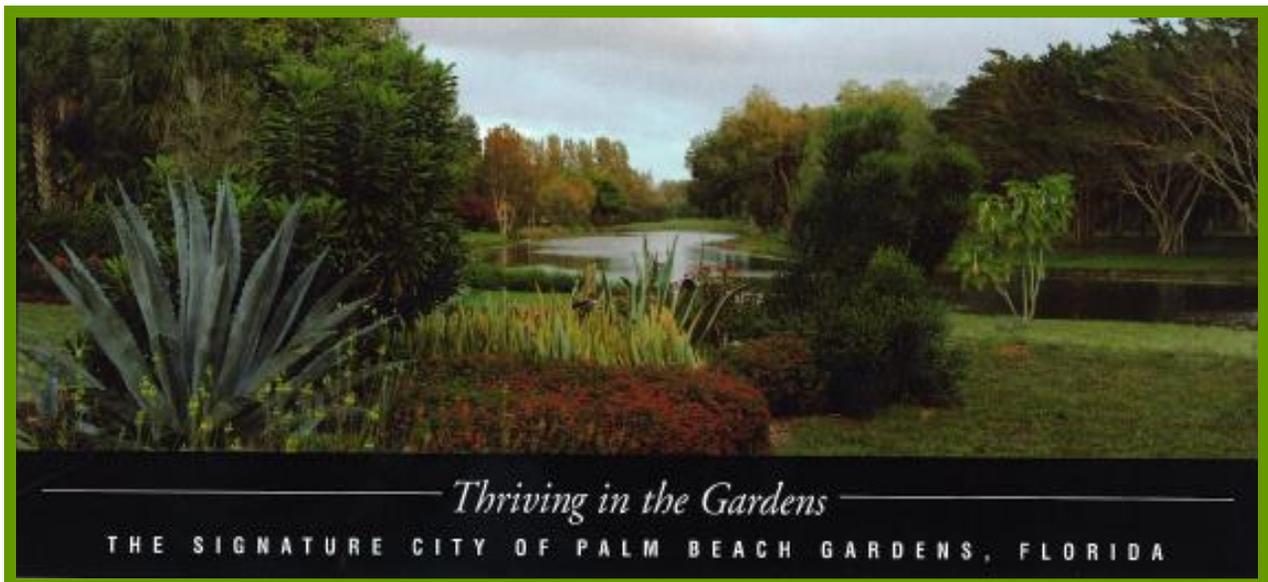




**City of Palm Beach Gardens, Florida**  
**Quarterly Financial Report**  
**For the Quarter Ended December 31, 2015**





**CITY OF PALM BEACH GARDENS  
MEMORANDUM**

|          |  |   |
|----------|--|---|
| TO:      | Mayor and Council  |   |
| DATE:    | March 10, 2016   |   |
| FROM:    | Allan Owens, Finance Administrator   |  |
| CC:      | Ron Ferris, City Manager<br>Department Heads<br>Budget Oversight Committee |   |
| SUBJECT: | Quarterly Financial Report Ended December 31, 2015                         |   |

Attached for your review, please find a copy of the Quarterly Financial Report for the Quarter Ended December 31, 2015.

If you have any questions concerning this report, please do not hesitate to contact me.

**City of Palm Beach Gardens**  
**Quarterly Financial Statement for**  
**Quarter Ended December 31, 2015**

**Table of Contents**

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This document has bookmarks and quick links to different sections in order to make browsing easier.

Use the bookmarks



in the navigation panel to the left or click on a page number below to go directly to that page.

|   | <b><u>PAGE</u></b> |
|---|--------------------|
| Quarterly Overview  | 1                  |
| Risk Management Update  | 6                  |
| Analysis:   |                    |
| General Fund  |                    |
| Sources of Funds  | 18                 |
| Uses of Funds   | 23                 |
| Expenditure Comparisons   | 26                 |
| Investment Report   | 28                 |
| Impact Fee Analysis   | 38                 |
| Capital Improvement Projects Update Report                        | 40                 |
| Current Year vs. Prior Year Actual Comparison Schedule            | 43                 |
| Budgetary Comparison Schedules                                    | 45                 |
| Financial Statements  |                    |
| Governmental Funds  |                    |
| Balance Sheet   | 57                 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances | 58                 |
| Proprietary Funds   |                    |
| Statement of Net Position   | 59                 |
| Statement of Revenues, Expenses, and Changes in Fund Net Position | 60                 |

## Quarterly Overview

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Attached please find the financial report for the City of Palm Beach Gardens for the first quarter of fiscal year 2016 ending December 31, 2015. Listed below are significant events that occurred during the first quarter along with financial highlights. The intent of these reports is to inform Council and the public of our financial position by comparing actual results with the adopted budget and analyzing results to help make corrective actions as appropriate.

### **The following is a list of significant events that occurred during the 1st quarter of fiscal year 2016:**

- ❖ City Council approved Resolution 35, 2015, authorizing the mayor to execute an economic development incentives agreement with Zimmer, Inc. The company has committed to consolidating and expanding its combined operations for its business group into a single national headquarters location in the City of Palm Beach Gardens. The City of Palm Beach Gardens along with the Palm Beach County Board of County Commissioners will contribute a total of \$600 thousand as a local match contribution to the company. “The company has committed to a capital investment of \$1.895 million and intends to retain 473 existing local jobs and create 178 new jobs.
- ❖ City Council approved Resolution 50, 2015, authorizing the mayor to execute an economic development incentives agreement with Carrier Corp. The company plans to construct a 241,000 square foot facility to showcase its new technologies and services and has committed to retaining 70 existing local jobs and creating 380 new jobs. The City will provide Carrier Corp. \$630,000 as an employment incentive economic development grant and conceptually approved an ad valorem tax exemption program for 100% tax exemption for the first five years and a 50% exemption through year ten.
- ❖ During the first quarter, progress on the City’s golf course clubhouse expansion project consisted of demolition of the old golf clubhouse and construction of a new temporary golf village.

### **General Fund Financial Highlights**

- ❖ The City’s general fund ended the quarter with a combined fund balance of \$66.9 million. Of this amount, \$49.5 million is unassigned, which is available to meet the City’s ongoing commitments.
- ❖ To date, the general fund has generated \$49.8 million in revenue with \$17.3 million in expenditures.
- ❖ The City’s general fund revenues increased by \$1.1 million or 2.3% compared to the same quarter in the prior year. The City’s general fund expenditures increased by \$1.5 million or 9.25% compared to the same quarter in the prior year.
- ❖ The City paid off the remaining balance of the Series 2005 golf course and the Series 2006 recreation debt.

## Quarterly Overview

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### Capital Outlay Highlights

Through the first quarter, the City recorded \$1.6 million in capital outlay expenditures for all funds.

#### Machinery and Equipment

The most significant equipment purchases during the quarter were as follows:

- ❖ The Information Technology department purchased forty-nine (49) computers and laptops, a scanner and equipment relating to the server for a total of approximately \$89 thousand
- ❖ The Fire department purchased various equipment for a total of \$35 thousand. This equipment included the purchase of an HD Video Capture Unit, a pediatric simulator, and accordion roll hurricane shutters.
- ❖ The Parks department replaced a well and pump at Plant Drive that totaled \$25 thousand.

#### Capital Improvement Projects (CIP)

The most significant capital projects during the first quarter were as follows:

| <b>Project Name</b>                                   | <b>Total Expenditures for<br/>1st Quarter</b> | <b>Percentage of Total<br/>CIP Payments</b> |
|---|---|---|
| ❖ Replacement Fire Station #62                        | \$970,774                                     | 65.43%                                      |
| ❖ Golf Course Club House Expansion                    | \$248,259                                     | 16.73%                                      |
| ❖ NIAP – 40 <sup>th</sup> /Sunset/Brenna Improvements | \$109,392                                     | 7.37%                                       |
| ❖ City Park Expansion – Phase III                     | \$70,300                                      | 4.74%                                       |

Citywide, there are currently twenty-five (25) capital improvement projects ongoing in various stages. Please see the Capital Project Update Report on pages 40 – 42 for details on projects with current activity.

### Revenues Highlights

Overall revenue amounts have increased by approximately \$1.1 million or 2.3% over prior year revenue figures. On the following page is a summary of the general fund revenues for the current year and prior year through the end of the first quarter.

## Quarterly Overview

### Revenues Highlights (continued)

| Revenue Sources       | 2016<br>YTD  | Percent<br>of<br>Total | 2015<br>YTD  | Increase<br>(Decrease)<br>From 2015 | Percentage<br>of Increase<br>(Decrease) |
|-----------------------|--------------|------------------------|--------------|-------------------------------------|---|
| Ad Valorem taxes      | \$42,260,922 | 84.9%                  | \$41,330,416 | \$ 930,506                          | 2.3%                                    |
| Local business tax    | 1,541,064    | 3.1%                   | 1,508,565    | 32,499                              | 2.2%                                    |
| Utility taxes         | 508,985      | 1.0%                   | 529,949      | (20,964)                            | -4.0%                                   |
| Franchise fees        | 1,361,632    | 2.7%                   | 1,321,194    | 40,438                              | 3.1%                                    |
| Licenses and permits  | 848,332      | 1.7%                   | 677,869      | 170,463                             | 25.1%                                   |
| Intergovernmental     | 1,412,622    | 2.8%                   | 1,331,273    | 81,349                              | 6.1%                                    |
| Charges for services  | 1,434,542    | 2.9%                   | 1,371,133    | 63,409                              | 4.6%                                    |
| Fines and forfeitures | 82,614       | 0.2%                   | 46,015       | 36,600                              | 79.5%                                   |
| Investment income     | (48,742)     | -0.1%                  | 59,877       | (108,620)                           | -181.4%                                 |
| Miscellaneous         | 372,363      | 0.7%                   | 494,439      | (122,076)                           | -24.7%                                  |
| Total revenues        | \$49,774,333 | 100.0%                 | \$48,670,729 | \$ 1,103,604                        | 2.3%                                    |

- ❖ Ad valorem taxes have increased by \$930 thousand or 2.3% due to increases in property values
- ❖ Licenses and permits have increased by \$170 thousand or 25.1% due to an increase in building permits compared to this time last fiscal year
- ❖ Investment income was negative through the end of the first quarter due to rising interest rates which reduced the market values of the City's fixed rate portfolio resulting in unrealized losses. The negative amount will be corrected by year end since the City plans on holding securities to maturity which will result in no realized losses.
- ❖ Miscellaneous revenue decreased by \$122 thousand or 24.7% due to an reduction in median maintenance collections

### Expenditure Highlights

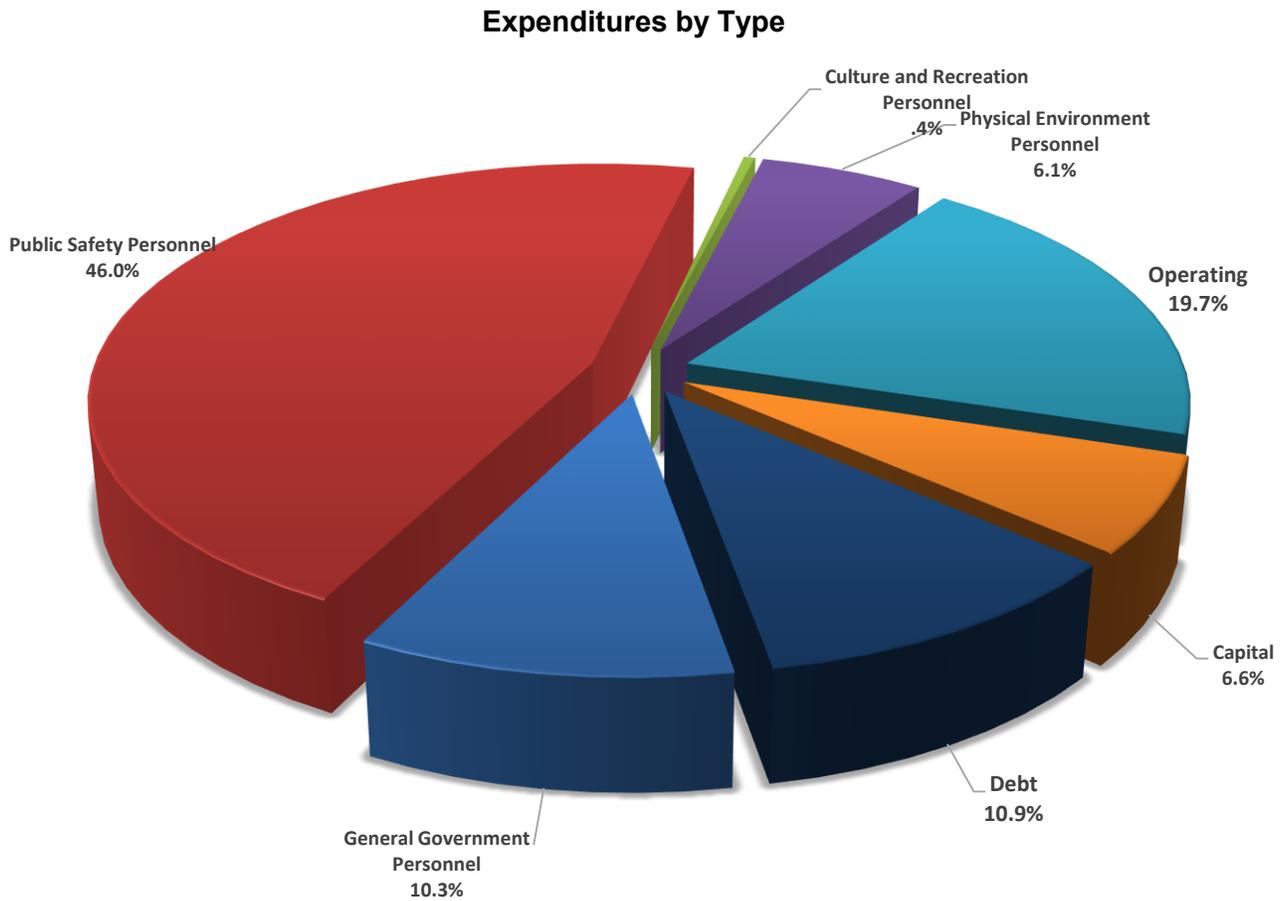
The following table is a summary of general fund expenditures for the current year and prior year through the end of the first quarter.

| Expenditures           | 2016<br>YTD  | Percent<br>of<br>Total | 2015<br>YTD  | Increase<br>(Decrease)<br>From 2015 | Percentage<br>of Increase<br>(Decrease) |
|------------------------|--------------|------------------------|--------------|-------------------------------------|---|
| General government     | \$ 3,666,557 | 21.2%                  | \$ 3,312,757 | \$ 353,801                          | 10.7%                                   |
| Public safety          | 8,900,422    | 51.5%                  | 8,648,696    | 251,726                             | 2.9%                                    |
| Culture and recreation | 115,199      | 0.7%                   | 126,513      | (11,314)                            | -8.9%                                   |
| Physical environment   | 1,593,870    | 9.2%                   | 1,673,433    | (79,563)                            | -4.8%                                   |
| Capital outlay         | 1,140,347    | 6.6%                   | 194,415      | 945,932                             | 486.6%                                  |
| Debt service           | 1,876,176    | 10.8%                  | 1,872,563    | 3,613                               | 0.2%                                    |
| Total expenditures     | \$17,292,572 | 100.0%                 | \$15,828,377 | \$ 1,464,195                        | 9.25%                                   |

## Quarterly Overview

### Expenditure Highlights (continued)

- ❖ Overall expenditures have increased by approximately \$1.5 million or 9.25%
- ❖ General government expenditures have increased by \$354 thousand or 10.7% mostly due to increases in IT software maintenance contracts of \$220 thousand
- ❖ Capital outlay expenditures have increased by \$946 thousand or 486.6% due to expenditures relating to the construction of fire station #2
- ❖ Personnel costs are the largest type of expenditure representing 62.8% of total general fund expenditures



## Quarterly Overview

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### Expenditure Highlights (continued)

Below is a breakdown of personnel costs by function excluding employer taxes and worker's compensation insurance through the end of the first quarter:

| <b>Personnel Category</b> | <b>General</b>      |                      | <b>Culture and</b> | <b>Physical</b>    | <b>Total</b>        |
|---------------------------|---------------------|----------------------|--------------------|--------------------|---------------------|
|                           | <b>Government</b>   | <b>Public Safety</b> | <b>Recreation</b>  | <b>Environment</b> |                     |
| Salaries                  | \$ 1,058,523        | \$ 3,753,370         | \$ 53,458          | \$ 620,681         | \$ 5,486,032        |
| Clothing Allowance        | -                   | 42,863               | -                  | -                  | 42,863              |
| Holiday Pay               | -                   | 110,372              | -                  | -                  | 110,372             |
| Holiday Overtime          | -                   | 62,320               | -                  | -                  | 62,320              |
| Comp Time                 | -                   | 58,549               | -                  | 1,478              | 60,027              |
| Overtime                  | 8,422               | 248,935              | -                  | 16,687             | 274,044             |
| Longevity                 | 13,948              | 320,865              | 1,000              | 12,290             | 348,103             |
| Conversion of Leave       | 86,028              | 222,836              | 2,033              | 75,724             | 386,621             |
| Retirement Contributions  | 142,773             | 1,504,650            | 3,977              | 56,403             | 1,707,803           |
| Incentive Pay             | -                   | 136,400              | -                  | -                  | 136,400             |
| <b>Total</b>              | <b>\$ 1,309,694</b> | <b>\$ 6,461,160</b>  | <b>\$ 60,468</b>   | <b>\$ 783,264</b>  | <b>\$ 8,614,585</b> |
| <b>% Total</b>            | <b>15.20%</b>       | <b>75.00%</b>        | <b>0.70%</b>       | <b>9.09%</b>       | <b>100.00%</b>      |

