



City of Palm Beach Gardens

QUARTERLY FINANCIAL REPORT

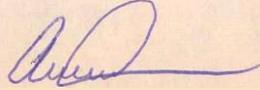
FOR THE QUARTER ENDED JUNE 30, 2016



City of Palm Beach Gardens Memorandum

To: Mayor and Council

Date: August 19, 2016

From: Allan Owens, Finance Administrator 

CC: Ron Ferris, City Manager
Department Heads
Budget Oversight Committee

Subject: Quarterly Financial Report Ended June 30, 2016

Attached for your review, please find a copy of the Quarterly Financial Report for the Quarter Ended June 30, 2016. The intent of this report is to inform Council and the public of the City's financial position by comparing actual results with the adopted budget and analyzing the results to help make corrective actions as appropriate

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 June 30, 2016

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Quarterly Overview

In the following pages, you will find an overview of the financial report for the City of Palm Beach Gardens for the third quarter of fiscal year 2016 ending June 30, 2016.

Highlighted are significant events, financial summaries, and risk management updates for the quarter.



Quarterly Overview

Significant Events

- ❖ Resolution 18, 2016, was adopted on April 7, 2016, appointing the Mayor and Vice Mayor in accordance with the City Charter of the City of Palm Beach Gardens. Council member Marcie Tinsley was appointed as the Mayor and Council member Eric Jablin was appointed as Vice Mayor.
- ❖ Resolutions 19 and 23, 2016, were approved by City Council on April 7, 2016, for the lease purchase of fire rescue vehicles. The fire department has a replacement program for vehicles that reach a certain age or have been operating for a number of hours. As a “best practice”, fire rescue departments throughout the United States have begun to lease rather than purchase new vehicles as a means to reduce costs and replace outdated vehicles in a timely manner. Two (2) Pierce HDR Pumpers and two (2) Braun Super Chief Type 1 Medium Duty Ambulances will be leased from Ten-8 Equipment, Inc. and financed through PNC Equipment Finance, LLC.
- ❖ On April 7, 2016, City Council approved a City-initiated request for an Art in Public Places (AIPP) funded project through Resolution 21, 2016. The project, “Compassionate Friends Memorial Garden”, will be located adjacent to the lake at the City’s Burns Road Community Center. The memorial garden will be designed to symbolize the lasting memory of loved ones who have passed away, specifically children and will feature an artistic sculpture created by local artist Mark Fuller. The estimated budget for the memorial garden and public art is \$159,349.
- ❖ Resolution 5, 2016, was approved by City Council on April 7 ,2016, for a Grant Agreement with the State of Florida Department of Environmental Protection (FDEP) Division of Water Restoration Assistance for an amount not to exceed \$250 thousand. The City applied for and received the grant funding from the state for the storm water system reconstruction project.
- ❖ Resolution 33, 2016, was approved by City Council on May 5, 2016. A portion of this resolution is for the Right-of-Way Conveyance Agreement between the School Board of Palm Beach County and the City of Palm Beach Gardens. The City has requested that the School Board convey fee title to 117th Court North, and in exchange the City will design and construct certain improvements to 117th Court North that will benefit the schools in the area and the public. Additionally, this resolution authorizes the transfer of funds from budgeted reserves necessary to fund the construction of the improvement project. *(see CIP Status Update section for additional details)*
- ❖ On June 2, 2016, City Council approved Resolution 38, 2016, for the purpose of granting conceptual approval for “Project Falcon” economic development incentives. Pursuant to Section 288.106, *Florida Statutes*, the City has committed to provide \$80 thousand which represents 10% of the “local financial support” for the Qualified Target Industry Tax Refund Program. The company is in the aviation/aerospace/engineering industry cluster and is considering expanding its operations in the City of Palm Beach Gardens. “Project Falcon” has committed to a capital investment of \$3 million and will retain 450 existing employees and 200 new jobs within the City of Palm Beach Gardens.

Quarterly Overview

General Fund Financial Highlights

- ❖ The City's general fund ended the quarter with a combined fund balance of \$51.8 million. Of this amount, \$35.1 million is unassigned, which is available to meet the City's ongoing commitments.
- ❖ To date, the general fund has generated \$71.2 million in revenue with \$55.5 million in expenditures.
- ❖ The City's general fund revenues increased by \$2.1 million or 3.1% compared to the same quarter in the prior year. The City's general fund expenditures increased by \$4.9 million or 9.6% compared to the same quarter in the prior year.

Capital Outlay Highlights

Through the third quarter, the City has recorded \$7.9 million in capital outlay expenditures for all funds. Below is a summary of the most significant capital expenditures during the third quarter.

Machinery and Equipment

- ❖ Two (2) new vehicles were purchased as additions to the City's fleet. One (1) 2016 Ford F-150 was purchased by the engineering department and one (1) 2016 Ford Transit Connect was purchase by the construction services department. Total for both vehicles was \$44,065.
- ❖ The police department purchased various equipment for a total of \$119,809. Some of the equipment purchased includes: handheld radios, BDA radio repeaters, light bars for vehicles, and AR-15 rifles.
- ❖ The police department purchased a new dispatcher console workstation during the third quarter for \$35,372. The Symphony™ Dispatch Console meets the demanding needs of the City's public safety dispatch center.
- ❖ The police department purchased a video security camera system during the third quarter with grant funds from the Justice Assistance Grant Direct. The pan, tilt, and zoom (PTZ) camera system will replace the inoperable analog camera that is currently installed on the Mobile Command Vehicle. The system was purchased for \$7,215.
- ❖ During the third quarter, the police department purchased an Avatar® Security Robot for \$24,029. The robot will be used by the police department's S.W.A.T division as an additional tool to assist officers in quickly and safely inspecting dangerous situations.
- ❖ The City's police department purchased a training breaching door. The Trainer™ is a multi-use door that allows officer to train with ramming, prying, awing, hydraulic spreaders, glass breaking and raking, exothermic breaching, explosive, and shotgun breaching. This piece of equipment will be used in the City's new Tactical Training Facility (see Capital Improvements Projects (CIP) section for additional details). The training breaching door was purchased for \$6,162.
- ❖ The fire department purchased various equipment for a total of \$21,981. Some of the equipment purchased includes: bicycles for EMS personnel for use during special events, laryngoscopes, alternative level of care (ALC) ventilator, storage for active shooter first responder equipment, and fire training cargo container.

Quarterly Overview

Capital Outlay Highlights (continued)

- ❖ On February 5, 2015, City Council approved Resolution 03, 2015, for the capital lease purchase of a 2015 Braun Super Chief Type 1 Medium Duty Ambulance. The fire department traded-in a 2008 Medtec Ambulance for a \$19,000 credit toward the new vehicle. In addition to the vehicle, a Stryker Power-Pro Cot and Stryker Powerload System were purchased and installed by the vehicle manufacturer. The capital equipment was recorded as of April 15, 2016, for a total of \$309,101.
- ❖ The fire department purchased an unmanned aircraft system (UAS) for \$13, 277, as part of a donation from Ballenises Charities Foundation, Inc. The fire department will use the drone technology to assess the risk of dangerous situations before sending in first responder personnel, as a tool for search and rescue operations, and fire damage assessments.

Capital Improvement Projects (CIP)

Project Name	Total Expenditures for 3rd Quarter	Percentage of Total CIP Payments
❖ Tactical Training Facility	\$778,316	34.62%
❖ Joseph R. Russo Athletic Complex	\$510,682	22.72%
❖ Golf Course Club House Expansion	\$326,289	14.52%
❖ 117 th Court North Expansion	\$215,155	9.57%
❖ Storm water Infrastructure Maintenance & Repair	\$145,231	6.46%

Citywide, there are currently twenty-seven (27) capital improvement projects ongoing in various stages. Please see the Capital Project Update Report on pages 35 – 37 for details on projects with current activity.

Revenue Highlights

Overall revenue amounts have increased by approximately \$2.1 million or 3.1% 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 third quarter.

Quarterly Overview

Revenue Highlights (continued)

Revenue Sources	2016 YTD	Percent of Total	2015 YTD	Increase (Decrease) From 2015	Percentage of Increase (Decrease)
Ad Valorem taxes	\$ 51,358,831	72.1%	\$ 48,642,154	\$ 2,716,677	5.59%
Local business tax	1,601,408	2.2%	1,609,631	(8,223)	-0.51%
Utility taxes	1,533,335	2.2%	1,572,532	(39,197)	-2.49%
Franchise fees	3,798,191	5.3%	3,902,567	(104,376)	-2.67%
Licenses and permits	3,142,239	4.4%	3,485,571	(343,332)	-9.85%
Intergovernmental	4,325,210	6.1%	4,237,876	87,334	2.06%
Charges for services	4,043,254	5.7%	4,211,647	(168,393)	-4.00%
Fines and forfeitures	257,191	0.4%	192,378	64,813	33.69%
Investment income	396,489	0.6%	260,493	135,996	52.21%
Miscellaneous	734,766	1.0%	946,634	(211,868)	-22.38%
Total revenues	\$ 71,190,913	100.0%	\$ 69,061,483	\$ 2,129,431	3.08%

- ❖ Ad valorem taxes have increased by \$2.7 million or 5.6% due to increases in property values.
- ❖ Licenses and permits have decreased by \$343 thousand or 10% due to a decrease in the value of permits that have been issued. Although amounts are lower than prior year figures, revenue has exceed budgeted figures.
- ❖ Charges for services are lower than the previous fiscal year by approximately \$168 thousand or 4%. This is due to the number of large development projects that were in the construction phase in the prior fiscal year compared to this fiscal year. Although amounts are lower, revenue is on pace to exceed budgeted figures.
- ❖ Interest income has increased by \$136 thousand or 52% due to the favorable unrealized gains in the current year.
- ❖ Miscellaneous revenue decreased by \$212 thousand or 22.4% due to a reduction in median maintenance collections compared to last fiscal year.

Expenditure Highlights

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

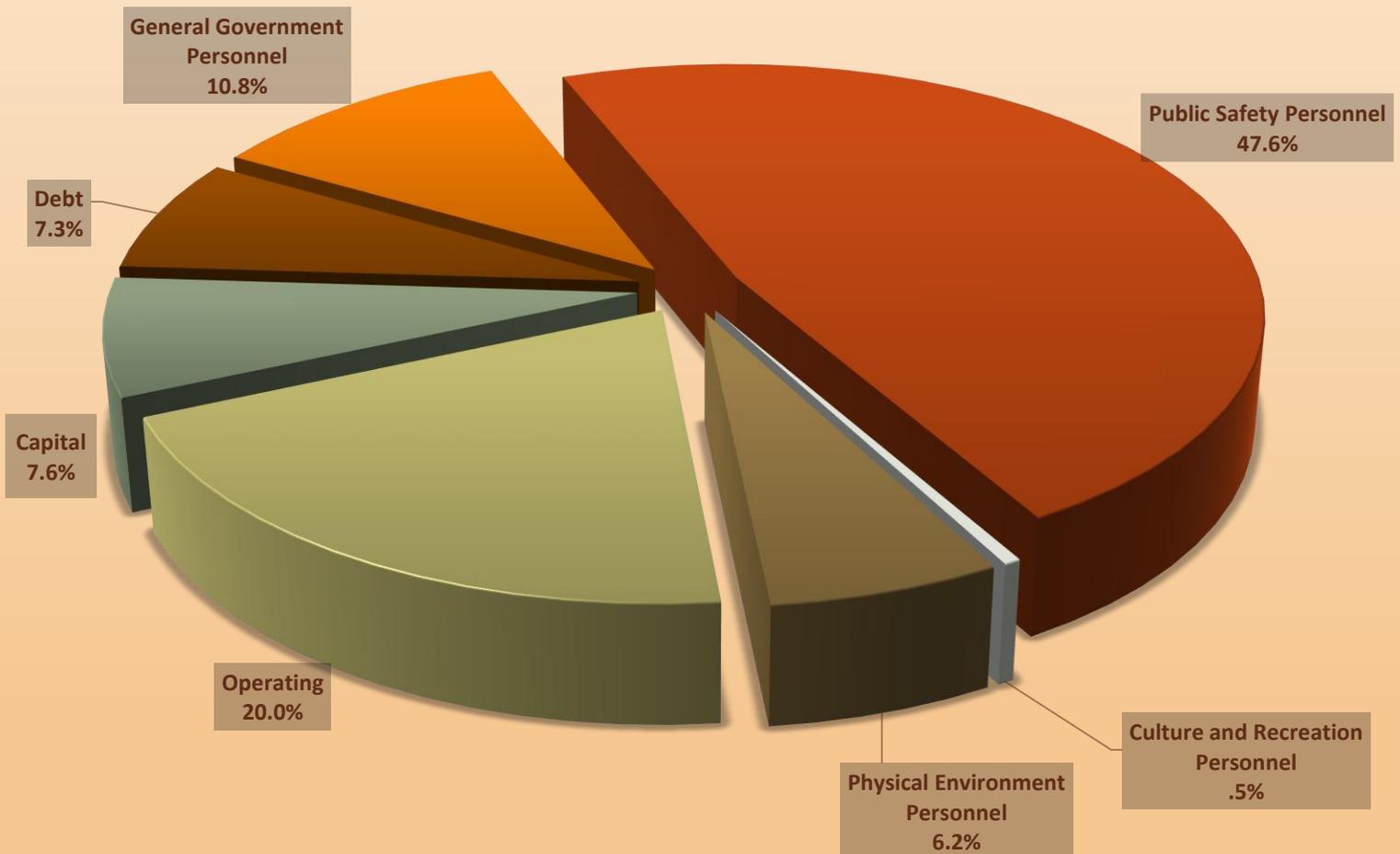
Expenditures	2016 YTD	Percent of Total	2015 YTD	Increase (Decrease) From 2015	Percentage of Increase (Decrease)
General government	\$ 11,357,028	20.5%	\$ 11,125,392	\$ 231,636	2.08%
Public safety	29,666,913	53.4%	27,685,237	1,981,676	7.16%
Culture and recreation	451,180	0.8%	451,230	(50)	-0.01%
Physical environment	5,773,683	10.4%	5,534,740	238,943	4.32%
Capital outlay	4,207,703	7.6%	1,866,595	2,341,108	125.42%
Debt service	4,073,786	7.3%	3,992,317	81,469	2.04%
Total expenditures	\$ 55,530,293	100.0%	\$ 50,655,511	\$ 4,874,782	9.62%

Quarterly Overview

Expenditure Highlights (continued)

- ❖ Overall expenditures have increased by approximately \$4.9 million or 9.6%
- ❖ Public safety expenditures have increased by \$2 million or 7.2% due to expenditures related to the approved bargaining contract with the International Association of Fire Fighters (IAFF) and the timing of pension contributions in the prior year that were made July 1.
- ❖ Capital outlay expenditures have increased by \$2.3 million or 125.4% over prior year due to expenditures relating to the construction of fire station #2 and the recording of the capital leases relating to a fire truck and ambulance
- ❖ Personnel costs are the largest type of expenditure representing 65% of total general fund expenditures

Expenditures by Type



Quarterly Overview

Expenditure Highlights (continued)

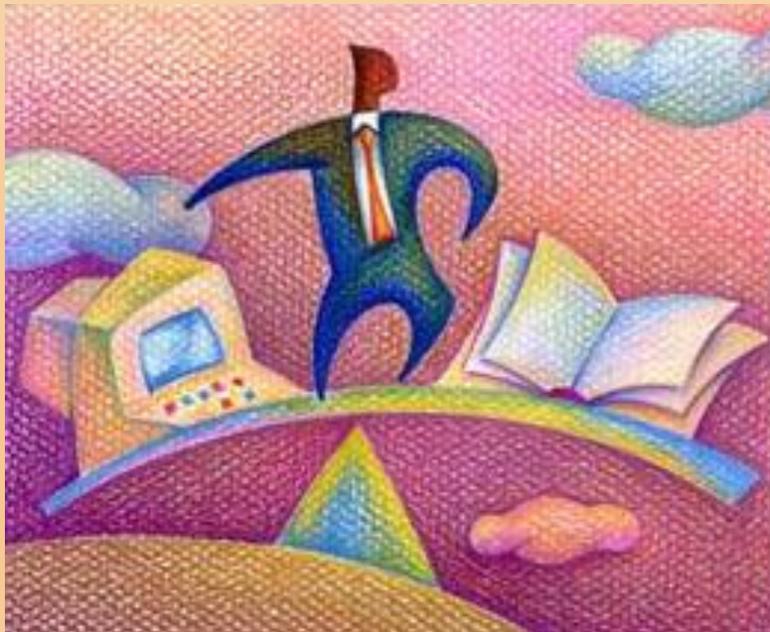
Below is a breakdown of personnel costs by function excluding employer taxes and worker's compensation insurance through the end of the third quarter.

