14,044,187)</u>	<u>\$ (16,044,187)</u>	<u>\$ 4,029,167</u>	<u>\$ 20,073,354</u>
Fund balances - beginning			<u>19,172,563</u>	
Fund balances - ending			<u>\$ 23,201,730</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, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 103,251	\$ 103,251
Total revenues	<u>-</u>	<u>-</u>	<u>103,251</u>	<u>103,251</u>
EXPENDITURES:				
Current:				
General government	20,000	20,000	-	20,000
Public safety:				
Police	175,542	225,542	186,580	38,962
Public works	1,433,996	1,433,996	909,875	524,121
Economic environment	100,000	100,000	69,060	30,940
Engineering services	-	23,198	17,231	5,967
Leisure services:				
Parks and recreation	126,381	126,381	98,711	27,670
Capital outlay	8,118,621	8,045,423	2,723,237	5,322,186
Total expenditures	<u>9,974,540</u>	<u>9,974,540</u>	<u>4,004,694</u>	<u>5,969,846</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,974,540)</u>	<u>(9,974,540)</u>	<u>(3,901,443)</u>	<u>6,073,097</u>
Net change in fund balances	<u>\$ (9,974,540)</u>	<u>\$ (9,974,540)</u>	<u>\$ (3,901,443)</u>	<u>\$ 6,073,097</u>
Fund balances - beginning			<u>10,534,465</u>	
Fund balances - ending			<u>\$ 6,633,022</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, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 40,988	\$ 40,988
Miscellaneous	-	-	3,400	3,400
Total revenues	<u>-</u>	<u>-</u>	<u>44,388</u>	<u>44,388</u>
EXPENDITURES:				
Current:				
Capital outlay	1,842,868	4,028,517	120,824	3,907,693
Total expenditures	<u>1,842,868</u>	<u>4,028,517</u>	<u>120,824</u>	<u>3,907,693</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,842,868)</u>	<u>(4,028,517)</u>	<u>(76,436)</u>	<u>3,952,081</u>
OTHER FINANCING SOURCES (USES):				
Issuance of lease payable	-	2,185,649	2,185,649	-
Sale of capital assets	-	-	45,499	45,499
Transfers out	-	(165,000)	(165,000)	-
Total other financing sources (uses)	<u>-</u>	<u>2,020,649</u>	<u>2,066,148</u>	<u>45,499</u>
Net change in fund balances	<u>\$ (1,842,868)</u>	<u>\$ (2,007,868)</u>	<u>\$ 1,989,712</u>	<u>\$ 3,997,580</u>
Fund balances - beginning			<u>2,067,337</u>	
Fund balances - ending			<u>\$ 4,057,049</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, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 69,734	\$ 69,734
Total revenues	<u>-</u>	<u>-</u>	<u>69,734</u>	<u>69,734</u>
EXPENDITURES:				
Current:				
General government	332,290	332,290	301,463	30,827
Public safety:				
Police	786,563	786,563	515,473	271,090
Public works	63,578	63,578	-	63,578
Economic environment	-	18,400	18,400	-
Capital outlay	21,421	7,428,149	1,620,340	5,807,809
Total expenditures	<u>1,203,852</u>	<u>8,628,980</u>	<u>2,455,676</u>	<u>6,173,304</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,203,852)</u>	<u>(8,628,980)</u>	<u>(2,385,942)</u>	<u>6,243,038</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	7,425,128	7,425,128	-
Total other financing sources (uses)	<u>-</u>	<u>7,425,128</u>	<u>7,425,128</u>	<u>-</u>
Net change in fund balances	<u>\$ (1,203,852)</u>	<u>\$ (1,203,852)</u>	<u>\$ 5,039,186</u>	<u>\$ 6,243,038</u>
Fund balances - beginning			<u>2,754,443</u>	
Fund balances - ending			<u>\$ 7,793,629</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, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 6,274	\$ 6,274
Total revenues	<u>-</u>	<u>-</u>	<u>6,274</u>	<u>6,274</u>
EXPENDITURES:				
Current:				
Economic environment	146,219	146,219	46,084	100,135
Capital outlay	<u>532,606</u>	<u>532,606</u>	<u>-</u>	<u>532,606</u>
Total expenditures	<u>678,825</u>	<u>678,825</u>	<u>46,084</u>	<u>632,741</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(678,825)</u>	<u>(678,825)</u>	<u>(39,810)</u>	<u>639,015</u>
Net change in fund balances	<u>\$ (678,825)</u>	<u>\$ (678,825)</u>	<u>\$ (39,810)</u>	<u>\$ 639,015</u>
Fund balances - beginning			<u>1,036,489</u>	
Fund balances - ending			<u>\$ 996,679</u>	

CITY OF WEST PALM BEACH, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 SERIES 2019 CCCRA CAPITAL BOND
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 481,836	\$ 481,836
Total revenues	<u>-</u>	<u>-</u>	<u>481,836</u>	<u>481,836</u>
EXPENDITURES:				
Current:				
Economic environment	-	3,217,111	484,356	2,732,755
Capital outlay	67,594,164	64,377,053	17,203,931	47,173,122
Debt service:				
Total expenditures	<u>67,594,164</u>	<u>67,594,164</u>	<u>17,688,287</u>	<u>49,905,877</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(67,594,164)</u>	<u>(67,594,164)</u>	<u>(17,206,451)</u>	<u>50,387,713</u>
Net change in fund balances	<u>\$ (67,594,164)</u>	<u>\$ (67,594,164)</u>	<u>\$ (17,206,451)</u>	<u>\$ 50,387,713</u>
Fund balances - beginning			<u>67,908,275</u>	
Fund balances - ending			<u>\$ 50,701,824</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, 2020

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 545,472	\$ 1,110,654	\$ 217,238	\$ (893,416)
Total revenues	<u>545,472</u>	<u>1,110,654</u>	<u>217,238</u>	<u>(893,416)</u>
EXPENDITURES:				
Current:				
Engineering services	467,572	467,572	217,238	250,334
Capital outlay	962,349	1,527,531	438,507	1,089,024
Total expenditures	<u>1,429,921</u>	<u>1,995,103</u>	<u>655,745</u>	<u>1,339,358</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(884,449)</u>	<u>(884,449)</u>	<u>(438,507)</u>	<u>445,942</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	860,016	860,016	438,507	(421,509)
Total other financing sources (uses)	<u>860,016</u>	<u>860,016</u>	<u>438,507</u>	<u>(421,509)</u>
Net change in fund balances	<u>\$ (24,433)</u>	<u>\$ (24,433)</u>	<u>\$ -</u>	<u>\$ 24,433</u>
Fund balances - beginning			<u>-</u>	
Fund balances - ending			<u>\$ -</u>	



Northwood Park
By City of West Palm Beach





Photo by Rosmary Square

STATISTICAL INFORMATION

(Unaudited)



Providencia Park
By City of West Palm Beach

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 understanding and assess the City's economic environment and to facilitate comparisons of financial statement information.

Operating Information . Provides information to help understand and assess the City's operations and economic resources.

CITY OF WEST PALM BEACH, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
SEPTEMBER 30, 2020
(UNAUDITED)
(IN THOUSANDS)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net investment in capital assets	\$ 197,684	\$ 188,937	\$ 183,764	\$ 178,930	\$ 169,012	\$ 175,216	\$ 164,702	\$ 163,730	\$ 163,944	\$ 164,740
Restricted	24,352	24,899	32,204	29,614	37,402	45,558	61,539	56,027	58,602	107,073
Unrestricted	60,816	66,906	59,001	68,195	(18,232)	(20,065)	(25,779)	(17,725)	(3,217)	(42,945)
Total net position of Governmental activities	282,852	280,742	274,969	276,739	188,182	200,709	200,462	202,032	219,329	228,869
Business-type activities:										
Net investment in capital assets	194,738	201,814	205,203	209,585	215,130	231,703	247,569	265,866	273,228	283,128
Restricted	46,908	50,272	56,841	59,584	91,887	106,348	92,697	94,436	103,978	96,811
Unrestricted	66,500	79,348	94,904	115,206	110,162	101,636	124,380	120,216	139,728	174,272
Total net position of Business-type activities	308,146	331,434	356,948	384,375	417,179	439,687	464,646	480,518	516,934	554,211
Primary Government:										
Net investment in capital assets	392,422	390,751	388,967	388,515	384,142	406,919	412,271	429,596	437,172	447,868
Restricted	71,260	75,171	89,045	89,198	129,289	151,906	154,236	150,463	162,580	203,885
Unrestricted	127,316	146,254	153,905	183,401	91,930	81,571	98,601	102,491	136,511	131,327
Total net position of Primary Government:	\$ 590,998	\$ 612,176	\$ 631,917	\$ 661,114	\$ 605,361	\$ 640,396	\$ 665,108	\$ 682,550	\$ 736,263	\$ 783,080

CITY OF WEST PALM BEACH, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
SEPTEMBER 30, 2020
(UNAUDITED)
(IN THOUSANDS)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EXPENSES (1)										
Governmental activities:										
General government	\$ 32,718	\$ 30,883	\$ 33,286	\$ 30,660	\$ 33,361	\$ 25,312	\$ 19,392	\$ 27,681	\$ 19,106	\$ 21,507
Public safety	79,622	84,595	80,107	89,378	89,847	99,639	126,120	115,721	126,637	137,987
Engineering and public works	21,100	18,975	19,401	19,035	19,096	7,485	7,857	9,472	14,063	13,561
Economic environment (Downtown and Northwood)	17,600	14,604	15,857	16,489	17,318	20,497	22,704	28,105	31,457	33,988
Health and sanitation	8,285	8,631	9,379	10,043	9,119	11,035	10,930	11,335	11,534	11,177
Leisure services	20,965	19,455	17,598	21,849	19,785	21,012	23,916	25,932	28,317	27,682
Interest on long-term debt	9,356	9,803	9,003	7,800	8,434	8,264	8,892	8,747	9,249	10,590
Total governmental activities	189,646	186,946	184,631	195,254	196,960	193,244	219,811	226,993	240,363	256,492
Business-Type activities:										
Water and sewer	67,102	61,212	63,491	63,841	65,082	76,763	82,294	90,033	82,729	85,976
Stormwater utility	6,962	6,994	7,352	6,841	8,042	10,981	9,978	10,342	11,157	10,845
Parking facilities	4,078	4,106	4,465	4,891	5,675	5,673	5,339	6,463	6,357	4,876
Golf course	1,941	1,765	1,781	1,662	1,854	1,962	1,591	1,407	1,763	-
Total business-type activities	80,083	74,077	77,089	77,235	80,653	95,379	99,202	108,245	102,006	101,697
Total primary government	\$ 269,729	\$ 261,023	\$ 261,720	\$ 272,489	\$ 277,613	\$ 288,623	\$ 319,013	\$ 335,238	\$ 342,369	\$ 358,189

(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
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
SEPTEMBER 30, 2020
(UNAUDITED)
(IN THOUSANDS)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
PROGRAM REVENUES (1)										
Governmental activities:										
CHARGES FOR SERVICES										
General government	\$ 10,225	\$ 12,156	\$ 12,778	\$ 15,938	\$ 11,507	\$ 13,060	\$ 10,487	\$ 11,843	\$ 13,735	\$ 13,125
Public safety	18,671	18,878	10,637	18,165	20,770	15,748	7,379	9,563	12,166	15,645
Engineering and public works	-	-	-	-	-	-	334	768	985	617
Economic environment	4	1,926	2,111	(147)	5,104	729	11,336	9,611	13,068	13,849
Health and sanitation	14,248	14,022	13,708	14,013	14,301	14,550	15,715	14,703	15,755	16,080
Leisure services	1,574	2,412	1,734	1,886	2,188	3,022	2,615	2,160	2,215	1,066
Operating grants and contributions	20,137	19,987	19,618	20,022	20,344	23,213	6,059	12,517	12,076	13,714
Capital grants and contributions	3,043	3,125	639	4,006	1,265	3,310	11,499	9,432	9,834	1,751
Total governmental activities	67,902	72,506	61,225	73,883	75,479	73,632	65,424	70,597	79,834	75,847
Business-Type activities:										
CHARGES FOR SERVICES										
Water and sewer	84,713	86,717	91,451	96,524	99,108	101,474	109,918	105,902	114,828	122,130
Stormwater utility	10,147	10,604	11,010	10,777	10,842	10,865	13,222	13,806	14,274	14,776
Parking facilities	4,623	4,613	5,356	5,931	6,045	1,660	6,831	6,657	7,708	5,465
Golf course	1,546	1,547	1,589	1,505	1,513	6,717	1,432	775	5	-
Capital grants and contributions	4,209	4,391	873	550	3,306	6,004	980	3,259	2,432	1,150
Total business-type activities	105,238	107,872	110,279	115,287	120,814	126,720	132,383	130,399	139,247	143,521
Total primary government	173,140	180,378	171,504	189,170	196,293	200,352	197,807	200,996	219,081	219,368
NET REVENUES (EXPENSES):										
Governmental activities	(121,744)	(114,440)	(123,406)	(121,371)	(121,481)	(119,612)	(154,387)	(156,396)	(160,529)	(180,645)
Business-type activities	25,155	33,795	33,190	38,052	40,161	31,341	33,181	22,154	37,241	41,824
Total primary government	\$(96,589)	\$(80,645)	\$(90,216)	\$(83,319)	\$(81,320)	\$(88,271)	\$(121,206)	\$(134,242)	\$(123,288)	\$(138,821)

