

CITY OF WEST PALM BEACH, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2021





CITY OF WEST PALM BEACH, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE

FISCAL YEAR ENDED

SEPTEMBER 30, 2021

Prepared by:
The Finance Department



WEST PALM BEACH

Finance Department

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**CITY OF WEST PALM BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

TABLE OF CONTENTS

	PAGE
I. INTRODUCTORY SECTION	
Letter of Transmittal.....	i
Certificate of Achievement for Excellence in Financial Reporting.....	vii
Organizational Chart.....	viii
City Commissioners.....	ix
List of City Officials.....	x
 II. FINANCIAL SECTION	
Independent Auditor's Report	xi
Management's Discussion and Analysis (Unaudited)	xiii
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position.....	1
Statement of Activities.....	3
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	5
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	6
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	8
Statement of Net Position - Proprietary Funds.....	9
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds.....	11
Statement of Cash Flows - Proprietary Funds.....	12
Statement of Fiduciary Net Position - Fiduciary Funds.....	14
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	15
Notes to the Financial Statements.....	16
Required Supplementary Information (Unaudited)	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Budgetary Basis - General Fund.....	88
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Budgetary Basis - City Center Community Redevelopment Agency Fund.....	90
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Budgetary Basis - Northwood/Pleasant City Community Redevelopment Agency Fund.....	91

**CITY OF WEST PALM BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	PAGE
Schedule of Changes in the Net Pension Liability and Related Ratios - Police Pension Fund.....	92
Schedule of Changes in the Net Pension Liability and Related Ratios - Firefighters Pension Fund.....	94
Schedule of Changes in the Net Pension Liability and Related Ratios - Restated Employees Pension Fund.....	96
Schedule of Methods and Assumptions.....	98
Schedule of City's Contributions.....	100
Schedule of Investment Returns - Restated Employees Pension Fund.....	102
Schedule of City's Contributions - Other Post-Employment Benefits.....	103
Schedule of City's Contributions - Police Benevolent Association Retiree Health Fund.....	104
Schedule of City's Contributions - Association of Firefighters Retiree Benefit Fund.....	105
Schedule of City's Contributions - Elected Official and Management VEBA Trust Fund.....	106
Schedule of City Contributions - General Employees VEBA Trust Fund.....	107
Schedule of Changes in the Net OPEB Liability and Related Ratios - Other Post-Employment Benefits	108
Schedule of Changes in Net OPEB Liability and Related Ratios - Police Benovelent Association Retiree Health Fund	109
Schedule of Changes in Net OPEB Liability and Related Ratios - Association of Firefighters Retiree Benefit Fund.....	110
Schedule of Changes in Net OPEB Liability and Related Ratios - Elected Officials and Management VEBA Trust Fund.....	111
Schedule of Changes in Net OPEB Liability and Related Ratios - General Employees VEBA Trust Fund.....	112
Schedule of Investment Returns - Other Post-Employment Benefits.....	113
Notes to the Required Supplementary Information.....	114
Combining and Individual Fund Statements and Schedules	
Combining Balance Sheet - Non-Major Governmental Funds.....	114
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds.....	115
Combining Balance Sheet - Non-Major Special Revenue Funds.....	116
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Special Revenue Funds.....	119
Combining Balance Sheet - Debt Service Funds.....	122
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Debt Service Funds.....	123
Combining Balance Sheet - Capital Projects Funds.....	124
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Capital Projects Funds.....	126
Combining Statement of Net Position - Internal Service Funds.....	128
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds.....	129
Combining Statement of Cash Flows.....	130
Combining Statement of Fiduciary Net Position - Fiduciary Funds.....	132
Combining Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	133

**CITY OF WEST PALM BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

PAGE

Other Financial Information

Budgetary Comparison Schedules:

Local Gas Tax Fund.....	134
Community Development Fund.....	135
Neighborhood Stabilization Program Fund.....	136
Home Program Fund.....	137
HOPWA Fund.....	138
SHIP Program Fund.....	139
Housing Trust Fund.....	140
Permits Fund.....	141
Fire Assessment Fee Fund.....	142
Waterfront District Fund.....	143
Special Revenue Grant Programs Fund.....	144
Miscellaneous Trust Fund.....	145
Other Debt Service Fund.....	146
General Obligation Bond Fund.....	147
Series 2019 CCCRA Debt Service Fund.....	148
Other Capital Projects Fund.....	149
Series 2020 General Obligation Bond Fund.....	150
Infrastructure Surtax Fund.....	151
2016 Capital Bond Fund.....	152
Vehicle Replacement Fund.....	153
Technology Replacement Fund.....	154
NPCCRA Series 2005A Construction Fund.....	155
Series 2019 CCCRA Capital Bond Fund.....	156
Capital Grants Fund.....	157

III. STATISTICAL INFORMATION (UNAUDITED)

Financial Trends

Net Position by Component.....	S-1
Changes in Net Position.....	S-2
Fund Balances of Governmental Funds.....	S-5
Changes in Fund Balances of Governmental Funds.....	S-7
Revenue Capacity	
Governmental Funds Revenues by Source.....	S-9
Governmental Funds Expenditures by Function.....	S-10
General Fund-Fund Balance-Compared.....	S-11
General Fund Tax Revenues by Source.....	S-12
General Fund Franchise Revenues by Source.....	S-13
Property Taxes Levies and Collections.....	S-14

**CITY OF WEST PALM BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

PAGE

Taxable Values and Gross Assessed Value of Property.....	S-15
Principal Taxpayers.....	S-16
Debt Capacity	
Outstanding Debt Per Capita By Type and General Obligation Debt Ratios.....	S-17
Computation of Direct and Overlapping Debt.....	S-18
Computation of Legal Debt Margin.....	S-19
Schedule of Revenue Bond Coverage.....	S-20
Demographic and Economic Information	
Demographic Statistics.....	S-21
Principal Employers in Palm Beach County.....	S-22
Operating Information	
Property Value and Construction.....	S-23
Miscellaneous Statistical Data.....	S-24

IV. CONTINUING DEBT DISCLOSURE (UNAUDITED)

Event Notices.....	C-1
Special Obligation Bonds	
Non-Ad Valorem Revenue Collections by Source.....	C-2
Outstanding Non-Ad Valorem Debt.....	C-3
Historical Non-Ad Valorem Revenues, Debt Service and Coverage	
Assuming Debt Service Payments Were Not Made by Other Dedicated Revenue Sources.....	C-4
Accounting for Debt Service Payments Made by Other Dedicated Revenue Sources.....	C-5
Utility System Revenue Bonds	
Customers and Sales Data.....	C-6
Wastewater Flows (MGD).....	C-7
Summary of Monthly Water and Wastewater Rates.....	C-8
Summary of Water Capacity Charges, Customer Deposits, and Meter Installations.....	C-9
Summary of Monthly Stormwater Rates.....	C-10
Water System Customer Growth.....	C-11
Stormwater System Customer Growth.....	C-12
Wastewater System Customer Growth.....	C-13
Historical Debt Coverage Analysis.....	C-14
Historical Schedule of Net Cash Flow, Debt Service and Debt Coverage.....	C-15
Tax Increment Revenue Bonds (NPCCRA)	
Historical NPCCRA Tax Increment Revenues.....	C-16
Historical NPCCRA Real Property Assessed Values.....	C-17
Historical NPCCRA New Construction Taxable Values.....	C-18
Historical NPCCRA Financial Reports.....	C-19
Historical NPCCRA Debt Service and Debt Service Coverage.....	C-20

**CITY OF WEST PALM BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

PAGE

Historical NPCCRA Tax Increment Revenues and Growth.....	C-21
NPCCRA Principal Taxpayers.....	C-22
NPCCRA Principal Developments.....	C-23
NPCCRA Historical Millage Rates.....	C-24
Tax Increment Revenue Bonds (CCCRA)	
Historical CCCRA Tax Increment Revenues.....	C-25
Historical CCCRA Debt Service and Debt Service Coverage.....	C-26
Historical CCCRA Real Property Assessed Values	
City of West Palm Beach and Palm Beach County.....	C-27
Downtown Development Authority.....	C-28
City of West Palm Beach Historical New Construction Taxable Values.....	C-29
Historical CCCRA New Construction Taxable Values.....	C-30
CCCRA Principal Taxpayers.....	C-31
CCCRA Principal Developments.....	C-32
Principal Employers in Palm Beach County.....	C-33
CCCRA Historical Millage Rates.....	C-34
Debt Service on Bonds and Debt Service Coverage	
Including Coverage Revenues as CCCRA Tax as CCCRA Tax Increment Revenues.....	C-35
Assuming the Coverage Revenues Were Not Available.....	C-36
CCCRA Tax Increment Revenues and Growth.....	C-37
CCCRA Statement of Revenues, Expenditures and Changes in Fund Balance.....	C-38
General Obligation Bonds	
Taxable Values and Gross Assessed Value of Property.....	C-39
Property Tax Levies and Collections.....	C-40
Principal Taxpayers.....	C-41
Property Tax Rates - Direct and Overlapping Governments.....	C-42
Ratio of Net General Bonded Debt and Notes Payable to Assessed Value and Net Bonded Debt Per Capita.....	C-43
Computation of Direct and Overlapping Debt.....	C-44
Ratio of Annual Debt Service Expenditures for General Bonded Debt to General Fund Expenditures.....	C-45

I. REPORTING SECTION

Independent Auditor's Report on Internal Control	R-1
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida.....	R-5
Independent Accountant's Report on Compliance Pursuant to Section 218.415 of Florida Statutes.....	R-11
Independent Auditor's Report on Compliance for Each Major Federal Program and State Project.....	R-12
Schedule of Federal Awards and State Financial Assistance.....	R-12
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance.....	R-12
Schedule of Findings and Questioned Costs.....	R-12



WEST PALM BEACH

Finance Department

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Photo by Captain Kimo / City of West Palm Beach

INTRODUCTORY SECTION





WEST PALM BEACH

Business. Life. Balanced.™

June 30, 2022

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 (ACFR)** for the City of West Palm Beach, Florida, (the “City”) for the fiscal year ended September 30, 2021.

This report provides the City Commission, City staff, our citizens, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City government. State law requires that all general-purpose local governments annually publish a complete set of financial statements within nine months of the close of each fiscal year.

City management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

In accordance with Sections 11.45 and 125.01, Florida Statutes, the City’s financial statements were audited by an independent Certified Public Accounting firm. Plante Moran, PLLC., Certified Public Accountants, have issued an unmodified (clean) opinion on the City’s financial statements for the fiscal year ended September 30, 2021. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

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 the City Commission 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 is 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.

SERVICES PROVIDED

The City provides a full range of municipal services, including police and fire protection; refuse collection; traffic control; garage and on-street parking; planning, zoning and building inspections; licenses and permits; vital statistics; the construction and maintenance of streets, and other infrastructure; neighborhood parks recreational and cultural activities; library services; low-income housing; and trolley services. Utility Services include water, sewer, and storm-water services. The City also provides general administrative services.

MAJOR INITIATIVES

On May 10, 2021, the U. S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), established by the American Rescue Plan Act of 2021, (ARPA). The City was allocated \$24,530,823 to be received in two tranches of which the first tranche was received May 19, 2021 in the amount of \$12,265,412 and expects to receive the second tranche of \$12,265,412 in July of 2022.

City Commission work sessions and a Special Commission meeting were held in August 2021 to recognize the acceptance of the grant funds and to publicly present the intended eligible use categories for the first tranche of expenditures. The FY22 adopted Budget includes the new ARPA Fund 126 allocating funds for four (4) eligible project expenditure categories:

1. Replace Lost Revenue (\$6,490,000) to be spent on vehicle replacements
2. Grant Management (\$425,206)
3. Public Health/ and Negative Economic Impacts (\$839,670) providing employees with a vaccine incentive pay
4. Premium Pay (\$4,510,535) for essential workers

Looking forward into fiscal year 2022 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 Directors 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.

LOCAL ECONOMY

As one of the three largest cities making up the South Florida region, and the central city of Palm Beach County, West Palm Beach is a vibrant, growing, waterfront city that offers the business advantages available in the region, combined with a more refined and relaxed environment for living and working.

Despite the lingering effects of the pandemic, the City recorded a \$3.9 million increase in business tax revenues. Additionally, our City's tax base has gone up significantly despite the pandemic, to \$15.6 billion. For the ninth year in a row, ad valorem tax revenues continued to climb to record highs. In fiscal year 2021, ad valorem tax revenues rose \$5.3 million (5.9%). With over three billion dollars of development projects underway, we can safely say that our property tax base should continue to grow over the next few years. Because of these new revenues, the City was able to keep its millage rate consistent with that of the prior fiscal year, while providing consistent services to its citizens.

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.

The City has created the opportunity for large and small businesses to move and grow within our local economy while creating new jobs for our growing population. In the current fiscal year, the City attracted and welcomed several large and small businesses into its local economy. More and more, our City is being selected as the choice destination for other businesses to relocate. A recent study highlighted the City's highly competitive business climate with no personal income tax and a relatively low corporate tax rate. Our City has also gained the attention of the financial services industry and have garnered a reputation of being the "Wall Street South".

The City is also bolstering its reputation of being an education hub. Adding two new universities to those currently located in our City to offer graduate, professional and executive programs to downtown West Palm Beach. These university programs will support the growth and expansion of companies through innovative programs and financial technology, artificial intelligence, data analytics and cyber security, among other areas.

With the relocation new businesses and new residents to our City, new development projects of nearly \$3 billion is on the rise to offer new office space and living quarters. New development of approximately \$81 million in the City's Historic North-West is also underway to offer the largest investment in multi-family workforce housing in the history of the City and will bring 2,600 units to the area once completed.

The City also boasts a rich cultural arts program which continues to attract tourism each year and supports our image focused on quality of life living. The City was recently awarded the lead certification, achieving the gold standard to enhancing quality of life, sustainability and climate resilience.

The City is moving forward to expand mobility by relaunching its bike program and expanding trolley and transit services while embracing transit best practices. These plans will enhance the travel to and from West Palm Beach for local residents and tourists alike.

Other significant programs topping the City's priorities are the responses to climate change and rising housing prices. Through initiatives by the City Administration, efforts to proactively address coastal flooding, resulting from sea level rise is being handled by installing tidal valves and storm drain systems along the waterfront area. To respond to the rise in housing prices across the City, an ordinance was enacted to incentivize developers to provide over 600 workforce housing units within the downtown area over the period of three years. Furthermore, the City is committed to provide additional opportunities to its residents by offering a comprehensive housing program to provide education, economic opportunity and affordable home purchase options for lower income residents in partnership with the Florida Housing Coalition.

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 3% of general fund operating revenues. This provides the City with working capital in the event of an emergency. The ending unassigned fund balance of \$25,032,673 as of September 30, 2021, represents 14% of the general fund operating revenues.

Long-Term Financial Planning

While West Palm Beach undergoes an economic revival, the City is continuing to invest in infrastructure and neighborhood parks throughout the City. 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.

Resulting from the Parks and Recreation Master Plan Study, a \$30 million bond referendum was overwhelmingly approved by the voters and was issued to fund many of the park improvements projects. Thirty-two parks across the City will receive significant upgrades funded by this bond over the next several years.

Other infrastructure upgrades throughout the City are part of the long-term Capital Improvement Program. This program schedules out projects for a seven-year period, however, only the five-year program is adopted by the City Commission. Capital improvement bonds have aided spending on capital projects for the City as a whole including it utilities projects. In addition to the bonds, the City benefited from a County-wide one-cent sales surtax increase that will generate \$60 million over a ten-year period. Since the start of the one-cent sales surtax program, the City received \$38.4 million to aid the infrastructure projects through September 30, 2021.

Major projects, other than park improvements, funded from the City's long-term debt and the one-cent sales surtax program in fiscal years 2019 through 2021 includes the various streetscape projects throughout the City totaling approximately \$35 million as well as various utilities force main and lift station improvement projects totaling approximately \$23 million.

The City has strategically determined the following long-term objectives:

- Maintain or improve "AA" bond rating
- Maintain financially responsible employee benefit plan
- Leverage resources through community and private partnerships
- Invest in the expansion of the City's tax base and preventative maintenance
- Fund ongoing operations and maintenance of City facilities
- Maintain reserves consistent with the City financial policies and national standards

As part of its strategic long-term plan, the City also envisions continued revitalization within City limits, which will continue with the streetscapes and street light projects throughout various communities.

The City maintains a vehicle replacement policy, which serves as its fleet replacement guide over a five-year period. During fiscal year 2021, the City was able to improve its fleet by purchasing vehicles out of the General Fund, using American Rescue Plan Act funds, capital acquisition funds, and storm water funding and utility funds. These vehicles will improve service while conserving energy and lowering maintenance costs. Other fleet replacement vehicles will be purchased as funding becomes available.

Other Information:

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, 2020. 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-one consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

ACKNOWLEDGEMENTS

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

Respectfully submitted,



Bridget M. Souffrant, MBA
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of West Palm Beach
Florida**

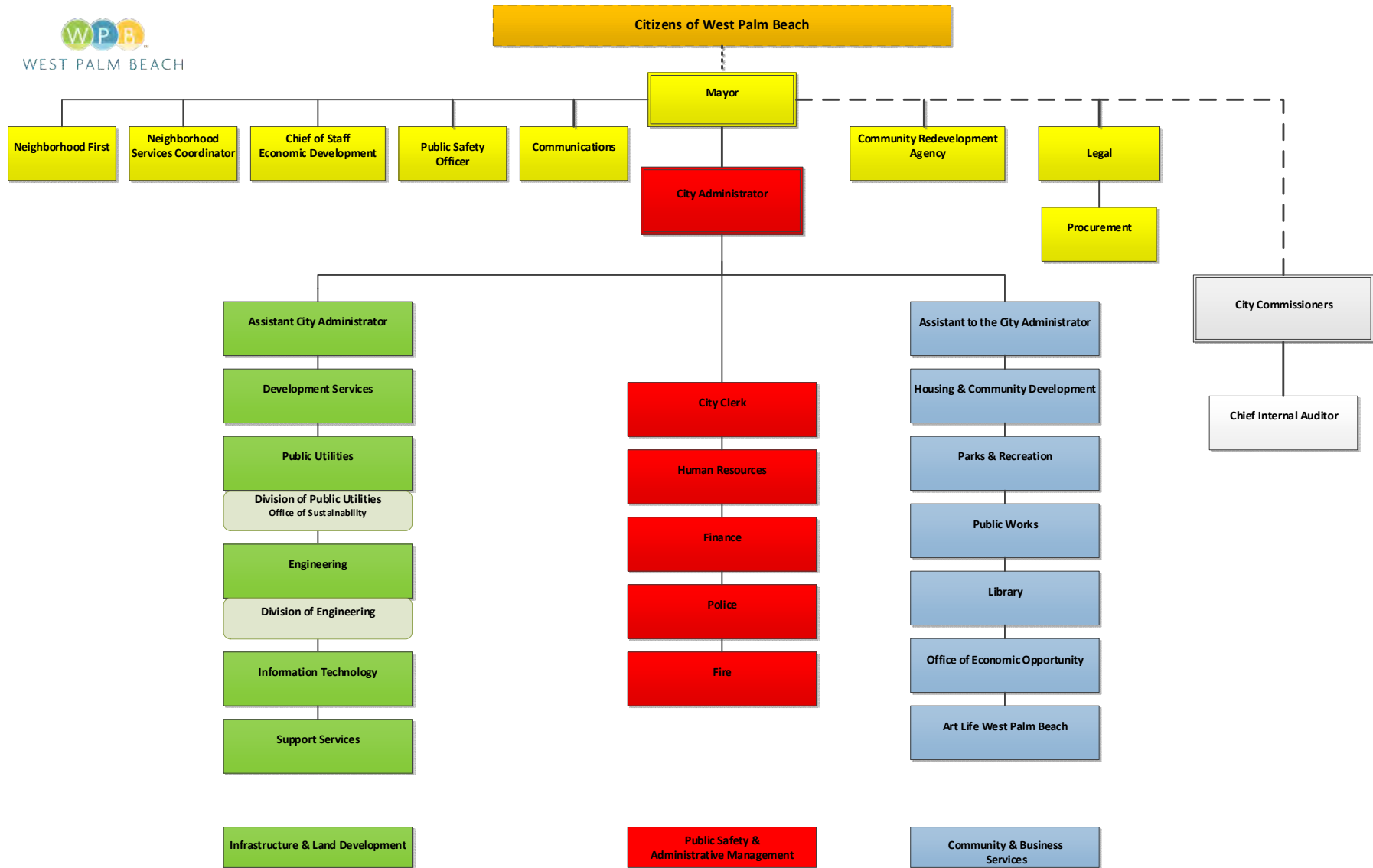
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF WEST PALM BEACH, FLORIDA ORGANIZATIONAL CHART



**CITY OF WEST PALM BEACH, FLORIDA
ELECTED OFFICIALS**



Kelly Shoaf
Commissioner, District 1



Keith A. James
Mayor



Shalonda Warren
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, 2021

Mayor
Keith A. James

City Administrator
Faye W. Johnson, MPA

Assistant City Administrator
Armando Fana

Assistant City Administrator
Dr. Philip C. Harris

City Attorney

Kimberly L. Rothenburg

Development Services Director

Richard E. Greene

Engineering Director

Kevin Volbrecht

Chief Human Resources Officer

Jose Luis Rodriguez

Interim Chief Financial Officer

Sophia Henderson-Taylor

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

Office of Economic Opportunity Director

Festus F. Hayden

Public Utilities Director

Poonam K. Kalkat

Public Works Director

Joshua B. McDermott

Support Services Director

Mario F. Guzman



WEST PALM BEACH

Finance Department

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Photo by City of West Palm Beach

FINANCIAL SECTION



Plante & Moran, PLLC
P.O. Box 307
3000 Town Center, Suite 100
Southfield, MI 48075
Tel: 248.352.2500
Fax: 248.352.0018
plantemoran.com

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, *)*+ 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 Restated Employees' Defined Benefit Retirement System, which represent +6.(7 percent, +8.)9 percent, and 8.** percent of the assets, net position, and revenue, 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 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.

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, 2021 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.

Emphasis of Matters

As discussed in Note Q to the financial statements, during the year ended September 30, 2021, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which provides guidance on the identification and reporting of fiduciary activities. Our opinion is not modified with respect to this matter.

As discussed in Note Q to the financial statements, the beginning of year net position of the governmental activities and business-type activities has been adjusted to correct a misstatement. Our opinion is not modified with respect to this matter.



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

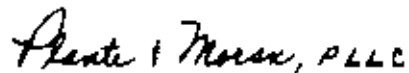
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of West Palm Beach, Florida's basic financial statements. The combining and individual fund financial statements and schedules and introductory, statistical, and continuing debt 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 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 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 June 30, *)** 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.



June 30, 2022



WEST PALM BEACH

Finance Department

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MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)

**CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
(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, 2021.

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 2021 by approximately \$821.8 million. Of this amount, \$140.3 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 \$49.7 million or 5.0% from the prior year after considering a restatement of the opening net position due to the implementation of GASB Statement No. 84 as well as correcting an error in reporting the City's VEBA plans. The overall increase is attributed to charges for services and other general revenues which exceeded operating and pension-related expenses, during fiscal year 2021.
- At the close of fiscal year 2021, the City's governmental funds reported combined fund balances of \$247.0 million while the proprietary funds reported a combined net position of \$582.7 million.
- The City's total of bonds, notes and capital leases decreased by \$29.3 million, from \$623.7 million to \$594.4 million, or approximately 4.7%, reflecting repayments accompanied by the issuance of long-term debt in fiscal year 2021 totaling \$11.8 million, net of premiums.
- Total spending for all City governmental activities was approximately \$262.6 million, up \$6.2 million from last fiscal year. Expenditures for the largest governmental activities were public safety (\$138.0 million), general government (\$22.0 million), economic environment (\$42.9 million) and leisure services (\$26.0 million).
- At the end of fiscal 2021, the total of the restricted, assigned, and unassigned components of fund balance for the General Fund was \$28.4 million, or approximately 15.8% of General Fund expenditures. The General Fund balance also included \$19.5 million committed for emergencies and another \$0.5 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
SEPTEMBER 30, 2021
(UNAUDITED)**

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

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

Governmental activities – City services principally supported by taxes and 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
SEPTEMBER 30, 2021
(UNAUDITED)**

- **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 a pension trust fund for its restated employees defined benefit pension plan, the Other Post Employment Benefit (OPEB) trust fund and the Voluntary Employees' Beneficiary Association plans for Elected Officials and Management Employees (Management VEBA) and General Employees (General Employee VEBA) for annuity payments to certain pensioners and elected officials/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 \$821.8 million at the close of the most recent fiscal year, an increase of \$49.7 million after considering a restatement to the opening net position.

CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
(UNAUDITED)

The restatement is due to the correction of an error in reporting the City's VEBA plans and the implementation of GASB Statement No. 84. 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.

Total assets of the City as of the end of the current fiscal year increased by \$38.1 million or 2.5%. 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 \$1.6 million or 2.1%. 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 decreased by \$19.8 million primarily due to current year repayments on long term debt offset by \$35.9 million and is offset by an increase in the pension and OPEB liabilities by \$11.5 and claims payable insurance claims payable by \$4.6 million. Pension and OPEB liabilities increased as a result of the City's VEBA plans which were added in the current fiscal year. Insurance claims and related liabilities increased as a result of the effect of the pandemic on the general health of employees.

Deferred inflows of resources increased by \$10.3 million, almost entirely due to the increase in the net pension and OPEB liability, determined by the actuarial assumptions, including estimated future contributions by the City.

The City's net investment in capital assets such as land, roads, parks, buildings, machinery and equipment, rose to \$473.7 million from \$447.9 million in fiscal year 2021. These capital investments represent 57.6% and 57.2% of net position as of September 30, 2021 and 2020, 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 \$207.8 million or 25.3% which represents resources that are subject to constraints such as debt covenants, grantors, laws or regulations. Unrestricted net position of approximately \$140.3 million or 17.1%, 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 City implemented GASB Statement No. 84 and restated beginning net position to correct an error in reporting its VEBA plans during the current fiscal year. This required a restatement of the previous year's reported net position, which resulted in a reduction of the beginning governmental fund net position of \$10.1 million. The 2021 net position of \$239.1 million is comprised of \$176.5 million net investment in capital assets, \$113.5 million in restricted net position and \$50.8 million unrestricted deficit.

During the current fiscal year, the City had continued growth in property values and construction projects creating an increase in related tax revenues and charges for services of \$18.6 million. However, effects of the pandemic continued to create challenges within the investment markets around the nation, resulting in lower interest income to the City than in the previous fiscal year by \$4.3 million. Expenses increased by \$6.3 million mostly due to additional spending for economic environmental and related program activities. This resulted in the net increase in the current fiscal year's net position by \$20.4 million.

CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
(UNAUDITED)

The net investment in capital assets of \$176.5 million increased by \$11.7 million. Other resources of \$113.5 million, which are externally restricted, increased by \$6.4 million, while the unrestricted net deficit of \$(50.8) million increased by \$(7.9) 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

As previously stated, the City implemented GASB Statement No. 84 as well as corrected in error in reporting its VEBA plans during the current fiscal year. This required a restatement of the previous year's reported net position, which resulted in a reduction of the beginning business-type net position of \$0.8 million. The 2021 net position of \$582.7 million is comprised of \$297.3 million net investment in capital assets, \$94.2 million in restricted net position and \$191.2 million unrestricted net position.

The net investment in capital assets increased from the previous year by \$14.1 million, largely due to new additions, net of related depreciation of \$8.1 million, and the reduction of outstanding long-term debt which was used to acquire the assets of \$7.9 million.

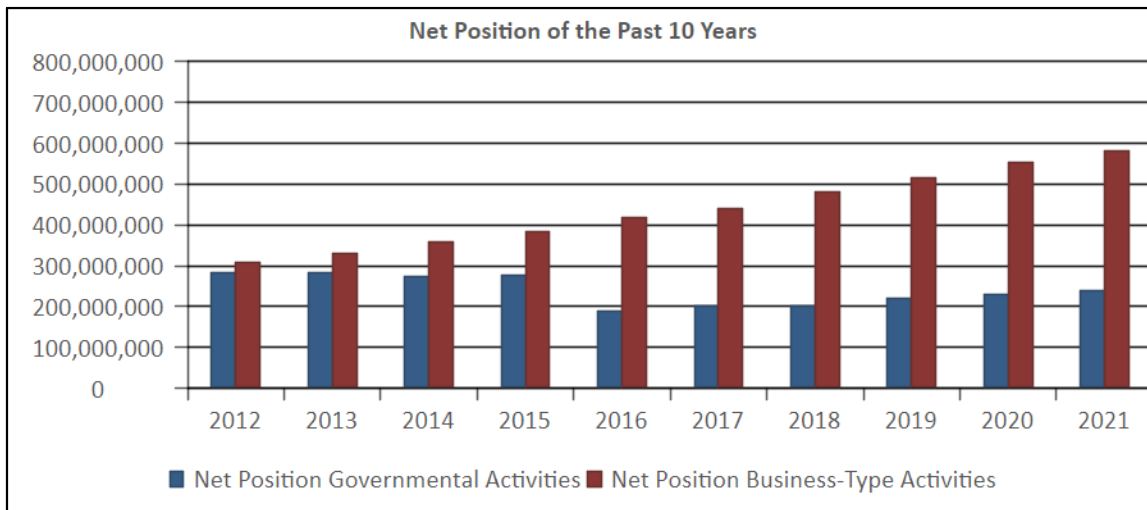
Restricted net position of \$94.2 million decreased by \$2.5 million or 2.6% to comply with the City's debt service requirements while the unrestricted net position increased by \$16.9 million as a result of the current fiscal year's operations.

The following table provides a comparative analysis of the City's net position for the fiscal years ended September 30, 2021 and 2020.

Condensed Statement of Net Position
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 338,614	\$ 338,754	\$ 363,014	\$ 347,209	\$ 701,628	\$ 685,963
Capital assets	387,490	373,175	502,492	494,365	889,982	867,540
Total assets	726,104	711,929	865,506	841,574	1,591,610	1,553,503
Total deferred outflows of resources	53,491	44,368	23,966	31,463	77,457	75,831
Current liabilities	38,329	29,516	24,456	22,684	62,784	52,201
Long-term debt and other non- current liabilities	488,928	494,622	281,904	296,057	770,832	790,678
Total liabilities	527,257	524,138	306,360	318,741	833,616	842,879
Total deferred inflows of resources	13,244	3,291	389	85	13,633	3,376
Net investment in capital assets	176,476	164,740	297,264	283,128	473,740	447,868
Restricted	113,450	107,073	94,306	96,811	207,756	203,884
Unrestricted	(50,832)	(42,945)	191,154	174,272	140,322	131,327
Total net position	\$ 239,094	\$ 228,868	\$ 582,724	\$ 554,211	\$ 821,818	\$ 783,079

**CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
(UNAUDITED)**



The City reported total revenues of \$418.4 million which, in part, represents \$209.0 million in charges for services and \$179.1 million in property and other taxes. Total expenses were \$368.7 million. As shown below, both revenues and expenses increased during the current fiscal year by \$13.4 million and \$10.5 million, respectively. The majority of the increase in revenues is attributed to the increase in charges for services of \$6.3 million, while property and other taxes went up by \$13.1 million. Interest income decreased by \$9.0 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 \$271.6 million which includes \$65.9 million in charges for services, as well as, \$186.3 million in property, state shared and local taxes.

For the year, the City’s governmental activities revenues increased \$16.8 million or 6.6%. Charges for services and other revenues, except for interest income, increased from the prior year. Interest income decreased during the fiscal year by \$4.3 million, compared to the prior fiscal year.

The cost of all governmental activities during the current fiscal year was \$262.6 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 \$119.4 million. This is because \$65.9 million of the cost was paid for by those who directly benefited from the programs as well as other governments and organizations that subsidized certain programs with grants and contributions, providing \$16.5 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 \$146.8 million, a decrease of \$3.5 million or 2.3% over the prior fiscal year. Charges for services went up by \$0.7 million, while, interest and miscellaneous income decreased by \$5.1 million. Capital contributions increased by \$0.9 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 \$106.0 million and remained fairly consistent with the prior fiscal year.

CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
(UNAUDITED)

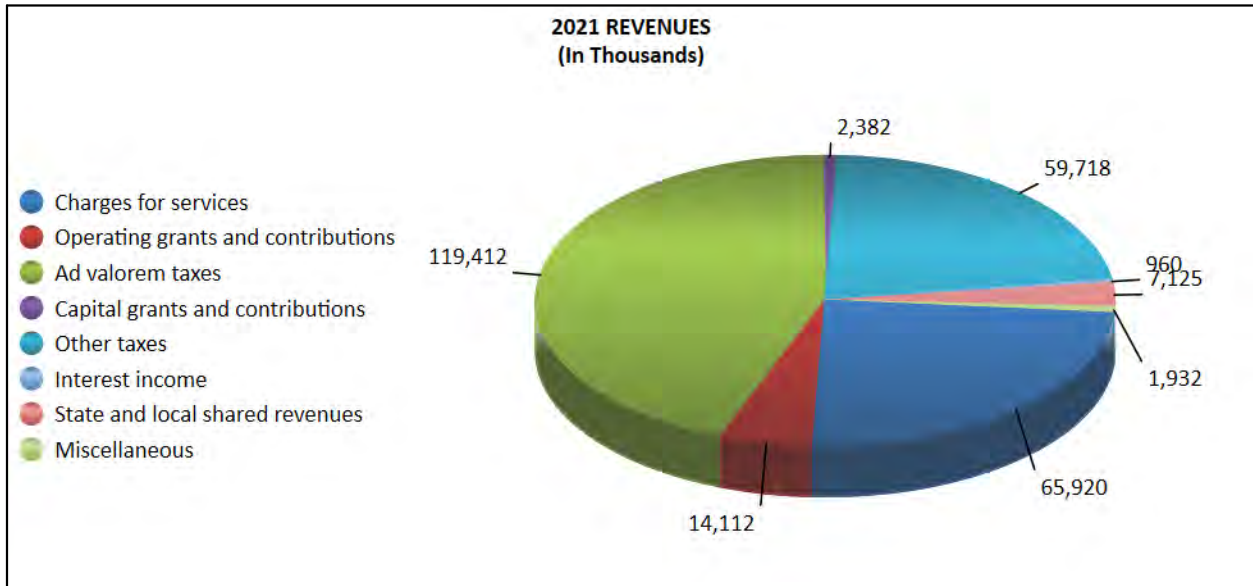
The following table provides a comparative analysis of the City's changes in net position for the fiscal years ended September 30, 2021 and 2020:

Combined Schedule of Changes in Net Position
For the Fiscal Years Ended September 30, 2021 and 2020
(in thousands)

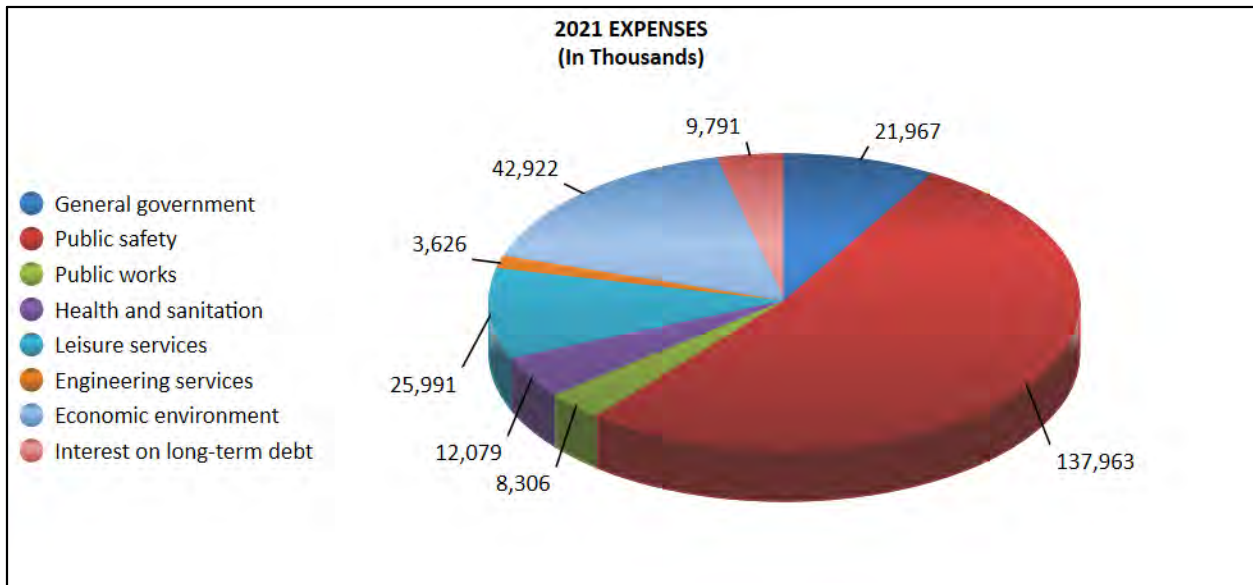
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Primary Government</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues:						
Program revenue:						
Charges for services	\$ 65,920	\$ 60,382	\$ 143,091	\$ 142,371	\$ 209,011	\$ 202,753
Operating grants and contributions	14,112	13,714	-	-	14,112	13,714
Capital grants and contributions	2,382	1,751	2,045	1,150	4,427	2,901
General revenue:						
Ad valorem taxes	119,412	110,893	-	-	119,412	110,893
Other taxes	59,718	55,158	-	-	59,718	55,158
Interest income	960	5,237	566	5,250	1,526	10,487
State and local shared revenues	7,125	6,348	-	-	7,125	6,348
Miscellaneous	1,932	1,234	1,129	1,519	3,061	2,753
Total revenues	<u>271,561</u>	<u>254,717</u>	<u>146,831</u>	<u>150,290</u>	<u>418,392</u>	<u>405,007</u>
Expenses:						
Governmental activities:						
General government	21,967	21,507	-	-	21,967	21,507
Public safety	137,964	137,987	-	-	137,964	137,987
Public works	8,306	10,089	-	-	8,306	10,089
Engineering services	3,626	3,472	-	-	3,626	3,472
Economic environment	42,922	33,988	-	-	42,922	33,988
Health and sanitation	12,079	11,177	-	-	12,079	11,177
Leisure services	25,991	27,682	-	-	25,991	27,682
Interest on long-term debt	9,791	10,590	-	-	9,791	10,590
Business-Type activities:						
Water and sewer	-	-	90,026	85,978	90,026	85,978
Stormwater utility	-	-	10,847	10,845	10,847	10,845
Parking facilities	-	-	5,165	4,876	5,165	4,876
Total expenses	<u>262,646</u>	<u>256,492</u>	<u>106,038</u>	<u>101,699</u>	<u>368,684</u>	<u>358,191</u>
Increase (decrease) in net position before transfers						
	8,915	(1,775)	40,793	48,591	49,708	46,816
Transfers	11,446	11,314	(11,446)	(11,314)	-	-
Increase in net position	<u>20,361</u>	<u>9,539</u>	<u>29,347</u>	<u>37,277</u>	<u>49,708</u>	<u>46,816</u>
Net position at beginning of year, as previously reported						
	228,868	219,329	554,211	516,934	783,079	736,263
Restatement (Note Q)	(10,135)	-	(834)	-	(10,969)	-
Net position at beginning of year, as restated	<u>218,733</u>	<u>219,329</u>	<u>553,377</u>	<u>516,934</u>	<u>772,110</u>	<u>736,263</u>
Net position - end of year	<u>\$ 239,094</u>	<u>\$ 228,868</u>	<u>\$ 582,724</u>	<u>\$ 554,211</u>	<u>\$ 821,818</u>	<u>\$ 783,079</u>

**CITY OF WEST PALM BEACH, FLORIDA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 SEPTEMBER 30, 2021
 (UNAUDITED)**

The following chart shows the revenues by source (in thousands) for the City's governmental activities during fiscal year 2021:



The following chart shows the expenses by function (in thousands) for the City's governmental activities during fiscal year 2021:



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 \$48.4 million; \$19.5 million was committed for the emergency reserve, \$3.4 million was assigned to the fiscal year 2022 budget, and \$0.5 million was nonspendable and the remaining \$25.0 million was unassigned.

General Fund expenditures increased by \$2.6 million primarily due to increased public safety and capital outlay expenses. . The increases are offset by decreases in general government and leisure services expenditures. During fiscal year 2021, the City responded to pandemic related events which created increased spending in the general fund over the prior year. Capital outlay expenditures in the prior year were funded by debt issued proceeds in other funds rather than general fund revenues resulting in the increase in the current year. Leisure services expense were lower in the current year as the City continued to cancel events due to the pandemic. 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 2021, the total fund balance represented 26.9% 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 \$26.8 million and \$5.1 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 \$0.2 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 \$0.5 million, mainly due to the increase in the property tax base and corresponding revenues. Expenditures for the NPCCRA rose in the current fiscal year by \$0.7 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.

CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
(UNAUDITED)

The budget and actual comparison statements and schedules show the original adopted budget, the final revised budget, actual results and a variance between the final budget and actual results. There were no funds with total actual expenditures in excess of the final revised budget. After the original budget is approved, it may be revised for a variety of reasons such as unforeseen circumstances, corrections of errors, new bond or loan proceeds, new grant awards and other revenues.

The City's Budget staff, within the Finance department, helps to ensure that 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 \$181.5 million in revenues to offset \$202.7 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 \$196.5 million (including encumbrances of \$3.4 million and \$16.4 million in administrative costs) were higher than the final fiscal year 2021 budget by about \$6.2 million.

All expenditure categories were lower than budgeted except for Police (\$1.9 million), Fire (\$0.5 million) and Capital Outlay (\$0.5 million). Police and Fire expenditures were greater than budget due to additional work hours needed to handle pandemic related emergencies and testing. Capital outlay was over budget due to the donation of a large donated work of art during the year not budgeted. Leisure services – parks and recreation expenditures – had the largest positive variances of \$1.8 million each as recreational activities were continued to be halted for the pandemic during FY 2021. The ongoing pandemic impacted the many operating activities of the City and the use of budgeted funds were less than anticipated or greater than anticipated depending on the department.