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# Risk

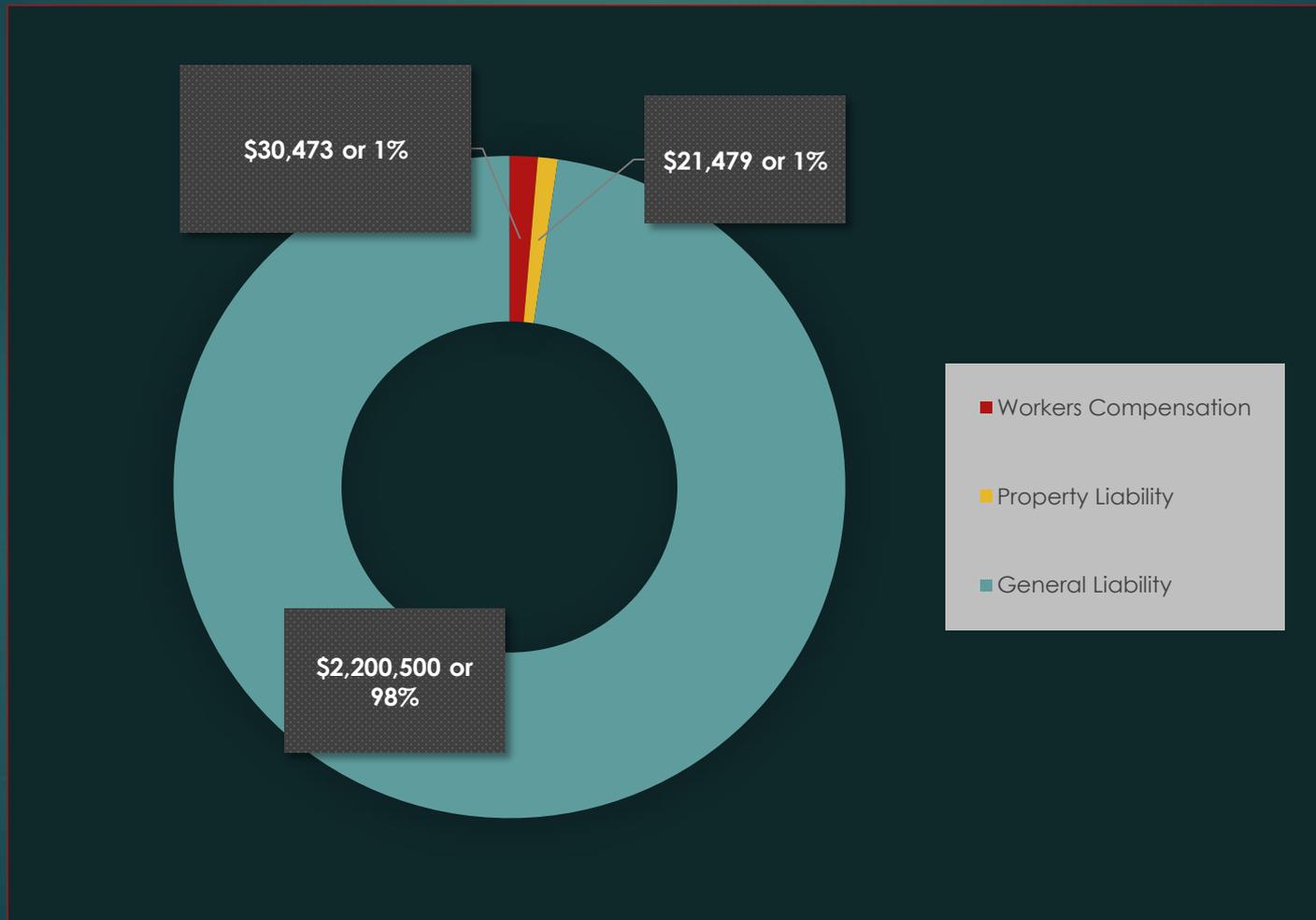
# Management

# Update

1<sup>ST</sup> QUARTER FY 2015 - 2016

JANUARY 20, 2016

# Overview: 2016 YTD Cost of Risk \$2,252,011



# Overview: Workers' Compensation

- Through the first 3 months of FY 2016, the City opened a total of 8 new Workers' Compensation Claims with a total incurred loss of \$30,473
- Total incurred losses consisted of \$5,346 of actual medical and other payments made and \$25,127 in outstanding reserves

# Overview: Workers' Compensation

| Nature of Injury  | Number of Claims | Total Costs to Date |
|-------------------|------------------|---------------------|
| Strains           | 3                | 22,973              |
| Lacerations       | N/A              | 0                   |
| Punctures         | 1                | 1,500               |
| Contusions        | 3                | 4,500               |
| Multiple Injuries | N/A              | 0                   |
| Fracture          | N/A              | 0                   |
| All Other         | 1                | 1,500               |
| <b>TOTAL</b>      | <b>8</b>         | <b>\$30,473</b>     |

# Community Services

## 2016

- Number of Claims YTD – 3
- % of Total Claims to Date – 38%
- Total Claims Amount - \$17,973
- Average cost per Claim - \$5,991
- 1 Employee on modified duty through first quarter

## 2015

- Number of Claims YTD - 3
- % of Total Claims to Date – 30%
- Total Claims Amount - \$13,176
- Average cost per claim - \$4,392

# Community Services *continued*

## ▶ 2016

| Type                       | # of Claims | Amount          |
|----------------------------|-------------|-----------------|
| Strains/<br>Fractures      | 1           | 14,973          |
| Contusions/<br>Punctures   | 2           | 1,500           |
| Lacerations                | N/A         | 0               |
| Other &<br>Foreign<br>Body | N/A         | 0               |
| <b>TOTAL</b>               | <b>3</b>    | <b>\$17,973</b> |

## ▶ 2015

| Type                    | # of Claims | Amount          |
|-------------------------|-------------|-----------------|
| Strains/<br>Fracture    | 3           | 13,176          |
| Sprain                  | N/A         | 0               |
| Lacerations             | N/A         | 0               |
| Other &<br>Inflammation | N/A         | 0               |
| <b>TOTAL</b>            | <b>3</b>    | <b>\$13,176</b> |

# Fire Department



## 2016

- Number of Claims YTD – 0
- % of Total Claims to Date –0%
- Total Claims Amount - \$0
- Average cost per Claim - \$0
- Employees on modified duty through first quarter -0

## 2015

- Number of Claims YTD - 6
- % of Total Claims to Date –60%
- Total Claims Amount - \$16,426
- Average cost per claim - \$2,737

# Fire Department *continued*

## ▶ 2016

| Type                              | # of Claims | Amount     |
|-----------------------------------|-------------|------------|
| Strains/<br>Sprains/<br>Fractures |             |            |
| Contusions/<br>Punctures          |             |            |
| Lacerations                       |             |            |
| Other/Multi                       |             |            |
| <b>TOTAL</b>                      | <b>0</b>    | <b>\$0</b> |

## ▶ 2015

| Type                    | # of Claims | Amount          |
|-------------------------|-------------|-----------------|
| Strains                 | 2           | \$2,834         |
| Contusions/<br>Crushing | N/A         | 0               |
| Laceration              | 2           | \$12,416        |
| Other/Misc              | 2           | \$1,176         |
| <b>TOTAL</b>            | <b>6</b>    | <b>\$16,426</b> |

# Police Department



## 2016

- Number of Claims YTD – 5
- % of Total Claims to Date – 62%
- Total Claims Amount - \$12,500
- Average cost per Claim - \$2,083
- 1 Employees on modified duty through first quarter

## 2015

- Number of Claims YTD - 1
- % of Total Claims to Date – 10%
- Total Claims Amount - \$ 363
- Average cost per claim - \$363

# Police Department *continued*

## ▶ 2016

| Type                     | # of Claims | Amount          |
|--------------------------|-------------|-----------------|
| Strains/<br>Fractures    | 2           | 8,000           |
| Contusions/<br>Punctures | 2           | 3,000           |
| Lacerations              | N/A         | 0               |
| Other/Multi              | 1           | 1,505           |
| <b>TOTAL</b>             | <b>5</b>    | <b>\$12,500</b> |

## ▶ 2015

| Type                     | # of Claims | Amount       |
|--------------------------|-------------|--------------|
| Strains                  | 1           | 363          |
| Contusions/<br>Punctures | N/A         | 0            |
| Laceration               | N/A         | 0            |
| Other                    | N/A         | 0            |
| <b>TOTAL</b>             | <b>1</b>    | <b>\$363</b> |

# Overview: General Liability Activity

## General Liability Claims

- 1 Law Enforcement \$2,200,000
- 1 Employment \$0 (Under Review)
- 1 Streets & Storm Water \$500 (under review)

## Auto Liability Claims

- 2 No fault Police Auto Accident
- 1 at fault Police Auto Accident
- 1 Fire at Fault Auto Accident

# On-going Initiatives

The City is currently working on 57 open claims of which 8 are in some stage of litigation. The City has closed 1,231 WC and liability claims.

Two safety training were provided by Florida League of Cities:

Ron Peters, in Oct 2015, The hazards of unsafe backing up and the importance of having a spotter guide you when there are blind spots when operating equipment or vehicles.

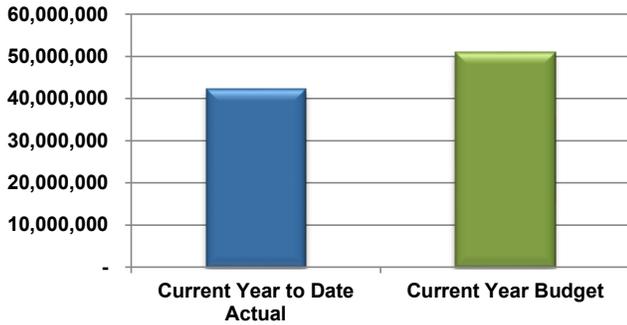
In December of 2015, Mr. Peters also conducted Chemical Safety, Top Hazards and the Effects of Sleep Loss.

Back Maintenance Program – DC Bryer expects to have the beginners section complete in the next few weeks. It includes stretching and basic core strengthening exercises . Once complete, training will be provided to all City employees. Intermediate and advanced training programs will follow.

## Sources of Funds General Fund

### Ad Valorem Taxes

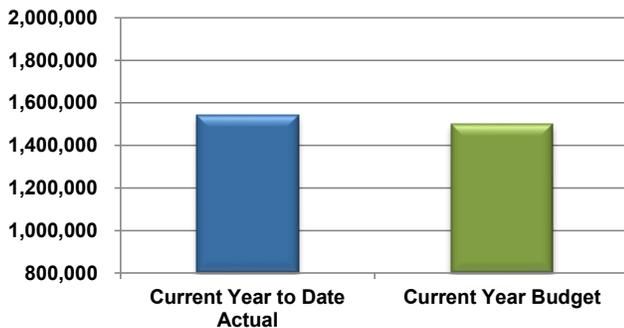
| Current Year to<br>Date Actual | Current Year<br>Budget | % Received |
|--------------------------------|------------------------|------------|
| 42,260,922                     | 51,003,793             | 82.86%     |



Budgeted Ad Valorem taxes were 82.86% collected through the first quarter of fiscal year 2016. Collected amounts appear to be in line with the budgeted amount with several current, tax sale, and delinquent tax distributions remaining in the fiscal year.

### Local Business Taxes

| Current Year to<br>Date Actual | Current Year<br>Budget | % Received |
|--------------------------------|------------------------|------------|
| 1,541,064                      | 1,500,000              | 102.74%    |

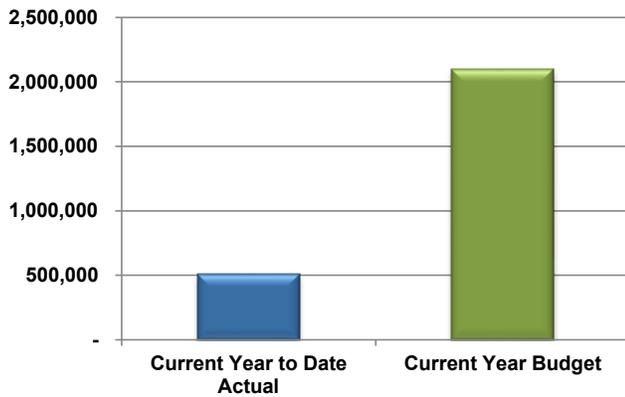


Local Business taxes exceeded the annual budget at the end of the first quarter with 102.74% collected. The favorable variance is due to delinquent tax collections during the quarter. Additional revenue collected throughout the fiscal year will be related to businesses opening.

## Sources of Funds General Fund

### Utility Taxes

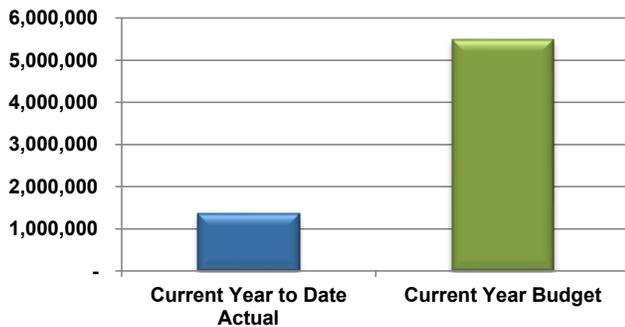
| Current Year to<br>Date Actual | Current Year<br>Budget | % Received |
|--------------------------------|------------------------|------------|
| 508,985                        | 2,100,000              | 24.24%     |



Utility taxes are in line with budgeted amounts with 24.24% collected through the first quarter of the fiscal year. This category includes the telecommunications services tax.

### Franchise Fees

| Current Year to<br>Date Actual | Current Year<br>Budget | % Received |
|--------------------------------|------------------------|------------|
| 1,361,632                      | 5,490,000              | 24.80%     |

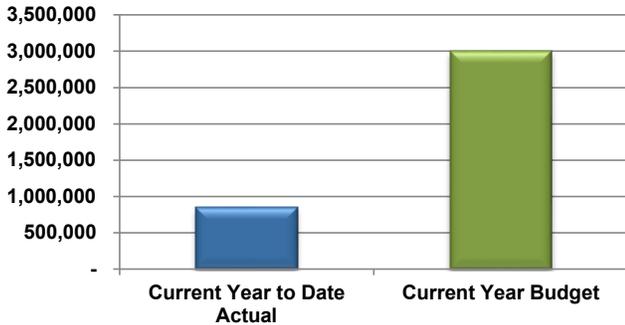


Franchise Fees are currently 24.80% collected at the end of the first quarter. Revenues included in this category include both electric and solid waste franchise fees. The City will collect larger monthly amounts during the summer months when electric is at its peak.

## Sources of Funds General Fund

### Licenses and Permits

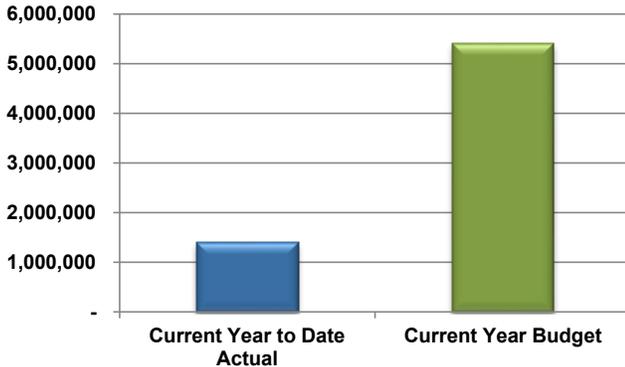
| Current Year to<br>Date Actual | Current Year<br>Budget | % Received |
|--------------------------------|------------------------|------------|
| 848,332                        | 3,000,790              | 28.27%     |



Currently, 28.27% of the budgeted revenues for this category have been received. The largest portion of the revenues relates to building permits which represent approximately \$788 thousand or 93% of the total licenses and permit revenue collected.

### Intergovernmental Revenue

| Current Year to<br>Date Actual | Current Year<br>Budget | % Received |
|--------------------------------|------------------------|------------|
| 1,412,622                      | 5,416,000              | 26.08%     |

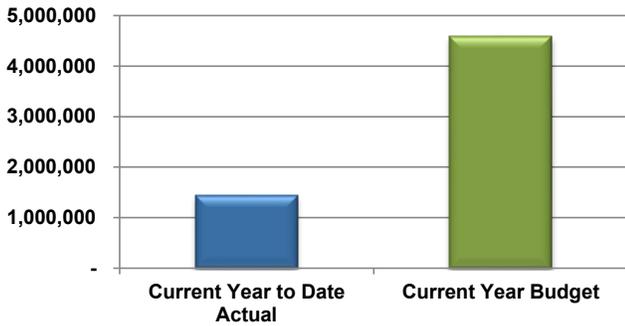


Intergovernmental Revenue is 26.08% collected through the end of the first quarter. Revenues included in this category are federal and state grants, 1/2 cent sales tax, and state shared revenues.

## Sources of Funds General Fund

### Charges for Services

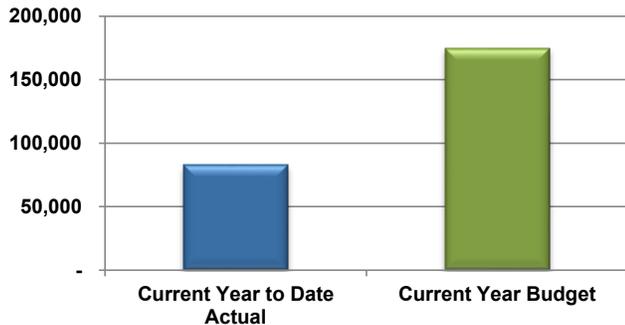
| Current Year to<br>Date Actual | Current Year<br>Budget | % Received |
|--------------------------------|------------------------|------------|
| 1,434,542                      | 4,586,302              | 31.28%     |



Charges for Services were 31.28% collected through the end of the first quarter. Revenues included in this category are EMS fees, dispatch service charges, and fire inspection fees. The City has billed one invoice to the Town of Jupiter, the Town of Juno Beach, Village of North Palm Beach and the Town of Jupiter Inlet Colony totaling \$508 thousand for dispatch services.

### Fines and Forfeitures

| Current Year to<br>Date Actual | Current Year<br>Budget | % Received |
|--------------------------------|------------------------|------------|
| 82,614                         | 175,000                | 47.21%     |

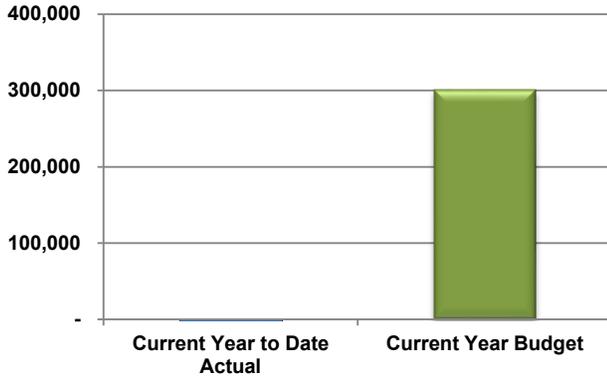


Revenues in the Fines and Forfeitures category include court and code enforcement fines. Actual amounts exceed budgeted figures through the first quarter of the fiscal year. Collections vary from month to month and the City anticipates revenue to be in line with budgeted amounts by the end of the fiscal year.