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
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
SEPTEMBER 30, 2020
(UNAUDITED)
(IN THOUSANDS)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
TAXES										
Ad valorem taxes	\$ 71,864	\$ 66,693	\$ 66,864	\$ 68,567	\$ 73,132	\$ 82,075	\$ 90,266	\$ 96,783	\$ 103,450	\$ 110,893
Insurance premium taxes	2,585	2,374	2,501	2,874	2,900	-	2,674	2,797	2,791	2,970
Business	2,551	2,486	2,507	2,877	3,017	3,195	3,962	5,052	5,073	5,343
Franchise fees	7,803	8,549	8,383	9,093	9,338	9,008	9,248	9,463	9,355	8,905
Utility service taxes	19,470	19,440	19,715	20,459	20,658	20,826	21,202	21,685	21,921	21,624
GRANTS AND CONTRIBUTIONS NOT RESTRICTED TO SPECIFIC PROGRAMS										
State and local shared revenues	3,134	3,221	3,436	3,619	3,928	3,934	4,845	6,448	6,968	6,348
Sales tax	7,067	6,036	6,949	7,470	7,996	8,312	8,355	8,837	8,963	8,501
Infrastructure surtax	-	-	-	-	-	-	-	-	-	7,815
Interest income	1,493	1,477	802	911	1,082	1,441	1,189	2,160	6,768	5,237
Miscellaneous	3,503	2,265	1,318	4,893	5,044	1,390	2,138	1,417	1,846	1,234
Transfers	8,322	8,217	8,081	9,113	10,196	10,121	10,261	9,632	11,091	11,314
Total governmental activities	127,792	120,758	120,556	129,876	137,291	140,302	154,140	164,274	178,226	190,184
Business-Type activities:										
Interest Income	764	836	405	686	1,064	1,289	1,139	2,313	7,328	5,250
Miscellaneous	-	-	-	-	-	-	890	1,037	2,536	1,519
Transfers	(8,322)	(8,217)	(8,081)	(9,113)	(10,196)	(10,121)	(10,261)	(9,632)	(11,091)	(11,314)
Total business-type activities	(7,558)	(7,381)	(7,676)	(8,427)	(9,132)	(8,832)	(8,232)	(6,282)	(1,227)	(4,545)
Total primary government	120,234	113,377	112,880	121,449	128,159	131,470	145,908	157,992	176,999	185,639
Special item - forgiveness of advance										
Governmental activities	-	-	-	-	-	-	-	-	(401)	-
Business-type activities	-	-	-	-	-	-	-	-	401	-
Total primary government	-	-	-	-	-	-	-	-	-	-

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
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
SEPTEMBER 30, 2020
(UNAUDITED)
(IN THOUSANDS)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
CHANGE IN NET POSITION										
Governmental activities	6,048	6,318	(2,850)	8,505	15,810	20,690	(247)	7,878	17,296	9,539
Business-type activities	17,597	26,414	25,514	29,625	31,029	22,509	24,949	15,872	36,415	37,279
Total primary government	<u>\$ 23,645</u>	<u>\$ 32,732</u>	<u>\$ 22,664</u>	<u>\$ 38,130</u>	<u>\$ 46,839</u>	<u>\$ 43,199</u>	<u>\$ 24,702</u>	<u>\$ 23,750</u>	<u>\$ 53,711</u>	<u>\$ 46,818</u>

**CITY OF WEST PALM BEACH, FLORIDA
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 SEPTEMBER 30, 2020
 (UNAUDITED)
 (IN THOUSANDS)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GENERAL FUND:										
Nonspendable (1)										
Advances to other funds	\$ 9,543	\$ 8,855	\$ 6,830	\$ 4,860	\$ 2,769	\$ 851	\$ 733	\$ 617	\$ -	\$ -
Inventories	216	205	226	286	149	292	336	378	324	385
Prepaid items and advances to defined benefit pension plan	62,598	61	7,529	6,159	51	5,688	4,612	3,661	3,239	3,130
Deferred outflows	-	-	-	-	5,366	-	-	-	-	-
Restricted (1)										
Transportation	-	-	-	-	-	-	2,380	-	-	-
Committed (1)										
Emergency reserve	12,016	12,083	12,031	12,732	13,287	13,722	14,542	15,224	16,127	16,668
Art in public places	-	-	-	-	-	-	-	-	-	1,316
Assigned (1)										
For subsequent year's expenditures	7,683	10,533	9,630	633	2,998	2,405	4,334	4,005	3,998	2,170
Unassigned (1)										
	6,874	7,203	-	12,332	16,225	18,060	19,048	22,289	12,111	14,663
Total general fund	\$ 98,930	\$ 38,940	\$ 36,246	\$ 37,002	\$ 40,845	\$ 41,018	\$ 45,985	\$ 46,174	\$ 35,799	\$ 38,332

Continued

(1) Categories pursuant to GASB 54.

CITY OF WEST PALM BEACH, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
SEPTEMBER 30, 2020
(UNAUDITED)
(IN THOUSANDS)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
ALL OTHER GOVERNMENTAL FUNDS:										
Nonspendable (1)										
Inventories	\$ 76	\$ 73	\$ 71	\$ 69	\$ 66	\$ 63	\$ 61	\$ 61	\$ 76	\$ 61
Prepaid items	-	-	-	-	-	-	-	20	6	21
Restricted (1)										
Land held for resale	-	-	2,857	2,857	7,014	2,927	-	-	-	-
Forfeiture	1,094	991	927	856	752	608	962	837	778	627
Cemetery trust	945	989	1,020	1,055	1,111	1,149	1,070	1,091	1,163	1,200
Transportation	4,549	5,635	6,872	8,077	9,599	8,283	12,769	15,661	6,817	4,732
Public safety	-	847	-	-	-	11,054	17,915	18,785	18,155	11,687
Economic environment	22,902	21,485	20,479	19,672	25,308	32,241	40,698	38,280	110,495	45,993
Wetlands mitigation	707	707	707	707	707	-	-	-	-	-
Library	-	-	8	63	(26)	39	-	-	-	-
Debt service	1,728	1,776	1,805	1,839	2,922	2,110	194	-	7,369	7,432
Capital outlay	4,053	6,427	3,205	2,064	2,922	39,299	40,320	31,839	45,744	135,968
Land held for resale	-	-	-	3,965	-	-	-	-	-	-
Committed (1)										
Public safety	500	932	4,148	9,079	9,887	2,090	1,198	1,604	4,426	5,682
Land held for resale	-	-	-	-	-	-	2,862	2,862	2,862	2,863
Leisure services	53	472	140	298	486	863	-	344	1,742	1,486
Debt service	-	-	-	-	-	-	-	-	-	356
Capital outlay	6,303	6,430	4,973	5,301	4,204	3,837	6,878	8,747	11,981	4,971
Assigned (1)										
For subsequent year's expenditures	2	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	144	-	-	-	-	-	-	-
Debt service	(836)	-	-	-	-	-	-	-	-	-
Unassigned (1)										
	-	(4)	(22)	(2)	-	-	(1)	-	-	-
Total all other governmental funds	64,978	68,245	67,813	75,572	90,260	136,804	165,624	158,411	322,109	223,079
Total governmental funds	\$ 163,908	\$ 107,185	\$ 104,059	\$ 112,574	\$ 131,105	\$ 177,822	\$ 211,609	\$ 204,585	\$ 357,908	\$ 261,411

(1) Categories pursuant to GASB 54.

CITY OF WEST PALM BEACH, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
SEPTEMBER 30, 2020
(UNAUDITED)
(IN THOUSANDS)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES:										
Taxes	\$ 101,640	\$ 97,100	\$ 97,402	\$ 100,815	\$ 105,941	\$ 112,417	\$ 123,389	\$ 130,729	\$ 137,518	\$ 144,391
Licenses and permits	6,330	7,729	8,626	12,916	10,788	13,319	12,653	14,521	15,431	13,972
Intergovernmental	33,873	31,767	30,976	35,498	33,533	36,766	43,500	47,061	49,129	50,210
Charges for services	23,138	24,012	22,680	24,077	26,160	26,632	27,781	28,507	32,280	35,785
Special assessments	2	-	4	-	-	-	-	-	-	-
Fines and forfeitures	948	1,387	1,276	4,215	1,005	272	277	252	360	343
Rents and royalties	1,400	1,530	1,458	1,549	4,050	1,460	914	977	1,365	1,465
Interest income	1,358	1,342	795	862	927	1,441	1,073	1,917	5,764	4,472
Miscellaneous	1,122	722	924	3,634	3,562	2,236	2,006	1,725	1,822	1,771
Total Revenues	169,811	165,589	164,141	183,566	185,966	194,543	211,593	225,689	243,669	252,409
EXPENDITURES:										
CURRENT:										
General government	13,226	13,025	11,890	11,804	13,478	12,925	15,155	20,513	19,512	20,259
Public safety	81,534	80,636	82,437	90,896	91,225	98,351	97,976	106,317	112,785	119,607
Engineering services and public works	8,449	6,260	6,338	5,799	5,457	5,190	6,180	7,877	13,291	12,791
Economic environment	18,177	15,480	16,261	17,180	18,505	20,744	22,986	27,212	29,738	27,985
Health and sanitation	8,089	8,221	8,966	9,005	9,001	9,981	10,274	10,698	10,944	10,552
Leisure services	20,533	18,914	20,327	21,039	20,625	21,319	23,613	25,638	28,045	27,317
Capital outlay**	11,304	11,975	8,647	13,770	6,423	13,107	16,165	35,959	34,767	34,244
DEBT SERVICE:										
Principal	11,765	9,103	9,543	10,375	6,576	8,196	7,666	10,620	13,763	15,306
Interest expense	9,297	9,100	8,530	8,544	7,630	6,253	10,901	9,740	10,090	13,080
Other issuance and debt costs	3	515	54	2	755	2,102	-	-	689	275
Total Expenditures	182,377	173,229	172,993	188,414	179,675	198,168	210,916	254,574	273,624	281,416
Excess of Revenues Over (Under) Expenditures	(12,566)	(7,640)	(8,852)	(4,848)	6,291	(3,625)	677	(28,885)	(29,955)	(29,007)

Continued

**Capital outlay recorded in the Change in Fund Balances of Governmental Funds – Accrual Basis is different from the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities due to amounts not meeting the City’s capital asset policy threshold.

CITY OF WEST PALM BEACH, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
SEPTEMBER 30, 2020
(UNAUDITED)
(IN THOUSANDS)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
OTHER FINANCING SOURCES (USES):										
Issuance of debt	-	6,900	2,581	6,215	67,809	50,400	6,939	5,928	106,340	26,651
Issuance costs and Premium on refunding debt	-	-	-	-	-	41,973	350	-	18,936	5,532
Sale of capital assets	-	-	-	-	-	-	1,787	13,653	2,704	528
Payment to escrow agent for refunding	-	-	-	-	(67,198)	(41,680)	-	-	-	-
Refunded bonds	-	-	-	-	-	-	-	-	(24,265)	-
Transfers In	47,330	31,929	20,711	17,940	16,297	18,192	28,048	24,859	58,458	32,994
Transfers out	(40,726)	(25,245)	(15,807)	(12,870)	(11,941)	(14,628)	(12,472)	(20,161)	(50,709)	(22,699)
Total Oher Financing Sources (Uses)	6,604	13,584	7,485	11,285	4,967	54,257	24,652	24,279	111,464	43,006
SPECIAL ITEM (USES)										
Bond proceeds to Police Pension	-	-	-	-	-	(50,000)	-	-	-	-
Forgiveness of advance to other fund	-	-	-	-	-	-	-	-	(401)	-
Net Changes in Fund Balances	(5,962)	5,944	(1,367)	6,437	11,258	632	25,329	(4,606)	81,108	13,999
Fund Balances (Deficit)										
- beginning of year	87,852	81,889	87,833	86,466	929,904	104,690	145,582	170,911	166,305	247,413
Fund Balances (Deficit)										
- end of year	\$ 81,890	\$ 87,833	\$ 86,466	\$ 92,903	\$ 941,162	\$ 105,322	\$ 170,911	\$ 166,305	\$ 247,413	\$ 261,412
Debt service as a percentage of non-capital expenditures	12.31 %	11.29 %	11.00 %	10.83 %	8.20 %	7.81 %	9.53 %	9.31 %	9.99 %	11.48 %

**Capital outlay recorded in the Change in Fund Balances of Governmental Funds – Accrual Basis is different from the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities due to amounts not meeting the City’s capital asset policy threshold.

