





**PALM BEACH COUNTY, FLORIDA**  
**ANNUAL FINANCIAL AUDIT REPORT**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2005**

**Prepared by:**  
**DEPARTMENT OF FINANCE**

**SHARON R. BOCK**  
**Clerk & Comptroller**  
**Palm Beach County**

**Palm Beach County, Florida**  
**Annual Financial Audit Report**  
**September 30, 2005**

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One Clearlake Centre  
250 S. Australian Avenue  
West Palm Beach, Florida 33401

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www.ey.com

## Report of Independent Certified Public Accountants

Honorable Chair Tony Masilotti  
and Members of the Board of County Commissioners  
Palm Beach County, Florida

Honorable Ric L. Bradshaw  
Sheriff  
Palm Beach County, Florida

Honorable Sharon R. Bock  
Clerk and Comptroller  
Palm Beach County, Florida

Honorable Arthur Anderson  
Supervisor of Elections  
Palm Beach County, Florida

Honorable Gary R. Nikolits  
Property Appraiser  
Palm Beach County, Florida

Honorable John K. Clark  
Tax Collector  
Palm Beach County, Florida

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Palm Beach County, Florida (the County), as of and for the year ended September 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Solid Waste Authority, a blended component unit, the Housing Finance Authority or the Westgate/Belvedere Homes Community Redevelopment Agency, both discretely presented component units, (collectively, the Component Units), the statements of which reflect total assets of \$569,761,402 and revenues of \$162,197,720 for the year then ended. These component units represent 97% of total assets and 79% of total revenues of the County's blended and discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Solid Waste Authority, the Housing Finance Authority and the Westgate/Belvedere Homes Community Redevelopment Agency, are based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States 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 of material misstatement. We were not engaged to perform an audit of the County's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.



■ Ernst & Young LLP

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, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Palm Beach County, Florida as of September 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States.

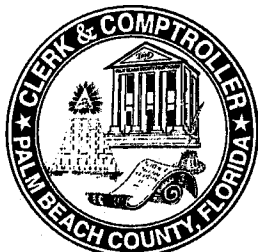
In accordance with *Government Auditing Standards*, we have also issued a report dated March 8, 2006 on our consideration of Palm Beach County, Florida's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements 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* and should be considered in assessing the results of our audit.

Management's discussion and analysis, the schedule of revenues, expenditures and changes in fund balances – budget and actual – general and major special revenue funds and the schedule of funding progress, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying introductory section, combining and individual fund statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Ernst & Young LLP*

March 8, 2006,  
except for paragraph eight of Note 18, as to which the date is  
March 14, 2006



**SHARON R. BOCK**  
Clerk & Comptroller  
Palm Beach County

May 2, 2006

Department of Financial Services  
Bureau of Accounting  
200 East Gaines Street  
Tallahassee, Florida 32399-0354  
Attn: Allen Reams

Dear Mr. Reams:

Enclosed you will find the 2004-2005 Annual Financial Report of Units of Local Government for Palm Beach County. We have also enclosed a copy of the September 30, 2005 Comprehensive Annual Financial Report.

We will forward a copy of the Audit Report (Annual Financial Audit Report) as soon as it is completed.

If you have any questions or require further information with respect to the enclosed, please contact me at (561) 355-3449.

Sincerely,

Richard A. Iavarone, Director  
Accounting Services

RAI/gr  
Attachments

cc:

Honorable Sharon R. Bock, Clerk & Comptroller (without attachments)  
Kenneth Johnson, County Audit Director  
Liz Bloeser, OFMB  
John Long, OFMB  
Joe Bergeron, Internal Audit  
Ernst & Young, LLP  
AFR File

**Finance Department**  
301 N. Olive Avenue  
Room 203  
West Palm Beach, FL 33401

Phone: 561-355-2959  
Fax: 561-355-3806

[www.pbcountyclerk.com](http://www.pbcountyclerk.com)

*for BOCC  
receive  
& file*

Unit ID and Name: 100050 Palm Beach

Financial Officer Name: Sharon R. Bock

Financial Officer Title: Clerk and Comptroller

Mailing Address: Post Office Box 4036

City Address: West Palm Beach

State: FL

Zip Code: 33401

Email Address:

Phone Number: (561) 355-2996

Phone Extension:

Contact Person's Name: Richard A. Iavarone

Contact's Phone Number: (561) 355-3798

Contact's Extension:

FAX Number: (561) 355-3806

Was Annual Financial Report filed electronically?  
 Yes  No

If yes indicate method:  
 FTP  Diskette  E-Mail  Other

Date completed Audit Report was received: / / (1)

Not received as of: 4-24-06

*State Use Only*

AFR Tracked \_\_\_\_\_ Initials \_\_\_\_\_ Date \_\_\_\_\_

Audit Tracked \_\_\_\_\_

Rev/Exp \_\_\_\_\_

Complete \_\_\_\_\_

**Financial Condition Information**

**Amount of outstanding long-term debt: \$ 1,717,797,844**  
 (As of the end of fiscal year ended 09/30/2005. The term "long-term debt" means any agreement or series of agreements to pay money, which, at inception, contemplate terms of payment exceeding 1 year in duration)

**Have you experienced a financial emergency in fiscal year ended 2005?  
 If yes, have you complied with Section 218.503(2), Florida Statutes?**  
 (ie: Have you reported a financial emergency if there has been one?)

Use separate page for response if needed.

Yes  No

Yes  No

Mail Completed Forms and Required Attachments/Enclosures to:

Department of Financial Services  
 Bureau of Accounting  
 200 E. Gaines Street  
 Tallahassee, Florida 32399-0354

**Certification**

We the undersigned certify, to the best of our knowledge, that the information reported herein or submitted electronically is accurate and complete.

Tony Masilotti

Name: \_\_\_\_\_

Title: Chairman, Board of County Commissioners

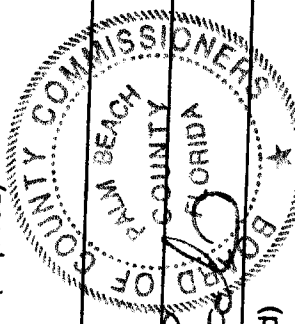
X Signature of Chairman of Government Board (required)

Sharon R. Bock

Name: \_\_\_\_\_

Title: Clerk & Comptroller

X Signature of Chief Financial Officer (required)



**State of Florida**

**Annual Local Government Financial Report**

**Fiscal Year 2004-2005**

**Counties and Municipalities Only**

Enter the utility service tax rates for the following:

Electricity	10% on first \$4,000; 2% on next \$2,000; 1% in excess of \$6,000.
Telecommunications	
Water	
Natural Gas	Same as electricity
Cable Vision	
Fuel Oil	
Propane	Same as electricity
Other	