

City of PALM COAST FLORIDA



Popular Annual Financial Report For the Fiscal Year Ending September 30, 2015



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Financial Reporting

Presented to

**City of Palm Coast
Florida**

For its Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

About this Document

This Popular Annual Financial Report (PAFR) of the City of Palm Coast is being published in order to increase public awareness and provide a simplified overview of the City's financial position.

Tell Me More!

Click on the page numbers in the "Document Highlights" section below to be taken directly to that page.

The PAFR summarizes and condenses the financial activities of the City of Palm Coast governmental and business-type activities and derives its information from the Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2015 which ended September 30, 2015. The CAFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and includes financial statements audited by the City's auditors. Unlike the CAFR, the PAFR is un-audited and presented on a non-GAAP basis. This means that it contains condensed financial information and does not provide all of the necessary financial statements and note disclosures required by GAAP for governmental entities. We invite you to review the City's audited CAFR which includes detailed information on the City's finances.

Both the PAFR and the CAFR are available online at <http://www.palmcoastgov.com/government/finance/audit-report> and paper copies are available upon request at City Offices.

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Requests for Additional Information

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City of Palm Coast's financial condition and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information you may contact Christopher M. Quinn, Finance Director at (386) 986-4745 or e-mail cquinn@palmcoastgov.com.

Elected Officials

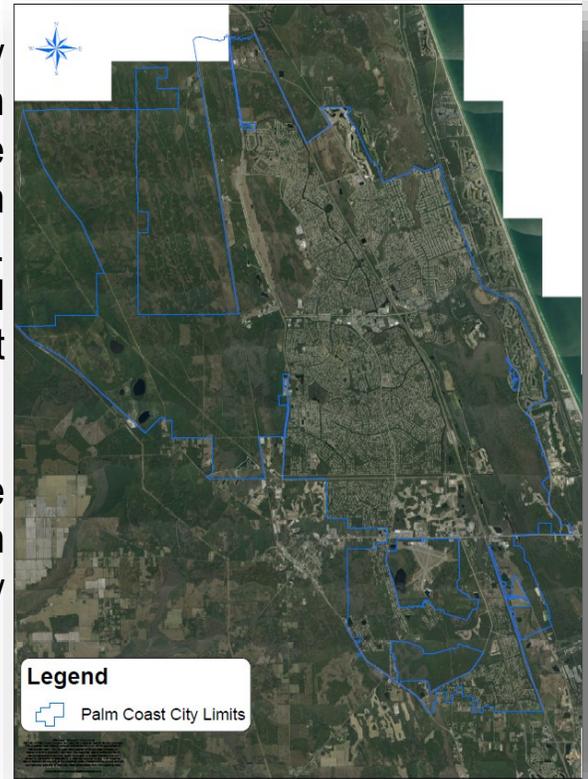
The Mayor and City Council members are elected at-large, for a term of four years. Council Members and the Mayor may serve no more than two consecutive four-year terms in the same seat.

Tell Me More!

Want to learn more about our elected officials? Click anywhere on this page to be taken to the City's website where you can learn more.

City Council meets in regular session on the first Tuesday of each month at 6:30 p.m. and the third Tuesday of each month at 9 a.m. at the Palm Coast City Hall, 160 Lake Ave. Live television coverage may be viewed on Palm Coast's Municipal Access Television station, Cable PCTV. Meetings are also offered on demand on the City Council Agendas and Minutes page of the City website at <http://www.palmcoastgov.com/agendas>.

The City Council also conducts workshop meetings on the second and last Tuesdays of each month at 9 a.m. Both workshop meetings and regular sessions of the City Council are open to the public.



Mayor
Jon Netts



Council
Member
Bill McGuire
District 1



Council
Member
Heidi Shipley
District 2



Council
Member
Jason
Delorenzo
District 3



Council
Member
Steven Nobile
District 4

About the City

Tell Me More!

Want to learn more about our City? Click on this page to be taken to the City's website where you can learn more.

One of Florida's newest cities (incorporated 1999), Palm Coast is a Florida paradise – situated on 70 miles of saltwater and freshwater canals and the Intracoastal Waterway and just minutes from pristine Atlantic Ocean beaches. Vibrant lifestyle and the natural environment go hand-in-hand here. The City offers a dozen beautiful parks, 125+ miles of connecting trails and paths for walking/bicycling, abundant fishing and boating, a year-round Running Series, and world-class tennis and golf. Lined with historic oaks, towering pines and indigenous vegetation, Palm Coast's parks and trails showcase the splendid elegance of the native Florida landscape. Bird-watching is popular at St. Joe Walkway and Linear Park, which are designated as Great Florida Birding & Wildlife Trails, and visitors can spot dolphins and seabirds as they stroll along the Intracoastal at Waterfront Park. We invite you to Find Your Florida in Palm Coast!