**CITY OF WEST PALM BEACH, FLORIDA
GOVERNMENTAL FUNDS REVENUES BY SOURCE
FOR THE LAST TEN FISCAL YEARS
GAAP BASIS - MODIFIED ACCRUAL
SEPTEMBER 30, 2020
(UNAUDITED)**

Fiscal Year Ended September 30	Total Revenue	Total Taxes	Licenses and Permits	Inter-Governmental Revenue	Charges for Services	Fines and Forfeitures	Interest	Rents and Royalties	Miscellaneous
2011	\$ 169,811,190	\$ 101,640,404	\$ 6,329,593	\$ 33,872,909	\$ 23,137,915	\$ 950,075	\$ 1,358,482	\$ 1,400,204	\$ 1,121,608
2012	165,588,357	97,100,239	7,729,177	31,766,519	24,011,917	1,387,062	1,341,621	1,530,283	721,539
2013	164,141,132	97,402,111	8,625,718	30,976,290	22,680,226	1,279,560	794,542	1,458,238	924,447
2014	183,565,932	100,814,979	12,916,031	35,497,974	24,076,908	4,214,530	862,004	1,549,119	3,634,387
2015	185,966,334	105,941,305	10,787,509	33,533,339	26,159,765	1,005,143	926,801	4,050,444	3,562,028
2016	194,543,968	112,417,302	13,319,426	36,765,758	26,632,367	272,430	1,441,144	1,459,537	2,236,004
2017	211,593,204	123,388,840	12,653,064	43,499,539	27,781,374	277,237	1,073,086	914,331	2,005,733
2018	225,689,612	130,728,560	14,520,831	47,061,381	28,506,953	251,893	1,917,448	977,111	1,725,435
2019	243,668,797	137,518,110	15,430,912	49,128,709	32,279,534	360,403	5,764,123	1,365,391	1,821,615
2020	252,409,093	144,391,266	13,972,222	50,209,660	35,784,593	343,075	4,472,265	1,464,971	1,771,041

Source – City of West Palm Beach Finance Department

CITY OF WEST PALM BEACH, FLORIDA
GOVERNMENTAL FUNDS EXPENDITURES BY FUNCTION
FOR THE LAST TEN FISCAL YEARS
GAAP BASIS - MODIFIED ACCRUAL
SEPTEMBER 30, 2020
(UNAUDITED)

Fiscal Year Ended September 30	Total Expenditures	General Government	Public Safety	Public Work & Engineering	Economic Environment	Health and Sanitation	Leisure Services	Capital Outlay	Debt Service Requirements
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	254,574,069	20,513,372	106,316,559	7,877,024	27,211,708	10,698,145	25,637,826	35,959,402	20,360,033
2019	273,624,110	19,558,523	112,846,562	13,290,610	29,692,011	10,944,355	28,044,510	34,705,128	24,542,411
2020	281,416,483	20,259,373	119,606,587	12,792,051	27,986,219	10,551,753	27,316,538	34,243,913	28,660,049

Source – City of West Palm Beach Finance Department

**CITY OF WEST PALM BEACH, FLORIDA
GENERAL FUND-FUND BALANCE-COMPARED
TO ANNUAL EXPENDITURES FOR THE LAST TEN FISCAL YEARS
GAAP BASIS - MODIFIED ACCRUAL
SEPTEMBER 30, 2020
(UNAUDITED)**

Fiscal Year Ended September 30	Non - Spendable	Committed	Assigned	Unassigned	Annual Expenditures	Unassigned Fund Balance as Percentage of Expenditures
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 %
2020	3,515,098	17,984,313	2,170,070	14,663,272	177,246,751	8.3 %

**CITY OF WEST PALM BEACH, FLORIDA
GENERAL FUND TAX REVENUES BY SOURCE
FOR THE LAST TEN FISCAL YEARS
GAAP BASIS - MODIFIED ACCRUAL
SEPTEMBER 30, 2020
(UNAUDITED)**

Fiscal Year Ended September 30	Total Taxes	General Property Taxes	Utilities Taxes	Franchise Taxes	Insurance Premium Taxes
2011	\$ 273,161,546	\$ 68,153,656	\$ 194,701,328	\$ 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
2020	116,872,695	83,374,273	21,623,713	8,905,174	2,969,535

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, 2020
(UNAUDITED)

Fiscal Year Ended September 30	Total Franchise Revenue	Electric	Cable TV	Towing	Rolloff Container	Utilities
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	-
2020	8,905,174	8,451,664	-	30,000	423,510	-

Source – City of West Palm Beach Finance Department.

**CITY OF WEST PALM BEACH, FLORIDA
PROPERTY TAXES LEVIES AND COLLECTIONS
FOR THE LAST TEN FISCAL YEARS
GAAP BASIS - MODIFIED ACCRUAL
SEPTEMBER 30, 2020
(UNAUDITED)**

Fiscal Year Ended September 30	Total Property Tax Levy	Current Gross Property Tax Collections	Percent of Levy Collected	Delinquent Property Tax Collections	Total Property Tax Collections	Total Collections as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
2011	\$ 74,310,620	\$ 71,034,798	95.6 %	\$ 827,967	\$ 71,862,765	96.7 %	\$ 575,638	0.8 %
2012	69,227,999	63,978,383	92.4 %	2,715,092	66,693,475	96.3 %	166,797	0.2 %
2013	69,341,005	64,406,609	92.9 %	2,457,707	66,864,316	96.4 %	272,321	0.4 %
2014	69,644,759	66,475,683	95.4 %	2,091,703	68,567,386	98.5 %	2,285,147	3.3 %
2015	73,988,745	70,973,106	95.9 %	1,849,963	72,823,069	98.4 %	399,004	0.5 %
2016	87,199,972	81,639,326	93.6 %	1,250,931	82,890,257	95.1 %	5,560,645	6.4 %
2017	94,758,234	89,918,038	94.9 %	474,276	90,392,314	95.4 %	4,840,196	5.1 %
2018	103,719,989	97,007,660	93.5 %	37,005	97,044,665	93.6 %	6,712,329	6.5 %
2019	107,652,806	103,273,195	95.9 %	216,999	103,490,194	96.1 %	1,435,107	1.3 %
2020	115,462,746	110,881,873	96.0 %	188,157	111,070,030	96.2 %	5,465,047	4.7 %

Source – City of West Palm Beach Finance Department and the Palm Beach County Tax Collector's Office.
(1) Data from General fund only.

CITY OF WEST PALM BEACH, FLORIDA
TAXABLE VALUES AND GROSS ASSESSED VALUE OF PROPERTY
FOR THE LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(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				
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	
2019	2020	12,889,581,491	646,713,362	61,106,484	13,597,401,337	3,570,322,530	17,167,723,867	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, 2020
 (UNAUDITED)**

Taxpayer	Fiscal Year 2020			Fiscal Year 2011		
	Assessed Value (1)	Rank	Percentage of Total Assessed Valuation	Assessed Value (1)	Rank	Percentage of Total Assessed Valuation
CPT Phillips Point LLC	\$ 186,999,738	1	1.07 %	\$ 113,360,295	1	0.62 %
Palm Beach Outlets I LLC	174,725,968	2	1.00 %			
CPT Equity LLC	126,854,998	3	0.73 %			
222 Lakeview LLC	102,166,775	4	0.59 %			
Aaron Drive Holdings LLC	94,346,328	5	0.54 %			
Cityplace Retail LLC	86,257,544	6	0.49 %			
Avalon Alexander LLC	83,915,201	7	0.48 %			
CLPF Marketplace LLC	80,433,364	8	0.46 %			
Reep Marketplace LLC	80,000,000	9	0.46 %			
Northbridge Property Owner LLC	75,031,285	10	0.43 %			
City Place Office 1, LLC				62,150,135	2	0.74 %
Esperante Partners LP				52,612,083	3	0.63 %
Kravis Center for the Performing Arts				50,600,613	4	0.60 %
West Palm Beach CRA Lessor				41,000,000	5	0.49 %
One Clearlake Centre VEF III				25,735,138	6	0.31 %
Gaedeke Holdings LTD				23,000,000	7	0.27 %
Lourdes-Noreen McKeen Residence				22,969,317	8	0.27 %
Leisure Resorts, LLC				21,406,564	9	0.25 %
PBM Properties, LLC				18,500,000	10	0.22 %
	<u>\$ 1,090,731,201</u>		<u>6.25 %</u>	<u>\$ 431,334,145</u>		<u>4.40 %</u>

(1) Source – Palm Beach County Tax Collector.

**CITY OF WEST PALM BEACH, FLORIDA
OUTSTANDING DEBT PER CAPITA BY TYPE
AND GENERAL OBLIGATION DEBT RATIOS
FOR THE LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(UNAUDITED)**

Fiscal Year Ended September 30	Governmental Activities Debt					Business-Type Activities Debt			Total Debt Primary Government	Net Bonded Debt	Net Bonded Debt Per Capita (2)
	General Obligation Bonds (3)	Non-Ad Valorem Revenue Bonds (3)	Promissory Notes - Gov	Capital Leases	Promissory Notes - ISF	Revenue Bonds (3)	Loans Payable	Capital Leases			
2011	\$11,605,000	\$ 172,900,845	\$ 7,583,585	\$ 989,077	\$ -	\$ 243,505,000	\$ 1,907,045	\$ -	\$ 438,490,552	\$ 428,010,845	\$ 428,010,845
2012	10,510,000	165,468,836	6,864,930	10,192,167	-	238,665,000	-	-	431,700,933	414,643,836	414,643,836
2013	9,380,000	157,646,162	6,122,026	10,773,461	-	233,965,000	-	-	417,886,649	400,991,162	400,991,162
2014	8,215,000	148,417,339	17,228,987	9,588,753	-	229,105,000	-	-	412,555,079	385,737,339	385,737,339
2015	7,000,000	142,849,686	12,654,303	8,589,096	-	224,070,000	-	-	395,163,085	373,919,686	373,919,686
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	440,061,625
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	485,676,552
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	472,509,036
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	574,035,268
2020	29,997,188	286,615,510	22,425,605	13,016,991	4,392,399	267,265,558	-	-	623,713,251	583,878,256	583,878,256

- (1) Personal income is not available for fiscal year 2010.
- (2) See first page of Demographic and Economic section.
- (3) Presented net of related premiums, discounts, and adjustments.

GENERAL OBLIGATION DEBT RATIOS

Fiscal Year Ended September 30	General Obligation Bonded Debt (4)	Gross Assessed Value	Ratio of GO Debt to Assessed Value	Population	GO Debt Per Capita
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	0.06%	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
2020	29,997,188	17,440,651,640	0.17%	116,781	257

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

(4) Principal outstanding.

CITY OF WEST PALM BEACH, FLORIDA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2020
(UNAUDITED)

	<u>Debt</u>	<u>Applicable to</u>		<u>Applicable to</u>
City of West Palm Beach (1)				
Total bonds (2)	\$ 316,612,698			
Promissory notes, governmental funds	22,425,605			
Promissory notes, internal service funds	4,392,399			
Capital leases	<u>13,016,991</u>			
Total direct debt	356,447,693	100.00 %	(5)	356,447,693
Palm Beach County (3)	838,936,617	7.00 %	(5)	58,725,563
School Board (4)	7,389,000	7.00 %	(5)	<u>517,230</u>
Total overlapping debt				<u>59,242,793</u>
Total direct and overlapping debt				<u>\$ 415,690,486</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, 2020
(UNAUDITED)

Taxable Value of Property		<u>\$ 13,597,401,337</u>
Debt Limitation - 10% of assessed value (1)		1,359,740,134
Amount of debt applicable to debt limit:		
Outstanding debt (2)	\$ 343,430,702	
Less:		
Amount available in general debt service funds	7,431,601	
Other deductions allowed by law:		
Revenue Bonds	<u>286,615,510</u>	
Total applicable debt		<u>49,383,591</u>
Legal Debt Margin		<u><u>\$ 1,310,356,543</u></u>

Source - City of West Palm Beach Finance Department.

(1) - Policy 1.5.6 from the Evaluation and Appraisal Report (E.A.R.) of the Comprehensive Plan (1996)
Capital Improvements Element, Chapter 15.

(2) - Includes general obligation bonded debt, notes payable and long-term revenue bond debt.

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUE BOND COVERAGE
FOR THE LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(UNAUDITED)

Fiscal Year Ended September 30	Operating Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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	47,150,599	6,032,516	8,887,587	14,920,103	316.0 %
2019	139,121,048	73,807,891	65,313,157	6,253,496	7,568,774	13,822,270	472.5 %
2020	143,544,758	73,725,198	69,819,560	7,668,012	12,327,955	19,995,967	349.2 %

Source - City of West Palm Beach Finance Department.