## Sources of Funds General Fund

### Investment Income

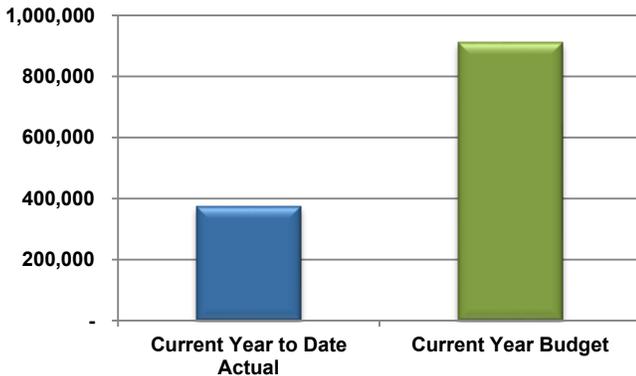
| Current Year to<br>Date Actual | Current Year<br>Budget | % Received |
|--------------------------------|------------------------|------------|
| (48,742)                       | 301,000                | -16.19%    |



Investment Income was negative through the end of the first quarter due to the Federal Reserve action to increase interest rates in December, thereby driving down the market values of the City's fixed rate portfolio. However, the City plans to hold these securities to maturity resulting in no realized losses. The City anticipates investment income to be more in line with budgeted amounts by the end of the fiscal year. See the investment analysis section, beginning on page 28, for further discussion and results.

### Miscellaneous

| Current Year to<br>Date Actual | Current Year<br>Budget | % Received |
|--------------------------------|------------------------|------------|
| 372,363                        | 911,925                | 40.83%     |

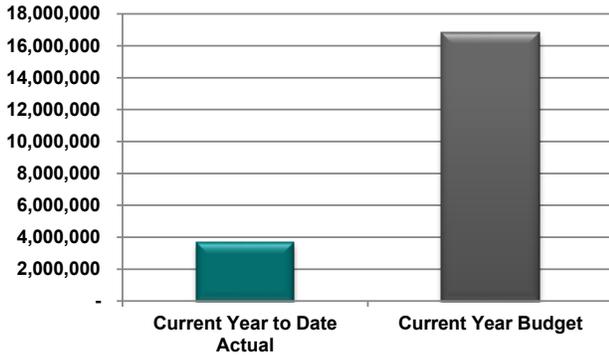


Miscellaneous revenue is 40.83% collected through the end of the first quarter. Revenues in this category include reimbursement of city services, tax searches, and rental fees for wireless towers. As of the end of the first quarter, the city has recorded \$160 thousand for median maintenance. The reimbursement for maintenance services is normally received at the beginning of the fiscal year.

## Uses of Funds General Fund

### General Government

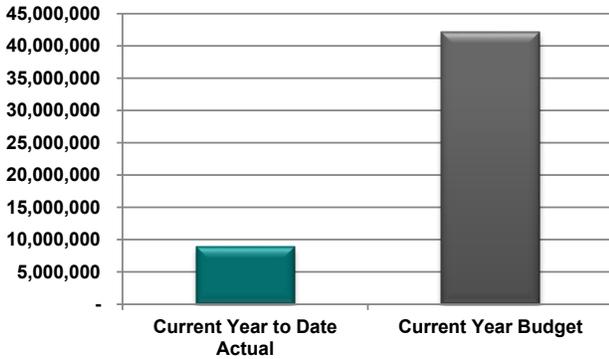
| Current Year to<br>Date Actual | Current Year<br>Budget | % Spent |
|--------------------------------|------------------------|---------|
| 3,666,557                      | 16,841,872             | 21.77%  |



General Government expenditures, excluding capital outlay, are below budgeted amounts through the end of the first quarter with 21.77% spent.

### Public Safety

| Current Year to<br>Date Actual | Current Year<br>Budget | % Spent |
|--------------------------------|------------------------|---------|
| 8,900,422                      | 42,199,494             | 21.09%  |

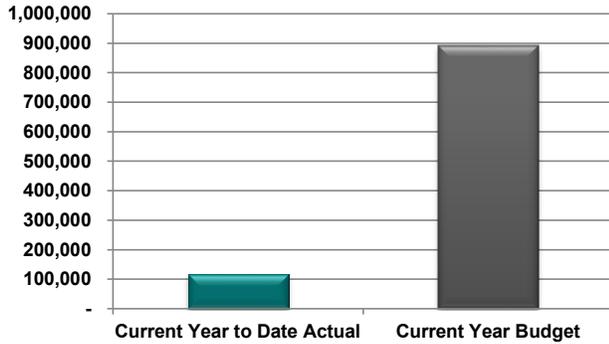


Public Safety expenditures, excluding capital outlay, are below budgeted amounts through the end of the first quarter with 21.09% spent to date.

**Uses of Funds  
General Fund**

**Culture and Recreation**

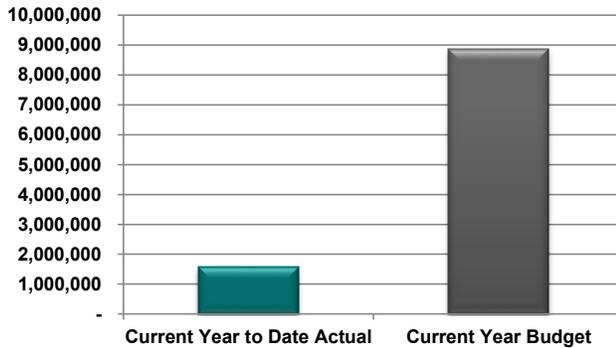
| <b>Current Year to<br/>Date Actual</b> | <b>Current Year<br/>Budget</b> | <b>% Spent</b> |
|--|--------------------------------|----------------|
| 115,199                                | 893,054                        | 12.90%         |



Culture and Recreation expenditures, excluding capital outlay, are lower than budgeted numbers through the end of the first quarter with 12.90% spent.

**Physical Environment**

| <b>Current Year to<br/>Date Actual</b> | <b>Current Year<br/>Budget</b> | <b>% Spent</b> |
|--|--------------------------------|----------------|
| 1,593,870                              | 8,871,890                      | 17.97%         |

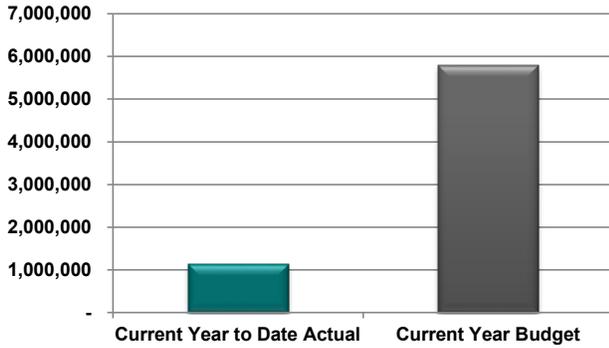


Physical Environment expenditures, excluding capital outlay, are below budgeted numbers through the end of the first quarter with 17.97% spent.

**Uses of Funds  
General Fund**

**Capital Outlay**

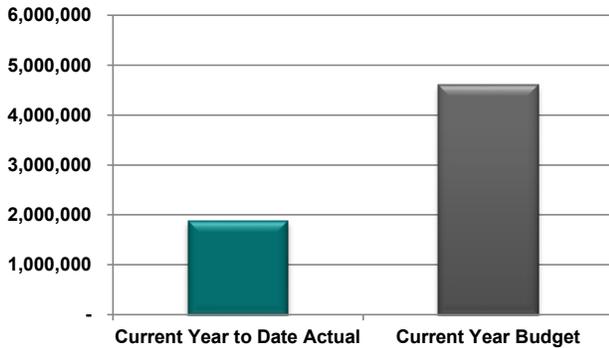
| <b>Current Year to<br/>Date Actual</b> | <b>Current Year<br/>Budget</b> | <b>% Spent</b> |
|--|--------------------------------|----------------|
| 1,140,347                              | 5,791,481                      | 19.69%         |



Capital Outlay expenditures, which represent 7.3% of total budgeted general fund expenditures, are currently 19.69% spent through the end of the first quarter.

**Debt Service**

| <b>Current Year to<br/>Date Actual</b> | <b>Current Year<br/>Budget</b> | <b>% Spent</b> |
|--|--------------------------------|----------------|
| 1,876,176                              | 4,600,939                      | 40.78%         |

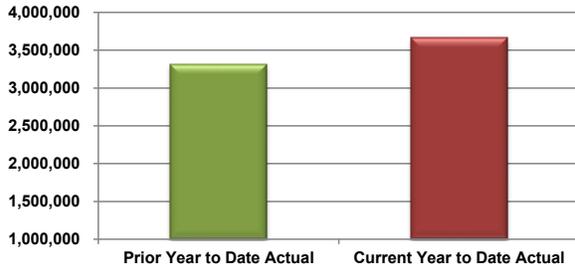


Debt Service payments are based on scheduled payments from amortization schedules. Amounts will be in line with budget at the end of the year. To date, actual debt service expenditures totaled approximately 40.78% of the budgeted amount.

**Expenditure Comparisons  
General Fund**

**General Government**

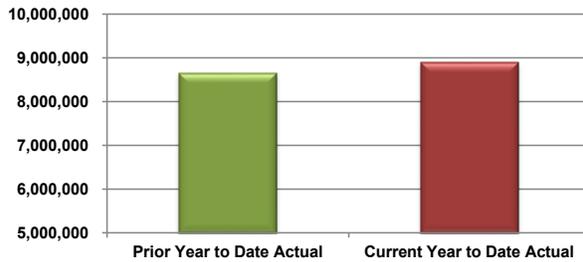
| Prior Year to Date<br>Actual | Current Year to<br>Date Actual | Increase/<br>(Decrease) | % Change |
|------------------------------|--------------------------------|-------------------------|----------|
| 3,312,757                    | 3,666,557                      | 353,801                 | 10.68%   |



General Government expenditures, excluding capital outlay, are 10.68% greater than the prior year due to an increase in IT related software contractual services of approximately \$220 thousand.

**Public Safety**

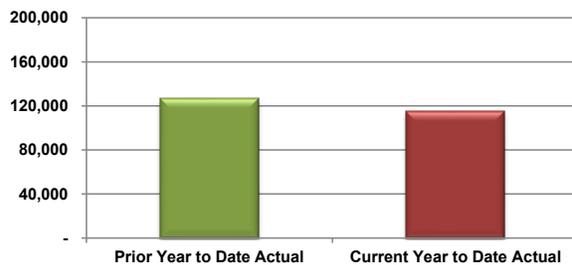
| Prior Year to Date<br>Actual | Current Year to<br>Date Actual | Increase/<br>(Decrease) | % Change |
|------------------------------|--------------------------------|-------------------------|----------|
| 8,648,696                    | 8,900,422                      | 251,726                 | 2.91%    |



Public Safety expenditures, excluding capital outlay, are slightly above prior year expenditures. However, the collective bargaining agreement between the City and the International Association of Fire Firefighters (IAFF) has not been approved as of the end of the first quarter. The budget contains increases of 4.3% and an agreement would make adjustments retroactive to the beginning of the fiscal year.

**Culture and Recreation**

| Prior Year to Date<br>Actual | Current Year to<br>Date Actual | Increase/<br>(Decrease) | % Change |
|------------------------------|--------------------------------|-------------------------|----------|
| 126,513                      | 115,199                        | (11,314)                | -8.94%   |

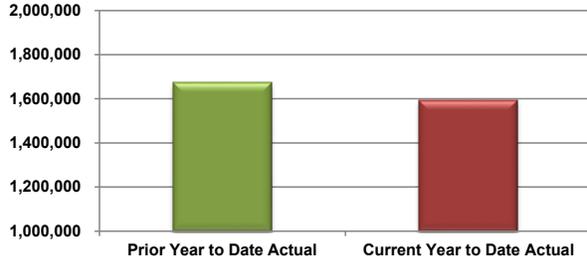


Culture and Recreation expenditures, excluding capital outlay, have decreased due to a slight reduction in materials and supplies and contractual service line item accounts.

**Expenditure Comparisons  
General Fund**

**Physical Environment**

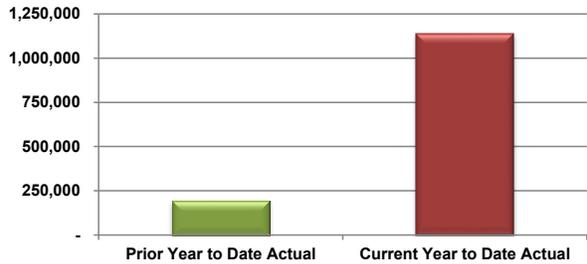
| <b>Prior Year to Date<br/>Actual</b> | <b>Current Year to<br/>Date Actual</b> | <b>Increase/<br/>(Decrease)</b> | <b>% Change</b> |
|--------------------------------------|--|---------------------------------|-----------------|
| 1,673,433                            | 1,593,870                              | (79,563)                        | -4.75%          |



Physical Environment expenditures, excluding capital outlay, are lower than prior year expenditures by \$80 thousand or 4.75% due to savings in contractual services relating to median maintenance.

**Capital Outlay**

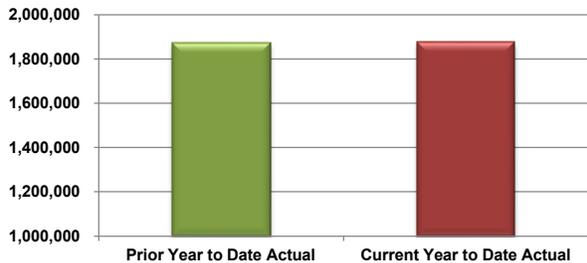
| <b>Prior Year to Date<br/>Actual</b> | <b>Current Year to<br/>Date Actual</b> | <b>Increase/<br/>(Decrease)</b> | <b>% Change</b> |
|--------------------------------------|--|---------------------------------|-----------------|
| 194,415                              | 1,140,347                              | 945,932                         | 486.55%         |



Capital Outlay expenditures are significantly greater than prior year amounts due to the construction of the new fire station #2 which totaled \$970 thousand during the first quarter.

**Debt Service**

| <b>Prior Year to Date<br/>Actual</b> | <b>Current Year to<br/>Date Actual</b> | <b>Increase/<br/>(Decrease)</b> | <b>% Change</b> |
|--------------------------------------|--|---------------------------------|-----------------|
| 1,872,563                            | 1,876,176                              | 3,613                           | 0.19%           |



Debt Service payments are based on scheduled payments from amortization schedules. Current year amounts are in line with prior year amounts.

## Executive Summary

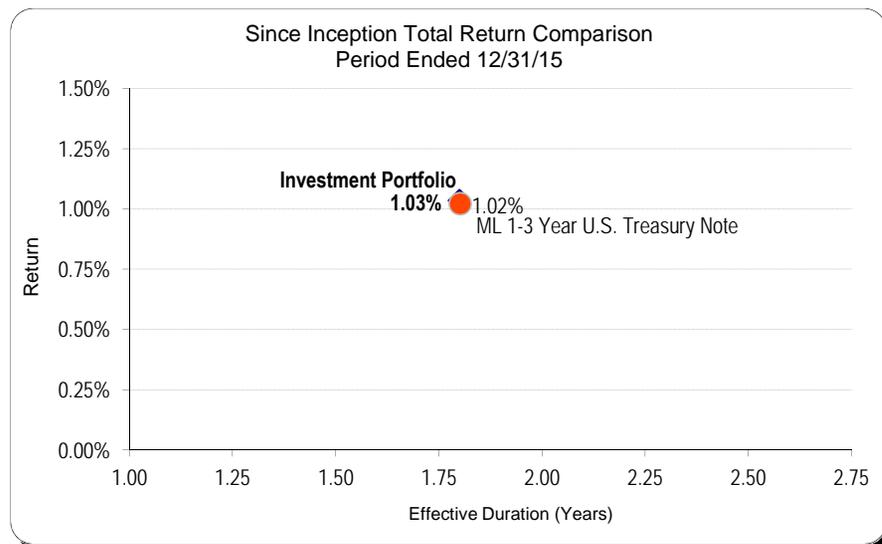
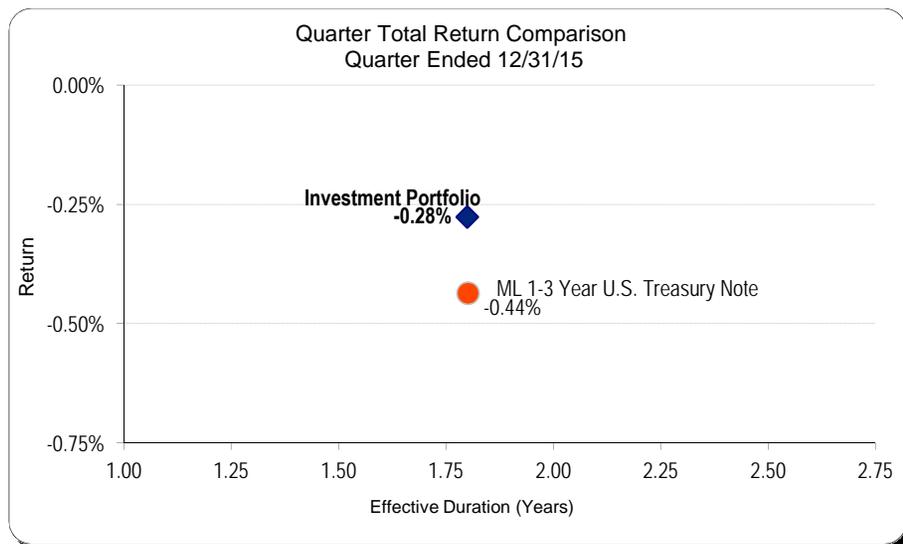
**PORTFOLIO STRATEGY**

- The City's Investment and Short Term Fund Portfolios are of high credit quality and invested in U.S. Treasury, Federal Agency, high quality corporate, and commercial paper securities.
- PFM continued to actively manage the Investment Portfolio during the fourth quarter and found value in the market, taking advantage of market inefficiencies or changes in economic outlook. As a result, the Portfolio realized \$1,111 in gains on sales (based on amortized cost) during the quarter. PFM is continually in the market monitoring for opportunities to add value to the Portfolio.
- The Investment Portfolio's quarterly total return performance of -0.28%, outperformed the benchmark's performance of -0.44% by 0.16%. Over the past year, the Portfolio earned 0.69%, versus 0.54% for the benchmark.
- The Short Term Portfolio continues to provide the City with favorable yield relative to the benchmark. At quarter end, the portfolio had a Yield to Maturity at Cost of 0.49%, exceeding the Yield to Maturity of its benchmark, the S&P Rated GIP Index Government 30-Day Yield, by 24 basis points (0.24%).
- PFMAM maintained a modestly defensive duration position for much of the quarter as rates trended higher. As rates approached the upper end of recent ranges ahead of the FOMC meeting, we extended portfolio durations from short of the benchmark's duration to a near-neutral position; this more closely aligned portfolio durations with the durations of their respective benchmarks.
- Ahead of the December FOMC meeting, market expectations were for an initial Fed Funds hike, supported by assurances that future policy changes would be gradual. Market reaction after the FOMC's announcement to raise the target range for the federal funds rate was relatively subdued, evidence that the action was in line with these expectations, a goal of the FOMC's effort to provide transparency to investors.
- Recent FOMC projections indicate that Committee members anticipate that three or four rate hikes may be appropriate in 2016 – projections that most market participants believe to be overstated. We believe that expectations for low inflation will limit this year's rate hikes to two or three, and that short term yields will trend only modestly higher in the near term. We expect long-term rates to remain within modest ranges, resulting in further flattening of the yield curve.
- We maintain the outlook that the economy will continue to expand at a moderate pace in the intermediate term. We will continue to monitor any spillover effect that modest global growth and muted inflation may have on the U.S. economy. These factors will help justify the FOMC's stated intention to remain patient in the pace at which it raises the federal funds rate.
- PFM will continue to navigate the market environment with a keen focus on relative value sector analysis, prudent duration management, and efficient yield curve placement. While producing strong investment returns remains a priority, it is secondary to maintaining safety and liquidity, particularly in the current environment where we expect yields to trend higher.