MAJOR PRIVATE SECTOR EMPLOYERS	
EMPLOYER	EMPLOYEES
Florida Hospital Flagler	1,057
Palm Coast Data	721
Sea Ray Boats	700
Publix Supermarkets	690
Hammock Beach Resort	467
Walmart	461
Numbers Provided by Career Source Verified with each company's Department of Personnel	

Initial incorporation	December 31, 1999
Form of Government	Council/Mayor
Area (Square Miles)	89
Community Centers	1
Swimming Pools	1
Baseball/Softball Fields	7
Basketball Courts	5
Bocce Ball Courts	3
Handball/Racquetball Courts	6
Soccer/Lacrosse Fields	10
Tennis Courts	17
Playgrounds	8
Fire Stations	5
Miles of Paved Streets	551
Miles of Unpaved Streets	.5
Miles of Sidewalks and Paths	96

city of PALM COAST

our vision

To be recognized as one of Florida's premier cities in which to live, work and play

our mission

To provide our residents, visitors, and business community with exceptional government services in order to improve the quality of life, grow the local economy, and protect the natural environment through a planned, integrative approach using available technology

our values

Pride - Passion in working together for a better tomorrow
Accountability - Accept responsibility for our actions and decisions
Leadership - Courage to shape our City today and into the future in a transparent manner
Motivated - Seek continuous improvement in all services
Collaborative - Dedicated to building partnerships that address community concerns and needs
Ownership - Responsible for our actions and inactions
Achievement - Seek excellence in all that we do
Stewardship - Protectors of our natural environment
Trust - Mindful of our responsibility, we pledge to use taxpayer resources (time, talent, money) efficiently

CORE BELIEFS



Find Your Florida



City of PALM COAST

HELPFUL HINT!

For a detailed look at the Strategic Action Plan [CLICK HERE](#)

LONG TERM GOALS

Goal 1 - Expansion

To anticipate the need for additional services and infrastructure to provide opportunities for mixed use development with goods, services, and employment

Goal 2 - Economic

To develop and maintain a strong economy by supporting the growth and development of new and existing businesses while creating an environment to attract new companies that align with our values

Goal 3 - Finance

To leverage our financial strengths while ensuring the City remains committed to fiscal responsibility in delivering value-added services to residents and businesses

Goal 4 - Environmental

To blend our residential and commercial properties with our "City of Parks and Trails" image to create a sustainable framework of visual appeal while caring for our land, water, air, and wildlife

Goal 5 - Quality of Life

To enhance the quality of life for our citizens by providing safe, affordable, and enjoyable options for cultural, educational, recreational, and leisure-time events

Goal 6 - Workforce Talent

To develop and implement a comprehensive plan to improve City employee skills and performance through education and training; performance management; and personal development opportunities

Find Your Florida



Year in Review

Under the direction of the City Council, the Strategic Action Plan (SAP) was developed, and is evaluated on an annual basis, to reaffirm the long-term vision of Palm Coast. Maintaining a long-term vision is key to ensuring that the City is recognized as one of Florida's premier cities to live, work and play. In order to bridge a closer relationship between the Vision and fiscal year budgetary commitments, the SAP is implemented through six long-term goals and supporting short-term objectives and strategies. City staff tracks and reports quarterly on performance metrics and budget results in the pursuit of the City's Vision. We encourage our citizens to view the Annual Progress Report each year which is structured to focus on the progress of our efforts to implement the Vision.

GOAL 1 - EXPANSION

The need for infrastructure projects continues to grow as existing infrastructure ages, new development occurs and the population continues to increase. During the upcoming year, the City will invest in infrastructure improvements necessary to maintain the past and prepare for the future. In 2016, the City will undertake the following major projects: Seminole Woods Path, Holland Park Renovation, Street Resurfacing, Palm Harbor Parkway Extension, Old Kings Road Widening Design, Restrooms Facilities at our Sports Facility and Town Center, WTP 2 – Wellfield Expansion, Reclaimed Water Mains, Wastewater Treatment Plant #2 Design and Construction, Pump Station Improvements, Swale Rehab & Pipe Replacement, Modeling Improvements, Major Crossing Rehabilitation, and Lehigh Canal Dredging.