Capital Assets and Debt Administration

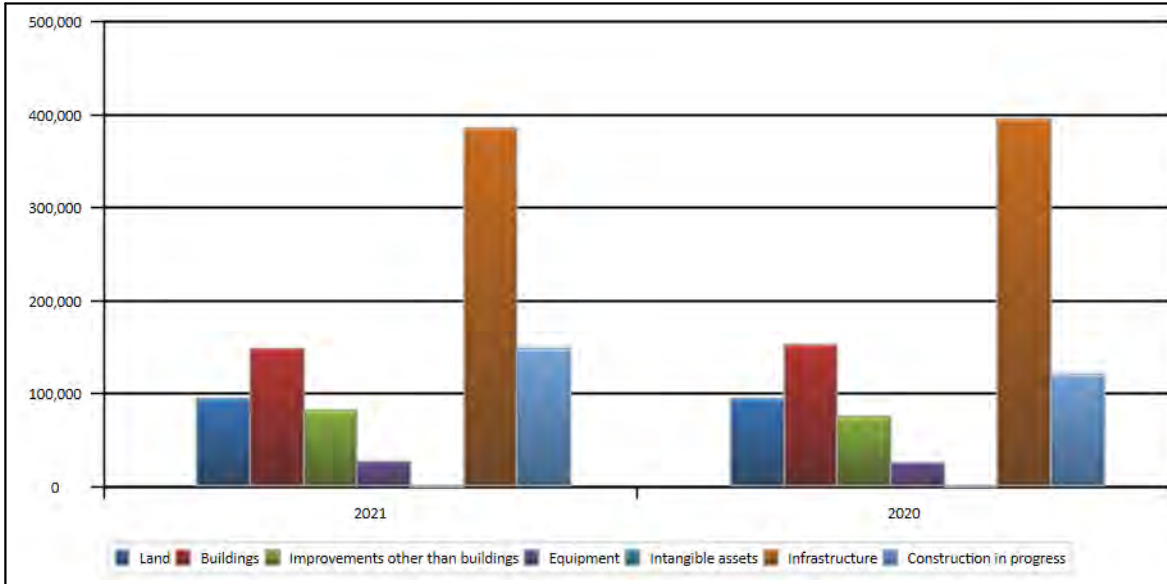
Capital Assets: The City's capital assets for its governmental and business-type activities as of September 30, 2021 totaled \$890.0 million, net of accumulated depreciation, (in thousands). The net investment in capital assets was \$473.7 million, an increase of \$25.9 million from the 2020 balances. The increase reflects the delivery of police, fire and sanitation vehicles and equipment purchased through capital leases combined with utility system upgrades, net of depreciation and retirement.

The following table compares the City's capital assets from 2020 to 2021, in thousands:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land	\$ 85,268	\$ 85,096	\$ 10,313	\$ 10,313	\$ 95,581	\$ 95,409
Buildings	129,188	131,738	19,514	21,107	148,702	152,845
Improvements other than buildings	82,836	75,248	-	-	82,836	75,248
Equipment	20,725	20,209	6,850	6,267	27,575	26,476
Intangible assets	424	469	-	-	424	469
Infrastructure	24	83	386,343	395,823	386,367	395,906
Construction in progress	69,025	60,332	79,472	60,855	148,497	121,187
Total	\$ 387,490	\$ 373,175	\$ 502,492	\$ 494,365	\$ 889,982	\$ 867,540

**CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
(UNAUDITED)**

The following chart compares the City's capital assets from 2020 to 2021:



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

Governmental Activities:

- Clematis Streetscape improvements project , blocks 400-600, \$8.3 million
- Styx Alley improvement project, \$4.0 million
- ADA Transition Plan, Phase I project, \$4.0 million

Business-type Activities:

- Subaqueous Crossing at Southern Blvd, \$2.8 million
- Lake Mangonia Crossing improvement, \$2.1 million
- Lakeshore rehabilitation project, \$1 million
- Watermain improvements, \$2.2

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

CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
(UNAUDITED)

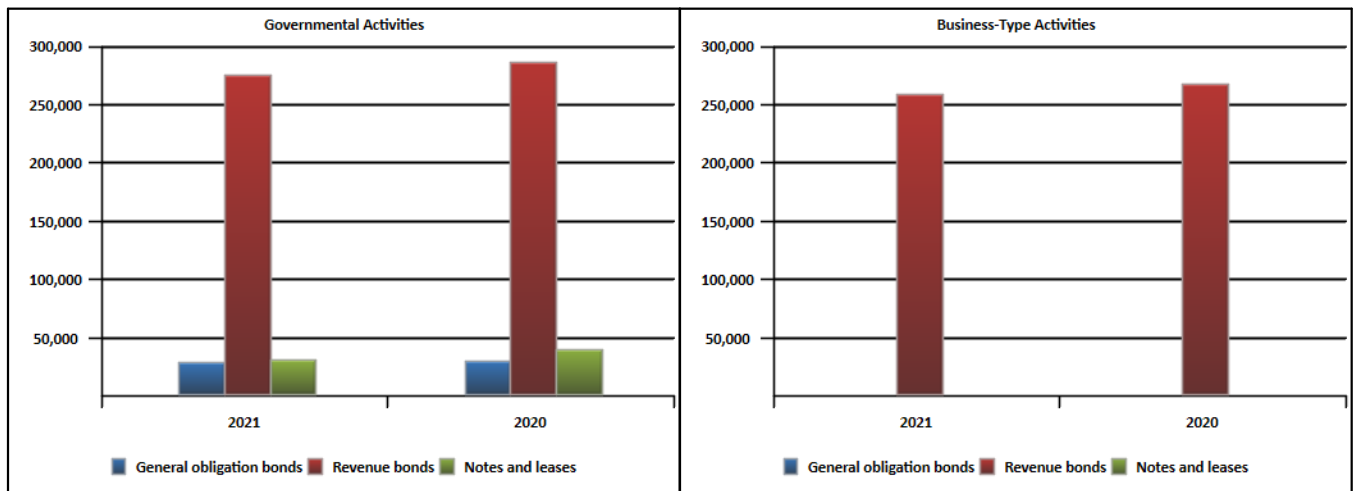
Long-term debt: Of the \$770.8 million in noncurrent liabilities, \$563.4 million is in the form of bonded debt. Of the total bonded debt, \$28.8 million consists of debt backed by the full faith and credit of the government. The remainder of the City's bonded debt represents bonds secured solely by specified revenue sources. \$259.3 million is secured by water, sewer and storm water fees and \$119.4 million is secured by covenants to budget and appropriate from legally available non-ad valorem revenues. The CRA's \$155.9 million of bonded debt is secured by a stand-alone pledge of tax increment revenue.

The City's total bonds, notes payable and leases rose 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	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 23,675	\$ 24,465	\$ -	\$ -	\$ 23,675	\$ 24,465
General obligation bond premiums	5,094	5,532	-	-	5,094	5,532
Revenue bonds	249,975	258,459	244,290	251,050	494,265	509,509
Revenue bonds premiums	25,337	28,178	15,031	16,216	40,368	44,394
Total bonds	304,081	316,634	259,321	267,266	563,402	583,900
Notes and leases	30,957	39,835	-	-	30,957	39,835
Total bonds, notes and leases	\$ 335,038	\$ 356,469	\$ 259,321	\$ 267,266	\$ 594,359	\$ 623,735



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

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 2021, 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, including many Wall Street and financial sector firms that are relocating or opening new offices in West Palm Beach, making this area the new "Wall Street of the South". 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 City considered the following key measures in developing its fiscal year 2022 budget:

- The local economy has been heavily affected by the pandemic during the last two years. Many businesses were closed for long periods and other businesses have had to close permanently. The economic recovery has begun and is expected to continue to grow during 2022 as more people visit and move to the area and businesses continue to reopen.
- The continued growth in the City's resident population from 116,781 in fiscal year 2020 to 119,255 in fiscal year 2021.
- Overall the housing market continues to show a steady increase, although this is projected to slow down over the next three to five years, to a more normal pace in the next year. As a result of the housing market increases and new construction within the City, gross property taxes are expected to increase in fiscal year 2022 from \$15.6 billion in 2020 to \$18.3 billion, an increase of \$2.8 billion or 17.9%. The increase will allow the City to fund new and other delayed projects which were on hold as a result of the pandemic.
- The unemployment rate increased as a result of the pandemic and has since been reduced to historical lows. At the end of the prior fiscal year, the City experienced an unemployment rate of approximately 7.8%, which was consistent with the unemployment rate across the State. 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 3.9%, substantially lower than the prior fiscal year. This trend is expected to continue as more businesses reopen or are relocated to this area.
- Tourism, a major component of the City's economy, declined in fiscal year 2020 as a result of the pandemic. People started to return to the beaches and postcard views of South Florida in fiscal year 2021. The forecast for fiscal year 2022 expects this trend to continue with higher domestic and international visitors as businesses and attractions around the City have reopened safely and recreation activities have resumed.
- 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. With over 1.6 million square feet of high-end office projects on the horizon, property tax revenue as well as building permitting revenue are expected to continue to grow in fiscal year 2022.
- The City Center Community Redevelopment Area (CCRA) has partnered with the Downtown Development Authority (DDA) to strengthen the business environment through the retention/attraction of businesses through its business development grant programs, which include funding for grand opening events, leasehold improvements, facade enhancement, and business assistance. These grant programs are expected to continue in fiscal year 2022.

**CITY OF WEST PALM BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
(UNAUDITED)**

- The Northwood/Pleasant City Community Redevelopment Area continues to prioritize home ownership within the Pleasant City Neighborhood and has partnered with the City to fund improvements of certain parks throughout the CRA designated areas, including Currie Park. These programs are expected to continue into 2022.

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.



WEST PALM BEACH

Finance Department

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Photo by City of West Palm Beach

BASIC FINANCIAL STATEMENTS

CITY OF WEST PALM BEACH, FLORIDA
BASIC FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 104,905,485	\$ 48,365,451	\$ 153,270,936
Investments	95,860,090	78,552,155	174,412,245
Receivables, net			
Accounts	14,953,020	13,407,300	28,360,320
Interest	494,511	407,922	902,433
Notes	2,254,232	-	2,254,232
Liens and assessments	259,854	1,377,792	1,637,646
Due from other government	5,058,442	494,036	5,552,478
Inventory	525,121	525,438	1,050,559
Land held for resale	5,442,306	-	5,442,306
Prepaid items	1,009,798	41,189	1,050,987
Investment in direct financing leases	1,464,596	-	1,464,596
Restricted assets:			
Cash and cash equivalents	72,982,443	110,482,493	183,464,936
Investments	23,621,563	56,089,141	79,710,704
Interest on restricted cash and investments	18,367	199,526	217,893
Net pension asset	1,752,490	261,866	2,014,356
Net OPEB asset	6,187,906	507,899	6,695,805
Investment in joint venture	1,824,827	52,189,515	54,014,342
Bond insurance costs, net	-	112,333	112,333
Capital assets:			
Nondepreciable	154,292,129	89,784,505	244,076,634
Depreciable, net of accumulated depreciation	233,197,464	412,707,443	645,904,907
Total assets	\$ 726,104,644	\$ 865,506,004	\$ 1,591,610,648
DEFERRED OUTFLOWS OF RESOURCES:			
Interest rate swap	\$ -	\$ 18,513,262	\$ 18,513,262
Deferred loss on refunding	958,667	4,833,451	5,792,118
Deferred outflows related to OPEB	6,813,509	555,441	7,368,950
Deferred outflows related to pension	45,718,567	64,043	45,782,610
Total deferred outflows of resources	\$ 53,490,743	\$ 23,966,197	\$ 77,456,940

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, 2021

	Governmental Activities	Business-Type Activities	Total
LIABILITIES:			
Accounts payable and accrued liabilities	\$ 21,144,303	\$ 9,105,432	\$ 30,249,735
Due to other governments	1,144,693	17,352	1,162,045
Unearned revenues	14,957,504	-	14,957,504
Deposits payable	956,945	11,131,652	12,088,597
Accrued interest payable	125,942	4,200,955	4,326,897
Due within one year:			
Compensated absences payable	9,194,370	1,608,542	10,802,912
Capital leases payable	3,281,696	-	3,281,696
Notes payable	4,224,527	-	4,224,527
Bonds payable	10,770,000	7,240,000	18,010,000
Insurance claims payable	5,494,657	-	5,494,657
Due in more than one year:			
Unearned revenues	-	348,004	348,004
Compensated absences payable	11,067,548	1,198,183	12,265,731
Capital leases payable	5,704,343	-	5,704,343
Notes payable	17,746,128	-	17,746,128
Bonds payable	293,311,336	252,080,630	545,391,966
Interest rate swap	-	18,513,262	18,513,262
Insurance claims payable	13,473,494	-	13,473,494
Net pension liability	104,576,802	-	104,576,802
Net OPEB liability	10,082,635	914,871	10,997,506
Total liabilities	\$ 527,256,923	\$ 306,358,883	\$ 833,615,806
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to pension	\$ 7,701,612	\$ -	\$ 7,701,612
Deferred inflows related to OPEB	5,542,654	389,366	5,932,020
Total deferred inflows of resources	\$ 13,244,266	\$ 389,366	\$ 13,633,632
NET POSITION:			
Net investment in capital assets	\$ 176,475,694	\$ 297,263,939	\$ 473,739,633
Restricted:			
Operation and maintenance	-	14,912,322	14,912,322
Debt service	7,196,142	7,514,179	14,710,321
Capital improvements	41,717,506	-	41,717,506
Renewal and replacement	-	61,880,801	61,880,801
Developer impact fund	-	9,998,484	9,998,484
Grants	7,073,374	-	7,073,374
Pension and OPEB	7,940,396	-	7,940,396
Community development	35,719,986	-	35,719,986
Building code enforcement	13,803,151	-	13,803,151
Unrestricted	(50,832,051)	191,154,227	140,322,176
Total net position	\$ 239,094,198	\$ 582,723,952	\$ 821,818,150

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

CITY OF WEST PALM BEACH, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

FUNCTIONS/PROGRAMS:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 21,967,065	\$ 14,894,814	\$ 4,727,142	\$ -
Public safety	137,963,405	16,579,706	5,227,404	-
Public works	8,306,189	-	-	-
Economic environment	42,921,766	15,995,145	4,031,431	2,381,821
Engineering services	3,626,246	630,557	-	-
Health and sanitation	12,078,668	16,471,075	-	-
Leisure services	25,991,302	1,348,350	125,733	-
Interest on long-term debt	9,791,040	-	-	-
Total governmental activities	262,645,681	65,919,647	14,111,710	2,381,821
Business-Type activities:				
Water and sewer	90,025,958	121,488,026	-	1,970,250
Stormwater utility	10,846,965	15,313,277	-	75,000
Parking facilities	5,165,012	6,289,272	-	-
Total business-type activities	106,037,935	143,090,575	-	2,045,250
Total	\$ 368,683,616	\$ 209,010,222	\$ 14,111,710	\$ 4,427,071

GENERAL REVENUES AND TRANSFERS:

General revenues:

- Ad valorem taxes
- Insurance premium taxes
- Business taxes
- 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, as previously reported

Restatement of net position (Note Q)

Net position at beginning of year, as restated

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
\$ (2,345,109)	\$ -	\$ (2,345,109)
(116,156,295)	-	(116,156,295)
(8,306,189)	-	(8,306,189)
(20,513,369)	-	(20,513,369)
(2,995,689)	-	(2,995,689)
4,392,407	-	4,392,407
(24,517,219)	-	(24,517,219)
(9,791,040)	-	(9,791,040)
<u>(180,232,503)</u>	<u>-</u>	<u>(180,232,503)</u>
-	33,432,318	33,432,318
-	4,541,312	4,541,312
-	1,124,260	1,124,260
<u>-</u>	<u>39,097,890</u>	<u>39,097,890</u>
<u>\$ (180,232,503)</u>	<u>\$ 39,097,890</u>	<u>\$ (141,134,613)</u>

\$ 119,411,798	\$ -	\$ 119,411,798
3,085,615	-	3,085,615
1,800,752	-	1,800,752
3,829,291	-	3,829,291
9,464,923	-	9,464,923
22,028,418	-	22,028,418
10,192,488	-	10,192,488
9,316,205	-	9,316,205
7,125,002	-	7,125,002
960,191	565,801	1,525,992
1,932,256	1,128,839	3,061,095
11,445,949	(11,445,949)	-
<u>200,592,888</u>	<u>(9,751,309)</u>	<u>190,841,579</u>
20,360,385	29,346,581	49,706,966
228,868,664	554,211,489	783,080,153
<u>(10,134,851)</u>	<u>(834,118)</u>	<u>(10,968,969)</u>
<u>218,733,813</u>	<u>553,377,371</u>	<u>772,111,184</u>
<u>\$ 239,094,198</u>	<u>\$ 582,723,952</u>	<u>\$ 821,818,150</u>

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

**CITY OF WEST PALM BEACH, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	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	\$ 23,576,293	\$ 14,228,178	\$ 2,566,138	\$ 117,425,866	\$ 157,796,475
Investments	25,563,123	14,987,508	2,703,087	59,097,926	102,351,644
Receivables, net					
Accounts	11,873,575	28,266	700	2,152,590	14,055,131
Interest	135,057	87,315	13,933	190,666	426,971
Notes	-	246,822	-	2,007,410	2,254,232
Liens and assessments	240,848	-	-	19,006	259,854
Due from other funds	2,912,705	-	-	-	2,912,705
Due from other governments	1,859,342	351,554	-	2,827,070	5,037,966
Inventory	373,061	-	-	60,967	434,028
Land held for resale	-	-	-	5,442,306	5,442,306
Prepaid items	83,282	6,269	-	15,028	104,579
Investment in direct financing leases	-	-	-	1,464,596	1,464,596
Total assets	66,617,286	29,935,912	5,283,858	190,703,431	292,540,487
LIABILITIES:					
Accounts payable and accrued liabilities	8,500,954	3,046,677	149,185	7,395,719	19,092,535
Deposits payable	667,657	43,416	25,850	70,144	807,067
Unearned revenue	2,692,092	-	-	12,265,412	14,957,504
Due to other governments	804,375	21,684	-	318,634	1,144,693
Due to other funds	-	-	-	2,912,705	2,912,705
Total liabilities	12,665,078	3,111,777	175,035	22,962,614	38,914,504
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	5,572,626	26,821	700	1,054,238	6,654,385
FUND BALANCES:					
Nonspendable	456,343	6,269	-	75,995	538,607
Restricted	-	26,791,045	5,108,123	152,449,275	184,348,443
Committed	19,529,438	-	-	15,982,791	35,512,229
Assigned (Note S)	3,361,128	-	-	-	3,361,128
Unassigned	25,032,673	-	-	(1,821,482)	23,211,191
Total fund balances	48,379,582	26,797,314	5,108,123	166,686,579	246,971,598
Total liabilities, deferred inflows of resources and fund balances	\$ 66,617,286	\$ 29,935,912	\$ 5,283,858	\$ 190,703,431	\$ 292,540,487

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, 2021

TOTAL - GOVERNMENTAL FUNDS		\$ 246,971,598
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		376,171,083
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.		6,654,385
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	1,752,490	
Net OPEB asset	6,187,906	
Deferred Loss on debt refunding	<u>958,667</u>	8,899,063
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Accrued interest payable	(125,942)	
Compensated absences	(19,455,221)	
Capital leases payable	(8,986,039)	
Notes payable	(18,716,672)	
Bonds payable	(304,060,716)	
Arbitrage payable	(20,620)	
Net OPEB liability	(10,082,635)	
Net pension liability	<u>(104,576,802)</u>	(466,024,647)
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	45,718,567	
Deferred outflows of resources related to OPEB	6,813,509	
Deferred inflows of resources related to pensions	(7,701,612)	
Deferred inflows of resources related to OPEB	<u>(5,542,654)</u>	39,287,810
Net position of internal service funds are reported with governmental activities		<u>27,134,906</u>
Net position of governmental activities		<u><u>\$ 239,094,198</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 FISCAL YEAR ENDED SEPTEMBER 30, 2021

	General Fund	City Center Community Redevelopment Agency Fund	Northwood / Pleasant City Community Redevelopment Agency Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes	125,637,625	23,745,658	2,828,466	1,779,005	153,990,754
Licenses and permits	3,829,291	-	-	12,083,268	15,912,559
Intergovernmental	17,282,373	15,522,805	1,649,625	20,239,641	54,694,444
Charges for services	29,461,750	1,003,146	19,450	9,809,703	40,294,049
Fines and forfeitures	458,522	-	-	4,645	463,167
Rents and royalties	539,785	302,516	-	870,898	1,713,199
Interest income	440,786	169,589	24,365	277,675	912,415
Miscellaneous	1,413,138	303,692	-	342,331	2,059,161
Total revenues	179,063,270	41,047,406	4,521,906	45,407,166	270,039,748
EXPENDITURES:					
Current:					
General government	18,423,291	-	-	28,497	18,451,788
Public safety	108,048,813	-	-	17,085,487	125,134,300
Public works	3,241,901	-	-	2,687,885	5,929,786
Economic environment	-	28,046,001	2,343,858	7,016,550	37,406,409
Engineering services	2,942,813	-	-	1,724,122	4,666,935
Health and sanitation	11,359,226	-	-	-	11,359,226
Leisure services	21,419,063	-	-	4,305,880	25,724,943
Capital outlay	2,515,410	5,353,678	-	29,919,985	37,789,073
Debt service:					
Principal	6,767,390	3,542,528	1,230,865	5,471,631	17,012,414
Interest expense	5,112,468	1,687,426	686,504	5,796,769	13,283,167
Total expenditures	179,830,375	38,629,633	4,261,227	74,036,806	296,758,041
Excess (deficiency) of revenues over (under) expenditures	(767,105)	2,417,773	260,679	(28,629,640)	(26,718,293)
OTHER FINANCING SOURCES (USES):					
Disposal of capital assets	1,188,401	-	-	218,591	1,406,992
Transfers in	11,695,949	75,684	-	15,976,738	27,748,371
Transfers out	(2,070,416)	(8,652,357)	-	(6,153,965)	(16,876,738)
Total other financing sources (uses)	10,813,934	(8,576,673)	-	10,041,364	12,278,625
Net change in fund balances	10,046,829	(6,158,900)	260,679	(18,588,276)	(14,439,668)
Fund balances - beginning	38,332,753	32,956,214	4,847,444	185,274,855	261,411,266
Fund balances - ending	\$ 48,379,582	\$ 26,797,314	\$ 5,108,123	\$ 166,686,579	\$ 246,971,598

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

**CITY OF WEST PALM BEACH, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ (14,439,668)

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	37,789,073	
Depreciation expense	<u>(22,471,611)</u>	15,317,462

Retirement of capital asset

Retirement of capital asset		(49,566)
-----------------------------	--	----------

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	(656,711)	
Charges for services	<u>454,986</u>	(201,725)

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:

Principal repayment on notes payable	3,708,933	
Principal repayment on capital leases	4,030,952	
Principal repayment on bonds payable	<u>9,272,528</u>	17,012,413

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)	(855,062)	
Change in net OPEB asset (liability)	5,605,276	
Change in deferred inflows/outflows related to pension	(1,710,082)	
Change in deferred inflows/outflows related to OPEB	600,876	
Change in accrued interest payable	14,515	
Change in deferred loss on refunding	279,036	
Amortization of bond premiums	3,280,320	
Compensated absences	<u>(476,599)</u>	6,738,280

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>(4,016,811)</u>
--	--	--------------------

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 20,360,385**

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, 2021

	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	\$ 33,277,902	\$ 9,743,491	\$ 5,344,058	\$ 48,365,451	\$ 16,262,130
Investments	60,856,596	12,063,018	5,632,541	78,552,155	17,130,009
Receivables, net:					
Accounts	11,474,224	1,857,954	75,122	13,407,300	897,889
Interest	315,550	64,816	27,556	407,922	85,907
Liens and assessments	1,088,638	289,154	-	1,377,792	-
Due from other governments	416,912	76,043	1,081	494,036	20,476
Inventory	525,438	-	-	525,438	91,093
Prepaid items	41,189	-	-	41,189	905,219
Current restricted assets:					
Cash and cash equivalents	37,864,914	5,175,864	24,454	43,065,232	3,829,323
Total current assets	145,861,363	29,270,340	11,104,812	186,236,515	39,222,046
Non-current assets:					
Restricted cash and cash equivalents	49,775,386	17,641,875	-	67,417,261	-
Restricted Investments	46,644,783	9,444,358	-	56,089,141	-
Interest receivable	180,092	19,434	-	199,526	-
Net pension asset	261,866	-	-	261,866	-
Net OPEB asset	507,899	-	-	507,899	-
Investment in joint venture	52,189,515	-	-	52,189,515	1,824,827
Unamortized bond insurance costs	95,896	16,437	-	112,333	-
Capital assets:					
Non-depreciable	71,103,868	13,321,818	5,358,819	89,784,505	-
Depreciable, net	352,992,674	58,556,818	1,157,951	412,707,443	11,318,510
Total non-current assets	573,751,979	99,000,740	6,516,770	679,269,489	13,143,337
Total assets	719,613,342	128,271,080	17,621,582	865,506,004	52,365,383
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred outflow-interest rate swap	16,791,529	1,721,733	-	18,513,262	-
Deferred outflow-loss on defeased debt	3,186,415	1,647,036	-	4,833,451	-
Deferred outflow-pension	64,043	-	-	64,043	-
Deferred Outflow - OPEB	555,441	-	-	555,441	-
Total deferred outflows of resources	20,597,428	3,368,769	-	23,966,197	-

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, 2021

	Business-Type Enterprise Funds				Governmental
	Water and Sewer System Fund	Stormwater Utility Fund	Non-Major		Internal Service Funds
			Parking Facilities Fund	Total Proprietary Funds	
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued liabilities	2,849,030	264,786	411,314	3,525,130	2,051,768
Due to other governments	184,288	-	17,352	201,640	-
Compensated absences payable	1,393,389	145,331	69,821	1,608,541	474,792
Notes payable - current	-	-	-	-	1,162,049
Insurance claims payable	-	-	-	-	5,494,657
Current liabilities payable from restricted assets:					
Accounts payable and accrued liabilities	4,715,841	680,173	-	5,396,014	-
Accrued interest payable	3,102,789	1,098,166	-	4,200,955	-
Deposits payable	11,107,198	-	24,454	11,131,652	149,878
Bonds payable - current	5,550,840	1,689,160	-	7,240,000	-
Total current liabilities	28,903,375	3,877,616	522,941	33,303,932	9,333,144
Non-current liabilities:					
Unearned revenue	298,010	49,994	-	348,004	-
Compensated absences payable	946,777	182,836	68,571	1,198,184	331,905
Notes payable - long term	-	-	-	-	2,091,934
Bonds payable - long term, net	194,850,831	57,229,799	-	252,080,630	-
Net OPEB liability	914,871	-	-	914,871	-
Interest rate swap	16,791,529	1,721,733	-	18,513,262	-
Insurance claims payable - long term	-	-	-	-	13,473,494
Total non-current liabilities	213,802,018	59,184,362	68,571	273,054,951	15,897,333
Total liabilities	242,705,393	63,061,978	591,512	306,358,883	25,230,477
DEFERRED INFLOWS OF RESOURCES:					
Deferred inflows - OPEB	389,366	-	-	389,366	-
Total deferred inflows of resources	389,366	-	-	389,366	-
NET POSITION:					
Net investment in capital assets	255,540,166	35,207,003	6,516,770	297,263,939	8,064,527
Restricted for:					
Operation and maintenance	13,203,958	1,708,364	-	14,912,322	-
Debt service	5,978,856	1,535,323	-	7,514,179	-
Renewal and replacement	55,247,764	6,633,037	-	61,880,801	-
Developer impact fund	9,998,484	-	-	9,998,484	-
Unrestricted	157,146,783	23,494,144	10,513,300	191,154,227	19,070,379
Total net position	\$ 497,116,011	\$ 68,577,871	\$ 17,030,070	\$ 582,723,952	\$ 27,134,906

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



WEST PALM BEACH

Finance Department

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CITY OF WEST PALM BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	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	\$ 118,459,078	\$ 15,313,277	\$ 5,389,551	\$ 139,161,906	\$ 63,509,224
Fines and forfeitures	1,074,555	-	899,721	1,974,276	-
Equity in earnings of joint ventures	1,954,393	-	-	1,954,393	100,000
Miscellaneous and other	766,254	115,277	6,026	887,557	382,463
Total operating revenues	122,254,280	15,428,554	6,295,298	143,978,132	63,991,687
OPERATING EXPENSES:					
Personnel services	24,820,864	2,450,279	1,110,415	28,381,558	7,990,247
Contractual services	14,257,057	1,435,329	1,914,384	17,606,770	14,487,984
Utilities	2,888,025	176,022	252,238	3,316,285	675,703
Repair and maintenance	6,137,701	1,015,189	430,449	7,583,339	734,320
Other supplies and expenses	11,273,261	632,147	795,652	12,701,060	2,281,159
Depreciation	14,613,902	2,790,325	324,773	17,729,000	939,229
Insurance claims and expenses	483,916	109,951	337,103	930,970	41,429,629
Wastewater treatment and disposal	7,681,053	-	-	7,681,053	-
Total operating expenses	82,155,779	8,609,242	5,165,014	95,930,035	68,538,271
Operating income (loss)	40,098,501	6,819,312	1,130,284	48,048,097	(4,546,584)
NON-OPERATING REVENUE (EXPENSES):					
Interest income	478,738	70,149	16,914	565,801	46,941
Interest expense	(7,710,179)	(2,237,717)	-	(9,947,896)	(81,743)
Bond issuance costs	(160,000)	-	-	(160,000)	-
Disposal of capital assets	126,448	189,830	-	316,278	(9,741)
Total non-operating revenue (expenses)	(7,264,993)	(1,977,738)	16,914	(9,225,817)	(44,543)
Income (loss) before contributions and transfers	32,833,508	4,841,574	1,147,198	38,822,280	(4,591,127)
CONTRIBUTIONS, TRANSFERS AND OTHER:					
Capital contributions - impact fees	1,970,250	-	-	1,970,250	-
Transfers in	-	-	-	-	650,000
Transfers out	(10,855,658)	-	(590,291)	(11,445,949)	(75,684)
Total contributions, transfers and other	(8,885,408)	-	(590,291)	(9,475,699)	574,316
Change in net position	23,948,100	4,841,574	556,907	29,346,581	(4,016,811)
Net position - beginning	474,002,029	63,736,297	16,473,163	554,211,489	31,151,717
Restatement of Net Position (Note Q)	(834,118)	-	-	(834,118)	-
Net position - ending	\$ 497,116,011	\$ 68,577,871	\$ 17,030,070	\$ 582,723,952	\$ 27,134,906

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

CITY OF WEST PALM BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<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>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 119,001,312	\$ 15,360,626	\$ 5,372,606	\$ 139,734,544	\$ 63,353,319
Cash payments to suppliers/contractors	(42,326,789)	(3,300,631)	(3,966,973)	(49,594,393)	(18,927,238)
Cash payments to employees	(25,311,613)	(2,408,951)	(1,110,592)	(28,831,156)	(7,968,035)
Other operating receipts	1,753,932	101,561	914,296	2,769,789	371,032
Cash payments for insurance	-	-	-	-	(36,710,061)
Net Cash Provided by Operating Activities	53,116,842	9,752,605	1,209,337	64,078,784	119,017
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in	-	-	-	-	650,000
Transfers out	(10,855,658)	-	(590,291)	(11,445,949)	(75,684)
Net Cash Provided by (Used for) Noncapital Financing Activities	(10,855,658)	-	(590,291)	(11,445,949)	574,316
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition/construction of capital assets	(19,064,526)	(4,974,849)	(406,708)	(24,446,083)	-
Principal paid on bonds	(17,814,996)	(1,934,932)	-	(19,749,928)	-
Principal paid on notes and leases	-	-	-	-	(1,138,416)
Payments to fiscal agent on refunded debt	11,805,000	-	-	11,805,000	-
Bond issuance costs	(160,000)	-	-	(160,000)	-
Interest and fees paid on long term debt	(7,244,724)	(2,110,443)	-	(9,355,167)	(81,743)
Capital contributions from impact fees	1,970,250	-	-	1,970,250	-
Proceeds from sale of capital assets	126,449	189,830	-	316,279	3,940
Net Cash Used for Capital and Related Financing Activities	(30,382,547)	(8,830,394)	(406,708)	(39,619,649)	(1,216,219)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchases and sales of investments, net	(1,071,347)	2,422,886	(20,666)	1,330,873	542,705
Interest on investments	1,577,749	89,257	83,091	1,750,097	270,563
Net Cash Provided by Investing Activities	506,402	2,512,143	62,425	3,080,970	813,268
Net Increase in Cash and Cash Equivalents	12,385,039	3,434,354	274,763	16,094,156	290,382
Cash and Cash Equivalents - Beginning of Year	108,533,163	29,126,876	5,093,749	142,753,788	19,801,071
Cash and Cash Equivalents - End of Year	\$ 120,918,202	\$ 32,561,230	\$ 5,368,512	\$ 158,847,944	\$ 20,091,453
DISPLAYED AS:					
Unrestricted cash and cash equivalents	33,277,902	9,743,491	5,344,058	48,365,451	16,262,130
Restricted cash and cash equivalents	87,640,300	22,817,739	24,454	110,482,493	3,829,323
Total cash and cash equivalents	\$ 120,918,202	\$ 32,561,230	\$ 5,368,512	\$ 158,847,944	\$ 20,091,453

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

CITY OF WEST PALM BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<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)	\$ 40,098,501	\$ 6,819,312	\$ 1,130,284	\$ 48,048,097	\$ (4,546,584)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities					
Depreciation	14,613,902	2,790,325	324,773	17,729,000	939,229
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(385,332)	(633)	(23,371)	(409,336)	(162,788)
(Increase) decrease in (gain) loss in joint ventures	(1,954,393)	-	-	(1,954,393)	(100,000)
(Increase) decrease in liens receivable	53,300	47,982	-	101,282	-
(Increase) decrease in due from other governments	(86,877)	(13,717)	8,552	(92,042)	(11,431)
(Increase) decrease in inventory	496,868	-	-	496,868	-
(Increase) decrease in prepaid items	(13,129)	-	-	(13,129)	89,261
(Increase) decrease in net pension asset	45,174	-	-	45,174	-
(Increase) decrease in OPEB asset	(413,037)	-	-	(413,037)	-
(Increase) decrease in deferred outflow	(411,315)	-	-	(411,315)	-
Increase (decrease) in accounts payable and accrued liabilities	(89,515)	68,008	(237,150)	(258,657)	(720,576)
Increase (decrease) in due to other governments	184,288	-	6,426	190,714	-
Increase (decrease) in compensated absences payable	(96,263)	41,328	(177)	(55,112)	22,212
Increase (decrease) in net pension liability	80,751	-	-	80,751	-
Increase (decrease) in deferred inflow	303,941	-	-	303,941	-
Increase (decrease) in deposits payable	689,978	-	-	689,978	6,883
Increase (decrease) in insurance claims payable	-	-	-	-	4,602,811
Total Adjustments	13,018,341	2,933,293	79,053	16,030,687	4,665,601
Net Cash Provided by Operating Activities	\$ 53,116,842	\$ 9,752,605	\$ 1,209,337	\$ 64,078,784	\$ 119,017
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING AND INVESTING ACTIVITIES:					
Change in fair value of investments	\$ (1,061,704)	\$ -	\$ (64,339)	\$ (1,126,043)	\$ (213,043)

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, 2021

ASSETS:

Cash and cash equivalents	\$ 2,325,138
Receivables:	
Interest and dividends	47,516
Other	<u>30,822</u>
Total receivables	78,338
Investments:	
Money market	1,992,373
U.S. government obligations	7,610,058
Corporate obligations	2,230,569
Equity securities	31,895,408
Domestic equity investment funds	13,910,313
Domestic fixed income investment funds	2,123,433
Fixed income mutual fund	11,451,873
Real estate investment trust funds	<u>3,207,425</u>
Total investments	74,421,452
Total assets	<u>76,824,928</u>

LIABILITIES:

Accounts payable and accrued expenses	<u>401,775</u>
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DEFERRED INFLOWS OF RESOURCES:

Deferred inflows related to pension	<u>2,768,387</u>
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NET POSITION:

Restricted for:	
Pension benefits	48,597,855
OPEB	<u>25,056,911</u>
Total net position	<u>\$ 73,654,766</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 FISCAL YEAR ENDED SEPTEMBER 30, 2021

Additions

Contributions:	
Plan members	\$ 49,331
City of West Palm Beach	<u>1,652,934</u>
Total contributions	1,702,265
Investment income:	
Net appreciation in fair value of investments	12,354,660
Interest and dividends	1,247,001
Rebates and other revenue	<u>738</u>
	13,602,399
Less investment expense	<u>209,936</u>
Net investment income	<u>13,392,463</u>
Total additions	15,094,728

Deductions

Participant benefit payments	5,111,532
Administrative Expenses	<u>101,548</u>
Total deductions	5,213,080

Net increase in net position 9,881,648

Net position restricted for pension benefits and OPEB:

Beginning of year, as previously reported	709,985,132
Restatement of fiduciary net position	(646,212,014)
Beginning of year, as restated (Note Q)	<u>63,773,118</u>
End of year	<u><u>\$ 73,654,766</u></u>

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



WEST PALM BEACH

Finance Department

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CITY OF WEST PALM BEACH, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

TABLE OF CONTENTS

NOTES	PAGE
Note A - Significant Accounting Policies.....	16
Note B - Deposits and Investments.....	30
Note C - Receivables and Unearned Revenue.....	38
Note D - Restricted Cash and Investments.....	40
Note E - Investment in Joint Ventures.....	40
Note F - Investment in Direct Financing Leases.....	42
Note G - Capital Assets.....	42
Note H - Long-Term Debt.....	45
Note I - Interest Rate Swap.....	55
Note J - Interfund Receivables and Payables.....	58
Note K - Interfund Transfers.....	59
Note L - Stewardship, Compliance and Accountability.....	59
Note M - Risk Management.....	60
Note N - Commitments and Contingencies.....	62
Note O - Employee Retirement Plans.....	64
Note P - Deferred Compensation Plans.....	72
Note Q - Restatement.....	73
Note R - Other Post-Employment Benefits.....	73
Note S - Fund Balance Constraints.....	87
Note T - Subsequent Event.....	87

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) Fiduciary Component Units

The criteria for including fiduciary component units consist of the identification of legally separate fiduciary organizations for which the elected officials of the City are financially accountable. This criteria also includes identification of fiduciary 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. These fiduciary component units, although legally separate entities, the primary government have operational responsibility for the activities and so they are required to be included as part of the primary government's financial statements. The following entities meet the criteria for inclusion as a fiduciary component unit:

City of West Palm Beach Restated Employees Defined Benefit Retirement System ("Restated Employees Retirement System") – 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 Board is authorized to establish benefit levels and approve actuarial assumptions used in the determination of contribution levels. The Restated Employees Retirement System is a fiduciary fund of the City and has separately issued financial statements.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(3) Fiduciary Component Units (Continued)

City of West Palm Beach Elected Officials and Management Employees VEBA Trust Fund (“Elected Officials and Management VEBA”) – The board of the Elected Officials and Management VEBA is comprised of five trustees; the Finance Director, or designee, Human Resources Department Director, or designee, the City Administrator, or designee, Chief Financial Officer, or designee, and two members elected by the plan participants. Contributions to the Elected Officials and Management VEBA are established annually by resolution and approved by the City Commission in accordance with Ordinance 4305-10. The Elected Officials and Management VEBA is a fiduciary OPEB fund of the City and does not have separately issued financial statements. This plan is reported in these financial statements as of the measurement date of December 31, 2020.

City of West Palm Beach General Employees VEBA Trust Fund (“General Employees VEBA”) – The board of the General Employees VEBA is comprised of five trustees; the Finance Director, or designee, Human Resources Department Director, or designee, one member elected from those employees represented by the Professional Managers and Supervisors Association (PMSA) Union, one member elected from those employees represented by the National Conference of Firemen and Oilers/Service Employees International Union (SEIU) and one member elected from the non-union-represented employees. Contributions to the General Employees VEBA are established annually by resolution and approved by the City Commission in accordance with Ordinance 4305-10. The General Employees VEBA is a fiduciary OPEB fund of the City and does not have separately issued financial statements. This plan is reported in these financial statements as of the measurement date of December 31, 2020.

City of West Palm Beach Other Post-Employment Benefit Trust (“OPEB Trust”) – The board of the OPEB Trust is comprised of three trustees; the Finance Director, Human Resources Department Director and the City Administrator. Contributions are made to the OPEB Trust by the City, in accordance with Ordinance 4186-08. The OPEB Trust is a fiduciary fund of the City and does not have separately issued financial statements.

Actuarial data for the fiduciary component units are disclosed in the notes to the financial statements and in the Required Supplementary Information section. The net pension and OPEB liability and the annual pension and OPEB expense units are reported in the Government-Wide financial statements and in the fund level Enterprise Fund statements, as appropriate.

The City appoints minority trustees of the boards of the following pension systems and OPEB Plans. Although the City is required to make contributions to these Pension and OPEB Plans based on the provisions in the respective plan documents (see Note O and Note R), these plans do not meet the definition of a fiduciary component unit nor any of the other fiduciary activity requirements for inclusion in the City's financial statements:

- West Palm Beach Police Pension Fund (Police Pension)
- West Palm Beach Firefighters' Pension Fund (Firefighters' Pension)
- West Palm Beach Police Benevolent Association Retiree Health Benefit Fund (Police Pension)
- West Palm Beach Association of Firefighters Retiree Benefit Fund (Firefighters' Pension)

(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.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 the fiduciary component units. Fiduciary component units are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

The City reports the following major governmental funds:

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

Fiduciary Funds, including pension and other post employment benefit trust funds account for the activities of the OPEB Trust, General Employees' Retirement System, Elected Officials and Management VEBA, General Employees VEBA, which accumulate resources for pension other post employment benefit benefit payments to qualifying City officials and 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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

reported as non-operating revenues and expenses.

(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 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 Plans' provisions as established by each pension or OPEB 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 Trust, the Elected Officials and Management VEBA and the General Employees VEBA 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 valued at cost on a first-in, first-out basis. Perpetual inventory records are maintained and adjusted periodically to physical inventory amounts. The consumption method is used to account for inventories. Under the consumption method, inventories are recorded as expenditures at the time inventory items are used, rather than purchased.

Prepaid Items

Prepaid items represent payments made to vendors for services that will benefit the period beyond September 30, 2021. 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.

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

The City has three pension plans; West Palm Beach Retated Employees Retirement System, West Palm Beach Police Pension Fund and West Palm Beach Firefighters' Pension Fund (the Pension Plans). 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 positions, additions to/deductions from the Pension Plans' fiduciary net positions have been determined on the same basis as they are reported by the Pension 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 fair value 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)

OPEB costs for retiree healthcare and similar, non-pension retiree benefits is required to be measured and disclosed using the accrual basis of accounting. 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 positions of the OPEB Plans and additions to/deductions from the OPEB fiduciary net positions have been determined on the same basis as they are reported by the respective OPEB plans in accordance with GASB Statement No. 75.

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 and OPEB assumptions, pension and OPEB contributions made subsequent to the measurement date and the 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.

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 and OPEB must be deferred.

See note O for more information on pension plans and Note R for more information on OPEB plans.

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 budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level.

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.