Personnel Category	General		Culture and	Physical	Total
	Government	Public Safety	Recreation	Environment	
Salaries	\$ 3,710,659	\$13,942,977	\$ 199,578	\$ 2,163,167	\$20,016,381
Clothing Allowance	-	135,479	-	-	135,479
Holiday Pay	-	339,463	-	-	339,463
Holiday Overtime		162,431	-	-	162,431
Comp Time	1,520	225,164	-	5,825	232,508
Overtime	116,842	616,551	-	67,576	800,969
Longevity	40,747	520,206	1,500	54,622	617,074
Conversion of Leave	172,052	560,940	4,629	113,176	850,796
Retirement Contributions	474,504	4,696,462	14,596	187,032	5,372,594
Incentive Pay	-	563,264	-	-	563,264
Total	\$ 4,516,323	\$21,762,937	\$ 220,303	\$ 2,591,398	\$29,090,960
% Total	15.52%	74.81%	0.76%	8.91%	100.00%

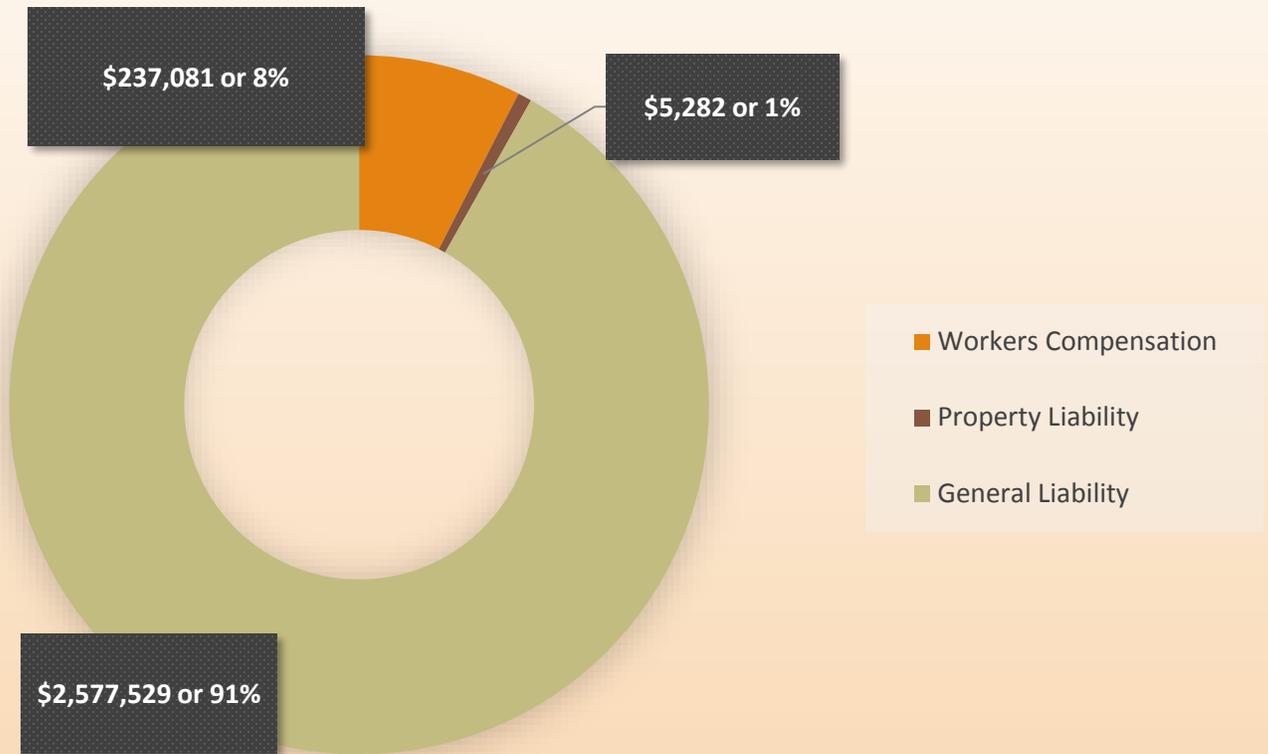
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Risk Management Update

The Office of Risk Management is responsible for planning, organizing, implementing, and directing the activities of the City's risk management program which include loss control, claims management, and safety.



Risk Management Update



Overview: 2016 YTD Cost of Risk \$2,819,892

Workers' Compensation

- Through the first nine (9) months of FY 2016, the City opened a total of thirty-nine (39) new Workers' Compensation Claims with a total incurred loss of \$237,081
- Total incurred losses consisted of \$76,690 of actual medical and other payments made and \$160,391 in outstanding reserves

Nature of Injury	Number of Claims	Total Costs to Date
Sprains/Strains	20	\$152,195
Fractures	1	\$1,500
Lacerations	1	\$31,387
Exposure	3	\$4,443
Punctures	1	\$0
Contusions	5	\$5,819
Multiple Injuries	1	\$8,800
Heart	3	\$30,319
All Other	4	\$2,618
Total	39	\$237,081

General and Auto Liability

FMIT General and Auto Liability Claims YTD 2016

- Total claims to date – Nine (9)
- Open claims – Three (3) = \$2,578,706
- Closed claims – Six (6) = \$ 4,105
- Total incurred costs to date = \$2,582,811

FMIT General and Auto Liability Claims YTD 2015

- Total claims to date – Twenty-one (21)
- Open claims – Eight (8) = \$257,014
- Closed claims – Thirteen (13) = \$ 9,646
- Total incurred costs to date = \$266,660

Risk Management Update

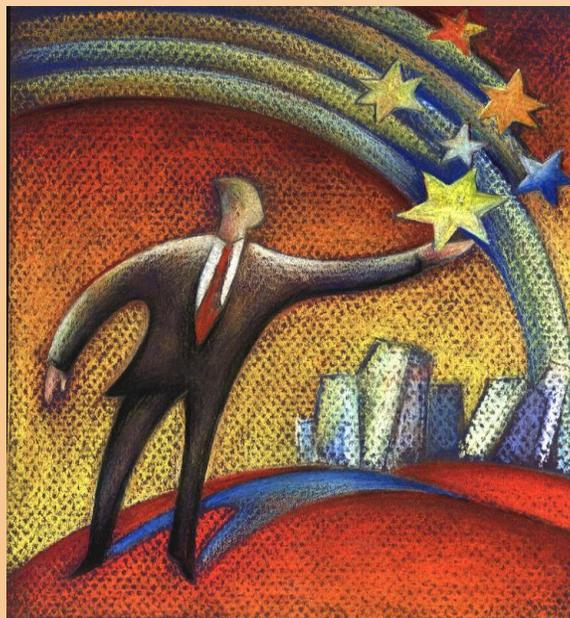
On-going Initiatives

- ❖ Chaz Smith, Risk Control Consultant with Florida League of Cities, conducted parks and grounds safety inspections May 2, 2016 through May 4, 2016. All items noted have been corrected.
- ❖ Ben Few and Company toured City facilities on May 11, 2016, to speak with appropriate individuals from Police, Fire, and Public services regarding risk management services.
- ❖ Request for Proposals (RFP) #2016-031FN - Third Party Administrator for Property and Casualty Insurance Program (Self-Fund Options) and #2016-033FN - Property and Casualty Insurance Program were publicly advertised on June 26, 2016. Staff worked with the City's consultant in order to put together a scope of services for the proposals, questions and comments to serve as a response guide, and a cost breakdown chart. Both proposals are due back to the City on August 5, 2016.

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Budgetary Comparison - General Fund

An analysis of budget amounts compared to actual amounts for types of revenue and their uses (expenditures) in the General Fund



Budgetary Comparison Schedule General Fund

	<u>Budget</u>	<u>Actual to Date</u>	<u>Received/ Spent</u>
Revenues:			
Taxes:			
Ad valorem taxes	\$ 51,003,793	\$ 51,358,831	100.70%
Local business tax	1,500,000	1,601,408	106.76%
Utility taxes	2,100,000	1,533,335	73.02%
Franchise fees	5,490,000	3,798,191	69.18%
Licenses and permits	3,000,790	3,142,239	104.71%
Intergovernmental	5,416,000	4,325,210	79.86%
Charges for services	4,586,302	4,043,254	88.16%
Fines and forfeitures	175,000	257,191	146.97%
Investment income	301,000	396,489	131.72%
Miscellaneous	911,925	734,766	80.57%
Total revenues	74,484,810	71,190,914	95.58%
Expenditures:			
Current:			
General government:			
City Council	\$ 462,372	\$ 259,961	56.22%
Administrative services	702,879	446,597	63.54%
Purchasing and contract management	146,818	89,087	60.68%
Information services	2,038,330	1,382,166	67.81%
City clerk	664,394	385,624	58.04%
Legal services	357,426	316,151	88.45%
Public communications	293,594	184,841	62.96%
Engineering services	485,466	306,713	63.18%
Human resources	707,512	486,235	68.72%
Finance	1,010,666	712,793	70.53%
Honda Classic	165,987	144,394	86.99%
General services	5,777,776	4,114,617	71.21%
Planning and zoning:			
Administrative	485,240	222,727	45.90%
Development compliance	483,158	334,655	69.26%
Planning	492,819	326,225	66.20%
GIS	160,107	101,726	63.54%
Construction services	1,559,905	1,022,294	65.54%
Neighborhood services	888,678	520,222	58.54%
Total general government	16,883,127	11,357,028	67.27%

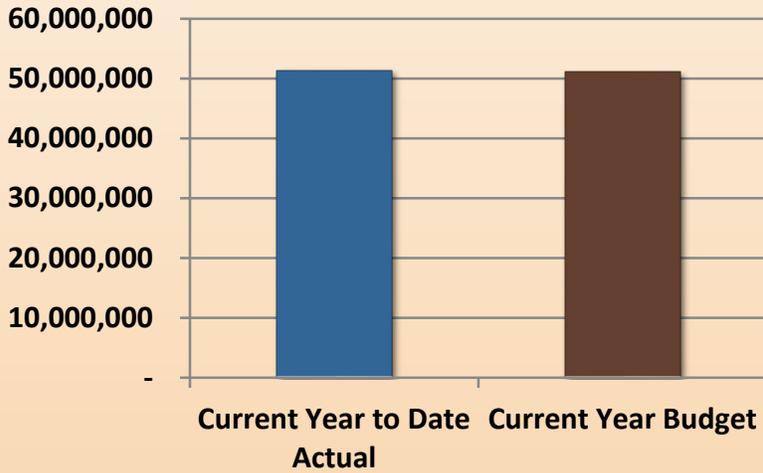
Budgetary Comparison Schedule General Fund

	<u>Budget</u>	<u>Actual to Date</u>	<u>Received/ Spent</u>
Public safety:			
Police	22,839,192	15,873,981	69.50%
Fire and emergency services	19,281,547	13,792,932	71.53%
Total public safety	<u>42,120,739</u>	<u>29,666,913</u>	<u>70.43%</u>
Culture and recreation:			
Administrative services	182,285	123,670	67.84%
Seniors and wellness	50,591	43,357	85.70%
Aquatics	218,085	94,197	43.19%
Tennis	347,141	123,733	35.64%
Programs division	94,952	66,223	69.74%
Total culture and recreation	<u>893,054</u>	<u>451,180</u>	<u>50.52%</u>
Physical environment:			
Administrative services	731,801	431,260	58.93%
Facilities maintenance	2,759,923	1,882,427	68.21%
Stormwater and street maintenance	1,601,644	1,053,584	65.78%
Parks and grounds	3,801,022	2,406,412	63.31%
Total physical environment	<u>8,894,390</u>	<u>5,773,683</u>	<u>64.91%</u>
Capital outlay:	<u>9,532,577</u>	<u>4,207,703</u>	<u>44.14%</u>
Debt service:			
Principal	4,039,635	3,538,964	87.61%
Interest	561,304	534,822	95.28%
Total debt service	<u>4,600,939</u>	<u>4,073,786</u>	<u>88.54%</u>
 Total expenditures	 <u>82,924,826</u>	 <u>55,530,293</u>	 <u>66.96%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,440,016)</u>	<u>15,660,621</u>	
Other financing sources (uses):			
Transfers in	745,660	572,995	76.84%
Transfers out	(2,430,000)	(2,430,000)	100.00%
Capital lease issued	-	1,152,030	100.00%
Sale of capital assets	-	229,000	100.00%
Total other financing sources (uses)	<u>(1,684,340)</u>	<u>(475,975)</u>	<u>28.26%</u>
Net change in fund balance	(10,124,356)	15,184,646	
Fund balance, beginning of year	<u>36,661,688</u>	<u>36,661,688</u>	
Fund balance, end of year	<u>\$ 26,537,332</u>	<u>\$ 51,846,334</u>	

Sources of Funds General Fund

Ad Valorem

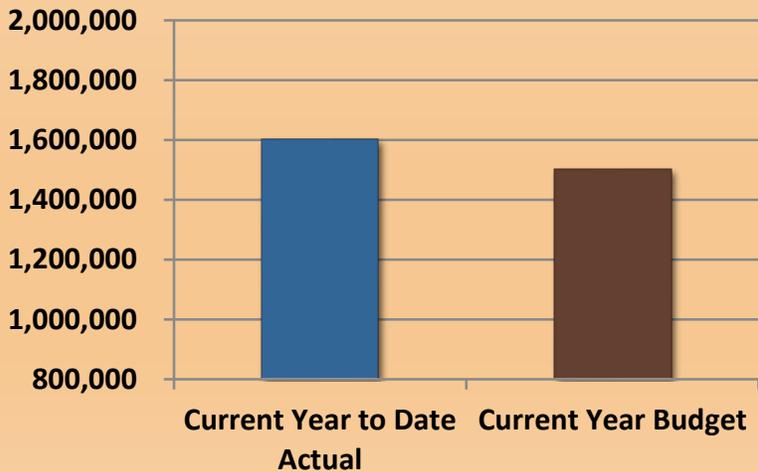
Current Year to Date Actual	Current Year Budget	% Received
51,358,831	51,003,793	100.70%



Budgeted Ad Valorem taxes were 100% collected through the third quarter of fiscal year 2016. Collected amounts by the end of the fiscal year will exceed the budgeted amount with the tax sale and delinquent tax distribution still remaining in the fiscal year.