GOAL 2 - ECONOMIC

The City's economy has recovered substantially from the collapse of the housing market and the national recession that occurred in 2008. All economic indicators are pointing in a positive direction. Real estate values continued to rise in 2015 with the median sales price up 15.8% over a year ago and values are expected to appreciate in 2016. Single-family permits are up again in 2015, the fourth straight year of increased permit activity. Population projections are positioning Palm Coast to be the second fastest growing area over the next five years. In addition, the labor market has healed from the high unemployment rate of 15% five years ago, with the unemployment rate hitting 6% at the end of 2015. Palm Coast has 11,189 more people employed than five years ago.

Tell Me More!

The City's website provides a comprehensive look at the budget, financial reports, the Strategic Action Plan and more!

Annual Progress Report:

<http://www.palmcoastgov.com/progress-report>

Strategic Action Plan

<http://www.palmcoastgov.com/council/strategic-action-plan>

Prosperity 2021

<http://www.palmcoastgov.com/council/prosperity-2021>

Budget Reports:

<http://www.palmcoastgov.com/government/finance/budget>

Current Audit Report (CAFR):

<http://www.palmcoastgov.com/government/finance/audit-report>

We have seen an increase of over 42%, or \$193 million, in taxable sales since 2007. This is mainly due to the addition of several shopping centers since 2007 and increases in tourists and related spending. Previously vacant commercial plazas have seen renewed activity with many new businesses opening. Taxable sales should continue to grow in 2016 with continued commercial growth, including the redevelopment of the Palm Harbor Shopping Center, now called Island Walk

The City continues its efforts to expand the local economy through the Palm Coast Business Assistance Center (BAC) and by attracting sports tournaments and tourism. Both efforts have already seen much success. Since its inception, the BAC has helped businesses invest approximately \$25.8 million in our local economy through capital investment, increased sales, and salaries. The City, in partnership with our local sports clubs and the Flagler County Tourist Development Council continues to attract sports tournaments and the associated visitor spending (9.3% increase in bed tax collections over last year) to our local economy. This increase represents the fourth straight year of increased visitor spending. In the coming year, the City will also focus efforts to increase shopping and dining opportunities for local residents, so they don't leave our community and spend their dollars in communities north and south of Palm Coast. These efforts should result in increased construction activity, capital investment, job creation, and taxable sales.

GOAL 3 - FINANCE

This past fiscal year, the City's taxable value increased 6% and as a result the City Council maintained the millage rate of 4.2450 for the upcoming fiscal year. Due to the rising property values this will still result in an additional \$1,000,000 of property taxes collected over the previous year. This will allow the City to maintain the same level of service to the citizens of Palm Coast and continue to invest in capital projects, while maintaining the second lowest millage rate for cities our size (population between 70,000-100,000) in Florida.

This past fiscal year, City Council took the first steps in securing funding for Wastewater Treatment Plant #2 (WWTP #2). The upcoming fiscal year budget reflects approval of the loan and beginning the construction of this important project. A low interest State Revolving Fund loan is expected to save over \$6 million in financing costs.

GOAL 4 - ENVIRONMENTAL

This past year, staff began an LED street lighting initiative. New roadway construction projects will now utilize LED fixtures for all new streetlight installations. Resulting from a partnership with FPL, Palm Coast was chosen as one of three pilot study locations. At the completion of the pilot study, FPL started offering LED fixtures as a street lighting alternative.

This past year, staff conducted a number of community environmental outreach initiatives including battery recycling, a Christmas tree and electronic recycling event, a black bear awareness campaign and the City's Children Helping In Resource Protection (C.H.I.R.P) program. In 2015, a total of 841 Flagler County elementary and middle school students participated in the C.H.I.R.P program with over 5,000 since the program started in 2009. In addition, 536 volunteers removed 1,876 lbs. of trash during the 8th annual Intracoastal Waterway Cleanup. Florida Inland Navigation District provided support with a grant award of \$5,000.

GOAL 5 - QUALITY OF LIFE

Royal Palms Parkway safety improvements were completed this past year. This project included adding a paved shoulder on each side of the roadway as well as left and right turn lanes needed to improve roadway safety. In addition, work included the resurfacing of the existing roadway and modification of a mid-block pedestrian crossing. The work also included a rapid rectangular flashing beacon system (RRFB).