(1) Includes Operating Revenue of City 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, 2020
 (UNAUDITED)**

Fiscal Year	Population (1)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)	Per Capita Personal Income (5)	Total Personal Income
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
2020	116,781	36.9	17,870	6.6%	33,839	3,951,752,259

(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 YEAR AND NINE YEARS PRIOR
 SEPTEMBER 30, 2020
 (UNAUDITED)**

	2020			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Palm Beach County School District	22,049	1	3.39 %	21,495	1	3.46 %
Tenet Coastal Division Palm Beach County	6,505	2	1.00 %	6,100	5	0.98 %
Palm Beach County Government	5,438	3	0.84 %	11,381	2	1.83 %
NextEra Energy/Florida Power & Light Company	4,807	4	0.74 %	3,632	6	0.58 %
Florida Atlantic University	2,898	5	0.45 %	2,706	9	0.44 %
HCA Healthcare	2,806	6	0.43 %	2,714	8	0.44 %
Boca Raton Regional Hospital	2,800	7	0.43 %	-	-	- %
Veterans Health Administration	2,700	8	0.41 %	-	-	- %
The Breakers	2,300	9	0.35 %	-	-	- %
Bethesda Hospital East/Besthesda Hospital West	2,282	10	0.35 %			
State Government				9,200	3	1.48 %
Federal Government				6,200	4	1.00 %
G4S				3,000	7	0.48 %
	<u>54,585</u>		<u>8.39 %</u>	<u>68,819</u>		<u>11.07 %</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, 2020
(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
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
2019	2020	17,167,723,867	24	263,776,967	83	28,095,321	12,641	551,585,860

(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, 2020
 (UNAUDITED)**

DATE OF INCORPORATION -	November 5, 1984
DATE FIRST CHARTER ADOPTED -	September 18, 1903
DATE PRESENT CHARTER ADOPTED -	October 1, 1988
FORM OF GOVERNMENT -	Mayor - Commission

AREA:	POPULATION:		
1945 - 16.00 square miles	1950	(U.S. Census)	43,162
1955 - 16.00 square miles	1960	(U.S. Census)	56,208
1965 - 41.75 square miles	1970	(U.S. Census)	57,375
1975 - 43.25 square miles	1980	(U.S. Census)	63,000
1980 - 42.07 square miles	1990	(U.S. Census)	67,643
1985 - 42.60 square miles	2010	(University of FL)	102,475
1990 - 52.00 square miles	2012	(University of FL)	101,043
1995 - 55.34 square miles	2013	(U.S. Census)	101,903
2000 - 57.80 square miles	2014	(U.S. Census)	102,436
2005 - 55.00 square miles	2015	(U.S. Census)	104,031
2010 - 55.29 square miles	2016	(U.S. Census)	106,779
2015 - 55.29 square miles	2017	(University of FL)	110,396
	2018	(University of FL)	112,906
	2019	(University of FL)	115,176
	2020	(University of FL)	116,781

EDUCATION (CITY-WIDE):	
Number of public schools	21
Number of full time employees (teachers and support)	1,701
Number of students	17,870

Source - School District of Palm Beach County.

STREETS, SIDEWALKS AND STORM SEWERS:	
Miles of paved streets and alleys	388
Miles of sidewalks	342
Miles of storm sewers	342

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

STREET LIGHTS:	
Number of street lights	18,143

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

Continued

**CITY OF WEST PALM BEACH, FLORIDA
MISCELLANEOUS STATISTICAL DATA
SEPTEMBER 30, 2020
(UNAUDITED)**

ELECTIONS:

73,061 Registered voters at last municipal election
15,244 Votes cast in last municipal election
20.86 % Registered voters voting

Source - City of West Palm Beach City Clerk.

EMPLOYEES AS OF SEPTEMBER 30, 2020

1,500 Full Time Employees

Source - City of West Palm Beach Human Resources Department.

POLICE PROTECTION:

299 Sworn Police Officers
107 Civilian Employees (full-time)

Source - City of West Palm Beach Police Department.

FIRE PROTECTION:

9 Suppression Units
10 Advanced Life Support Units (Rescue Units)
9 Fire stations (plus 1 Logistics facility)
249 Employees (full-time)

Source - City of West Palm Beach Fire Department.

Continued

CITY OF WEST PALM BEACH, FLORIDA
MISCELLANEOUS STATISTICAL DATA
SEPTEMBER 30, 2020
(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 Leisure Services Department.

ENTERPRISE FUNDS:

Parking facilities

1,433 Metered on street spaces

2,342 Off street revenue controlled spaces

Source - City of West Palm Beach Parking System.

* Does not include 209 spaces at the Police Department.

WATER AND SEWER DISPOSAL SYSTEM:

WATER

SEWER

	WATER	SEWER
Active accounts	33,305	26,905
Capacity per day (million gallons) (1)	47 MGD	70 MGD
Miles of mains (2)	559	315
Fire hydrants:		
West Palm Beach	3480	
Palm Beach	395	
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 data from the City's GIS system.

Continued

CITY OF WEST PALM BEACH, FLORIDA
MISCELLANEOUS STATISTICAL DATA
SEPTEMBER 30, 2020
(UNAUDITED)

Population Growth							
Year	Palm Beach County		Florida		United States		
	Population	% Change	Population	% Change	Population	% Change	
2011	1,320,134	2.62 % (1)	18,801,310	0.15 % (1)	312,602,730	0.43 % (1)	
2012	1,335,187	1.14 % (1)	19,057,542	1.36 % (1)	314,969,523	0.76 % (1)	
2013	1,356,545	1.60 % (1)	19,317,568	1.36 % (1)	313,914,040	-0.34 % (1)	
2014	1,372,171	1.15 % (2)	19,552,860	1.22 % (2)	316,128,839	0.71 % (2)	
2015	1,397,710	1.86 % (2)	19,893,297	1.74 % (2)	318,857,056	0.86 % (2)	
2016	1,422,789	1.79 % (2)	20,612,439	3.61 % (2)	323,127,513	1.34 % (2)	
2017	1,443,810	1.48 % (2)	20,984,400	1.80 % (2)	325,719,178	0.80 % (2)	
2018	1,471,150	1.89 % (2)	21,299,325	1.50 % (2)	327,747,936	0.62 % (2)	
2019	1,485,941	1.01 % (2)	21,477,737	0.84 % (2)	328,239,523	0.15 % (2)	
2020	1,496,770	0.73 % (2)	21,733,312	1.19 % (2)	329,805,963	0.48 % (2)	

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

(2) Source - US Census Bureau.

Palm Beach County					
Year	Population	Per Capita Personal Income	Civilian Labor Force		Unemployment (3)
2011	1,320,134	\$ 39,272	618,694 (1)		11.7 %
2012	1,335,187	53,500	617,597 (1)		8.7 %
2013	1,356,545	33,960	640,200 (1)		7.1 %
2014	1,372,171	33,239	668,600 (3)		6.0 %
2015	1,397,710	32,858	685,000 (3)		5.2 %
2016	1,422,789	33,650	691,475 (3)		4.7 %
2017	1,443,810	31,426	718,064 (3)		3.8 %
2018	1,471,150	31,388	729,108 (3)		3.1 %
2019	1,485,941	31,388	745,298 (3)		3.2 %
2020	1,496,770	39,933	699,888 (3)		7.0 %

(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.



Vedado Park
By City of West Palm Beach

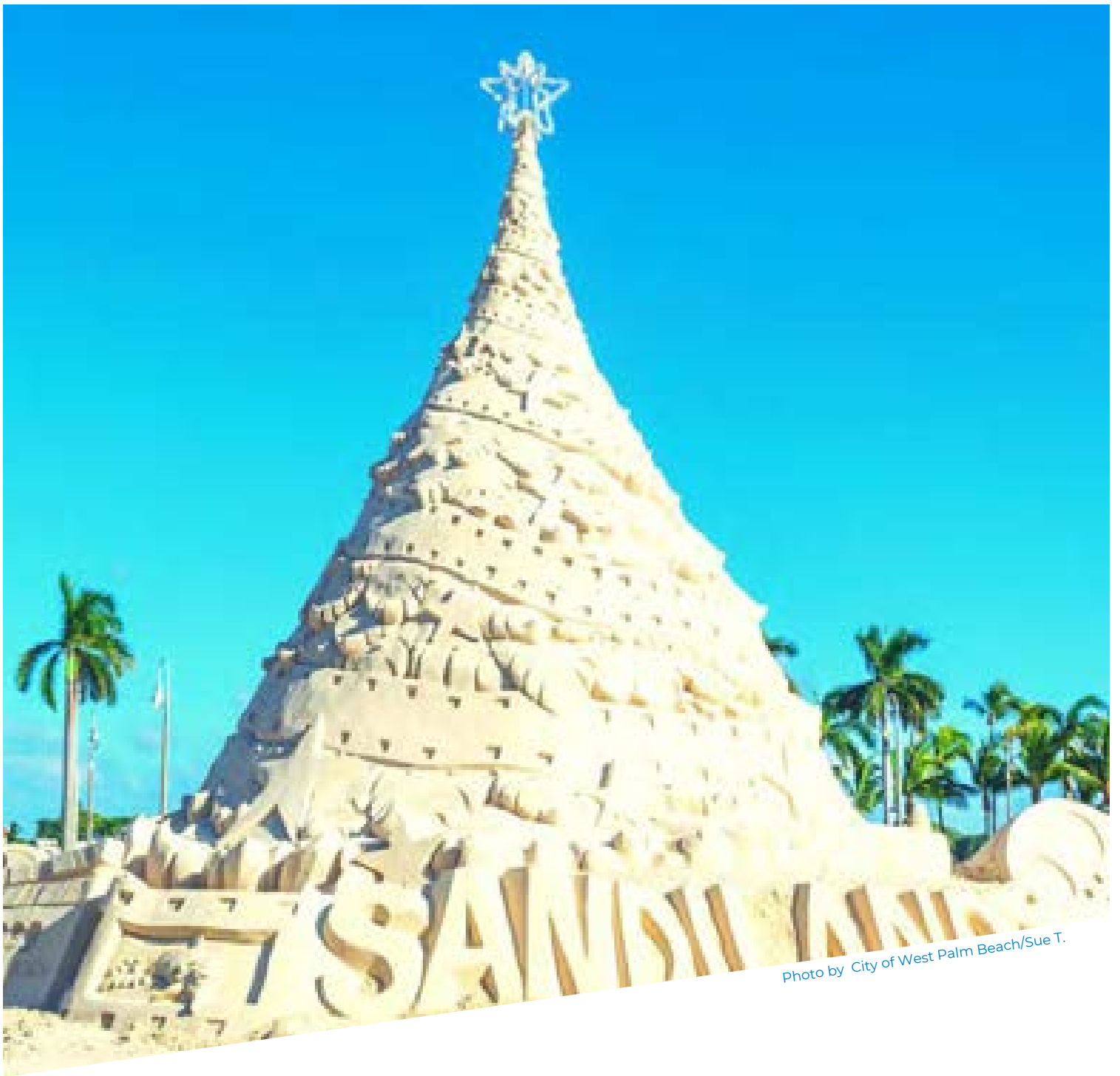


Photo by City of West Palm Beach/Sue T.

CONTINUING DEBT DISCLOSURE (Unaudited)

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE
EVENT NOTICES
FISCAL YEAR 2020
(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



Photo by CFay - City of West Palm Beach

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
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
2020	94,122,794	21,623,713	8,905,174	2,969,535	26,731,903	16,538,967	3,765,602	336,913	1,211,041	530,559	10,816,047	693,340

Source - City of West Palm Beach Finance Department.

(1) Includes non ad-valorem revenues of the City that are deposited into the City's General Fund.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: SPECIAL OBLIGATION BONDS
OUTSTANDING NON-AD VALOREM DEBT
SEPTEMBER 30, 2020
(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	\$ 437,472	0.31%	\$ 464,393
Communication System Note, Series 2014 (2)	2024	4,392,399	3.14%	1,220,143
Vehicle Acquisition Note, Series 2014 (2)	2024	958,132	0.69%	270,892
Palm Beach County Promissory Note (3)	2023	750,000	0.54%	250,000
Special Obligation Series 2016	2040	113,265,000	80.99%	14,777,271
JPMC 2018 Term Loan	2023	4,994,135	3.57%	1,844,742
2019 Note - Fire	2034	15,055,000	10.76%	1,141,282
TOTAL		<u>\$ 139,852,138</u>	<u>100.00%</u>	<u>\$ 19,968,723</u>

Source - City of West Palm Beach Finance Department.

(1) NonAd 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) NonAd 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) NonAd 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)

Fiscal Year Ended September 30	A Total Non-Ad Valorem Revenues	B Available Non-Ad Valorem Revenues Used for Essential Services (1)	C=(A-B) Non-Ad Valorem Revenues Available for Covenant to Budget and Appropriated Debt	D Debt Service on Covenant to Budget and Appropriated Debt (2)	E=C/D Debt Service Coverage on Covenant to Budget and Appropriated Debt
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	93,712,517	32,171,237	61,541,280	11,050,413	5.57x
2020	94,122,794	30,703,729	63,419,065	11,269,436	5.63x

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 Palm Beach County Promissory Note, (ii) the Capital Improvement Revenue Refunding Note, Series 2006, (iii) the Communication System Note, Series 2014, (iv) the Vehicle Acquisition Note, Series 2014, (v) the Special Obligation Series 2016 bonds, (vi) the JPMC 2018 Term Loan, and the (vii) 2019 Capital Improvement and Vehicles note.

