

PALM BEACH COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001

Operating Transfers Between Primary Government and Component Units

	<u>Transfers In</u>	<u>Transfers Out</u>
Metropolitan Planning Organization	\$ 197,788	\$ 46,710
General Fund	<u>46,710</u>	<u>197,788</u>
	<u>\$ 244,498</u>	<u>\$ 244,498</u>

6. PENSION PLANS

The County contributes to the Florida Retirement System (FRS), a non-contributory, cost-sharing, multi-employer, defined benefit pension plan administered by the Florida Department of Management Services, Division of Retirement. FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The pension benefits of FRS are established by Florida Statutes, Chapter 121, and may only be amended by the Florida Legislature. The Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for FRS. The report may be obtained by writing to the Florida Department of Management Services, Division of Retirement, Cedars Executive Center, Building C, 2639 North Monroe Street, Tallahassee, Florida 32399-1560 or by calling 1-850-488-5706.

In accordance with GASB 27, a pension liability at transition is required to be determined. This amount was determined to be zero. There was no prior liability reported for this plan. The County was required to contribute based on rates established statewide by class of membership for participating governmental units.

The following membership classes and rates were in effect at September 30, 2001:

<u>Membership Class</u>	<u>Rates</u>
Regular	7.30%
Special Risk	18.44%
Special Risk Administrative	9.83%
Judges	18.56%
Legislators/Attorneys/Cabinet	12.40%
County Elected Officials	15.14%
State Attorney/Public Defender	12.40%
Senior Management	9.28%
Deferred Retirement Option Program	12.67%

The contribution requirements of the County are established and may be amended by the Florida Legislature. The County's contributions to FRS for the years ended September 30, 2001, 2000, and 1999 were \$48.3 million, \$48.8 million, and \$60.1 million, respectively, equal to the required contributions for each year.

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The Palm Tran, Inc. - Amalgamated Transit Union Local 1577 (Palm Tran) pension plan (the Plan) is a mandatory contribution, single-employer, defined benefit retirement program administered by Fiduciary Trust International of the South. The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. The Board of Trustees (the Board) of the Palm Tran pension plan has the authority to establish and amend benefit provisions. Palm Tran issues a stand-alone, publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Fiduciary Trust International of the South, Attn: Ms. Anne Orsek, Vice President, 100 S.E. Second Street, Suite 2300, Miami, Florida 33131-1101.

The contribution requirements of plan members and Palm Tran, Inc. are established by the Pension Trust Agreement and may be amended by the Board. Plan members are required to contribute 2.5% of their annual covered payroll. Palm Tran, Inc. is required to contribute 13.5% of annual covered payroll.

In accordance with GASB 27, a pension liability at transition is required to be determined. This amount was determined to be zero. There was no prior liability reported for this plan. For the current year, the annual pension cost for Palm Tran, Inc. was \$2,221,011 and was equal to its required and actual contributions. The required contribution was determined as part of the December 31, 2000 actuarial valuation using the frozen entry age actuarial cost method. The actuarial assumptions included (a) 8.0% investment rate of return and (b) projected salary increases of 5.5%. Both (a) and (b) included an inflation component of 4.5%. The actuarial value of the Plan's assets was determined using the market value. The Plan's unfunded actuarial liability is being amortized using the level dollar amortization method on a closed basis. The remaining amortization period for the initial liability is 15 years and for the Plan amendment is 29 years.

Three-Year Trend Information

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
12/31/98	\$1,432,901	100%	\$0
12/31/99	1,425,232	100	0
12/31/00	2,221,011	100	0

The Lantana Firefighter's Pension Fund (LFPF) is a single-employer, defined benefit pension plan administered by the Pension Resource Center. LFPF provides retirement, disability, and death benefits to plan members and beneficiaries. The Board of Trustees (the Board) of LFPF has the authority to establish and amend benefit provisions. LFPF issues a stand-alone, publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the plan administrator at Pension Resource Center, 5606 PGA Blvd., Suite 113, Palm Beach Gardens, Florida 33418 or by calling 1-561-624-3277.