Investment Portfolio Performance

| Total Portfolio Value <sup>1</sup>              | December 31, 2015                     |                   | September 30, 2015 |                 |                 |                                     |
|---|---------------------------------------|-------------------|--------------------|-----------------|-----------------|-------------------------------------|
|   | Market Value                          | \$24,743,230.28   | \$24,811,824.58    | \$24,746,999.94 |                 |                                     |
|   | Amortized Cost                        | \$24,807,289.68   | \$24,746,999.94    |                 |                 |                                     |
| Total Return <sup>2,3,4,5</sup>                 | Quarterly Return<br>December 31, 2015 | Last<br>12 Months | Last<br>2 Years    | Last<br>3 Years | Last<br>5 Years | Since Inception on<br>June 30, 2009 |
| <b>Investment Portfolio</b>                     | <b>-0.28%</b>                         | <b>0.69%</b>      | <b>0.65%</b>       | <b>0.53%</b>    | <b>0.77%</b>    | <b>1.03%</b>                        |
| Merrill Lynch 1-3 Year U.S. Treasury Note Index | -0.44%                                | 0.54%             | 0.58%              | 0.51%           | 0.70%           | 1.02%                               |

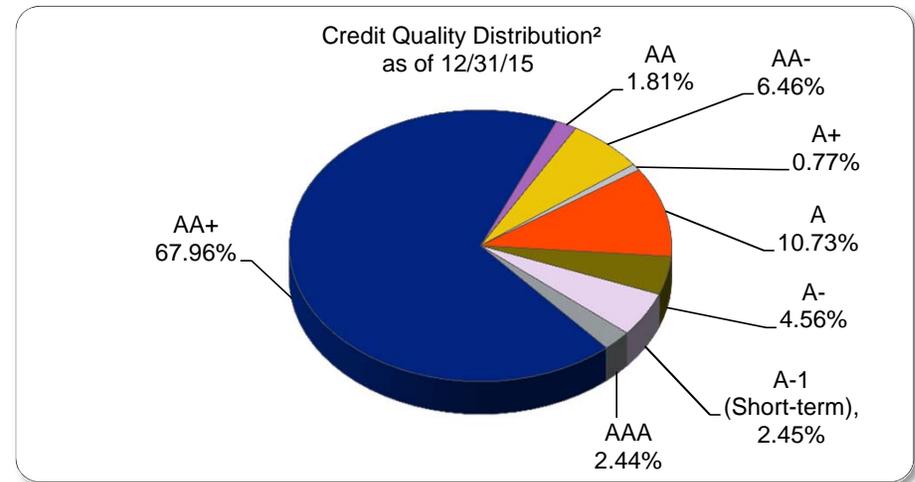
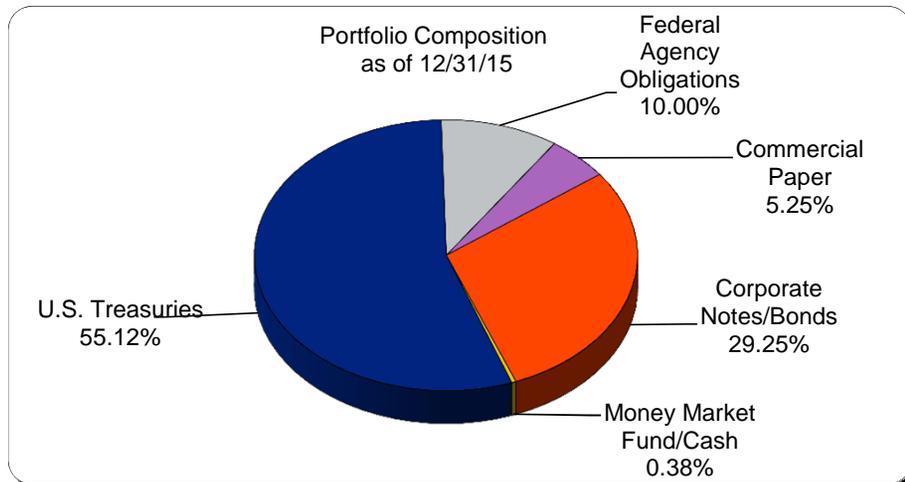
| Effective Duration (Years) <sup>4,5</sup>       | December 31, 2015    |      | September 30, 2015 |                 | Yields | December 31, 2015 |       | September 30, 2015 |  |
|---|----------------------|------|--------------------|-----------------|--------|-------------------|-------|--------------------|--|
|   | Investment Portfolio | 1.80 | 1.63               | Yield at Market |        | 1.16%             | 0.75% |                    |  |
| Merrill Lynch 1-3 Year U.S. Treasury Note Index | 1.80                 | 1.79 | Yield at Cost      | 1.03%           | 0.91%  |                   |       |                    |  |
| Portfolio Duration % of Benchmark Duration      | 100%                 | 91%  |                    |                 |        |                   |       |                    |  |



- Notes:
- In order to comply with GASB accrual accounting reporting requirements; forward settling trades are included in the monthly balances. End of quarter trade-date market values of portfolio holdings, including accrued interest.
  - Performance on trade date basis, gross (i.e., before fees), is in accordance with The CFA Institute's Global Investment Performance Standards (GIPS). Quarterly returns are presented on an unannualized basis. Returns presented for 12 months or longer are presented on an annual basis. Past performance is not indicative of future results.
  - Since Inception the benchmark has been the Merrill Lynch 1-3 Year U.S. Treasury Note Index. The City's investment policy references the Merrill Lynch 1-3 Year U.S. Treasury Note Index as the benchmark for longer term funds.
  - Merrill Lynch Indices provided by Bloomberg Financial Markets.
  - Includes money market fund/cash in performance and duration computations.

Investment Portfolio Composition and Credit Quality Characteristics

| <u>Security Type<sup>1</sup></u> | <u>December 31, 2015</u> | <u>% of Portfolio</u> | <u>September 30, 2015</u> | <u>% of Portfolio</u> |
|----------------------------------|--------------------------|-----------------------|---------------------------|-----------------------|
| U.S. Treasuries                  | \$13,639,108.78          | 55.1%                 | \$13,199,028.85           | 53.2%                 |
| Federal Agencies                 | 2,474,015.61             | 10.0%                 | 2,952,823.63              | 11.9%                 |
| Commercial Paper                 | 1,299,387.90             | 5.3%                  | 1,298,257.70              | 5.2%                  |
| Certificates of Deposit          | 0.00                     | 0.0%                  | 0.00                      | 0.0%                  |
| Bankers Acceptances              | 0.00                     | 0.0%                  | 0.00                      | 0.0%                  |
| Repurchase Agreements            | 0.00                     | 0.0%                  | 0.00                      | 0.0%                  |
| Municipal Obligations            | 0.00                     | 0.0%                  | 0.00                      | 0.0%                  |
| Corporate Notes/Bonds            | 7,237,921.05             | 29.3%                 | 7,264,216.27              | 29.3%                 |
| Mortgage Backed                  | 0.00                     | 0.0%                  | 0.00                      | 0.0%                  |
| Money Market Fund/Cash           | 92,796.94                | 0.4%                  | 97,498.13                 | 0.4%                  |
| <b>Totals</b>                    | <b>\$24,743,230.28</b>   | <b>100.0%</b>         | <b>\$24,811,824.58</b>    | <b>100.0%</b>         |

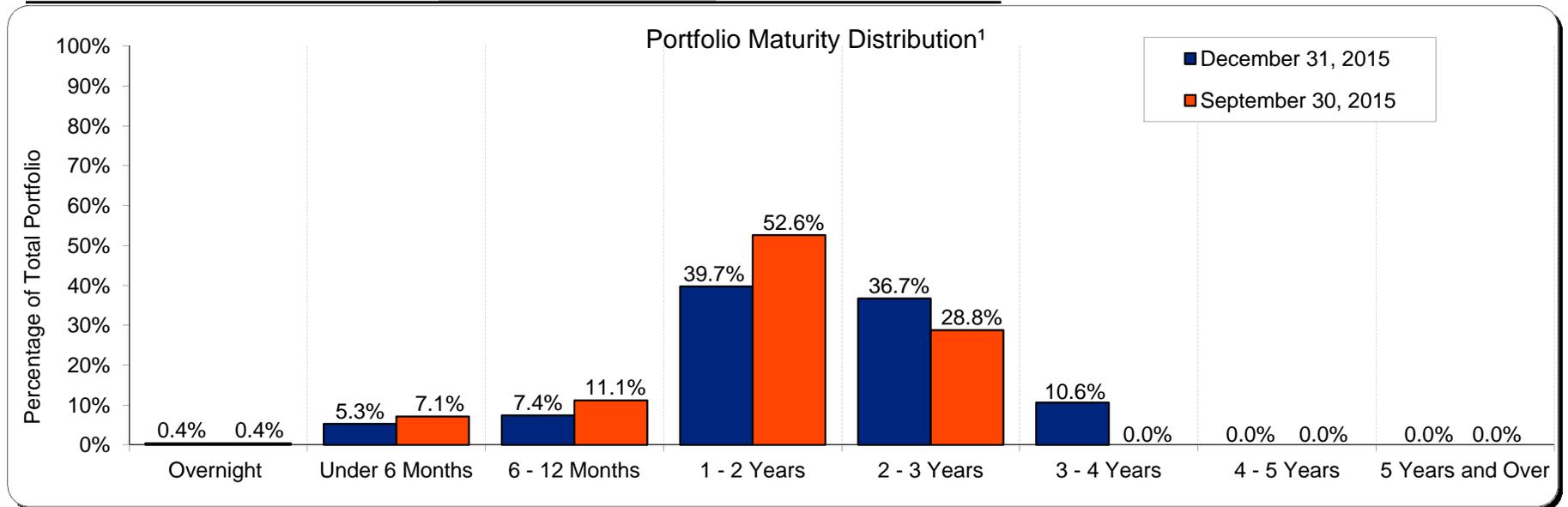


Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Credit rating of securities held in portfolio, exclusive of money market fund/LGIP. Standard & Poor's is the source of the credit ratings.

Investment Portfolio Maturity Distribution

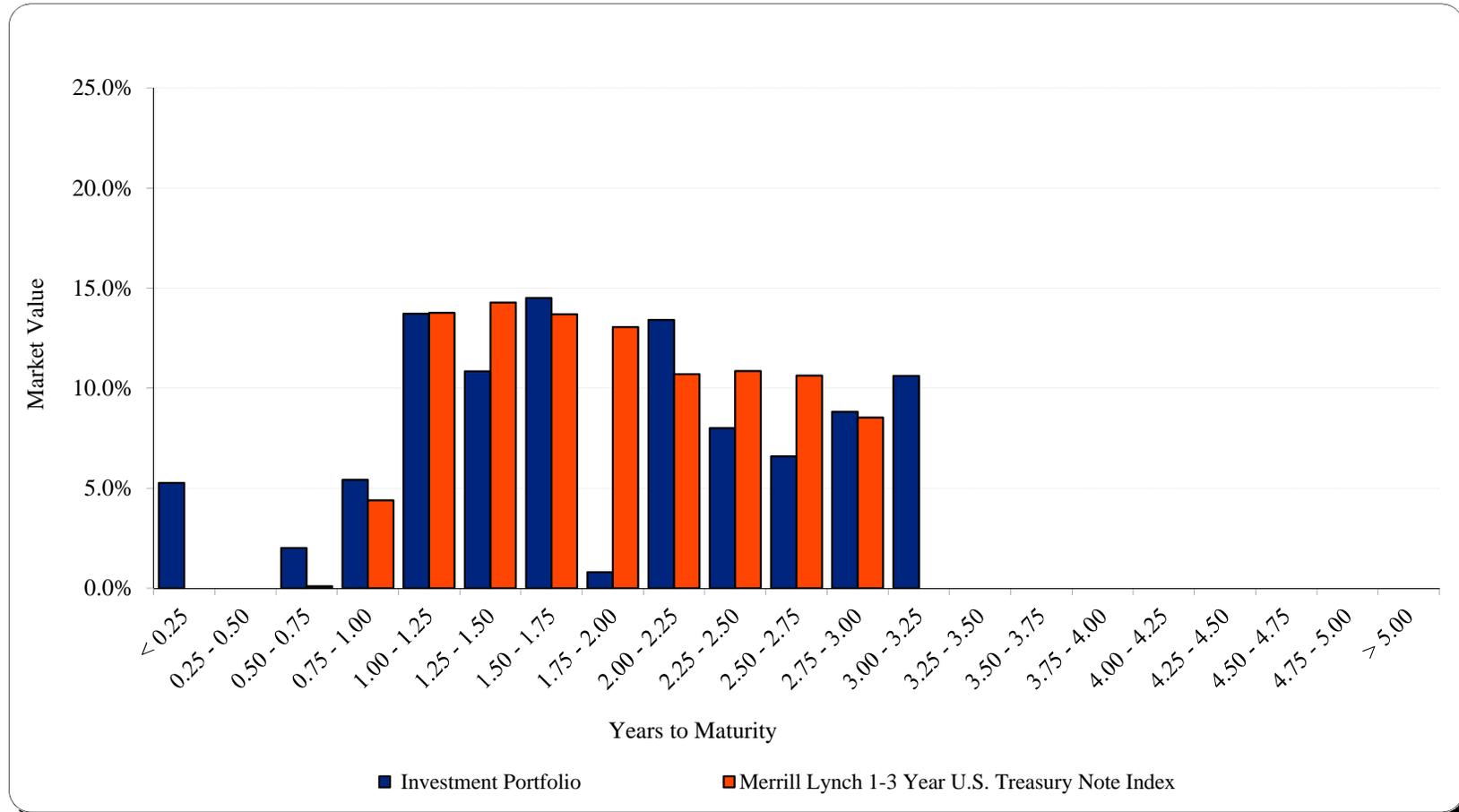
| <u>Maturity Distribution<sup>1</sup></u> | <u>December 31, 2015</u> | <u>September 30, 2015</u> |
|--|--------------------------|---------------------------|
| Overnight (Money Market Fund)            | \$92,796.94              | \$97,498.13               |
| Under 6 Months                           | 1,299,387.90             | 1,768,868.65              |
| 6 - 12 Months                            | 1,830,534.62             | 2,761,369.74              |
| 1 - 2 Years                              | 9,829,415.43             | 13,045,080.00             |
| 2 - 3 Years                              | 9,074,184.78             | 7,139,008.06              |
| 3 - 4 Years                              | 2,616,910.61             | 0.00                      |
| 4 - 5 Years                              | 0.00                     | 0.00                      |
| 5 Years and Over                         | 0.00                     | 0.00                      |
| <b>Totals</b>                            | <b>\$24,743,230.28</b>   | <b>\$24,811,824.58</b>    |



Notes:

1. Callable securities in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.

Investment Portfolio Maturity Distribution versus the Benchmark<sup>1</sup>



Notes:

1. Due to the nature of the security, Mortgage-Backed Securities are represented based on their average life maturity rather than their final maturity.