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

	A	B	C=(A-B)	D	E	F=C/(D+E)
		Available	Non-Ad	Debt	Maximum	Debt
		Non-Ad	Valorem	Service on	Annual Debt	Service
		Revenues	Revenues	Covenant to	Service	on all
		Used for	Available	Budget and	on	Covenant to
		Essential	for	Budget and	Series 2006	Budget and
		Services (1)	Covenant to	Appropriate	and 2016	Appropriate
			Budget and	Debt (2)	Bonds (3)	Debt
			Appropriate			
			Debt			
Fiscal	Total					
Year	Non-Ad					
Ended	Valorem					
September 30	Revenues					
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	14,777,271	3.74x
2019	93,712,517	32,171,237	61,541,280	473,485	19,133,304	3.14x
2020	94,122,794	30,703,729	63,419,065	470,654	19,968,723	3.10x

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 nonad 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 nonad 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.



Bill Moss Hillcrest Paseo
By City of West Palm Beach





Photo by CFay - City of West Palm Beach

UTILITY SYSTEM REVENUE BONDS (Unaudited)

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: UTILITY SYSTEM REVENUE BONDS
CUSTOMERS AND SALES*
FISCAL YEAR 2020
(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>
32,383	87,347	8,609,102

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>
27,710	64,210	4,302,762

Stormwater Customers and Sales (*)

<u>Average Annual Number of Accounts Served</u>	<u>Average Annual Number of ERCs Served</u>
27,510	101,227

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

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 September 30	City of West Palm Beach Flows			Total ECRWWRF Flows		
	Annual Average Daily Flow (MGD)	Allotted Capacity (MGD)	Percent of Allotment	Annual Average Daily Flow (MGD)	Permitted Capacity (MGD)	Percent of Capacity
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%
2020	12.48	20.50	60.9%	41.35	70.00	59.07%

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, 2020
(UNAUDITED)

	<u>Water Rates</u>	<u>Wastewater Rates</u>
Residential Service		
Service Charge (per dwelling unit) [2]	\$ 23.66	\$ 14.32
Commodity Charge (per units of water used) [3]		
0-8 units	\$ 2.74	\$ 4.22
9-16 units	3.43	4.22 [4]
17-36 units	4.04	N/A
37-76 units	4.73	N/A
77-200 units	5.54	N/A
Above 201 units	6.13	N/A
Non-Residential and Irrigation		
Service Charge (per service meter) [2]		
5/8-inch	\$ 23.66	\$ 14.32
3/4-inch	36.09	21.51
1-inch	59.17	35.87
1+1/2-inch	118.42	71.60
2-inch	189.47	114.57
3-inch	355.29	214.80
4-inch	592.14	360.68
6-inch	1,184.27	715.99
8-inch	1,894.82	1,145.62
10-inch	2,723.79	1,646.83
12-inch	5,086.42	3,080.94
Commodity Charge (per units of water used) [3]		
0-8 units	\$ 2.74	\$ 4.22
9-16 units	3.43	4.22
17-36 units	4.04	4.22
37-76 units	4.73	4.22
77-200 units	5.45	4.22
Above 201 units	6.13	4.22
Irrigation Service		
0-75 units	\$ 4.73	N/A
76-200 units	5.45	N/A
Above 201 units	6.13	N/A

Source - City of West Palm Beach Public Utilities Customer Service Superintendant

(1) The amounts derived from the Rate Resolution as approved by the City Commission.

(2) The monthly service charge represents the minimum bill rendered.

(3) The monthly service charge represents the minimum bill rendered.

(4) Rate billed to parcels that provide their own level of canal and drainage maintenance and street sweeping services.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: UTILITY SYSTEM REVENUE BONDS
SUMMARY OF WATER CAPACITY CHARGES, CUSTOMER DEPOSITS,
AND METER INSTALLATIONS
(UNAUDITED)

Capacity Charges

Meter Size	Effective October 1, 2020	
	Water	Wastewater
5/8 - inch	\$ 2,150	\$ 2,100
3/4 - inch	3,225	3,150
1 - inch	5,375	5,250
1 1/2 - inch	10,750	10,500
2 - inch	17,200	16,800
3 - inch	34,400	33,600
4 - inch	53,750	52,500
6 - inch	107,500	105,000
8 - inch	172,000	168,000
10 - inch	247,250	241,500
12 - inch	462,250	451,500

Customer Deposits

Meter Size	Effective October 1, 2020	
	Residential	General Service
5/8 inch	\$ 190	\$ 220
3/4 inch	285	330
1 inch	480	550
1 1/2 inch	955	1,100
2 inch	1,530	1,760
3 inch	2,865	3,300
4 inch	4,775	5,500
6 inch	9,550	11,000
8 inch	15,280	17,600
10 inch	21,965	25,300
12 inch	41,085	47,300
Fire Hydrant Meter Deposit	\$	1,500
Detector check Meter deposit	\$	175

Meter Installation Charges

Meter Size	Effective October 1, 2020	
	Installation	TapIn Charge
5/8 - inch	\$ 610	\$ 1,973
5/8 - inch Dual Check	342	N/A
3/4 - inch	567	973
1 - inch	800	2,155
1 1/2 - inch	944	3,230
2 - inch	1,379	3,589
3 - inch	3,321 (2)	N/A (3)
4 - inch	7,975 (2)	N/A (3)
6 - inch	10,634 (2)	N/A (3)
8 - inch	13,040 (2)	N/A (3)
10 - inch	17,519 (2)	N/A (3)
12 - inch	19,629 (2)	N/A (3)

Source City of West Palm Beach Public Utilities Customer Service Superintendent.

(1) Includes cost of meter instalation.

(2) Reflects estimated charge; final charge recommended to recover actual cost incurred.

(3) Customer responsible for installing 3inch 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, 2020
(UNAUDITED)

	<u>Stormwater Rates</u>
Class A110 [2]	\$ 14.83
Class A110 [3]	10.10
Class A110 [4]	5.53

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, 2020
(UNAUDITED)

Water System Customer Growth									
	West Palm Beach		Palm Beach		South Palm Beach		Total		
Fiscal Year Ended September 30	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)
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
2020	55,895	7,675,313	9,382	3,694,863	1,871	138,518	67,148	11,508,694	10,684

	West Palm Beach		Palm Beach		South Palm Beach		Total		
Average Annual Compound Growth Rate	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 to 2020	0.35%	0.06%	-0.01%	0.78%	-0.02%	0.05%	0.29%	0.28%	-0.01%
2015 to 2020	0.84%	0.39%	0.07%	1.24%	-0.24%	-2.09%	0.70%	0.63%	-0.08%
2018 to 2020	1.04%	4.64%	0.63%	1.44%	0.38%	-0.68%	0.95%	3.51%	15.36%

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, 2020
(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
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
2020	22,569	22,569	2,079	29,659	2,862	48,998	27,510	101,227

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
2010 to 2020	0.06%	0.06%	-0.06%	0.67%	0.12%	0.27%	0.06%	0.34%
2015 to 2020	0.07%	0.07%	-0.26%	1.18%	0.20%	0.20%	0.06%	0.45%
2018 to 2020	0.10%	0.10%	0.29%	1.15%	-0.17%	0.45%	0.09%	0.58%

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, 2020
(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>
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
2020	54,556	5,751,956	6,572

<u>Average Annual Compound</u>	<u>Average Annual</u>	<u>Billed</u>	<u>Average Monthly Billed Flow</u>
2010 to 2020	0.27%	-0.01%	-0.28%
2015 to 2020	0.58%	-0.31%	-0.89%
2018 to 2020	0.91%	-0.21%	5.94%

Source - City of West Palm Beach Utilities Rate Consultant.

(1) - Units represent the sum of the residential dwelling and commercial accounts served.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: UTILITY SYSTEM REVENUE BONDS
UTILITY SYSTEM HISTORICAL DEBT COVERAGE ANALYSIS
FOR THE LAST FIVE FISCAL YEARS
(UNAUDITED)

	Fiscal Year Ended September 30:				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Water System Sales	\$ 61,392,172	\$ 64,754,761	\$ 64,056,807	\$ 67,674,244	\$ 69,104,921
Wastewater System Sales	29,170,820	30,324,107	31,035,061	32,428,909	33,873,746
Stormwater System Sales	10,853,567	13,164,288	13,785,784	14,255,283	14,776,119
Other Operating Revenues	<u>10,242,081</u>	<u>10,224,984</u>	<u>11,268,523</u>	<u>11,749,253</u>	<u>11,935,486</u>
Total Operating Revenues	111,658,640	118,468,140	120,146,175	126,107,689	129,690,272
Other Income	<u>1,166,279</u>	<u>1,613,194</u>	<u>3,030,549</u>	<u>5,050,630</u>	<u>3,631,333</u>
Total Revenues	112,824,919	120,081,334	123,176,724	131,158,319	133,321,605
Operating Expenses	63,087,241	63,298,326	67,826,636	69,167,531	67,504,610
Applicable Impact Fees	<u>778,246</u>	<u>726,433</u>	<u>862,450</u>	<u>856,589</u>	<u>824,476</u>
Net Revenues	50,515,924	57,509,441	56,212,538	62,847,377	66,641,471
As a Percent of Total Revenues	44.77%	47.89%	45.64%	47.92%	49.99%
Other Transfers [1]	<u>36,793,847</u>	<u>39,884,935</u>	<u>39,369,889</u>	<u>41,160,453</u>	<u>40,976,484</u>
Debt Service Coverage:					
Rate Covenant Test 1	3.38	3.11	3.04	3.39	3.6
Rate Covenant Test 2	1.37	1.44	1.43	1.53	1.63
Amount available for other purposes	<u>\$ 13,722,077</u>	<u>\$ 17,624,506</u>	<u>\$ 16,842,649</u>	<u>\$ 21,686,924</u>	<u>\$ 25,664,987</u>

Source - City of West Palm Beach Finance Department.

(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.

Source - City of West Palm Beach Utilities Rate Consultant.

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)
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
2020	133,321,605	67,504,610	66,641,471	18,516,831	3.60

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.



Phipps Park
By City of West Palm Beach



Photo by CFay - City of West Palm Beach

TAX INCREMENT REVENUE BONDS (NPCCRA-Unaudited)

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
HISTORICAL NPCCRA TAX INCREMENT REVENUES
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Tax Roll Year Ended December 31	Fiscal Year Ended September 30	City of West Palm Beach	Palm Beach County	Total	Percentage Increase/ Decrease Over Prior Year	Dollar Increase/ (Decrease) Over Prior Year
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
2019	2020	2,718,972	1,535,868	4,254,840	6.06%	242,952

Source: City of West Palm Beach Finance Department. Data from statement of revenues, expenditures, and changes in fund balances, governmental funds.

(1) Palm Beach County began utilizing a different Taxable Value with tax roll year 2013 that adjusts for the county-wide senior, historic and/or economic exemptions.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
HISTORICAL NPCCRA REAL PROPERTY ASSESSED VALUES
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Tax Roll Year Ended December 31	Fiscal Year Ended September 30	A		B Base Year Taxable Value (1)	=A-B		Dollar Increase Over Prior Year
		Final Gross Taxable Value	Percentage Increase Over Prior Year		Incremental Value (2)	Percentage Increase Over Prior Year	
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
2019	2020	425,098,757	5.27%	86,933,276	338,165,481	6.71%	21,274,812

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)

<u>Tax Roll Year Ended December 31</u>	<u>Fiscal Year Ended September 30</u>	<u>New Construction Taxable Value</u>
2015	2016	\$ 240,800
2016	2017	(156,783)
2017	2018	166,460
2018	2019	8,770,774
2019	2020	(750,276)