Local Business Tax

Current Year to Date Actual	Current Year Budget	% Received
1,601,408	1,500,000	106.76%

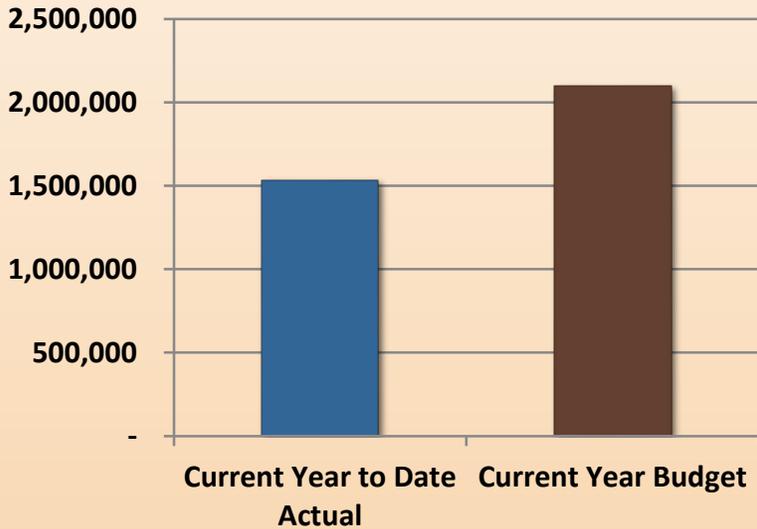


Local Business taxes have exceeded the annual budget at the end of the third quarter with 106.76% collected. The favorable variance is due to delinquent tax collections during the quarter. Additional revenue collected throughout the fiscal year will be related to businesses opening.

Sources of Funds General Fund

Utility Taxes

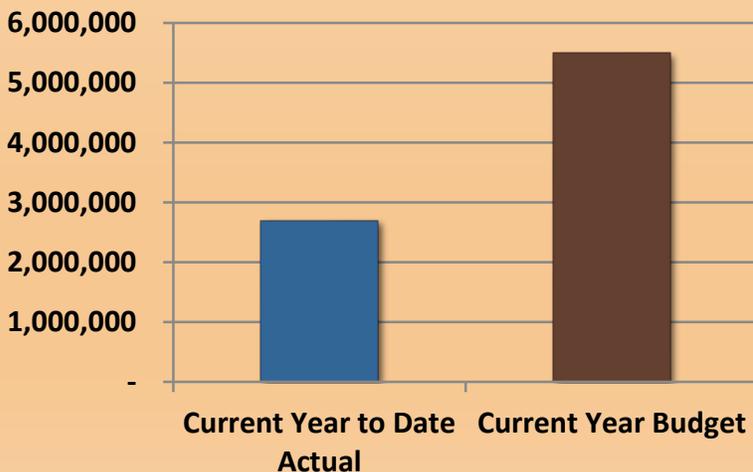
Current Year to Date Actual	Current Year Budget	% Received
1,533,335	2,100,000	73.02%



Utility taxes are in line with budgeted amounts with 73.02% collected through the third quarter of the fiscal year. This category consists of the Telecommunications Services Tax.

Franchise Fees

Current Year to Date Actual	Current Year Budget	% Received
3,798,191	5,490,000	69.18%

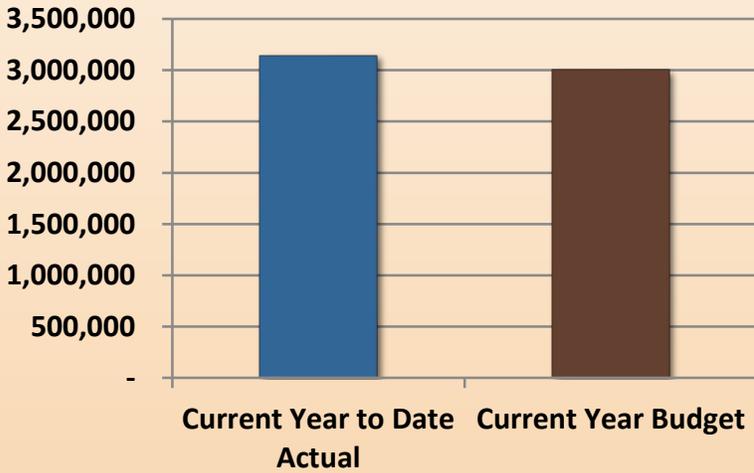


Franchise Fees are currently 69.18% collected at the end of the third quarter. Revenues included in this category include both Electric and Solid Waste Franchise Fees. The City will collect larger monthly amounts during the summer months when electric usage is at its peak.

Sources of Funds General Fund

Licenses and Permits

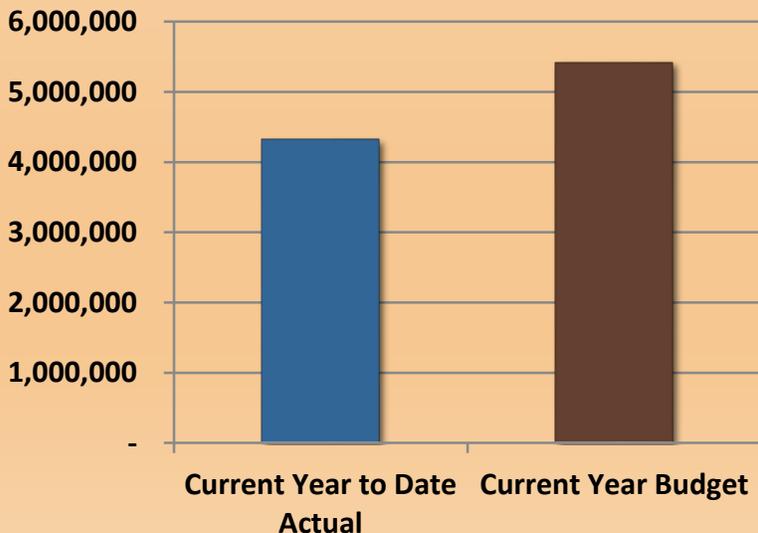
Current Year to Date Actual	Current Year Budget	% Received
3,142,239	3,000,790	104.71%



Currently 104.71% of the budgeted revenues for this category have been received. The largest portion of the revenues relates to building permits which represents approximately \$2.9 million or 93% of the total licenses and permit revenue collected.

Intergovernmental Revenue

Current Year to Date Actual	Current Year Budget	% Received
4,325,210	5,416,000	79.86%

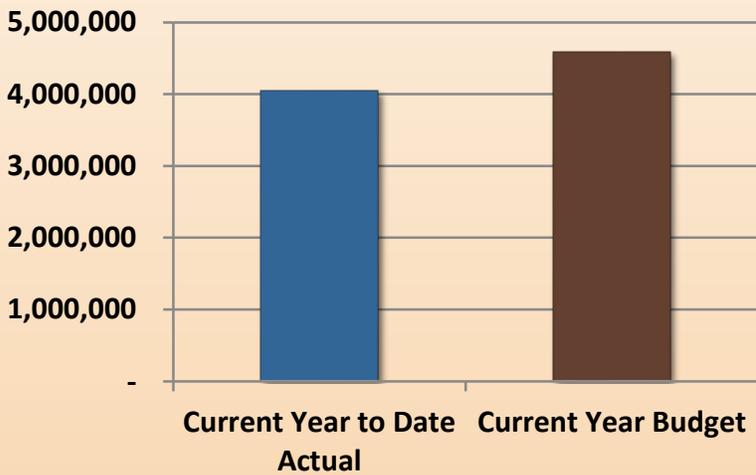


Intergovernmental Revenue is 79.86% collected through the end of the third quarter. Revenues included in this category are federal and state grants, 1/2 cent sales tax, and state shared revenues.

Sources of Funds General Fund

Charges for Services

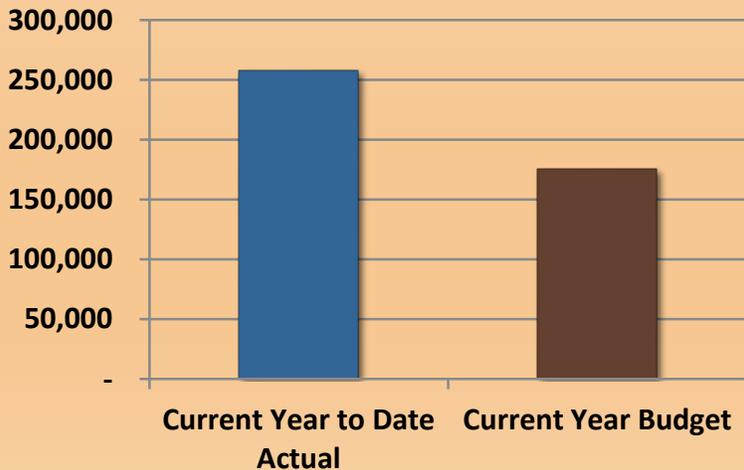
Current Year to Date Actual	Current Year Budget	% Received
4,043,254	4,586,302	88.16%



Charges for services were 88.16% collected through the end of the third quarter. Revenues included in this category are EMS fees, dispatch service charges, and fire inspection fees. The City has billed three (3) invoices to the Town of Jupiter, the Town of Juno Beach, Village of North Palm Beach, and the Town of Jupiter Inlet Colony totaling approximately \$1.4 million for dispatch services.

Fines and Forfeitures

Current Year to Date Actual	Current Year Budget	% Received
257,191	175,000	146.97%

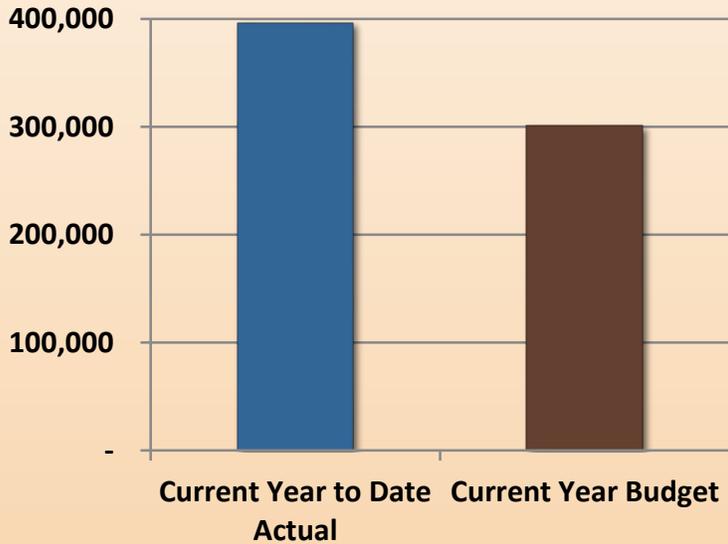


Revenues in the Fines and Forfeitures category include court and code enforcement fines. Actual amounts exceed budgeted figures through the third quarter of the fiscal year due to an increase in code enforcement fines.

Sources of Funds General Fund

Investment Income

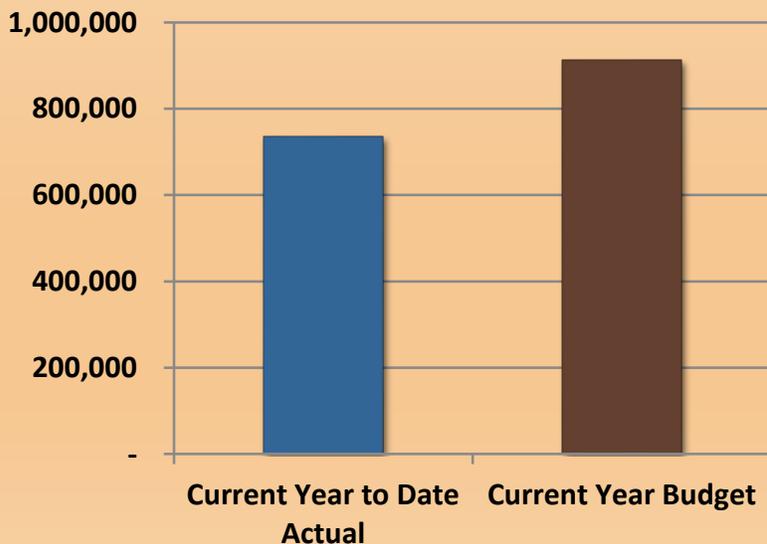
Current Year to Date Actual	Current Year Budget	% Received
396,489	301,000	131.72%



Investment Income is 131.72% collected through the end of the third quarter. See the investment analysis section, beginning on page 28, for more detailed discussion and results.

Miscellaneous

Current Year to Date Actual	Current Year Budget	% Received
734,766	911,925	80.57%

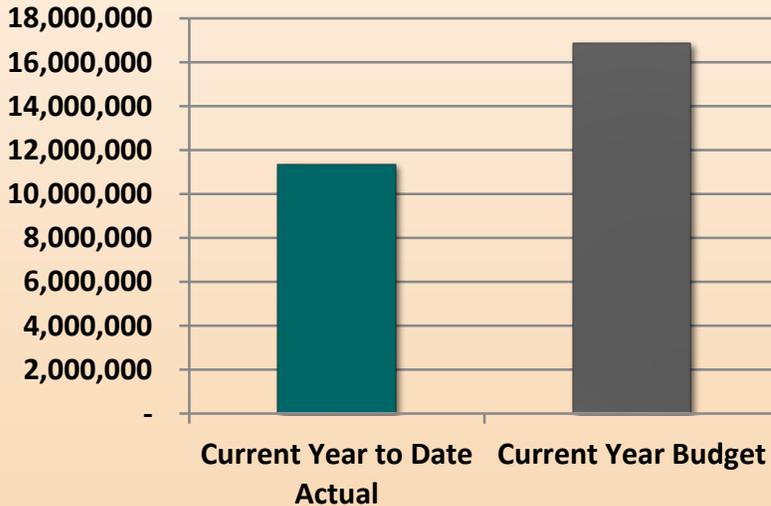


Miscellaneous revenue is 80.57% collected through the end of the third quarter. Revenues in this category include reimbursement of city services, tax searches, and rental fees for wireless towers. As of the end of the third quarter, the city has recorded \$162 thousand for median maintenance. The majority of the reimbursement for maintenance services is received at the beginning of the fiscal year.

Uses of Funds General Fund

General Government

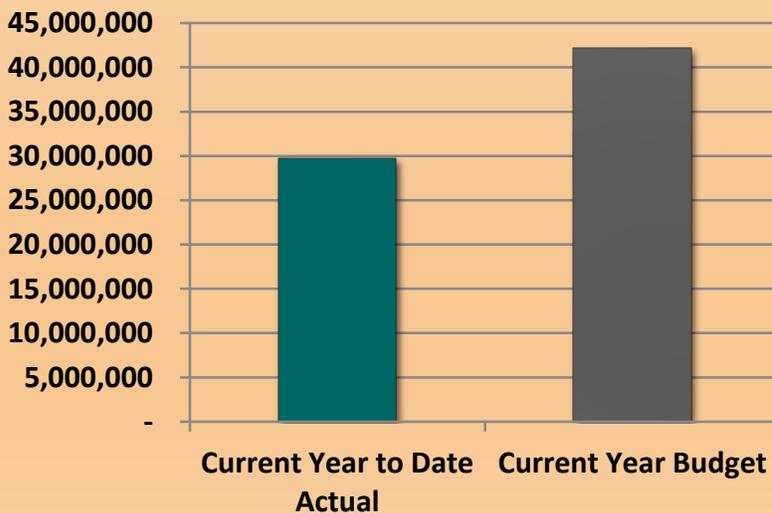
Current Year to Date Actual	Current Year Budget	% Spent
11,357,028	16,883,127	67.27%



General Government expenditures, excluding capital outlay, are within budgeted amounts through the end of the third quarter with 67.27% spent.