On any property against which the taxes have been assessed, the Notice of Property Taxes and Non-Ad Valorem Assessments is recognized as a first lien and is superior to all other liens. The lien continues in full force from January 1 of the year in which the taxes were levied until discharged by payment. Market values of taxable property are determined by the Palm Beach County Property Appraiser as of January 1 each year.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property Tax Calendar (Continued)

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

(9) Pronouncement issued and adopted by the City

GASB Statement No. 84, *Fiduciary Activities*. 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.

GASB Statement No. 90, *Majority Equity Interests - An amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement is 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.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. The new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

(10) Recently Issued Accounting Pronouncements

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. 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 enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. 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. 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 fiscal year ending September 30, 2022. 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.

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 Plans are 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 but primarily follow the same investment policies as the City.

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, 2021, the City was required to maintain a compensating balance of \$71,721,648 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.

The City has no formal policy relating to foreign currency risk. For the year ended September 30, 2021 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, 2021, 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.

NOTE B - DEPOSITS AND INVESTMENTS (CONTINUED)

Authorized Investments and Credit Risk (Continued)

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

The City has investments in two investment pools, Florida Prime (previously known as the Local Government Surplus Funds Trust Fund - Pool A), and the Florida Local Government Investment Trust (Trust Fund). Florida PRIME is 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, 2021, 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, 2021

NOTE B - DEPOSITS AND INVESTMENTS (CONTINUED)

Authorized Investments and Credit Risk (Continued)

As of September 30, 2021, the primary government and the OPEB Plans had the following cash and investment types and effective duration presented in terms of years:

<u>Credit and Interest Rate Risk</u>				<u>As of September 30, 2021 (in thousands)</u>		
<u>Investment Vehicle</u>	<u>Rating</u>	<u>% of Portfolio</u>	<u>Duration Years</u>	<u>Total Portfolio</u>	<u>Cash Equivalents</u>	<u>Investments</u>
Cash deposits	NR	25.65%	0.00	\$ 156,290	\$ 156,290	\$ -
Money market funds	AAAm	11.12%	0.13	67,758	67,758	-
Florida prime	AAAm	12.88%	0.13	78,465	78,465	-
Florida coop. liquid assets securities system	AAAm	1.61%	0.14	9,828	9,828	-
Florida local government investment trust	AAAm	0.98%	0.14	6,000	-	6,000
Certificates of deposits	NR	5.94%	2.28	36,182	19,936	16,246
Sovereign government	NR	0.42%	0.54	2,581	-	2,581
United States treasuries	NR	24.77%	1.51	150,890	-	150,890
Federal instrumentalities	NR	7.76%	1.69	47,214	-	47,214
Municipal bonds	AA+	3.99%	2.57	24,283	-	24,283
Corporate notes:						
Bonds	NR	0.44%	0.21	2,694	-	2,694
Bonds	AA+	0.27%	1.60	1,601	-	1,601
Bonds	AA-	0.07%	0.87	415	-	415
Bonds	AA	0.52%	2.59	3,174	-	3,174
Bonds	A+	0.68%	2.92	4,168	-	4,168
Bonds	A	0.18%	2.92	1,093	-	1,093
Exchange traded funds (ETF)	NR	2.72%	0.00	16,573	-	16,573
		<u>100.00%</u>		<u>\$ 609,209</u>	<u>\$ 332,277</u>	<u>\$ 276,932</u>

<u>Credit and Interest Rate Risk</u>				<u>As of December 31, 2020 (in thousands)**</u>		
<u>Investment Vehicle</u>	<u>Rating</u>	<u>% of Portfolio</u>	<u>Duration Years</u>	<u>Total Portfolio</u>	<u>Cash Equivalents</u>	<u>Investments</u>
Cash and cash equivalents	NR	3.16%	0.00	\$ 211	\$ 211	\$ -
Mutual funds - fixed income	A	31.85%	5 - 7	2,126	-	2,126
Mutual funds - fixed income	B	0.90%	3	60	-	60
Mutual funds - fixed income	BBB	1.09%	9	73	-	73
Mutual funds - domestic equities	NR	40.66%	0.00	2,714	-	2,714
Mutual funds - international equities	NR	22.34%	0.00	1,491	-	1,491
		<u>100.00%</u>		<u>\$ 6,675</u>	<u>\$ 211</u>	<u>\$ 6,464</u>
Total				<u>\$ 615,884</u>	<u>\$ 332,488</u>	<u>\$ 283,396</u>

NOTE B - DEPOSITS AND INVESTMENTS (CONTINUED)

Authorized Investments and Credit Risk (Continued)

** Investments held for the Elected Officials VEBA and the General Employees VEBA at December 31, 2020, are representative of the plans year-ends, consistent with GASB Statement No. 74. This date is different than the City's fiscal year end at September 30, 2021.

Reconciliation to Statement of Net Position:

Portfolio value	\$ 615,884
Petty Cash	32
Less: OPEB cash and investments	<u>(25,057)</u>
Total cash and investments on Statement of Net Position	<u><u>\$ 590,859</u></u>

Amounts from Statement of Net Position:

Unrestricted cash and cash equivalents	\$ 153,271
Unrestricted investments	174,412
Restricted cash and cash equivalents	183,465
Restricted investments	<u>79,711</u>
Total cash and investments on Statement of Net Position	<u><u>\$ 590,859</u></u>

The Custodial Credit Risk

Cash, Cash Equivalents and 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 cash deposits and 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 cash deposits are fully insured by the Public Deposits Trust Fund. The City's cash equivalents and 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, 2021, 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.

NOTE B - DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2021 investments in the following Federal Instrumentalities exceed 5% of the portfolio:

Issuer	% of Portfolio	Amount (in thousands)
United States treasuries	24.77%	\$ 150,890

As of September 30, 2021, the City and the OPEB Trust had the following issuer concentrations in the investment portfolio based on fair value:

Issuer	% of Portfolio	Amount (in thousands)
Treasury obligations fund	24.77%	\$ 150,890
United States treasuries	14.30%	87,103
Federal home loan mortgage corporation	11.12%	67,759
Florida prime	12.88%	78,465
Other	36.93%	224,992
Total	100.00%	\$ 609,209

The VEBA funds had no investments greater than 5% of the portfolio.

As of September 30, 2021, the City categorized its investment portfolio using the fair value measurements in accordance with GASB Statement No. 72. GASB 72 which uses a hierarchy based on the valuation inputs used to measure the fair value of the asset. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are based on other significant observable inputs such as indices for fixed income bonds and quoted prices for similar assets in markets that are active and not active; Level 3 inputs are significant unobservable inputs.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE B - DEPOSITS AND INVESTMENTS (CONTINUED)

As of September 30, 2021 and December 31, 2020, the City and the OPEB Plans, had the following investment vehicles held at fair value:

Investment Vehicle	Fair Value (in thousands)			
	As of September 30, 2021			
	Quoted Prices in	Significant	Significant	Total
	Active Markets For Identical Assets	Other Observable Inputs	Unobservable Inputs	
Level 1	Level 2	Level 3		
Municipal bonds	\$ -	\$ 24,283	\$ -	\$ 24,283
Federal instrumentalities	-	47,214	-	47,214
United States treasuries	-	150,890	-	150,890
Sovereign government	-	2,585	-	2,585
Corporate notes	-	13,145	-	13,145
Exchange traded funds	-	16,569	-	16,569
Money market funds	67,758	-	-	67,758
Florida coop. liquid assets securities system	9,828	-	-	9,828
Florida local government investment trust	6,000	-	-	6,000
Total investments by fair value level	\$ 83,586	\$ 254,686	\$ -	338,272
Florida prime (exempt)				78,465
Certificates of deposits (exempt)				36,182
Cash deposits (exempt)				156,290
Total				\$ 609,209
Investment Vehicle	Fair Value (in thousands)			
	As of December 31, 2020			
	Quoted Prices in	Significant	Significant	Total
	Active Markets For Identical Assets	Other Observable Inputs	Unobservable Inputs	
Level 1	Level 2	Level 3		
Mutual funds - fixed income	\$ 2,259	\$ -	\$ -	\$ 2,259
Mutual funds - domestic equities	2,714	-	-	2,714
Mutual funds - international equities	1,491	-	-	1,491
Total investments by fair value level	\$ 6,464	\$ -	\$ -	6,464
Cash and cash equivalents (exempt)				211
				\$ 6,675
Total	\$ 90,050	\$ 254,686	\$ -	\$ 615,884

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE B - DEPOSITS AND INVESTMENTS (CONTINUED)

As of September 30, 2021, the City's Restated Employees Retirement System had the following cash and investment types:

Investment Vehicle	As of September 30, 2021 (in thousands)		
	Total Portfolio	Cash Equivalents	Investments
Cash deposits	\$ 306	\$ 306	\$ -
United States government obligations	4,418	-	4,418
United States government agency obligations	3,192	-	3,192
Corporate bonds	2,231	-	2,231
Mutual funds	10,385	-	10,385
Money market funds	1,317	1,317	-
Domestic fixed investment fund	5,123	-	5,123
Domestic stocks	14,356	-	14,356
International equity investment funds	5,004	-	5,004
Real estate fund	3,207	-	3,207
Alternative investments	2,151	-	2,151
Total	<u>\$ 51,690</u>	<u>\$ 1,623</u>	<u>\$ 50,067</u>

At September 30, 2021, the Restated Employees Retirement System held the following fixed investments:

Issuer	Fair Value (in thousands)	Average Effective Duration (Years)	Overall Credit Rating
United States agency obligations	\$ 3,192	14.44	AA+ or unrated*
United States treasuries - notes	3,916	6.33	Unrated*
United States treasuries - bonds	502	15.00	Unrated*
Corporate bonds	2,231	10.0	A - BBB+
Fixed income mutual funds	11,587	9.55	AAA - B- or unrated*
Total	<u>\$ 21,428</u>		

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

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE B - DEPOSITS AND INVESTMENTS (CONTINUED)

At September 30, 2021, the Restated Employees Retirement System held the following investments fair value:

Investment Vehicle	Fair Value Measurement (in thousands)			
	Prices in Active Markets For Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	Amounts (in thousands)
	Level 1	Level 2	Level 3	Total
United States government obligations	\$ 3,916	\$ 502	\$ -	\$ 4,418
United States government agency securities	-	3,192	-	3,192
Corporate bonds	-	2,231	-	2,231
Mutual funds - equity securities	10,385	-	-	10,385
Mutual funds - domestic fixed income	5,123	-	-	5,123
Domestic stocks	14,356	-	-	14,356
International equity investment funds	5,004	-	-	5,004
Real return fund	2,151	-	-	2,151
Total Investments by Fair Value Level	<u>\$ 40,935</u>	<u>\$ 5,925</u>	<u>\$ -</u>	<u>\$ 46,860</u>
Cash Deposits (exempt)				306
<u>Investments measured at the net asset value (NAV)**</u>				
Real estate fund				3,207
Money market funds				1,317
Total				<u>\$ 51,690</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.

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

CITY OF WEST PALM BEACH, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2021

NOTE C - RECEIVABLES AND UNEARNED REVENUE

Receivables

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

	General Fund	City Center Redevelopment Agency Fund	Northwood / Pleasant City Community Redevelopment Agency Fund	Non-Major Governmental Funds	Internal Service Funds	Total
Receivables:						
Accounts (gross)	\$ 13,354,272	\$ 28,266	\$ 700	\$ 2,152,590	\$ 897,889	\$ 16,433,717
Allowance for uncollectibles	<u>(1,480,697)</u>	-	-	-	-	<u>(1,480,697)</u>
Accounts (net)	<u>11,873,575</u>	<u>28,266</u>	<u>700</u>	<u>2,152,590</u>	<u>897,889</u>	<u>14,953,020</u>
Interest	135,057	87,315	13,933	190,666	85,907	512,878
Notes (gross)	-	246,822	-	14,249,031	-	14,495,853
Allowance for uncollectibles	-	-	-	<u>(12,241,621)</u>	-	<u>(12,241,621)</u>
Notes (net)	<u>-</u>	<u>246,822</u>	<u>-</u>	<u>2,007,410</u>	<u>-</u>	<u>2,254,232</u>
Liens (gross)	240,848	-	-	390,249	-	631,097
Allowance for uncollectibles	-	-	-	<u>(371,243)</u>	-	<u>(371,243)</u>
Liens (net)	<u>240,848</u>	<u>-</u>	<u>-</u>	<u>19,006</u>	<u>-</u>	<u>259,854</u>
Total receivables	<u>\$ 12,249,480</u>	<u>\$ 362,403</u>	<u>\$ 14,633</u>	<u>\$ 4,369,672</u>	<u>\$ 983,796</u>	<u>\$ 17,979,984</u>

The notes receivable of \$14.2 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 \$12.2 million.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE C - RECEIVABLES AND UNEARNED REVENUE (CONTINUED)

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)	\$ 14,856,246	\$ 4,816,277	\$ 75,122	\$ 19,747,645
Allowance for uncollectibles	<u>(3,382,022)</u>	<u>(2,958,323)</u>	-	<u>(6,340,345)</u>
Accounts (net)	11,474,224	1,857,954	75,122	13,407,300
Interest - Unrestricted	315,550	64,816	27,556	407,922
Liens (gross)	1,088,638	289,154	-	1,377,792
Subtotal, receivables - unrestricted	1,404,188	353,970	27,556	1,785,714
Interest - restricted	180,092	19,434	-	199,526
Total receivables	<u>\$ 13,058,504</u>	<u>\$ 2,231,358</u>	<u>\$ 102,678</u>	<u>\$ 15,392,540</u>

Unearned/unavailable revenue

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

The components of unearned/unavailable revenues as of September 20, 2021 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	\$ -	\$ -	\$ -	\$ 1,039,033	\$ 1,039,033
EMS receivables	3,302,431	-	-	-	3,302,431
Other receivables	2,270,195	26,821	700	15,205	2,312,921
Total unavailable	<u>5,572,626</u>	<u>26,821</u>	<u>700</u>	<u>1,054,238</u>	<u>6,654,385</u>
Unearned revenue:					
Prepaid occupational licenses	2,692,092	-	-	-	2,692,092
American Rescue Plan Advances	-	-	-	12,265,412	12,265,412
Total unearned	<u>2,692,092</u>	<u>-</u>	<u>-</u>	<u>12,265,412</u>	<u>14,957,504</u>
Total unearned/unavailable revenue	<u>\$ 8,264,718</u>	<u>\$ 26,821</u>	<u>\$ 700</u>	<u>\$ 13,319,650</u>	<u>\$ 21,611,889</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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	\$ 8,184,930	\$ -
Revenue bond and capital improvement unspent proceeds	84,589,753	-	84,589,753
Self Insurance Claims	-	3,829,323	3,829,323
Total restricted assets	<u>\$ 92,774,683</u>	<u>\$ 3,829,323</u>	<u>\$ 96,604,006</u>

Purpose	BUSINESS-TYPE ACTIVITIES			
	Water and Sewer System Fund	Stormwater Utility Fund	Non-Major Enterprise Funds	Totals
Deposits Payable	\$ 11,107,198	\$ -	\$ 24,454	\$ 11,131,652
Due to other governments	184,288	-	-	184,288
Operations and maintenance restricted by revenue bond covenant	13,203,958	1,708,366	-	14,912,324
Revenue bond construction accounts	29,726,535	21,015,014	-	50,741,549
Revenue bond debt service accounts	9,097,770	2,633,488	-	11,731,258
Revenue bond renewal and replacement accounts	57,756,616	6,905,229	-	64,661,845
Town of Palm Beach renewal and replacement accounts	2,486,848	-	-	2,486,848
Impact fee capital contributions account	10,721,870	-	-	10,721,870
Total restricted assets	<u>\$ 134,285,083</u>	<u>\$ 32,262,097</u>	<u>\$ 24,454</u>	<u>\$ 166,571,634</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.

NOTE E - INVESTMENT IN JOINT VENTURES (CONTINUED)

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

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

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

The City does not believe that the joint venture is accumulating significant financial resources or experiencing financial stress that may cause a future benefit or burden to the City. The most recent audited financial statements, for September 30, 2021, reported total ECR assets of \$350,379,802 and total net position of \$178,208,188 including a \$123,240,868 net investment in capital assets and \$5,438,747 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, 2021 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	100.00 %

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, 2021, the city’s investments in ECR and AWT were reported at a combined net book value of \$52,189,515 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 2021, member costs for the City were \$100,000 and the year-end value of the City’s investment was \$1,824,827. The City’s investment and related member costs are recorded in the MIS Processing Fund which is an Internal Service Fund.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021, unspent proceeds from the advance totaled \$1,464,596 and is reported in the Balance sheet – Governmental Funds.

NOTE G - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 85,095,597	\$ 171,872	\$ -	\$ -	\$ 85,267,469
Construction in progress	60,331,910	31,806,722	-	(23,113,972)	69,024,660
Total assets not being depreciated	<u>145,427,507</u>	<u>31,978,594</u>	<u>-</u>	<u>(23,113,972)</u>	<u>154,292,129</u>
Capital assets being depreciated:					
Buildings	204,692,216	-	-	2,673,988	207,366,204
Improvements other than buildings	231,428,733	1,101,632	-	18,030,434	250,560,799
Infrastructure	114,223,197	-	-	-	114,223,197
Machinery, furniture, and equipment	63,744,503	4,708,847	(5,425,147)	3,395,515	66,423,718
Intangible Assets	2,668,677	-	-	-	2,668,677
Total capital assets being depreciated	<u>616,757,326</u>	<u>5,810,479</u>	<u>(5,425,147)</u>	<u>24,099,937</u>	<u>641,242,595</u>
Total capital assets	<u>762,184,833</u>	<u>37,789,073</u>	<u>(5,425,147)</u>	<u>985,965</u>	<u>795,534,724</u>
Less accumulated depreciation and amortization:					
Buildings	72,954,551	5,223,813	-	-	78,178,364
Improvements other than buildings	156,180,460	11,544,092	-	-	167,724,552
Infrastructure	114,140,096	58,460	-	-	114,198,556
Machinery, furniture, and equipment	43,535,160	6,539,868	(5,361,900)	985,965	45,699,093
Intangible Assets	2,199,959	44,607	-	-	2,244,566
Total accumulated depreciation and amortization	<u>389,010,226</u>	<u>23,410,840</u>	<u>(5,361,900)</u>	<u>985,965</u>	<u>408,045,131</u>
Total capital assets being depreciated, net	<u>227,747,100</u>	<u>(17,600,361)</u>	<u>(63,247)</u>	<u>23,113,972</u>	<u>233,197,464</u>
Governmental Activities					
Capital assets, net	<u>\$ 373,174,607</u>	<u>\$ 14,378,233</u>	<u>\$ (63,247)</u>	<u>\$ -</u>	<u>\$ 387,489,593</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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	49,227,389	18,968,037	(3,360,308)	-	64,835,118
Stormwater System Fund	10,719,970	3,735,797	(1,133,949)	-	13,321,818
Non-major Funds	908,029	406,704	-	-	1,314,733
Total construction in progress:	<u>60,855,388</u>	<u>23,110,538</u>	<u>(4,494,257)</u>	<u>-</u>	<u>79,471,669</u>
Total capital assets not being depreciated	<u>71,168,224</u>	<u>23,110,538</u>	<u>(4,494,257)</u>	<u>-</u>	<u>89,784,505</u>
Capital assets being depreciated:					
Buildings:					
Water and Sewer Systems Fund	89,612,312	-	-	-	89,612,312
Non-major 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	488,250,843	51,650	-	3,283,536	491,586,029
Stormwater System Fund	81,154,994	-	-	-	81,154,994
Non-major Funds	3,828,981	-	-	1,133,949	4,962,930
Total infrastructure	<u>573,234,818</u>	<u>51,650</u>	<u>-</u>	<u>4,417,485</u>	<u>577,703,953</u>
Machinery, furniture, and equipment:					
Water and Sewer Systems Fund	16,348,421	1,209,015	(607,692)	76,772	17,026,516
Stormwater System Fund	4,955,341	1,502,972	(704,369)	-	5,753,944
Non-major Funds	2,674,574	-	(3,337)	(980,937)	1,690,300
Total machinery, furniture, and equipment	<u>23,978,336</u>	<u>2,711,987</u>	<u>(1,315,398)</u>	<u>(904,165)</u>	<u>24,470,760</u>
Total capital assets being depreciated	<u>696,128,044</u>	<u>2,763,637</u>	<u>(1,315,398)</u>	<u>3,513,320</u>	<u>701,089,603</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE G - CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Business-type Activities (Continued)					
Continued:					
Less accumulated depreciation and amortization					
Water and Sewer Systems Fund	(68,520,719)	(1,590,774)	-	-	(70,111,493)
Non-major Funds	(9,287,326)	(1,669)	-	-	(9,288,995)
Total buildings	<u>(77,808,045)</u>	<u>(1,592,443)</u>	-	-	<u>(79,400,488)</u>
Water and Sewer Systems Fund	(150,431,008)	(11,700,981)	-	-	(162,131,989)
Stormwater System Fund	(24,120,505)	(2,101,754)	-	-	(26,222,259)
Non-major Funds	(2,860,734)	(145,561)	-	-	(3,006,295)
Total infrastructure	<u>(177,412,247)</u>	<u>(13,948,296)</u>	-	-	<u>(191,360,543)</u>
Water and Sewer Systems Fund	(12,274,246)	(1,322,145)	607,689	-	(12,988,702)
Stormwater System Fund	(3,261,598)	(688,571)	686,361	-	(3,263,808)
Non-major Funds	(2,175,348)	(177,545)	3,337	980,937	(1,368,619)
Total machinery, furniture, and equipment	<u>(17,711,192)</u>	<u>(2,188,261)</u>	<u>1,297,387</u>	<u>980,937</u>	<u>(17,621,129)</u>
Total accumulated depreciation and amortization	<u>(272,931,484)</u>	<u>(17,729,000)</u>	<u>1,297,387</u>	<u>980,937</u>	<u>(288,382,160)</u>
Total capital assets being depreciated, net	<u>\$ 423,196,560</u>	<u>\$ 20,492,637</u>	<u>\$ (2,612,785)</u>	<u>\$ 2,532,383</u>	<u>\$ 412,707,443</u>
Business-type Activities					
Capital assets, net	<u>\$ 494,364,784</u>	<u>\$ 43,603,175</u>	<u>\$ (7,107,042)</u>	<u>\$ 2,532,383</u>	<u>\$ 502,491,948</u>

Depreciation and amortization additions (expense) by program:

Governmental activities:

General government	\$ 825,270
Public safety	13,676,185
Economic environment	5,428,245
Public works	1,604,932
Health and sanitation	640,836
Leisure services	296,143
Sub total	<u>22,471,611</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:

939,229

Total depreciation expense - governmental activities

\$ 23,410,840

Business-type activities:

Water and Sewage Disposal System	\$ 14,613,902
Stormwater System Fund	2,790,325
Non-major Funds	324,773

Total depreciation expense - business-type activities

\$ 17,729,000

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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	\$ 24,465,000	\$ -	\$ (790,000)	\$ 23,675,000	\$ 410,000	\$ 23,265,000
General obligation premiums	5,532,188	-	(438,612)	5,093,576	-	5,093,576
Revenue bonds	258,437,528	-	(8,482,528)	249,955,000	10,360,000	239,595,000
Revenue premiums	28,177,982	-	(2,840,845)	25,337,137	-	25,337,137
Total bonds	316,612,698	-	(12,551,985)	304,060,713	10,770,000	293,290,713
Notes payable (direct debt)	26,818,004	-	(4,847,349)	21,970,655	4,224,527	17,746,128
Arbitrage rebate payable	21,483	-	(863)	20,620	-	20,620
Capital leases payable	13,016,991	-	(4,030,952)	8,986,039	3,281,696	5,704,343
Compensated absences payable	19,763,107	8,025,728	(7,526,917)	20,261,918	9,194,370	11,067,548
Insurance claims payable	14,365,340	31,905,180	(27,302,369)	18,968,151	5,494,657	13,473,494
Net pension liability	104,024,038	552,764	-	104,576,802	-	104,576,802
Net OPEB liability, as restated*	10,028,841	53,794	-	10,082,635	-	10,082,635
Total Governmental Activities	\$ 504,650,502	\$ 40,537,466	\$ (56,260,435)	\$ 488,927,533	\$ 32,965,250	\$ 455,962,283

* Beginning balance was restated in the current fiscal year. See Note Q

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 \$18.4 million are included as part of the above totals for governmental activities.

Bonds outstanding at September 30, 2021 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 \$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, 2021 was \$23,675,000.

NOTE H - LONG-TERM DEBT (CONTINUED)

Tax Increment Revenue Bonds:

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, 2021 the principal balance was \$5,000.

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, 2021 the principal balance was \$17,725,000.

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, 2021 the principal balance was \$32,790,000.

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.

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, 2021 the principal balance was \$88,370,000

Special Obligation Revenue Bonds:

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

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

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE H - LONG-TERM DEBT (CONTINUED)

Special Obligation Revenue Bonds: (Continued)

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, 2021, the principal balances of the Special Obligation Bonds, Series 2016A, 2016B and 2016C were \$41,280,000, \$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, 2021 are as follows:

Fiscal Years Ending September 30	GOVERNMENTAL ACTIVITIES					
	General Obligation Bonds			Revenue Bonds		
	Principal	Interest	Total Required	Principal	Interest	Total Required
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	10,114,205	21,429,205
2025	470,000	928,750	1,398,750	11,775,000	9,612,676	21,387,676
2026	495,000	904,625	1,399,625	12,295,000	9,082,922	21,377,922
2027 - 2031	2,880,000	4,115,750	6,995,750	70,200,000	36,511,533	106,711,533
2032 - 2036	3,625,000	3,360,825	6,985,825	86,385,000	18,468,851	104,853,851
2037 - 2041	4,420,000	2,555,000	6,975,000	36,845,000	3,858,250	40,703,250
2042 - 2046	5,370,000	1,579,000	6,949,000	-	-	-
2047 - 2051	5,125,000	420,300	5,545,300	-	-	-
Total	\$ 23,675,000	\$ 16,784,500	\$ 40,459,500	\$ 249,955,000	\$ 109,273,868	\$ 359,228,868
Current portion	(410,000)			(10,360,000)		
Premium	5,093,576			25,337,137		
Long-term portion	\$ 28,358,576			\$ 264,932,137		

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 \$2,205,444 was paid on these four notes. Non-ad valorem revenues were \$99,317,430.

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 2021 was \$2,828,466 and \$23,745,658 respectively.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE H - LONG-TERM DEBT (CONTINUED)

Notes Payable:

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, 2021, the principal balance of the note was \$500,000.

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, 2021, the principal balance was \$712,248.

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, 2021, the principal balance was \$3,253,983.

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, 2021, the principal balance of the converted line of credit was \$3,329,424.

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, 2021, the principal balance was \$14,175,000

The annual requirements to pay governmental activities principal and interest on the promissory notes outstanding at September 30, 2021 were as follows:

Fiscal Years	Principal	Interest	Total Required
2022	\$ 4,224,527	\$ 433,849	\$ 4,658,376
2023	4,275,725	320,693	4,596,418
2024	2,035,403	222,133	2,257,536
2025	945,000	191,967	1,136,967
2025	965,000	174,308	1,139,308
2026 - 2030	5,100,000	594,842	5,694,842
2031 - 2035	4,425,000	123,434	4,548,434
Total	\$ 21,970,655	\$ 2,061,226	\$ 24,031,881
Current portion	(4,224,527)		
Long-term portion	<u>\$ 17,746,128</u>		

Capital Leases:

On December 14, 2011, the City entered into a \$6,900,000 15-year capital leasing arrangement to finance energy efficiency/conservation improvements throughout the City. The lease carries an interest rate of 2.41% with annual payments of \$568,144 including principal and interest. At September 30, 2021, value of the asset net of related accumulated depreciation and the principal outstanding balance totaled \$3,029,501 and \$3,640,102 respectively.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE H - LONG-TERM DEBT (CONTINUED)

Capital Leases: (Continued)

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, 2021, value of the asset net of related accumulated depreciation and the principal outstanding balance totaled \$369,561 and \$293,149, respectively.

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, 2021, the value of the asset, net of related accumulated depreciation and the principal outstanding balance totaled \$785,801 and \$867,676, 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, 2021, the value of the asset, net of related accumulated depreciation and the principal outstanding balance totaled \$2,526,554 and \$2,433,380, 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, 2021 the value of the assets, net of related accumulated depreciation and the principal outstanding balance totaled \$683,083 and \$1,751,732, respectively.

The annual requirements to pay governmental activities principal and interest on the capital leases outstanding at September 30, 2021 were as follows:

<u>Fiscal years ending September 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Required</u>
2022	\$ 3,281,696	\$ 162,754	\$ 3,444,451
2023	2,157,557	107,986	2,265,542
2024	947,449	70,627	1,018,076
2025	964,519	53,557	1,018,076
2026	532,006	36,138	568,144
2027 - 2031	1,102,812	33,349	1,136,161
Total	<u>8,986,039</u>	<u>464,411</u>	<u>9,450,450</u>
Current portion	<u>\$ (3,281,696)</u>		
Long-term portion	<u>\$ 5,704,343</u>		

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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	\$ 23,675,000	4.00%	\$ 1,404,750
Revenue bonds:					
Series 2005B, NPCCRA	Redevelopment	7,280,000	-	5.68%	-
Series 2006A, CCCRA	Redevelopment	77,175,000	5,000	4.00 - 5.00%	5,111
Series 2010A, CCCRA	Refunding	9,829,000	-	5.06%	-
Series 2015, NPCCRA	Refunding	18,870,000	17,725,000	2.250 - 4.125%	1,654,731
Series 2015, CCCRA	Refunding	44,060,000	32,790,000	3.250 - 4.125%	4,119,150
Series 2016A Special Obligation	Police Pension	50,400,000	41,280,000	1.640 - 3.521%	3,563,837
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	88,370,000	5.00%	11,443,500
Total Revenue Bonds		<u>368,684,000</u>	<u>249,955,000</u>		<u>31,994,179</u>
Total Bonds		<u>393,149,000</u>	<u>273,630,000</u>		<u>33,398,929</u>
Notes Payable:					
Governmental funds:					
Series 2006 note	City Hall Land	4,066,000	-	5.06%	-
Promissory note	Convention Center	5,000,000	500,000	0.00%	250,000
Series 2014 Revenue Note	Vehicles	2,375,000	712,248	2.28%	270,892
Line of credit rollover loan	Fire Stations	8,323,559	3,329,424	3.87%	1,779,333
Promissory note	Brownfield Note	350,000	-	3.00%	-
Special obligation note 2019	Capital Improvement and Vehicles	15,055,000	14,175,000	1.83%	1,141,282
Total governmental funds notes		<u>35,169,559</u>	<u>18,716,672</u>		<u>3,441,507</u>
Internal Service Funds					
Series 2014 Revenue Note	Communications	10,000,000	3,253,983	2.06%	1,220,142
Total Promissory Notes		<u>45,169,559</u>	<u>21,970,655</u>		<u>4,661,649</u>
Total bonds and notes for governmental activities		<u>\$ 438,318,559</u>	<u>\$ 295,600,655</u>		<u>\$ 38,060,578</u>

CITY OF WEST PALM BEACH, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2021

NOTE H - LONG-TERM DEBT (CONTINUED)

The City had the following pledged debt as of September 30, 2021 in its governmental activities:

Description of Issue	Purpose	Pledged Revenue	Revenue Received in FY 2021 (1)	Principal and Interest Paid in FY 2021	Debt Service as a Percentage of Revenues Pledged	Outstanding Principal and Interest	Pledged Through
Special Obligation Bonds 2016A, B and C	A - to fund Police Pension B - to finance new capital projects C - to refund 2006 Special Obligation Bonds	Non-Ad Valorem Tax Revenue (3)	\$99,317,430	\$ 6,861,771	6.9%	\$ 164,493,333	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	2,828,466	1,682,556	59.5%	23,098,284	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	\$23,745,658	\$11,422,579	48.1%	\$ 171,637,366	Fiscal years 2021 through 2036

(1) FY 2021 Revenue

Utility service tax	\$ 22,028,418
Franchise taxes	9,464,923
Charges for services	29,461,750
Intergovernmental	17,282,373
Licenses and permits	3,829,291
Fines and forfeitures	458,522
Interest income	440,786
Insurance premium taxes	3,085,615
Rents and royalties	539,785
Payment in lieu of taxes	11,312,829
Miscellaneous	1,413,138
Total non-ad valorem revenue	<u>\$ 99,317,430</u>

CITY OF WEST PALM BEACH, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2021

NOTE H - LONG-TERM DEBT (CONTINUED)

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

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Total Current Liabilities</u>	<u>Total Noncurrent Liabilities</u>
Business-Type activities:						
Water and Sewer Systems Fund						
Revenue bonds	\$ 195,068,041	\$ 11,805,000	\$ (16,968,215)	\$ 189,904,826	\$ 5,550,840	\$ 184,353,986
Revenue premiums	11,343,626	-	(846,781)	10,496,845	-	10,496,845
Net bonds payable	206,411,667	11,805,000	(17,814,996)	200,401,671	5,550,840	194,850,831
Compensated absences payable	2,436,429	1,420,980	(1,517,243)	2,340,166	1,393,389	946,777
Net OPEB liability, as restated*	940,126	-	(25,255)	914,871	-	914,871
Fund totals	<u>\$ 209,788,222</u>	<u>\$ 13,225,980</u>	<u>\$ (19,306,984)</u>	<u>\$ 203,656,708</u>	<u>\$ 6,944,229</u>	<u>\$ 196,712,479</u>
Stormwater System Fund						
Revenue bonds	\$ 55,981,959	\$ -	\$ (1,596,785)	\$ 54,385,174	\$ 1,689,160	\$ 52,696,014
Revenue premiums	4,871,932	-	(338,147)	4,533,785	-	4,533,785
Net bonds payable	60,853,891	-	(1,934,932)	58,918,959	1,689,160	57,229,799
Compensated absences payable	286,839	167,944	(126,616)	328,167	145,331	182,836
Fund totals	<u>\$ 61,140,730</u>	<u>\$ 167,944</u>	<u>\$ (2,061,548)</u>	<u>\$ 59,247,126</u>	<u>\$ 1,834,491</u>	<u>\$ 57,412,635</u>
Non-major Business-Type Funds						
Compensated absences payable	\$ 138,569	\$ 61,021	\$ (61,198)	\$ 138,392	\$ 69,821	\$ 68,571
Fund totals	<u>138,569</u>	<u>61,021</u>	<u>(61,198)</u>	<u>138,392</u>	<u>69,821</u>	<u>68,571</u>
Total Business-Type Activities	<u>\$ 271,067,521</u>	<u>\$ 13,454,945</u>	<u>\$ (21,429,730)</u>	<u>\$ 263,042,226</u>	<u>\$ 8,848,541</u>	<u>\$ 254,193,685</u>

* Beginning balance was restated in the current fiscal year. See Note Q.

The City has pledged future utility customer revenues, net of specified operating expenses, to repay \$340,820,000 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 \$382,954,416. Principal and interest paid for the current year and total customer net revenues were \$17,045,302 and \$66,647,533, respectively.

NOTE H - LONG-TERM DEBT (CONTINUED)

Revenue Bonds

On July 1, 2008, the City issued \$99,990,000 Utility System Variable Rate Revenue Bonds, Series 2008C to pay for a portion of the cost of the improvements to the utility system as defined in the Series 2008C Series Resolution. Interest is calculated weekly as determined by the Remarketing Agent and the bond matures October 1, 2038.

The 2017C Utility bonds partially refunded the 2008C series. As of September 30, 2021, the principal balance of \$57,810,000 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, 2021, the principal balance of \$5,310,000 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, 2021, the principal balance of \$38,375,000 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, 2021, 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, 2021, the principal balance of \$35,135,000 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, 2021, the principal balance of \$35,100,000 remains.

On October 1, 2020 the City issued \$11,805,000 Utility System Revenue Refunding bonds, Series 2020, to refund the Series 2010 Bonds outstanding immediately prior to issuance of the Series 2020 bonds. The refunding of the Series 2010 Bonds resulted in cash savings of \$1,572,649 and an economic gain of \$1,464,152. The interest rate on annual principal amounts payable is 1.52% and bonds mature on October 1, 2027. As of September 30, 2021 the principal balance of \$11,805,000 remains.

CITY OF WEST PALM BEACH, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2021

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
2022	\$ 5,550,840	\$ 7,705,287	\$ 13,256,127	\$ 1,689,160	\$ 2,377,592	\$ 4,066,752
2023	5,296,930	7,640,694	12,937,624	1,693,070	2,327,565	4,020,635
2024	5,505,370	7,580,245	13,085,615	1,769,630	2,267,191	4,036,821
2025	6,330,640	7,431,345	13,761,985	1,469,360	2,204,705	3,674,065
2026	6,393,830	7,262,774	13,656,604	1,516,170	2,137,243	3,653,413
2027 - 2031	35,948,550	32,992,654	68,941,204	9,316,450	9,691,901	19,008,351
2032 - 2036	48,238,680	23,489,280	71,727,960	9,716,320	7,609,847	17,326,167
2037 - 2041	56,158,557	10,205,590	66,364,147	15,836,443	4,924,503	20,760,946
2042 - 2046	20,481,429	524,571	21,006,000	11,378,571	291,429	11,670,000
Total	\$ 189,904,826	\$ 104,832,440	\$ 294,737,266	\$ 54,385,174	\$ 33,831,976	\$ 88,217,150
Current portion	(5,550,840)			(1,689,160)		
Premium	10,496,845			4,533,785		
Long-term portion	\$ 194,850,831			\$ 57,229,799		

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 2008C	Water/Sewer	\$ 83,591,640	\$ 50,410,320	See swap information	\$ 13,316,350
Series 20017A	Water/Sewer	39,056,786	39,056,786	5.00%	10,560,857
Utility system revenue refunding bonds:					
Series 2011A	Water/Sewer	15,264,000	4,221,450	5.00%	1,481,085
Series 2012A	Water/Sewer	22,935,000	22,815,000	2.00 - 5.00%	4,989,658
Series 2017B	Water/Sewer	36,122,310	30,989,070	1.639 - 3.391%	5,723,948
Series 2017C	Water/Sewer	30,607,200	30,607,200	3.00 - 5.00%	4,979,338
Series 2020	Water/Sewer	11,805,000	11,805,000	1.52%	2,629,192
Premium	Water/Sewer	16,599,156	10,496,845		-
Total Water and Sewer Systems Fund		<u>283,493,482</u>	<u>200,401,671</u>		<u>43,680,428</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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:					
Utility system revenue bonds:					
Series 2008C	Storm Water	16,398,360	7,399,680	See swap information	1,954,694
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	1,088,550	5.00%	383,453
Series 2012A	Storm Water	20,105,000	15,560,000	2.00 - 5.00%	1,465,073
Series 2017B	Storm Water	4,832,690	4,145,930	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	6,338,545	4,533,785		-
Total Storm Water Fund		<u>80,264,219</u>	<u>58,918,959</u>		<u>11,167,064</u>
Total Business-Type Activities		<u>\$ 363,757,701</u>	<u>\$ 259,320,630</u>		<u>\$ 54,847,492</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, 2021 the total hedged and unhedged swap liability outstanding was \$56,335,000 and \$1,475,000, respectively.

As of September 30, 2021, bond and swap rates were as follows:

Interest Rate Swap:	Terms	Rates
Fixed payment to counterparty	Fixed	3.539 %
Variable payment from counterparty (1)	72% of Monthly LIBOR rate	(0.060)%
Net interest rate swap payments		3.479 %
variable rate bond coupon payments (2)	7 Day Market Rate	0.070 %
Synthetic interest rate on bonds		3.549 %

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE I - INTEREST RATE SWAP (CONTINUED)

(1) 0.060% rate based on the rate received from the swap counterparty for the period ending October 6, 2021

(2) 0.070% rate based on the rate paid to the corporate trustee for the week ending October 5, 2021

Fair Value:

As of September 30, 2021, the swap had a negative fair value of \$18,513,262. The swap's negative fair value is due to the interest rate of the counterparty (at September 30, 2021) 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	\$ 18,513,262	Liability	\$ (18,513,262)	\$ (7,068,096)

(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.

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 .083% on September 30, 2021 through 2022, rise to 1% in 2023 and then remain constant at 2% 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
2022	\$ 56,335,000	\$ 54,082	\$ 294,070	\$ 70,419	\$ 1,961,247	\$ 2,379,818
2023	56,335,000	563,350	294,070	70,419	1,588,084	2,515,923
2024	56,335,000	1,126,700	294,070	70,419	1,182,472	2,673,661
2025	56,335,000	1,126,700	294,070	70,419	1,182,472	2,673,661
2026	56,335,000	1,126,700	294,070	70,419	1,182,472	2,673,661
2027 - 2031	56,335,000	5,633,500	1,470,352	352,094	5,912,358	13,368,304
2032 - 2036	56,335,000	5,368,800	1,391,781	335,550	5,634,556	12,730,687
2037 - 2039	29,310,000	885,200	221,300	55,325	929,017	2,090,842
Total		<u>\$ 15,885,032</u>	<u>\$ 4,553,783</u>	<u>\$ 1,095,064</u>	<u>\$ 19,572,678</u>	<u>\$ 41,106,557</u>

NOTE I - INTEREST RATE SWAP (CONTINUED)

Debt service requirements (Continued)

Fiscal Years Ending September 30	Variable Rate Bonds - Unhedged		
	Principal	Interest (1)	Total
2022	\$ 1,475,000	\$ 34	\$ 1,486,800

- (1) Interest rates over the period are calculated .028% which was the rate in effect at September 30, 2021.
- (2) Liquidity fees are 50 basis points or 0.5% of the outstanding bond principal amount and provide for a ready buyer in the event that no other bond buyers can be found when these bonds are remarketed weekly.
- (3) The remarketing fees are 12.5 basis points or 0.125% of the outstanding bond principal amount.
- (4) Computed: (3.539% - .05992%) multiplied by the notional amount outstanding (see Interest Rate Swap Rate Table).

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

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, 2021, 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.

NOTE I - INTEREST RATE SWAP (CONTINUED)

Debt service requirements (Continued)

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

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

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

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

NOTE J - INTERFUND RECEIVABLES 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, 2021 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 2,912,705

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:

Transfer-Out Funds:	Transfer-In Funds:				Total
	General Fund	City Center Community Redevelopment Agency Fund	Non-Major Governmental Funds	Internal Service Funds	
General	\$ -	\$ -	\$ 1,420,416	\$ 650,000	\$ 2,070,416
City Center Community Redevelopment Agency	250,000	-	8,402,357	-	8,652,357
Non-major governmental	-	-	6,153,965	-	6,153,965
Non-major enterprise	590,291	-	-	-	590,291
Water and Sewer System	10,855,658	-	-	-	10,855,658
Internal Service	-	75,684	-	-	75,684
Total Transfers	\$ 11,695,949	\$ 75,684	\$ 15,976,738	\$ 650,000	\$ 28,398,371

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.