Short Term Portfolio Statistics

| <u>Account Name</u> | <b>Amortized Cost<sup>1,2,3</sup><br/>December 31, 2015</b> | Amortized Cost <sup>1,2,3</sup><br><u>September 30, 2015</u> | <b>Market Value<sup>1,2,3</sup><br/>December 31, 2015</b> | Market Value <sup>1,2,3</sup><br><u>September 30, 2015</u> | <b>Duration (Years)<br/>December 31, 2015</b> |
|---------------------|---|--|---|--|---|
| Short Term          | <b>\$16,122,926.32</b>                                      | \$16,106,123.35  | <b>\$16,122,849.30</b>                                    | \$16,110,732.41  | <b>0.19</b>                                   |

| <u>Account Name</u> | <b>Yield to Maturity<br/>at Cost<sup>4</sup><br/>December 31, 2015</b> | Yield to Maturity<br>at Cost <sup>4</sup><br><u>September 30, 2015</u> | <b>Yield to Maturity<br/>at Market<br/>December 31, 2015</b> | Yield to Maturity<br>at Market<br><u>September 30, 2015</u> | Duration (Years)<br><u>September 30, 2015</u> |
|---------------------|--|--|--|---|---|
| Short Term          | <b>0.49%</b>   | 0.46%  | <b>0.46%</b>   | 0.32%   | 0.28  |

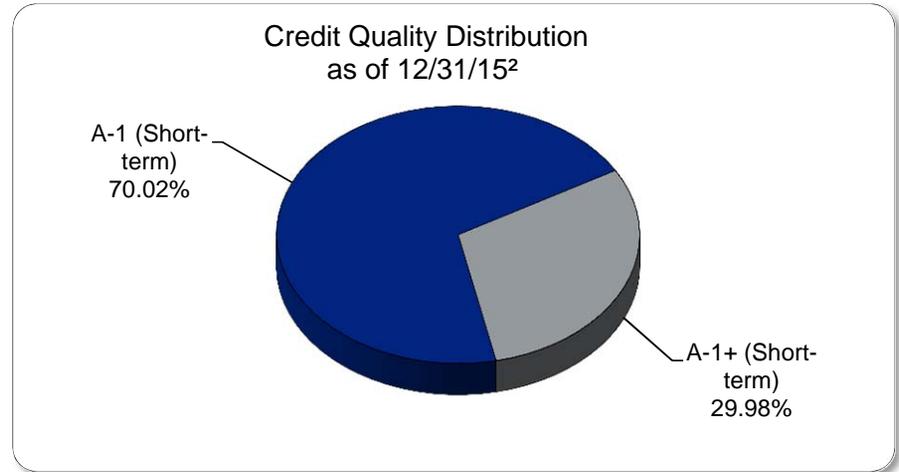
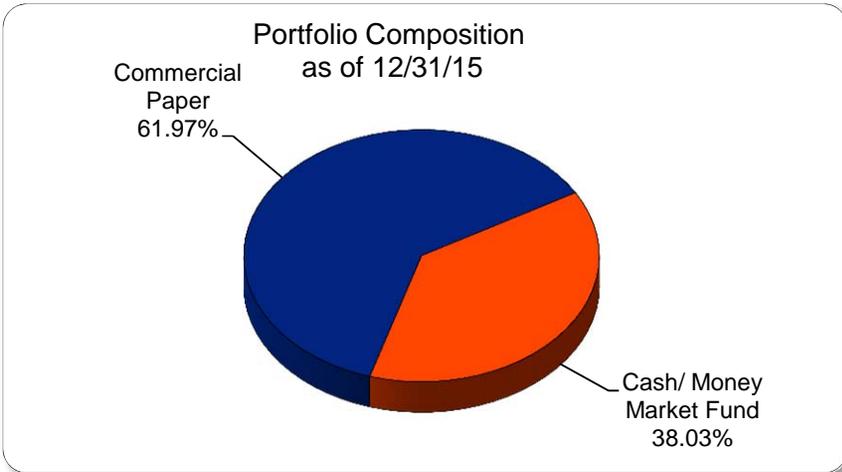
| <u>Benchmarks</u>  | <b>December 31, 2015</b> | <u>September 30, 2015</u> |
|--|--------------------------|---------------------------|
| S&P Rated GIP Index Government 30-Day Yield <sup>5</sup> | <b>0.25%</b>             | 0.16%                     |

Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. In order to comply with GASB accrual accounting reporting requirements; forward settling trades are included in the monthly balances.
3. Includes any money market fund/cash balances held in custodian account.
4. Past performance is not indicative of future results.
5. Monthly yield, source Bloomberg.

Short Term Portfolio Composition and Credit Quality Characteristics

| <u>Security Type<sup>1</sup></u> | <u>December 31, 2015</u> | <u>% of Portfolio</u> | <u>September 30, 2015</u> | <u>% of Portfolio</u> |
|----------------------------------|--------------------------|-----------------------|---------------------------|-----------------------|
| Cash/ Money Market Fund          | \$6,132,081.30           | 38.03%                | \$2,625,083.41            | 16.3%                 |
| U.S. Treasuries                  | 0.00                     | 0.0%                  | 0.00                      | 0.0%                  |
| Federal Agencies                 | 0.00                     | 0.0%                  | 0.00                      | 0.0%                  |
| Commercial Paper                 | 9,990,768.00             | 61.97%                | 13,485,649.00             | 83.7%                 |
| Certificates of Deposit          | 0.00                     | 0.0%                  | 0.00                      | 0.0%                  |
| Bankers Acceptances              | 0.00                     | 0.0%                  | 0.00                      | 0.0%                  |
| Repurchase Agreements            | 0.00                     | 0.0%                  | 0.00                      | 0.0%                  |
| Mortgage Backed                  | 0.00                     | 0.0%                  | 0.00                      | 0.0%                  |
| Corporate Notes/Bonds            | 0.00                     | 0.0%                  | 0.00                      | 0.0%                  |
| <b>Totals</b>                    | <b>\$16,122,849.30</b>   | <b>100.0%</b>         | <b>\$16,110,732.41</b>    | <b>100.0%</b>         |

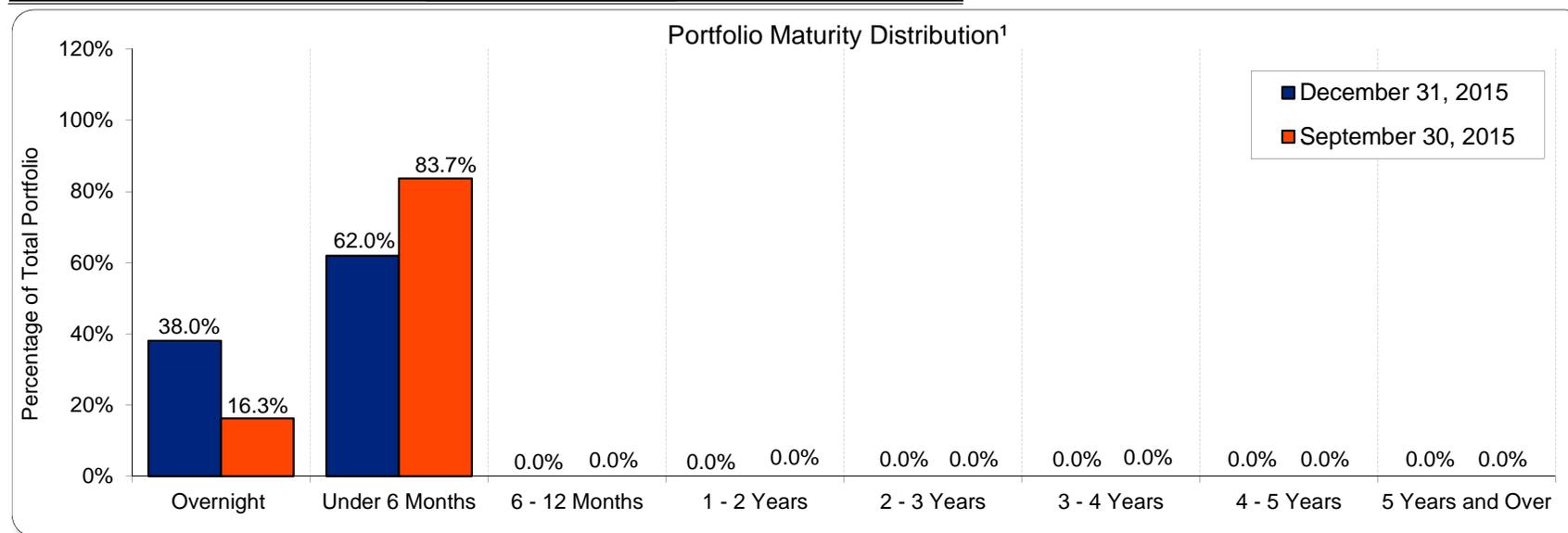


Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Credit rating of securities held in portfolio, exclusive of money market fund/LGIP. Standard & Poor's is the source of the credit ratings.

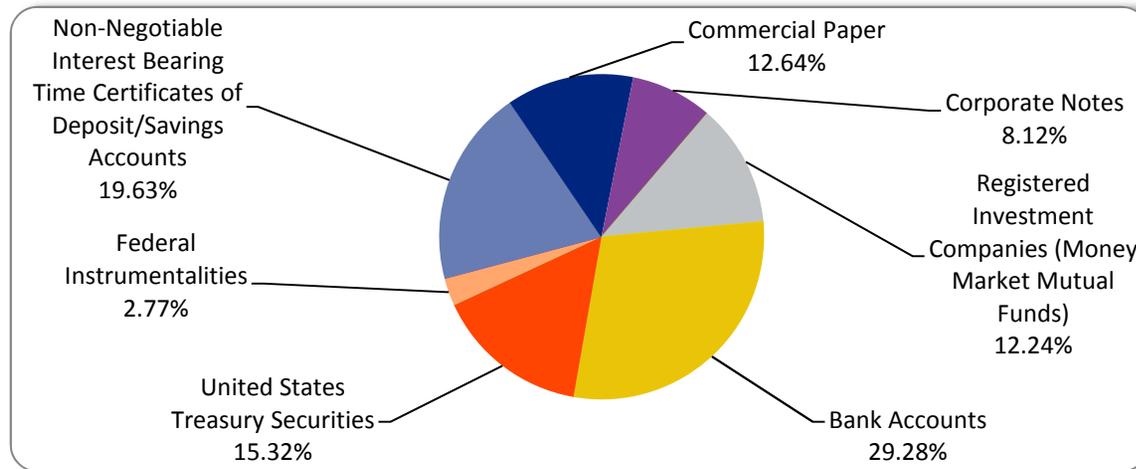
Short Term Portfolio Maturity Distribution

| <u>Maturity Distribution<sup>1</sup></u> | <u>December 31, 2015</u> | <u>September 30, 2015</u> |
|--|--------------------------|---------------------------|
| Overnight                                | \$6,132,081.30           | \$2,625,083.41            |
| Under 6 Months                           | 9,990,768.00             | 13,485,649.00             |
| 6 - 12 Months                            | 0.00                     | 0.00                      |
| 1 - 2 Years                              | 0.00                     | 0.00                      |
| 2 - 3 Years                              | 0.00                     | 0.00                      |
| 3 - 4 Years                              | 0.00                     | 0.00                      |
| 4 - 5 Years                              | 0.00                     | 0.00                      |
| 5 Years and Over                         | 0.00                     | 0.00                      |
| <b>Totals</b>                            | <b>\$16,122,849.30</b>   | <b>\$16,110,732.41</b>    |



Notes:

1. Callable securities in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.



| Security Type <sup>1</sup>  | Amortized Cost (Includes Interest) | Allocation Percentage | Notes | Permitted by Policy | In Compliance |
|---|------------------------------------|-----------------------|-------|---------------------|---------------|
| Florida PRIME   | -                                  | 0.00%                 |       | 25%                 | YES           |
| United States Treasury Securities   | 13,684,018.31                      | 15.32%                |       | 100%                | YES           |
| United States Government Agency Securities                                    | -                                  | 0.00%                 |       | 50%                 | YES           |
| Federal Instrumentalities   | 2,477,966.41                       | 2.77%                 |       | 80%                 | YES           |
| Mortgage-Backed Securities  | -                                  | 0.00%                 |       | 20%                 | YES           |
| Non-Negotiable Interest Bearing Time Certificates of Deposit/Savings Accounts | 17,533,164.68                      | 19.63%                | 2     | 50%                 | YES           |
| Repurchase Agreements   | -                                  | 0.00%                 |       | 50%                 | YES           |
| Commercial Paper  | 11,290,136.86                      | 12.64%                |       | 25%                 | YES           |
| Corporate Notes   | 7,253,216.18                       | 8.12%                 |       | 25%                 | YES           |
| State and/or Local Government Debt  | -                                  | 0.00%                 |       | 20%                 | YES           |
| Registered Investment Companies (Money Market Mutual Funds)                   | 10,936,681.91                      | 12.24%                |       | 50%                 | YES           |
| Intergovernmental Investment Pool   | -                                  | 0.00%                 |       | 25%                 | YES           |
| Bank Accounts   | 26,158,674.05                      | 29.28%                | 2     | 100%                | YES           |

Notes:

1. End of month trade-date amortized cost of portfolio holdings, including accrued interest.
2. Managed by the City.

| Individual Issuer Breakdown                          | Amortized Cost<br>(Includes Interest) | Allocation<br>Percentage | Notes | Permitted<br>by Policy | In<br>Compliance |
|--|---------------------------------------|--------------------------|-------|------------------------|------------------|
| Government National Mortgage Association (GNMA)      | -                                     | 0.00%                    |       | 25%                    | YES              |
| Federal Farm Credit Bank (FFCB)                      | -                                     | 0.00%                    |       | 25%                    | YES              |
| Federal Home Loan Bank (FHLB)                        | 996,385.57                            | 1.12%                    |       | 25%                    | YES              |
| Federal National Mortgage Association (FNMA)         | 305,183.97                            | 0.34%                    |       | 25%                    | YES              |
| Federal Home Loan Mortgage Corporation (FHLMC)       | 1,176,396.87                          | 1.32%                    |       | 25%                    | YES              |
| American Express Company Corporate Notes             | 524,817.62                            | 0.59%                    |       | 5%                     | YES              |
| American Honda Finance Corporate Notes               | 190,920.66                            | 0.21%                    |       | 5%                     | YES              |
| Bank of New York Company Inc. Corporate Notes        | 600,996.76                            | 0.67%                    |       | 5%                     | YES              |
| Cisco Systems, Inc. Corporate Notes                  | 561,229.13                            | 0.63%                    |       | 5%                     | YES              |
| ConocoPhillips Corporate Notes                       | 100,182.17                            | 0.11%                    |       | 5%                     | YES              |
| Deere & Company Corporate Notes                      | 1,014,042.18                          | 1.14%                    |       | 5%                     | YES              |
| Exxon Mobil Corporation Corporate Notes              | 602,501.25                            | 0.67%                    |       | 5%                     | YES              |
| General Electric Capital Corporation Corporate Notes | 641,852.52                            | 0.72%                    |       | 5%                     | YES              |
| HSBC Holdings plc Corporate Notes                    | 199,908.28                            | 0.22%                    |       | 5%                     | YES              |
| IBM Corporation Corporate Notes                      | 601,438.09                            | 0.67%                    |       | 5%                     | YES              |
| JP Morgan Chase & Company Corporate Notes            | 602,947.19                            | 0.67%                    |       | 5%                     | YES              |
| Pfizer, Inc. Corporate Notes                         | 446,315.03                            | 0.50%                    |       | 5%                     | YES              |
| Toyota Motor Corporation Corporate Notes             | 430,877.76                            | 0.48%                    |       | 5%                     | YES              |
| Wells Fargo & Company Corporate Notes                | 735,187.54                            | 0.82%                    |       | 5%                     | YES              |
| Bank of Tokyo Mitsubishi, Inc. Commercial Paper      | 3,597,891.68                          | 4.03%                    |       | 10%                    | YES              |
| BNP Paribas Commercial Paper                         | 699,560.17                            | 0.78%                    |       | 10%                    | YES              |
| JP Morgan Chase & Company Commercial Paper           | 3,996,220.00                          | 4.47%                    |       | 10%                    | YES              |
| Toyota Motor Corporation Commercial Paper            | 2,996,465.01                          | 3.35%                    |       | 10%                    | YES              |
| Money Market Fund - Sweep Account                    | 6,224,878.24                          | 6.97%                    |       | 25%                    | YES              |
| BB&T Bank Savings Account                            | 17,533,164.68                         | 19.63%                   | 2     | 25%                    | YES              |
| BB&T Bank Checking Account                           | 26,158,674.05                         | 29.28%                   | 2     | 100%                   | YES              |
| Money Market - PFM Funds Government Series           | 132.21                                | 0.00%                    |       | 25%                    | YES              |
| Money Market PFM Funds Prime                         | 4,711,671.46                          | 5.27%                    |       | 25%                    | YES              |

## Notes:

1. End of month trade-date amortized cost of portfolio holdings, including accrued interest.

2. Managed by the City.

\*All Assets

## Impact Fee Analysis

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Impact fees are collected in five capital program areas within the City, including Recreation, Police, Fire, Art, and Roads. An analysis showing the impact fee balances available for spending is included in this section on the following page. The analysis presents information for each separate fund showing beginning fund balances, impact fees collected during the fiscal year, funds spent or earmarked, current project balances, and the amount available for future projects. The analysis in this section will be used to assist project managers in the timing of their projects. As part of the City's Land Development Code, impact fees are required to be expended or encumbered within six years of collection. Fee payers are entitled to refunds if their fees are not spent or encumbered within those time frames.

At the end of the third quarter, \$244 thousand or 8.7% of the total budgeted impact fee revenues have been collected. Below is a listing of activity during the first quarter.

- Alton PCD (Briger) - Ten (10) single family residential permits
- Banyan Tree - Two (2) commercial retail permits
- Horseshoe Acres - Two (2) single family residential permit
- Old Palm Golf Club - Eleven (11) single family residential permits

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## Impact Fee Analysis

### Available Fund Balance Analysis Quarter Ended December 31, 2015

|   | <u>Recreation<br/>Impact</u> | <u>Police<br/>Impact</u> | <u>Fire<br/>Impact</u> | <u>Art<br/>Impact</u> | <u>Road<br/>Impact</u> |
|---|------------------------------|--------------------------|------------------------|-----------------------|------------------------|
| <b>Beginning Fund Balance - 10/1/2015</b>   | \$ 6,719,333                 | \$ 3,007,498             | \$ 574,218             | \$ 636,985            | \$ 1,635,533           |
| Impact Fee Collections  | 81,885                       | 17,305                   | 13,882                 | -                     | 131,488                |
| Other Revenue<br>(Transfers, Grants, Interest income,<br>Contributions & Donations) | 400,545                      | 246                      | 46                     | 48                    | 2,000,247              |
| Amount Spent  | (318,559)                    | -                        | (64,925)               | (44,922)              | (172,860)              |
| Amount Encumbered (Earmarked)   | (300,436)                    | (553)                    | (54,735)               | (68,656)              | (129,954)              |
| <b>Ending Fund Balance</b>  | 6,582,768                    | 3,024,496                | 468,486                | 523,455               | 3,464,454              |
| <b>Add:</b>   |                              |                          |                        |                       |                        |
| Uncollected Grant/Donation Revenue  | -                            | -                        | -                      | -                     | -                      |
| Pending Transfer  | -                            | -                        | -                      | -                     | -                      |
| <b>Less:</b>  |                              |                          |                        |                       |                        |
| <b>Current Project Balances to Complete:</b>  |                              |                          |                        |                       |                        |
| Plant/Lilac Park Extension  | (201,146)                    | -                        | -                      | -                     | -                      |
| City Park Expansion Phase III   | (2,310,614)                  | -                        | -                      | -                     | -                      |
| Golf Course Club House Expansion  | (5,349,308)                  | -                        | -                      | -                     | -                      |
| Fiber Optic Network to Landmark   | -                            | (50,000)                 | -                      | -                     | -                      |
| Training Tactical Facility  | -                            | (2,969,933)              | -                      | -                     | -                      |
| Drafting Pit- Fire Station 63   | -                            | -                        | (50,000)               | -                     | -                      |
| EVOC and Defensive Driving Pad  | -                            | -                        | (360,000)              | -                     | -                      |
| Art Maintenance   | -                            | -                        | -                      | (56,769)              | -                      |
| Art in Public Places - Bus Shelters   | -                            | -                        | -                      | (30,822)              | -                      |
| Johnson Dairy Road/Military Trail Traffic<br>Signal & Intersection Improvements     | -                            | -                        | -                      | -                     | (320,928)              |
| Traffic Signal Improvements Riverside &<br>Burns Road Intersection                  | -                            | -                        | -                      | -                     | (100,000)              |
| Campus Drive Improvements   | -                            | -                        | -                      | -                     | (587,571)              |
| Shady Lakes/117th Court Connector<br>Road   | -                            | -                        | -                      | -                     | (2,464,688)            |
| Signal Improvement- Golf Course   | -                            | -                        | -                      | -                     | (100,000)              |
| <b>Available for Spending - 12/31/2015</b>  | <b>\$ (1,278,300) *</b>      | <b>\$ 4,563</b>          | <b>\$ 58,486</b>       | <b>\$ 435,864</b>     | <b>\$ (108,733) *</b>  |

\*Deficit amounts are expected to be offset by anticipated impact fee collections during the remainder of the fiscal year.