Public Safety

Current Year to Date Actual	Current Year Budget	% Spent
29,666,913	42,120,739	70.43%

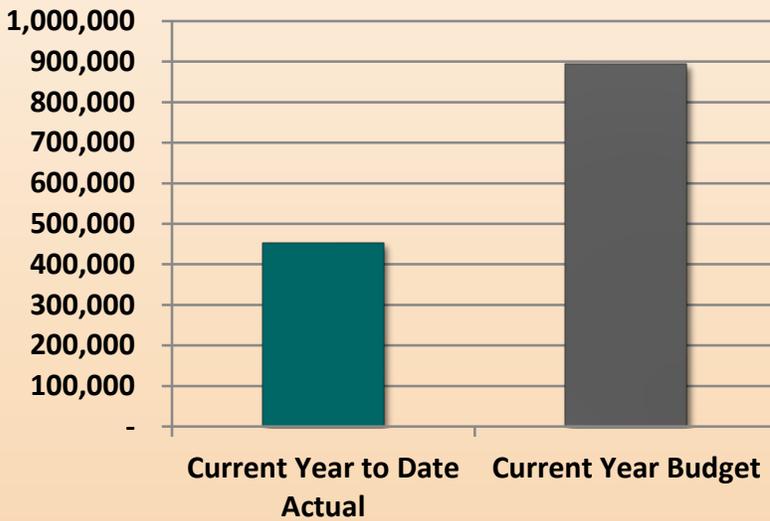


Public Safety expenditures, excluding capital outlay, are within budgeted amounts through the end of the third quarter with 70.43% spent to date.

Uses of Funds General Fund

Culture and Recreation

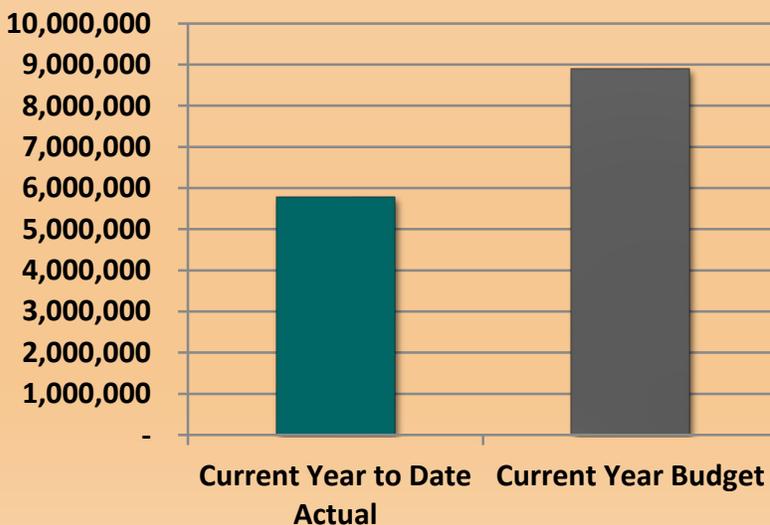
Current Year to Date Actual	Current Year Budget	% Spent
451,180	893,054	50.52%



Culture and Recreation expenditures, excluding capital outlay, are lower than budgeted numbers through the end of the third quarter with 50.52% spent. The variance is due to expenditures that will occur in the fourth quarter relating to the pool and repairs and maintenance on the tennis facility.

Physical Environment

Current Year to Date Actual	Current Year Budget	% Spent
5,773,683	8,894,390	64.91%

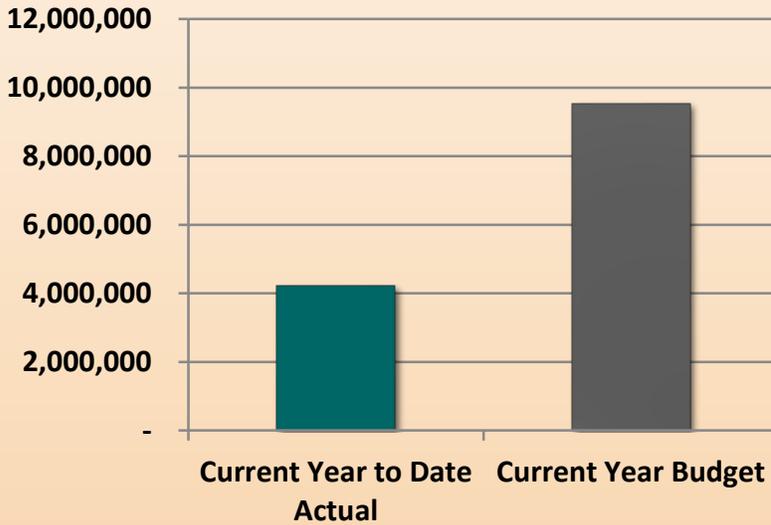


Physical Environment expenditures, excluding capital outlay, are below budgeted numbers through the end of the third quarter with 64.91% spent.

Uses of Funds General Fund

Capital Outlay

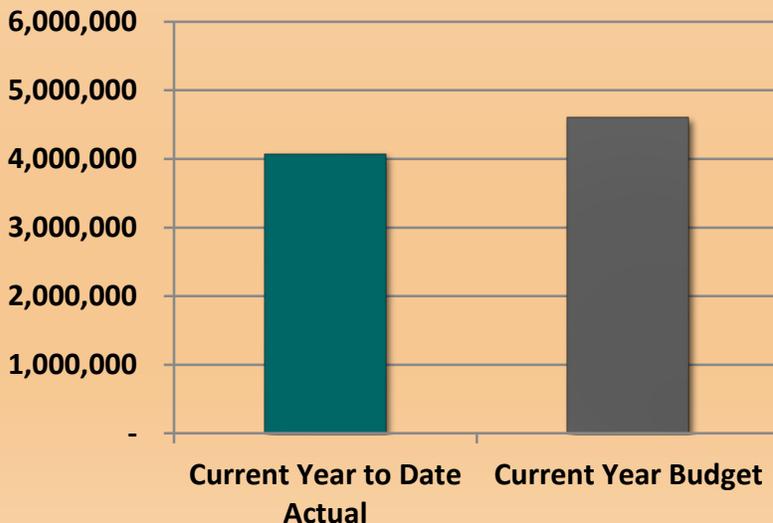
Current Year to Date Actual	Current Year Budget	% Spent
4,207,703	9,532,577	44.14%



Capital Outlay expenditures, which represent 11.5% of total budgeted general fund expenditures, are currently 44.14% spent through the end of the third quarter. For detailed information on capital projects with current activity, please see the Capital Project Update Report on pages 38 – 40.

Debt Service

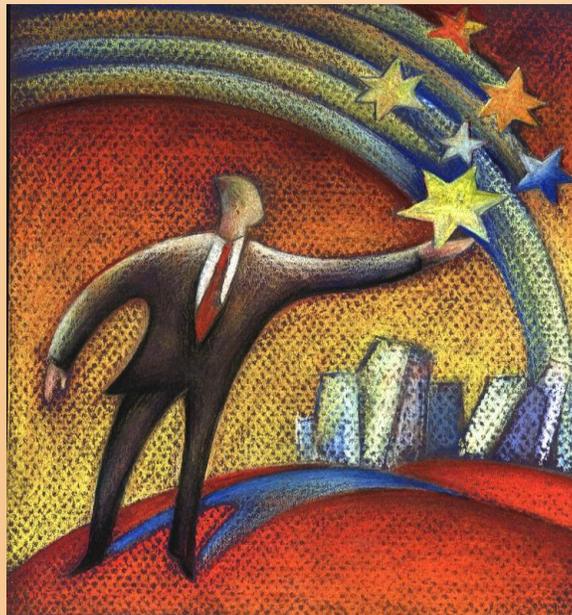
Current Year to Date Actual	Current Year Budget	% Spent
4,073,786	4,600,939	88.54%



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 88.54% of the budgeted amount.

Current Year vs. Prior Year Comparison – General Fund

An analysis of current year actual amounts versus prior year actual amounts



Current Year vs. Prior Year Comparison Schedule General Fund

	<u>Prior Year</u>	<u>Current Year</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
Revenues:				
Taxes:				
Ad valorem taxes	\$ 48,642,154	\$ 51,358,831	2,716,677	5.59%
Local business tax	1,609,631	1,601,408	(8,223)	-0.51%
Utility taxes	1,572,532	1,533,335	(39,197)	-2.49%
Franchise Fees	3,902,567	3,798,191	(104,376)	-2.67%
Licenses and permits	3,485,571	3,142,239	(343,332)	-9.85%
Intergovernmental	4,237,876	4,325,210	87,334	2.06%
Charges for services	4,211,647	4,043,254	(168,393)	-4.00%
Fines and forfeitures	192,378	257,191	64,813	33.69%
Investment income	193,944	196,283	2,339	1.21%
Net appreciation in fair value of investments	66,549	200,206	133,657	200.84%
Miscellaneous	946,634	734,766	(211,868)	-22.38%
Total revenues	69,061,483	71,190,914	2,129,431	3.08%
Expenditures:				
Current:				
General government:				
City Council	\$ 263,700	\$ 259,961	\$ (3,739)	-1.42%
Administrative services	423,658	446,597	22,939	5.41%
Purchasing and contract management	97,398	89,087	(8,311)	-8.53%
Information services	1,288,438	1,382,166	93,728	7.27%
City clerk	335,082	385,624	50,542	15.08%
Legal services	261,262	316,151	54,889	21.01%
Public communications	96,202	184,841	88,639	92.14%
Engineering services	251,042	306,713	55,671	22.18%
Human resources	425,566	486,235	60,669	14.26%
Finance	691,904	712,793	20,889	3.02%
Honda Classic	137,260	144,394	7,134	0.00%
General services	4,468,357	4,114,617	(353,740)	-7.92%
Planning and zoning				
Administrative	202,962	222,727	19,765	9.74%
Development compliance	323,206	334,655	11,449	3.54%
Planning	319,681	326,225	6,544	2.05%
GIS	104,333	101,726	(2,607)	-2.50%
Construction services	977,959	1,022,294	44,335	4.53%
Neighborhood services	457,382	520,222	62,840	13.74%
Total general government	11,125,392	11,357,028	231,634	2.08%

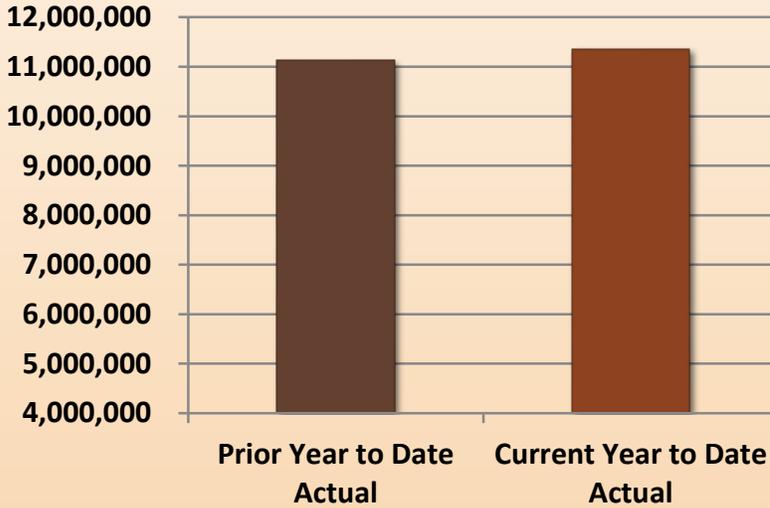
Current Year vs. Prior Year Comparison Schedule General Fund

	<u>Prior Year</u>	<u>Current Year</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
Public safety:				
Police	14,828,205	15,873,981	1,045,776	7.05%
Fire and emergency services	12,857,032	13,792,932	935,900	7.28%
Total public safety	<u>27,685,237</u>	<u>29,666,913</u>	<u>1,981,676</u>	<u>7.16%</u>
Culture and recreation:				
Administrative services	132,994	123,670	(9,324)	-7.01%
Seniors and wellness	37,618	43,357	5,739	15.26%
Aquatics	118,805	94,197	(24,608)	-20.71%
Tennis	97,384	123,733	26,349	27.06%
Programs division	64,429	66,223	1,794	2.78%
Total culture and recreation	<u>451,230</u>	<u>451,180</u>	<u>(50)</u>	<u>-0.01%</u>
Physical environment:				
Administrative services	442,181	431,260	(10,920)	-2.47%
Facilities maintenance	1,795,082	1,882,427	87,345	4.87%
Stormwater and street maintenance	936,226	1,053,584	117,358	12.54%
Parks and grounds	2,361,251	2,406,412	45,161	1.91%
Total physical environment	<u>5,534,740</u>	<u>5,773,683</u>	<u>238,943</u>	<u>4.32%</u>
Capital outlay:	<u>1,866,595</u>	<u>4,207,703</u>	<u>2,341,108</u>	<u>125.42%</u>
Debt service:				
Principal	3,402,324	3,538,964	136,641	4.02%
Interest	589,993	534,822	(55,172)	-9.35%
Total debt service	<u>3,992,317</u>	<u>4,073,786</u>	<u>81,469</u>	<u>2.04%</u>
Total expenditures	<u>50,655,511</u>	<u>55,530,293</u>	<u>4,874,782</u>	<u>9.62%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,405,972</u>	<u>15,660,621</u>	<u>(2,745,351)</u>	
Other financing sources (uses):				
Transfers in	553,618	572,995	19,377	3.50%
Transfers out	(1,476,228)	(2,430,000)	(953,772)	64.61%
Capital lease issued	-	1,152,030	1,152,030	100.00%
Sale of capital assets	-	229,000	229,000	100.00%
Total other financing sources (uses)	<u>(922,610)</u>	<u>(475,975)</u>	<u>446,635</u>	<u>-48.41%</u>
Net change in fund balance	17,483,362	15,184,646	(2,298,716)	
Fund balance, beginning of year	<u>38,614,211</u>	<u>36,661,688</u>	<u>(1,952,523)</u>	
Fund balance, end of year	<u>\$ 56,097,573</u>	<u>\$ 51,846,334</u>	<u>\$ (4,251,239)</u>	

Current Year vs. Prior Year Expenditure Comparison

General Government

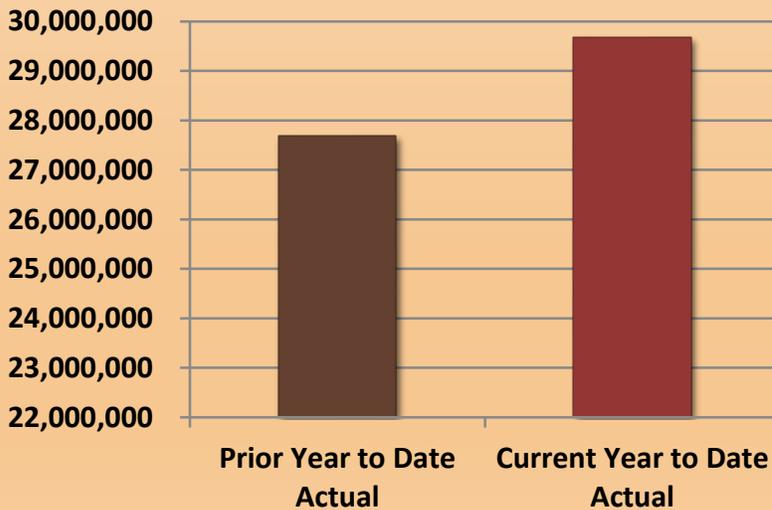
Prior Year to Date Actual	Current Year to Date Actual	Increase/ (Decrease)	% Change
11,125,392	11,357,028	231,636	2.08%



General government expenditures, excluding capital outlay, are in line with prior year amounts.