NOTE L - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budget (Continued)

During the fiscal year ended September 30, 2021, 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 Fees Western Expansion Fee Fund
- The Red Light Camera Fund
- Waterfront District Fund
- Cemetery Sinking Fund
- Land Acquisition Fund
- City Commons & Waterfront Park Construction Fund

During the fiscal year ended September 30, 2021 the City received funds related to the American Rescue Plan and established the American Rescue Plan Act Fund. The funds received interest income, however no budget was established for this fund.

At September 30, 2021 the General Fund had budgetary violations related to Police and Fire expenses due to substantial overtime needed in both departments related to COVID-19. In addition the captital outlay had a budget violation due to the donation of a capital asset that was not budgeted.

At September 30, 2021, the City Center Community Redevelopment Agency Fund had a budgetary violation in interest expense due to an error in the amortization schedule of the 2010A Bonds. The error was fixed for future years. In addition, The Northwood/Pleasant City Community Revelopment Agency Fund had a budgetary violation in principal expense related to the early payoff of the 2017 Brownfields Note, which was not budgeted.

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.

Deficit Fund Equity

For the fiscal year ended September 30, 2021, the Self Insurance Fund had a deficit fund balance due to an actuarial increase in outstanding liabilites based upon an analysis of our recent claims paid expericene rates. The shortfall will be corrected in fiscal year 2022 with additional assessments from operating charges. The Community Development Fund has a deficit fund balance as a result of a transfer made to the City's Grant Capital Projects fund for an amount in excess of the cash available in the fund at year end. The fund has future intergovernmental receivables due to it to cover the deficit

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.

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, 2021. 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 2021	Fiscal Year 2020
Unpaid claims as of October 1	\$ 13,155,264	\$ 10,717,744
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	7,549,265	6,037,795
Increases in provision for prior years' events where the City has retained risk of loss	<u>4,759,819</u>	<u>1,686,756</u>
Total incurred claims	<u>12,309,084</u>	<u>7,724,551</u>
Payments:		
Claims attributable to current year events where the City has retained risk of loss	2,085,268	1,622,515
Claims attributable to prior years' events where the City has retained risk of loss	<u>5,791,637</u>	<u>3,554,516</u>
Total payments	<u>7,876,905</u>	<u>5,177,031</u>
Unpaid claims as of September 30	<u>\$ 17,587,443</u>	<u>\$ 13,155,264</u>
Reconciliation to Internal Service Funds Statement of Net Position:		
Insurance claims payable, current portion	4,113,949	2,893,957
Insurance claims payable, long term portion	<u>13,473,494</u>	<u>10,261,307</u>
	<u>\$ 17,587,443</u>	<u>\$ 13,155,264</u>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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 2021	Fiscal Year 2020
Unpaid claims as of October 1	<u>\$ 1,210,076</u>	<u>\$ 1,221,963</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	53,822,520	67,095,290
Decreases in provision for prior years' events where the City has retained risk of loss	<u>(34,226,424)</u>	<u>(47,885,291)</u>
Total incurred claims	<u>19,596,096</u>	<u>19,209,999</u>
Payments:		
Claims attributable to current year events where the City has retained risk of loss	18,151,136	18,188,943
Claims attributable to prior years' events where the City has retained risk of loss	<u>1,274,328</u>	<u>1,032,943</u>
Total payments	<u>19,425,464</u>	<u>19,221,886</u>
Unpaid claims as of September 30	<u>\$ 1,380,708</u>	<u>\$ 1,210,076</u>
Reconciliation to Internal Service Funds Statement of Net Position		
Insurance claims payable, current portion	1,380,708	1,210,076
Insurance claims payable, long term portion	-	-
	<u>\$ 1,380,708</u>	<u>\$ 1,210,076</u>

NOTE N - COMMITMENTS AND CONTINGENCIES

Construction and Equipment Contracts

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. At the fiscal year end, the City had significant commitments representing encumbrances for uncompleted contracts for construction and equipment:

Governmental activities:

General Fund	\$ 2,935,508
City Center Community Redevelopment Agency Fund	601,728
Northwood/Pleasant City Community Redevelopment Agency Fund	893,111
Non-major Funds	<u>45,450,973</u>
	<u>\$ 49,881,320</u>

Business-Type activities:

Water and Sewer System Fund	\$ 22,780,731
Stormwater Fund	<u>4,304,820</u>
	<u>\$ 27,085,551</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 District Debt

On April 20, 2012, the Community Development District (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, 2021, 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, 2021, 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.

For this report dated September 30, 2021, the actuarial valuation date for all plans is September 30, 2019, and the measurement date is September 30, 2020. 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 2021, 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 2021, as discounted for payment at the beginning of the fiscal year, was \$5,935,584. This contribution represented approximately 23.8% of covered payroll. Chapter 185 funds, as mentioned above, amounted to \$1,597,683 for fiscal year 2021. The plan annually produces a separately audited annual report including financial statements and required supplementary information. This report may be obtained by writing to City of West Palm Beach, Finance Department, 401 Clematis Street, West Palm Beach, Florida 33401 or by calling 1-561-822-1310 or accessible at wpbppf.com.

Firefighters pension plan: The 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 2021, 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 2021, as discounted for payment at the beginning of the fiscal year, was \$9,405,758.

Chapter 175 funds, as mentioned above, amounted to \$1,487,932 for fiscal year 2021. In accordance with the union contract, 100% of the Chapter 175 monies, or \$1,487,932, was remitted to the pension plan. These combined contributions, amounting to \$10,893,690, represented 51.8% 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.

Contributions into the Plan varies from year to year and are actuarially determined. The City's recommended and actual contribution for fiscal year 2021 totaled \$354,046.

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, 2021

NOTE O - EMPLOYEE RETIREMENT PLANS (CONTINUED)

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

	Police Pension	Firefighters Pension	Restated Employees Pension
	September 30, 2019	September 30, 2019	September 30, 2019
Membership as of valuation date:			
Number of:			
Retirees and beneficiaries	266	207	166
Inactive, nonretired members	7	-	6
Active members	264	228	15
Total	<u>537</u>	<u>435</u>	<u>187</u>
Covered payroll	<u>\$ 24,972,409</u>	<u>\$ 21,020,508</u>	<u>\$ 1,021,817</u>
Net pension (asset) liability:			
Total pension liability	\$ 434,665,661	\$ 322,197,230	\$ 43,763,678
Fiduciary net position	<u>(400,055,406)</u>	<u>(252,230,683)</u>	<u>(45,778,034)</u>
Net pension (asset) liability	<u>\$ 34,610,255</u>	<u>\$ 69,966,547</u>	<u>\$ (2,014,356)</u>
Fiduciary net position as a % of total pension liability	<u>92.04 %</u>	<u>78.28 %</u>	<u>104.60 %</u>
Net pension (asset) liability as a % of covered payroll	<u>138.59 %</u>	<u>332.85 %</u>	<u>-197.13 %</u>
	Police Pension	Firefighters Pension	Restated Employees Pension
	Increase (Decrease)		
Total pension liability			
Balance at September 30, 2019	<u>\$ 408,293,394</u>	<u>\$ 313,047,802</u>	<u>\$ 43,439,476</u>
Changes for the year:			
Service cost	6,248,573	4,748,948	49,760
Interest on the total pension liability	30,656,907	15,356,555	3,142,590
Difference between expected and actual experience of the total pension liability	1,972,997	(1,290,643)	258,174
Changes of assumptions	4,439,753	(4,748,226)	-
Benefit payments including refunds of employee contributions	(18,719,757)	(17,091,761)	(3,126,322)
Other (DROP and share plan adjustments)	1,773,794	12,174,555	-
Net change in total pension liability	<u>26,372,267</u>	<u>9,149,428</u>	<u>324,202</u>
(a) Balance at September 30, 2020	<u>\$ 434,665,661</u>	<u>\$ 322,197,230</u>	<u>\$ 43,763,678</u>

CITY OF WEST PALM BEACH, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2021

NOTE O - EMPLOYEE RETIREMENT PLANS (CONTINUED)

	Police Pension	Firefighters Pension	Restated Employees Pension
	Increase (Decrease)		
Plan fiduciary net position:			
Balance at September 30, 2019	\$ 383,442,225	\$ 233,874,933	\$ 45,801,302
Contributions - Employer	6,852,261	11,095,789	-
Contributions - Employee	2,806,839	4,144,354	55,751
Net investment income	25,816,070	20,389,301	3,159,385
Benefit payments including refunds of employee contributions	(18,719,757)	(17,091,761)	(3,126,322)
Pension plan administrative expense	(304,417)	(196,920)	(92,658)
Other	162,185	14,987	(19,424)
Net change in plan fiduciary net position	<u>16,613,181</u>	<u>18,355,750</u>	<u>(23,268)</u>
(b) Plan fiduciary net position:			
Balance at September 30, 2020	<u>\$ 400,055,406</u>	<u>\$ 252,230,683</u>	<u>\$ 45,778,034</u>
(a) - (b) Net pension (asset) liability	<u>\$ 34,610,255</u>	<u>\$ 69,966,547</u>	<u>\$ (2,014,356)</u>
Plan fiduciary net position as a percentage of the total pension liability			
	<u>92.04 %</u>	<u>78.28 %</u>	<u>104.60 %</u>
Covered payroll	<u>\$ 24,972,409</u>	<u>\$ 21,020,508</u>	<u>\$ 1,021,817</u>
Net pension liability as a percentage of covered payroll	<u>138.59 %</u>	<u>332.85 %</u>	<u>-197.13 %</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	\$ 1,752,490	\$ -	\$ -	\$ 428,589	\$ 25,180
Police	-	34,610,255	-	29,910,502	12,287,648
Firefighters	-	69,966,547	7,701,612	15,379,476	8,549,267
Total	<u>\$ 1,752,490</u>	<u>\$104,576,802</u>	<u>\$ 7,701,612</u>	<u>\$ 45,718,567</u>	<u>\$ 20,862,095</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	\$ 261,866	\$ -	\$ -	\$ 64,043	\$ 3,764
Total	<u>\$ 261,866</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,043</u>	<u>\$ 3,764</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, 2021

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, 2019	September 30, 2019	September 30, 2019
Measurement date:	September 30, 2020	September 30, 2020	September 30, 2020
Reporting date:	September 30, 2021	September 30, 2021	September 30, 2021

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:	7.5%	7.50%	7.50%
Long-term municipal bond rate:	2.75%	2.41%	2.41%
Retirement age:	Experience-based table of rates that are specific to the type of eligibility condition.	Age and experience-based table of rates specific to the type of eligibility condition. Last updated for the 2018 valuation.	Age-based table of rates that are specific to the type of eligibility condition.
Mortality:	RP-2000 Combined 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, 2018 FRS Valuation, as mandated by Chapter 112.63, Florida Statutes.	The Florida Retirement System (FRS) mortality tables with use variations of the fully generational Pub-2010 Safety Mortality Tables with improvement scale MP-2018.	The Florida Retirement System (FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.
Other information:	Effective as of September 30, 2019, the investment return assumption was lowered from 7.625% to 7.5%	The Mortality Tables were updated to the rates indicated above, and reflected in the TPL as of September 30, 2020. 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, 2021:

Description	Deferred Outflows (Inflows)			Total
	Police Pension	Firefighters Pension	Restated Employees Pension	
City and State contribution subsequent to measurement date	\$ 7,533,267	\$ 9,405,758	\$ -	\$ 16,939,025
Differences between expected and actual experience	4,339,809	(1,129,496)	-	3,210,313
Change of assumptions - outflows	9,363,556	5,973,718	-	15,337,274
Change of assumptions - inflows	-	(4,115,534)	-	(4,115,534)
Net difference between projected and actual earnings on pension investments	8,673,870	(2,456,582)	492,632	6,709,920
Total	<u>\$ 29,910,502</u>	<u>\$ 7,677,864</u>	<u>\$ 492,632</u>	<u>\$ 38,080,998</u>
Amounts from Statement of Net Position:				
Deferred outflows related to pension				45,782,610
Deferred inflows related to pension				(7,701,612)
Total				<u>\$ 38,080,998</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
Restated Employees Pension	\$ 2,577,466	\$ (2,014,356)	\$ (5,892,182)
	6.50%	7.50%	8.50%
Firefighters Pension	\$ 95,406,677	\$ 69,966,547	\$ 49,086,654
	6.50%	7.50%	8.50%

NOTE O - EMPLOYEE RETIREMENT PLANS (CONTINUED)

(2) Plan assets (Continued)

	Discount Rate		
	1% Decrease 6.500%	Assumption 7.500%	1% Increase 8.500%
Police Pension	\$ 76,576,430	\$ 34,610,255	\$ 607,811

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, 2020, the City contributed \$7,533,267 and \$9,405,758 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>
2022	\$ 4,760,698	\$ (1,768,394)	\$ (229,695)
2023	7,702,897	279,413	294,317
2024	7,474,629	1,810,749	396,739
2025	2,313,271	(368,592)	31,271
2026	125,740	(583,369)	-
Thereafter	-	(1,097,701)	-
Total	<u>\$ 22,377,235</u>	<u>\$ (1,727,894)</u>	<u>\$ 492,632</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, 2021 are summarized in the following table.

<u>Asset Class</u>	Police Pension:	
	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	47.00 %	5.10 %
International equity	14.00 %	8.50 %
Domestic bonds	22.00 %	2.50 %
Real estate	14.00 %	4.50 %
Alternative assets	3.00 %	6.00 %

NOTE O - EMPLOYEE RETIREMENT PLANS (CONTINUED)

Firefighters Pension:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	47.00 %	4.20 %
International equity	10.00 %	8.50 %
Domestic bonds	14.00 %	2.50 %
International bonds	5.00 %	3.50 %
Real estate	12.00 %	4.50 %
Alternative assets	10.00 %	6.20 %

Restated Employees Pension:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	50.00 %	7.50 %
International equity	10.00 %	8.50 %
Domestic bonds	20.00 %	2.50 %
International bonds	10.00 %	3.50 %
Real estate	5.00 %	4.50 %
Alternative assets	5.00 %	6.00 %

(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 2021 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.

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 - RESTATEMENT

During the current fiscal year, the City adopted GASB Statement No. 84, which establishes criteria for identifying and reporting fiduciary activities. As a result of implementing this standard, the Voluntary Employees' Beneficiary Association (VEBA) Plans for Elected Officials and Certain Management Employees (Elected Officials and Management VEBA) and General Employees (General Employee VEBA) who are not covered by police and firefighters pension plans are now reported as fiduciary activities in the fiduciary funds.

During the current year, the City corrected an error of reporting the VEBA plans. In previous years, the plans were reported as defined contribution OPEB plans, but are determined defined benefit OPEB plans under GASB Statement No. 74. As a result, the City restated its net position to record net OPEB liability as of the beginning of the fiscal year for the VEBA plans. The City also presented information required by GASB Statements No. 74 and No. 75 in its current fiscal year disclosure of the OPEB Plans (Note R) and in the Required Supplementary Information Section, as a result of this correction.

The Police Pension Plan and Firefighters Pension Plan were previously reported as fiduciary activities but no longer qualify as fiduciary funds of the City and, therefore, are no longer reported within these statements.

The effect of this new standard and the correction of the error on fund balance/net position was as follows:

Description	Governmental Activities	Business-Type Activities	Fiduciary Activities
Net position at beginning of year, as previously reported	\$ 228,868,664	\$ 554,211,489	\$ 709,985,132
Adjustment for GASB Statement No. 84 - Activity no longer reported	-	-	(652,286,089)
Adjustment for GASB Statement No. 84 - Addition of fiduciary activities	-	-	6,074,075
Correction of an error - Net OPEB liability not previously recorded	(10,134,851)	(834,118)	-
Net position at beginning of year, as restated	<u>\$ 218,733,813</u>	<u>\$ 553,377,371</u>	<u>\$ 63,773,118</u>

NOTE R - OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plans

OPEB Trust: The City accounts for OPEB benefits through the Other Post-Employment Benefits Trust Fund ("The OPEB Trust") established by the City Commission on September 23, 2008. No employee or retiree contributions to the Trust are required. Future contributions to the trust will be budgeted by the City Commission based on actuarially determined amounts. The OPEB Trust is a single employer fund administered by a Board of Trustees as designated in the Declaration of Trust.

The OPEB Trust provides for the payment of implicit rate subsidies and other non-pension post-employment benefits for eligible retirees and their families. Amendments to the OPEB Trust must be in accordance with governing Ordinance No. 4106-08, unless such Ordinance is subsequently amended by the City.

NOTE R - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

General Information about the OPEB Plans (Continued)

The OPEB Trust 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.

During the fiscal year ended September 30, 2021, the City adopted GASB Statement No. 84, *Fiduciary Activities*. This Statement provides guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and establishes criteria for identifying fiduciary activities. The City determined the Elected Officials and Management VEBA and the General Employees VEBA meets the criteria of fiduciary activities.

Elected Officials and Management VEBA and General Employees VEBA: In January 2007, the City Commission approved Ordinance No. 4017-07 establishing the Elected Officials and Management VEBA and the General Employees VEBA (collectively, the "General VEBA Plans"). The Elected Officials and Management VEBA cover elected officials and certain members of management of the City of West Palm Beach as defined in the Plan while the General Employees VEBA cover all other full time employees who are not covered by either the Firefighters VEBA or the Police VEBA. Through Ordinance 4305-10, the City Commission amended the the Plans and determined that the City contributions to the Plans will no longer be determined as a percentage of eligible participant salaries and will be determined by an annual resolution approved by the City Commission. The Elected Officials and Management VEBA and the General Employees VEBA do not require participant contributions.

The General VEBA Plans cover post employment health care benefits for eligible employees, management and elected officials. Eligible employees as defined by the VEBA Plans to include all full time employees who are employed by the City as of January 1, 2007, except those that are eligible to participate under either the Police Pension Fund or the Firefighters Pension Fund. Eligibility for benefits shall be based on five (5) or more continuous years of service as a fulltime employee of the City. The VEBA Plans do not have separately issued financial statements and as such are included below.

The VEBA Plans are administered by their respective Boards of Trustees. A majority of board members are appointed by the City and a minority by the membership of each VEBA Plan. Elected Officials and Management VEBA and the General Employees VEBA each 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. Liability of the City is limited to the periodic contributions as required by Ordinance 4305-10. Liability of the City is limited to periodic contributions as required by the annual resolution.

The Investment Policy of the City, as amended from time to time, shall serve as the investment policy for the Trustees and the Trust Funds of the OPEB Trust, Elected Officials and Management VEBA and the General Employees VEBA, subject to all applicable laws.

The City is also obligated through collective bargaining agreements to provide provide annual contributions for Police officers Firefighters. The contributions and other activities related to these Plans are administered through individual trust funds established and operated by boards of trustees separately from the City. Though the City is obligated to provide annual contributions for the respective participants of these Plans, the activities of the Police VEBA and the Firefighters VEBA do not meet the criteria of fiduciary activities and are not included it the financial statements of the City.

NOTE R - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

General Information about the OPEB Plans (Continued)

Police VEBA: The Police VEBA is authorized in the collective bargaining unit between the City and the Palm Beach County Police Benevolent Association (the "Police Contract"). The Police 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.

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

The Firefighters 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 Firefighters VEBA members. Liability of the City is limited to periodic contributions as required by the Firefighters contract.

OPEB calculations are based on the OPEB benefits provided under the terms of the substantive plans 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 plans reflect a long-term perspective. The actuarial valuations involve estimates of the values of reported amounts and assumptions about the probability of events far into the future.

Employer Reporting OPEB Plans Membership: As of the measurement date for the respective OPEB Plans offered by the City, employee membership data are as follows:

	Elected Officials and Management				
	OPEB Trust	VEBA	General Employees VEBA	Police VEBA	Firefighters VEBA
Date of member count	September 30, 2021	December 31, 2019	December 31, 2019	July 1, 2021	September 30, 2019
Retirees	208	30	172	158	130
Inactive, nonretired members	-	-	-	3	-
Active plan members	1,385	74	935	264	228
Total plan members	1,593	104	1,107	425	358

NOTE R - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Investments:

The OPEB Plans' investment target asset allocations are listed below:

Asset Class	OPEB Trust	Elected Officials and Management VEBA	General Employees VEBA	Police VEBA	Firefighters VEBA
	Target Allocation	Target Allocation	Target Allocation	Target Allocation	Target Allocation
Domestic equity	50.0%	38.0%	38.0%	52.0%	55.0%
International equity	10.0%	22.0%	22.0%	18.0%	15.0%
Domestic bonds	20.0%	-%	-%	-%	-%
International bonds	10.0%	-%	-%	-%	-%
Real estate	5.0%	-%	-%	-%	-%
Fixed income mutual funds	-%	40.0%	40.0%	30.0%	30.0%
Alternative assets	5.0%	-%	-%	-%	-%

Rates of return: The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return on investments, net of investment expenses, for the OPEB Trust at September 30, 2021 was 10.65%. The annual money-weighted rate of return on investments, net of investment expenses for the Elected Officials and Management VEBA and the General Employees VEBA at December 31, 2020, was 16.18% and 18.29%, respectively.

The long-term expected rate of return on the OPEB 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 and are listed below.

Asset Class	Long-term Expected Real Rate of Return				
	OPEB Trust September 30, 2021	Elected Officials and Management VEBA December 31, 2020	General Employee VEBA December 31, 2020	Police VEBA December 31, 2020	Firefighters VEBA March 31, 2021
Domestic equity	7.50 %	6.00 %	6.00 %	7.25 %	7.50 %
International equity	8.50 %	4.00 %	4.00 %	2.00 %	2.00 %
Domestic bonds	2.50 %	- %	- %	- %	- %
International bonds	3.50 %	- %	- %	- %	- %
Real estate	4.50 %	- %	- %	- %	- %
Fixed income mutual funds	- %	7.50 %	6.50 %	2.00 %	2.00 %
Alternative assets	6.00 %	- %	- %	- %	- %

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE R - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Net OPEB Liability of the City:

The components of the net OPEB liability/(asset) of the City at September 30, 2021, were as follows:

	<u>OPEB Trust</u>	<u>Elected Officials and Management VEBA</u>	<u>General Employee VEBA</u>	<u>Police VEBA</u>	<u>Firefighter VEBA</u>
Balance recognized at September 30, 2020	\$ (729,708)	\$ 815,446	\$ 6,416,295	\$ 3,465,324	\$ 271,902
Changes for the fiscal year:					
Service cost	456,559	56,115	457,054	184,796	71,247
Interest on the total OPEB liability/asset	1,054,428	92,847	711,933	1,362,414	581,103
Changes in assumptions and other inputs	48,085	(131,732)	266,795	1,188,512	(23,950)
Contributions - employer	(1,348,219)	-	-	(1,026,842)	(428,140)
Net investment income	(3,388,063)	(86,778)	(823,273)	(1,976,925)	(3,291,779)
OPEB plan administrative expense	-	1,974	8,666	14,885	30,730
Net change in net OPEB liability/asset	<u>(3,177,210)</u>	<u>(67,574)</u>	<u>621,175</u>	<u>(253,160)</u>	<u>(3,060,789)</u>
Net OPEB liability/(asset) at September 30, 2021	<u>\$ (3,906,918)</u>	<u>\$ 747,872</u>	<u>\$ 7,037,470</u>	<u>\$ 3,212,164</u>	<u>\$ (2,788,887)</u>
Plan fiduciary net position as a % of total OPEB liability/asset	<u>127.0 %</u>	<u>50.5 %</u>	<u>45.7 %</u>	<u>83.3 %</u>	<u>134.5 %</u>
Covered payroll	<u>\$ 91,963,611</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 25,671,050</u>	<u>\$ 21,407,000</u>
Net OPEB liability/asset as a % of covered payroll	<u>-4.2 %</u>	<u>N/A</u>	<u>N/A</u>	<u>12.5 %</u>	<u>-13.0 %</u>
Measurement date	September 30, 2021	December 31, 2020	December 31, 2020	December 31, 2020	March 31, 2021

At September 30, 2021, the City reported deferred outflows/(inflows) of resources related to the OPEB plans as follows:

<u>Description</u>	<u>OPEB Trust</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 493,961	\$ (982,833)
Changes in assumptions	537,338	(41,235)
Net difference between projected and actual earnings in OPEB plan investments	-	(1,400,885)
Total	<u>\$ 1,031,299</u>	<u>\$ (2,424,953)</u>

NOTE R - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Description	Elected Officials and Management VEBA		General Employees VEBA	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
City contribution subsequent to measurement date	\$ 315,367	\$ -	\$ -	\$ -
Differences between expected and actual experience	-	(17,903)	-	(161,941)
Change of assumptions	311,899	-	3,241,324	-
Net difference between projected and actual earnings in OPEB plan investments	-	(35,681)	-	(408,231)
Total	<u>\$ 627,266</u>	<u>\$ (53,584)</u>	<u>\$ 3,241,324</u>	<u>\$ (570,172)</u>

Description	Police VEBA		Firefighters VEBA	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
City contribution subsequent to measurement date	\$ 961,174	\$ -	\$ 506,373	\$ -
Differences between expected and actual experience	1,001,514	-	-	-
Changes in assumptions	-	-	-	(21,321)
Net difference between projected and actual earnings in OPEB plan investments	-	(686,920)	-	(2,175,070)
Total	<u>\$ 1,962,688</u>	<u>\$ (686,920)</u>	<u>\$ 506,373</u>	<u>\$ (2,196,391)</u>

CITY OF WEST PALM BEACH, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2021

NOTE R - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The following table summarized the net OPEB asset, net OPEB liability, and deferred inflow and outflow of resources as disclosed above for each OPEB plan:

Governmental Activities				
Description	Net OPEB Asset	Net OPEB Liability	Deferred Inflows of Resources	Deferred Outflows of Resources
OPEB Trust	\$ 3,399,019	\$ -	\$ 2,109,709	\$ 897,230
Elected Officials and Management VEBA	-	747,872	53,584	627,266
General Employees VEBA	-	6,122,599	496,050	2,819,952
Police VEBA	-	3,212,164	686,920	1,962,688
Firefighters VEBA	2,788,887	-	2,196,391	506,373
Total	<u>\$ 6,187,906</u>	<u>\$ 10,082,635</u>	<u>\$ 5,542,654</u>	<u>\$ 6,813,509</u>

Business-Type Activities				
Description	Net OPEB Asset	Net OPEB Liability	Deferred Inflows of Resources	Deferred Outflows of Resources
OPEB Trust	\$ 507,899	\$ -	\$ 315,244	\$ 134,069
General Employees VEBA	-	914,871	74,122	421,372
Total	<u>\$ 507,899</u>	<u>\$ 914,871</u>	<u>\$ 389,366</u>	<u>\$ 555,441</u>

The balances as of September 30, 2021 of the deferred outflows/(inflows) of resources will be recognized in OPEB expense in the future years as noted below:

Fiscal Year	Elected Officials and				
	OPEB Trust	Management VEBA	General Employee VEBA	Firefighter VEBA	Police VEBA
2022	\$ (51,676)	\$ 49,252	\$ 321,317	\$ (546,397)	\$ 15,268
2023	(395,498)	49,252	321,317	(546,397)	15,268
2024	(497,437)	49,252	321,317	(546,397)	15,268
2025	(378,029)	49,252	321,318	(546,395)	15,268
2026	(38,511)	58,172	423,375	(2,629)	186,998
Thereafter	(32,503)	3,136	962,508	(8,176)	66,524

**CITY OF WEST PALM BEACH, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2021**

NOTE R - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The total OPEB liability/(asset) was determined by an actuarial valuation using the following assumptions included in the measurement as follows:

	<u>OPEB Trust Plan</u>	<u>Elected Officials and Management VEBA</u>	<u>General Employees VEBA</u>
Measurement date:	September 30, 2021	December 31, 2020	December 31, 2020
Actuarial valuation date:	September 30, 2021	December 31, 2019	December 31, 2019
Inflation:	1.5% per year. Inflation is included in the payroll growth rates.	2.5.5% per year.	2.5% per year.
Discount rate	7.50%	2.54%	2.47%
Investment rate of return:	7.50%	6.0%	6.00%
Payroll growth:	The salary scale is based on the City's Fire pension valuation as of September 30, 2019 and the City's Police pension valuation as of September 30, 2018. See table below.		N/A

<u>Years of Service</u>	<u>Police</u>	<u>Fire</u>	<u>General</u>
0 - 10	5.00%	4.50%	4.00%
11 - 12	5.00%	4.25%	4.05%
23 +	5.00%	4.00%	4.00%

NOTE R - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

	<u>OPEB Trust</u>	<u>Elected Officials and Management VEBA</u>	<u>General Employees VEBA</u>
Healthcare cost trends:	An initial rate of 8.00% decreasing to an ultimate rate of 4.50% for FY 2029.	N/A	N/A
Mortality rates:	General Employees and Retirees: SOA PUB-2010 General Head Count on Weighted Mortality Table fully generational using Scale MP-2020	Male non-disabled mortality: fully generational mortality. 50% of the RP-2000 Annuitant White Collar Table and 50% of the RP-2000 Annuitant Blue Collar Table, projected with scale BB.	Male non-disabled mortality: fully generational mortality. 50% of the RP-2000 Annuitant White Collar Table and 50% of the RP-2000 Annuitant Blue Collar Table, projected with scale BB.
	Police and Fire Employees and Retirees: SOA Pub-2010 Public Safety Head Count on Weighted Mortality Table fully generational using Scale MP-2020	Female non-disabled mortality: fully generational mortality. 100% of the RP-2000 Annuitant White Collar Table, projected with scale BB.	Female non-disabled mortality: fully generational mortality. 100% of the RP-2000 Annuitant White Collar Table, projected with scale BB.
	Surviving Spouses: SOA Pub-2010 Contingent Survivor Head Count on Weighted Mortality Table fully generational using Scale MP-2020	Female employee mortality: fully generational mortality. 100% of the RP-2000 Employee White Collar Table, projected with scale BB.	Female employee mortality: fully generational mortality. 100% of the RP-2000 Employee White Collar Table, projected with scale BB.
		Male disabled mortality: 100% of the RP-2000 Disabled Male Table set back 4 years. Female disabled mortality: 100% of the RP-2000 Disabled Female Table, set forward 2 years.	Male disabled mortality: 100% of the RP-2000 Disabled Male Table set back 4 years. Female disabled mortality: 100% of the RP-2000 Disabled Female Table, set forward 2 years.

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE R - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

	Police VEBA	Firefighters VEBA
Measurement date	December 30, 2020	March 31, 2021
Actuarial valuation date	July 1, 2021	September 30, 2019
Inflation	2.50%	2.60%
Discount rate	7.25%	7.50%
Investment rate of return	7.25% net of OPEB plan investment expense, including inflation	7.50%, net of OPEB plan investment expense, including inflation
Payroll growth	5.00%	4.10%
Retirement age	Age and experience-based table of rates that are specific to the type of eligibility condition.	Age and experience-based table of rates that are specific to the type of eligibility condition.
Mortality rates	<p>Healthy Employees: PUB-2010 Headcount-Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table</p> <p>Healthy Retiree: PUB-2010 Headcount-Weighted Safety Retiree Female Mortality Table and Safety Below Median Retiree Male Mortality Table</p> <p>Disabled Participants: 80% PUB-2010 Headcount Weighted Gen. Disabled Retiree Mortality Table & 20% PUB-2010 Headcount- Weighted Safety Disabled Retiree Mortality Table. Separate rates male/female</p> <p>The margin for future mortality improvements is included in projection scales. 50% of deaths before retirement were assumed to be duty related.</p>	<p>Male non-disabled retireemortality: fully generational mortality. 10% RP-2000 Annuitant White Collar Table and 90% RP-2000 Annuitant Blue Collar Table, projected with MP-2019</p> <p>Female non-disabled retiree mortality: full generational mortality. 100% RP-2000 Annuitant White Collar Table, projected with MP-2019</p> <p>Male employee mortality: fully generational mortality. 10% RP-2000 Employee White Collar Table and 90% RP-2000 Employee Blue Collar Table, projected with MP-2019</p> <p>Female employee mortality: fully generational mortality. 100% RP-2000 Employee White Collar Table, projected with MO-2019</p> <p>Disabled mortality: Male- 60% RP-2000 Disabled Male Table, set back 4 years & 40% RP- 2000 Annuitant White Collar Table. Female- 60% RP-2000 Disabled Female Table, set forward 2 years & 40% RP- 2000 Annuitant White Collar Table.</p>

CITY OF WEST PALM BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE R - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The OPEB Plans had the following changes in the net OPEB liability/(asset):

	<u>OPEB Trust</u>	<u>Police VEBA</u>	<u>Firefighters VEBA</u>	<u>Elected Officials and Management VEBA</u>	<u>General Employees VEBA</u>
Total OPEB liability (asset):					
Service cost	\$ 456,559	\$ 184,796	\$ 71,247	\$ 56,115	\$ 457,054
Interest	1,054,428	1,362,414	581,103	92,847	711,933
Changes in benefit terms	-	-	-	(483,900)	(3,235,963)
Difference between expected and actual experience	(566,016)	-	-	(21,446)	(184,206)
Changes of assumptions	614,101	1,188,512	(23,950)	373,614	3,686,964
Benefit payments	<u>(1,348,219)</u>	<u>(783,380)</u>	<u>(499,321)</u>	<u>(54,395)</u>	<u>(244,414)</u>
Net change in total OPEB liability (asset)	210,853	1,952,342	129,079	(37,165)	1,191,368
Total OPEB liability (asset) - beginning of year	<u>14,264,403</u>	<u>17,329,473</u>	<u>7,962,076</u>	<u>1,546,585</u>	<u>11,759,231</u>
Total OPEB liability (asset) - end of year (a)	<u><u>14,475,256</u></u>	<u><u>19,281,815</u></u>	<u><u>8,091,155</u></u>	<u><u>1,509,420</u></u>	<u><u>12,950,599</u></u>
Plan fiduciary net position:					
Contributions - employer	1,348,219	1,026,842	428,140	-	-
Net investment income	3,388,063	1,976,925	3,291,779	86,778	823,273
Benefit payments	(1,348,219)	(783,380)	(499,321)	(54,395)	(244,414)
Trust administrative expenses	<u>-</u>	<u>(14,885)</u>	<u>(30,730)</u>	<u>(1,974)</u>	<u>(8,666)</u>
Net change in plan fiduciary net position	3,388,063	2,205,502	3,189,868	30,409	570,193
Plan fiduciary net position - beginning of year	<u>14,994,111</u>	<u>13,864,149</u>	<u>7,690,174</u>	<u>731,139</u>	<u>5,342,936</u>
Plan fiduciary net position - end of year (b)	<u><u>18,382,174</u></u>	<u><u>16,069,651</u></u>	<u><u>10,880,042</u></u>	<u><u>761,548</u></u>	<u><u>5,913,129</u></u>
Net OPEB liability (asset) - end of year (a - b)	<u><u>\$ (3,906,918)</u></u>	<u><u>\$ 3,212,164</u></u>	<u><u>\$ (2,788,887)</u></u>	<u><u>\$ 747,872</u></u>	<u><u>\$ 7,037,470</u></u>

Change of assumptions: These assumptions are estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rates of investment income and compensation increases. These assumptions are generally based on past experience, often modified for projected changes in conditions. Significant changes of assumptions for the OPEB Plans are derived from the Police VEBA and General Employees VEBA and are discussed below:

Police VEBA - In accordance with the July 1, 2021 actuarial valuation, the mortality tables have been updated to the fully generational Florida Retirement System (FRS) Mortality Tables projected using MP-2018 and the investment return assumption was lowered from 8.00% to 7.25%. The combined effect of these assumption changes increased the Total OPEB Liability.

NOTE R - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

General Employee VEBA - The actuarial assumptions used to valued the liabilities are outlined in the December 31, 2019 actuarial valuation report, except the single discount rate return was changed from 6.00% to 2.47%. The effect of this assumption change increased the Total OPEB Liability.

Discount rates: The discount rate used to measure the OPEB Trust 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.

Projected benefit payments for the VEBA Trusts are required to be discounted to their actuarial present value using a Single Discount Rate that reflects: (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plans' fiduciary net position is projected to be sufficient to pay benefits); and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate: The following table illustrates the impact of interest rate sensitivity on the net OPEB asset of the City as of September 30, 2021:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
OPEB Trust Fund	\$ (2,888,081)	\$ (3,906,918)	\$ (4,824,560)
	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
VEBA Plan - Police Fund	\$ 5,672,334	\$ 3,212,164	\$ 1,187,208
	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
VEBA Plan - Firefighter Fund	\$ (1,808,527)	\$ (2,788,887)	\$ (3,597,616)
	1% Decrease 1.54%	Current Discount Rate 2.54%	1% Increase 3.54%
VEBA Plan - Management Fund	\$ 890,471	\$ 747,872	\$ 622,376
	1% Decrease 1.47%	Current Discount Rate 2.47%	1% Increase 3.47%

CITY OF WEST PALM BEACH, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2021

NOTE R - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

	1% Decrease 1.47%	Current Discount Rate 2.47%	1% Increase 3.47%
VEBA Plan - General Employee Fund	\$ 8,463,975	\$ 7,037,470	\$ 5,791,149

Sensitivity of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rates: The following table illustrates the impact of healthcare cost trend rate sensitivity on the net OPEB asset of the City as of September 30, 2021:

	1% Decrease 6.50%	Current Trend Rate 7.50%	1% Increase 8.50%
OPEB Trust Fund	\$ (4,934,914)	\$ (3,906,918)	\$ (2,736,428)
VEBA Plan - Police Fund	N/A	N/A	N/A
VEBA Plan - Firefighter Fund	N/A	N/A	N/A
VEBA Plan - Management Fund	N/A	N/A	N/A
VEBA Plan - General Employee Fund	N/A	N/A	N/A

Accounting for the OPEB Trust Trust, the Elected Officials and Management VEBA and the General Employees VEBA is done by the City of West Palm Beach staff, separately issued and audited financial statements are not available.

OPEB Plans financial statements for the respected Plans fiscal years ended September 30, 2021 and December 31, 2020, which are included in the Fiduciary Fund Financial Statements of this report, are as follows:

STATEMENT OF FIDUCIARY NET POSITION

	September 30, 2021	December 31, 2020	December 31, 2020	
		Elected Officials and Management	General Employees VEBA	Total
	OPEB Trust	VEBA		
Cash and cash equivalents	\$ 1,808,507	\$ 86,106	\$ 124,533	\$ 2,019,146
Interest Receivable	38	-	2	40
Investments:				
Fixed income	2,123,433	-	-	2,123,433
Equities	13,910,313	-	-	13,910,313
Mutual funds	539,943	675,442	5,788,594	7,003,979
Total investments	16,573,689	675,442	5,788,594	23,037,725
Total assets	18,382,234	761,548	5,913,129	25,056,911
Liabilities				
Net position	\$ 18,382,234	\$ 761,548	\$ 5,913,129	\$ 25,056,911

NOTE R - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 For the Fiscal year Ended

	September 30, 2021	December 31, 2020	December 31, 2020	
	OPEB Trust	VEBA Plan - Management Fund	Veba Plan - General Employee Fund	Total
Additions:				
Employer contributions	\$ 1,348,219	\$ -	\$ -	\$ 1,348,219
Change in fair market value	3,388,298	88,778	827,561	4,304,637
Total additions	<u>4,736,517</u>	<u>88,778</u>	<u>827,561</u>	<u>5,652,856</u>
Deductions:				
Participant payments	1,348,219	54,395	244,414	1,647,028
Investment expense	-	2,000	4,288	6,288
Administrative expense	175	1,974	8,666	10,815
Total deductions	<u>1,348,394</u>	<u>58,369</u>	<u>257,368</u>	<u>1,664,131</u>
Net increase	3,388,123	30,409	570,193	3,988,725
Net position restricted for OPEB:				
Beginning of year	14,994,111	731,139	5,342,936	21,068,186
End of year	<u>\$ 18,382,234</u>	<u>\$ 761,548</u>	<u>\$ 5,913,129</u>	<u>\$ 25,056,911</u>

CITY OF WEST PALM BEACH, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2021

NOTE S - FUND BALANCE CONSTRAINTS

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

	General Fund	City Center Redevelopment Agency Fund	Northwood / Pleasant City Community Redevelopment Agency Fund	Non-Major Governmental Funds	Total Governmental Funds
Fund balances:					
Nonspendable:					
Inventory	\$ 373,061	\$ -	\$ -	\$ 60,967	\$ 434,028
Prepaid items	83,282	6,269	-	15,028	104,579
Restricted:					
Forfeiture	-	-	-	591,293	591,293
Cemetery trust	-	-	-	1,300,573	1,300,573
Transportation	-	-	-	4,894,356	4,894,356
Public safety	-	-	-	13,857,732	13,857,732
Economic environment	-	26,791,045	5,108,123	7,859,839	39,759,007
Debt service	-	-	-	7,322,084	7,322,084
Capital outlay	-	-	-	116,623,398	116,623,398
Committed:					
Emergency reserve	17,906,327	-	-	-	17,906,327
Art in public places	1,623,111	-	-	-	1,623,111
Debt service	-	-	-	365,789	365,789
Land held for resale	-	-	-	2,862,607	2,862,607
Public safety	-	-	-	6,627,799	6,627,799
Leisure services	-	-	-	2,433,376	2,433,376
Capital outlay	-	-	-	3,693,220	3,693,220
Assigned:					
For subsequent year's expenditures	3,361,128	-	-	-	3,361,128
Unassigned	25,032,673	-	-	(1,821,482)	23,211,191
Total fund balances	<u>\$ 48,379,582</u>	<u>\$ 26,797,314</u>	<u>\$ 5,108,123</u>	<u>\$ 166,686,579</u>	<u>\$ 246,971,598</u>

NOTE T - SUBSEQUENT EVENT

On October 1, 2020, the City 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, 2021, the outstanding principal due on the Series 2012A bonds was \$38,375,000.