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:					
	2016	2017	2018	2019	2020	Total
Revenues						
Tax Increment						
City of West Palm Beach	\$ 1,822,340	\$ 2,127,784	\$ 2,263,248	\$ 2,540,870	\$ 2,718,972	\$ 11,473,214
Intergovernmental	1,039,511	1,009,039	1,401,457	1,471,018	1,535,868	6,456,893
Total Tax Increment	<u>2,861,851</u>	<u>3,136,823</u>	<u>3,664,705</u>	<u>4,011,888</u>	<u>4,254,840</u>	<u>17,930,107</u>
Miscellaneous						
Loan/ Assessment Repayments	27,127	37,102	60,100	33,392	29,200	186,921
Investment Earnings (General)	34,947	28,809	48,698	161,181	123,334	396,969
Other Miscellaneous Revenue	.	3,784	2,763	49,139	59,744	115,430
Total Miscellaneous	<u>62,074</u>	<u>69,695</u>	<u>111,561</u>	<u>243,712</u>	<u>212,278</u>	<u>699,320</u>
Total Revenues	<u>2,923,925</u>	<u>3,206,518</u>	<u>3,776,266</u>	<u>4,255,600</u>	<u>4,467,118</u>	<u>18,629,427</u>
Expenditures						
Debt Service 2005B	844,794	847,698	848,968	847,813	844,465	4,233,738
Debt Service 2015	841,444	840,344	839,944	840,284	896,485	4,258,501
2016 PBC Note	.	30,585	37,363	40,556	40,556	149,060
Total Debt	<u>1,687,950</u>	<u>1,718,627</u>	<u>1,726,275</u>	<u>1,728,653</u>	<u>1,781,506</u>	<u>8,641,299</u>
Operations						
City Cost Allocation (1)						
Operating Expense	520,006	539,539	578,640	686,767	781,379	3,106,331
City Administrative Expense	425,550	667,216	667,216	705,369	523,029	2,988,380
Innovative Policing Expense	284,428	188,811	162,365	150,414	448,823	1,234,841
Capital Outlay	<u>149,463</u>	<u>95,850</u>	<u>116,344</u>	<u>2,200,000</u>	<u>.</u>	<u>2,561,657</u>
Total Operations	<u>1,379,447</u>	<u>1,491,416</u>	<u>1,524,565</u>	<u>3,742,550</u>	<u>1,753,231</u>	<u>9,891,209</u>
Total Expenditures	<u>3,067,397</u>	<u>3,210,043</u>	<u>3,250,840</u>	<u>5,471,203</u>	<u>3,534,737</u>	<u>18,532,508</u>
Surplus/(Deficit)	<u>\$ (143,472)</u>	<u>\$ (3,525)</u>	<u>\$ 525,426</u>	<u>\$ (1,215,603)</u>	<u>\$ 932,381</u>	<u>\$ 96,919</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 2005B Bonds	Debt Service Coverage on Series 2005B Bonds	Debt Service on Series 2015 Bonds	Debt Service Coverage on Series 2015 Bonds	Maximum Annual Debt Service on Series 2005B and 2015 Bonds	Maximum Annual Debt Service Coverage (2)
2016	\$ 2,861,851	\$ 844,794	3.39	\$ 841,444	1.40	\$ 2,503,696	1.14 <u>x</u>
2017	3,136,823	847,698	3.70	840,344	1.72	2,503,696	1.25 <u>x</u>
2018	3,664,705	848,968	4.32	839,944	2.35	2,502,507	1.46 <u>x</u>
2019	4,011,888	847,813	4.73	840,284	2.77	2,499,182	1.61 <u>x</u>
2020	4,254,840	844,465	5.04	896,485	2.80	2,328,146	1.83 <u>x</u>

(1) Series 2005A bonds were refunded in FY 2015 by the Series 2015 bonds.

(2) Series 2005B and 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)				
	2016	2017	2018	2019	2020
Actual Revenue Growth	11.51%	15.81%	11.38%	15.26%	9.81%
Existing Value	\$ 311,499,398	\$ 346,194,232	\$ 370,555,122	\$ 395,053,171	\$ 425,849,033
Taxing Authority:					
City of West Palm Beach					
New Construction	240,800	(156,783)	166,460	8,770,774	(750,276)
Taxable Value	311,740,198	346,037,449	370,721,582	403,823,945	425,098,757
Base Year Value	86,933,276	86,933,276	86,933,276	86,933,276	86,933,276
Tax Increment	224,806,922	259,104,173	283,788,306	316,890,669	338,165,481
Millage Rate (City)	8.3465	8.3465	8.3465	8.3465	8.3465
Gross Incremental Revenue	1,876,351	2,162,613	2,368,639	2,644,928	2,822,498
Statutory Reduction	0.95%	0.95%	0.95%	0.95%	0.95%
Incremental Revenue	1,782,533	2,054,482	2,250,207	2,512,682	2,681,373
Palm Beach County					
Millage Rate (County)	4.7815	4.7815	4.7815	4.7815	4.7815
Gross Incremental Revenue	1,074,914	1,238,907	1,356,934	1,515,213	1,616,938
Statutory Reduction	0.95%	0.95%	0.95%	0.95%	0.95%
Incremental Revenue	1,021,169	1,176,961	1,289,087	1,439,452	1,536,091
Total Revenue	\$ 2,803,702	\$ 3,231,444	\$ 3,539,294	\$ 3,952,134	\$ 4,217,465

(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 2019/FISCAL YEAR 2020
(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	7.31%
920 N Stanley Partners LLC	Vacant Commercial	13,626,900	3.37%
Park PB LLC	Multifamily	13,200,000	3.27%
U & Me Transfer Inc.	Warehouse/Distribution	8,877,437	2.20%
2014 Cahuenga Partners LP	Vacant Commercial	7,949,025	1.97%
Mountain West Palm Real Estate, Inc.	Warehouse/Dist Term	7,769,618	1.92%
La Boheme Properties Inc	Light Manufacturing	5,558,699	1.38%
Business Development Center LLC	Warehouse/Dist Term Condo	3,959,552	0.98%
Silc R W	Light Manufacturing	3,602,086	0.89%
CK 1919 LLC	Office One Story	3,563,098	0.88%
Total			<u>24.17%</u>

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

(1) Represents Final Taxable Value as provided by the Palm Beach County Property Appraiser's Office (the "PAO").

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
NPCCRA PRINCIPAL DEVELOPMENTS
TAX ROLL YEAR 2019/FISCAL YEAR 2020
(UNAUDITED)

<u>Development</u>	<u>Use of Property</u>	<u>Taxable Value (1),(2)</u>	<u>Percentage of Fiscal Prior Year Gross Taxable Value</u>
Flagler Pointe Condominium	Condominium	\$ 58,570,424	14.50%
Bethesda Park	Store/Office/Residential	43,690,743	10.82%
Northwood Addition-Platt Book 8	Store/Office/Residential	43,249,991	10.71%
The Slade Condominium	Condominium	42,927,404	10.63%
1515 N Flagler	Office Multistory	29,500,000	7.31%
Northwood Add 7	Warehouse/Dist Term	23,515,937	5.82%
Portofino Condominium	Condominium	16,953,026	4.20%
Westfield WPB No. 1	Warehouse/Dist Term	15,921,784	3.94%
La Fontana Condominium	Cooperative	13,317,009	3.30%
Parkland Replat	Multifamily	13,200,000	3.27%
Total			74.50%

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

(1) Taxable value represents the value for the entire development and not the taxable value attributable to any individual taxpayer

(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
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
2019	2020	8.3465	4.7815

Source - City of West Palm Beach Finance Department.



Photo by CFay - City of West Palm Beach

TAX INCREMENT REVENUE BONDS (CCCRA-Unaudited)

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
HISTORICAL CCCRA TAX INCREMENT REVENUES
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Tax Roll Year Ended December 31	Fiscal Year Ended September 30		City of West Palm Beach	Palm Beach County	Downtown Development Authority	Total	Percentage Increase Over Prior Year
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%
2019	2020		23,265,472	13,118,230	2,045,520	38,429,222	10.84%

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 countywide senior, historic and/or economic exemptions.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
HISTORICAL CCCRA TAX INCREMENT REVENUES, DEBT SERVICES,
AND DEBT SERVICE COVERAGE
FOR THE LAST FIVE FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>CCCRA Tax Increment Revenues</u>	<u>Debt Service on Series 2006A Bonds</u>	<u>Debt Service Coverage on Series 2006A Bonds</u>	<u>Debt Service on Series 2010A Refunding Bonds</u>	<u>Debt Service Coverage on Series 2010A Refunding Bonds</u>	<u>Debt Service on Series 2010B Refunding Bonds</u>	<u>Debt Service Coverage on Series 2010B Refunding Bonds</u>	<u>Debt Service on Series 2015 Refunding Bonds</u>	<u>Debt Service Coverage on Series 2015 Refunding Bonds</u>	<u>Debt Service on Series 2019 Bonds</u>	<u>Debt Service Coverage on Series 2019 Bonds</u>	<u>Maximum Annual Debt Service on Series 2006A, 2010A, 2010B, 2015 and 2019 Bonds (1)</u>	<u>Maximum Annual Debt Service Coverage</u>
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
2020	38,429,222	223	172,715.60	1,135,137	33.85	-	N/A	4,116,775	9.06	6,191,657	5.36	16,690,376	2.30

(1) Prior to 2017, the maximum annual debt service represented the total annual debt service of outstanding CRA bonds. This was corrected in 2017 to represent the greatest debt service requirement in the then current or any succeeding fiscal years for each of the outstanding CRA series bonds.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
HISTORICAL CCCRA REAL PROPERTY ASSESSED VALUES
CITY OF WEST PALM BEACH AND PALM BEACH COUNTY
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Tax Roll Year Ended December 31	Fiscal Year Ended September 30	A Final Gross Taxable Value	Percentage Increase Over Prior Year	B Base Year Taxable Value	=A-B Incremental Value (1)	Percentage Increase Over Prior Year
2010	2011	\$ 2,161,160,564	-4.47%	\$ 251,511,950	\$ 1,909,648,614	-5.03%
2011	2012	1,856,193,364	-14.11%	251,511,950	1,604,681,414	-15.97%
2012	2013	1,818,539,815	-2.03%	251,511,950	1,567,027,865	-2.35%
2013	2014	1,829,612,152	0.61%	251,511,950	1,578,100,202	0.71%
2014	2015	1,860,942,669	1.71%	251,511,950	1,609,430,719	1.99%
2015 (2)	2016 (2)	1,969,866,074	5.85%	251,511,950	1,718,354,124	6.77%
2016 (2)	2017 (2)	2,191,637,208	11.26%	251,511,950	1,940,125,258	12.91%
2017 (2)	2018 (2)	2,439,488,349	11.31%	251,511,950	2,187,976,399	12.78%
2018 (2)	2019 (2)	2,675,134,453	9.66%	251,511,950	2,423,622,503	10.77%
2019 (2)	2020 (2)	3,132,127,764	17.08%	251,511,950	2,880,615,814	18.86%

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 December 31	Fiscal Year Ended September 30	A Final Gross Taxable Value	Percentage Increase Over Prior Year	B Base Year Taxable Value	=A-B Incremental Value (1)	Percentage Increase Over Prior Year
2010	2011	\$ 1,439,291,701	-14.24%	\$ 191,563,585	\$ 1,247,728,116	-16.08%
2011	2012	1,387,796,768	-3.58%	191,563,585	1,196,233,183	-4.13%
2012	2013	1,362,354,481	-1.83%	191,563,585	1,170,790,896	-2.13%
2013	2014	1,271,519,588	-6.67%	191,563,585	1,079,956,003	-7.76%
2014	2015	1,354,104,804	6.50%	191,563,585	1,162,541,219	7.65%
2015 (2)	2016 (2)	1,511,956,059	11.66%	191,563,585	1,320,392,474	13.58%
2016 (2)	2017 (2)	1,723,267,764	13.98%	191,563,585	1,531,704,179	16.00%
2017 (2)	2018 (2)	1,933,403,651	12.19%	191,563,585	1,741,840,066	13.72%
2018 (2)	2019 (2)	2,092,791,478	8.24%	191,563,585	1,901,227,893	9.15%
2019 (2)	2020 (2)	2,335,976,790	11.62%	191,563,585	2,144,413,205	12.79%

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"), revised 3/2021.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
CITY OF WEST PALM BEACH HISTORICAL NEW CONSTRUCTION TAXABLE VALUES
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Tax Roll Year Ended December 31	Fiscal Year Ended September 30	New Construction Taxable Value (1)
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
2019	2020	250,745,777

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 December 31	Fiscal Year Ended September 30	New Construction Taxable Value
2015	2016	\$ 12,314,153
2016	2017	40,594,679
2017	2018	24,048,035
2018	2019	59,792,939
2019	2020	135,911,823

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 2019/FISCAL YEAR 2020
(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, LLC	Office Multistory	\$ 195,344,988	8.01%
CPT Equity, LLC	Office Multistory	132,889,484	5.45%
222 Lakeview LLC	Office Multistory	104,296,745	4.28%
Cityplace Retail LLC	Shopping Center	86,725,547	3.56%
WPB Rosemary LLC	Multifamily	85,000,000	3.48%
Avalon Alexander LLC	Multifamily	75,533,908	3.10%
Northbridge Property Owner LLC	Office Multistory	67,016,882	2.75%
Broadstone City Center LLC	Multifamily	65,000,000	2.66%
CL Loftin Place LP	Multifamily	53,406,096	2.19%
Flagler Center Properties	Office Multistory	48,703,184	2.00%
TOTAL			<u>37.46%</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 2019/FISCAL YEAR 2020
(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 Condominium	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 Condo	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, 2020
(UNAUDITED)

	2020			2011		
	<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	22,049	1	2.96%	21,495	1	3.46%
Tenet Healthcare Corp (2)	6,505	2	0.87%	6,100	5	0.98%
Palm Beach County Government	5,438	3	0.73%	11,381	2	1.83%
NextEra Energy/Florida Power & Light Company	4,807	4	0.64%	3,000	6	0.58%
Florida Atlantic University	2,898	5	0.39%	2,706	9	0.44%
HCA Palm Beach Hospitals (JFK, Palms West and West Palm)	2,806	7	0.38%	2,714	8	0.44%
Boca Raton Regional Hospital	2,800	7	0.38%			
Veterans Health Administration	2,700	8	0.36%			
The Breakers	2,300	9	0.31%			
Bethesda Memorial Hospital	2,282	10	0.31%	2,391	10	0.38%
State Government				9,200	3	1.48%
Federal Government				6,200	4	1.00%
G4S				3,000	7	0.48%
Total	<u>54,585</u>		<u>7.32%</u>	<u>68,187</u>		<u>11.07%</u>

Source: Business Development Board of Palm Beach County.