Public Safety

Prior Year to Date Actual	Current Year to Date Actual	Increase/ (Decrease)	% Change
27,685,237	29,666,913	1,981,676	7.16%

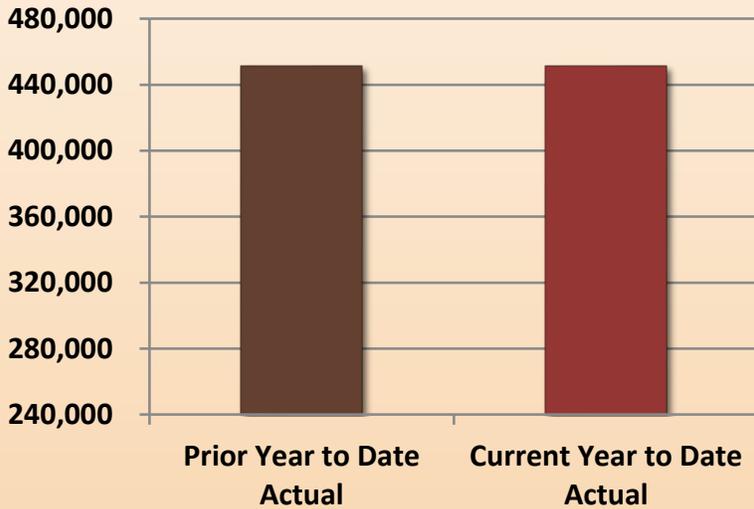


Public Safety expenditures, excluding capital outlay, are above prior year expenditures by approximately \$1.9 million or 7.16%. The collective bargaining agreement between the City and the International Association of Fire Firefighters (IAFF) was approved by City Council during the second quarter. The budget contains increases of 4.3%. Adjustments as part of the agreement were made retroactive to the beginning of the fiscal year. Also, the timing of the pension contributions in the prior year that were made July 1, 2015.

Current Year vs. Prior Year Expenditure Comparison

Culture and Recreation

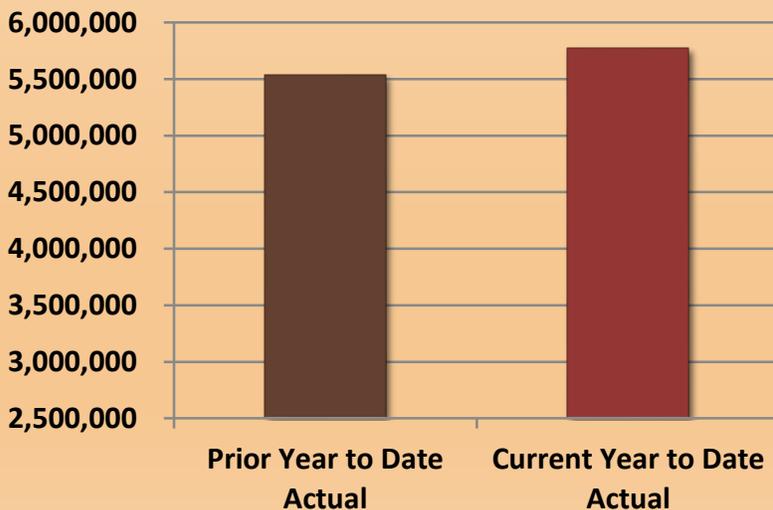
Prior Year to Date Actual	Current Year to Date Actual	Increase/ (Decrease)	% Change
451,230	451,180	(50)	-0.01%



Culture and Recreation expenditures, excluding capital outlay, are in line with prior year amounts.

Physical Environment

Prior Year to Date Actual	Current Year to Date Actual	Increase/ (Decrease)	% Change
5,534,740	5,773,683	238,943	4.32%

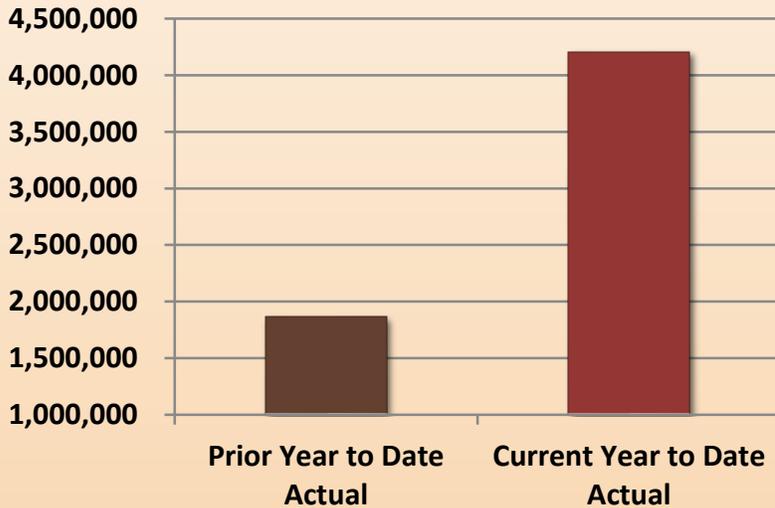


Physical Environment expenditures, excluding capital outlay, are slightly above prior year expenditures due to an increase in facilities repair and maintenance.

Current Year vs. Prior Year Expenditure Comparison

Capital Outlay

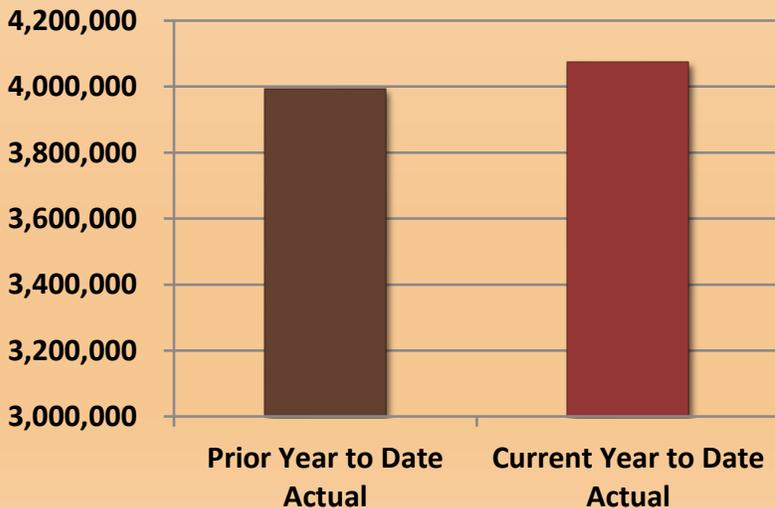
Prior Year to Date Actual	Current Year to Date Actual	Increase/ (Decrease)	% Change
1,866,595	4,207,703	2,341,108	125.42%



Capital Outlay expenditures are significantly greater than prior year amounts due to the construction of the new fire station #2 which totaled \$1.4 million compared to \$419 thousand in the prior year and the recording of the capital lease relating to a new fire truck and a new ambulance which totaled \$1.3 million during the second quarter.

Debt Service

Prior Year to Date Actual	Current Year to Date Actual	Increase/ (Decrease)	% Change
3,992,317	4,073,786	81,469	2.04%



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

Investment Performance Review

Investment Advisors

Steven Alexander, CTP, CGFO, CPPT, Managing Director
Robert Cheddar, CFA, Chief Credit Officer, Managing Director
D. Scott Stitcher, CFA, Director
Richard Pengelly, CFA, CTP, Director
Rebecca Geyer, CTP, Senior Analyst

PFM Asset Management LLC

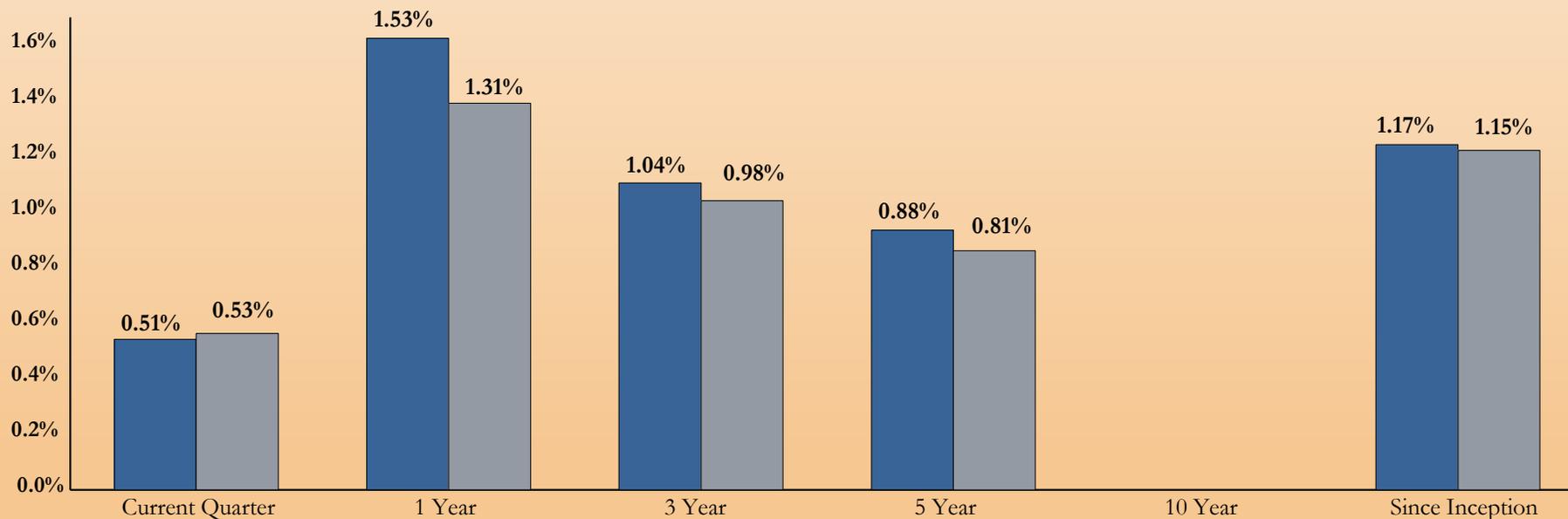
One Keystone Plaza, Suite 300
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- The Portfolios are of high credit quality and invested in U.S. Treasury, Federal Agency, corporate notes and commercial paper securities.
- The Investment Portfolio's quarterly total return performance of 0.51% underperformed the benchmark's performance of 0.53%.
- PFM continued to actively manage the Investment Portfolio during the second quarter and found value in the market, taking advantage of market inefficiencies or changes in economic outlook. As a result, the Portfolio realized \$5,973 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 City's 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 0.84%, exceeding the Yield to Maturity of its benchmark, S&P Rated GIP Index Government 30-Day, by 42 basis points (0.42%).
- Given the high degree of uncertainty, PFMAM maintained portfolio duration positions near-neutral to benchmarks throughout the quarter. The Fed appeared to be on hold throughout the summer amid moderate economic growth, continued subdued inflation, and uncertainty heading into the Brexit vote.
- We expect the U.S. economy to expand at a moderate pace in the second half of 2016, but potential spillover from Brexit may be a marginal drag. Outside the U.S., economic prospects are less certain as Europe grapples with the economic and political repercussions of Brexit, emerging markets continue to slow, and global central banks remain a strong influence. We will be closely monitoring incoming economic data for any changes that affect our view.
- The Brexit vote changed the prospects for expected Fed action. We now expect no rate hikes until December at the earliest, or even into 2017. This "lower for longer" landscape has implications for both expected returns and risks. Given the likelihood that rates will not move significantly higher in the near-term, we plan to keep durations neutral to benchmarks, avoiding any significant mismatches.
- 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.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Current Quarter	1 Year	Annualized Return			Since Inception (06/30/09) **
				3 Year	5 Year	10 Year	
PALM BEACH GARDENS INVESTMENT PORTFOLIO	1.84	0.51%	1.53%	1.04%	0.88%	-	1.17%
BofA ML 1-3 Year U.S. Treasury Index	1.83	0.53%	1.31%	0.98%	0.81%	-	1.15%
Difference		-0.02%	0.22%	0.06%	0.07%	-	0.02%



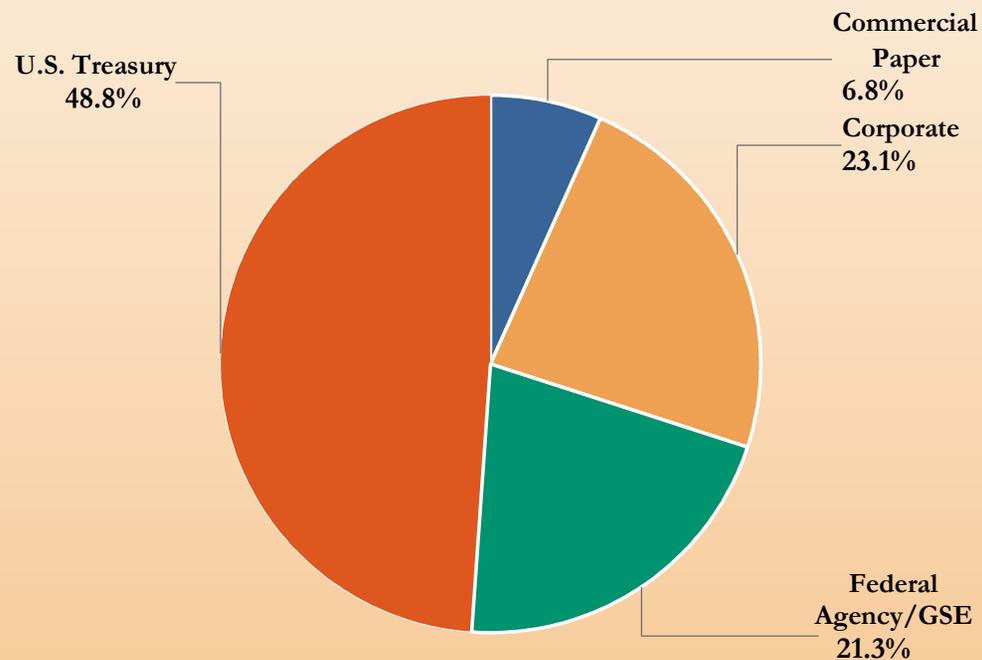
■ PALM BEACH GARDENS INVESTMENT PORTFOLIO
 ■ BofA ML 1-3 Year U.S. Treasury Index

Portfolio performance is gross of fees unless otherwise indicated. **Since Inception performance is not shown for periods less than one year

Sector Allocation

As of June 30, 2016

Sector	Market Value (\$)	% of Portfolio
U.S. Treasury	12,152,388	48.8%
Corporate	5,735,567	23.1%
Federal Agency/GSE	5,305,771	21.3%
Commercial Paper	1,693,793	6.8%
Total	24,887,519	100.0%