WEST PALM BEACH

Finance Department

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Photo by Captain Kimo / 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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget - Positive (Negative)
REVENUES:				
Taxes	\$ 119,447,896	\$ 119,447,896	\$ 122,552,010	\$ 3,104,114
Licenses and permits	2,772,300	2,772,300	3,829,291	1,056,991
Intergovernmental	12,603,019	12,918,279	17,282,373	4,364,094
Charges for services	44,241,516	44,308,516	45,886,228	1,577,712
Fines and forfeitures	353,000	353,000	458,522	105,522
Rents and royalties	515,000	515,000	539,785	24,785
Interest income	634,000	634,000	440,786	(193,214)
Miscellaneous	376,225	583,290	1,413,138	829,848
Total revenues	180,942,956	181,532,281	192,402,133	10,869,852
EXPENDITURES:				
Current:				
General government				
Mayor's Office	8,114,714	8,570,603	6,755,276	1,815,327
Internal Audit	724,435	833,785	729,958	103,827
Non-departmental Government				
Finance	2,282,122	3,941,597	3,153,283	788,314
Support Services	4,372,179	4,372,179	4,198,552	173,627
Human Resources	3,464,365	4,543,365	3,144,427	1,398,938
Department of City Attorney	2,322,174	2,322,174	1,942,700	379,474
Housing and Community Development	4,448,898	4,448,898	4,311,041	137,857
Development Services	3,559,067	3,544,067	2,708,912	835,155
Public works	4,827,271	2,556,074	2,305,794	250,280
Engineering services	3,692,568	3,692,568	3,243,772	448,796
Health and sanitation	3,382,479	3,382,479	2,943,213	439,266
Leisure services	11,575,096	11,575,096	11,397,086	178,010
Library	4,686,950	4,663,750	4,427,184	236,566
Parks and recreation	18,940,317	19,156,233	17,341,996	1,814,237
Public safety				
Police	62,333,864	63,307,526	65,186,066	(1,878,540)
Fire	44,258,807	46,530,004	47,011,104	(481,100)
Capital outlay	2,511,327	3,387,665	3,850,144	(462,479)
Debt service:				
Principal	6,767,390	6,767,390	6,767,390	-
Interest expense	5,153,860	5,153,860	5,112,468	41,392
Total expenditures	197,417,883	202,749,313	196,530,366	6,218,947
Excess (deficiency) of revenues over (under) expenditures	(16,474,927)	(21,217,032)	(4,128,233)	17,088,799

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, 2021**

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES AND USES:				
Disposal of capital assets	499,000	499,000	1,188,401	689,401
Transfers in	11,057,911	11,057,911	11,695,949	638,038
Transfers out	(1,420,416)	(2,070,416)	(2,070,416)	-
Total other financing sources and uses	<u>10,136,495</u>	<u>9,486,495</u>	<u>10,813,934</u>	<u>1,327,439</u>
Net changes in fund balances	<u>\$ (6,338,432)</u>	<u>\$ (11,730,537)</u>	<u>\$ 6,685,701</u>	<u>\$ (5,978,344)</u>
Reconciliation of budgetary to GAAP basis revenues:				
Revenues reported in this statement			\$ 192,402,133	
On-behalf payments			3,085,615	
Deduct administrative charges			<u>(16,424,478)</u>	
Revenues GAAP basis			<u>\$ 179,063,270</u>	
Reconciliation of budgetary to GAAP basis expenditures:				
Expenditures reported in this statement			\$ 196,530,366	
On-behalf payments			3,085,615	
Deduct year end encumbrances			(3,361,128)	
Deduct administrative expenditures			<u>(16,424,478)</u>	
Expenditures GAAP basis			<u>\$ 179,830,375</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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget - Positive (Negative)
REVENUES:				
Taxes	\$ 23,474,326	\$ 23,474,326	\$ 23,745,658	\$ 271,332
Intergovernmental	15,822,841	15,822,841	15,522,805	(300,036)
Charges for services	-	366,188	1,003,146	636,958
Rents and royalties	530,997	530,997	302,516	(228,481)
Interest income	225,000	225,000	169,589	(55,411)
Miscellaneous	4,937	4,937	303,692	298,755
Total revenues	40,058,101	40,424,289	41,047,406	623,117
EXPENDITURES:				
Current:				
Economic environment	41,771,379	40,291,158	28,046,001	12,245,157
Capital outlay	14,283,859	15,483,354	5,353,678	10,129,676
Debt service:				
Principal	3,542,528	3,542,528	3,542,528	-
Interest expense	1,676,223	1,676,223	1,687,426	(11,203)
Total expenditures	61,273,989	60,993,263	38,629,633	22,363,630
Excess (deficiency) of revenues over (under) expenditures	(21,215,888)	(20,568,974)	2,417,773	22,986,747
OTHER FINANCING SOURCES (USES):				
Transfers in	75,684	75,684	75,684	-
Transfers out	(8,371,631)	(8,652,357)	(8,652,357)	-
Total other financing sources (uses)	(8,295,947)	(8,576,673)	(8,576,673)	-
Net changes in fund balances	\$ (29,511,835)	\$ (29,145,647)	\$ (6,158,900)	\$ 22,986,747
Fund balances - beginning			32,956,214	
Fund balances - ending			\$ 26,797,314	

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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget - Positive (Negative)
REVENUES:				
Taxes	\$ 2,796,146	\$ 2,796,146	\$ 2,828,466	\$ 32,320
Intergovernmental	1,600,988	1,600,988	1,649,625	48,637
Charges for services	26,000	26,000	19,450	(6,550)
Interest income	30,000	30,000	24,365	(5,635)
Total revenues	4,453,134	4,453,134	4,521,906	68,772
EXPENDITURES:				
Current:				
Economic environment	5,890,724	5,890,724	2,343,858	3,546,866
Debt service:				
Principal	1,034,096	1,200,878	1,230,865	(29,987)
Interest expense	687,760	687,760	686,504	1,256
Total expenditures	7,612,580	7,779,362	4,261,227	3,518,135
Excess (deficiency) of revenues over (under) expenditures	(3,159,446)	(3,326,228)	260,679	3,586,907
Net changes in fund balances	\$ (3,159,446)	\$ (3,326,228)	\$ 260,679	\$ 3,586,907
Fund balances - beginning			4,847,444	
Fund balances - ending			\$ 5,108,123	

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
<u>Total Pension Liability ("TPL")</u>			
CHANGES FOR THE YEAR:			
Service Cost	\$ 6,248,573	\$ 5,950,838	\$ 4,969,598
Interest on the TPL	30,656,907	29,213,639	27,649,993
Benefit changes	-	-	2,595,355
Difference - expected vs. actual experience of TPL	1,972,997	2,559,101	2,535,765
Changes in assumptions	4,439,753	4,539,371	3,904,405
Benefit payments	(18,512,808)	(18,963,330)	(18,801,870)
Refunds	(206,949)	(152,950)	(225,759)
Other	1,773,794	1,613,818	2,765,374
Net Change in TPL	26,372,267	24,760,487	25,392,861
TPL balance - beginning of year	408,293,394	383,532,907	358,140,046
TPL balance - end of year	<u>\$ 434,665,661</u>	<u>\$ 408,293,394</u>	<u>\$ 383,532,907</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
Contributions - employees	2,806,839	2,787,968	2,679,979
Net investment income	25,816,070	9,669,966	33,555,721
Benefit payments	(18,512,808)	(18,963,330)	(18,801,870)
Refunds	(206,949)	(152,950)	(225,759)
Pension plus administrative expense	(304,417)	(336,885)	(319,039)
Other	162,185	130,508	1,309,407
Net change in FNP	16,613,181	(1,018,407)	23,211,374
FNP balance - beginning of year	383,442,225	384,460,632	361,249,258
FNP balance - end of year	<u>\$ 400,055,406</u>	<u>\$ 383,442,225</u>	<u>\$ 384,460,632</u>
Net Pension (Asset) Liability	<u>\$ 34,610,255</u>	<u>\$ 24,851,169</u>	<u>\$ (927,725)</u>
Plan FNP as a percentage of TPL	<u>92.04 %</u>	<u>93.91 %</u>	<u>100.24 %</u>
Covered payroll	<u>\$ 24,972,409</u>	<u>\$ 25,098,209</u>	<u>\$ 23,929,891</u>
NPL as a percentage of covered payroll	<u>138.59 %</u>	<u>99.02 %</u>	<u>-3.88 %</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 2017	Measurement Year 2016	Measurement Year 2015	Measurement Year 2014
<u>Total Pension Liability ("TPL")</u>				
CHANGES FOR THE YEAR:				
Service Cost	\$ 4,465,713	\$ 4,119,566	\$ 3,720,389	\$ 3,553,404
Interest on the TPL	26,458,916	25,142,553	23,790,608	22,792,357
Benefit changes	-	-	-	-
Difference - expected vs. actual experience of TPL	335,340	264,885	439,779	294,048
Changes in assumptions	5,183,638	2,275,600	2,221,969	-
Benefit payments	(18,064,650)	(16,224,666)	(14,788,140)	(13,557,996)
Refunds	(25,530)	(93,453)	(60,567)	(168,503)
Other	2,237,938	1,683,012	2,110,393	84,844
Net Change in TPL	20,591,365	17,167,497	17,434,431	12,998,154
TPL balance - beginning of year	337,548,681	320,381,184	302,946,753	289,948,599
TPL balance - end of year	<u>\$ 358,140,046</u>	<u>\$ 337,548,681</u>	<u>\$ 320,381,184</u>	<u>\$ 302,946,753</u>
<u>Plan Fiduciary Net Position ("FNP")</u>				
CHANGES FOR THE YEAR:				
Contributions - employer and state	\$ 4,618,111	\$ 60,986,435	\$ 9,857,010	\$ 10,041,651
Contributions - employees	2,427,068	2,336,635	2,154,131	1,927,618
Net investment income	44,494,434	21,229,525	1,873,520	22,389,189
Benefit payments	(18,064,650)	(16,224,666)	(14,788,140)	(13,557,996)
Refunds	(25,530)	(93,453)	(60,567)	(168,503)
Pension plus administrative expense	(308,777)	(288,017)	(266,916)	(337,907)
Other	904,892	423,031	898,188	370,252
Net change in FNP	34,045,548	68,369,490	(332,774)	20,664,304
FNP balance - beginning of year	327,203,710	258,834,220	259,166,994	238,502,690
FNP balance - end of year	<u>\$ 361,249,258</u>	<u>\$ 327,203,710</u>	<u>\$ 258,834,220</u>	<u>\$ 259,166,994</u>
Net Pension (Asset) Liability	<u>\$ (3,109,212)</u>	<u>\$ 10,344,971</u>	<u>\$ 61,546,964</u>	<u>\$ 43,779,759</u>
Plan FNP as a percentage of TPL	<u>100.87 %</u>	<u>96.94 %</u>	<u>80.79 %</u>	<u>85.55 %</u>
Covered payroll	<u>\$ 21,679,436</u>	<u>\$ 20,603,955</u>	<u>\$ 18,805,018</u>	<u>\$ 17,446,782</u>
NPL as a percentage of covered payroll	<u>-14.34 %</u>	<u>50.21 %</u>	<u>327.29 %</u>	<u>250.93 %</u>

Note: This schedule is presented to illustrate the 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
<u>Total Pension Liability ("TPL")</u>			
CHANGES FOR THE YEAR:			
Service Cost	\$ 4,748,948	\$ 4,637,520	\$ 4,299,275
Interest on the TPL	15,356,555	14,635,101	14,539,716
Difference expected vs. actual experience of TPL	(1,290,643)	1,566,360	(748,224)
Changes in assumptions	(4,748,226)	-	6,304,411
Benefit payments	(17,032,126)	(15,940,655)	(16,056,923)
Refunds	(59,635)	(41,259)	(102,314)
Other	12,174,555	8,721,401	10,283,962
Net Change in TPL	9,149,428	13,578,468	18,519,903
TPL balance - beginning of year	313,047,802	299,469,334	280,949,431
TPL balance - end of year	<u>\$ 322,197,230</u>	<u>\$ 313,047,802</u>	<u>\$ 299,469,334</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
Contributions - employees	\$ 4,144,354	2,738,646	3,325,997
Net investment income	20,389,301	9,177,925	24,051,595
Benefit payments	(17,032,126)	(15,940,655)	(16,056,923)
Refunds	(59,635)	(41,259)	(102,314)
Pension plus administrative expense	(196,920)	(176,142)	(199,057)
Other	14,987	25,919	25,833
Net change in FNP	18,355,750	6,157,692	20,443,845
FNP balance - beginning of year	233,874,933	227,717,241	207,273,396
Adjustment	-	-	-
FNP balance - end of year	<u>\$ 252,230,683</u>	<u>\$ 233,874,933</u>	<u>\$ 227,717,241</u>
Net Pension (Asset) Liability	<u>\$ 69,966,547</u>	<u>\$ 79,172,869</u>	<u>\$ 71,752,093</u>
Plan FNP as a percentage of TPL	<u>-78.28 %</u>	<u>74.71 %</u>	<u>76.04 %</u>
Covered payroll	<u>\$ 21,020,508</u>	<u>\$ 19,890,980</u>	<u>\$ 19,303,606</u>
NPL as a percentage of covered payroll	<u>332.85 %</u>	<u>398.03 %</u>	<u>371.70 %</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 2017	Measurement Year 2016	Measurement Year 2015	Measurement Year 2014
<u>Total Pension Liability ("TPL")</u>				
CHANGES FOR THE YEAR:				
Service Cost	\$ 3,997,127	\$ 3,934,074	\$ 3,764,066	\$ 3,648,784
Interest on the TPL	13,652,932	13,153,854	12,846,010	12,333,803
Difference expected vs. actual experience of TPL	(944,506)	(75,341)	(2,709,527)	-
Changes in assumptions	5,482,333	-	-	-
Benefit payments	(17,896,859)	(14,902,198)	(14,063,173)	(15,745,308)
Refunds	(225,496)	(19,093)	(246,947)	(202,153)
Other	11,407,181	13,603,677	7,613,395	14,700,037
Net Change in TPL	15,472,712	15,694,973	7,203,824	14,735,163
TPL balance - beginning of year	265,476,719	249,781,746	242,577,922	227,842,759
TPL balance - end of year	<u>\$ 280,949,431</u>	<u>\$ 265,476,719</u>	<u>\$ 249,781,746</u>	<u>\$ 242,577,922</u>
<u>Plan Fiduciary Net Position ("FNP")</u>				
CHANGES FOR THE YEAR:				
Contributions - employer and state	\$ 7,594,810	\$ 7,665,074	\$ 7,530,174	\$ 7,370,114
Contributions - employees	5,631,366	3,778,776	2,963,279	5,254,738
Net investment income	23,590,017	16,158,856	3,085,047	15,770,182
Benefit payments	(17,896,859)	(14,902,198)	(14,063,173)	(15,745,308)
Refunds	(225,496)	(19,093)	(246,947)	(202,153)
Pension plus administrative expense	(183,315)	(164,821)	(204,066)	(160,459)
Other	19,789	56,439	58,204	107,826
Net change in FNP	18,530,312	12,573,033	(877,482)	(12,394,940)
FNP balance - beginning of year	188,743,084	176,170,051	176,974,492	164,579,552
Adjustment	-	-	73,041	-
FNP balance - end of year	<u>\$ 207,273,396</u>	<u>\$ 188,743,084</u>	<u>\$ 176,170,051</u>	<u>\$ 176,974,492</u>
Net Pension (Asset) Liability	<u>\$ 73,676,035</u>	<u>\$ 76,733,635</u>	<u>\$ 73,611,695</u>	<u>\$ 65,603,430</u>
Plan FNP as a percentage of TPL	<u>73.78 %</u>	<u>71.10 %</u>	<u>70.53 %</u>	<u>72.96 %</u>
Covered payroll	<u>\$ 17,540,397</u>	<u>\$ 16,634,526</u>	<u>\$ 16,144,923</u>	<u>\$ 15,363,247</u>
NPL as a percentage of covered payroll	<u>420.04 %</u>	<u>461.29 %</u>	<u>455.94 %</u>	<u>427.02 %</u>

Note: This schedule is presented to illustrate the 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 2021	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018
<u>Total Pension Liability ("TPL")</u>				
CHANGES FOR THE YEAR:				
Service Cost	\$ 45,926	\$ 49,760	\$ 61,354	\$ 93,853
Interest on the TPL	3,154,079	3,142,590	3,169,813	3,190,156
Difference expected vs. actual experience of TPL	(71,145)	258,174	(488,903)	(518,168)
Changes in assumptions	217,866	-	-	-
Benefit payments	(3,464,504)	(3,126,322)	(3,072,580)	(2,969,061)
Refunds	-	-	-	-
Net Change in TPL	(117,778)	324,202	(330,316)	(203,220)
TPL balance - beginning of year	43,763,678	43,439,476	43,769,792	43,973,012
TPL balance - end of year	<u>\$ 43,645,900</u>	<u>\$ 43,763,678</u>	<u>\$ 43,439,476</u>	<u>\$ 43,769,792</u>
<u>Plan Fiduciary Net Position ("FNP")</u>				
CHANGES FOR THE YEAR:				
Contributions - employees	49,331	55,751	58,116	65,868
Net investment income	9,093,376	3,159,385	1,603,850	3,880,565
Benefit payments	(3,464,504)	(3,126,322)	(3,072,580)	(2,969,061)
Refunds	-	-	-	-
Pension plus administrative expense	(90,733)	(92,658)	(89,898)	(92,844)
Other	738	19,424	1,126	10,931
Net change in FNP	5,588,208	23,268	(1,499,386)	895,459
FNP balance - beginning of the year	45,778,034	45,801,302	47,300,688	46,405,229
Adjustment	-	-	-	-
FNP balance - end of year	<u>\$ 51,366,242</u>	<u>\$ (45,778,034)</u>	<u>\$ 45,801,302</u>	<u>\$ 47,300,688</u>
Net Pension (Asset) Liability	<u>\$ (7,720,342)</u>	<u>\$ (2,014,356)</u>	<u>\$ (2,361,826)</u>	<u>\$ (3,530,896)</u>
Plan FNP as a percentage of TPL	<u>117.69 %</u>	<u>-104.60 %</u>	<u>105.44 %</u>	<u>108.07 %</u>
Covered payroll	<u>\$ 970,523</u>	<u>\$ 1,021,817</u>	<u>\$ 1,054,882</u>	<u>\$ 1,407,812</u>
NPL as a percentage of covered payroll	<u>-795.48 %</u>	<u>-197.13 %</u>	<u>-223.89 %</u>	<u>-250.81 %</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 2017	Measurement Year 2016	Measurement Year 2015	Measurement Year 2014
<u>Total Pension Liability ("TPL")</u>				
CHANGES FOR THE YEAR:				
Service Cost	\$ 86,849	\$ 97,056	\$ 44,894	\$ 54,631
Interest on the TPL	3,225,757	2,998,902	3,005,049	2,971,240
Difference expected vs. actual experience of TPL	(374,998)	(273,566)	(467,954)	-
Changes in assumptions	2,171,968	2,790,291	-	-
Benefit payments	(2,830,193)	(2,713,596)	(2,656,230)	(2,507,730)
Refunds	-	-	-	(32,817)
Net Change in TPL	2,279,383	2,899,087	(74,241)	485,324
TPL balance - beginning of year	41,693,629	38,794,542	38,868,783	-
TPL balance - end of year	<u>\$ 43,973,012</u>	<u>\$ 41,693,629</u>	<u>\$ 38,794,542</u>	<u>\$ 485,324</u>
<u>Plan Fiduciary Net Position ("FNP")</u>				
CHANGES FOR THE YEAR:				
Contributions - employees	78,838	85,170	93,620	106,999
Net investment income	5,968,401	2,992,915	456,643	5,888,760
Benefit payments	(2,830,193)	(2,713,596)	(2,656,230)	(2,507,730)
Refunds	-	-	-	(32,817)
Pension plus administrative expense	(87,504)	(84,157)	(83,101)	(78,375)
Other	3,774	6,518	2,380	2,139
Net change in FNP	3,133,316	286,850	(2,186,688)	3,378,976
FNP balance - beginning of the year	43,271,913	42,985,063	45,171,494	-
Adjustment	-	-	257	-
FNP balance - end of year	<u>\$ 46,405,229</u>	<u>\$ 43,271,913</u>	<u>\$ 42,985,063</u>	<u>\$ 3,378,976</u>
Net Pension (Asset) Liability	<u>\$ (2,432,217)</u>	<u>\$ (1,578,284)</u>	<u>\$ (4,190,521)</u>	<u>\$ -</u>
Plan FNP as a percentage of TPL	<u>105.53 %</u>	<u>103.79 %</u>	<u>110.80 %</u>	<u>696.23 %</u>
Covered payroll	<u>\$ 1,500,533</u>	<u>\$ 1,672,545</u>	<u>\$ 1,814,346</u>	<u>\$ 2,019,761</u>
NPL as a percentage of covered payroll	<u>-162.09 %</u>	<u>-94.36 %</u>	<u>-230.97 %</u>	<u>- %</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, 2021
 (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	2.5%
Salary increases	5.0% including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For Males, the 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, 2018 FRS Valuation, as mandated by Chapter 112.63, Florida Statutes.

Other Information:

Notes	See Section A in the September 30, 2019 Actuarial Valuation Report Effective as of September 30, 2019, the investment return assumption was lowered from 7.625% to 7.50%
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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%
Retirement age	Age and experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation.
Mortality	The Florida Retirement System (FRS) mortality tables which use variations of the fully generational Pub-2010 Safety Mortality Tables with improvement scale MP-2018

Continued

**CITY OF WEST PALM BEACH, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF METHODS AND ASSUMPTIONS
 MEASUREMENT DATE SEPTEMBER 30, 2021
 (UNAUDITED)**

Restated Employees Pension Fund:

Actuarial cost method	Entry-Age Normal
Amortization method	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
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%
Retirement age	Age-based tables that are specific to the type of eligibility condition.
Mortality	The Florida Retirement System (FRS) mortality tables which use variations of the RP-2000 fully generational Mortality Table with projection scale BB.
Notes	The City established a prepaid contribution reserve using deferred revenue and by changing the actuarial cost method to Aggregate
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)

Fiscal Year Ended September 30		Police Pension Fund	Firefighters Pension Fund	Restated Employees Pension Fund
2014	Actuarially determined employer contributions	\$ 8,941,538	\$ 7,341,139	\$ 1,350,431
	Actual contributions	<u>10,041,651</u>	<u>7,623,161</u>	<u>1,350,431</u>
	Contribution deficiency (excess)	(1,100,113)	(282,022)	-
	Covered payroll	\$ 17,446,782	\$ 15,363,247	\$ 2,019,761
	Actual contribution as % of covered payroll	57.6 %	49.6 %	66.9 %
2015	Actuarially determined employer contributions	\$ 9,744,918	\$ 7,194,839	\$ 728,137
	Actual contributions	<u>8,644,805</u>	<u>7,530,174</u>	<u>728,137</u>
	Contribution deficiency (excess)	1,100,113	(335,335)	-
	Covered payroll	\$ 18,805,018	\$ 16,144,923	\$ 1,814,346
	Actual contribution as % of covered payroll	46.0 %	46.6 %	40.1 %
2016	Actuarially determined employer contributions	\$ 9,726,454	\$ 7,130,564	\$ -
	Actual contributions	<u>59,726,454</u>	<u>7,665,074</u>	<u>-</u>
	Contribution deficiency (excess)	(50,000,000)	(534,510)	-
	Covered payroll	\$ 20,603,955	\$ 16,634,526	\$ 1,672,545
	Actual contribution as % of covered payroll	289.9 %	46.1 %	0.0 %
2017	Actuarially determined employer contributions	\$ 3,285,065	\$ 7,277,740	\$ 795,214
	Actual contributions	<u>3,285,065</u>	<u>7,594,810</u>	<u>795,214</u>
	Contribution deficiency (excess)	-	(317,070)	-
	Covered payroll	\$ 21,679,436	\$ 17,540,397	\$ 1,500,533
	Actual contribution as % of covered payroll	15.2 %	43.3 %	53.0 %
2018	Actuarially determined employer contributions	\$ 3,131,968	\$ 8,526,593	\$ 946,538
	Actual contributions	<u>3,556,968</u>	<u>9,398,714</u>	<u>946,538</u>
	Contribution deficiency (excess)	(425,000)	(872,121)	-
	Covered payroll	\$ 23,929,891	\$ 19,303,606	\$ 1,407,812
	Actual contribution as % of covered payroll	14.9 %	48.7 %	67.2 %
2019	Actuarially determined employer contributions	\$ 4,363,006	\$ 9,065,383	\$ 423,367
	Actual contributions	<u>4,363,006</u>	<u>10,373,258</u>	<u>423,367</u>
	Contribution deficiency (excess)	-	(1,307,875)	-
	Covered payroll	\$ 25,098,209	\$ 20,108,941	\$ 1,054,882
	Actual contribution as % of covered payroll	17.4 %	51.6 %	40.1 %

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>
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 %
2021	Actuarially determined employer contributions	\$ 5,935,584	\$ 9,405,758	\$ 304,715
	Actual contributions	<u>5,935,584</u>	<u>10,893,690</u>	<u>304,715</u>
	Contribution deficiency (excess)	-	(1,487,932)	-
	Covered payroll	\$ 24,064,836	\$ 22,372,369	\$ 970,523
	Actual contribution as % of covered payroll	24.7 %	48.7 %	31.4 %

Notes:

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

**CITY OF WEST PALM BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
RESTATED EMPLOYEES PENSION FUND
FOR THE LAST 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 %
2021	20.76 %

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, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017
Actuarially determined Contribution (ADC)	\$ 1,348,219	\$ 1,260,603	\$ 1,153,020	\$ 1,094,540	\$ 945,053
Contribution made in relation to the ADC	<u>1,348,219</u>	<u>1,260,603</u>	<u>1,153,020</u>	<u>1,094,540</u>	<u>945,053</u>
Covered payroll	\$ 91,963,611	\$ 96,900,734	\$ 96,685,320	\$ 91,507,955	\$ 88,842,675
Contributions as a percentage of covered payroll	1.5 %	1.3 %	1.2 %	1.2 %	1.06 %

Notes to Schedule:

Valuation date	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017
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The following actuarial methods and assumptions were used in 2021 to determine contribution rates reported in this schedule:

	Entry age normal Level % of salary	Entry age normal Level % of salary	Entry age normal Level % of salary	Entry age normal Level % of salary	Entry age normal Level % of salary
Actuarial cost method					
Amortization method					
Actuarial assumptions:					
inflation rate	1.5 %	1.5 %	1.5 %	3.0 %	3.0 %
Investment rate of return	7.5 %	7.5 %	7.5 %	7.0 %	7.0 %
Discount rate	7.5 %	7.5 %	7.5 %	7.0 %	7.0 %
Healthcare cost trend rates					
Medical	8.0% for 2020/2021	8.0% for 2019/2020	7.5% for 2018/2019	9.0% for 2017/2018	8.0% for 2016/2017
Select rates	graded to 4.5% 2026/2027	graded to 4.5% 2025/2026	graded to 4.5% 2024/2025	graded to 6.0% 2023/2024	graded to 6.5% 2022/2023
Ultimate rate	4.5 %	4.5 %	4.5 %	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 CITY CONTRIBUTIONS
AS REQUIRED BY GASB 74
POLICE BENEVOLENT ASSOCIATION RETIREE HEALTH FUND
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

	September 30
	<u>2021</u>
Contractually determined Contribution (ADC)	\$ 1,026,842
Contribution made in relation to the ADC	<u>1,026,842</u>
Contribution - deficiency (excess)	<u><u>-</u></u>
Covered payroll	\$ 25,671,050
Contributions as a percentage of covered payroll	4.00 %

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
 ASSOCIATION OF FIREFIGHTERS RETIREE BENEFIT FUND
 FOR THE LAST TEN FISCAL YEARS
 (UNAUDITED)**

	September 30 2021
Contractually determined Contribution (ADC)	\$ 428,140
Contribution made in relation to the ADC	428,140
Contribution - deficiency (excess)	-
Covered payroll	\$ 21,407,000
Contributions as a percentage of covered payroll	2.00 %

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
 ELECTED OFFICIALS AND MANAGEMENT VEBA TRUST FUND
 FOR THE LAST TEN FISCAL YEARS
 (UNAUDITED)**

	September 30	
	<u>2021</u>	
Statutory determined Contribution (ADC)	\$	-
Contribution made in relation to the ADC		-
Contribution - deficiency (excess)		-
Covered payroll	\$	-
Contributions as a percentage of covered payroll		-

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
 GENERAL EMPLOYEES VEBA TRUST FUND
 FOR THE LAST TEN FISCAL YEARS
 (UNAUDITED)**

	September 30
	<u>2021</u>
Statutory determined Contribution (ADC)	\$ -
Contribution made in relation to the ADC	<u>-</u>
Contribution - deficiency (excess)	<u><u>-</u></u>
Covered payroll	\$ -
Contributions as a percentage of covered payroll	-

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
OPEB TRUST
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)**

	Measurement Year 2021	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
Total OPEB Liability					
Service cost	\$ 456,559	\$ 458,229	\$ 408,359	\$ 389,985	\$ 434,206
Interest	1,054,428	1,064,810	987,405	1,004,278	928,592
Changes in assumptions	614,101	-	(72,162)	-	194,768
Difference between expected and actual experience	(566,016)	(356,176)	864,431	(514,353)	80,037
Benefit payments	(1,348,219)	(1,260,603)	(1,153,020)	(1,094,540)	(945,053)
Net change in total OPEB liability	210,853	(93,740)	1,035,013	(214,630)	692,550
Total OPEB liability - beginning of year	14,264,403	14,358,143	13,323,130	13,537,760	12,845,210
Total OPEB liability - end of year (a)	14,475,256	14,264,403	14,358,143	13,323,130	13,537,760
Plan Fiduciary Net Position					
Contributions - employer	1,348,219	1,260,603	1,153,020	1,094,540	1,890,106
Net investment income	3,388,063	1,259,711	484,087	(674,736)	1,403,589
Benefit payments	(1,348,219)	(1,260,603)	(1,153,020)	(1,094,540)	(945,053)
Trust administrative expenses	-	-	-	-	(27,359)
Net change in plan fiduciary net position	3,388,063	1,259,711	484,087	(674,736)	2,321,283
Plan Fiduciary Net Position - beginning of year	14,994,111	13,734,400	13,250,313	13,925,049	11,603,766
Plan Fiduciary Net Position - end of year (b)	18,382,174	14,994,111	13,734,400	13,250,313	13,925,049
Net OPEB Liability - end of year (a) - (b)	(3,906,918)	(729,708)	623,743	72,817	(387,289)
 Plan fiduciary net position as % of total OPEB liability	127.0 %	105.1 %	95.7 %	99.5 %	- %
Covered payroll	91,963,611	96,900,734	96,685,320	91,507,955	88,842,675
Net OPEB liability as % of covered payroll	(4.2)%	(0.8)%	0.6 %	0.1 %	(0.4)%

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
CITY OF WEST PALM BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
AND RELATED RATIOS
AS REQUIRED BY GASB 74
POLICE BENEVOLENT ASSOCIATION RETIREE HEALTH FUND
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

	Measurement Year 2021
Total OPEB Liability	
Service cost	\$ 184,796
Interest	1,362,414
Changes in assumptions	1,188,512
Benefit payments	<u>(788,380)</u>
Net change in total OPEB liability	1,947,342
Total OPEB liability - beginning of year	<u>17,329,473</u>
Total OPEB liability - end of year	<u>\$ 19,276,815</u>
Plan Fiduciary Net Position	
Contributions - employer	1,026,842
Net investment income	1,976,925
Benefit payments	788,380
Trust administrative expenses	<u>14,885</u>
Net change in plan fiduciary net position	2,200,502
Plan Fiduciary Net Position - beginning of year	<u>13,864,149</u>
Plan Fiduciary Net Position - end of year	<u>16,064,651</u>
Net OPEB Liability - end of year	<u>3,212,164</u>
Plan fiduciary net position as % of total OPEB liability	83.3 %
Covered payroll	25,671,050
Net OPEB liability as % of covered payroll	12.5 %

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 is available will be presented.

CITY OF WEST PALM BEACH, FLORIDA
CITY OF WEST PALM BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
AND RELATED RATIOS
AS REQUIRED BY GASB 74
ASSOCIATION OF FIREFIGHTERS RETIREE BENEFIT FUND
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

	Measurement Year 2021
Total OPEB Liability	
Service cost	\$ 71,247
Interest	581,103
Changes in assumptions	(23,950)
Benefit payments	(499,321)
Net change in total OPEB liability	<u>129,079</u>
Total OPEB liability - beginning of year	<u>7,962,076</u>
Total OPEB liability - end of year	<u>\$ 8,091,155</u>
Plan Fiduciary Net Position	
Contributions - employer	428,140
Net investment income	3,291,779
Benefit payments	(499,321)
Trust administrative expenses	(30,730)
Net change in plan fiduciary net position	<u>3,189,868</u>
Plan Fiduciary Net Position - beginning of year	<u>7,690,174</u>
Plan Fiduciary Net Position - end of year	<u>10,880,042</u>
Net OPEB Liability - end of year	<u>(2,788,887)</u>
Plan fiduciary net position as % of total OPEB liability	(134.5)%
Covered payroll	21,407,000
Net OPEB liability as % of covered payroll	(13.0)%

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 is available will be presented.

CITY OF WEST PALM BEACH, FLORIDA
CITY OF WEST PALM BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
AND RELATED RATIOS
AS REQUIRED BY GASB 74
ELECTED OFFICIALS AND MANAGEMENT VEBA TRUST FUND (UNAUDITED)
FOR THE LAST TEN FISCAL YEARS

	Measurement Year 2021
Total OPEB Liability	
Service cost	\$ 56,115
Interest	92,847
Changes of benefit terms	(483,900)
Changes in assumptions	373,614
Difference between expected and actual experience	(21,446)
Benefit payments	<u>(54,395)</u>
Net change in total OPEB liability	<u>(37,165)</u>
Total OPEB liability - beginning of year	<u>1,546,585</u>
Total OPEB liability - end of year	<u><u>\$ 1,509,420</u></u>
Plan Fiduciary Net Position	
Net investment income	86,778
Benefit payments	(54,395)
Trust administrative expenses	<u>(1,974)</u>
Net change in plan fiduciary net position	<u>30,409</u>
Plan Fiduciary Net Position - beginning of year	<u>731,139</u>
Plan Fiduciary Net Position - end of year	<u>761,548</u>
Net OPEB Liability - end of year	<u><u>747,872</u></u>
Plan fiduciary net position as % of total OPEB liability	(50.5)%

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 is available will be presented.

CITY OF WEST PALM BEACH, FLORIDA
CITY OF WEST PALM BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
AND RELATED RATIOS
AS REQUIRED BY GASB 74
GENERAL EMPLOYEES VEBA TRUST FUND (UNAUDITED)
FOR THE LAST TEN FISCAL YEARS

	Measurement Year 2021
Total OPEB Liability	
Service cost	\$ 457,054
Interest	711,933
Changes of benefit terms	(3,235,963)
Changes in assumptions	3,686,964
Difference between expected and actual experience	(184,206)
Benefit payments	(244,414)
Net change in total OPEB liability	<u>1,191,386</u>
Total OPEB liability - beginning of year	<u>11,759,231</u>
Total OPEB liability - end of year	<u><u>\$ 13,950,599</u></u>
Plan Fiduciary Net Position	
Contributions - employer	-
Contributions - active employees	-
Net investment income	823,273
Benefit payments	(244,414)
Trust administrative expenses	(8,666)
Net change in plan fiduciary net position	<u>570,193</u>
Plan Fiduciary Net Position - beginning of year	<u>5,242,936</u>
Plan Fiduciary Net Position - end of year	<u>5,913,129</u>
Net OPEB Liability - end of year	<u><u>7,037,470</u></u>
Plan fiduciary net position as % of total OPEB liability	45.66 %

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 is 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)**

The annual money-weighted rate of return, net of investment expenses for the OPEB Trust is shown below:

<u>September 30,</u>	<u>OPEB Trust</u>
2017	6.00 %
2018	6.00 %
2019	6.00 %
2020	9.10 %
2021	10.65 %

At December 31, 2020, the annual money-weighted rate of return, net of investment expenses for the General Employees VEBA and the Elected Officials and Management VEBA Funds was 18.25% and 16.18%, respectively.

Note: This information above 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 Administrator is authorized to transfer budgeted amounts within departments of any fund. The City Commission must approve any revisions that alter the total expenditures of any department.
- (5) Annual budgets are adopted for all actively utilized governmental and proprietary funds. The original and final budgets, as presented, include re-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.



Photo by CFay - City of West Palm Beach

NON-MAJOR GOVERNMENTAL FUNDS



WEST PALM BEACH

Finance Department

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Photo by City Of West Palm Beach

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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.

American Rescue Plan Act Fund - This fund accounts for revenue received from a federal grant. The revenues of the fund are restricted for the purpose of revenue replacement for the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency, relative to revenues collected in the most recent fiscal year prior to the emergency and for COVID-19 expenditures or negative economic impacts of COVID-19.

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.

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

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

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

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

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

DEBT SERVICE FUND

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

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.

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.

NPCCRA 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 issue'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.



WEST PALM BEACH

Finance Department

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CITY OF WEST PALM BEACH, FLORIDA
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2021

	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	\$ 28,996,162	\$ 1,721,426	\$ 86,708,278	\$ 117,425,866
Investments	17,105,624	6,828,389	35,163,913	59,097,926
Receivables, net:				
Accounts	499,450	-	1,653,140	2,152,590
Interest	77,204	8,766	104,696	190,666
Notes	2,007,410	-	-	2,007,410
Liens and assessments	19,006	-	-	19,006
Due from other governments	2,790,888	-	36,182	2,827,070
Inventory	60,967	-	-	60,967
Land held for resale	2,585,734	-	2,856,572	5,442,306
Prepaid items	15,028	-	-	15,028
Investment in direct financing leases	-	-	1,464,596	1,464,596
Total assets	54,157,473	8,558,581	127,987,377	190,703,431
LIABILITIES:				
Accounts payable and accrued liabilities	1,716,859	870,708	4,808,152	7,395,719
Deposits payable	70,144	-	-	70,144
Unearned revenue	12,265,412	-	-	12,265,412
Due to other governments	318,634	-	-	318,634
Due to other funds	2,912,705	-	-	2,912,705
Total liabilities	17,283,754	870,708	4,808,152	22,962,614
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue	1,054,238	-	-	1,054,238
FUND BALANCES:				
Nonspendable	75,995	-	-	75,995
Restricted	28,503,793	7,322,084	116,623,398	152,449,275
Committed	9,061,175	365,789	6,555,827	15,982,791
Unassigned	(1,821,482)	-	-	(1,821,482)
Total fund balances	35,819,481	7,687,873	123,179,225	166,686,579
Total liabilities, deferred inflows of resources and fund balances	\$ 54,157,473	\$ 8,558,581	\$ 127,987,377	\$ 190,703,431

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, 2021

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
REVENUES:				
Taxes	\$ -	\$ 1,779,005	\$ -	\$ 1,779,005
Licenses and permits	12,083,268	-	-	12,083,268
Intergovernmental	10,923,106	-	9,316,535	20,239,641
Charges for services	9,809,703	-	-	9,809,703
Fines and forfeitures	4,645	-	-	4,645
Rents and royalties	870,898	-	-	870,898
Interest income	74,420	19,054	184,201	277,675
Miscellaneous	342,331	-	-	342,331
Total revenues	34,108,371	1,798,059	9,500,736	45,407,166
EXPENDITURES:				
Current:				
General government	-	-	28,497	28,497
Public safety	16,875,154	-	210,333	17,085,487
Public works	2,476,449	-	211,436	2,687,885
Economic environment	5,344,748	-	1,671,802	7,016,550
Engineering services	788,872	-	935,250	1,724,122
Leisure services	3,650,816	-	655,064	4,305,880
Capital outlay	413,761	-	29,506,224	29,919,985
Debt service:				
Principal	-	5,471,631	-	5,471,631
Interest expense	-	5,796,769	-	5,796,769
Total expenditures	29,549,800	11,268,400	33,218,606	74,036,806
Excess (deficiency) of revenues over (under) expenditures	4,558,571	(9,470,341)	(23,717,870)	(28,629,640)
OTHER FINANCING SOURCES (USES):				
Disposal of capital assets	110,001	-	108,590	218,591
Transfers in	3,619,273	9,371,106	2,986,359	15,976,738
Transfers out	(6,153,965)	-	-	(6,153,965)
Total other financing sources (uses)	(2,424,691)	9,371,106	3,094,949	10,041,364
Net changes in fund balances	2,133,880	(99,235)	(20,622,921)	(18,588,276)
Fund balances - beginning	33,685,601	7,787,108	143,802,146	185,274,855
Fund balances - ending	\$ 35,819,481	\$ 7,687,873	\$ 123,179,225	\$ 166,686,579

**CITY OF WEST PALM BEACH, FLORIDA
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2021**

	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	\$ 2,453,827	\$ 418,352	\$ -	\$ 8,693	\$ 31,065
Investments	2,584,783	440,678	-	-	32,722
Receivables, net:					
Accounts	395,794	-	-	-	-
Interest	12,484	2,159	-	-	193
Notes	-	476,085	34	981,281	-
Liens and assessments	-	-	-	-	-
Due from other governments	-	-	299,366	-	58,749
Inventory	-	-	-	-	-
Prepaid items	-	-	-	-	-
Land held for resale	-	-	-	2,487,196	98,538
Total assets	5,446,888	1,337,274	299,400	3,477,170	221,267
LIABILITIES:					
Accounts payable and accrued liabilities	552,532	-	99,931	7	-
Deposits payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	-	2,020,951	-	-
Total liabilities	552,532	-	2,120,882	7	-
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	-	461,408	-	27,625	-
FUND BALANCES:					
Nonspendable	-	-	-	-	-
Restricted	4,894,356	875,866	-	3,449,538	221,267
Committed	-	-	-	-	-
Unassigned	-	-	(1,821,482)	-	-
Total fund balances	4,894,356	875,866	(1,821,482)	3,449,538	221,267
Total liabilities, deferred inflows of resources and fund balances	\$ 5,446,888	\$ 1,337,274	\$ 299,400	\$ 3,477,170	\$ 221,267

Continued

CITY OF WEST PALM BEACH, FLORIDA
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2021

	HOPWA Fund	SHIP Program Fund	American Rescue Plan Act Fund	Housing Trust Fund	Permits Fund	Fire Assessment Fee Fund
ASSETS:						
Cash and cash equivalents	\$ -	\$ 483,087	\$ 12,270,291	\$ 845,679	\$ 7,018,537	\$ 3,272,869
Investments	-	21	5,135	890,808	7,393,102	3,447,536
Receivables, net:						
Accounts	-	-	-	-	-	41,364
Interest	-	-	-	4,450	35,140	17,715
Notes	-	10	-	550,000	-	-
Liens and assessments	-	-	-	-	19,006	-
Due from other governments	582,380	-	-	-	7,595	-
Inventory	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	15,028
Land held for resale	-	-	-	-	-	-
Total assets	582,380	483,118	12,275,426	2,290,937	14,473,380	6,794,512
LIABILITIES:						
Accounts payable and accrued liabilities	276,706	418	-	-	353,498	151,685
Deposits payable	-	-	-	-	-	-
Unearned revenue	-	-	12,265,412	-	-	-
Due to other governments	-	-	-	-	316,731	-
Due to other funds	305,674	-	-	-	-	-
Total liabilities	582,380	418	12,265,412	-	670,229	151,685
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenue	-	-	-	550,000	15,205	-
FUND BALANCES:						
Nonspendable	-	-	-	-	-	15,028
Restricted	-	482,700	10,014	1,740,937	13,787,946	-
Committed	-	-	-	-	-	6,627,799
Unassigned	-	-	-	-	-	-
Total fund balances	-	482,700	10,014	1,740,937	13,787,946	6,642,827
Total liabilities, deferred inflows of resources and fund balances	\$ 582,380	\$ 483,118	\$ 12,275,426	\$ 2,290,937	\$ 14,473,380	\$ 6,794,512