GOAL 6 - WORKFORCE TALENT

The City Council's philosophy of using in-house talent began several years ago when our annual operating budgets decreased, but our residents continued to have high expectations for city beautification and services. In 2015, in addition to daily operations, crews completed a large number of in-house projects including 6.5 miles of the Seminole Woods Multi-Use Path, a variety of city-wide landscaping and beautification projects, traffic signal installations and maintenance of induction loop detection systems. In the upcoming year, janitorial services will be brought in-house as well.

As the economy improves and new job opportunities arise, we've seen some employees move on to new ventures. In the upcoming fiscal year, City Council has appropriated funds to reward high performing employees. This new program, along with the maintenance of our annual pay plan, will hopefully help mitigate the loss of talented staff. It is critical that we retain and recruit quality employees so that we are able to reinvest the savings and/or provide a better level of service with our in-house talent.

Statement of Net Position

The following financial summary is based upon a condensed view of the City's assets, liabilities, and deferred inflows/outflows as of September 30, 2014 and 2015.

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	38,033,299	40,315,698	51,473,311	50,114,335	89,506,610	90,430,033
Capital assets	325,257,311	308,783,964	221,865,685	227,197,757	547,122,996	535,981,721
Total assets	363,290,610	349,099,662	273,338,996	277,312,092	636,629,606	626,411,754
Total deferred outflows of resources	531,576	-	-	-	531,576	-
Long-term liabilities	13,460,258	12,501,730	168,585,870	175,344,190	182,046,128	187,845,920
Other liabilities	13,553,480	11,854,840	3,558,087	3,648,620	17,111,567	15,503,460
Total liabilities	27,013,738	24,356,570	172,143,957	178,992,810	199,157,695	203,349,380
Total deferred inflows of resources	631,011	-	682,148	747,861	1,313,159	747,861
Net position:						
Net investment in capital assets	315,591,311	298,494,964	67,519,973	68,945,922	383,111,284	367,440,886
Restricted	5,649,144	1,130,224	12,845,451	11,786,243	18,494,595	12,916,467
Unrestricted	14,936,982	25,117,904	20,147,467	16,839,256	35,084,449	41,957,160
Total net position	336,177,437	324,743,092	100,512,891	97,571,421	436,690,328	422,314,513

Government-wide Overall Financial Analysis

The City of Palm Coast's net position was \$436,690,328 at the close of the most recent fiscal year. Of this, 8% falls in the unrestricted category. Unrestricted net position is the amount that can be used to provide services to residents.

Approximately 4.3% of net position represents resources that are subject to external restrictions and are not available to provide services to residents. By far, the largest portion of the City of Palm Coast's net position (87.7%) reflects its investment in capital assets less any outstanding related debt used to acquire those assets. Capital assets, which include an investment in land, buildings or roads, are not available for future spending. Resources needed to repay debt must be provided from future revenue sources.

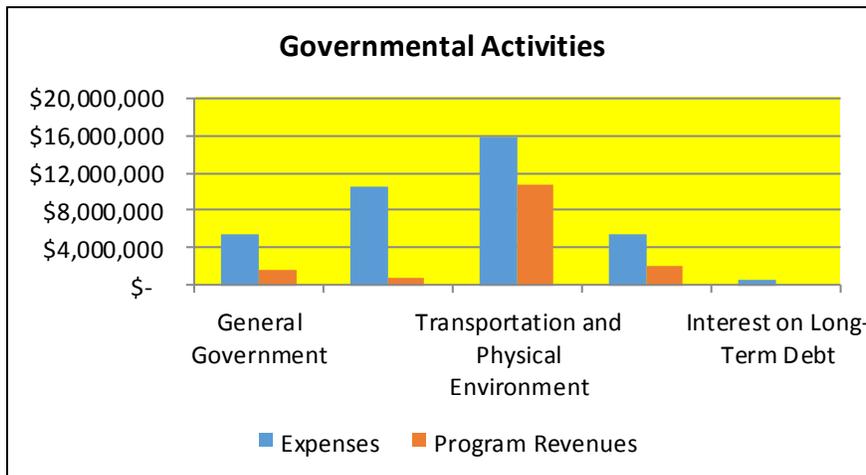
<p>Current and Other Assets - Assets that include cash, securities, receivables, inventory and prepaid assets, and can be converted into cash usually within one year.</p> <p>Capital Assets - Long-term investments in land, buildings, equipment, improvements, infrastructure, and construction in progress.</p> <p>Current and Other Liabilities - These are primarily debts that can be paid off in one year or less. This includes accounts payable, accrued payroll, and accrued interest payable.</p> <p>Deferred Inflows/Outflows - Acquisition/consumption of net position applicable to future reporting periods.</p>	<p>Long-Term Liabilities - Represents mainly debt obligations of the City. The proceeds from these various debt issues are used to finance large projects such as building and roadway construction, renovations and major equipment purchases.</p> <p>Net Position - Total assets and deferred outflows less liabilities and deferred inflows.</p> <p>Restricted Net Position - Resources whose use is subject to externally imposed restrictions.</p> <p>Unrestricted Net Position - These are resources that are accessible to the City to provide services to the residents if there were no additional revenues or resources available.</p>
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Statement of Activities