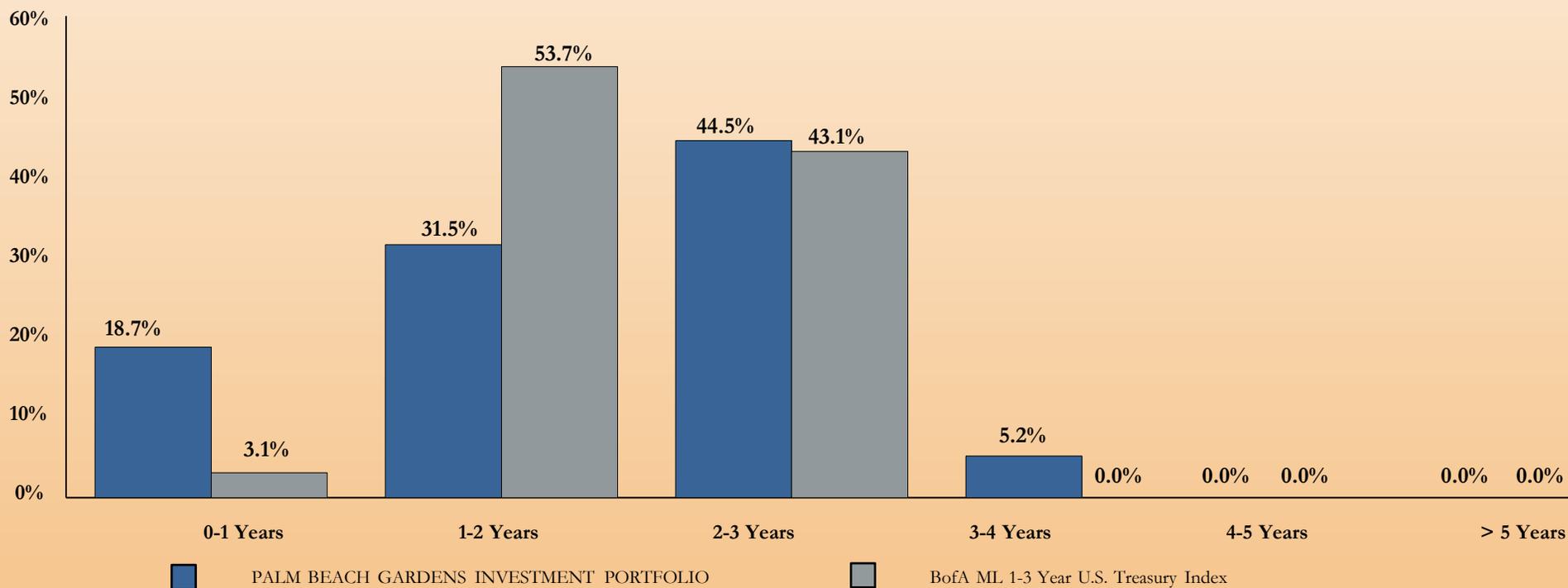


Detail may not add to total due to rounding.

Maturity Distribution

As of June 30, 2016

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
PALM BEACH GARDENS INVESTMENT PORTFOLIO	0.75%	1.87 yrs	18.7%	31.5%	44.5%	5.2%	0.0%	0.0%
BofA ML 1-3 Year U.S. Treasury Index	0.60%	1.94 yrs	3.1%	53.7%	43.1%	0.0%	0.0%	0.0%

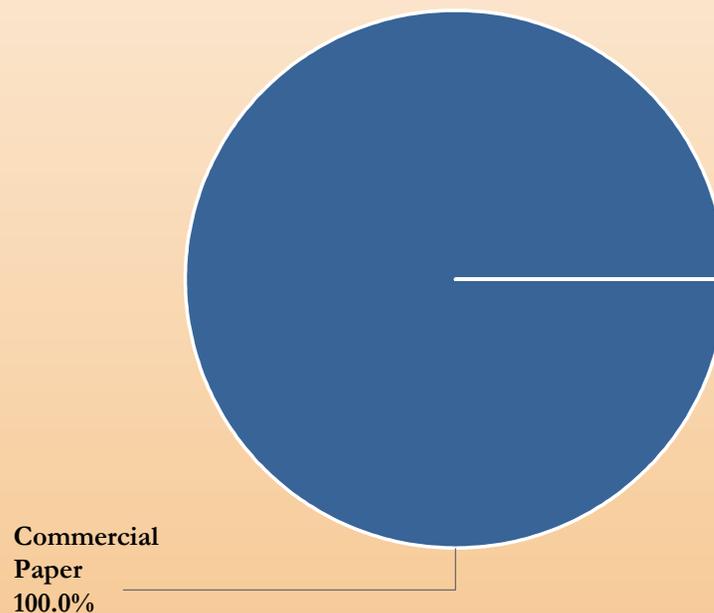


PALM BEACH GARDENS SHORT TERM PORTFOLIO

Sector Allocation

As of June 30, 2016

Sector	Market Value (\$)	% of Portfolio
Commercial Paper	13,477,145	100.0%
Total	13,477,145	100.0%

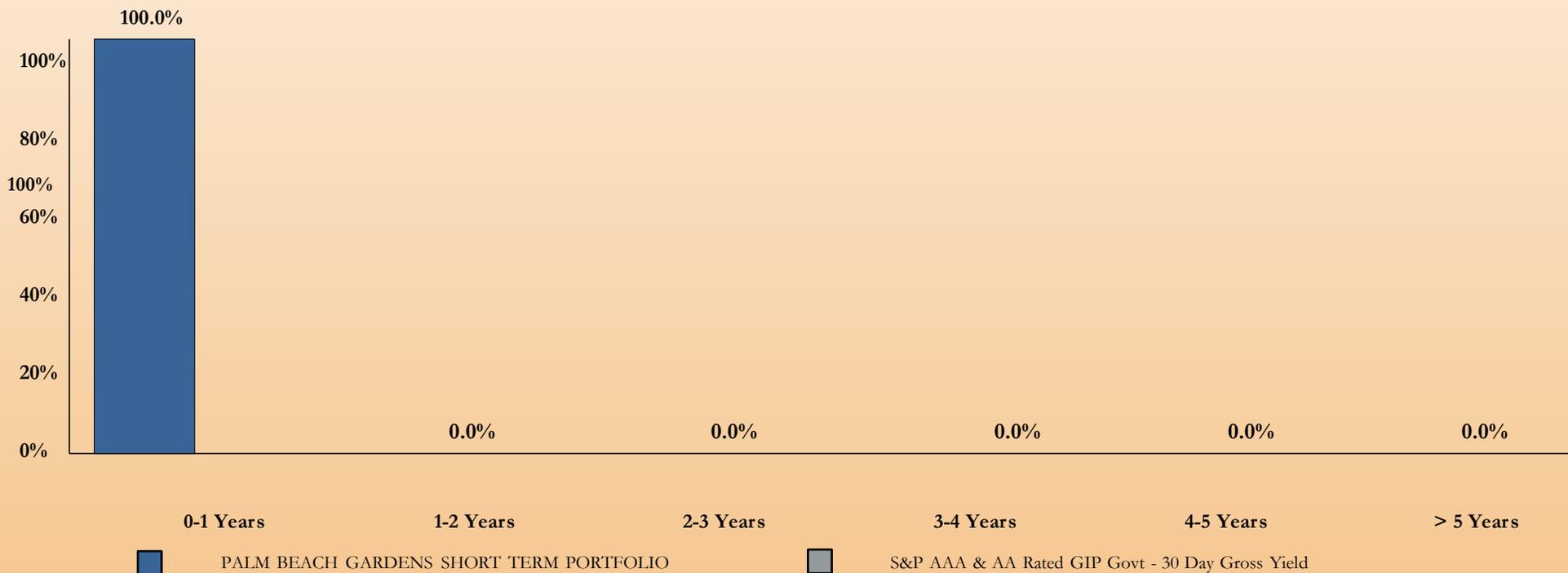


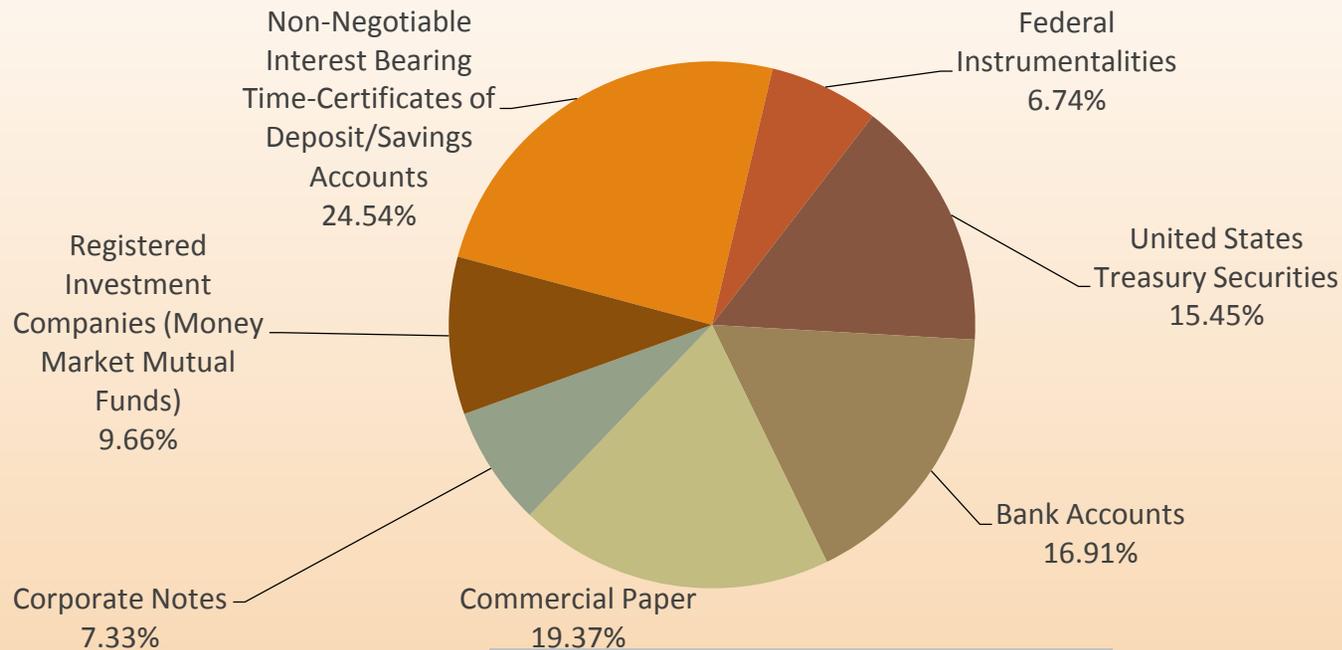
Detail may not add to total due to rounding.

Maturity Distribution

As of June 30, 2016

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
PALM BEACH GARDENS SHORT TERM PORTFOLIO	0.60%	0.25 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%





Security Type ¹	Amortized Cost (Includes Interest)	Allocation Percentage	Notes	Permitted by Policy	In Compliance
Florida PRIME	-	0.00%		25%	YES
United States Treasury Securities	12,092,542.99	15.45%		100%	YES
United States Government Agency Securities	-	0.00%		50%	YES
Federal Instrumentalities	5,279,158.27	6.74%		80%	YES
Mortgage-Backed Securities	-	0.00%		20%	YES
Non-Negotiable Interest Bearing Time Certificates of Deposit/Savings Accounts	19,209,964.36	24.54%	2	50%	YES
Repurchase Agreements	-	0.00%		50%	YES
Commercial Paper	15,163,703.18	19.37%		25%	YES
Corporate Notes	5,736,459.07	7.33%		25%	YES
State and/or Local Government Debt	-	0.00%		20%	YES
Registered Investment Companies (Money Market Mutual Funds)	7,562,047.87	9.66%		50%	YES
Intergovernmental Investment Pool	-	0.00%		25%	YES
Bank Accounts	13,236,370.09	16.91%	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 (Includes Interest)	Allocation Percentage	Notes	Permitted by Policy	In Compliance
Government National Mortgage Association (GNMA)	-	0.00%		25%	YES
Federal Farm Credit Bank (FFCB)	-	0.00%		25%	YES
Federal Home Loan Bank (FHLB)	1,288,474.92	1.65%		25%	YES
Federal National Mortgage Association (FNMA)	3,327,899.59	4.25%		25%	YES
Federal Home Loan Mortgage Corporation (FHLMC)	662,783.76	0.85%		25%	YES
American Express Company Corporate Notes	525,030.34	0.67%		5%	YES
American Honda Finance Corporate Notes	190,965.19	0.24%		5%	YES
Bank of New York Company Inc. Corporate Notes	601,005.79	0.77%		5%	YES
Cisco Systems, Inc. Corporate Notes	561,239.47	0.72%		5%	YES
Deere & Company Corporate Notes	412,519.43	0.53%		5%	YES
Exxon Mobil Corporation Corporate Notes	602,501.25	0.77%		5%	YES
General Electric Capital Corporation Corporate Notes	628,739.44	0.80%		5%	YES
HSBC Holdings plc Corporate Notes	199,958.76	0.26%		5%	YES
IBM Corporation Corporate Notes	601,741.97	0.77%		5%	YES
JP Morgan Chase & Company Corporate Notes	602,997.14	0.77%		5%	YES
Toyota Motor Corporation Corporate Notes	80,488.56	0.10%		5%	YES
Wells Fargo & Company Corporate Notes	729,271.73	0.93%		5%	YES
Bank of Tokyo Mitsubishi, Inc. Commercial Paper	3,644,012.08	4.66%		10%	YES
BNP Paribas Commercial Paper	4,183,898.08	5.34%		10%	YES
JP Morgan Chase & Company Commercial Paper	3,993,821.12	5.10%		10%	YES
Toyota Motor Corporation Commercial Paper	3,341,971.90	4.27%		10%	YES
Money Market Fund - Sweep Account	2,845,094.23	3.63%		25%	YES
BB&T Bank Savings Account	19,209,964.36	24.54%	2	25%	YES
BB&T Bank Checking Account	13,236,370.09	16.91%	2	100%	YES
Money Market - PFM Funds Government Series	132.29	0.00%		25%	YES
Money Market PFM Funds Prime	4,716,821.35	6.03%		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

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.



Impact Fee Analysis

At the end of the third quarter, \$885 thousand or 31.5% of the total budgeted impact fee revenues have been collected. The budget shortfall is due to a recreation impact fee credit granted to the Alton Community that will be constructing a park as part of their community. Below is a listing of activity during the third quarter.