Continued

**CITY OF WEST PALM BEACH, FLORIDA
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2021**

	Red Light Camera Fund	Waterfront District Fund	Special Revenue Grant Programs Fund	Cemetery Sinking Fund	Miscellaneous Trust Fund	Total Non- Major Special Revenue Funds
ASSETS:						
Cash and cash equivalents	\$ 33,756	\$ 1,230,675	\$ -	\$ 631,801	\$ 297,530	\$ 28,996,162
Investments	35,557	1,296,353	-	665,520	313,409	17,105,624
Receivables, net:						
Accounts	300	59,511	-	-	2,481	499,450
Interest	173	-	-	3,252	1,638	77,204
Notes	-	-	-	-	-	2,007,410
Liens and assessments	-	-	-	-	-	19,006
Due from other governments	-	1,650	1,841,148	-	-	2,790,888
Inventory	-	-	-	60,967	-	60,967
Prepaid items	-	-	-	-	-	15,028
Land held for resale	-	-	-	-	-	2,585,734
Total assets	69,786	2,588,189	1,841,148	1,361,540	615,058	54,157,473
LIABILITIES:						
Accounts payable and accrued liabilities	-	104,152	175,551	-	2,379	1,716,859
Deposits payable	-	48,758	-	-	21,386	70,144
Unearned revenue	-	-	-	-	-	12,265,412
Due to other governments	-	1,903	-	-	-	318,634
Due to other funds	-	-	586,080	-	-	2,912,705
Total liabilities	-	154,813	761,631	-	23,765	17,283,754
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenue	-	-	-	-	-	1,054,238
FUND BALANCES:						
Nonspendable	-	-	-	60,967	-	75,995
Restricted	69,786	-	1,079,517	1,300,573	591,293	28,503,793
Committed	-	2,433,376	-	-	-	9,061,175
Unassigned	-	-	-	-	-	(1,821,482)
Total fund balances	69,786	2,433,376	1,079,517	1,361,540	591,293	35,819,481
Total liabilities, deferred inflows of resources and fund balances	\$ 69,786	\$ 2,588,189	\$ 1,841,148	\$ 1,361,540	\$ 615,058	\$ 54,157,473

**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, 2021**

	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	2,375,958	69	1,167,601	36,767	542,044
Charges for services	303,721	10,821	-	-	130,079
Fines and forfeitures	-	-	-	-	-
Rents and royalties	-	-	-	26,900	-
Interest income	1,954	7,384	805	-	148
Miscellaneous	281	-	4,451	-	-
Total revenues	2,681,914	18,274	1,172,857	63,667	672,271
EXPENDITURES:					
Current:					
Public safety	-	-	-	-	-
Public works	2,476,449	-	-	-	-
Economic environment	-	-	601,966	26,368	598,258
Engineering services	-	-	-	-	-
Leisure services	-	-	-	-	-
Capital outlay	43,098	-	153,780	-	-
Total expenditures	2,519,547	-	755,746	26,368	598,258
Excess (deficiency) of revenues over (under) expenditures	162,367	18,274	417,111	37,299	74,013
OTHER FINANCING SOURCES:					
Disposal of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	(2,238,434)	(604,925)	-
Total other financing sources	-	-	(2,238,434)	(604,925)	-
Net changes in fund balances	162,367	18,274	(1,821,323)	(567,626)	74,013
Fund balances - beginning	4,731,989	857,592	(159)	4,017,164	147,254
Fund balances - ending	\$ 4,894,356	\$ 875,866	\$ (1,821,482)	\$ 3,449,538	\$ 221,267

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, 2021**

	HOPWA Fund	SHIP Program Fund	American Rescue Plan Act Fund	Housing Trust Fund	Permits Fund	Fire Assessment Fee Fund
REVENUES:						
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ 12,083,268	\$ -
Intergovernmental	3,023,503	-	-	-	4,572	-
Charges for services	-	107,939	-	252,480	62,371	8,098,279
Fines and forfeitures	-	-	-	-	-	-
Rents and royalties	-	-	-	-	-	-
Interest income	-	131	10,014	7,831	-	43,920
Miscellaneous	-	-	-	21,357	-	-
Total revenues	3,023,503	108,070	10,014	281,668	12,150,211	8,142,199
EXPENDITURES:						
Current:						
Public safety	-	-	-	-	9,895,050	3,885,669
Public works	-	-	-	-	-	-
Economic environment	3,023,503	6,774	-	1,071,033	-	-
Engineering services	-	-	-	-	-	-
Leisure services	-	-	-	-	-	-
Capital outlay	-	-	-	-	88,725	-
Total expenditures	3,023,503	6,774	-	1,071,033	9,983,775	3,885,669
Excess (deficiency) of revenues over (under) expenditures	-	101,296	10,014	(789,365)	2,166,436	4,256,530
OTHER FINANCING SOURCES:						
Disposal of capital assets	-	-	-	110,001	-	-
Transfers in	-	-	-	280,726	-	-
Transfers out	-	-	-	-	-	(3,310,606)
Total other financing sources	-	-	-	390,727	-	(3,310,606)
Net changes in fund balances	-	101,296	10,014	(398,638)	2,166,436	945,924
Fund balances - beginning	-	381,404	-	2,139,575	11,621,510	5,696,903
Fund balances - ending	\$ -	\$ 482,700	\$ 10,014	\$ 1,740,937	\$ 13,787,946	\$ 6,642,827

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, 2021

	Red Light Camera Fund	Waterfront District Fund	Special Revenue Grant Programs Fund	Cemetery Sinking Fund	Miscellaneous Trust Fund	Total Non- Major Special Revenue Funds
REVENUES:						
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,083,268
Intergovernmental	-	-	3,419,808	-	352,784	10,923,106
Charges for services	-	745,333	-	98,680	-	9,809,703
Fines and forfeitures	4,645	-	-	-	-	4,645
Rents and royalties	-	843,998	-	-	-	870,898
Interest income	128	-	-	2,105	-	74,420
Miscellaneous	-	4,990	311,252	-	-	342,331
Total revenues	4,773	1,594,321	3,731,060	100,785	352,784	34,108,371
EXPENDITURES:						
Current:						
Public safety	-	-	2,705,476	-	388,959	16,875,154
Public works	-	-	-	-	-	2,476,449
Economic environment	-	-	16,846	-	-	5,344,748
Engineering services	-	-	788,872	-	-	788,872
Leisure services	-	3,164,673	486,143	-	-	3,650,816
Capital outlay	-	-	128,158	-	-	413,761
Total expenditures	-	3,164,673	4,125,495	-	388,959	29,549,800
Excess (deficiency) of revenues over (under) expenditures	4,773	(1,570,352)	(394,435)	100,785	(36,175)	4,558,571
OTHER FINANCING SOURCES:						
Disposal of capital assets	-	-	-	-	-	110,001
Transfers in	-	2,517,621	820,926	-	-	3,619,273
Transfers out	-	-	-	-	-	(6,153,965)
Total other financing sources	-	2,517,621	820,926	-	-	(2,424,691)
Net changes in fund balances	4,773	947,269	426,491	100,785	(36,175)	2,133,880
Fund balances - beginning	65,013	1,486,107	653,026	1,260,755	627,468	33,685,601
Fund balances - ending	\$ 69,786	\$ 2,433,376	\$ 1,079,517	\$ 1,361,540	\$ 591,293	\$ 35,819,481

CITY OF WEST PALM BEACH, FLORIDA
 COMBINING BALANCE SHEET
 NON-MAJOR DEBT SERVICE FUNDS
 SEPTEMBER 30, 2021

	Other Debt Service Fund	General Obligation Bond Fund	Series 2019 CCCRA Debt Service Fund	Total Non- major Debt Service Funds
ASSETS:				
Cash and cash equivalents	\$ 177,701	\$ 387,381	\$ 1,156,344	\$ 1,721,426
Investments	187,184	408,055	6,233,150	6,828,389
Interest	904	1,996	5,866	8,766
Total assets	<u>365,789</u>	<u>797,432</u>	<u>7,395,360</u>	<u>8,558,581</u>
LIABILITIES:				
Accounts payable and accrued liabilities	-	502,500	368,208	870,708
Total liabilities	<u>-</u>	<u>502,500</u>	<u>368,208</u>	<u>870,708</u>
FUND BALANCES:				
Restricted	-	294,932	7,027,152	7,322,084
Committed	365,789	-	-	365,789
Total fund balances	<u>365,789</u>	<u>294,932</u>	<u>7,027,152</u>	<u>7,687,873</u>
Total liabilities and fund balances	<u>\$ 365,789</u>	<u>\$ 797,432</u>	<u>\$ 7,395,360</u>	<u>\$ 8,558,581</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, 2021

	Other Debt Service Fund	Go Bond Debt Service	Series 2019 CCCRA Debt Service Fund	Total Non-major Debt Service Funds
REVENUES:				
Property taxes	\$ -	\$ 1,779,005	\$ -	\$ 1,779,005
Interest income	1,998	10,566	6,490	19,054
Total revenues	1,998	1,789,571	6,490	1,798,059
EXPENDITURES:				
Debt service:				
Principal	2,941,631	790,000	1,740,000	5,471,631
Interest expense	217,691	1,123,397	4,455,681	5,796,769
Total expenditures	3,159,322	1,913,397	6,195,681	11,268,400
Excess (deficiency) of revenues over (under) expenditures	(3,157,324)	(123,826)	(6,189,191)	(9,470,341)
OTHER FINANCING SOURCES				
Transfers in	3,167,606	-	6,203,500	9,371,106
Total other financing sources	3,167,606	-	6,203,500	9,371,106
Net change in fund balances	10,282	(123,826)	14,309	(99,235)
Fund balances - beginning	355,507	418,758	7,012,843	7,787,108
Fund balances - ending	\$ 365,789	\$ 294,932	\$ 7,027,152	\$ 7,687,873

**CITY OF WEST PALM BEACH, FLORIDA
 COMBINING BALANCE SHEET
 NON-MAJOR CAPITAL PROJECTS FUNDS
 SEPTEMBER 30, 2021**

	Other Capital Projects Fund	Series 2020 General Obligation Bond Fund	City Commons & Waterfront Park Construction Fund	Infrastructure Surtax Fund	2016 Capital Bond Fund	Vehicle Replacement Fund
ASSETS:						
Cash and cash equivalents	\$ 10,809,818	\$ 19,063,865	\$ 54,932	\$ 12,732,741	\$ 5,186,316	\$ 926,949
Investments	789,035	10,028,088	57,863	13,412,263	223,997	976,420
Receivables, net:						
Accounts	-	-	-	1,653,140	-	-
Interest	3,993	3,107	283	65,308	1,113	4,785
Due from other governments	-	-	-	-	-	-
Land held for resale	-	-	-	-	-	-
Investment in direct financing leases	-	-	-	-	-	1,464,596
Total assets	<u>11,602,846</u>	<u>29,095,060</u>	<u>113,078</u>	<u>27,863,452</u>	<u>5,411,426</u>	<u>3,372,750</u>
LIABILITIES:						
Accounts payable and accrued liabilities	<u>333,428</u>	<u>129,513</u>	<u>61,065</u>	<u>871,259</u>	<u>81,840</u>	<u>5,924</u>
FUND BALANCES:						
Restricted	10,120,482	28,965,547	-	26,992,193	5,329,586	1,464,596
Committed	<u>1,148,936</u>	<u>-</u>	<u>52,013</u>	<u>-</u>	<u>-</u>	<u>1,902,230</u>
Total fund balances	<u>11,269,418</u>	<u>28,965,547</u>	<u>52,013</u>	<u>26,992,193</u>	<u>5,329,586</u>	<u>3,366,826</u>
Total liabilities and fund balances	<u>\$ 11,602,846</u>	<u>\$ 29,095,060</u>	<u>\$ 113,078</u>	<u>\$ 27,863,452</u>	<u>\$ 5,411,426</u>	<u>\$ 3,372,750</u>

Continued

**CITY OF WEST PALM BEACH, FLORIDA
 COMBINING BALANCE SHEET
 NON-MAJOR CAPITAL PROJECTS FUNDS
 SEPTEMBER 30, 2021**

	Technology Replacement Fund	NPCCRA Series 2005A Construction Fund	Series 2019 CCCRA Capital Bond Fund	Capital Grants Fund	Land Acquisition Fund	Total Non- Major Capital Projects Funds
ASSETS:						
Cash and cash equivalents	\$ 2,795,686	\$ 990,038	\$ 32,248,694	\$ 1,896,307	\$ 2,932	\$ 86,708,278
Investments	2,944,886	6,014	6,722,259	-	3,088	35,163,913
Receivables, net:						
Accounts	-	-	-	-	-	1,653,140
Interest	14,704	33	11,355	-	15	104,696
Due from other governments	-	-	-	36,182	-	36,182
Land held for resale	-	-	-	-	2,856,572	2,856,572
Investment in direct financing leases	-	-	-	-	-	1,464,596
Total assets	<u>5,755,276</u>	<u>996,085</u>	<u>38,982,308</u>	<u>1,932,489</u>	<u>2,862,607</u>	<u>127,987,377</u>
LIABILITIES:						
Accounts payable and accrued liabilities	<u>120,977</u>	<u>195,226</u>	<u>2,848,661</u>	<u>160,259</u>	<u>-</u>	<u>4,808,152</u>
FUND BALANCES:						
Restricted	5,044,258	800,859	36,133,647	1,772,230	-	116,623,398
Committed	<u>590,041</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,862,607</u>	<u>6,555,827</u>
Total fund balances	<u>5,634,299</u>	<u>800,859</u>	<u>36,133,647</u>	<u>1,772,230</u>	<u>2,862,607</u>	<u>123,179,225</u>
Total liabilities and fund balances	<u>\$ 5,755,276</u>	<u>\$ 996,085</u>	<u>\$ 38,982,308</u>	<u>\$ 1,932,489</u>	<u>\$ 2,862,607</u>	<u>\$ 127,987,377</u>

**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, 2021**

	Other Capital Projects Fund	Series 2020 General Obligation Bond Fund	City Commons & Waterfront Park Construction Fund	Infrastructure Surtax Fund	2016 Capital Bond Fund	Vehicle Replacement Fund
REVENUES:						
Intergovernmental	\$ -	\$ -	\$ -	\$ 9,316,205	\$ -	\$ -
Interest income	-	7,606	169	57,360	10,617	3,386
Total revenues	-	7,606	169	9,373,565	10,617	3,386
EXPENDITURES:						
Current:						
General government	28,497	-	-	-	-	-
Public safety	30,385	-	-	-	48,181	-
Public works	-	-	-	-	211,436	-
Economic environment	-	-	16,801	5,998	30,000	-
Engineering services	539,747	-	-	-	145,169	-
Leisure services	280,690	231,007	-	37,287	106,080	-
Capital outlay	5,757,081	535,203	-	5,539,817	773,187	802,199
Debt service:						
Total expenditures	6,636,400	766,210	16,801	5,583,102	1,314,053	802,199
Excess (deficiency) of revenues over (under) expenditures	(6,636,400)	(758,604)	(16,632)	3,790,463	(1,303,436)	(798,813)
OTHER FINANCING SOURCES (USES):						
Disposal of capital assets	-	-	-	-	-	108,590
Transfers in	143,000	-	-	-	-	-
Net changes in fund balances	(6,493,400)	(758,604)	(16,632)	3,790,463	(1,303,436)	(690,223)
Fund balances - beginning	17,762,818	29,724,151	68,645	23,201,730	6,633,022	4,057,049
Fund balances - ending	\$ 11,269,418	\$ 28,965,547	\$ 52,013	\$ 26,992,193	\$ 5,329,586	\$ 3,366,826

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**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, 2021**

	Technology Replacement Fund	NPCCRA Series 2005A Construction Fund	Series 2019 CCCRA Capital Bond Fund	Capital Grants Fund	Land Acquisition Fund	Total Non- Major Capital Projects Funds
REVENUES:						
Intergovernmental	\$ -	\$ -	\$ -	\$ 330	\$ -	\$ 9,316,535
Interest income	34,907	-	70,148	-	8	184,201
Total revenues	34,907	-	70,148	330	8	9,500,736
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	28,497
Public safety	131,767	-	-	-	-	210,333
Public works	-	-	-	-	-	211,436
Economic environment	-	593	1,618,410	-	-	1,671,802
Engineering services	-	-	-	250,334	-	935,250
Leisure services	-	-	-	-	-	655,064
Capital outlay	2,062,470	195,227	13,019,915	821,125	-	29,506,224
Debt service:						
Total expenditures	2,194,237	195,820	14,638,325	1,071,459	-	33,218,606
Excess (deficiency) of revenues over (under) expenditures	(2,159,330)	(195,820)	(14,568,177)	(1,071,129)	8	(23,717,870)
OTHER FINANCING SOURCES (USES):						
Disposal of capital assets	-	-	-	-	-	108,590
Transfers in	-	-	-	2,843,359	-	2,986,359
Net changes in fund balances	(2,159,330)	(195,820)	(14,568,177)	1,772,230	8	(20,622,921)
Fund balances - beginning	7,793,629	996,679	50,701,824	-	2,862,599	143,802,146
Fund balances - ending	\$ 5,634,299	\$ 800,859	\$ 36,133,647	\$ 1,772,230	\$ 2,862,607	\$ 123,179,225



WEST PALM BEACH

Finance Department

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Photo by City Of West Palm Beach

INTERNAL SERVICE FUNDS



WEST PALM BEACH

Finance Department

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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, 2021

	MIS Processing Fund	Fleet Management Fund	Self Insurance Fund	Employee Benefits Fund	Totals
ASSETS:					
Current unrestricted assets:					
Cash and cash equivalents	\$ 5,887,441	\$ 94,482	\$ 5,753,085	\$ 4,527,122	\$ 16,262,130
Investments	6,201,643	99,525	6,060,114	4,768,727	17,130,009
Receivables, net					
Accounts	-	2,861	-	895,028	897,889
Interest	31,941	506	30,011	23,449	85,907
Due from other governments	18,291	1,804	381	-	20,476
Inventory	-	91,093	-	-	91,093
Prepaid items	-	-	905,219	-	905,219
Current restricted assets:					
Cash and cash equivalents	-	-	175,000	3,654,323	3,829,323
Total current assets	12,139,316	290,271	12,923,810	13,868,649	39,222,046
Non-current assets:					
Investment in joint venture	1,824,827	-	-	-	1,824,827
Capital assets					
Depreciable, net	10,666,950	420,479	80,310	150,771	11,318,510
Total non-current assets	12,491,777	420,479	80,310	150,771	13,143,337
Total assets	24,631,093	710,750	13,004,120	14,019,420	52,365,383
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued liabilities	722,687	327,279	421,119	580,683	2,051,768
Compensated absences payable	317,585	133,661	23,546	-	474,792
Notes payable - current	1,162,049	-	-	-	1,162,049
Insurance claims payable	-	-	4,113,949	1,380,708	5,494,657
Deposits payable	-	-	-	149,878	149,878
Total current liabilities	2,202,321	460,940	4,558,614	2,111,269	9,333,144
Non-current liabilities:					
Compensated absences payable	244,263	87,642	-	-	331,905
Insurance claims payable - long term	-	-	13,473,494	-	13,473,494
Notes payable - long term	2,091,934	-	-	-	2,091,934
Total non-current liabilities	2,336,197	87,642	13,473,494	-	15,897,333
Total liabilities	4,538,518	548,582	18,032,108	2,111,269	25,230,477
NET POSITION:					
Net investment in capital assets	7,412,967	420,479	80,310	150,771	8,064,527
Unrestricted	12,679,608	(258,311)	(5,108,298)	11,757,380	19,070,379
Total net position	\$ 20,092,575	\$ 162,168	\$ (5,027,988)	\$ 11,908,151	\$ 27,134,906

**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, 2021**

	MIS Processing Fund	Fleet Management Fund	Self Insurance Fund	Employee Benefits Fund	Totals
OPERATING REVENUES:					
Charges for services	\$ 15,397,289	\$ 8,425,475	\$ 9,309,037	\$ 30,377,423	\$ 63,509,224
Equity in earnings of joint ventures	100,000	-	-	-	100,000
Miscellaneous	64,075	206,988	111,400	-	382,463
Total operating revenues	15,561,364	8,632,463	9,420,437	30,377,423	63,991,687
OPERATING EXPENSES:					
Personnel services	5,031,239	2,367,921	591,087	-	7,990,247
Contractual services	8,280,341	3,973,109	742,374	1,492,160	14,487,984
Utilities	580,804	91,250	2,853	796	675,703
Repair and maintenance	120,334	610,163	3,823	-	734,320
Other supplies and expenses	291,469	1,420,097	34,455	535,138	2,281,159
Depreciation	903,547	27,663	3,195	4,824	939,229
Insurance	21,251	95,506	14,508,014	26,804,858	41,429,629
Total operating expenses	15,228,985	8,585,709	15,885,801	28,837,776	68,538,271
Operating income (loss)	332,379	46,754	(6,465,364)	1,539,647	(4,546,584)
NON-OPERATING REVENUES (EXPENSES):					
Interest income	10,207	(1,202)	14,824	23,112	46,941
Interest expense	(81,743)	-	-	-	(81,743)
Disposal of capital assets	3,940	(13,681)	-	-	(9,741)
Total non-operating revenues (expenses)	(67,596)	(14,883)	14,824	23,112	(44,543)
Income (loss) before contributions and transfers	264,783	31,871	(6,450,540)	1,562,759	(4,591,127)
TRANSFERS:					
Transfers in	-	-	650,000	-	650,000
Transfers out	-	-	-	(75,684)	(75,684)
Total transfers	-	-	650,000	(75,684)	574,316
Change in net position	264,783	31,871	(5,800,540)	1,487,075	(4,016,811)
Net position - beginning	19,827,792	130,297	772,552	10,421,076	31,151,717
Net position - ending	\$ 20,092,575	\$ 162,168	\$ (5,027,988)	\$ 11,908,151	\$ 27,134,906

**CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	MIS Processing Fund	Fleet Management Fund	Self Insurance Fund	Employee Benefits Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 15,397,289	\$ 8,437,597	\$ 9,309,037	\$ 30,209,396	\$ 63,353,319
Cash payments to suppliers/contractors	(10,120,082)	(6,436,033)	(351,861)	(2,019,262)	(18,927,238)
Cash payments to employees	(5,017,155)	(2,357,720)	(593,160)	-	(7,968,035)
Other operating receipts	52,644	206,988	111,400	-	371,032
Cash payments for insurance	-	-	(10,075,835)	(26,634,226)	(36,710,061)
Net cash provided by operating activities	312,696	(149,168)	(1,600,419)	1,555,908	119,017
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in	-	-	650,000	-	650,000
Transfers out	-	-	-	(75,684)	(75,684)
Net cash provided by (used for) noncapital financing activities	-	-	650,000	(75,684)	574,316
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal paid on notes and leases	(1,138,416)	-	-	-	(1,138,416)
Interest and fees paid on long term debt	(81,743)	-	-	-	(81,743)
Proceeds from sale of capital assets	3,940	-	-	-	3,940
Net cash used for capital and related financing activities	(1,216,219)	-	-	-	(1,216,219)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchases and sales of investments, net	567,381	81,112	589,479	(695,267)	542,705
Interest on investments	99,710	42	100,429	70,382	270,563
Net cash provided by (used for) investing activities	667,091	81,154	689,908	(624,885)	813,268
Net increase in cash and cash equivalents	(236,432)	(68,014)	(260,511)	855,339	290,382
Cash and cash equivalents - beginning of year	6,123,873	162,496	6,188,596	7,326,106	19,801,071
Cash and cash equivalents - end of year	\$ 5,887,441	\$ 94,482	\$ 5,928,085	\$ 8,181,445	\$ 20,091,453
DISPLAYED AS:					
Unrestricted cash and cash equivalents	5,887,441	94,482	5,753,085	4,527,122	16,262,130
Restricted cash and cash equivalents	-	-	175,000	3,654,323	3,829,323
Total cash and cash equivalents	\$ 5,887,441	\$ 94,482	\$ 5,928,085	\$ 8,181,445	\$ 20,091,453

**CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	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)	\$ 332,379	\$ 46,754	\$ (6,465,364)	\$ 1,539,647	\$ (4,546,584)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	903,547	27,663	3,195	4,824	939,229
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	-	12,122	-	(174,910)	(162,788)
(Increase) decrease in (gain) loss in joint ventures	(100,000)	-	-	-	(100,000)
(Increase) decrease in due from other governments	(11,431)	-	-	-	(11,431)
(Increase) decrease in prepaid expenses	-	-	89,261	-	89,261
Increase (decrease) in accounts payable and accrued liabilities	(825,883)	(245,908)	342,383	8,832	(720,576)
Increase (decrease) in compensated absences payable	14,084	10,201	(2,073)	-	22,212
Increase (decrease) in deposits payable	-	-	-	6,883	6,883
Increase (decrease) in insurance claims payable	-	-	4,432,179	170,632	4,602,811
Total adjustments	(19,683)	(195,922)	4,864,945	16,261	4,665,601
Net cash provided by operating activities	\$ 312,696	\$ (149,168)	\$ (1,600,419)	\$ 1,555,908	\$ 119,017
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING AND INVESTING ACTIVITIES:					
Change in fair value of investments	\$ (83,817)	\$ (1,202)	\$ (79,843)	\$ (48,181)	\$ (213,043)



WEST PALM BEACH

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FIDUCIARY FUNDS



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CITY OF WEST PALM BEACH, FLORIDA

FIDUCIARY FUNDS

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

Elected Officials and Management VEBA – This is used to account for assets held in a trustee capacity for the post employment benefits for the City's elected officials and certain members of management.

General Employees VEBA – This is used to account for assets held in a trustee capacity for the post employment benefits for all City employees not covered by the Police Pension Fund or the Firefighters Pension Fund.

CITY OF WEST PALM BEACH, FLORIDA
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS - PENSION AND OTHER EMPLOYEE BENEFIT PLANS
SEPTEMBER 30, 2021

	Restated Employees Pension Fund	OPEB Trust	Elected Officials and Management VEBA	General Employees VEBA	Totals
ASSETS:					
Cash and cash equivalents	\$ 305,992	\$ 1,808,507	\$ 86,106	\$ 124,533	\$ 2,325,138
Receivables:					
Interest and dividends	47,476	38	-	2	47,516
Other	30,822	-	-	-	30,822
Total receivables	78,298	38	-	2	78,338
Investments:					
Money market	1,316,931	-	-	-	1,316,931
U.S. government obligations	7,610,058	-	-	-	7,610,058
Corporate obligations	2,230,569	-	-	-	2,230,569
Equity securities	31,895,408	-	-	-	31,895,408
Domestic equity investment funds	-	13,910,313	-	-	13,910,313
Domestic fixed income investment funds	-	2,123,433	-	-	2,123,433
Fixed income mutual fund	5,123,336	539,943	675,442	5,788,594	12,127,315
Real estate investment trust funds	3,207,425	-	-	-	3,207,425
Total investments	51,383,727	16,573,689	675,442	5,788,594	74,421,452
Total assets	51,768,017	18,382,234	761,548	5,913,129	76,824,928
LIABILITIES:					
Accounts payable and accrued expenses	401,775	-	-	-	401,775
DEFERRED INFLOWS OF RESOURCES:					
Advanced plan contributions:	2,768,387	-	-	-	-
NET POSITION:					
Net position restricted for pension benefits and OPEB	\$ 48,597,855	\$ 18,382,234	\$ 761,548	\$ 5,913,129	\$ 73,654,766

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, 2021

	Restated Employees Pension Fund	OPEB Trust	Elected Officials and Management VEBA	General Employees VEBA	Totals
ADDITIONS:					
Contributions:					
Plan members	\$ 49,331	\$ -	\$ -	\$ -	49,331
City of West Palm Beach	304,715	1,348,219	-	-	1,652,934
Total contributions	354,046	1,348,219	-	-	1,702,265
Investment income:					
Net appreciation in fair value of investments	8,050,023	3,388,298	88,778	827,561	12,354,660
Interest and dividends	1,247,001	-	-	-	1,247,001
Rebates and other revenue	738	-	-	-	738
Total investment income	9,297,762	3,388,298	88,778	827,561	13,602,399
Less investment expense	203,648	-	2,000	4,288	209,936
Net investment income	9,094,114	3,388,298	86,778	823,273	13,392,463
Total additions	9,448,160	4,736,517	86,778	823,273	15,094,728
DEDUCTIONS:					
Participant benefit payments	3,464,504	1,348,219	54,395	244,414	5,111,532
Administrative Expenses	90,733	175	1,974	8,666	101,548
Total deductions	3,555,237	1,348,394	56,369	253,080	5,213,080
Net increase (decrease) in net position	5,892,923	3,388,123	30,409	570,193	9,881,648
NET POSITION:					
Beginning of year	42,704,932	14,994,111	731,139	5,342,936	63,773,118
End of year	\$ 48,597,855	\$ 18,382,234	\$ 761,548	\$ 5,913,129	\$ 73,654,766



WEST PALM BEACH

Finance Department

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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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 2,207,903	\$ 2,207,903	\$ 2,375,958	\$ 168,055
Charges for services	550,000	550,000	303,721	(246,279)
Interest income	-	-	1,954	1,954
Miscellaneous	-	-	281	281
Total revenues	<u>2,757,903</u>	<u>2,757,903</u>	<u>2,681,914</u>	<u>(75,989)</u>
EXPENDITURES:				
Current:				
Public works	7,088,176	7,088,176	2,476,449	4,611,727
Capital outlay	47,522	47,522	43,098	4,424
Total expenditures	<u>7,135,698</u>	<u>7,135,698</u>	<u>2,519,547</u>	<u>4,616,151</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,377,795)</u>	<u>(4,377,795)</u>	<u>162,367</u>	<u>4,540,162</u>
Net change in fund balances	<u>\$ (4,377,795)</u>	<u>\$ (4,377,795)</u>	<u>\$ 162,367</u>	<u>\$ 4,540,162</u>
Fund balances - beginning			<u>4,731,989</u>	
Fund balances - ending			<u>\$ 4,894,356</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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 3,037,385	\$ 4,024,927	\$ 1,167,601	\$ (2,857,326)
Interest income	-	-	805	805
Miscellaneous	-	-	4,451	4,451
Total revenues	<u>3,037,385</u>	<u>4,024,927</u>	<u>1,172,857</u>	<u>(2,852,070)</u>
EXPENDITURES:				
Current:				
Economic environment	2,608,844	1,628,693	601,966	1,026,727
Capital outlay	7,031	157,800	153,780	4,020
Total expenditures	<u>2,615,875</u>	<u>1,786,493</u>	<u>755,746</u>	<u>1,030,747</u>
Excess (deficiency) of revenues over (under) expenditures	<u>421,510</u>	<u>2,238,434</u>	<u>417,111</u>	<u>(1,821,323)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(421,510)	(2,238,434)	(2,238,434)	-
Total other financing sources (uses)	<u>(421,510)</u>	<u>(2,238,434)</u>	<u>(2,238,434)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,821,323)</u>	<u>\$ (1,821,323)</u>
Fund balances - beginning			<u>(159)</u>	
Fund balances - ending			<u>\$ (1,821,482)</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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 444,036	\$ 444,036	\$ 36,767	\$ (407,269)
Rents and royalties	-	-	26,900	26,900
Total revenues	<u>444,036</u>	<u>444,036</u>	<u>63,667</u>	<u>(380,369)</u>
EXPENDITURES:				
Current:				
Economic environment	687,734	82,809	26,368	56,441
Capital outlay	332,089	332,089	-	332,089
Total expenditures	<u>1,019,823</u>	<u>414,898</u>	<u>26,368</u>	<u>388,530</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(575,787)</u>	<u>29,138</u>	<u>37,299</u>	<u>8,161</u>
Transfers out	-	(604,925)	(604,925)	-
Total other financing sources (uses)	<u>-</u>	<u>(604,925)</u>	<u>(604,925)</u>	<u>-</u>
Net change in fund balances	<u>\$ (575,787)</u>	<u>\$ (575,787)</u>	<u>\$ (567,626)</u>	<u>\$ 8,161</u>
Fund balances - beginning			<u>4,017,164</u>	
Fund balances - ending			<u>\$ 3,449,538</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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 1,167,527	\$ 1,167,527	\$ 542,044	\$ (625,483)
Charges for services	-	-	130,079	130,079
Interest income	-	-	148	148
Total revenues	<u>1,167,527</u>	<u>1,167,527</u>	<u>672,271</u>	<u>(495,256)</u>
EXPENDITURES:				
Current:				
Economic environment	<u>1,338,286</u>	<u>1,338,286</u>	<u>598,258</u>	<u>740,028</u>
Total expenditures	<u>1,338,286</u>	<u>1,338,286</u>	<u>598,258</u>	<u>740,028</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(170,759)</u>	<u>(170,759)</u>	<u>74,013</u>	<u>244,772</u>
Net change in fund balances	<u>\$ (170,759)</u>	<u>\$ (170,759)</u>	<u>\$ 74,013</u>	<u>\$ 244,772</u>
Fund balances - beginning			<u>147,254</u>	
Fund balances - ending			<u>\$ 221,267</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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 4,062,673	\$ 4,062,673	\$ 3,023,503	\$ (1,039,170)
Total revenues	<u>4,062,673</u>	<u>4,062,673</u>	<u>3,023,503</u>	<u>(1,039,170)</u>
EXPENDITURES:				
Current:				
Economic environment	<u>4,062,673</u>	<u>4,062,673</u>	<u>3,023,503</u>	<u>1,039,170</u>
Total expenditures	<u>4,062,673</u>	<u>4,062,673</u>	<u>3,023,503</u>	<u>1,039,170</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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Charges for services	\$ -	\$ -	\$ 107,939	\$ 107,939
Interest income	-	-	130	130
Miscellaneous	-	-	1	1
Total revenues	<u>-</u>	<u>-</u>	<u>108,070</u>	<u>108,070</u>
EXPENDITURES:				
Current:				
Economic environment	<u>381,404</u>	<u>381,404</u>	<u>6,774</u>	<u>374,630</u>
Total expenditures	<u>381,404</u>	<u>381,404</u>	<u>6,774</u>	<u>374,630</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(381,404)</u>	<u>(381,404)</u>	<u>101,296</u>	<u>482,700</u>
Net change in fund balances	<u>\$ (381,404)</u>	<u>\$ (381,404)</u>	<u>\$ 101,296</u>	<u>\$ 482,700</u>
Fund balances - beginning			<u>381,404</u>	
Fund balances - ending			<u>\$ 482,700</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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Charges for services	\$ -	\$ -	\$ 252,480	\$ 252,480
Interest income	-	-	7,831	7,831
Miscellaneous	-	-	21,357	21,357
Total revenues	-	-	281,668	281,668
EXPENDITURES:				
Current:				
Economic environment	1,786,545	2,067,271	1,071,033	996,238
Total expenditures	1,786,545	2,067,271	1,071,033	996,238
Excess (deficiency) of revenues over (under) expenditures	(1,786,545)	(2,067,271)	(789,365)	1,277,906
OTHER FINANCING SOURCES (USES):				
Disposal of capital assets	-	-	110,001	110,001
Transfers in	-	280,726	280,726	-
Total other financing sources (uses)	-	280,726	390,727	110,001
Net change in fund balances	\$ (1,786,545)	\$ (1,786,545)	\$ (398,638)	\$ 1,387,907
Fund balances - beginning			2,139,575	
Fund balances - ending			\$ 1,740,937	

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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Licenses and permits	\$ 7,152,600	\$ 7,152,600	\$ 12,083,268	\$ 4,930,668
Intergovernmental	-	-	4,572	4,572
Charges for services	25,000	25,000	62,371	37,371
Interest income	90,000	90,000	-	(90,000)
Total revenues	<u>7,267,600</u>	<u>7,267,600</u>	<u>12,150,211</u>	<u>4,882,611</u>
EXPENDITURES:				
Current:				
Public Safety:				
Planning and zoning	10,821,754	11,190,526	9,895,050	1,295,476
Capital outlay	105,000	105,000	88,725	16,275
Total expenditures	<u>10,926,754</u>	<u>11,295,526</u>	<u>9,983,775</u>	<u>1,311,751</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,659,154)</u>	<u>(4,027,926)</u>	<u>2,166,436</u>	<u>6,194,362</u>
OTHER FINANCING SOURCES (USES):				
Net change in fund balances	<u>\$ (3,659,154)</u>	<u>\$ (4,027,926)</u>	<u>\$ 2,166,436</u>	<u>\$ 6,194,362</u>
Fund balances - beginning			<u>11,621,510</u>	
Fund balances - ending			<u>\$ 13,787,946</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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Charges for services	\$ 7,708,500	\$ 7,708,500	\$ 8,098,279	\$ 389,779
Interest income	-	-	43,920	43,920
Total revenues	<u>7,708,500</u>	<u>7,708,500</u>	<u>8,142,199</u>	<u>433,699</u>
EXPENDITURES:				
Current:				
Public safety:				
Fire	5,091,091	5,602,351	3,885,669	1,716,682
Capital outlay	782,751	778,991	-	778,991
Total expenditures	<u>5,873,842</u>	<u>6,381,342</u>	<u>3,885,669</u>	<u>2,495,673</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,834,658</u>	<u>1,327,158</u>	<u>4,256,530</u>	<u>2,929,372</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(3,870,606)	(3,310,606)	(3,310,606)	-
Total other financing sources (uses)	<u>(3,870,606)</u>	<u>(3,310,606)</u>	<u>(3,310,606)</u>	<u>-</u>
Net change in fund balances	<u>\$ (2,035,948)</u>	<u>\$ (1,983,448)</u>	<u>\$ 945,924</u>	<u>\$ 2,929,372</u>
Fund balances - beginning			<u>5,696,903</u>	
Fund balances - ending			<u>\$ 6,642,827</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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Charges for services	\$ 877,400	\$ 877,400	\$ 745,333	\$ (132,067)
Rents and royalties	530,000	530,000	843,998	313,998
Miscellaneous	-	-	4,990	4,990
Total revenues	<u>1,407,400</u>	<u>1,407,400</u>	<u>1,594,321</u>	<u>186,921</u>
EXPENDITURES:				
Current:				
Leisure Services:				
Parks and recreation	4,623,316	4,672,392	3,164,673	1,507,719
Capital outlay	31,438	42,362	-	42,362
Total expenditures	<u>4,654,754</u>	<u>4,714,754</u>	<u>3,164,673</u>	<u>1,550,081</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,247,354)</u>	<u>(3,307,354)</u>	<u>(1,570,352)</u>	<u>1,737,002</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>2,517,621</u>	<u>2,517,621</u>	<u>2,517,621</u>	<u>-</u>
Total other financing sources (uses)	<u>2,517,621</u>	<u>2,517,621</u>	<u>2,517,621</u>	<u>-</u>
Net change in fund balances	<u>\$ (729,733)</u>	<u>\$ (789,733)</u>	<u>\$ 947,269</u>	<u>\$ 1,737,002</u>
Fund balances - beginning			<u>1,486,107</u>	
Fund balances - ending			<u>\$ 2,433,376</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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 3,929,975	\$ 6,819,151	\$ 3,419,808	\$ (3,399,343)
Miscellaneous	1,500	264,611	311,252	46,641
Total revenues	<u>3,931,475</u>	<u>7,083,762</u>	<u>3,731,060</u>	<u>(3,352,702)</u>
EXPENDITURES:				
Current:				
General government	113,528	113,528	-	113,528
Public safety:				
Fire	897,946	3,028,063	1,900,474	1,127,589
Police	2,584,108	2,869,902	805,002	2,064,900
Economic environment	25,290	313,717	16,846	296,871
Engineering services	1,099,000	1,099,000	788,872	310,128
Leisure Services:				
Library	456,658	832,849	419,218	413,631
Parks and recreation	63,792	107,232	66,925	40,307
Capital outlay	165,098	193,416	128,158	65,258
Total expenditures	<u>5,405,420</u>	<u>8,557,707</u>	<u>4,125,495</u>	<u>4,432,212</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,473,945)</u>	<u>(1,473,945)</u>	<u>(394,435)</u>	<u>1,079,510</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	820,926	820,926	820,926	-
Total other financing sources (uses)	<u>820,926</u>	<u>820,926</u>	<u>820,926</u>	<u>-</u>
Net change in fund balances	<u>\$ (653,019)</u>	<u>\$ (653,019)</u>	<u>\$ 426,491</u>	<u>\$ 1,079,510</u>
Fund balances - beginning			<u>653,026</u>	
Fund balances - ending			<u>\$ 1,079,517</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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ -	\$ 202,700	\$ 352,784	\$ 150,084
Total revenues	<u>-</u>	<u>202,700</u>	<u>352,784</u>	<u>150,084</u>
EXPENDITURES:				
Current:				
Public safety:				
Police	274,754	525,954	388,959	136,995
Capital outlay	<u>43,631</u>	<u>43,631</u>	<u>-</u>	<u>43,631</u>
Total expenditures	<u>318,385</u>	<u>569,585</u>	<u>388,959</u>	<u>180,626</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(318,385)</u>	<u>(366,885)</u>	<u>(36,175)</u>	<u>330,710</u>
Net change in fund balances	<u>\$ (318,385)</u>	<u>\$ (366,885)</u>	<u>\$ (36,175)</u>	<u>\$ 330,710</u>
Fund balances - beginning			<u>627,468</u>	
Fund balances - ending			<u>\$ 591,293</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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 1,998	\$ 1,998
Total revenues	-	-	1,998	1,998
EXPENDITURES:				
Debt service:				
Principal	2,936,626	2,936,626	2,941,631	(5,005)
Interest expense	230,980	230,980	217,691	13,289
Total expenditures	3,167,606	3,167,606	3,159,322	8,284
Excess (deficiency) of revenues over (under) expenditures	(3,167,606)	(3,167,606)	(3,157,324)	10,282
OTHER FINANCING SOURCES (USES):				
Transfers in	3,167,606	3,167,606	3,167,606	-
Total other financing sources (uses)	3,167,606	3,167,606	3,167,606	-
Net change in fund balances	\$ -	\$ -	\$ 10,282	\$ 10,282
Fund balances - beginning			355,507	
Fund balances - ending			\$ 365,789	