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year.

The Statement of Activities distinguish functions of the City of Palm Coast that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the City of Palm Coast include general government, public safety, transportation and physical environment, and culture and recreation. Amounts reported as program revenues are charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. In addition, program revenues include grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function. Any expenses not covered by program revenues are supplemented with taxes and other general revenues.



Governmental Activities - Activities which provide services to citizens and are primarily financed through taxes and intergovernmental grants.

Business - Type Activities - Activities that are carried out primarily to provide specific services in exchange for a specific user fee.

Program Revenues - Charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function.

General Government - General services which include Human Resources, the City Clerk, Administration and Financial Services.

Public Safety - Provide citizens with Police and Fire services.

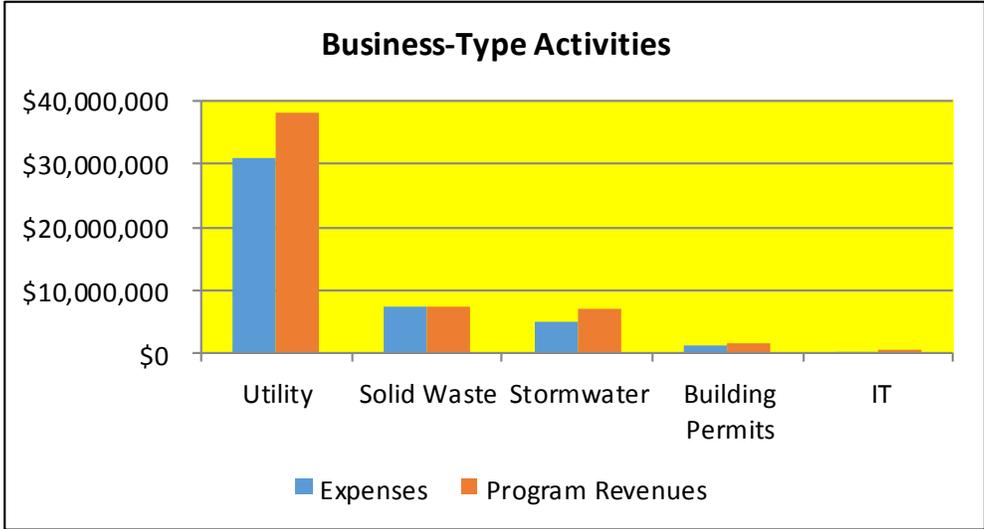
Transportation & Physical Environment - Includes street construction, resurfacing and maintenance.

Culture & Recreation - Includes recreational programs and maintenance to city parks.

Governmental activities increased the City of Palm Coast’s net position by \$12,574,399 during the current fiscal year. The transfer of golf course and tennis center operations to the general fund was a significant factor. This is also due to revenues in excess of expenditures in the general fund, and accumulation of impact fees due to increased development in the community.

The business-type activities of the City of Palm Coast include a water and sewer utility, solid waste collection, stormwater management, building permits and inspections and information technology (IT).

Business-type activities increased the City of Palm Coast’s net position by \$2,941,470 . The increase in net position was attributable to an approximately \$6.4 million increase in the utility fund, and an approximately \$2.2 million increase in the stormwater fund. The utility fund increase relates to a rate increase during the fiscal year. This was the final installment of a three year increase designed to improve reserves and allocate additional amounts for capital projects. Approximately \$2.9 million of the increase was due to increased impact fee collections due to development activities. The stormwater fund increase was primarily due to the continuing effect of an ordinance revision and an ongoing capital investment program.