## Capital Improvement Projects Status Update

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Below is an update of projects with activity during the current quarter along with projects projected to begin during the fiscal year.

### Replacement Fire Station #2

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#### Project Description:

Fire Station 2 was built in the 1980's. In 2004, the station was evaluated by an architectural consultant in order to provide a cost analysis of renovating the building in order to better meet the needs of the fire rescue department or constructing a new facility. The analysis revealed that renovation costs would be extensive and recommended constructing a new fire station. On June 6, 2013, City Council approved the financing of construction through Resolution 39, 2013.

#### Update:

A contract was awarded to Ahrens Enterprises, Inc. dba Ahrens Companies for the Design Build of the new Fire Rescue Station #2. The contract award is for \$2,545,000. The concrete floors were poured in July and the Apparatus bay floor coating scheduled for application January 1, 2016. The City of Palm Beach Gardens will hold a Grand opening Ceremony on February 11, 2016. City staff continues to meet with the contractor regularly for progress meetings. A punch list walk-through is scheduled for the week of February 15<sup>th</sup> with the tentative Certificate of Occupancy (CO) scheduled for the following week.

| <b>Budget</b> | <b>Actual Expenditure as of<br/>12/31/2015</b> | <b>Balance to<br/>Complete</b> |
|---------------|--|--------------------------------|
| \$2,674,100   | \$2,242,750                                    | \$431,350                      |

### Bridge Refurbishment Program

---

#### Project Description:

This project includes the rehabilitation of seven bridges within the city limits:

- Lighthouse Drive
- Holly Drive
- MacArthur Boulevard
- Hickory Drive (2)
- Allamanda Drive
- Avenue of the PGA

#### Update:

The Holly Drive and Larch Street bridges are now complete and open for use. Repairs are complete on the Allamanda Drive Bridge. MacArthur Boulevard, Hickory Drive, and Avenue of the PGA bridges have been surveyed and will be repaired and upgraded during the summer of 2016.

| <b>Budget</b> | <b>Actual Expenditure as of<br/>12/31/2015</b> | <b>Balance to<br/>Complete</b> |
|---------------|--|--------------------------------|
| \$1,297,000   | \$941,242                                      | \$355,758                      |

## Capital Improvement Projects Status Update

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### City Park Expansion

---

**Project Description:**

The existing City Park was completed in 2008. Expansion of the park will include more amenities such as; multi-purpose fields, additional tennis courts, field and court lighting, additional parking, extension of the nature trails, additional playground and shade structures, a group pavilion, as well as a concession/restroom building.

**Update:**

City staff is currently working on the design for the park as approved by the Recreation Advisory Committee. The site is currently being cleared and filled to bring fields up to the design elevations. Field construction is scheduled to begin in April with an anticipated completion during the fall of 2016. City staff is in the process of selecting a vendor for the construction of the playground, concession stand, and tennis court. The City of Palm Beach Gardens will hold the ground breaking ceremony for the Joseph R. Russo Sports Complex on January 25, 2016.

| Budget      | Actual Expenditure as of<br>12/31/2015 | Balance to<br>Complete |
|-------------|--|------------------------|
| \$3,023,613 | \$605,839                              | \$2,417,774            |

### Golf Course Club House Expansion

---

**Project Description:**

The aging Golf Course clubhouse was built in 1991, and is not compliant with current building codes. It also lacks adequate amenities to support golf course operations as well as the full golf experience. The golf course produces approximately 40,000 rounds or more annually. The expansion of the clubhouse is Phase II of the planned renovations for the golf course. Phase I consisted of a complete renovation of the turf and irrigation system. The funding plan consisted of two allocations spread over two fiscal years beginning with \$3,638,382 funded in FY 2014/2015 and \$2,300,000 in FY 2015/2016.

**Update:**

The Invitation to Bid (ITB) Design Build agreement is scheduled for City Council consideration at the March meeting. The existing clubhouse has been demolished and the site is prepared for new construction. DS Eakins is installing portions of the sewer project while staff continues to work with Seacoast, City of West Palm Beach, and Palm Beach County for the final permitting of the sewer system. The temporary golf village is open and in use by the public.

| Budget      | Actual Expenditure as of<br>12/31/2015 | Balance to<br>Complete |
|-------------|--|------------------------|
| \$5,938,382 | \$395,798                              | \$5,542,584            |

### NIAP – 40<sup>th</sup>/Sunset/Brenna Improvements

---

**Project Description:**

On April 3, 2014, City Council approved Resolution 26, 2014, authorizing the implementation and construction of infrastructure improvements to Sunset Drive, 40<sup>th</sup> Terrace North, and Brenna Lane. After receiving a petition from the residents of the neighborhood and in accordance with the City's Neighborhood Improvement Assessment Program (NIAP), the City conducted a survey and commissioned full construction plans for roadway and water improvements in order to ascertain the cost of construction. A public information meeting was held on March 24, 2014, to answer questions from and discuss with the neighborhood property owners the details regarding construction and the special assessment necessary to fund the project.

## Capital Improvement Projects Status Update

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### NIAP – 40<sup>th</sup>/Sunset/Brenna Improvements (continued)

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Resolution 35, 2014, was approved on June 5, 2014. This resolution amended the fiscal year 2013/2014 budget in order to establish a budget for infrastructure improvements to Sunset Drive, 40<sup>th</sup> Terrace North, and Brenna Lane. The budget amendment allocated \$1,545,013 from the Budget Stabilization Reserves in the General Fund to a newly created Capital Projects Fund for the purposes of establishing a budget and tracking the costs of the project. The not-to-exceed amount of \$1,545,013 was based on piggy-back pricing quoted through a competitively solicited bid from a Seacoast Utility Authority contract.

**Update:**

The infrastructure improvements to Sunset Drive and 40<sup>th</sup> Terrace are 100% complete. To date, approximately 50% of the homes have converted to potable water service. The City is preparing the final closeout documents and information for the Palm Beach County Tax Collector for the assessment on the individual parcels.

| <b>Budget</b> | <b>Actual Expenditure as of<br/>12/31/2015</b> | <b>Balance to<br/>Complete</b> |
|---------------|--|--------------------------------|
| \$1,575,013   | \$1,257,752                                    | \$317,260                      |

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**Current Year vs. Prior Year Comparison Schedule  
General Fund**

|   | <u>Prior<br/>Year</u> | <u>Current<br/>Year</u> | <u>Increase/<br/>(Decrease)</u> | <u>%<br/>Change</u> |
|---|-----------------------|-------------------------|---------------------------------|---------------------|
| Revenues:                                     |                       |                         |                                 |                     |
| Taxes:  |                       |                         |                                 |                     |
| Ad valorem taxes                              | \$ 41,330,416         | \$ 42,260,922           | 930,506                         | 2.25%               |
| Local business tax                            | 1,508,565             | 1,541,064               | 32,499                          | 2.15%               |
| Utility taxes                                 | 529,949               | 508,985                 | (20,964)                        | -3.96%              |
| Franchise Fees                                | 1,321,194             | 1,361,632               | 40,438                          | 3.06%               |
| Licenses and permits                          | 677,869               | 848,332                 | 170,463                         | 25.15%              |
| Intergovernmental                             | 1,331,273             | 1,412,622               | 81,349                          | 6.11%               |
| Charges for services                          | 1,371,133             | 1,434,542               | 63,409                          | 4.62%               |
| Fines and forfeitures                         | 46,015                | 82,614                  | 36,599                          | 79.54%              |
| Investment income                             | 59,877                | (34,396)                | (94,273)                        | -157.44%            |
| Net depreciation in fair value of investments | -                     | (14,346)                | (14,346)                        | -100.00%            |
| Miscellaneous                                 | 494,439               | 372,363                 | (122,076)                       | -24.69%             |
| Total revenues                                | <u>48,670,730</u>     | <u>49,774,334</u>       | <u>1,103,604</u>                | <u>2.27%</u>        |
| Expenditures:                                 |                       |                         |                                 |                     |
| Current:                                      |                       |                         |                                 |                     |
| General government:                           |                       |                         |                                 |                     |
| City Council                                  | \$ 89,352             | \$ 88,586               | \$ (766)                        | -0.86%              |
| Administrative services                       | 131,045               | 140,034                 | 8,989                           | 6.86%               |
| Purchasing and contract management            | 32,214                | 30,255                  | (1,959)                         | -6.08%              |
| Information services                          | 343,107               | 563,289                 | 220,182                         | 64.17%              |
| City clerk                                    | 101,270               | 112,159                 | 10,889                          | 10.75%              |
| Legal services                                | 60,907                | 73,468                  | 12,561                          | 20.62%              |
| Public communications                         | 26,426                | 51,351                  | 24,925                          | 94.32%              |
| Engineering services                          | 72,853                | 84,081                  | 11,228                          | 15.41%              |
| Human resources                               | 123,386               | 134,050                 | 10,664                          | 8.64%               |
| Finance                                       | 204,180               | 215,815                 | 11,635                          | 5.70%               |
| Honda Classic                                 | -                     | -                       | -                               | 0.00%               |
| General services                              | 1,403,096             | 1,418,324               | 15,228                          | 1.09%               |
| Planning and zoning                           |                       |                         |                                 |                     |
| Administrative                                | 56,170                | 62,881                  | 6,711                           | 11.95%              |
| Development compliance                        | 101,434               | 99,051                  | (2,383)                         | -2.35%              |
| Planning                                      | 92,850                | 99,705                  | 6,855                           | 7.38%               |
| GIS   | 30,317                | 30,974                  | 657                             | 2.17%               |
| Construction services                         | 299,591               | 321,673                 | 22,082                          | 7.37%               |
| Neighborhood services                         | 144,559               | 140,861                 | (3,698)                         | -2.56%              |
| Total general government                      | <u>3,312,757</u>      | <u>3,666,557</u>        | <u>353,800</u>                  | <u>10.68%</u>       |
| Public safety:                                |                       |                         |                                 |                     |
| Police  | 4,704,681             | 4,944,020               | 239,339                         | 5.09%               |
| Fire and emergency services                   | 3,944,015             | 3,956,402               | 12,387                          | 0.31%               |
| Total public safety                           | <u>8,648,696</u>      | <u>8,900,422</u>        | <u>251,726</u>                  | <u>2.91%</u>        |

**Current Year vs. Prior Year Comparison Schedule  
General Fund**

|  | <u>Prior<br/>Year</u> | <u>Current<br/>Year</u> | <u>Increase/<br/>(Decrease)</u> | <u>%<br/>Change</u> |
|--|-----------------------|-------------------------|---------------------------------|---------------------|
| Culture and recreation:                                      |                       |                         |                                 |                     |
| Administrative services                                      | 46,402                | 29,160                  | (17,242)                        | -37.16%             |
| Seniors and wellness   | 13,557                | 13,127                  | (430)                           | -3.17%              |
| Aquatics   | 19,870                | 20,413                  | 543                             | 2.73%               |
| Tennis   | 28,058                | 30,040                  | 1,982                           | 7.06%               |
| Programs division  | 18,626                | 22,459                  | 3,833                           | 20.58%              |
| Total culture and recreation                                 | <u>126,513</u>        | <u>115,199</u>          | <u>(11,314)</u>                 | <u>-8.94%</u>       |
| Physical environment:  |                       |                         |                                 |                     |
| Administrative services                                      | 145,474               | 116,635                 | (28,839)                        | -19.82%             |
| Facilities maintenance                                       | 503,851               | 432,071                 | (71,780)                        | -14.25%             |
| Stormwater and street maintenance                            | 298,129               | 336,063                 | 37,934                          | 12.72%              |
| Parks and grounds  | 725,979               | 709,101                 | (16,878)                        | -2.32%              |
| Total physical environment                                   | <u>1,673,433</u>      | <u>1,593,870</u>        | <u>(79,563)</u>                 | <u>-4.75%</u>       |
| Capital outlay:  | <u>194,415</u>        | <u>1,140,347</u>        | <u>945,932</u>                  | <u>486.55%</u>      |
| Debt service:  |                       |                         |                                 |                     |
| Principal  | 1,545,711             | 1,596,738               | 51,027                          | 3.30%               |
| Interest   | 326,852               | 279,438                 | (47,414)                        | -14.51%             |
| Total debt service   | <u>1,872,563</u>      | <u>1,876,176</u>        | <u>3,613</u>                    | <u>0.19%</u>        |
| Total expenditures   | <u>15,828,377</u>     | <u>17,292,571</u>       | <u>1,464,194</u>                | <u>9.25%</u>        |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>32,842,353</u>     | <u>32,481,763</u>       | <u>(360,590)</u>                |                     |
| Other financing sources (uses):                              |                       |                         |                                 |                     |
| Transfers in   | 171,206               | 227,665                 | 56,459                          | 32.98%              |
| Transfers out  | (1,129,806)           | (2,430,000)             | (1,300,194)                     | 115.08%             |
| Total other financing sources (uses)                         | <u>(958,600)</u>      | <u>(2,202,335)</u>      | <u>(1,243,735)</u>              | <u>129.74%</u>      |
| Net change in fund balance                                   | 31,883,753            | 30,279,428              | (1,604,325)                     |                     |
| Fund balance, beginning of year                              | <u>38,614,210</u>     | <u>36,661,689</u>       | <u>(1,952,521)</u>              |                     |
| Fund balance, end of year                                    | <u>\$ 70,497,963</u>  | <u>\$ 66,941,117</u>    | <u>\$ (3,556,846)</u>           |                     |

**Budgetary Comparison Schedule  
General Fund**

|                                    | <u>Budget</u> | <u>Actual to<br/>Date</u> | <u>Received/<br/>Spent</u> |
|------------------------------------|---------------|---------------------------|----------------------------|
| Revenues:                          |               |                           |                            |
| Taxes:                             |               |                           |                            |
| Ad valorem taxes                   | \$ 51,003,793 | \$ 42,260,922             | 82.86%                     |
| Local business tax                 | 1,500,000     | 1,541,064                 | 102.74%                    |
| Utility taxes                      | 2,100,000     | 508,985                   | 24.24%                     |
| Franchise fees                     | 5,490,000     | 1,361,632                 | 24.80%                     |
| Licenses and permits               | 3,000,790     | 848,332                   | 28.27%                     |
| Intergovernmental                  | 5,416,000     | 1,412,622                 | 26.08%                     |
| Charges for services               | 4,586,302     | 1,434,542                 | 31.28%                     |
| Fines and forfeitures              | 175,000       | 82,614                    | 47.21%                     |
| Investment income                  | 301,000       | (48,741)                  | -16.19%                    |
| Miscellaneous                      | 911,925       | 372,363                   | 40.83%                     |
| Total revenues                     | 74,484,810    | 49,774,334                | 66.82%                     |
| Expenditures:                      |               |                           |                            |
| Current:                           |               |                           |                            |
| General government:                |               |                           |                            |
| City Council                       | \$ 462,372    | \$ 88,586                 | 19.16%                     |
| Administrative services            | 702,879       | 140,034                   | 19.92%                     |
| Purchasing and contract management | 146,818       | 30,255                    | 20.61%                     |
| Information services               | 1,997,075     | 563,289                   | 28.21%                     |
| City clerk                         | 664,394       | 112,159                   | 16.88%                     |
| Legal services                     | 357,426       | 73,468                    | 20.55%                     |
| Public communications              | 293,594       | 51,351                    | 17.49%                     |
| Engineering services               | 485,466       | 84,081                    | 17.32%                     |
| Human resources                    | 707,512       | 134,050                   | 18.95%                     |
| Finance                            | 1,010,666     | 215,815                   | 21.35%                     |
| Honda Classic                      | 165,987       | -                         | 0.00%                      |
| General services                   | 5,777,776     | 1,418,324                 | 24.55%                     |
| Planning and zoning:               |               |                           |                            |
| Administrative                     | 485,240       | 62,881                    | 12.96%                     |
| Development compliance             | 483,158       | 99,051                    | 20.50%                     |
| Planning                           | 492,819       | 99,705                    | 20.23%                     |
| GIS                                | 160,107       | 30,974                    | 19.35%                     |
| Construction services - building   | 1,559,905     | 321,673                   | 20.62%                     |
| Code enforcement                   | 888,678       | 140,861                   | 15.85%                     |
| Total general government           | 16,841,872    | 3,666,557                 | 21.77%                     |
| Public safety:                     |               |                           |                            |
| Police                             | 22,843,941    | 4,944,020                 | 21.64%                     |
| Fire and emergency services        | 19,355,553    | 3,956,402                 | 20.44%                     |
| Total public safety                | 42,199,494    | 8,900,422                 | 21.09%                     |