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Plan members are required to contribute 2.0% of their annual covered salary. The County is required to contribute an actuarially determined rate; the current rate is 18.98% of annual covered payroll. The contribution requirements of plan members and the County are established and may be amended by the LFPF Board of Trustees.

In accordance with GASB 27, a pension liability at transition is required to be determined. This amount was determined to be zero. There was no prior liability reported for this plan. For the current year, the annual pension cost for the County was \$320,318 and was equal to its required and actual contributions. The required contribution was determined as part of the September 30, 1998 actuarial valuation using the individual entry age actuarial cost method. The actuarial assumptions included (a) 8.0% investment rate of return and (b) projected salary increases of 7.0%.

Both (a) and (b) included an inflation component of 5.0%. The actuarial value of LFPF assets was determined using the market value. LFPF's unfunded actuarial liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at September 30, 1998 ranges from 10-30 years.

Three-Year Trend Information

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
9/30/99	\$242,053	100%	\$0
9/30/00	295,551	100	0
9/30/01	320,518	100	0

DEFINED CONTRIBUTION PLAN

Palm Beach County/Village of Royal Palm Beach Firefighter Money Purchase Plan & Trust

On April 20, 1999 the Board of County Commissioners approved the establishment of a 401(a) pension plan to be effective as of 8:00 A.M., March 13, 1999 for former employees of the Royal Palm Beach Fire Department who became County employees as of that date. Florida Statutes require that as a result of a merger or consolidation, pension benefits for employees shall not be diminished so the County is responsible for establishing a separate pension plan for former Royal Palm Beach firefighters.

The Palm Beach County/Village of Royal Palm Beach Firefighter Money Purchase Plan & Trust is a single-employer defined contribution plan administered by The Pension Resource Center, Inc. which covers all Royal Palm Beach firefighters. The County's current year payroll for employees covered by the plan was approximately \$1,552,697. The total County payroll for the year was approximately \$204,387,280.

The County's contribution requirement of 15% on earnings of participants was paid on a biweekly basis and amounted to \$434,092 for the current year. If the Employer so elects in the Adoption

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Agreement, an eligible Employee may make voluntary (unmatched) contributions under the Plan for any Plan Year in any amount up to ten percent (10%) of his/her earnings for such Plan Year. Such contributions shall be accounted for separately in the Participant's Voluntary Contribution Account.

Employees' vesting is determined by the number of consecutive years served. Employees are fully vested after six (6) consecutive years of service. These benefit provisions and all other requirements are established by County Resolution.

COMPONENT UNIT

Westgate/Belvedere Homes Community Redevelopment Agency (CRA) contributes to the Florida Retirement System (FRS), a non-contributory, cost-sharing, multi-employer, defined benefit pension plan administered by Florida Department of Management Services, Division of Retirement. FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The pension benefits of FRS are established by Florida Statutes, Chapter 121, and may only be amended by the Florida Legislature. The Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for FRS. The report may be obtained by writing to Florida Department of Management Services, Division of Retirement, Cedars Executive Center, Building C, 2639 North Monroe Street, Tallahassee, Florida 32399-1560 or by calling 1-850-488-5706.

In accordance with GASB 27, a pension liability at transition is required to be determined. This amount was determined to be zero. There was no prior liability reported for this plan. CRA was required to contribute based on rates established statewide by class of membership for participating governmental units.

The following membership classes and rates were in effect at September 30, 2001:

<u>Membership Class</u>	<u>Rates</u>
Regular	7.30%
Special Risk	18.44%
Special Risk Administrative	9.83%
Judges	18.56%
Legislators/Attorneys/Cabinet	12.40%
County Elected Officials	15.14%
State Attorney/Public Defender	12.40%
Senior Management	9.28%
Deferred Retirement Option Program	12.67%

The contribution requirements of CRA are established and may be amended by the Florida Legislature. The CRA's contributions to FRS for the years ended September 30, 2001, 2000, and 1999 were \$7,251, \$2,904, and \$2,047, respectively, equal to the required contributions for each year.