- Alton PCD - Twenty (20) single family residential permits
- PGA National - Devonshire - One (1) commercial/multi-family addition permit
- PGA National – LRP Properties II, LLC Two (2) commercial/general office permits
- Old Palm Golf Club - Six (6) single family residential permits
- 3800 Northlake Blvd. (Taco Bell Restaurant) - One (1) commercial restaurant permit

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Impact Fee Analysis

Available Fund Balance Analysis Quarter Ended June 30, 2016

	<u>Recreation Impact</u>	<u>Police Impact</u>	<u>Fire Impact</u>	<u>Art Impact</u>	<u>Road Impact</u>
Beginning Fund Balance - 10/1/2015	\$ 6,719,333	\$ 3,007,498	\$574,218	\$ 636,985	\$ 1,635,533
Impact Fee Collections	298,677	80,051	175,758	17,989	312,250
Other Revenue (Transfers, Grants, Interest income, Contributions & Donations)	403,265	1,378	293	286	2,002,086
Amount Spent	(1,601,749)	(987,147)	(119,880)	(74,422)	(702,930)
Amount Encumbered (Earmarked)	(5,473,471)	(1,719,238)	-	(181,936)	(163,318)
Ending Fund Balance	346,055	382,542	630,389	398,902	3,083,622
Add:					
Uncollected Grant/Donation Revenue	-	-	-	-	-
Pending Transfer	-	-	-	-	-
Less:					
Current Project Balances to Complete:					
Plant/Lilac Park Extension	(201,146)	-	-	-	-
Joesph R. Russo Athletic Complex (fka City Park Expansion - Phase III)	(752,060)	-	-	-	-
Golf Course Club House Expansion	(451,637)	-	-	-	-
Fiber Optic Newtork to Landmark	-	(50,000)	-	-	-
Training Tactical Facility	-	(264,102)	-	-	-
Public Safety Training	-	-	(410,000)	-	-
Art Maintenance	-	-	-	(56,769)	-
Art in Public Places - City Bus Shelters	-	-	-	(11,707)	-
Compassionate Friends Memorial Garden	-	-	-	(35,685)	-
Johnson Dairy Road/Military Trail Traffic Signal & Intersection Improvements	-	-	-	-	(289,177)
Traffic Signal Improvements Riverside & Burns Road Intersection	-	-	-	-	(100,000)
Campus Drive Improvements	-	-	-	-	(549,077)
Shady Lakes Drive Expansion - Phase I	-	-	-	-	(2,316,831)
Signal Improvement- Golf Course	-	-	-	-	(100,000)
Available for Spending - 06/30/2016	\$ (1,058,788) *	\$ 68,440	\$220,389	\$ 294,741	\$ (271,463) *

*Deficit amounts are expected to be offset by anticipated impact fee collections and the timing of the actual construction relating to the above projects

Capital Improvement Projects (CIP) Status Update

The City currently has twenty-seven (27) capital improvement projects (CIP) ongoing in various stages. This section includes a detailed look at projects with significant activity during the quarter.



Capital Improvements Projects (CIP) Status Update

Tactical Training Facility

Project Description:

Construction of the facility adjacent to the EOC building will serve as a Police Tactical Training Facility. Currently, the Police Department has to rely on the resources at the Martin County Correction Facility for training. This facility will contain areas for defensive tactics, less-lethal weapons training, live firearms exercises, and a computerized driving simulator. The Tactical Training Facility will be used to create variable and realistic multi-faceted scenarios that will enhance quality decision making by officers under stressful conditions. The goal of the facility is to increase officer safety and reduce liability in high risk/low frequency situations requiring split second decisions, such as pursuit driving and appropriate response to physical resistance. The building will also provide protection during hurricanes or major storms for expensive equipment that cannot be stored in existing buildings.

Update:

A Request for Proposal (RFP) #2015-021PD was issued on May 1, 2015 for the design build of the tactical training facility. Seven (7) proposals were received and evaluated by a selection committee. The Recommendation to Award was issued on July 1, 2015 to Sisca Construction Services, LLC. Resolution 37, 2015, was approved by City Council on August 6, 2015. The facility's ground breaking was held on February 18, 2016. Construction began on February 29, 2016, and is anticipated to be complete by October 2016.

Budget	Actual Expenditure as of 06/30/2016	Balance to Complete
\$3,014,227	\$1,030,887	\$1,983,340

Joseph R. Russo Sports Complex (formerly City Park)

Project Description:

The existing City Park was completed in 2008. Expansion of the park will include more amenities such as: two (2) multi-purpose fields, four (4) new tennis courts, racquetball 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:

The City of Palm Beach Gardens held a ground breaking ceremony to dedicate the park as the Joseph R. Russo Sports Complex on January 25, 2016. The site is currently undergoing extensive earthworks, which include grading, compaction, excavation, stripping, trenching, and other engineering works. Field construction is scheduled to begin in April with an anticipated completion during the fall of 2016. The City has contracted with Musco Lighting to provide light structures for the fields, courts, and security lighting at the park. The City Engineer is currently reviewing the Invitation to Bid (ITB) for the construction of the playground, concession stand, and tennis court.

Budget	Actual Expenditure as of 06/30/2016	Balance to Complete
\$3,023,613	\$1,212,404	\$1,811,209

Capital Improvements Projects (CIP) Status Update

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 (2) fiscal years beginning with \$3,638,382 funded in FY 2014/2015 and \$2,300,000 in FY 2015/2016.

Update:

The existing clubhouse was demolished in November 2015. A temporary golf village was established in order to provide continued services to the community. On March 3, 2016, City Council approved Resolution 22, 2016, awarding the Design Build contract to Sisca Construction Services, LLC as a part of Request for Proposal (RFP 2015-024GF). The new clubhouse will provide sufficient space for a pro shop, locker rooms, food and beverage services, and an event space to accommodate banquet style seating for no less than 200 people. Installation of a new sanitary system is in progress to replace the inadequate existing system. City staff and the design team continue to work on refining the details of the building project.

Budget	Actual Expenditure as of 06/30/2016	Balance to Complete
\$5,938,382	\$1,072,423	\$4,865,959

117th Court North Expansion

Project Description:

This project consists of improvements to 117th Court North along the right-of-way near Timber Trace Elementary and Watson B. Duncan Middle Schools. The intersection and roadway improvements are necessary to accommodate the safety of pedestrians and vehicles to the schools and parks located along the throughway and at its terminus. This project takes into account the safe ingress/egress of vehicles to and from the schools and parks.

Update:

On May 5, 2016, City Council approved Resolution 33, 2016, approving the right-of-way conveyance agreement between the School Board of Palm Beach County and the City of Palm Beach Gardens for 117th Court North. The Resolution also authorized the transfer of necessary funds from budgeted reserves to fund the construction of the improvements. As part of the right-of-way conveyance agreement, the City issued payment to the School Board for the construction of additional parking on the Timber Trace Elementary School campus. The City has contracted with DS Eakins to perform the paving and drainage improvements. Construction began on June 2, 2016, and is estimated to be complete by August 2016. Landscaping will be installed after the construction.

Budget	Actual Expenditure as of 06/30/2016	Balance to Complete
\$2,200,000	\$215,155	\$1,984,845

Capital Improvements Projects (CIP) Status Update

Storm water Infrastructure Maintenance and Repair

Project Description:

In an effort to maintain the City's storm water pipelines, regular cleaning, inspections, evaluations and repairs should occur to assure proper runoff and discharge to the canal systems. By conducting these activities, this will prevent sedimentation in the canal systems and allow storm water to flow freely from roadways and swales in order to prevent future costly damage to public and private property and assist with reduction in flooding events. A thorough mapping of the City maintained storm water system was completed in 2015 by the City's consultant Keshavarz and Associates.

Update:

This is a multi-year project based on the study that was completed in 2015. In March 2016, the City contracted with Hinterland Group, Inc. as part of Invitation to Bid (ITB) #2016-059PS for as needed maintenance and repairs to the storm water infrastructure. Pipe cleaning and maintenance has been completed at Gardens Lakes and is currently being performed on the system along Burns Road.

Budget	Actual Expenditure as of 06/30/2016	Balance to Complete
\$1,294,000	\$178,339	\$1,115,661

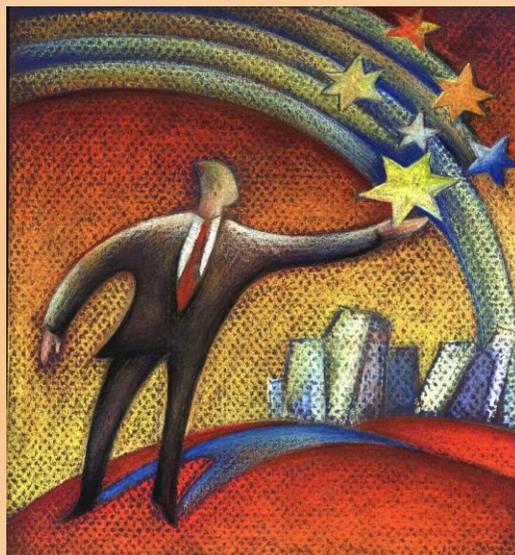
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Budgetary Comparison Schedules – Other Funds

An analysis of budget amounts compared to actual amounts for all other funds. Other funds include: Special Revenue Funds and Capital Project Funds.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes, other than debt service or capital projects. The funds included in this category are Police Training, Local Option Gas Tax, Recreation Programs, and Golf Course.

Capital Project Funds are established to account for financial resources to be used for the acquisition and construction of major capital facilities, other than those financed by other governmental funds. The funds included in this category are Recreation Impact, Police Impact, Fire Impact, Art Impact, Road Impact, and Capital Improvement & Replacement.



Budgetary Comparison Schedule Police Training Fund

The Police Training Fund is established to account for fees collected from traffic citations to be used for the training and education of the City's police personnel.

	<u>Budget</u>	<u>Actual to Date</u>	<u>% Received/Spent</u>
Revenues:			
Fines and forfeitures	\$ 10,530	\$ 6,396	60.74%
Total revenues	<u>10,530</u>	<u>6,396</u>	<u>60.74%</u>
Expenditures:			
Current:			
Public safety:			
Police	14,000	4,369	31.20%
Total public safety	<u>14,000</u>	<u>4,369</u>	<u>31.20%</u>
Total expenditures	<u>14,000</u>	<u>4,369</u>	<u>31.20%</u>
Net change in fund balance	(3,470)	2,027	
Fund balance, beginning of year	<u>7,786</u>	<u>7,786</u>	
Fund balance, end of year	<u>\$ 4,316</u>	<u>\$ 9,813</u>	

Budgetary Comparison Schedule Local Option Gas Tax Fund

The Local Option Gas Tax Fund is established to account for the receipt of local option gas taxes received from the State of Florida. The use of these funds is restricted for transportation related capital improvements or maintenance costs.

	<u>Budget</u>	<u>Actual to Date</u>	<u>% Received/ Spent</u>
Revenues:			
Intergovernmental	\$ 706,993	\$ 575,952	81.47%
Investment income	687	495	71.98%
Miscellaneous	82,241	89,858	109.26%
Total revenues	<u>789,921</u>	<u>666,305</u>	<u>84.35%</u>
Expenditures:			
Current:			
Transportation	1,192,105	359,177	30.13%
Capital outlay	420,547	74,778	17.78%
Total expenditures	<u>1,612,652</u>	<u>433,955</u>	<u>26.91%</u>
Net change in fund balance	(822,731)	232,350	
Fund balance, beginning of year	<u>1,066,141</u>	<u>1,066,141</u>	
Fund balance, end of year	<u>\$ 243,410</u>	<u>\$ 1,298,491</u>	

Budgetary Comparison Schedule Recreation Programs Fund

The Recreation Programs Fund is used to account for revenues and costs related to special programs such as special events and athletic programs.

	<u>Budget</u>	<u>Actual to Date</u>	<u>% Received/ Spent</u>
Revenues:			
Charges for services	\$ 3,708,679	\$ 2,965,834	79.97%
Investment income	850	970	114.08%
Miscellaneous	44,784	27,803	62.08%
Total revenues	<u>3,754,313</u>	<u>2,994,607</u>	<u>79.76%</u>
Expenditures:			
Current:			
Culture and recreation:			
Administrative services	538,988	354,262	65.73%
Athletics	432,756	266,257	61.53%
Aquatics	415,093	245,303	59.10%
Tennis	674,269	458,370	67.98%
Programs division	796,052	425,072	53.40%
Youth Enrichment	895,101	698,188	78.00%
Total culture and recreation	<u>3,752,259</u>	<u>2,447,452</u>	<u>65.23%</u>
Capital outlay:	<u>-</u>	<u>-</u>	<u>0.00%</u>
Total expenditures	<u>3,752,259</u>	<u>2,447,452</u>	<u>65.23%</u>
Net change in fund balance	2,054	547,155	
Fund balance, beginning of year	<u>912,115</u>	<u>907,497</u>	
Fund balance, end of year	<u>\$ 914,169</u>	<u>\$ 1,454,652</u>	

Budgetary Comparison Schedule Golf Course Fund

The Golf Course Fund is used to account for revenues and costs related to the operations of the City's Golf Course.

	<u>Budget</u>	<u>Actual to Date</u>	<u>% Received/ Spent</u>
Revenues:			
Charges for services	\$ 1,627,500	\$ 1,282,446	78.80%
Investment income	150	200	133.65%
Miscellaneous	259,636	245,136	94.42%
Total revenues	<u>1,887,286</u>	<u>1,527,782</u>	<u>80.95%</u>
Expenditures:			
Current:			
Culture and recreation:			
Administrative services	291,831	213,852	73.28%
Maintenance	928,399	611,374	65.85%
Pro shop	618,711	539,813	87.25%
Total culture and recreation	<u>1,838,941</u>	<u>1,365,039</u>	<u>74.23%</u>
Capital outlay:	<u>28,900</u>	<u>16,600</u>	<u>57.44%</u>
Total expenditures	<u>1,867,841</u>	<u>1,381,639</u>	<u>73.97%</u>
Net change in fund balance	19,445	146,143	
Fund balance, beginning of year	<u>69,735</u>	<u>69,735</u>	
Fund balance, end of year	<u>\$ 89,180</u>	<u>\$ 215,878</u>	

Budgetary Comparison Schedule Recreation Impact Fund

The Recreation Impact Fund is established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of improving recreation facilities within the City.

	<u>Budget</u>	<u>Actual to Date</u>	<u>% Received/ Spent</u>
Revenues:			
Impact fees	\$ 1,564,292	\$ 298,677	19.09%
Investment income	2,558	3,265	127.65%
Total revenues	<u>1,566,850</u>	<u>301,942</u>	<u>19.27%</u>
Expenditures:			
Current:			
Capital outlay:	8,480,063	1,603,335	18.91%
Total expenditures	<u>8,480,063</u>	<u>1,603,335</u>	<u>18.91%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,913,213)</u>	<u>(1,301,393)</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)	(901,393)	
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>\$ 5,817,940</u>	

Budgetary Comparison Schedule Police Impact Fund

The Police Impact Fund is established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of enhancing the level of law enforcement services in the City.

	<u>Budget</u>	<u>Actual to Date</u>	<u>% Received/ Spent</u>
Revenues:			
Impact fees	\$ 252,313	\$ 80,051	31.73%
Investment income	493	1,378	279.45%
Total revenues	<u>252,806</u>	<u>81,429</u>	<u>32.21%</u>
Expenditures:			
Current:			
Capital outlay	<u>3,020,487</u>	<u>987,355</u>	<u>32.69%</u>
Total expenditures	<u>3,020,487</u>	<u>987,355</u>	<u>32.69%</u>
Net change in fund balance	(2,767,681)	(905,926)	
Fund balance, beginning of year	<u>3,007,498</u>	<u>3,007,498</u>	
Fund balance, end of year	<u><u>\$ 239,817</u></u>	<u><u>\$ 2,101,572</u></u>	

Budgetary Comparison Schedule Fire Impact Fund

The Fire Impact Fund is established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of enhancing the level of fire/rescue services in the City.