**Budgetary Comparison Schedule  
General Fund**

|  | <u>Budget</u>        | <u>Actual to<br/>Date</u> | <u>Received/<br/>Spent</u> |
|--|----------------------|---------------------------|----------------------------|
| Culture and recreation:                                      |                      |                           |                            |
| Administrative services                                      | 182,285              | 29,160                    | 16.00%                     |
| Seniors and wellness   | 50,591               | 13,127                    | 25.95%                     |
| Aquatics   | 218,085              | 20,413                    | 9.36%                      |
| Tennis   | 347,141              | 30,040                    | 8.65%                      |
| Programs division  | 94,952               | 22,459                    | 23.65%                     |
| Total culture and recreation                                 | <u>893,054</u>       | <u>115,199</u>            | <u>12.90%</u>              |
| Physical environment:  |                      |                           |                            |
| Administrative services                                      | 709,301              | 116,635                   | 16.44%                     |
| Facilities maintenance                                       | 2,823,923            | 432,071                   | 15.30%                     |
| Stormwater and street maintenance                            | 1,601,644            | 336,063                   | 20.98%                     |
| Parks and grounds  | 3,737,022            | 709,101                   | 18.98%                     |
| Total physical environment                                   | <u>8,871,890</u>     | <u>1,593,870</u>          | <u>17.97%</u>              |
| Capital outlay:  | <u>5,791,481</u>     | <u>1,140,347</u>          | <u>19.69%</u>              |
| Debt service:  |                      |                           |                            |
| Principal  | 4,039,635            | 1,596,738                 | 39.53%                     |
| Interest   | 561,304              | 279,438                   | 49.78%                     |
| Total debt service   | <u>4,600,939</u>     | <u>1,876,176</u>          | <u>40.78%</u>              |
| Total expenditures   | <u>79,198,730</u>    | <u>17,292,571</u>         | <u>21.83%</u>              |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(4,713,920)</u>   | <u>32,481,763</u>         |                            |
| Other financing sources (uses):                              |                      |                           |                            |
| Transfers in   | 745,660              | 227,665                   | 30.53%                     |
| Transfers out  | (2,430,000)          | (2,430,000)               | 100.00%                    |
| Total other financing sources (uses)                         | <u>(1,684,340)</u>   | <u>(2,202,335)</u>        | <u>130.75%</u>             |
| Net change in fund balance                                   | (6,398,260)          | 30,279,428                |                            |
| Fund balance, beginning of year                              | <u>36,661,688</u>    | <u>36,661,689</u>         |                            |
| Fund balance, end of year                                    | <u>\$ 30,263,428</u> | <u>\$ 66,941,117</u>      |                            |

**Budgetary Comparison Schedule  
Police Training**

|                                 | <u>Budget</u>   | <u>Actual to<br/>Date</u> | <u>%<br/>Received/<br/>Spent</u> |
|---------------------------------|-----------------|---------------------------|----------------------------------|
| Revenues:                       |                 |                           |                                  |
| Fines and forfeitures           | \$ 10,530       | \$ 2,255                  | 21.41%                           |
| Total revenues                  | <u>10,530</u>   | <u>2,255</u>              | <u>21.41%</u>                    |
| Expenditures:                   |                 |                           |                                  |
| Current:                        |                 |                           |                                  |
| Public safety:                  |                 |                           |                                  |
| Police                          | 14,000          | 2,871                     | 20.51%                           |
| Total public safety             | <u>14,000</u>   | <u>2,871</u>              | <u>20.51%</u>                    |
| Total expenditures              | <u>14,000</u>   | <u>2,871</u>              | <u>20.51%</u>                    |
| Net change in fund balance      | (3,470)         | (616)                     |                                  |
| Fund balance, beginning of year | <u>7,786</u>    | <u>7,785</u>              |                                  |
| Fund balance, end of year       | <u>\$ 4,316</u> | <u>\$ 7,169</u>           |                                  |

**Budgetary Comparison Schedule  
Gas Tax Fund**

|  | <u>Budget</u>     | <u>Actual to<br/>Date</u> | <u>%<br/>Received/<br/>Spent</u> |
|--|-------------------|---------------------------|----------------------------------|
| Revenues:  |                   |                           |                                  |
| Intergovernmental  | \$ 706,993        | \$ 182,515                | 25.82%                           |
| Investment income  | 687               | 82                        | 11.99%                           |
| Miscellaneous  | 82,241            | -                         | 0.00%                            |
| Total revenues   | <u>789,921</u>    | <u>182,597</u>            | <u>23.12%</u>                    |
| Expenditures:  |                   |                           |                                  |
| Current:   |                   |                           |                                  |
| Transportation   | 1,192,105         | 208,362                   | 17.48%                           |
| Capital outlay   | 420,547           | 39,842                    | 9.47%                            |
| Total expenditures   | <u>1,612,652</u>  | <u>248,204</u>            | <u>15.39%</u>                    |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(822,731)</u>  | <u>(65,607)</u>           |                                  |
| Other financing sources (uses):                              |                   |                           |                                  |
| Transfers in   | -                 | -                         | 0.00%                            |
| Total other financing sources (uses)                         | <u>-</u>          | <u>-</u>                  | <u>0.00%</u>                     |
| Net change in fund balance                                   | (822,731)         | (65,607)                  |                                  |
| Fund balance, beginning of year                              | <u>1,066,141</u>  | <u>1,066,142</u>          |                                  |
| Fund balance, end of year                                    | <u>\$ 243,410</u> | <u>\$ 1,000,535</u>       |                                  |

**Budgetary Comparison Schedule  
Recreation Programs**

|  | <u>Budget</u>     | <u>Actual to<br/>Date</u> | <u>%<br/>Received/<br/>Spent</u> |
|--|-------------------|---------------------------|----------------------------------|
| <b>Revenues:</b>   |                   |                           |                                  |
| Charges for services   | \$ 3,708,679      | \$ 914,488                | 24.66%                           |
| Investment income  | 850               | 147                       | 17.34%                           |
| Miscellaneous  | 44,784            | 7,947                     | 17.74%                           |
| Total revenues   | <u>3,754,313</u>  | <u>922,582</u>            | <u>24.57%</u>                    |
| <b>Expenditures:</b>   |                   |                           |                                  |
| Current:   |                   |                           |                                  |
| Culture and recreation:                                      |                   |                           |                                  |
| Administrative services                                      | 538,988           | 112,359                   | 20.85%                           |
| Athletics  | 432,756           | 73,361                    | 16.95%                           |
| Aquatics   | 415,093           | 72,411                    | 17.44%                           |
| Tennis   | 679,269           | 141,741                   | 20.87%                           |
| Programs division  | 796,052           | 117,902                   | 14.81%                           |
| Youth Enrichment   | 895,101           | 203,639                   | 22.75%                           |
| Total culture and recreation                                 | <u>3,757,259</u>  | <u>721,413</u>            | <u>19.20%</u>                    |
| Capital outlay:  | -                 | -                         | 0.00%                            |
| Total expenditures   | <u>3,757,259</u>  | <u>721,413</u>            | <u>19.20%</u>                    |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(2,946)</u>    | <u>201,169</u>            |                                  |
| Other financing sources (uses):                              |                   |                           |                                  |
| Transfers in   | -                 | -                         | 0.00%                            |
| Total other financing sources (uses)                         | <u>-</u>          | <u>-</u>                  | <u>0.00%</u>                     |
| Net change in fund balance                                   | (2,946)           | 201,169                   |                                  |
| Fund balance, beginning of year                              | <u>912,115</u>    | <u>907,496</u>            |                                  |
| Fund balance, end of year                                    | <u>\$ 909,169</u> | <u>\$ 1,108,665</u>       |                                  |

**Budgetary Comparison Schedule  
Golf Fund**

|                                 | <u>Budget</u>    | <u>Actual to<br/>Date</u> | <u>%<br/>Received/<br/>Spent</u> |
|---------------------------------|------------------|---------------------------|----------------------------------|
| <b>Revenues:</b>                |                  |                           |                                  |
| Charges for services            | \$ 1,627,500     | \$ 356,168                | 21.88%                           |
| Investment income               | 150              | 26                        | 17.11%                           |
| Miscellaneous                   | <u>259,636</u>   | <u>74,554</u>             | <u>28.71%</u>                    |
| Total revenues                  | <u>1,887,286</u> | <u>430,748</u>            | <u>22.82%</u>                    |
| <b>Expenditures:</b>            |                  |                           |                                  |
| <b>Current:</b>                 |                  |                           |                                  |
| <b>Culture and recreation:</b>  |                  |                           |                                  |
| Administrative services         | 291,831          | 70,742                    | 24.24%                           |
| Maintenance                     | 928,399          | 153,016                   | 16.48%                           |
| Pro shop                        | <u>618,711</u>   | <u>143,744</u>            | <u>23.23%</u>                    |
| Total culture and recreation    | <u>1,838,941</u> | <u>367,502</u>            | <u>19.98%</u>                    |
| Capital outlay:                 | <u>28,900</u>    | <u>-</u>                  | <u>0.00%</u>                     |
| Total expenditures              | <u>1,867,841</u> | <u>367,502</u>            | <u>19.68%</u>                    |
| Net change in fund balance      | 19,445           | 63,246                    |                                  |
| Fund balance, beginning of year | <u>69,735</u>    | <u>69,734</u>             |                                  |
| Fund balance, end of year       | <u>\$ 89,180</u> | <u>\$ 132,980</u>         |                                  |

**Budgetary Comparison Schedule  
Recreation Impact Fee Fund**

|  | <u>Budget</u>      | <u>Actual to<br/>Date</u> | <u>%<br/>Received/<br/>Spent</u> |
|--|--------------------|---------------------------|----------------------------------|
| Revenues:  |                    |                           |                                  |
| Impact fees  | \$ 1,564,292       | \$ 81,885                 | 5.23%                            |
| Investment income  | 2,558              | 545                       | 21.29%                           |
| Total revenues   | <u>1,566,850</u>   | <u>82,430</u>             | <u>5.26%</u>                     |
| Expenditures:  |                    |                           |                                  |
| Current:   |                    |                           |                                  |
| Capital outlay:  | 8,480,063          | 318,559                   | 3.76%                            |
| Total expenditures   | <u>8,480,063</u>   | <u>318,559</u>            | <u>3.76%</u>                     |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(6,913,213)</u> | <u>(236,129)</u>          |                                  |
| Other financing sources (uses):                              |                    |                           |                                  |
| Transfers in   | 400,000            | 400,000                   | 100.00%                          |
| Transfers out  | -                  | -                         | 0.00%                            |
| Total other financing sources (uses)                         | <u>400,000</u>     | <u>400,000</u>            | <u>100.00%</u>                   |
| Net change in fund balance                                   | (6,513,213)        | 163,871                   |                                  |
| Fund balance, beginning of year                              | <u>6,719,333</u>   | <u>6,719,333</u>          |                                  |
| Fund balance, end of year                                    | <u>\$ 206,120</u>  | <u>\$ 6,883,204</u>       |                                  |

**Budgetary Comparison Schedule  
Police Impact Fee Fund**

|  | <u>Budget</u>      | <u>Actual to<br/>Date</u> | <u>%<br/>Received/<br/>Spent</u> |
|--|--------------------|---------------------------|----------------------------------|
| Revenues:  |                    |                           |                                  |
| Impact fees  | \$ 252,313         | \$ 17,305                 | 6.86%                            |
| Investment income  | 493                | 246                       | 49.86%                           |
| Total revenues   | <u>252,806</u>     | <u>17,551</u>             | <u>6.94%</u>                     |
| Expenditures:  |                    |                           |                                  |
| Current:   |                    |                           |                                  |
| Capital outlay   | <u>3,020,487</u>   | -                         | <u>0.00%</u>                     |
| Total expenditures   | <u>3,020,487</u>   | <u>-</u>                  | <u>0.00%</u>                     |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(2,767,681)</u> | <u>17,551</u>             |                                  |
| Other financing sources:                                     |                    |                           |                                  |
| Transfers in   | <u>-</u>           | <u>-</u>                  | <u>0.00%</u>                     |
| Total other financing sources                                | <u>-</u>           | <u>-</u>                  | <u>0.00%</u>                     |
| Net change in fund balance                                   | (2,767,681)        | 17,551                    |                                  |
| Fund balance, beginning of year                              | <u>3,007,498</u>   | <u>3,007,498</u>          |                                  |
| Fund balance, end of year                                    | <u>\$ 239,817</u>  | <u>\$ 3,025,049</u>       |                                  |

**Budgetary Comparison Schedule  
Fire Impact Fee Fund**

|  | <u>Budget</u>     | <u>Actual to<br/>Date</u> | <u>%<br/>Received/<br/>Spent</u> |
|--|-------------------|---------------------------|----------------------------------|
| Revenues:  |                   |                           |                                  |
| Impact fees  | \$ 234,532        | \$ 13,882                 | 5.92%                            |
| Investment income  | 417               | 46                        | 11.04%                           |
| Total revenues   | <u>234,949</u>    | <u>13,928</u>             | <u>5.93%</u>                     |
| Expenditures:  |                   |                           |                                  |
| Current:   |                   |                           |                                  |
| Public safety  | 13,228            | 9,925                     | 75.03%                           |
| Capital outlay   | 529,572           | -                         | 0.00%                            |
| Total expenditures   | <u>542,800</u>    | <u>9,925</u>              | <u>1.83%</u>                     |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(307,851)</u>  | <u>4,003</u>              |                                  |
| Other financing sources (uses):                              |                   |                           |                                  |
| Transfers out  | <u>(55,000)</u>   | <u>(55,000)</u>           | <u>100.00%</u>                   |
| Total other financing sources (uses)                         | <u>(55,000)</u>   | <u>(55,000)</u>           | <u>100.00%</u>                   |
| Net change in fund balance                                   | (362,851)         | (50,997)                  |                                  |
| Fund balance, beginning of year                              | <u>574,218</u>    | <u>574,218</u>            |                                  |
| Fund balance, end of year                                    | <u>\$ 211,367</u> | <u>\$ 523,221</u>         |                                  |

**Budgetary Comparison Schedule  
Art Impact Fee Fund**

|                                 | <u>Budget</u>     | <u>Actual to<br/>Date</u> | <u>%<br/>Received/<br/>Spent</u> |
|---------------------------------|-------------------|---------------------------|----------------------------------|
| Revenues:                       |                   |                           |                                  |
| Investment income               | \$ -              | \$ 48                     | 100.00%                          |
| Total revenues                  | <u>-</u>          | <u>48</u>                 | <u>100.00%</u>                   |
| Expenditures:                   |                   |                           |                                  |
| Current:                        |                   |                           |                                  |
| Culture and recreation          | 56,769            | -                         | 0.00%                            |
| Capital outlay                  | 144,400           | 44,922                    | 31.11%                           |
| Total expenditures              | <u>201,169</u>    | <u>44,922</u>             | <u>22.33%</u>                    |
| Net change in fund balance      | (201,169)         | (44,874)                  |                                  |
| Fund balance, beginning of year | <u>636,984</u>    | <u>636,985</u>            |                                  |
| Fund balance, end of year       | <u>\$ 435,815</u> | <u>\$ 592,111</u>         |                                  |

**Budgetary Comparison Schedule  
Road Impact Fee Fund**

|  | <u>Budget</u>      | <u>Actual to<br/>Date</u> | <u>%<br/>Received/<br/>Spent</u> |
|--|--------------------|---------------------------|----------------------------------|
| Revenues:  |                    |                           |                                  |
| Impact fees  | \$ 758,521         | \$ 131,488                | 17.33%                           |
| Investment income  | 2,647              | 247                       | 9.34%                            |
| Total revenues   | <u>761,168</u>     | <u>131,735</u>            | <u>17.31%</u>                    |
| Expenditures:  |                    |                           |                                  |
| Current:   |                    |                           |                                  |
| Transportation   | 2,932              | -                         | 0.00%                            |
| Capital outlay   | 3,693,616          | 195                       | 0.01%                            |
| Total expenditures   | <u>3,696,548</u>   | <u>195</u>                | <u>0.01%</u>                     |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(2,935,380)</u> | <u>131,540</u>            |                                  |
| Other financing uses:  |                    |                           |                                  |
| Transfers in   | 2,000,000          | 2,000,000                 | 100.00%                          |
| Transfers out  | (690,660)          | (172,665)                 | 25.00%                           |
| Total other financing uses                                   | <u>1,309,340</u>   | <u>1,827,335</u>          | <u>139.56%</u>                   |
| Net change in fund balance                                   | (1,626,040)        | 1,958,875                 |                                  |
| Fund balance, beginning of year                              | <u>1,635,535</u>   | <u>1,635,533</u>          |                                  |
| Fund balance, end of year                                    | <u>\$ 9,495</u>    | <u>\$ 3,594,408</u>       |                                  |

**Budgetary Comparison Schedule  
Capital Improvements and Replacement Fund**

|  | <u>Budget</u>    | <u>Actual to<br/>Date</u> | <u>%<br/>Received/<br/>Spent</u> |
|--|------------------|---------------------------|----------------------------------|
| Revenues:  |                  |                           |                                  |
| Intergovernmental  | -                | -                         | 0.00%                            |
| Impact fees  | -                | -                         | 0.00%                            |
| Investment income  | -                | -                         | 0.00%                            |
| Miscellaneous  | -                | -                         | 0.00%                            |
| Total revenues   | <u>-</u>         | <u>-</u>                  | <u>0.00%</u>                     |
| Expenditures:  |                  |                           |                                  |
| Current:   |                  |                           |                                  |
| Physical Environment   | -                | -                         | 0.00%                            |
| Capital outlay   | 447,602          | 109,392                   | 24.44%                           |
| Total expenditures   | <u>447,602</u>   | <u>109,392</u>            | <u>24.44%</u>                    |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(447,602)</u> | <u>(109,392)</u>          |                                  |
| Other financing sources (uses):                              |                  |                           |                                  |
| Transfers in   | 30,000           | 30,000                    | 100.00%                          |
| Transfers out  | -                | -                         | 0.00%                            |
| Total other financing sources (uses)                         | <u>30,000</u>    | <u>30,000</u>             | <u>100.00%</u>                   |
| Net change in fund balance                                   | (417,602)        | (79,392)                  |                                  |
| Fund balance, beginning of year                              | <u>446,643</u>   | <u>446,643</u>            |                                  |
| Fund balance, end of year                                    | <u>\$ 29,041</u> | <u>\$ 367,251</u>         |                                  |