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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 1,756,300	\$ 1,756,300	\$ 1,779,005	\$ 22,705
Interest income	-	-	10,566	10,566
Total revenues	<u>1,756,300</u>	<u>1,756,300</u>	<u>1,789,571</u>	<u>33,271</u>
EXPENDITURES:				
Debt service:				
Principal	830,000	830,000	790,000	40,000
Interest expense	926,300	926,300	1,123,397	(197,097)
Total expenditures	<u>1,756,300</u>	<u>1,756,300</u>	<u>1,913,397</u>	<u>(157,097)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(123,826)</u>	<u>(123,826)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (123,826)</u>	<u>\$ (123,826)</u>
Fund balances - beginning			<u>418,758</u>	
Fund balances - ending			<u>\$ 294,932</u>	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
SERIES 2019 CCCRA DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 6,490	\$ 6,490
Total revenues	-	-	6,490	6,490
EXPENDITURES:				
Debt service:				
Principal	1,740,000	1,740,000	1,740,000	-
Interest expense	4,463,500	4,463,500	4,455,681	7,819
Total expenditures	6,203,500	6,203,500	6,195,681	7,819
Excess (deficiency) of revenues over (under) expenditures	(6,203,500)	(6,203,500)	(6,189,191)	14,309
OTHER FINANCING SOURCES (USES):				
Transfers in	6,203,500	6,203,500	6,203,500	-
Total other financing sources (uses)	6,203,500	6,203,500	6,203,500	-
Net change in fund balances	\$ -	\$ -	\$ 14,309	\$ 14,309
Fund balances - beginning			7,012,843	
Fund balances - ending			\$ 7,027,152	

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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
EXPENDITURES:				
Current:				
General government	\$ 37,492	\$ 37,492	\$ 28,497	\$ 8,995
Public safety:				
Fire	243,686	243,686	30,385	213,301
Public works	142,936	153,766	-	153,766
Engineering services	641,310	801,310	539,747	261,563
Leisure Services:				
Parks and recreation	608,258	608,258	280,690	327,568
Capital outlay	16,089,036	15,937,294	5,757,081	10,180,213
Total expenditures	<u>17,762,718</u>	<u>17,781,806</u>	<u>6,636,400</u>	<u>11,145,406</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,762,718)</u>	<u>(17,781,806)</u>	<u>(6,636,400)</u>	<u>11,145,406</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	143,000	143,000	-
Total other financing sources (uses)	<u>-</u>	<u>143,000</u>	<u>143,000</u>	<u>-</u>
Net change in fund balances	<u>\$ (17,762,718)</u>	<u>\$ (17,638,806)</u>	<u>\$ (6,493,400)</u>	<u>\$ 11,145,406</u>
Fund balances - beginning			17,762,818	
Fund balances - ending			<u>\$ 11,269,418</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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 7,606	\$ 7,606
Total revenues	<u>-</u>	<u>-</u>	<u>7,606</u>	<u>7,606</u>
EXPENDITURES:				
Leisure services				
Parks and recreation	1,515,000	1,578,788	231,007	1,347,781
Capital outlay	28,207,624	28,143,836	535,203	27,608,633
Debt service:				
Total expenditures	<u>29,722,624</u>	<u>29,722,624</u>	<u>766,210</u>	<u>28,956,414</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(29,722,624)</u>	<u>(29,722,624)</u>	<u>(758,604)</u>	<u>28,964,020</u>
OTHER FINANCING SOURCES (USES):				
Net change in fund balances	<u>\$ (29,722,624)</u>	<u>\$ (29,722,624)</u>	<u>\$ (758,604)</u>	<u>\$ 28,964,020</u>
Fund balances - beginning			<u>29,724,151</u>	
Fund balances - ending			<u>\$ 28,965,547</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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 7,383,028	\$ 7,383,028	\$ 9,316,205	\$ 1,933,177
Interest income	-	-	57,360	57,360
Total revenues	<u>7,383,028</u>	<u>7,383,028</u>	<u>9,373,565</u>	<u>1,990,537</u>
EXPENDITURES:				
Current:				
Economic environment	215,370	215,370	5,998	209,372
Leisure services:				
Library	39,557	39,557	37,287	2,270
Parks and recreation	688	3,133	-	3,133
Capital outlay	<u>24,033,280</u>	<u>24,030,835</u>	<u>5,539,817</u>	<u>18,491,018</u>
Total expenditures	<u>24,288,895</u>	<u>24,288,895</u>	<u>5,583,102</u>	<u>18,705,793</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,905,867)</u>	<u>(16,905,867)</u>	<u>3,790,463</u>	<u>20,696,330</u>
Net change in fund balances	<u>\$ (16,905,867)</u>	<u>\$ (16,905,867)</u>	<u>\$ 3,790,463</u>	<u>\$ 20,696,330</u>
Fund balances - beginning			<u>23,201,730</u>	
Fund balances - ending			<u>\$ 26,992,193</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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 10,617	\$ 10,617
Total revenues	<u>-</u>	<u>-</u>	<u>10,617</u>	<u>10,617</u>
EXPENDITURES:				
Current:				
General government	20,000	20,000	-	20,000
Public safety:				
Police	67,273	67,273	48,181	19,092
Public works	901,447	901,447	211,436	690,011
Economic environment	30,940	30,940	30,000	940
Engineering services	213,493	213,493	145,169	68,324
Leisure services:				
Parks and recreation	126,201	128,646	106,080	22,566
Capital outlay	5,261,741	5,259,296	773,187	4,486,109
Total expenditures	<u>6,621,095</u>	<u>6,621,095</u>	<u>1,314,053</u>	<u>5,307,042</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,621,095)</u>	<u>(6,621,095)</u>	<u>(1,303,436)</u>	<u>5,317,659</u>
Net change in fund balances	<u>\$ (6,621,095)</u>	<u>\$ (6,621,095)</u>	<u>\$ (1,303,436)</u>	<u>\$ 5,317,659</u>
Fund balances - beginning			<u>6,633,022</u>	
Fund balances - ending			<u>\$ 5,329,586</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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 3,386	\$ 3,386
Total revenues	<u>-</u>	<u>-</u>	<u>3,386</u>	<u>3,386</u>
EXPENDITURES:				
Current:				
Capital outlay	3,949,742	3,949,742	802,199	3,147,543
Total expenditures	<u>3,949,742</u>	<u>3,949,742</u>	<u>802,199</u>	<u>3,147,543</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,949,742)</u>	<u>(3,949,742)</u>	<u>(798,813)</u>	<u>3,150,929</u>
OTHER FINANCING SOURCES (USES):				
Disposal of capital assets	-	-	108,590	108,590
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>108,590</u>	<u>108,590</u>
Net change in fund balances	<u>\$ (3,949,742)</u>	<u>\$ (3,949,742)</u>	<u>\$ (690,223)</u>	<u>\$ 3,259,519</u>
Fund balances - beginning			<u>4,057,049</u>	
Fund balances - ending			<u>\$ 3,366,826</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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 34,907	\$ 34,907
Total revenues	<u>-</u>	<u>-</u>	<u>34,907</u>	<u>34,907</u>
EXPENDITURES:				
Current:				
General government	30,825	30,825	-	30,825
Public safety:				
Police	271,092	271,092	131,767	139,325
Public works	63,578	63,578	-	63,578
Capital outlay	<u>5,807,809</u>	<u>5,807,809</u>	<u>2,062,470</u>	<u>3,745,339</u>
Total expenditures	<u>6,173,304</u>	<u>6,173,304</u>	<u>2,194,237</u>	<u>3,979,067</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,173,304)</u>	<u>(6,173,304)</u>	<u>(2,159,330)</u>	<u>4,013,974</u>
OTHER FINANCING SOURCES (USES):				
Net change in fund balances	<u>\$ (6,173,304)</u>	<u>\$ (6,173,304)</u>	<u>\$ (2,159,330)</u>	<u>\$ 4,013,974</u>
Fund balances - beginning			<u>7,793,629</u>	
Fund balances - ending			<u>\$ 5,634,299</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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:				
Current:				
Economic environment	7,670	7,670	593	7,077
Capital outlay	950,000	950,000	195,227	754,773
Total expenditures	957,670	957,670	195,820	761,850
Excess (deficiency) of revenues over (under) expenditures	(957,670)	(957,670)	(195,820)	761,850
Net change in fund balances	\$ (957,670)	\$ (957,670)	\$ (195,820)	\$ 761,850
Fund balances - beginning			996,679	
Fund balances - ending			\$ 800,859	

CITY OF WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
SERIES 2019 CCCRA CAPITAL BOND FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 70,148	\$ 70,148
Total revenues	<u>-</u>	<u>-</u>	<u>70,148</u>	<u>70,148</u>
EXPENDITURES:				
Current:				
Economic environment	2,732,755	2,732,755	1,618,410	1,114,345
Capital outlay	<u>47,933,772</u>	<u>47,933,772</u>	<u>13,019,915</u>	<u>34,913,857</u>
Total expenditures	<u>50,666,527</u>	<u>50,666,527</u>	<u>14,638,325</u>	<u>36,028,202</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(50,666,527)</u>	<u>(50,666,527)</u>	<u>(14,568,177)</u>	<u>36,098,350</u>
Net change in fund balances	<u>\$ (50,666,527)</u>	<u>\$ (50,666,527)</u>	<u>\$ (14,568,177)</u>	<u>\$ 36,098,350</u>
Fund balances - beginning			<u>50,701,824</u>	
Fund balances - ending			<u>\$ 36,133,647</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, 2021

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 893,416	\$ 893,416	\$ 330	\$ (893,086)
Total revenues	<u>893,416</u>	<u>893,416</u>	<u>330</u>	<u>(893,086)</u>
EXPENDITURES:				
Current:				
Engineering services	230,805	230,805	250,334	(19,529)
Capital outlay	1,064,590	3,486,439	821,125	2,665,314
Total expenditures	<u>1,295,395</u>	<u>3,717,244</u>	<u>1,071,459</u>	<u>2,645,785</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(401,979)</u>	<u>(2,823,828)</u>	<u>(1,071,129)</u>	<u>1,752,699</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	421,508	2,843,357	2,843,359	2
Total other financing sources (uses)	<u>421,508</u>	<u>2,843,357</u>	<u>2,843,359</u>	<u>2</u>
Net change in fund balances	<u>\$ 19,529</u>	<u>\$ 19,529</u>	<u>\$ 1,772,230</u>	<u>\$ 1,752,701</u>
Fund balances - beginning			<u>-</u>	
Fund balances - ending			<u>\$ 1,772,230</u>	



WEST PALM BEACH

Finance Department

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STATISTICAL INFORMATION (Unaudited)



WEST PALM BEACH

Finance Department

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CITY OF WEST PALM BEACH, FLORIDA

STATISTICAL INFORMATION

The Statistical Information section provides unaudited informational data regarding the City's economic condition and is organized in five specific objectives.

Financial Trends – Provides information to help understand and assess how the City's financial position has changed over a period of time.

Revenue Capacity – Provides information to help understand and assess the City's ability to generate own-source revenue.

Debt Capacity – Provides information to help understand and assess the City's debt burden and its ability to issue additional debt.

Demographic and Economic – Provides information to assist with understand and assess the City's socio-economic environment and to facilitate comparisons of financial statement information.

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

CITY OF WEST PALM BEACH, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
SEPTEMBER 30, 2021
(UNAUDITED)
(IN THOUSANDS)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net investment in capital assets	\$ 188,937	\$ 183,764	\$ 178,930	\$ 169,012	\$ 175,216	\$ 164,702	\$ 163,730	\$ 163,944	\$ 164,740	\$ 176,476
Restricted	24,899	32,204	29,614	37,402	45,558	61,539	56,027	58,602	107,073	113,450
Unrestricted	66,906	59,001	68,195	(18,232)	(20,065)	(25,779)	(17,725)	(3,217)	(42,945)	(50,832)
Total net position of Governmental activities	280,742	274,969	276,739	188,182	200,709	200,462	202,032	219,329	228,868	239,094
Business-type activities:										
Net investment in capital assets	201,814	205,203	209,585	215,130	231,703	247,569	265,866	273,228	283,128	297,264
Restricted	50,272	56,841	59,584	91,887	106,348	92,697	94,436	103,978	96,811	94,306
Unrestricted	79,348	94,904	115,206	110,162	101,636	124,380	120,216	139,728	174,272	191,154
Total net position of Business-type activities	331,434	356,948	384,375	417,179	439,687	464,646	480,518	516,934	554,211	582,724
Primary Government:										
Net investment in capital assets	390,751	388,967	388,515	384,142	406,919	412,271	429,596	437,172	447,868	473,740
Restricted	75,171	89,045	89,198	129,289	151,906	154,236	150,463	162,580	203,884	207,756
Unrestricted	146,254	153,905	183,401	91,930	81,571	98,601	102,491	136,511	131,327	140,322
Total net position of Primary Government:	\$ 612,176	\$ 631,917	\$ 661,114	\$ 605,361	\$ 640,396	\$ 665,108	\$ 682,550	\$ 736,263	\$ 783,079	\$ 821,818

CITY OF WEST PALM BEACH, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
SEPTEMBER 30, 2021
(UNAUDITED)
(IN THOUSANDS)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
EXPENSES (1)										
Governmental activities:										
General government	\$ 30,883	\$ 33,286	\$ 30,660	\$ 33,361	\$ 25,312	\$ 19,392	\$ 27,681	\$ 19,106	\$ 21,507	\$ 21,968
Public safety	84,595	80,107	89,378	89,847	99,639	126,120	115,721	126,637	137,987	137,963
Engineering and public works	18,975	19,401	19,035	19,096	7,485	7,857	9,472	14,063	13,561	11,932
Economic environment (Downtown and Northwood)	14,604	15,857	16,489	17,318	20,497	22,704	28,105	31,457	33,988	42,922
Health and sanitation	8,631	9,379	10,043	9,119	11,035	10,930	11,335	11,534	11,177	12,079
Leisure services	19,455	17,598	21,849	19,785	21,012	23,916	25,932	28,317	27,682	25,991
Interest on long-term debt	9,803	9,003	7,800	8,434	8,264	8,892	8,747	9,249	10,590	9,791
Total governmental activities	186,946	184,631	195,254	196,960	193,244	219,811	226,993	240,363	256,492	262,646
Business-Type activities:										
Water and sewer	61,212	63,491	63,841	65,082	76,763	82,294	90,033	82,729	85,976	90,026
Stormwater utility	6,994	7,352	6,841	8,042	10,981	9,978	10,342	11,157	10,845	10,847
Parking facilities	4,106	4,465	4,891	5,675	5,673	5,339	6,463	6,357	4,876	5,165
Golf course	1,765	1,781	1,662	1,854	1,962	1,591	1,407	1,763	-	-
Total business-type activities	74,077	77,089	77,235	80,653	95,379	99,202	108,245	102,006	101,697	106,038
Total primary government	\$ 261,023	\$ 261,720	\$ 272,489	\$ 277,613	\$ 288,623	\$ 319,013	\$ 335,238	\$ 342,369	\$ 358,189	\$ 368,684

(1) In 2016 the expenses and revenue categories were reorganized.

(2) In 2017 Public safety combined police and fire.

CITY OF WEST PALM BEACH, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
SEPTEMBER 30, 2021
(UNAUDITED)
(IN THOUSANDS)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
PROGRAM REVENUES (1)										
Governmental activities:										
CHARGES FOR SERVICES										
General government	\$ 12,156	\$ 12,778	\$ 15,938	\$ 11,507	\$ 13,060	\$ 10,487	\$ 11,843	\$ 13,735	\$ 13,125	\$ 14,895
Public safety	18,878	10,637	18,165	20,770	15,748	7,379	9,563	12,166	15,645	16,580
Engineering and public works	-	-	-	-	-	334	768	985	617	631
Economic environment	1,926	2,111	(147)	5,104	729	11,336	9,611	13,068	13,849	15,995
Health and sanitation	14,022	13,708	14,013	14,301	14,550	15,715	14,703	15,755	16,080	16,471
Leisure services	2,412	1,734	1,886	2,188	3,022	2,615	2,160	2,215	1,066	1,348
Operating grants and contributions	19,987	19,618	20,022	20,344	23,213	6,059	12,517	12,076	13,714	14,112
Capital grants and contributions	3,125	639	4,006	1,265	3,310	11,499	9,432	9,834	1,751	2,382
Total governmental activities	72,506	61,225	73,883	75,479	73,632	65,424	70,597	79,834	75,847	82,414
Business-Type activities:										
CHARGES FOR SERVICES										
Water and sewer	86,717	91,451	96,524	99,108	101,474	109,918	105,902	114,828	122,130	121,488
Stormwater utility	10,604	11,010	10,777	10,842	10,865	13,222	13,806	14,274	14,776	15,313
Parking facilities	4,613	5,356	5,931	6,045	1,660	6,831	6,657	7,708	5,465	6,289
Golf course	1,547	1,589	1,505	1,513	6,717	1,432	775	5	-	-
Capital grants and contributions	4,391	873	550	3,306	6,004	980	3,259	2,432	1,150	2,045
Total business-type activities	107,872	110,279	115,287	120,814	126,720	132,383	130,399	139,247	143,521	145,135
Total primary government	180,378	171,504	189,170	196,293	200,352	197,807	200,996	219,081	219,368	227,549
NET REVENUES (EXPENSES):										
Governmental activities	(114,440)	(123,406)	(121,371)	(121,481)	(119,612)	(154,387)	(156,396)	(160,529)	(180,645)	(180,232)
Business-type activities	33,795	33,190	38,052	40,161	31,341	33,181	22,154	37,241	41,824	39,097
Total primary government	\$ (80,645)	\$ (90,216)	\$ (83,319)	\$ (81,320)	\$ (88,271)	\$ (121,206)	\$ (134,242)	\$ (123,288)	\$ (138,821)	\$ (141,135)

Continued

(1) In 2016 the expenses and revenue categories were reorganized.

(2) In 2017 Public safety combined police and fire.

CITY OF WEST PALM BEACH, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
SEPTEMBER 30, 2021
(UNAUDITED)
(IN THOUSANDS)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
TAXES										
Ad valorem taxes	\$ 66,693	\$ 66,864	\$ 68,567	\$ 73,132	\$ 82,075	\$ 90,266	\$ 96,783	\$ 103,450	\$ 110,893	\$ 119,412
Insurance premium taxes	2,374	2,501	2,874	2,900	-	2,674	2,797	2,791	2,970	3,086
Business taxes	2,486	2,507	2,877	3,017	3,195	3,962	5,052	5,073	5,343	5,630
Franchise fees	8,549	8,383	9,093	9,338	9,008	9,248	9,463	9,355	8,905	9,465
Utility service taxes	19,440	19,715	20,459	20,658	20,826	21,202	21,685	21,921	21,624	22,028
GRANTS AND CONTRIBUTIONS NOT RESTRICTED TO SPECIFIC PROGRAMS										
State and local shared revenues	3,221	3,436	3,619	3,928	3,934	4,845	6,448	6,968	6,348	7,125
Sales tax	6,036	6,949	7,470	7,996	8,312	8,355	8,837	8,963	8,501	10,192
Infrastructure surtax	-	-	-	-	-	-	-	-	7,815	9,316
Interest income	1,477	802	911	1,082	1,441	1,189	2,160	6,768	5,237	960
Miscellaneous	2,265	1,318	4,893	5,044	1,390	2,138	1,417	1,846	1,234	1,933
Transfers	8,217	8,081	9,113	10,196	10,121	10,261	9,632	11,091	11,314	11,446
Total governmental activities	120,758	120,556	129,876	137,291	140,302	154,140	164,274	178,226	190,184	200,593
Business-Type activities:										
Interest Income	836	405	686	1,064	1,289	1,139	2,313	7,328	5,250	566
Miscellaneous	-	-	-	-	-	890	1,037	2,536	1,519	1,129
Transfers	(8,217)	(8,081)	(9,113)	(10,196)	(10,121)	(10,261)	(9,632)	(11,091)	(11,314)	(11,446)
Total business-type activities	(7,381)	(7,676)	(8,427)	(9,132)	(8,832)	(8,232)	(6,282)	(1,227)	(4,545)	(9,751)
Total primary government	113,377	112,880	121,449	128,159	131,470	145,908	157,992	176,999	185,639	190,842
Special item - forgiveness of advance										
Governmental activities	-	-	-	-	-	-	-	(401)	-	-
Business-type activities	-	-	-	-	-	-	-	401	-	-
Total primary government	-	-	-	-	-	-	-	-	-	-
Continued										
CHANGE IN NET POSITION										
Governmental activities	6,318	(2,850)	8,505	15,810	20,690	(247)	7,878	17,296	9,539	20,361
Business-type activities	26,414	25,514	29,625	31,029	22,509	24,949	15,872	36,415	37,279	29,346
Total primary government	\$ 32,732	\$ 22,664	\$ 38,130	\$ 46,839	\$ 43,199	\$ 24,702	\$ 23,750	\$ 53,711	\$ 46,818	\$ 49,707

CITY OF WEST PALM BEACH, FLORIDA
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 SEPTEMBER 30, 2021
 (UNAUDITED)
 (IN THOUSANDS)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GENERAL FUND:										
Nonspendable (1)										
Advances to other funds	\$ 8,855	\$ 6,830	\$ 4,860	\$ 2,769	\$ 851	\$ 733	\$ 617	\$ -	\$ -	\$ -
Inventories	205	226	286	149	292	336	378	324	385	373
Prepaid items and advances to defined benefit pension plan	61	7,529	6,159	51	5,688	4,612	3,661	3,239	3,130	83
Deferred outflows	-	-	-	5,366	-	-	-	-	-	-
Restricted (1)										
Transportation	-	-	-	-	-	2,380	-	-	-	-
Committed (1)										
Emergency reserve	12,083	12,031	12,732	13,287	13,722	14,542	15,224	16,127	16,668	17,906
Art in public places	-	-	-	-	-	-	-	-	1,316	1,623
Assigned (1)										
For subsequent year's expenditures	10,533	9,630	633	2,998	2,405	4,334	4,005	3,998	2,170	3,361
Unassigned (1)										
	7,203	-	12,332	16,225	18,060	19,048	22,289	12,111	14,663	25,033
Total general fund	\$ 38,940	\$ 36,246	\$ 37,002	\$ 40,845	\$ 41,018	\$ 45,985	\$ 46,174	\$ 35,799	\$ 38,332	\$ 48,379

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, 2021
 (UNAUDITED)
 (IN THOUSANDS)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
ALL OTHER GOVERNMENTAL FUNDS:										
Nonspendable (1)										
Inventories	\$ 73	\$ 71	\$ 69	\$ 66	\$ 63	\$ 61	\$ 61	\$ 76	\$ 61	\$ 61
Prepaid items	-	-	-	-	-	-	20	6	21	21
Restricted (1)										
Land held for resale	-	2,857	2,857	7,014	2,927	-	-	-	-	-
Forfeiture	991	927	856	752	608	962	837	778	627	591
Cemetery trust	989	1,020	1,055	1,111	1,149	1,070	1,091	1,163	1,200	1,301
Transportation	5,635	6,872	8,077	9,599	8,283	12,769	15,661	6,817	4,732	4,894
Public safety	847	-	-	-	11,054	17,915	18,785	18,155	11,687	13,858
Economic environment	21,485	20,479	19,672	25,308	32,241	40,698	38,280	110,495	45,993	39,759
Wetlands mitigation	707	707	707	707	-	-	-	-	-	-
Library	-	8	63	(26)	39	-	-	-	-	-
Debt service	1,776	1,805	1,839	2,922	2,110	194	-	7,369	7,432	7,322
Capital outlay	6,427	3,205	2,064	2,922	39,299	40,320	31,839	45,744	135,968	116,623
Land held for resale	-	-	3,965	-	-	-	-	-	-	-
Committed (1)										
Public safety	932	4,148	9,079	9,887	2,090	1,198	1,604	4,426	5,682	6,628
Land held for resale	-	-	-	-	-	2,862	2,862	2,862	2,863	2,863
Leisure services	472	140	298	486	863	-	344	1,742	1,486	2,433
Debt service	-	-	-	-	-	-	-	-	356	366
Capital Projects	6,430	4,973	5,301	4,204	3,837	6,878	8,747	11,981	4,971	3,693
Assigned (1)										
Capital outlay	-	144	-	-	-	-	-	-	-	-
Unassigned (1)										
	(4)	(22)	(2)	-	-	(1)	-	-	-	(1,821)
Total all other governmental funds	68,245	67,813	75,572	90,260	136,804	165,624	158,411	322,109	223,079	198,592
Total governmental funds	\$ 107,185	\$ 104,059	\$ 112,574	\$ 131,105	\$ 177,822	\$ 211,609	\$ 204,585	\$ 357,908	\$ 261,411	\$ 246,971

(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, 2021
(UNAUDITED)
(IN THOUSANDS)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES:										
Taxes	\$ 97,100	\$ 97,402	\$ 100,815	\$ 105,941	\$ 112,417	\$ 123,389	\$ 130,729	\$ 137,518	\$ 144,391	\$ 153,991
Licenses and permits	7,729	8,626	12,916	10,788	13,320	12,653	14,521	15,431	13,972	15,913
Intergovernmental	31,767	30,976	35,498	33,533	36,766	43,500	47,061	49,129	50,210	54,694
Charges for services	24,012	22,680	24,077	26,160	26,632	27,781	28,507	32,280	35,785	40,294
Special assessments	-	4	-	-	-	-	-	-	-	-
Fines and forfeitures	1,387	1,276	4,215	1,005	272	277	252	360	343	463
Rents and royalties	1,530	1,458	1,549	4,050	1,460	914	977	1,365	1,465	1,713
Interest income	1,342	795	862	927	1,441	1,073	1,917	5,764	4,472	912
Miscellaneous	722	924	3,634	3,562	2,236	2,006	1,725	1,822	1,771	2,059
Total Revenues	165,589	164,141	183,566	185,966	194,544	211,593	225,689	243,669	252,409	270,039
EXPENDITURES:										
CURRENT:										
General government	13,025	11,890	11,804	13,478	12,925	15,155	20,513	19,512	20,259	18,452
Public safety	80,636	82,437	90,896	91,225	98,350	97,976	106,317	112,785	119,607	125,134
Engineering services and public works	6,260	6,338	5,799	5,457	5,190	6,180	7,877	13,291	12,791	10,598
Economic environment	15,480	16,261	17,180	18,505	20,744	22,986	27,212	29,738	27,985	37,406
Health and sanitation	8,221	8,966	9,005	9,001	9,981	10,274	10,698	10,944	10,552	11,359
Leisure services	18,914	20,327	21,039	20,625	21,319	23,613	25,638	28,045	27,317	25,725
Capital outlay**	11,975	8,647	13,770	6,423	13,107	16,165	35,959	34,767	34,244	37,789
DEBT SERVICE:										
Principal	9,103	9,543	10,375	6,576	8,196	7,666	10,620	13,763	15,306	17,012
Interest expense	9,100	8,530	8,544	7,630	6,253	10,901	9,740	10,090	13,080	13,283
Other issuance and debt costs	515	54	2	755	2,102	-	-	689	275	-
Total Expenditures	173,229	172,993	188,414	179,675	198,167	210,916	254,574	273,624	281,416	296,758
Excess of Revenues Over (Under) Expenditures	(7,640)	(8,852)	(4,848)	6,291	(3,623)	677	(28,885)	(29,955)	(29,007)	(26,719)

**Capital outlay amount recorded in the Change in Fund Balances of Governmental Funds – Modified Accrual Basis is different from the amount in the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities (page 8), due to certain expenditures 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, 2021
(UNAUDITED)
(IN THOUSANDS)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
OTHER FINANCING SOURCES (USES):										
Issuance of debt	6,900	2,581	6,215	68,338	120,185	6,939	5,928	106,340	26,651	-
Issuance costs and Premium on refunding debt	-	-	-	-	12,445	350	-	18,936	5,532	-
Disposal of capital assets	-	-	-	-	-	1,787	13,653	2,704	527	1,407
Payment to escrow agent for refunding	-	-	-	(67,198)	(41,680)	-	-	-	-	-
Refunded bonds	-	-	-	-	-	-	-	(24,265)	-	-
Transfers in	31,929	20,711	17,940	16,297	18,192	28,048	24,859	58,458	32,994	27,749
Transfers out	(25,245)	(15,807)	(12,870)	(11,941)	(14,627)	(12,472)	(20,161)	(50,709)	(22,699)	(16,877)
Total Other Financing Sources (Uses)	13,584	7,485	11,285	5,496	94,515	24,652	24,279	111,464	43,005	12,279
SPECIAL ITEM (USES)										
Bond proceeds to Police Pension	-	-	-	-	(50,000)	-	-	-	-	-
Forgiveness of advance to other fund	-	-	-	-	-	-	-	(401)	-	-
Net Changes in Fund Balances	5,944	(1,367)	6,437	11,787	40,892	25,329	(4,606)	81,108	13,998	(14,440)
Fund Balances (Deficit)										
- beginning of year	81,889	87,833	86,466	92,903	104,690	145,582	170,911	166,305	247,413	261,411
Fund Balances (Deficit)										
- end of year	<u>\$ 87,833</u>	<u>\$ 86,466</u>	<u>\$ 92,903</u>	<u>\$ 104,690</u>	<u>\$ 145,582</u>	<u>\$ 170,911</u>	<u>\$ 166,305</u>	<u>\$ 247,413</u>	<u>\$ 261,411</u>	<u>\$ 246,971</u>
Debt service as a percentage of non-capital expenditures	11.29 %	11.00 %	10.83 %	8.20 %	7.81 %	9.53 %	9.31 %	9.99 %	11.48 %	11.70 %

**Capital outlay amount recorded in the Change in Fund Balances of Governmental Funds – Modified Accrual Basis is different from the amount in the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities (page 8), due to certain expenditures 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, 2021
(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
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
2021	270,039,748	153,990,754	15,912,559	54,694,444	40,294,049	463,167	912,415	1,713,199	2,059,161

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, 2021
(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
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	281,416,489	20,259,378	119,606,587	12,792,051	27,986,220	10,551,753	27,316,538	34,243,913	28,660,049
2021	296,758,041	18,451,788	125,134,300	10,596,721	37,406,409	11,359,226	25,724,943	37,789,073	30,295,581

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, 2021
(UNAUDITED)**

Fiscal Year Ended September 30	Non - Spendable	Committed	Assigned	Unassigned	Annual Expenditures	Unassigned Fund Balance as Percentage of Expenditures
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	177,246,756	8.3 %
2021	456,343	19,529,438	3,361,128	25,032,673	179,830,375	13.9 %

**CITY OF WEST PALM BEACH, FLORIDA
GENERAL FUND TAX REVENUES BY SOURCE
FOR THE LAST TEN FISCAL YEARS
GAAP BASIS - MODIFIED ACCRUAL
SEPTEMBER 30, 2021
(UNAUDITED)**

Fiscal Year Ended September 30	Total Taxes	General Property Taxes	Utilities Taxes	Franchise Taxes	Insurance Premium Taxes
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
2021	125,637,625	91,058,669	22,028,418	9,464,923	3,085,615

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, 2021
(UNAUDITED)

Fiscal Year Ended September 30	Total Franchise Revenue	Electric	Cable TV	Towing	Rolloff Container	Utilities
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	-
2021	9,464,923	8,997,658	-	18,750	400,415	48,100

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, 2021
(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
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 %
2021	124,457,845	119,315,512	95.9 %	251,992	119,567,504	96.1 %	4,890,341	3.9 %

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, 2021
(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				
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	
2020	2021	13,911,087,971	682,409,012	42,258,225	14,635,755,208	3,757,941,388	18,393,696,596	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, 2021
(UNAUDITED)

Taxpayer	Fiscal Year 2021			Fiscal Year 2012		
	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 %	\$ -	-	- %
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 MF Park Line FL LLC	80,000,000	9	0.46 %			
Northbridge Property Owner LLC	75,031,285	10	0.43 %			
Phillips Point LLC				114,965,606	1	1.41 %
West Palm Beach CRA (Lessor) - City Place & Other Properties				112,043,785	2	1.38 %
KBSII City Place Tower, LLC				94,485,061	3	1.16 %
SPUSV5 Esperante Holdings LP				52,073,286	4	0.64 %
Gaedeke Holdings LTD				39,250,930	5	0.48 %
Flager Center Properties				29,584,059	6	0.36 %
Leisure Resorts, LLC				23,036,476	7	0.28 %
One Clearlake Centre VEF III				23,000,000	8	0.28 %
PBM Properties, LLC				18,565,435	9	0.23 %
CF West Palm Office LP	-	-	- %	16,878,572	10	0.21 %
	<u>\$ 1,090,731,201</u>		<u>6.25 %</u>	<u>\$ 523,883,210</u>		<u>6.43 %</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, 2021
(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)	Capital Leases			
2012	\$10,510,000	\$ 165,468,836	\$ 6,864,930	\$10,192,167	\$ -	\$ 238,665,000	\$ -	\$ 431,700,933	\$ 414,643,836	\$ 4,078
2013	9,380,000	157,646,162	6,122,026	10,773,461	-	233,965,000	-	417,886,649	400,991,162	3,935
2014	8,215,000	148,417,339	17,228,987	9,588,753	-	229,105,000	-	412,555,079	385,737,339	3,766
2015	7,000,000	142,849,686	12,654,303	8,589,096	-	224,070,000	-	395,163,085	373,919,686	3,594
2016	5,725,000	215,596,625	12,061,934	12,673,165	10,605,886	218,740,000	193,652	475,596,262	440,061,625	4,121
2017	4,385,000	211,371,552	13,440,751	17,377,829	7,670,604	269,920,000	155,198	524,320,934	485,676,552	4,399
2018	2,985,000	205,339,036	12,551,748	19,991,923	6,600,244	264,185,000	-	511,652,951	472,509,036	4,185
2019	1,527,589	297,331,513	25,029,525	15,371,475	5,507,662	275,176,166	-	619,943,930	574,035,268	4,984
2020	58,469,376	278,947,498	22,425,605	10,662,508	4,392,399	266,619,736	-	641,517,122	604,036,610	5,172
2021	28,768,576	275,292,137	18,716,672	8,986,039	3,253,983	259,320,630	-	594,338,037	563,381,343	4,724

- (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
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
2021	28,768,576	17,440,651,640	0.16%	119,255	241

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, 2021
(UNAUDITED)

	<u>Debt</u>	<u>Applicable to</u>	<u>Applicable to</u>
City of West Palm Beach (1)			
Total bonds (2)	\$ 304,060,713		
Promissory notes, governmental funds	18,716,672		
Promissory notes, internal service funds	3,253,983		
Capital leases	<u>8,986,039</u>		
Total direct debt	335,017,407	100.00 % (5)	335,017,407
Palm Beach County (3)	809,642,739	7.00 %	56,674,992
School Board (4)	1,512,264,000	7.00 %	<u>105,858,480</u>
Total overlapping debt			<u>162,533,472</u>
Total direct and overlapping debt			<u>\$ 497,550,879</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, 2021
(UNAUDITED)

Taxable Value of Property		<u>\$ 14,635,755,208</u>
Debt Limitation - 10% of assessed value (1)		1,463,575,521
Amount of debt applicable to debt limit:		
Outstanding debt (2)	\$ 326,031,368	
Less:		
Amount available in general debt service funds	7,322,084	
Other deductions allowed by law:		
Revenue Bonds	<u>275,292,137</u>	
Total applicable debt		<u>43,417,147</u>
Legal Debt Margin		<u><u>\$ 1,420,158,374</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, 2021
(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	
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 %
2021	143,978,132	78,201,035	65,777,097	7,949,928	9,515,167	17,465,095	376.6 %

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, 2021
 (UNAUDITED)**

Fiscal Year	Population (1)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)	Per Capita Personal Income (5)	Total Personal Income
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
2021	119,255	36.9	18,140	3.8%	31,400	3,744,607,000

(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, 2021
 (UNAUDITED)**

	2021			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Palm Beach County School District	22,600	1	3.15 %	21,495	1	3.46 %
Tenet Coastal Division Palm Beach County	6,505	2	0.91 %	6,100	4	0.99 %
Palm Beach County Government	5,686	3	0.79 %	11,381	2	1.83 %
NextEra Energy/Florida Power & Light Company	5,119	4	0.71 %	3,635	6	0.58 %
Florida Atlantic University	3,133	5	0.44 %	2,706	9	0.44 %
Boca Raton Regional Hospital	3,052	6	0.43 %	-	-	- %
Veterans Health Administration	3,000	7	0.42 %	-	-	- %
HCA Healthcare	2,806	8	0.39 %	2,714	8	0.44 %
The Breakers	2,300	9	0.32 %	-	-	- %
Bethesda Hospital East/Besthesda Hospital West	2,282	10	0.32 %	2,391	10	0.38 %
State Government				4,029	5	1.48 %
Federal Government				6,200	3	1.00 %
G4S				3,000	7	0.49 %
	<u>56,483</u>		<u>7.88 %</u>	<u>63,651</u>		<u>11.09 %</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, 2021
(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
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
2020	2021	18,393,696,596	42	467,449,225	173	61,362,445	14,989	803,295,299

(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, 2021
 (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
1985 - 42.60 square miles	1990	(U.S. Census)	67,643
1995 - 55.34 square miles	2010	(University of FL)	102,475
2005 - 55.00 square miles	2020	(University of FL)	116,781
2015 - 55.29 square miles	2021	(University of FL)	119,255
2020 - 57.98 square miles			
2021 - 57.69 square miles			

EDUCATION (CITY-WIDE):

Number of public schools	21
Number of full time employees (teachers and support)	1,607
Number of students	18,140

Source - School District of Palm Beach County.

STREETS, SIDEWALKS AND STORM SEWERS:

Miles of paved streets and alleys	457
Miles of sidewalks	344
Miles of storm sewers	340

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

STREET LIGHTS:

Number of street lights	18,143
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Source - City of West Palm Beach, MIS Support Services (GIS).

Continued

**CITY OF WEST PALM BEACH, FLORIDA
MISCELLANEOUS STATISTICAL DATA
SEPTEMBER 30, 2021
(UNAUDITED)**

ELECTIONS:

76,698 Registered voters at last municipal election
9,198 Votes cast in last municipal election
11.99 % Registered voters voting

Source - City of West Palm Beach City Clerk.

EMPLOYEES AS OF SEPTEMBER 30, 2021

1,509 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)
286 Employees (full-time)

Source - City of West Palm Beach Fire Department.

Continued

CITY OF WEST PALM BEACH, FLORIDA
MISCELLANEOUS STATISTICAL DATA
SEPTEMBER 30, 2021
(UNAUDITED)

RECREATION:

Public parks - 591 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

1,525 Metered on street spaces

2,400 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	33177	27498
Capacity per day (million gallons) (1)	47 MGD	70 MGD
Miles of mains (2)	571	316
Fire hydrants:		
West Palm Beach	3521	
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, 2021
(UNAUDITED)

Population Growth							
Year	Palm Beach County		Florida		United States		
	Population	% Change	Population	% Change	Population	% Change	
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)	
2021	1,502,495	0.38 % (2)	21,781,128	0.22 % (2)	331,893,745	0.63 % (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)
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 %
2021	1,502,495	40,888	717,009 (3)		4.1 %

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

(2) Source - US Census Bureau.

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

brightline



Photo by @gobrightline / what's trending palm beach

CONTINUING DEBT DISCLOSURE (Unaudited)

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE
EVENT NOTICES
FISCAL YEAR 2021
(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 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 Income	Rents and Royalties	Payment in Lieu of Taxes	Miscellaneous
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
2021	99,205,405	22,028,418	9,464,923	3,085,615	29,461,750	17,170,348	3,829,291	458,522	440,786	539,785	11,312,829	1,413,138

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, 2021
(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>
Communication System Note, Series 2014 (2)	2024	3,253,983	2.45%	1,220,143
Vehicle Acquisition Note, Series 2014 (2)	2024	712,248	0.54%	270,892
Palm Beach County Promissory Note (3)	2023	500,000	0.38%	250,000
Special Obligation Series 2016	2040	111,065,000	83.49%	14,777,271
JPMC 2018 Term Loan	2023	3,329,424	2.50%	1,844,742
2019 Note - Fire	2034	14,175,000	10.66%	1,141,282
TOTAL		<u>\$ 133,035,655</u>	<u>100.00%</u>	<u>\$ 19,504,330</u>

Source - City of West Palm Beach Finance Department.

(1) Non-Ad Valorem Funds will be used to pay the City's allocable share (100%) of the remaining debt service pursuant to an Interlocal Agreement which obligated the City and the Agency to each fund their allocable share of such debt service.

(2) Non-Ad Valorem Funds are not expected to be needed to pay debt service due to court and assessment fees and other revenues that the City expects to receive to pay such debt service.

(3) Non-Ad Valorem Funds are not expected to be needed to pay debt service due to an Interlocal Agreement which obligates the West Palm Beach Community Redevelopment Agency (the "Agency") to pay such debt service.

(4) Maximum Annual Debt Service based on budgetary-basis amortization schedule.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: SPECIAL OBLIGATION BONDS
HISTORICAL NON-AD VALOREM REVENUES, DEBT SERVICE AND
COVERAGE (ASSUMING DEBT SERVICE PAYMENTS WERE NOT
MADE BY OTHER DEDICATED REVENUE SOURCES)
FOR THE LAST FIVE FISCAL YEARS
(UNAUDITED)

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
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
2021	99,205,405	25,590,215	73,615,190	12,051,360	6.11x

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
		Valorem	Revenues	Covenant to	Service	on all
		Used for	Available	Budget and	on	Covenant to
		Essential	for	Appropriate	Series 2006	Budget and
		Services (1)	Covenant to	Debt	and 2016	Appropriate
			Budget and	(2)	Bonds (3)	Debt
Fiscal	Total		Appropriate			
Year	Non-Ad		Debt			
Ended	Valorem					
September 30	Revenues					
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
2021	99,205,405	25,590,215	73,615,190	464,393	14,771,687	4.83x

Source - City of West Palm Beach Finance Department.

(1) Represents total expenses for public safety, health care and sanitation, minus the portion of such expenses paid from the City's ad valorem tax revenues.

(2) All of the existing debt for which the City has covenanted to budget and appropriate legally available non-ad valorem revenues to satisfy its payment obligations thereunder (excluding the City's allocable share of the Capital Improvement Revenue Refunding Note, Series 2006, and the Special Obligation Bonds, Series 2006) historically has been paid in full by (i) tax increment revenue received from the West Palm Beach Community Redevelopment Agency pursuant to Interlocal Agreements that obligate the Agency to make such payments and (ii) in the case of the HUD Section 108 Note and Communication System Note, Series 2006, federal grants and other sources of revenue that are not received as non-ad valorem revenue for deposit into the City's General Fund.

(3) The 2006 Special Obligation Bonds were refunded in FY 2016. The Series 2016 Special Obligation bonds were issued on July 5, 2016. Principal payments were not due until FY 2017 and therefore the maximum debt service for the Series 2016 bonds is not reflected until that time.