Bond Proceeds - Funds used to finance a project or purpose for which the bonds were issued and to pay certain costs of the issuance.

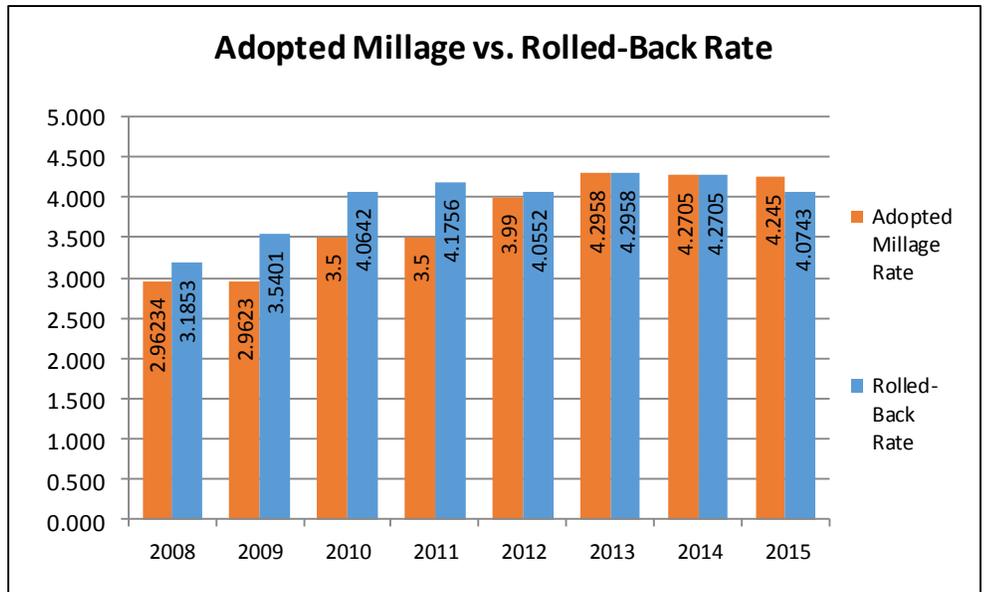
Capital Projects - Projects with long range returns and useful life spans. These projects are relatively expensive and have physical presence such as buildings or roads.

General Fund - The largest fund within the City. This fund accounts for most of the traditional services provided by cities. Revenues include property taxes, licenses, local taxes and service charges.

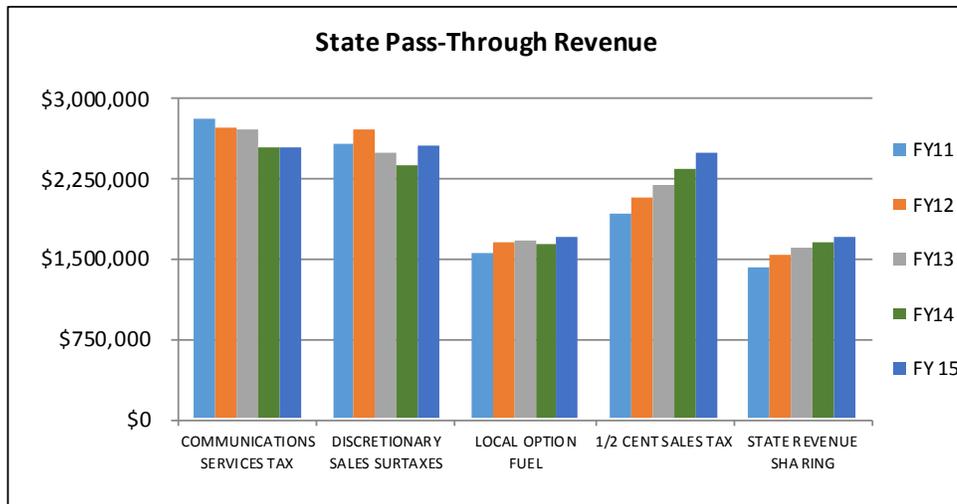
Revenues

For fiscal year 2015, City Council adopted a millage rate of 4.2450. Property taxes are approximately 11% of the total City revenue budget, however they remain the largest revenue source for the General Fund.

City Council has been sensitive to the public's desire to maintain level property taxes, but inflationary pressure and future infrastructure requirements will have an effect on future tax collections.