* Updated data unavailable as of CAFR publication date.

** Uses data available as of 01/2020.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
CCCRA 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	Downtown Development Authority (1)
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
2019	2020	8.3465	4.7815	1.0000

Source - City of West Palm Beach Finance Department.

(1) Pursuant to Interlocal Agreement, revenue derived from the second mill of the DDA tax levy has been exempted from inclusion into the CCCRA Redevelopment Trust Fund, as such revenue is to be used by the DDA to provide trolley service and marketing programs to retain and attract business in the CCCRA or for any other purpose that supports the CCCRA Redevelopment Plan.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS
CCCRA TAX INCREMENT REVENUES
DEBT SERVICE ON BONDS AND DEBT SERVICE COVERAGE (INCLUDING COVERAGE REVENUES AS CCCRA TAX INCREMENT REVENUES)
FOR THE LAST FIVE FISCAL YEARS
(UNAUDITED)

Fiscal Year	Total Tax Increment Revenues (1)	Prior Senior Obligations (minus Coverage Revenues)	CCCRA Tax Increment Revenues (Net of Prior Senior Obligations)	Debt Service on Senior Bonds	Debt Service Coverage on Senior Bonds	Debt Service on Subordinate Bonds	Debt Service Coverage on Senior Bonds and Subordinate Bonds	Maximum Annual Debt Service on Senior Bonds and Subordinate Bonds	Maximum Annual Debt Service Coverage on Senior Bonds and Subordinate Bonds
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	4,124,261	7.33 x
2020	38,429,222	4,740,804	33,688,418	3,986,420	8.45 x	1,135,160	6.58 x	4,124,261	8.17 x

(1) This does not include miscellaneous revenues as included in the debt coverage on the income statement.

CITY OF WEST PALM BEACH, FLORIDA

CONTINUING DISCLOSURE: TAX INCREMENT REVENUE BONDS

CCCRA TAX INCREMENT REVENUES

DEBT SERVICE ON BONDS AND DEBT SERVICE COVERAGE (ASSUMING THE COVERAGE REVENUES WERE NOT AVAILABLE)

FOR THE LAST FIVE FISCAL YEARS

(UNAUDITED)

Fiscal Year	Total Tax Increment Revenues (1)	Prior Senior Obligations (Including Coverage Revenues)	CCCRA Tax Increment Revenues (Net of Prior Senior Obligations)	Debt Service on Senior Bonds	Debt Service Coverage on Senior Bonds	Debt Service on Subordinate Bonds	Debt Service Coverage on Senior Bonds and Subordinate Bonds	Maximum Annual Debt Service on Senior Bonds and Subordinate Bonds	Maximum Annual Debt Service Coverage on Senior Bonds and Subordinate Bonds
2016	\$ 25,824,079	\$ 6,845,135	\$ 18,978,944	\$ 5,308,243	3.58 x	\$ 1,874,334	2.64 x	\$ 7,179,730	2.64 x
2017	29,348,790	7,488,027	21,860,763	5,193,415	4.21 x	1,113,481	3.47 x	6,341,781	3.45 x
2018	32,103,399	7,525,566	24,577,833	5,199,165	4.73 x	1,136,909	3.88 x	6,341,781	3.88 x
2019	34,671,466	7,579,246	27,092,220	5,326,715	5.09 x	1,144,668	4.19 x	4,124,261	6.57 x
2020	38,429,222	7,882,935	30,546,287	3,986,420	7.66 x	1,135,160	5.96 x	4,124,261	7.41 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
CC CRA TAX INCREMENT REVENUES
TAX INCREMENT REVENUES AND GROWTH
FOR THE LAST FIVE FISCAL YEARS
(UNAUDITED)

For the Fiscal Year Ending September 30:

	2016	2017	2018	2019	2020
Increase (Decrease) in Existing Value					
Existing Value	\$ 2,179,323,055	\$ 2,398,893,670	\$ 2,651,086,418	\$ 2,803,286,371	\$ 2,996,215,941
New construction	12,314,153	40,594,679	24,048,035	59,792,939	135,911,823
Final Gross Taxable Value	2,191,637,208	2,439,488,349	2,675,134,453	2,863,079,310	3,132,127,764
Base Year Taxable Value	(251,511,950)	(251,511,950)	(251,511,950)	(251,511,950)	(251,511,950)
Incremental Taxable Value	1,940,125,258	2,187,976,399	2,423,622,503	2,611,567,360	2,880,615,814
City of West Palm Beach					
Millage Rate (City)	8.3465	8.3465	8.3465	8.3465	8.3465
Gross Incremental Revenue	16,193,255	18,261,945	20,228,765	21,797,447	24,043,060
Adjustment (1)	406,021	650,382	236,490	300,941	446,911
Statutory Reduction (5%)	(829,964)	(945,616)	(1,023,263)	(1,104,919)	(1,224,499)
City Tax Incremental Revenue	15,769,313	17,966,711	19,441,992	20,993,469	23,265,472
Palm Beach County					
Millage Rate (County)	4.7815	4.7815	4.7815	4.7815	4.7815
Gross Incremental Revenue	9,276,709	10,461,809	11,588,551	12,487,209	13,773,665
Adjustment (1)	(24,517)	(18,066)	(8,471)	8,685	34,999
Statutory Reduction (5%)	(462,610)	(522,187)	(579,004)	(624,795)	(690,433)
County Tax Incremental Revenue	8,789,582	9,921,556	11,001,076	11,871,100	13,118,230
Downtown Redevelopment Authority					
Final Gross Taxable Value	1,516,013,663	1,725,462,556	1,936,430,582	2,092,791,478	2,335,976,790
Base Year Taxable Value	(191,563,585)	(191,563,585)	(191,563,585)	(191,563,585)	(191,563,585)
Incremental Taxable Value	1,324,450,078	1,533,898,971	1,744,866,997	1,901,227,893	2,144,413,205
Millage Rate (DDA)	1.0000	1.0000	1.0000	1.0000	1.0000
Gross Incremental Revenue	1,324,450	1,533,899	1,744,867	1,901,228	2,144,413
Adjustment (1)	6,956	3,494	2,850	769	8,766
Statutory Reduction (5%)	(66,223)	(76,870)	(87,386)	(95,100)	(107,659)
DDA Tax Incremental Revenue	\$ 1,265,184	\$ 1,460,523	\$ 1,660,331	\$ 1,806,897	\$ 2,045,520

(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
CCRA STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE LAST FIVE FISCAL YEARS ENDED SEPTEMBER 30:
(UNAUDITED)

	2016	2017	2018	2019	2020
Revenues					
Tax Increment					
City of West Palm Beach County	\$ 15,769,313	\$ 17,966,711	\$ 19,441,992	\$ 20,993,469	\$ 23,265,472
Palm Beach County	8,789,582	9,921,556	11,001,076	11,871,100	13,118,230
Downtown Development Authority	1,265,184	1,460,523	1,660,331	1,806,897	2,045,520
	<u>25,824,079</u>	<u>29,348,790</u>	<u>32,103,399</u>	<u>34,671,466</u>	<u>38,429,222</u>
Other intergovernmental revenue	173,050	.	183,366	18,468	552,700
Other Revenues					
Rents and Royalties	791,055	309,429	253,497	130,101	319,437
Investment Earnings (General)	240,546	140,113	308,616	1,031,501	802,128
Miscellaneous Revenues (1)	34,500	71,372	91,806	181,889	567,308
Proceeds From Sale of Capital Assets	.	.	-	760,000	-
Total Other Revenues	<u>1,066,101</u>	<u>520,914</u>	<u>653,919</u>	<u>2,103,491</u>	<u>1,688,873</u>
Total CCCRA Revenues	<u>\$ 27,063,230</u>	<u>\$ 29,869,704</u>	<u>\$ 32,940,684</u>	<u>\$ 36,793,425</u>	<u>\$ 40,670,795</u>
Expenditure					
Prior Senior Obligations					
CDD Bonds	3,676,250	4,270,000	4,274,250	4,276,750	4,560,804
Renaissance Increment Revenues	180,000	180,000	180,000	180,000	180,000
Total Prior Senior Obligations	<u>3,856,250</u>	<u>4,450,000</u>	<u>4,454,250</u>	<u>4,456,750</u>	<u>4,740,804</u>
Obligations Under Original Resolution					
Senior Bonds (2)	5,308,243	5,193,415	5,199,165	5,326,715	3,986,420
Subordinate Bonds (2)	1,874,334	1,113,481	1,136,909	1,144,668	1,135,160
Total original Resolution Obligations	<u>7,182,577</u>	<u>6,306,896</u>	<u>6,336,074</u>	<u>6,471,383</u>	<u>5,121,580</u>
Senior Bonds Debt Service Coverage	4.37	4.89	5.48	6.07	9.01
Total Debt Service Coverage	3.23	4.03	4.50	5.00	7.02
Subordinate Obligations					
City Advances and Loans (3)	1,870,013	1,908,050	2,700,631	2,530,131	8,541,451
DDA Interlocal Agreement	2,712,353	3,103,032	3,502,647	3,795,780	4,273,025
Total Subordinate Obligations	<u>4,582,366</u>	<u>5,011,082</u>	<u>6,203,278</u>	<u>6,325,911</u>	<u>12,814,476</u>
Operations					
City Cost Allocation					
City Administrative Expense	3,576,593	4,352,612	4,352,612	4,701,549	5,064,000
Trolley Contribution	203,054	135,369	135,369	33,842	-
DDA Project Funding	584,234	580,000	580,000	413,938	409,500
Clematis Streetscape	-	-	1,638,577	1,265,963	55,191
Redevelopment Incentive Grants	-	-	488,191	1,271,495	2,014,945
Other Operating Costs	1,767,790	2,582,672	3,258,397	3,407,369	3,975,008
Capital Outlay	2,802,609	1,331,090	9,209,858	1,577,925	4,174,855
Total Operations	<u>8,934,280</u>	<u>8,981,743</u>	<u>19,663,005</u>	<u>12,672,081</u>	<u>15,693,499</u>
Total Expenditures	<u>24,555,473</u>	<u>24,749,721</u>	<u>36,656,607</u>	<u>29,926,125</u>	<u>38,370,359</u>
Net Change in Fund Balances					
Fund Balances Beginning	2,507,757	5,119,991	(3,715,922)	6,867,300	2,300,436
Fund Balances Ending	<u>19,876,651</u>	<u>22,384,408</u>	<u>27,504,399</u>	<u>23,788,476</u>	<u>30,655,776</u>
	<u>\$ 22,384,408</u>	<u>\$ 27,504,399</u>	<u>\$ 23,788,476</u>	<u>\$ 30,655,776</u>	<u>\$ 32,956,212</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



Lake Mangonia Boat Ramp Park
By City of West Palm Beach





Photo by Captain Kimo

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)				Exemptions & Adjustments (2)	Gross Assessed Values
		Real Property	Personal Property	Centrally Assessed	Total Property		
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
2019	2020	12,889,581,491	646,713,362	61,106,484	13,597,401,337	3,570,322,530	17,167,723,867

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)

<u>Fiscal Year Ended September 30</u>	<u>Total Property Tax Levy</u>	<u>Current Gross Property Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Property Tax Collections</u>	<u>Total Property Tax Collections</u>	<u>Total Collections as Percent of Current Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Taxes as Percent of Current Levy</u>
2011	\$ 74,310,620	\$ 71,034,798	95.6%	\$ 827,967	\$ 71,862,765	96.7%	\$ 575,638	0.8%
2012	69,227,999	63,978,383	92.4%	2,715,092	66,693,475	96.3%	166,797	0.2%
2013	69,341,005	64,406,609	92.9%	2,457,707	66,864,316	96.4%	272,321	0.4%
2014	69,644,759	66,475,683	95.4%	2,091,703	68,567,386	98.5%	2,285,147	3.3%
2015	73,988,745	70,973,106	95.9%	1,849,963	71,977,487	97.3%	399,004	0.5%
2016	87,199,972	81,639,326	93.6%	1,250,931	82,890,258	95.1%	5,560,645	6.4%
2017	94,758,234	89,918,038	94.9%	474,276	90,392,314	95.4%	4,840,196	5.1%
2018	103,719,989	97,007,660	93.5%	37,005	97,044,665	93.6%	6,712,329	6.5%
2019	107,652,806	103,273,195	96.0%	216,999	103,622,352	96.2%	1,435,107	1.3%
2020	115,462,746	110,881,873	96.0%	188,157	111,070,030	96.2%	5,465,047	4.7%

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

(1) Data from General fund only.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: GENERAL OBLIGATION BONDS
PRINCIPAL TAXPAYERS
TAX ROLL YEAR 2019/FISCAL YEAR 2020
(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%

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: GENERAL OBLIGATION BONDS
PROPERTY TAX RATES-DIRECT AND OVERLAPPING GOVERNMENTS
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Tax Roll Year	Fiscal Year Ended September 30	City of West Palm Beach			DDA	Children's Services (2)	Florida Inland Navigation District (2)	Palm Beach County	Palm Beach County School Board	South Florida		Health Care District	Total (1)
		General Operations	Debt Service	Total						Water Management District	Everglades Construction		
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
2019	2020	8.3465	0.1202	8.4667	1.0000	0.6497	0.0320	4.8580	7.1640	0.1152	0.0397	0.7261	23.0514

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

(1) All millage rates are based on \$1.00 for every \$1,000.00 of assessed value. Millages included here are only for those that are assessed city-wide, with the exception being the DDA.