**Balance Sheet  
Governmental Funds  
December 31, 2015**

|  | General              | Road<br>Impact Fees | Police<br>Training | Recreation<br>Programs | Golf              | Extra Duty<br>Police | Local Option<br>Gas Tax | Recreation<br>Impact Fees | Police<br>Impact    | Fire<br>Impact    | Art<br>Impact     | Capital<br>Improvements<br>& Replacement | Total                |
|--|----------------------|---------------------|--------------------|------------------------|-------------------|----------------------|-------------------------|---------------------------|---------------------|-------------------|-------------------|--|----------------------|
| <b>ASSETS</b>                              |                      |                     |                    |                        |                   |                      |                         |                           |                     |                   |                   |  |                      |
| Cash and cash equivalents                  | \$ 28,688,837        | \$ 4,878,863        | \$ 6,443           | \$ 1,167,395           | \$ 171,369        | \$ 339,556           | \$ 939,690              | \$ 6,883,204              | \$ 3,025,049        | \$ 523,221        | \$ 592,111        | \$ 367,251                               | \$ 47,582,989        |
| Investments                                | 34,576,049           | -                   | -                  | -                      | -                 | -                    | -                       | -                         | -                   | -                 | -                 | -  | 34,576,049           |
| Receivables:                               |                      |                     |                    |                        |                   |                      |                         |                           |                     |                   |                   |  |                      |
| Accounts                                   | 231,488              | -                   | -                  | -                      | -                 | 45,917               | -                       | -                         | -                   | -                 | -                 | -  | 277,405              |
| Franchise fees                             | 910,800              | -                   | -                  | -                      | -                 | -                    | -                       | -                         | -                   | -                 | -                 | -  | 910,800              |
| Utility taxes                              | 168,200              | -                   | -                  | -                      | -                 | -                    | -                       | -                         | -                   | -                 | -                 | -  | 168,200              |
| Interest                                   | 65,152               | -                   | -                  | -                      | -                 | -                    | -                       | -                         | -                   | -                 | -                 | -  | 65,152               |
| Due from other governments                 | 347,725              | -                   | 726                | -                      | -                 | -                    | 60,845                  | -                         | -                   | -                 | -                 | -  | 409,296              |
| Inventory                                  | -                    | -                   | -                  | 15,556                 | 7,892             | -                    | -                       | -                         | -                   | -                 | -                 | -  | 23,448               |
| Prepaid expenditures                       | 4,391,907            | -                   | -                  | -                      | -                 | -                    | -                       | -                         | -                   | -                 | -                 | -  | 4,391,907            |
| <b>Total assets</b>                        | <b>\$ 69,380,158</b> | <b>\$ 4,878,863</b> | <b>\$ 7,169</b>    | <b>\$ 1,182,951</b>    | <b>\$ 179,261</b> | <b>\$ 385,473</b>    | <b>\$ 1,000,535</b>     | <b>\$ 6,883,204</b>       | <b>\$ 3,025,049</b> | <b>\$ 523,221</b> | <b>\$ 592,111</b> | <b>\$ 367,251</b>                        | <b>\$ 88,405,246</b> |
| <b>LIABILITIES AND FUND BALANCES</b>       |                      |                     |                    |                        |                   |                      |                         |                           |                     |                   |                   |  |                      |
| Liabilities:                               |                      |                     |                    |                        |                   |                      |                         |                           |                     |                   |                   |  |                      |
| Accounts payable                           | \$ 809,020           | \$ -                | \$ -               | \$ -                   | \$ 23,894         | \$ -                 | \$ -                    | \$ -                      | \$ -                | \$ -              | \$ -              | \$ -                                     | 832,914              |
| Accrued liabilities                        | 1,593,634            | -                   | -                  | 3,958                  | 7,504             | -                    | -                       | -                         | -                   | -                 | -                 | -  | 1,605,096            |
| Unearned revenue                           | 36,387               | 1,284,455           | -                  | 70,328                 | 14,883            | -                    | -                       | -                         | -                   | -                 | -                 | -  | 1,406,053            |
| <b>Total liabilities</b>                   | <b>2,439,041</b>     | <b>1,284,455</b>    | <b>-</b>           | <b>74,286</b>          | <b>46,281</b>     | <b>-</b>             | <b>-</b>                | <b>-</b>                  | <b>-</b>            | <b>-</b>          | <b>-</b>          | <b>-</b>                                 | <b>3,844,063</b>     |
| Fund balances:                             |                      |                     |                    |                        |                   |                      |                         |                           |                     |                   |                   |  |                      |
| Nonspendable:                              |                      |                     |                    |                        |                   |                      |                         |                           |                     |                   |                   |  |                      |
| Prepaid expenditures                       | 4,391,907            | -                   | -                  | -                      | -                 | -                    | -                       | -                         | -                   | -                 | -                 | -  | 4,391,907            |
| Inventory                                  | -                    | -                   | -                  | 15,556                 | 7,892             | -                    | -                       | -                         | -                   | -                 | -                 | -  | 23,448               |
| Restricted for:                            |                      |                     |                    |                        |                   |                      |                         |                           |                     |                   |                   |  |                      |
| Capital improvements                       | 1,433,273            | -                   | -                  | -                      | -                 | -                    | -                       | 6,804,220                 | 3,025,049           | 468,486           | -                 | 330,425                                  | 12,061,453           |
| Road improvements                          | -                    | 3,513,060           | -                  | -                      | -                 | -                    | 943,795                 | -                         | -                   | -                 | -                 | -  | 4,456,855            |
| Law enforcement                            | 411,335              | -                   | 7,169              | -                      | -                 | 385,473              | -                       | -                         | -                   | -                 | -                 | -  | 803,977              |
| Art improvements                           | -                    | -                   | -                  | -                      | -                 | -                    | -                       | -                         | -                   | -                 | 617,615           | -  | 617,615              |
| Committed to:                              |                      |                     |                    |                        |                   |                      |                         |                           |                     |                   |                   |  |                      |
| Economic development                       | 2,367,875            | -                   | -                  | -                      | -                 | -                    | -                       | -                         | -                   | -                 | -                 | -  | 2,367,875            |
| Assigned to:                               |                      |                     |                    |                        |                   |                      |                         |                           |                     |                   |                   |  |                      |
| Capital improvement and replacement        | 903,207              | -                   | -                  | -                      | -                 | -                    | -                       | -                         | -                   | -                 | -                 | -  | 903,207              |
| Other purposes                             | 159,659              | -                   | -                  | 595,263                | (252,555)         | -                    | -                       | -                         | -                   | -                 | -                 | -  | 502,366              |
| Open purchase orders                       | 2,181,127            | 81,348              | -                  | 497,846                | 377,643           | -                    | 56,740                  | 78,984                    | -                   | 54,735            | (25,504)          | 36,826                                   | 3,339,745            |
| Infrastructure                             | 2,500,000            | -                   | -                  | -                      | -                 | -                    | -                       | -                         | -                   | -                 | -                 | -  | 2,500,000            |
| Budget stabilization fund                  | 3,134,110            | -                   | -                  | -                      | -                 | -                    | -                       | -                         | -                   | -                 | -                 | -  | 3,134,110            |
| Unassigned:                                | 49,458,624           | -                   | -                  | -                      | -                 | -                    | -                       | -                         | -                   | -                 | -                 | -  | 49,458,624           |
| <b>Total fund balances</b>                 | <b>66,941,117</b>    | <b>3,594,408</b>    | <b>7,169</b>       | <b>1,108,665</b>       | <b>132,980</b>    | <b>385,473</b>       | <b>1,000,535</b>        | <b>6,883,204</b>          | <b>3,025,049</b>    | <b>523,221</b>    | <b>592,111</b>    | <b>367,251</b>                           | <b>84,561,183</b>    |
| <b>Total liabilities and fund balances</b> | <b>\$ 69,380,158</b> | <b>\$ 4,878,863</b> | <b>\$ 7,169</b>    | <b>\$ 1,182,951</b>    | <b>\$ 179,261</b> | <b>\$ 385,473</b>    | <b>\$ 1,000,535</b>     | <b>\$ 6,883,204</b>       | <b>\$ 3,025,049</b> | <b>\$ 523,221</b> | <b>\$ 592,111</b> | <b>\$ 367,251</b>                        | <b>\$ 88,405,246</b> |

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Quarter ended December 31, 2015**

|   | General              | Road<br>Impact Fees | Police<br>Training | Recreation<br>Programs | Golf              | Extra Duty<br>Police | Local Option<br>Gas Tax | Recreation<br>Impact Fees | Police<br>Impact    | Fire<br>Impact    | Art<br>Impact     | Capital<br>Improvements<br>& Replacement | Total                |
|---|----------------------|---------------------|--------------------|------------------------|-------------------|----------------------|-------------------------|---------------------------|---------------------|-------------------|-------------------|--|----------------------|
| <b>Revenues:</b>  |                      |                     |                    |                        |                   |                      |                         |                           |                     |                   |                   |  |                      |
| Taxes:  |                      |                     |                    |                        |                   |                      |                         |                           |                     |                   |                   |  |                      |
| Ad valorem taxes  | \$ 42,260,922        | \$ -                | \$ -               | \$ -                   | \$ -              | \$ -                 | \$ -                    | \$ -                      | \$ -                | \$ -              | \$ -              | \$ -                                     | \$ 42,260,922        |
| Local business taxes                                      | 1,541,064            | -                   | -                  | -                      | -                 | -                    | -                       | -                         | -                   | -                 | -                 | -  | 1,541,064            |
| Utility taxes   | 508,985              | -                   | -                  | -                      | -                 | -                    | -                       | -                         | -                   | -                 | -                 | -  | 508,985              |
| Franchise fees  | 1,361,632            | -                   | -                  | -                      | -                 | -                    | -                       | -                         | -                   | -                 | -                 | -  | 1,361,632            |
| Licenses and permits                                      | 848,332              | -                   | -                  | -                      | -                 | -                    | -                       | -                         | -                   | -                 | -                 | -  | 848,332              |
| Intergovernmental   | 1,412,622            | -                   | -                  | -                      | -                 | -                    | 182,515                 | -                         | -                   | -                 | -                 | -  | 1,595,137            |
| Impact fees   | -                    | 131,488             | -                  | -                      | -                 | -                    | -                       | 81,885                    | 17,305              | 13,882            | -                 | -  | 244,560              |
| Charges for services                                      | 1,434,542            | -                   | -                  | 914,488                | 356,168           | -                    | -                       | -                         | -                   | -                 | -                 | -  | 2,705,199            |
| Fines and forfeitures                                     | 82,614               | -                   | 2,255              | -                      | -                 | -                    | -                       | -                         | -                   | -                 | -                 | -  | 84,869               |
| Investment income   | (34,396)             | 247                 | -                  | 147                    | 26                | 5                    | 82                      | 545                       | 246                 | 46                | 48                | -  | (33,005)             |
| Net depreciation in fair value of investments             | (14,346)             | -                   | -                  | -                      | -                 | -                    | -                       | -                         | -                   | -                 | -                 | -  | (14,346)             |
| Miscellaneous   | 372,363              | -                   | -                  | 7,947                  | 74,554            | 146,279              | -                       | -                         | -                   | -                 | -                 | -  | 601,144              |
| <b>Total revenues</b>                                     | <b>49,774,334</b>    | <b>131,735</b>      | <b>2,255</b>       | <b>922,582</b>         | <b>430,748</b>    | <b>146,284</b>       | <b>182,597</b>          | <b>82,430</b>             | <b>17,551</b>       | <b>13,928</b>     | <b>48</b>         | <b>-</b>                                 | <b>51,704,492</b>    |
| <b>Expenditures:</b>                                      |                      |                     |                    |                        |                   |                      |                         |                           |                     |                   |                   |  |                      |
| Current:  |                      |                     |                    |                        |                   |                      |                         |                           |                     |                   |                   |  |                      |
| General government  | 3,666,557            | -                   | -                  | -                      | -                 | -                    | -                       | -                         | -                   | -                 | -                 | -  | 3,666,557            |
| Public safety   | 8,900,422            | -                   | 2,871              | -                      | -                 | 110,706              | -                       | -                         | -                   | 9,925             | -                 | -  | 9,023,924            |
| Culture and recreation                                    | 115,199              | -                   | -                  | 721,413                | 367,502           | -                    | -                       | -                         | -                   | -                 | -                 | -  | 1,204,114            |
| Physical environment                                      | 1,593,870            | -                   | -                  | -                      | -                 | -                    | -                       | -                         | -                   | -                 | -                 | -  | 1,593,870            |
| Transportation  | -                    | -                   | -                  | -                      | -                 | -                    | 208,362                 | -                         | -                   | -                 | -                 | -  | 208,362              |
| Capital outlay  | 1,140,347            | 195                 | -                  | -                      | -                 | -                    | 39,842                  | 318,559                   | -                   | -                 | 44,922            | 109,392                                  | 1,653,257            |
| Debt service:   |                      |                     |                    |                        |                   |                      |                         |                           |                     |                   |                   |  |                      |
| Principal   | 1,596,738            | -                   | -                  | -                      | -                 | -                    | -                       | -                         | -                   | -                 | -                 | -  | 1,596,738            |
| Interest  | 279,438              | -                   | -                  | -                      | -                 | -                    | -                       | -                         | -                   | -                 | -                 | -  | 279,438              |
| <b>Total expenditures</b>                                 | <b>17,292,571</b>    | <b>195</b>          | <b>2,871</b>       | <b>721,413</b>         | <b>367,502</b>    | <b>110,706</b>       | <b>248,204</b>          | <b>318,559</b>            | <b>-</b>            | <b>9,925</b>      | <b>44,922</b>     | <b>109,392</b>                           | <b>19,226,260</b>    |
| Excess (deficiency) of revenues over (under) expenditures | 32,481,763           | 131,540             | (616)              | 201,169                | 63,246            | 35,578               | (65,607)                | (236,129)                 | 17,551              | 4,003             | (44,874)          | (109,392)                                | 32,478,232           |
| Other financing sources (uses):                           |                      |                     |                    |                        |                   |                      |                         |                           |                     |                   |                   |  |                      |
| Transfers in  | 227,665              | 2,000,000           | -                  | -                      | -                 | -                    | -                       | 400,000                   | -                   | -                 | -                 | 30,000                                   | 2,657,665            |
| Transfer out  | (2,430,000)          | (172,665)           | -                  | -                      | -                 | -                    | -                       | -                         | -                   | (55,000)          | -                 | -  | (2,657,665)          |
| <b>Total other financing sources (uses)</b>               | <b>(2,202,335)</b>   | <b>1,827,335</b>    | <b>-</b>           | <b>-</b>               | <b>-</b>          | <b>-</b>             | <b>-</b>                | <b>400,000</b>            | <b>-</b>            | <b>(55,000)</b>   | <b>-</b>          | <b>30,000</b>                            | <b>-</b>             |
| Net change in fund balances                               | 30,279,428           | 1,958,875           | (616)              | 201,169                | 63,246            | 35,578               | (65,607)                | 163,871                   | 17,551              | (50,997)          | (44,874)          | (79,392)                                 | 32,478,232           |
| Fund balances, beginning of year                          | 36,661,689           | 1,635,533           | 7,785              | 907,496                | 69,734            | 349,895              | 1,066,142               | 6,719,333                 | 3,007,498           | 574,218           | 636,985           | 446,643                                  | 52,082,951           |
| <b>Fund balances, end of year</b>                         | <b>\$ 66,941,117</b> | <b>\$ 3,594,408</b> | <b>\$ 7,169</b>    | <b>\$ 1,108,665</b>    | <b>\$ 132,980</b> | <b>\$ 385,473</b>    | <b>\$ 1,000,535</b>     | <b>\$ 6,883,204</b>       | <b>\$ 3,025,049</b> | <b>\$ 523,221</b> | <b>\$ 592,111</b> | <b>\$ 367,251</b>                        | <b>\$ 84,561,183</b> |

**Statement of Net Position  
Proprietary Funds  
December 31, 2015**

|  | <b>Internal Service Funds</b> |                           |
|--|-------------------------------|---------------------------|
|  | <b>Fleet<br/>Management</b>   | <b>Self<br/>Insurance</b> |
| <b>Assets:</b>                             |                               |                           |
| Cash and cash equivalents                  | \$ 669,438                    | \$ 7,150,802              |
| Investments                                | -                             | 292,687                   |
| Accounts receivable                        | 1,140                         | -                         |
| Inventory                                  | 58,312                        | -                         |
| Prepaid expense                            | -                             | 50,500                    |
| Capital assets being depreciated, net      | 1,282,042                     | 33,030                    |
| <b>Total assets</b>                        | <b>2,010,932</b>              | <b>7,527,019</b>          |
| <b>Liabilities:</b>                        |                               |                           |
| <b>Current liabilities:</b>                |                               |                           |
| Accounts payable                           | -                             | 130,212                   |
| Claims payable                             | -                             | 638,000                   |
| <b>Total current liabilities</b>           | <b>-</b>                      | <b>768,212</b>            |
| <b>Noncurrent liabilities:</b>             |                               |                           |
| Claims payable                             | -                             | 262,592                   |
| Compensated absences payable               | 39,580                        | -                         |
| <b>Total noncurrent liabilities</b>        | <b>39,580</b>                 | <b>262,592</b>            |
| <b>Total liabilities</b>                   | <b>39,580</b>                 | <b>1,030,804</b>          |
| <b>Net Position:</b>                       |                               |                           |
| Net investment in capital assets (deficit) | 1,282,042                     | 33,030                    |
| Unrestricted                               | 689,310                       | 6,463,185                 |
| <b>Total net position (deficit)</b>        | <b>\$ 1,971,352</b>           | <b>\$ 6,496,215</b>       |

**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**Quarter ended December 31, 2015**

|                                    | <b>Internal Service Funds</b> |                           |
|------------------------------------|-------------------------------|---------------------------|
|                                    | <b>Fleet<br/>Management</b>   | <b>Self<br/>Insurance</b> |
| Operating revenues:                |                               |                           |
| Charges for services               | \$ 623,200                    | \$ -                      |
| Employer contributions             | -                             | 1,786,485                 |
| Employee contributions             | -                             | 217,454                   |
| Miscellaneous                      | 23,743                        | 74,239                    |
| Total revenues                     | <u>646,943</u>                | <u>2,078,178</u>          |
| Operating expenses:                |                               |                           |
| Personnel expenses                 | 196,886                       | -                         |
| Claims expense                     | -                             | 1,396,473                 |
| Insurance premiums                 | -                             | 116,163                   |
| Repair and maintenance             | 75,957                        | -                         |
| Fuel and chemicals                 | 88,198                        | -                         |
| Operating supplies                 | 26,909                        | -                         |
| Other professional and contractual | 1,353                         | 200,059                   |
| Other expenses                     | 10,075                        | 17,992                    |
| Capital outlay                     | 1,619                         | -                         |
| Total operating expenses           | <u>400,997</u>                | <u>1,730,687</u>          |
| Operating income                   | <u>245,946</u>                | <u>347,491</u>            |
| Non-operating revenues:            |                               |                           |
| Investment earnings                | 52                            | 596                       |
| Gain on sale of capital assets     | 3,848                         | -                         |
| Total non-operating revenues       | <u>3,900</u>                  | <u>596</u>                |
| Change in net position             | <u>249,846</u>                | <u>348,087</u>            |
| Net position, beginning            | 1,721,506                     | 6,148,128                 |
| Net position, ending               | <u>\$ 1,971,352</u>           | <u>\$ 6,496,215</u>       |