WEST PALM BEACH

Finance Department

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UTILITY SYSTEM REVENUE BONDS (Unaudited)

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: UTILITY SYSTEM REVENUE BONDS
CUSTOMERS AND SALES*
FISCAL YEAR 2021
(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>
32,336	86,679	8,787,113

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>
27,672	64,332	4,351,445

Stormwater Customers and Sales (*)

<u>Average Annual Number of Accounts Served</u>	<u>Average Annual Number of ERCs Served</u>
27,550	101,505

* 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
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%
2021	13.32	20.50	65.0%	43.99	70.00	62.84%

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, 2021
(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	5.45	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 Superintendent

- (1) The amounts derived from the Rate Resolution as approved by the City Commission.
- (2) The monthly service charge represents the minimum bill rendered.
- (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, 2021	
	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, 2021	
	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, 2021	
	Installation	Tap-In Charge
5/8 - inch	\$ 335	\$ 2,010
5/8 - inch Dual Check	355	N/A
3/4 - inch	800	2,070
1 - inch	830	2,130
1 1/2 - inch	1,075	2,475
2 - inch	1,150	2,795
3 - inch	2,855 (2)	N/A (3)
4 - inch	4,605 (2)	N/A (3)
6 - inch	6,535 (2)	N/A (3)
8 - inch	8,695 (2)	N/A (3)
10 - inch	17,685 (2)	N/A (3)
12 - inch	19,560 (2)	N/A (3)

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

(1) Includes cost of meter installation.

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

(3) Customer responsible for installing 3-inch and larger services.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: UTILITY SYSTEM REVENUE BONDS
SUMMARY OF MONTHLY STORMWATER RATES [1]
AS OF OCTOBER 1, 2021
(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, 2021
(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)
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
2021	55,126	7,847,456	9,360	3,772,831	1,886	131,611	66,373	11,746,660	11,032

	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 2021	0.20%	0.25%	-0.03%	0.90%	0.06%	-0.42%	0.16%	0.44%	0.28%
2016 to 2021	0.26%	0.79%	0.06%	0.85%	0.12%	-3.09%	0.23%	0.75%	0.52%
2019 to 2021	0.51%	6.72%	0.16%	1.03%	-1.76%	-5.11%	0.43%	4.62%	8.58%

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, 2021
(UNAUDITED)

Stormwater System Customer Growth

Fiscal Year Ended	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
September 30								
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
2021	22,608	22,608	2,098	29,824	2,860	49,073	27,550	101,505

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
2011 to 2021	0.07%	0.07%	0.03%	0.66%	0.10%	0.26%	0.06%	0.33%
2016 to 2021	0.09%	0.09%	-0.02%	1.02%	0.05%	0.24%	0.07%	0.43%
2019 to 2021	0.16%	0.16%	0.60%	1.11%	-0.14%	0.39%	0.13%	0.55%

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, 2021
(UNAUDITED)

Wastewater System Customer Growth

Fiscal Year Ended September 30	Average Annual Units (1)	Billed Sales (ccf)	Average Monthly Billed Flow per Unit (gallons)
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
2021	54,542	5,817,036	6,648

Average Annual Compound	Average Annual	Billed	Average Monthly Billed Flow
2011 to 2021	0.24%	0.09%	-0.15%
2016 to 2021	0.35%	-0.19%	-0.54%
2019 to 2021	1.01%	-2.50%	-1.95%

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:				
	2017	2018	2019	2020	2021
Water System Sales	\$ 64,754,761	\$ 64,056,807	\$ 67,674,244	\$ 69,104,921	\$ 72,278,441
Wastewater System Sales	30,324,107	31,035,061	32,428,909	33,873,746	35,633,451
Stormwater System Sales	13,164,288	13,785,784	14,255,283	14,776,119	15,313,277
Other Operating Revenues	10,224,984	11,268,523	11,749,253	11,935,486	12,222,016
Total Operating Revenues	<u>118,468,140</u>	<u>120,146,175</u>	<u>126,107,689</u>	<u>129,690,272</u>	<u>135,447,185</u>
Other Income	1,613,194	3,030,549	5,050,630	3,631,333	1,980,313
Total Revenues	<u>120,081,334</u>	<u>123,176,724</u>	<u>131,158,319</u>	<u>133,321,605</u>	<u>137,427,498</u>
Operating Expenses	63,298,326	67,826,636	69,167,531	67,504,610	71,898,131
Applicable Impact Fees	726,433	862,450	856,589	824,476	1,185,929
Net Revenues	57,509,441	56,212,538	62,847,377	66,641,471	66,715,296
As a Percent of Total Revenues	47.89%	45.64%	47.92%	49.99%	48.55%
Transfers and Other [1]	<u>39,884,935</u>	<u>39,369,889</u>	<u>41,160,453</u>	<u>40,976,484</u>	<u>42,783,697</u>
Debt Service Coverage:					
Rate Covenant Test 1	3.11	3.04	3.39	3.6	3.6
Rate Covenant Test 2	1.44	1.43	1.53	1.63	1.63
Amount available for other purposes	<u>\$ 17,624,506</u>	<u>\$ 16,842,649</u>	<u>\$ 21,686,924</u>	<u>\$ 25,664,987</u>	<u>\$ 23,931,599</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

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)
2012	\$ 95,737,970	\$ 52,448,642	\$ 43,805,073	\$ 16,650,111	2.63 x
2013	102,997,493	53,759,301	49,566,859	15,577,757	3.18 x
2014	108,215,403	54,962,050	53,714,708	15,344,375	3.50 x
2015	111,345,880	56,521,647	55,606,082	15,676,227	3.55 x
2016	112,824,919	63,087,241	50,515,924	14,956,603	3.38 x
2017	120,081,334	63,298,326	57,509,441	18,516,833	3.11 x
2018	123,176,724	67,826,636	56,212,538	18,516,833	3.04 x
2019	131,158,319	69,167,531	62,847,377	18,516,833	3.39 x
2020	133,321,605	67,504,610	66,641,471	18,516,831	3.60 x
2021	137,427,498	71,898,131	66,715,297	18,516,831	3.60 x

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.



WEST PALM BEACH

Finance Department

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Photo by 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
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
2020	2021	2,828,466	1,649,625	4,478,091	5.25%	223,251

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	=A-B		Dollar Increase Over Prior Year
		Final Gross Taxable Value	Percentage Increase Over Prior Year		Base Year Taxable Value (1)	Incremental Value (2)	
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
2020	2021	439,298,522	3.34%	86,933,276	352,365,246	4.20%	14,199,765

Source - City of West Palm Beach Finance Department.

(1) The boundaries of the Northwood/Pleasant City Community Redevelopment Area (the "NPCCRA") were expanded in December, 2001 to include the residential neighborhood located in the Pleasant City area. The aggregate assessed value of the taxable real property in the expanded boundary of the NPCCRA as of January 1, 2001, was \$9,731,463. In tax roll year 2001, fiscal year 2002, such amount was added to the assessed value of the taxable property originally located in the NPCCRA to establish a new base year taxable value for use in determining the NPCCRA Tax Increment Revenues to be deposited into the NPCCRA Redevelopment Trust Fund.

(2) Incremental Value equals the Final Gross Taxable Value minus the Base Year Taxable Value.

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

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

Tax Roll Year Ended <u>December 31</u>	Fiscal Year Ended <u>September 30</u>	New Construction Taxable Value
2015	2016	\$ 240,800
2016	2017	(156,783)
2017	2018	166,460
2018	2019	8,770,774
2019	2020	(750,276)
2020	2021	347,605

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:					
	2017	2018	2019	2020	2021	Total
Revenues						
Tax Increment						
City of West Palm Beach	\$ 2,127,784	\$ 2,263,248	\$ 2,540,870	\$ 2,718,972	\$ 2,828,466	\$ 12,479,340
Intergovernmental	1,009,039	1,401,457	1,471,018	1,535,868	1,649,625	7,067,007
Total Tax Increment	<u>3,136,823</u>	<u>3,664,705</u>	<u>4,011,888</u>	<u>4,254,840</u>	<u>4,478,091</u>	<u>19,546,347</u>
Miscellaneous						
Loan/ Assessment Repayments	37,102	60,100	33,392	29,200	19,450	206,371
Investment Earnings (General)	28,809	48,698	161,181	123,334	24,365	421,334
Other Miscellaneous Revenue	3,784	2,763	49,139	59,744	-	115,430
Total Miscellaneous	<u>69,695</u>	<u>111,561</u>	<u>243,712</u>	<u>212,278</u>	<u>43,815</u>	<u>743,135</u>
Total Revenues	<u>3,206,518</u>	<u>3,776,266</u>	<u>4,255,600</u>	<u>4,467,118</u>	<u>4,521,906</u>	<u>20,289,482</u>
Expenditures						
Debt Service 2005B	847,698	848,968	847,813	844,465	673,415	4,062,359
Debt Service 2015	840,344	839,944	840,284	896,485	1,010,274	4,427,331
2016 PBC Note	30,585	37,363	40,556	40,556	233,680	382,740
Total Debt	<u>1,718,627</u>	<u>1,726,275</u>	<u>1,728,653</u>	<u>1,781,506</u>	<u>1,917,369</u>	<u>8,872,430</u>
Operations						
City Cost Allocation (1)						
Operating Expense	539,539	578,640	686,767	781,379	1,750,371	4,336,696
City Administrative Expense	667,216	667,216	705,369	523,029	327,924	2,890,754
Innovative Policing Expense	188,811	162,365	150,414	448,823	265,563	1,215,976
Capital Outlay	<u>95,850</u>	<u>116,344</u>	<u>2,200,000</u>	<u>-</u>	<u>-</u>	<u>2,412,194</u>
Total Operations	<u>1,491,416</u>	<u>1,524,565</u>	<u>3,742,550</u>	<u>1,753,231</u>	<u>2,343,858</u>	<u>10,855,620</u>
Total Expenditures	<u>3,210,043</u>	<u>3,250,840</u>	<u>5,471,203</u>	<u>3,534,737</u>	<u>4,261,227</u>	<u>19,728,050</u>
Surplus/(Deficit)	<u>\$ (3,525)</u>	<u>\$ 525,426</u>	<u>\$ (1,215,603)</u>	<u>\$ 932,381</u>	<u>\$ 260,679</u>	<u>\$ 561,432</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)
2017	\$ 3,136,823	\$ 847,698	3.70	\$ 840,344	1.72	\$ 2,503,696	1.25 x
2018	3,664,705	848,968	4.32	839,944	2.35	2,502,507	1.46 x
2019	4,011,888	847,813	4.73	840,284	2.77	2,499,182	1.61 x
2020	4,254,840	844,465	5.04	896,485	2.80	2,328,146	1.83 x
2021	4,478,091	673,415	6.65	1,010,274	2.77	1,654,731	2.71 x

(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)				
	2017	2018	2019	2020	2021
Actual Revenue Growth	15.81%	11.38%	15.26%	9.81%	6.55%
Existing Value	\$ 346,194,232	\$ 370,555,122	\$ 395,053,171	\$ 425,849,033	\$ 438,950,917
Taxing Authority:					
City of West Palm Beach					
New Construction	(156,783)	166,460	8,770,774	(750,276)	347,605
Taxable Value	346,037,449	370,721,582	403,823,945	425,098,757	439,298,522
Base Year Value	86,933,276	86,933,276	86,933,276	86,933,276	86,933,276
Tax Increment	259,104,173	283,788,306	316,890,669	338,165,481	352,365,246
Millage Rate (City)	8.3465	8.3465	8.3465	8.3465	8.3465
Gross Incremental Revenue	2,162,613	2,368,639	2,644,928	2,822,498	2,941,017
Statutory Reduction	0.95%	0.95%	0.95%	0.95%	0.95%
Incremental Revenue	2,054,482	2,250,207	2,512,682	2,681,373	2,793,966
Palm Beach County					
Millage Rate (County)	4.7815	4.7815	4.7815	4.7815	4.7815
Gross Incremental Revenue	1,238,907	1,356,934	1,515,213	1,616,938	1,684,834
Statutory Reduction	0.95%	0.95%	0.95%	0.95%	0.95%
Incremental Revenue	1,176,961	1,289,087	1,439,452	1,536,091	1,600,593
Total Revenue	\$ 3,231,444	\$ 3,539,294	\$ 3,952,134	\$ 4,217,465	\$ 4,394,558

(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 2020/FISCAL YEAR 2021
(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	\$ 31,000,000	7.68%
Park PB LLC	Multifamily	14,520,000	3.60%
920 N Stanley Partners LLC	Vacant Commercial	14,308,245	3.54%
Mountain West Palm Real Estate, Inc.	Warehouse/Dist Term	8,546,580	2.12%
2014 Cahuenga Partners LP & U & Me Transfer Inc.	Vacant Commercial	8,346,476	2.07%
U & Me Transfer Inc.	Warehouse/Distribution	6,152,899	1.52%
La Boheme Properties Inc	Light Manufacturing	5,840,996	1.45%
Silc R W	Light Manufacturing	3,943,934	0.98%
1919 N Flager Drive Assocites LLC	Office Multistory	3,773,764	0.93%
Alliance HP Lakeside LLC	Warehouse/Dist Term	3,500,482	0.87%
Total			24.75%

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	\$ 56,381,595	13.96%
Northwood Addition-Platt Book 8	Store/Office/Residential	46,243,182	11.45%
Bethesda Park	Store/Office/Residential	45,762,666	11.33%
The Slade Condominium	Condominium	42,125,103	10.43%
1515 N Flagler	Office Multistory	31,000,000	7.68%
Northwood Add 7	Warehouse/Dist Term	23,484,514	5.82%
Westfield WPB No. 1	Warehouse/Dist Term	17,376,461	4.30%
Portofino Condominium	Condominium	16,400,373	4.06%
Parkland Replat	Multifamily	14,520,000	3.60%
Australian Park INC	Warehouse/Dist Term	13,433,143	3.33%
Total			75.96%

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
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
2020	2021	8.3465	4.7815

Source - City of West Palm Beach Finance Department.

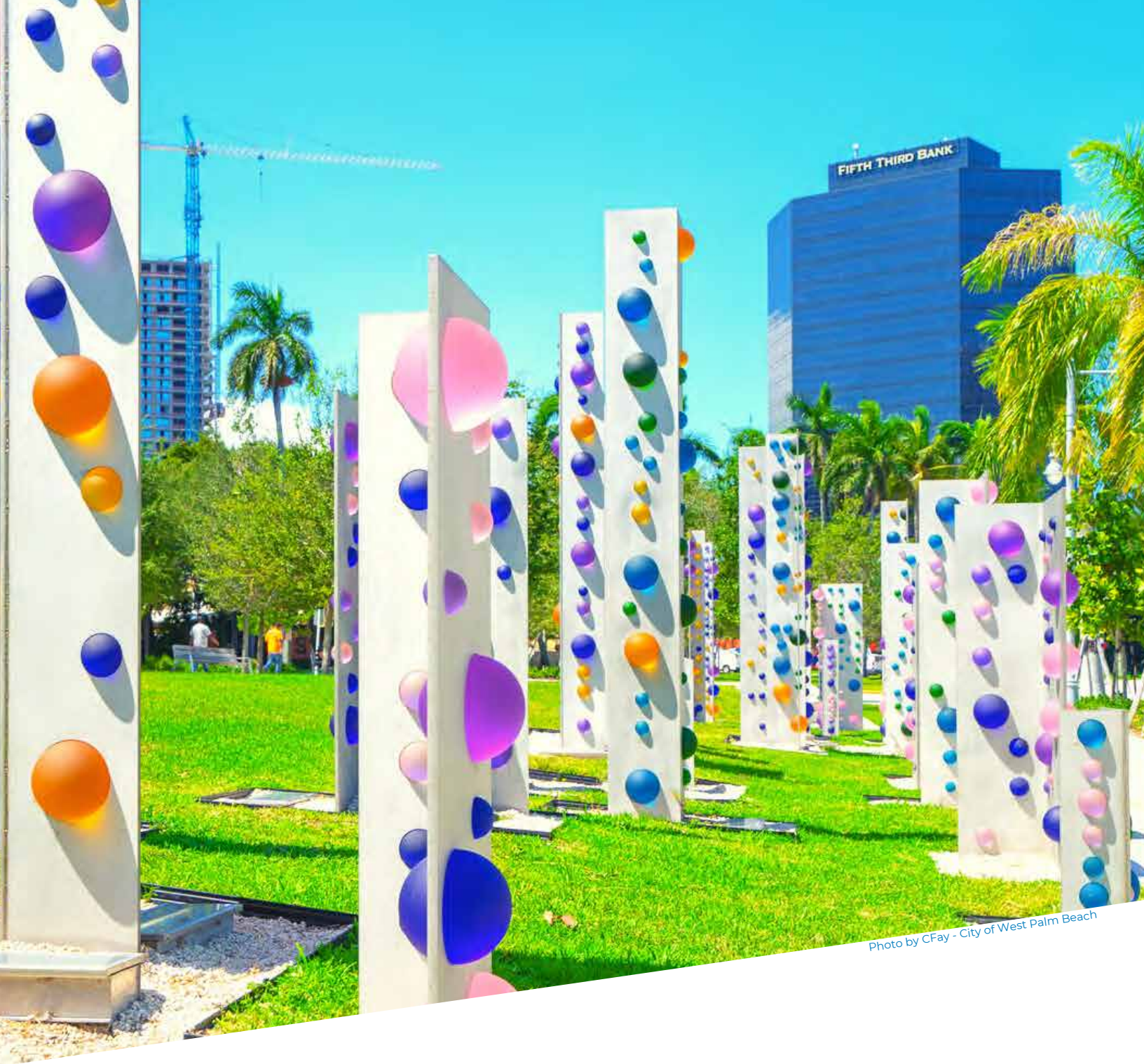


Photo by CFay - City of West Palm Beach

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
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%
2020	2021	23,778,068	13,419,019	2,103,786	39,300,873	2.27%

Source - City of West Palm Beach Finance Department.

(1) Palm Beach County began utilizing a different Taxable Value with tax roll year 2012 that adjusts for the county-wide senior, historic and/or economic exemptions.

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

Fiscal Year	CCCRA Tax Increment Revenues	Debt Service on Series 2006A Bonds	Debt Service Coverage on Series 2006A Bonds	Debt Service on Series 2010A Refunding Bonds	Debt Service Coverage on Series 2010A Refunding Bonds	Debt Service on Series 2015 Refunding Bonds	Debt Service Coverage on Series 2015 Refunding Bonds	Debt Service on Series 2019 Bonds	Debt Service Coverage on Series 2019 Bonds	Maximum Annual Debt Service on Series 2006A, 2010A, 2015 and 2019 Bonds (1)	Maximum Annual Debt Service Coverage
2017	\$ 29,348,790	\$ 1,080,015	27.17	\$ 1,113,481	25.39	\$ 4,112,650	6.60	\$ -	N/A	\$ 6,341,781	4.63 x
2018	32,103,399	1,080,015	29.72	1,136,909	27.29	4,118,400	7.26	-	N/A	6,341,781	5.06 x
2019	34,671,466	1,001,935	34.60	1,144,668	29.41	4,324,780	7.52	-	N/A	16,702,900	2.08 x
2020	38,429,222	223	172,715.60	1,135,137	33.85	4,116,775	9.06	6,191,657	5.36	16,690,376	2.30 x
2021	39,300,873	223	176,237.10	1,122,615	35.01	4,115,525	9.28	6,202,000	5.49	15,557,761	2.53 x

(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
2011	2012	1,818,539,815	-2.03%	251,511,950	1,567,027,865	-2.35%
2012	2013	1,829,612,152	0.61%	251,511,950	1,578,100,202	0.71%
2013	2014	1,860,942,669	1.71%	251,511,950	1,609,430,719	1.99%
2014 (2)	2015 (2)	1,969,866,074	5.85%	251,511,950	1,718,354,124	6.77%
2015 (2)	2016 (2)	2,191,637,208	11.26%	251,511,950	1,940,125,258	12.91%
2016 (2)	2017 (2)	2,439,488,349	11.31%	251,511,950	2,187,976,399	12.78%
2017 (2)	2018 (2)	2,675,134,453	9.66%	251,511,950	2,423,622,503	10.77%
2018 (2)	2019 (2)	2,863,165,768	7.03%	251,511,950	2,611,653,818	7.76%
2019 (2)	2020 (2)	3,132,127,764	17.08%	251,511,950	2,880,615,814	18.86%
2020 (2)	2021 (2)	3,206,183,447	2.36%	251,511,950	2,954,671,497	2.57%

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
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%
2020 (2)	2021 (2)	2,402,716,311	2.86%	191,563,585	2,211,152,726	3.11%

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 <u>December 31</u>	Fiscal Year Ended <u>September 30</u>	New Construction Taxable Value (1) <u>Value (1)</u>
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
2020	2021	482,201,975

Source - Palm Beach County, Florida Property Appraiser's Office.

(1) Represents taxable values of new construction after such construction has been completed and added to the assessment rolls by the Palm Beach County Property Appraiser's Office. Decreases in taxable values following Fiscal Year 2010 are the result of the completion of large construction projects, their addition to the assessment rolls by Fiscal Year 2010 and the absence of such projects for several years resulting from the economic downturn.

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

Tax Roll Year Ended <u>December 31</u>	Fiscal Year Ended <u>September 30</u>	New Construction Taxable Value
2016	2017	40,594,679
2017	2018	24,048,035
2018	2019	59,792,939
2019	2020	135,911,823
2020	2021	6,413,641

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 2020/FISCAL YEAR 2021
(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	\$ 186,999,738	7.67%
CPT Equity LLC	Office Multistory	126,854,998	5.20%
222 Lakeview LLC	Office Multistory	102,166,775	4.19%
CityPlace Retail LLC	Shopping Center Regional	86,257,544	3.54%
Avalon Alexander LLC	Multifamily	80,858,831	3.31%
Reep MF Park Line FL LLC	Multifamily	80,000,000	3.28%
Northbridge Property Owner LLC	Office Multistory	75,031,285	3.08%
Trea Sole At City Center	Multifamily	71,500,000	2.93%
CL Loftin Place LP	Multifamily	55,718,814	2.28%
Flagler Center Properties	Multifamily	53,573,502	2.20%
TOTAL			<u>37.67%</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 2020/FISCAL YEAR 2021
(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	\$ 208,962,542	7.81%
Two City Plaza Condominium	Condominium	197,645,088	7.39%
Trupm Plaza of the Palm Beaches Condominium	Office Multistory	163,621,316	6.12%
Phillips Point RESUB BLKS A & B	Office Multistory	160,997,695	6.02%
Phillips Point Add to WPB	Office Multistory	142,355,716	5.32%
One Watermark Place of the Palm Beaches	Condominium	140,750,692	5.26%
Waterview Towers Condominium	Condominium	138,271,065	5.17%
CityPlace South Tower Condo	Condominium	133,753,004	5.00%
One City Plaza Condominium	Condominium	103,088,519	3.85%
Railway Add to WPB	Office Multistory	89,052,823	3.33%
TOTAL			<u>55.27%</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, 2021
(UNAUDITED)

	2021			2012		
	<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	22,600	1	3.15%	21,495	1	3.46%
Tenet Coastal Division Palm Beach County	6,505	2	0.91%	6,100	4	99.00%
Palm Beach County Government	5,686	3	0.79%	11,381	2	1.83%
NextEra Energy/Florida Power & Light Company	5,119	4	0.71%	3,635	6	0.58%
Florida Atlantic University	3,133	5	0.44%	2,706	9	0.44%
Boca Raton Regional Hospital	3,052	6	0.43%			
Veterans Health Administration	3,000	7	0.42%			
HCA Healthcare	2,806	8	0.39%	2,714	8	0.44%
The Breakers	2,300	9	0.32%			
Bethesda Memorial Hospital	2,282	10	0.32%	2,391	10	0.38%
State Government				4,029	5	1.48%
Federal Government				6,200	3	1.00%
G4S				3,000	7	0.49%
Total	56,483		7.88%	63,651		109.10%

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 - UNAUDITED
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Tax Roll Year Ended December 31	Fiscal Year Ended September 30	City of West Palm Beach	Palm Beach County	Downtown Development Authority (1)
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
2020	2021	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
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
2021	39,300,873	4,674,622	34,626,251	5,229,954	6.62 x	-	6.62 x	15,557,761	2.23 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
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
2021	39,300,873	7,816,753	31,484,120	5,229,954	6.02 x	-	6.02 x	15,557,761	2.02 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:				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Increase (Decrease) in Existing Value					
Existing Value	\$ 2,398,893,670	\$ 2,651,086,418	\$ 2,803,286,371	\$ 2,996,215,941	\$ 3,125,714,123
New construction	40,594,679	24,048,035	59,792,939	135,911,823	6,413,641
Final Gross Taxable Value	2,439,488,349	2,675,134,453	2,863,079,310	3,132,127,764	3,132,127,764
Base Year Taxable Value	<u>(251,511,950)</u>	<u>(251,511,950)</u>	<u>(251,511,950)</u>	<u>(251,511,950)</u>	<u>(251,511,950)</u>
Incremental Taxable Value	2,187,976,399	2,423,622,503	2,611,567,360	2,880,615,814	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	18,261,945	20,228,765	21,797,447	24,043,060	24,043,060
Adjustment (1)	650,382	236,490	300,941	446,911	446,911
Statutory Reduction (5%)	<u>(945,616)</u>	<u>(1,023,263)</u>	<u>(1,104,919)</u>	<u>(1,224,499)</u>	<u>(1,224,499)</u>
City Tax Incremental Revenue	17,966,711	19,441,992	20,993,469	23,265,472	23,265,472
Palm Beach County					
Millage Rate (County)	4.7815	4.7815	4.7815	4.7815	4.7815
Gross Incremental Revenue	10,461,809	11,588,551	12,487,209	13,773,665	13,773,665
Adjustment (1)	(18,066)	(8,471)	8,685	34,999	34,999
Statutory Reduction (5%)	<u>(522,187)</u>	<u>(579,004)</u>	<u>(624,795)</u>	<u>(690,433)</u>	<u>(690,433)</u>
County Tax Incremental Revenue	9,921,556	11,001,076	11,871,100	13,118,230	13,118,230
Downtown Redevelopment Authority					
Final Gross Taxable Value	1,725,462,556	1,936,430,582	2,092,791,478	2,335,976,790	2,402,716,311
Base Year Taxable Value	<u>(191,563,585)</u>	<u>(191,563,585)</u>	<u>(191,563,585)</u>	<u>(191,563,585)</u>	<u>(191,563,585)</u>
Incremental Taxable Value	1,533,898,971	1,744,866,997	1,901,227,893	2,144,413,205	2,211,152,726
Millage Rate (DDA)	1.0000	1.0000	1.0000	1.0000	1.0000
Gross Incremental Revenue	1,533,899	1,744,867	1,901,228	2,144,413	2,211,153
Adjustment (1)	3,494	2,850	769	8,766	8,766
Statutory Reduction (5%)	<u>(76,870)</u>	<u>(87,386)</u>	<u>(95,100)</u>	<u>(107,659)</u>	<u>(110,996)</u>
DDA Tax Incremental Revenue	\$ <u>1,460,523</u>	\$ <u>1,660,331</u>	\$ <u>1,806,897</u>	\$ <u>2,045,520</u>	\$ <u>2,108,923</u>

(1) Palm Beach County began utilizing a different Taxable Value with tax roll year 2012 that adjusts for the county-wide senior, historic and/or economic exemptions.

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

	2017	2018	2019	2020	2021
Revenues					
Tax Increment					
City of West Palm Beach County	\$ 17,966,711	\$ 19,441,992	\$ 20,993,469	\$ 23,265,472	\$ 23,778,068
Palm Beach County	9,921,556	11,001,076	11,871,100	13,118,230	13,419,019
Downtown Development Authority	1,460,523	1,660,331	1,806,897	2,045,520	2,103,786
	<u>29,348,790</u>	<u>32,103,399</u>	<u>34,671,466</u>	<u>38,429,222</u>	<u>39,300,873</u>
Other intergovernmental revenue	-	183,366	18,468	552,700	-
Other Revenues					
Rents and Royalties	309,429	253,497	130,101	319,437	302,516
Investment Earnings (General)	140,113	308,616	1,031,501	802,128	137,179
Miscellaneous Revenues (1)	71,372	91,806	181,889	567,308	1,083,352
Proceeds From Sale of Capital Assets	-	-	760,000	-	52,348
Total Other Revenues	<u>520,914</u>	<u>653,919</u>	<u>2,103,491</u>	<u>1,688,873</u>	<u>1,575,395</u>
Total CCCRA Revenues	<u>\$ 29,869,704</u>	<u>\$ 32,940,684</u>	<u>\$ 36,793,425</u>	<u>\$ 40,670,795</u>	<u>\$ 40,876,268</u>
Expenditure					
Prior Senior Obligations					
CDD Bonds	4,270,000	4,274,250	4,276,750	4,560,804	4,494,622
Renaissance Increment Revenues	180,000	180,000	180,000	180,000	180,000
Total Prior Senior Obligations	<u>4,450,000</u>	<u>4,454,250</u>	<u>4,456,750</u>	<u>4,740,804</u>	<u>4,674,622</u>
Obligations Under Original Resolution					
Senior Bonds (2)	5,193,415	5,199,165	5,326,715	3,986,420	4,107,519
Subordinate Bonds (2)	1,113,481	1,136,909	1,144,668	1,135,160	1,122,435
Total original Resolution Obligations	<u>6,306,896</u>	<u>6,336,074</u>	<u>6,471,383</u>	<u>5,121,580</u>	<u>5,229,954</u>
Senior Bonds Debt Service Coverage	4.89	5.48	6.07	9.01	8.81
Total Debt Service Coverage	4.03	4.50	5.00	7.02	6.92
Subordinate Obligations					
City Advances and Loans (3)	1,908,050	2,700,631	2,530,131	8,541,451	8,652,357
DDA Interlocal Agreement	3,103,032	3,502,647	3,795,780	4,273,025	4,389,557
Total Subordinate Obligations	<u>5,011,082</u>	<u>6,203,278</u>	<u>6,325,911</u>	<u>12,814,476</u>	<u>13,041,914</u>
Operations					
City Cost Allocation					
City Administrative Expense	4,352,612	4,352,612	4,701,549	5,064,000	5,303,178
Trolley Contribution	135,369	135,369	33,842	-	272,287
DDA Project Funding	580,000	580,000	413,938	409,500	385,000
Clematis Streetscape	-	1,638,577	1,265,963	55,191	58,539
Redevelopment Incentive Grants	-	488,191	1,271,495	2,014,945	9,185,287
Other Operating Costs	2,582,672	3,258,397	3,407,369	3,975,008	3,777,529
Capital Outlay	1,331,090	9,209,858	1,577,925	4,174,855	5,353,678
Total Operations	<u>8,981,743</u>	<u>19,663,005</u>	<u>12,672,081</u>	<u>15,693,499</u>	<u>24,335,498</u>
Total Expenditures	<u>24,749,721</u>	<u>36,656,607</u>	<u>29,926,125</u>	<u>38,370,359</u>	<u>47,281,988</u>
Net Change in Fund Balances					
Fund Balances - Beginning	22,384,408	27,504,399	23,788,476	30,655,776	32,956,212
Fund Balances - Ending	<u>\$ 27,504,399</u>	<u>\$ 23,788,476</u>	<u>\$ 30,655,776</u>	<u>\$ 32,956,212</u>	<u>\$ 26,550,492</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



WEST PALM BEACH

Finance Department

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Photo by City of West Palm Beach

GENERAL OBLIGATIONS BONDS (Unaudited)

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: GENERAL OBLIGATION BONDS
TAXABLE VALUES AND GROSS ASSESSED VALUE OF PROPERTY
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Tax Roll Year	Fiscal Year Ended September 30	Taxable Value for Operating Millage (1)			Total Property	Exemptions & Adjustments (2)	Gross Assessed Values
		Real Property	Personal Property	Centrally Assessed			
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
2020	2021	13,911,087,971	682,409,012	42,258,225	14,635,755,208	3,757,941,388	18,393,696,596

Source - Palm Beach County Property Appraiser's Office

(1) Assessed values are established by the Palm Beach County Property Appraiser's Office as of January 1 each year. State law requires that assessed values be established at 100% of estimated actual value.

(2) Exemptions provided by State law include exemptions for homestead, government, institutions and for certain individuals who qualify as widows, disabled persons or senior citizens. Adjustments provided by State law include certain lands used for agriculture, high-water recharge, pollution control devices and certain historically significant properties.

CITY OF WEST PALM BEACH, FLORIDA
CONTINUING DISCLOSURE: GENERAL OBLIGATION BONDS
PROPERTY TAX LEVIES AND COLLECTIONS
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended September 30	Total Property Tax Levy	Current Gross Property Tax Collections	Percent of Levy Collected	Delinquent Property Tax Collections	Total Property Tax Collections	Total Collections as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
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%
2021	124,457,845	119,315,512	95.9%	251,992	119,567,504	96.1%	4,890,341	3.9%

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 2020/FISCAL YEAR 2021
(UNAUDITED)

Taxpayer	Assessed Value (1)		Percentage of Total Assessed Valuation
CPT Phillips Point LLC	\$ 186,999,738	1	1.16%
Palm Beach Outlets I LLC	174,725,968	2	1.08%
CPT Equity LLC	126,854,998	3	0.78%
222 Lakeview LLC	102,166,775	4	0.63%
Aaron Drive Holdings LLC	94,346,328	5	0.58%
Cityplace Retail LLC	86,257,544	6	0.53%
Avalon Alexander LLC	83,915,201	7	0.52%
CLPF Marketplace LLC	80,433,364	8	0.50%
Reep MF Park Line FL LLC	80,000,000	9	0.49%
Northbridge Property Owner LLC	75,031,285	10	0.46%
			6.74%

(1) Source - Palm Beach County Tax Collector.

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

Tax Roll Year	Fiscal Year Ended September 30	City of West Palm Beach			Children's Services (2)	Florida Inland Navigation District (2)	Palm Beach County	Palm Beach County School Board	South Florida Water Management District	Everglades Construction	Health Care District	Total (1)	
		General Operations	Debt Service	Total									
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
2020	2021	8.3465	0.0718	8.4183	1.0000	0.6233	0.0320	4.8149	6.8750	0.1152	0.0365	0.7261	22.6413

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	Population	Gross Assessed Value	Outstanding Gross Bonded Debt	Notes Payable	Revenue Bonds	Capital Leases	Less Amount Available in the General Debt Service Funds	Net Debt	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
September 30	(1)									
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
2021	119,255	18,393,696,596	23,675,000	21,970,655	249,955,000	8,986,038	(7,687,873)	296,898,820	1.61%	2,490

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, 2021
(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)	\$ 304,060,713		
Promissory notes, governmental funds	18,716,672		
Promissory notes, internal service funds	3,253,983		
Capital leases	8,986,039		
Total direct debt	335,017,407	100.00% (5)	\$ 335,017,407
Palm Beach County (3)	809,642,739	7.00% (5)	56,674,992
School Board (4)	1,512,264,000	7.00% (5)	<u>105,858,480</u>
Total overlapping debt			162,533,472
Total direct and overlapping debt			<u>\$ 497,550,879</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)		
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%
2021	790,000	1,123,397	1,913,397	178,844,225	1.1%

Source - City of West Palm Beach Finance Department.

(1) Includes general obligation bonded debt only.

(2) Includes General Fund only, GAAP basis.



Photo by CFay/City Of West Palm Beach

REPORTING SECTION





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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 and 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 the City of West Palm Beach, Florida (the "City") as of and for the year ended September 30, 2021 and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 30, 2022.

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, and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as Findings 2021-001 and 2021-002, that we consider to be material weaknesses.

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

The City's Responses to the Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on them.

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.

A rectangular box containing a handwritten signature in black ink that reads "Plante & Moran, PLLC".

June 30, 2022

Reference Number	Finding
2021-001	<p>Finding Type - Material weakness</p> <p>Criteria - The City should have a process in place to reconcile federal expenditures in a timely manner to ensure that expenditures are recognized in the appropriate period and reported and classified in accordance with generally accepted accounting principles (GAAP).</p> <p>Condition - There were several adjustments to the schedule of expenditures of federal awards (SEFA) and general ledger recorded by the City after the draft SEFA was provided for the audit process.</p> <p>Context - Significant adjustments were made by the City to the SEFA and general ledger. The auditors did not receive the final SEFA until April 2022.</p> <p>Cause - Staffing changes occurred within the City's staff that historically had prepared the SEFA for the audit. The City did not have an adequate process in place to ensure that federal and state grant expenditures were reconciled to the City's general ledger after the staff departure and prior to the commencement of the audit. As a result, the final reconciliation of the SEFA to the amounts reported for federal awards in the general ledger did not occur timely.</p> <p>Effect - The City receives a significant amount of grant funding, and not completing a timely reconciliation of that funding to the general ledger could result in errors in the underlying accounting records remaining undetected. Additionally, because of the adjustments recorded, the auditors had to reevaluate the major program determination, which resulted in an additional federal program selected as major for testing in the single audit.</p> <p>Recommendation - The City should ensure a process is implemented to accurately reconcile and record all federal and state expenditures on a timely basis throughout the year and prior to the start of the audit.</p> <p>Views of Responsible Officials and Planned Corrective Actions - City management acknowledges the finding resulting from the retirement of the City's grant accounting manager. The City is currently in the process of hiring a qualified and experienced grants accounting and compliance officer to oversee and manage federal grant expenditures. The grants accounting and compliance officer will ensure grant compliance is maintained and that qualified grant expenditures are reconciled and properly reported in the SEFA in accordance with GAAP and each federal granting agency's award.</p>

Schedule of Findings (Continued)

Reference Number	Finding
2021-002	<p>Finding Type - Material weakness</p> <p>Criteria - The City should have a process in place to ensure financial reporting in accordance with generally accepted accounting principles.</p> <p>Condition - During the audit, the auditors identified four retiree health care plans that were previously accounted for as defined contribution plans by the City instead of defined benefit plans as required by GAAP.</p> <p>Context - Material adjustments were recorded by the City to recognize the related accounting impact of correcting the error. The beginning net position of the governmental activities and business-type activities were adjusted.</p> <p>Cause - The City did not apply the criteria in GASB 74 and GASB 75 correctly when previously determining if the plans met the criteria to be reported as defined contribution retiree health care plans or defined benefit retiree health care plans. As a result, the City did not correctly apply GASB 75 for defined benefit plans and, therefore, did not measure and record a net other postemployment benefits (OPEB) liability or asset.</p> <p>Effect - Prior to the correction of the error, the related OPEB assets and/or liabilities were not reported on the City's financial statements, and the related disclosures required by GASB 74 and GASB 75 were omitted.</p> <p>Recommendation - The City should ensure a process is implemented to accurately analyze all new pronouncements applicable to governments.</p> <p>Views of Responsible Officials and Planned Corrective Actions - City management acknowledges the finding and will ensure that new benefit and health care plans are thoroughly assessed to determine the proper accounting treatment for reporting in accordance with GAAP. Management will also consult with the external auditors as needed to ensure the accounting treatment is accurate.</p>



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June 30, 2022

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

We have audited the financial statements of the City of West Palm Beach, Florida (the "City") as of and for the year ended September 30, 2021 and have issued our report thereon dated June 30, 2022. Professional standards require that we provide you with the following information related to our audit, which is divided into the following sections:

Section I - Required Communications with Those Charged with Governance

Section II - Management Letter in Accordance with the Rules of the Auditor General of the State of Florida

Section I includes information that current auditing standards require independent auditors to communicate to those individuals charged with governance. We will report this information annually to the honorable mayor and members of the City Commission.

Section II includes comments and recommendations pursuant to Section 218.39(4), Florida Statutes, and Rule 10.557(3)(g), Rules of the Auditor General.

We would like to take this opportunity to thank the City's staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism are invaluable.

This report is intended solely for the use of the honorable mayor, the members of the City Commission, the audit committee, and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

We welcome any questions you may have regarding the following communications, and we would be willing to discuss these or any other questions that you might have at your convenience.

Very truly yours,

Plante & Moran, PLLC

Joe Kowalski
Partner

William Brickey
Colleague Partner



Section I - Required Communications with Those Charged with Governance

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated July 24, 2021, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the City. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our audit of the City's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of the City, including compliance with certain provisions of laws, regulations, contracts, and grant agreements; certain instances of error or fraud; illegal acts applicable to government agencies; and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated June 30, 2022 regarding our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our letter about planning matters sent to you on February 15, 2022.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in Note A to the financial statements.

As described in Note Q, during the current fiscal year, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which provides guidance on the identification and reporting of fiduciary activities.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Section I - Required Communications with Those Charged with Governance (Continued)

The most sensitive estimates affecting the financial statements were as follows:

- **Self-insurance** - The City is self-insured for workers' compensation, general, and automotive liability claims. Claims that are probable of loss and estimable in amount have been reported in the September 30, 2021 financial statements as a liability. The amount of claims liability is based on a combination of analyses performed by outside consultants and internal analysis and includes an estimate of incurred claims that have not yet been reported. The City purchases commercial insurance for claims in excess of coverage provided by the internal service funds and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years.
- **Net Other Postemployment Benefit (OPEB) Asset/Liability** - The net other postemployment benefit asset/liability recorded in the financial statements is based on the actuary's calculation of the total OPEB liability. The actuary's calculation is based on significant estimates, including the anticipated rate of return on investments, estimated future health care costs, and employee eligibility rates. Management is responsible for reviewing the assumptions used in the actuary's calculation for reasonableness.
- **Net Pension Asset/Liability** - The City's estimate of defined benefit pension plan liabilities and expense is based on discount rates, investment rate of return, life expectancies, and other significant assumptions, which are used by an actuary to calculate the total pension liability. While the actuary uses multiple assumptions to calculate the total pension liability, it is the City's responsibility to assess whether the assumptions made are reasonable.

We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.

We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

The following material misstatements detected as a result of audit procedures were corrected by management: We have identified a material adjustment related to restatement of governmental and business-type beginning net position to correct an error related to reporting of four VEBA plans.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the City, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

**Section I - Required Communications with Those Charged with Governance
(Continued)**

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 30, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

To our knowledge, there were no such consultations with other accountants.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for other information in documents containing the City's financial statements and report does not extend beyond the financial statements. We do not have an obligation to determine whether or not such other information is properly stated. However, we read the introductory section, statistical section, and continuing debt disclosure sections, and nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information or manner of its presentation appearing in the financial statements.

Section II - Management Letter in Accordance with the Rules of the Auditor General of the State of 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 as of and for the fiscal year ended September 30, 2021 and have issued our report thereon dated June 30, 2022. We did not audit the financial statements of the Restated Employees' Defined Benefit Retirement System, which represent 15.34 percent, 17.09 percent, and 7.22 percent of the assets, net position, and revenue, 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 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* 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. This management letter should be considered in conjunction with the disclosures in those reports and schedule, which are dated June 30, 2022.

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.

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.

**Section II - Management Letter in Accordance with the Rules of the Auditor General of the
State of Florida
(Continued)**

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, the results of our tests did not indicate that the City has met 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, 2021. 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 did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Special District Information - West Palm Beach Community Redevelopment Agency

The required reporting items in accordance with Section 218.39(3)(c), Florida Statutes for the West Palm Beach Community Redevelopment Agency (the "CRA") have been reported in the separately issued audited financial statements of the CRA.

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.



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**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, 2021. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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, 2021.

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.

June 30, 2022