(2) Pursuant to a voter-approved special millage levy beginning in calendar year 1987.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: GENERAL OBLIGATION BONDS
RATIO OF NET GENERAL BONDED DEBT AND NOTES PAYABLE
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended September 30	Population (1)	Gross Assessed Value	Outstanding Gross Bonded Debt	Notes Payable	Revenue Bonds	Capital Leases	Less Amount Available in the General Debt Service Fund	Net Debt	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
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
2020	116,781	17,440,651,640	26,465,000	26,817,945	258,437,528	13,016,991	(7,787,108)	316,950,356	1.82%	2,714

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

(1) Population figures for 2009-2013 and 2018-2020 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, 2020
(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)	\$ 316,612,698		
Promissory notes, governmental funds	22,425,605		
Promissory notes, internal service funds	4,392,399		
Capital leases	13,016,991		
Total direct debt	356,447,693	100.00% (5)	\$ 356,447,693
Palm Beach County (3)	838,936,617	7.00% (5)	58,725,563
School Board (4)	7,389,000	7.00% (5)	<u>517,230</u>
Total overlapping debt			59,242,793
Total direct and overlapping debt			<u>\$ 415,690,486</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)		
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%
2020	1,525,000	30,500	1,555,500	177,246,751	0.9%

Source - City of West Palm Beach Finance Department.

(1) Includes general obligation bonded debt only.

(2) Includes General Fund only, GAAP basis.



Photo by Captain Kim

REPORTING SECTION

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

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of West Palm Beach, Florida (the "City") as of and for the year ended September 30, 2020 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 26, 2021.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 City's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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.

Plante & Moran, PLLC

April 26, 2021

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 Auditor's 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 City of West Palm Beach, Florida's (the "City") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and 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 programs and state project for the year ended September 30, 2020. The City's major federal programs and state project 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 programs and state projects based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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* (the "Uniform Guidance"); and the audit requirements of Chapter 10.550, *Rules of the Auditor General*, State of Florida. Those standards; 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 the major federal programs and state project for the year ended September 30, 2020.

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

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 the 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 a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Plante & Moran, PLLC

April 26, 2021

City of West Palm Beach, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance

Year Ended September 30, 2020

Federal or State Agency/Pass-through Agency/Program Title	CFDA/CSFA Number	Pass-through Entity Identifying Number	Contract Number	Provided to Subrecipients	Federal and State Expenditures
U.S. Department of Housing and Urban Development - Direct programs:					
Community Development Block Grant (CDBG)	14.218	N/A	B-10-MC-12-0022 through B-19-MC-12-0022	\$ 74,599	\$ 789,592
COVID19 - Community Development Block Grant (CDBG)	14.218	N/A	B-19-MC-12-0022	-	153,417
Community Development Block Grant (CDBG) - NSP1	14.218	N/A	B-08-MC-12-0022	-	35,579
Total CDBG Entitlement Grants Cluster				74,599	978,588
HOME Investment Partnership Program Grant	14.239	N/A	M-10-MC-12-0224 through M-18-MC-12-0224	185,428	393,453
COVID19 - Housing Opportunities for Persons with AIDS (HOPWA) Grant	14.241	N/A	FL-H-19-F-006	-	496
Housing Opportunities for Persons with AIDS (HOPWA) Grant	14.241	N/A	FL-H-18-F-006 through FL-H-19-F-006	3,202,238	3,311,839
Total HOPWA				3,202,238	3,312,335
Total U.S. Department of Housing and Urban Development				3,462,265	4,684,376
U.S. Department of Homeland Security - Direct programs:					
Staffing For Adequate Fire & Emergency Response (SAFER IV) - Hiring Assistance of Firefighters Grant	97.083	N/A	EMW-2016-FH-00463	-	550,381
Assistance of Firefighters Grant	97.044	N/A	EMW-2018-FO-05401	-	68,283
Assistance of Firefighters Grant	97.044	N/A	EMW-2018-FO-05401	-	99,201
Total Assistance of Firefighters Grant				-	167,484
Passed through State of Florida Division of Emergency Management - Public Assistance Grant - Hurricane Irma	97.036	Z0368	N/A	-	1,407,325
Total U.S. Department of Homeland Security				-	2,125,190
U.S. Department of Justice - Direct programs:					
Forfeiture Equitable Sharing Program	16.922	N/A	N/A	-	322,209
Justice Assistance Grant	16.738	N/A	2019-DJ-BX-0661	-	64,923
COVID-19 - Coronavirus Emergency Supplemental Funding (CESF) Program	16.034	N/A	2020-VD-BX-0182	-	118,793
Total U.S. Department of Justice				-	505,925
Department of the Treasury - Passed through Florida Housing Finance Corporation - COVID-19 - Coronavirus Relief Fund (CRF)	21.019	N/A	N/A	-	134,042

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

City of West Palm Beach, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)

Year Ended September 30, 2020

Federal or State Agency/Pass-through Agency/Program Title	CFDA/CSFA Number	Pass-through Entity Identifying Number	Contract Number	Provided to Subrecipients	Federal and State Expenditures
U.S. Department of Transportation - Passed through Florida Department of Transportation (FDOT):					
Federal Highway Administration (FHWA) - North Shore Neighborhood Improve	20.205	FPN 436932-1-58-01	N/A	\$ -	\$ 217,238
Federal Transit Administration (FTA) - Capital Program - Trolleys	20.500	FL-03-0269-00	N/A	-	205,185
Total U.S. Department of Transportation				-	422,423
U.S. Department of Agriculture - Passed through Florida Department of Health (FDOH) - Childcare Food Program (CCFP)					
	10.558	N/A	N/A	-	16,349
Total expenditures of federal awards				3,462,265	7,888,305
Florida Housing Finance Corporation - Direct projects - State Housing Initiatives Partnership (SHIP) Program					
	40.901	N/A	N/A	-	203,381
Florida Department of Environmental Protection - Direct projects - Voluntary Cleanup Tax Credit (VCTC) Program					
	37.056	N/A	N/A	-	27,660
Florida Department of Health - Passed through Palm Beach County (PBC) - Emergency Medical Services - Stop the Bleed Kits					
	64.005	N/A	N/A	-	12,460
Florida Department of State - Direct programs:					
Division of Libraries and Information Services - State Aid to Library Programs	45.030	N/A	16-ST-61 through 17-ST-60	-	187,878
Historical Preservation Grant I - Sunset Lounge	45.032	N/A	18.h.sc.100.069	-	413,073
Historical Preservation Grant II - Sunset Lounge	45.032	N/A	19.h.sc.100.174	-	226,554
Total Florida Department of State				-	827,505
Total expenditures of state financial assistance				-	1,071,006
Total expenditures of federal awards and state financial assistance				\$ 3,462,265	\$ 8,959,311

See notes to schedule 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

Year Ended September 30, 2020

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") includes the federal grant and state project activity of City of West Palm Beach, Florida (the "City") under programs of the federal government and the State of Florida for the year ended September 30, 2020. 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* (the "Uniform Guidance"); the Florida Single Audit Act; and Chapter 10.550, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; the Florida Single Audit Act; and Chapter 10.550, *Rules of the Auditor General*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

The City has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

Schedule of Findings and Questioned Costs

City of West Palm Beach, Florida

Schedule of Findings and Questioned Costs

Year Ended September 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

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 programs:

CFDA Number	Name of Federal Program or Cluster	Opinion
14.218	Community Development Block Grants/Entitlement Grants (CDBG Cluster)	Unmodified
14.241	Housing Opportunities for Persons with AIDS	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes _____ No

City of West Palm Beach, Florida

Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2020

Section I - Summary of Auditor's Results (Continued)

State Financial Assistance

Internal control over major projects:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, *Rules of Auditor General*? Yes No

Identification of major state projects:

CFSA Number	Name of Federal Program or Cluster	Opinion
45.032	Acquisition, Restoration of Historic Properties – Sunset Lounge I and II	Unmodified

Dollar threshold used to distinguish between type A and type B state projects: \$321,302

Section II - Financial Statement Audit Findings

Reference Number	Finding
None	

Section III - Federal Program Audit Findings

Reference Number	Finding
None	

Section IV - State of Florida Project Audit Findings

Reference Number	Finding
None	

**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 fiscal year ended September 30, 2020 and have issued our report thereon dated April 26, 2021. 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 71.27 percent, 73.71 percent, and 39.82 percent of the assets, net position, and revenues, respectively, 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, is based solely on the reports of the other auditors.

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; and, as it relates to the federal compliance audit, 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* (the "Uniform Guidance").

During the audit, we also adhered to the requirements under Chapter 10.550, *Rules of the Auditor General*, which requires certain additional procedures and the reporting of certain items addressed in this letter.

Other Reporting Requirements

We have issued our independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards*; independent auditor's report on compliance for each major federal program and state project and report on internal control over compliance required by the Uniform Guidance; 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, which are dated April 26, 2021, 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 financial audit report. The City has taken corrective action to address findings and recommendations made in the preceding financial audit report.

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

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 City has included such disclosures 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*, require us to apply 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 to identify the specific condition(s) met. Management of the City has determined that the City does not meet any of the conditions that are used in the determination of a financial emergency, as described in Section 218.503(1), Florida Statutes. In connection with our audit of the financial statements, we determined the City did not meet any of the conditions 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 for the City based on the audited financial statements as of and for the year ended September 30, 2020. 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 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. In connection with our audit, we have addressed such recommendations in the Appendix A - "Current Year's Recommendations to Improve Financial Management." Management's responses to the recommendations to improve the financial management have been addressed in Appendix A - "Current Year's Recommendations to Improve Financial Management." We did not audit the City's response and, accordingly, express no opinion on it.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of This Section

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, the City Commissioners, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.



City of West Palm Beach, Florida
April 26, 2021

Appendix A

Current Year's Recommendation to Improve Financial Reporting

Reference Number	Recommendation
ML 2020-001	<p data-bbox="380 401 1203 428">Non-GAAP accounting for advanced defined benefit plan contributions</p> <p data-bbox="380 459 1430 516">Criteria - Financial statements of the local governments should follow U.S. GAAP, as promulgated by the Governmental Accounting Standards Board.</p> <p data-bbox="380 548 1430 695">Condition - We noted the City is reporting an advance to a defined benefit pension plan as long-term assets in the governmental activities and the General Fund. The balance of this advance is decreased annually by the required pension contribution amount. The accounting standards require that advances to defined benefit plans be recorded as expense/expenditure in the year the advanced contribution is made.</p> <p data-bbox="380 726 1430 810">Cause - The City's management believed that the current accounting treatment of this transaction was in accordance with GAAP. Detailed disclosure of this advance was made in the notes to the financial statements.</p> <p data-bbox="380 842 1430 961">Effect - As a result of the GAAP departure, the governmental activities and the General Fund report a \$3,073,102 advance to a defined benefit pension plan. If this accounting treatment was corrected, the assets and net position/fund balance for the governmental activities and the General Fund, respectively, would decrease by \$3,073,102.</p> <p data-bbox="380 993 1430 1110">Recommendation - We recommend that the City consider correcting the accounting treatment of the prepaid contribution and record an expenditure/expense for the remaining recorded balance of the advance contribution in the governmental activities and the General Fund in the next fiscal year.</p> <p data-bbox="380 1142 1430 1289">Views of Responsible Officials and Planned Corrective Actions - The City acknowledges that the current accounting treatment of the advanced contributions does not conform to GAAP. However, city management has determined that the matter is not material to the financial statements taken as a whole. Nevertheless, the City will correct the accounting in the fiscal year ending September 30, 2021.</p>

**Independent Accountant's Report on Compliance
with Local Government Investment Policies**

To 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 the local government investment policies required by Section 218.415, Florida Statutes, during the year ended September 30, 2020. The City's 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 criteria 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 the specified requirements.

In our opinion, the City complied, in all material respects, with the local government investment policies required by Section 218.415, Florida Statutes, during the year ended September 30, 2020.

The purpose of this report is to comply with the audit requirements of Section 218.415, Florida Statutes, and *Rules of the Auditor General*.

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.



April 26, 2021



Palmetto Park
By City of West Palm Beach