	<u>Budget</u>	<u>Actual to Date</u>	<u>% Received/ Spent</u>
Revenues:			
Impact fees	\$ 234,532	\$ 175,758	74.94%
Investment income	417	293	70.30%
Total revenues	<u>234,949</u>	<u>176,051</u>	<u>74.93%</u>
Expenditures:			
Current:			
Public safety	13,228	16,182	122.33%
Capital outlay	529,572	48,698	9.20%
Total expenditures	<u>542,800</u>	<u>64,880</u>	<u>11.95%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(307,851)</u>	<u>111,171</u>	
Other financing sources (uses):			
Transfers out	(55,000)	(55,000)	100.00%
Total other financing sources (uses)	<u>(55,000)</u>	<u>(55,000)</u>	<u>100.00%</u>
Net change in fund balance	(362,851)	56,171	
Fund balance, beginning of year	<u>574,218</u>	<u>574,218</u>	
Fund balance, end of year	<u><u>\$ 211,367</u></u>	<u><u>\$ 630,389</u></u>	

Budgetary Comparison Schedule Art Impact Fund

The Art Impact Fund is established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of providing art and cultural activities.

	<u>Budget</u>	<u>Actual to Date</u>	<u>% Received/ Spent</u>
Revenues:			
Impact fees	-	17,989	0.00%
Investment income	\$ -	\$ 286	100.00%
Total revenues	<u>-</u>	<u>18,275</u>	<u>100.00%</u>
Expenditures:			
Current:			
Culture and recreation	56,769	-	0.00%
Capital outlay	<u>303,749</u>	<u>74,422</u>	<u>24.50%</u>
Total expenditures	<u>360,518</u>	<u>74,422</u>	<u>20.64%</u>
Net change in fund balance	(360,518)	(56,147)	
Fund balance, beginning of year	<u>636,984</u>	<u>636,985</u>	
Fund balance, end of year	<u><u>\$ 276,466</u></u>	<u><u>\$ 580,838</u></u>	

Budgetary Comparison Schedule Road Impact Fund

The Road Impact Fund is established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of improving roadways within the City.

	<u>Budget</u>	<u>Actual to Date</u>	<u>% Received/ Spent</u>
Revenues:			
Impact fees	\$ 758,521	\$ 312,250	41.17%
Investment income	2,647	2,086	78.81%
Total revenues	<u>761,168</u>	<u>314,336</u>	<u>41.30%</u>
Expenditures:			
Current:			
Transportation	2,932	9,721	331.56%
Capital outlay	<u>3,693,616</u>	<u>179,141</u>	<u>4.85%</u>
Total expenditures	<u>3,696,548</u>	<u>188,862</u>	<u>5.11%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,935,380)</u>	<u>125,474</u>	
Other financing uses:			
Transfers in	2,000,000	2,000,000	100.00%
Transfers out	<u>(690,660)</u>	<u>(517,995)</u>	<u>75.00%</u>
Total other financing uses	<u>1,309,340</u>	<u>1,482,005</u>	<u>113.19%</u>
Net change in fund balance	(1,626,040)	1,607,479	
Fund balance, beginning of year	<u>1,635,535</u>	<u>1,635,535</u>	
Fund balance, end of year	<u>\$ 9,495</u>	<u>\$3,243,014</u>	

Budgetary Comparison Schedule Capital Improvement and Replacement Fund

The Capital Improvement and Replacement Fund is established to account for the receipt and disbursement of debt proceeds and special assessments related to infrastructure and capital improvement and replacement projects.

	<u>Budget</u>	<u>Actual to Date</u>	<u>% Received/ Spent</u>
Revenues:			
Total revenues	<u>-</u>	<u>-</u>	<u>0.00%</u>
Expenditures:			
Current:			
Capital outlay	<u>447,602</u>	<u>241,852</u>	<u>54.03%</u>
Total expenditures	<u>447,602</u>	<u>241,852</u>	<u>54.03%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(447,602)</u>	<u>(241,852)</u>	
Other financing sources (uses):			
Transfers in	30,000	30,000	100.00%
Transfers out	<u>-</u>	<u>-</u>	<u>0.00%</u>
Total other financing sources (uses)	<u>30,000</u>	<u>30,000</u>	<u>100.00%</u>
Net change in fund balance	(417,602)	(211,852)	
Fund balance, beginning of year	<u>446,643</u>	<u>446,643</u>	
Fund balance, end of year	<u>\$ 29,041</u>	<u>\$ 234,791</u>	

Fund Financial Statements

➤ Governmental Funds

- Balance Sheet
- Statement of Revenues, Expenditures, and Changes in Fund Balance

➤ Proprietary Funds

- Statement of Net Position – Proprietary Funds
- Statement of Revenues, Expenses, and Changes in Fund Net Position



Balance Sheet

Governmental Funds

June 30, 2016

	General	Road Impact Fees	Police Training	Recreation Programs	Golf	Extra Duty Police	Local Option Gas Tax	Recreation Impact Fees	Police Impact	Fire Impact	Art Impact	Capital Improvements & Replacement	Total
ASSETS													
Cash and cash equivalents	\$ 13,826,739	\$ 4,527,630	\$ 9,068	\$ 1,553,546	\$ 226,618	\$ 392,905	\$ 1,223,738	\$ 6,288,388	\$ 2,399,991	\$ 630,389	\$ 615,416	\$ 234,791	\$ 31,929,219
Investments	38,364,664	-	-	-	-	-	-	-	-	-	-	-	38,364,664
Receivables:													
Accounts	231,115	-	-	-	-	50,741	-	-	-	-	-	-	281,856
Franchise fees	856,200	-	-	-	-	-	-	-	-	-	-	-	856,200
Utility taxes	161,300	-	-	-	-	-	-	-	-	-	-	-	161,300
Interest	75,258	-	-	-	-	-	-	-	-	-	-	-	75,258
Due from other governments	331,044	-	745	-	-	-	76,835	-	-	-	-	-	408,624
Inventory	-	-	-	26,179	32,165	-	-	-	-	-	-	-	58,344
Prepaid expenditures	1,463,969	-	-	-	-	-	-	-	-	-	-	-	1,463,969
Total assets	\$ 55,310,289	\$ 4,527,630	\$ 9,813	\$ 1,579,725	\$ 258,783	\$ 443,646	\$ 1,300,573	\$ 6,288,388	\$ 2,399,991	\$ 630,389	\$ 615,416	\$ 234,791	\$ 73,599,434
LIABILITIES AND FUND BALANCES													
Liabilities:													
Accounts payable	\$ 776,913	\$ 9,017	\$ -	\$ 41,016	\$ 23,581	\$ -	\$ 2,082	\$ 470,448	\$ 298,419	\$ -	\$ -	\$ -	1,621,476
Accrued liabilities	2,649,400	-	-	3,692	3,986	-	-	-	-	-	34,578	-	2,691,656
Unearned revenue	37,642	1,275,599	-	80,365	15,338	-	-	-	-	-	-	-	1,408,944
Total liabilities	3,463,955	1,284,616	-	125,073	42,905	-	2,082	470,448	298,419	-	34,578	-	5,722,076
Fund balances:													
Nonspendable:													
Prepaid expenditures	1,463,969	-	-	-	-	-	-	-	-	-	-	-	1,463,969
Inventory	-	-	-	26,179	32,165	-	-	-	-	-	-	-	58,344
Restricted for:													
Capital improvements	46,408	-	-	-	-	-	-	344,469	382,334	630,389	-	229,566	1,633,166
Road improvements	-	3,079,696	-	-	-	-	855,811	-	-	-	-	-	3,935,507
Law enforcement	411,335	-	9,813	-	-	443,646	-	-	-	-	-	-	864,794
Art improvements	-	-	-	-	-	-	-	-	-	-	398,902	-	398,902
Committed to:													
Economic development	2,367,875	-	-	-	-	-	-	-	-	-	-	-	2,367,875
Assigned to:													
Capital improvement and replacement	2,904,374	-	-	-	-	-	-	-	-	-	-	-	2,904,374
Other purposes	159,659	-	-	1,185,780	14,744	-	-	-	-	-	-	-	1,360,183
Open purchase orders	3,781,515	163,318	-	242,693	168,969	-	442,680	5,473,471	1,719,238	-	181,936	5,225	12,179,045
Infrastructure	2,500,000	-	-	-	-	-	-	-	-	-	-	-	2,500,000
Budget stabilization fund	3,134,110	-	-	-	-	-	-	-	-	-	-	-	3,134,110
Unassigned:	35,077,089	-	-	-	-	-	-	-	-	-	-	-	35,077,089
Total fund balances	51,846,334	3,243,014	9,813	1,454,652	215,878	443,646	1,298,491	5,817,940	2,101,572	630,389	580,838	234,791	67,877,358
Total liabilities and fund balances	\$ 55,310,289	\$ 4,527,630	\$ 9,813	\$ 1,579,725	\$ 258,783	\$ 443,646	\$ 1,300,573	\$ 6,288,388	\$ 2,399,991	\$ 630,389	\$ 615,416	\$ 234,791	\$ 73,599,434

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Quarter ended June 30, 2016

	General	Road Impact Fees	Police Training	Recreation Programs	Golf	Extra Duty Police	Local Option Gas Tax	Recreation Impact Fees	Police Impact	Fire Impact	Art Impact	Capital Improvements & Replacement	Total
Revenues:													
Taxes:													
Ad valorem taxes	\$ 51,358,831	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,358,831
Local business taxes	1,601,408	-	-	-	-	-	-	-	-	-	-	-	1,601,408
Utility taxes	1,533,335	-	-	-	-	-	-	-	-	-	-	-	1,533,335
Franchise fees	3,798,191	-	-	-	-	-	-	-	-	-	-	-	3,798,191
Licenses and permits	3,142,239	-	-	-	-	-	-	-	-	-	-	-	3,142,239
Intergovernmental	4,325,210	-	-	-	-	-	575,952	-	-	-	-	-	4,901,162
Impact fees	-	312,250	-	-	-	-	-	298,677	80,051	175,758	17,989	-	884,725
Charges for services	4,043,254	-	-	2,965,834	1,282,446	-	-	-	-	-	-	-	8,291,534
Fines and forfeitures	257,191	-	6,396	-	-	-	-	-	-	-	-	-	263,587
Investment income	196,283	2,086	-	970	200	35	495	3,265	1,378	293	286	-	205,291
Net appreciation in fair value of investments	200,206	-	-	-	-	-	-	-	-	-	-	-	200,206
Miscellaneous	734,766	-	-	27,803	245,136	421,961	89,858	-	-	-	-	-	1,519,524
Total revenues	71,190,914	314,336	6,396	2,994,607	1,527,782	421,996	666,305	301,942	81,429	176,051	18,275	-	77,700,033
Expenditures:													
Current:													
General government	11,357,028	-	-	-	-	-	-	-	-	-	-	-	11,357,028
Public safety	29,666,913	-	4,369	-	-	328,245	-	-	-	16,182	-	-	30,015,709
Culture and recreation	451,180	-	-	2,447,452	1,365,039	-	-	-	-	-	-	-	4,263,671
Physical environment	5,773,683	-	-	-	-	-	-	-	-	-	-	-	5,773,683
Transportation	-	9,721	-	-	-	-	359,177	-	-	-	-	-	368,898
Capital outlay	4,207,703	179,141	-	-	16,600	-	74,778	1,603,335	987,355	48,698	74,422	241,852	7,433,884
Debt service:													
Principal	3,538,964	-	-	-	-	-	-	-	-	-	-	-	3,538,964
Interest	534,822	-	-	-	-	-	-	-	-	-	-	-	534,822
Total expenditures	55,530,293	188,862	4,369	2,447,452	1,381,639	328,245	433,955	1,603,335	987,355	64,880	74,422	241,852	63,286,659
Excess (deficiency) of revenues over (under) expenditures	15,660,621	125,474	2,027	547,155	146,143	93,751	232,350	(1,301,393)	(905,926)	111,171	(56,147)	(241,852)	14,413,374
Other financing sources (uses):													
Transfers in	572,995	2,000,000	-	-	-	-	-	400,000	-	-	-	30,000	3,002,995
Transfer out	(2,430,000)	(517,995)	-	-	-	-	-	-	-	(55,000)	-	-	(3,002,995)
Capital lease issued	1,152,030	-	-	-	-	-	-	-	-	-	-	-	1,152,030
Sale of capital assets	229,000	-	-	-	-	-	-	-	-	-	-	-	229,000
Total other financing sources (uses)	(475,975)	1,482,005	-	-	-	-	-	400,000	-	(55,000)	-	30,000	1,381,030
Net change in fund balances	15,184,646	1,607,479	2,027	547,155	146,143	93,751	232,350	(901,393)	(905,926)	56,171	(56,147)	(211,852)	15,794,404
Fund balances, beginning of year	36,661,688	1,635,535	7,786	907,497	69,735	349,895	1,066,141	6,719,333	3,007,498	574,218	636,985	446,643	52,082,954
Fund balances, end of year	\$ 51,846,334	\$ 3,243,014	\$ 9,813	\$ 1,454,652	\$ 215,878	\$ 443,646	\$ 1,298,491	\$ 5,817,940	\$ 2,101,572	\$ 630,389	\$ 580,838	\$ 234,791	\$ 67,877,358

Statement of Net Position
Proprietary Funds
June 30, 2016

	Internal Service Funds	
	Fleet Management	Self Insurance
Assets:		
Cash and cash equivalents	\$ 533,588	\$ 7,573,320
Investments	-	293,353
Accounts receivable	1,090	-
Inventory	58,312	-
Prepaid expense	-	50,500
Other assets	109,174	-
Capital assets being depreciated, net	1,282,042	33,030
Total assets	1,984,206	7,950,203
Liabilities:		
Current liabilities:		
Accounts payable	27,109	63,195
Claims payable	-	520,272
Total current liabilities	27,109	583,467
Noncurrent liabilities:		
Claims payable	-	262,592
Compensated absences payable	39,580	-
Net pension liability	409,141	-
Other liabilities	56,259	-
Total noncurrent liabilities	504,980	262,592
Total liabilities	532,089	846,059
Net Position:		
Net investment in capital assets (deficit)	1,282,042	33,030
Unrestricted	170,075	7,071,114
Total net position (deficit)	\$ 1,452,117	\$ 7,104,144

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Quarter ended June 30, 2016

	<u>Internal Service Funds</u>	
	<u>Fleet Management</u>	<u>Self Insurance</u>
Operating revenues:		
Charges for services	\$ 1,869,600	\$ -
Employer contributions	-	5,307,249
Employee contributions	-	723,918
Miscellaneous	60,451	143,516
Total revenues	<u>1,930,051</u>	<u>6,174,684</u>
Operating expenses:		
Personnel expenses	658,116	-
Claims expense	-	4,125,902
Insurance premiums	-	404,621
Repair and maintenance	298,185	-
Fuel and chemicals	296,220	-
Operating supplies	95,771	-
Other professional and contractual	22,647	617,549
Other expenses	30,307	74,494
Capital outlay	473,620	-
Total operating expenses	<u>1,874,866</u>	<u>5,222,566</u>
Operating income	<u>55,185</u>	<u>952,118</u>
Non-operating revenues:		
Investment earnings	393	3,898
Gain on sale of capital assets	31,259	-
Total non-operating revenues	<u>31,652</u>	<u>3,898</u>
Change in net position	<u>86,837</u>	<u>956,016</u>
Net position, beginning	1,365,280	6,148,128
Net position, ending	<u>\$ 1,452,117</u>	<u>\$ 7,104,144</u>