Other major sources of tax revenue for the General Fund include the Communication Services Tax and the Half-Cent Sales Tax. Although sales tax revenues have increased, the



Communications Services Tax has steadily declined. Revenue diversification in the General Fund provides opportunities to mitigate the effect of rising costs, service level enhancements, and infrastructure funding.

Ad Valorem Tax - (Property or Real Estate Taxes) Taxes assessed on a portion of a property's value.

Communications Services Tax - The communications services tax applies to telecommunications, video, direct-to-home satellite and related services at a rate of 5.22%. These tax revenues may be used for any public purpose.

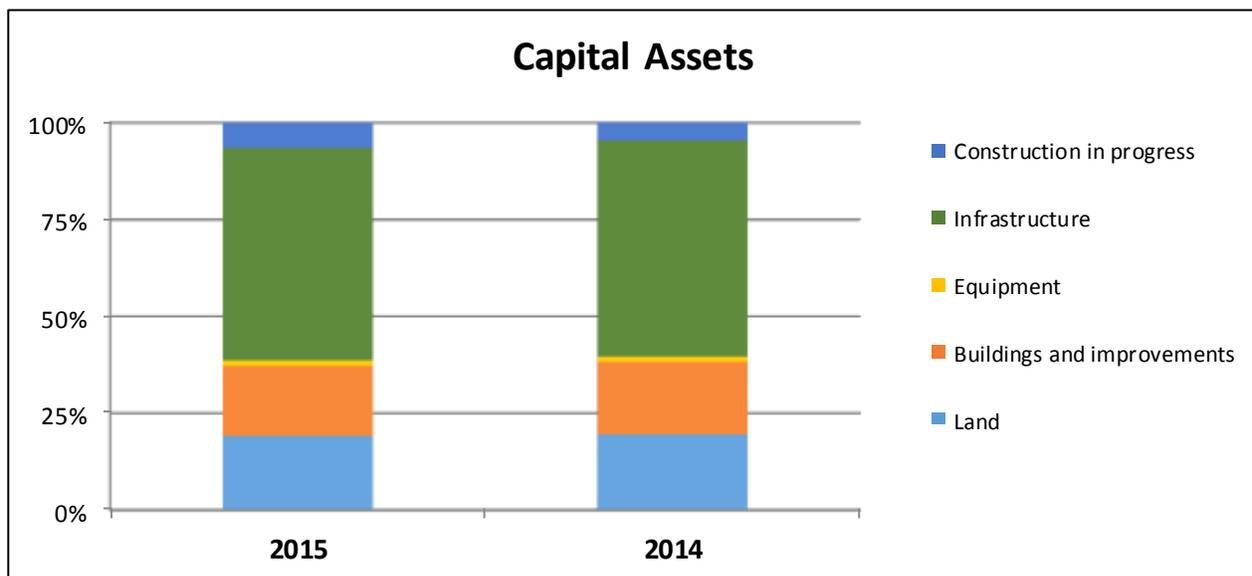
Half Cent Sales Tax - This program generates the largest amount of revenue for local governments among the state-shared revenue sources currently authorized by Legislature. It distributes a portion of the state 6% sales tax.

Millage Rate - For property tax purposes, a rate established per \$1,000 of assessed taxable value. A property tax millage rate of 3.5 mills for example, would mean property with a taxable value of \$100,000 would pay \$350 in property taxes.

Capital Assets

The City of Palm Coast's investment in capital assets as of September 30, 2015, amounts to \$547,122,996 (net of accumulated depreciation). This investment increased \$11,141,275 for the current fiscal year. The overall increase is due to road expansions, bridge rehabilitation, a new City Hall, and park expansions. Many of these projects remain in progress as of the end of the fiscal year.

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$90,787,054	\$88,504,573	\$13,879,691	\$16,143,511	\$104,666,745	\$104,648,084
Buildings and improvements	35,129,687	33,041,671	63,624,458	66,984,044	98,754,145	100,025,715
Infrastructure	162,619,521	169,000,621	137,155,672	130,002,419	299,775,193	299,003,040
Equipment	7,505,862	7,239,904	452,449	393,243	7,958,311	7,633,147
Construction in progress	29,215,187	10,997,195	6,753,415	13,674,540	35,968,602	24,671,735
Total	\$325,257,311	\$308,783,964	\$221,865,685	\$227,197,757	\$547,122,996	\$535,981,721



Capital Assets - Long-term investments in land, buildings, equipment, improvements, infrastructure, and construction in progress.

Construction in Progress - Construction work which has been started but is not yet completed.

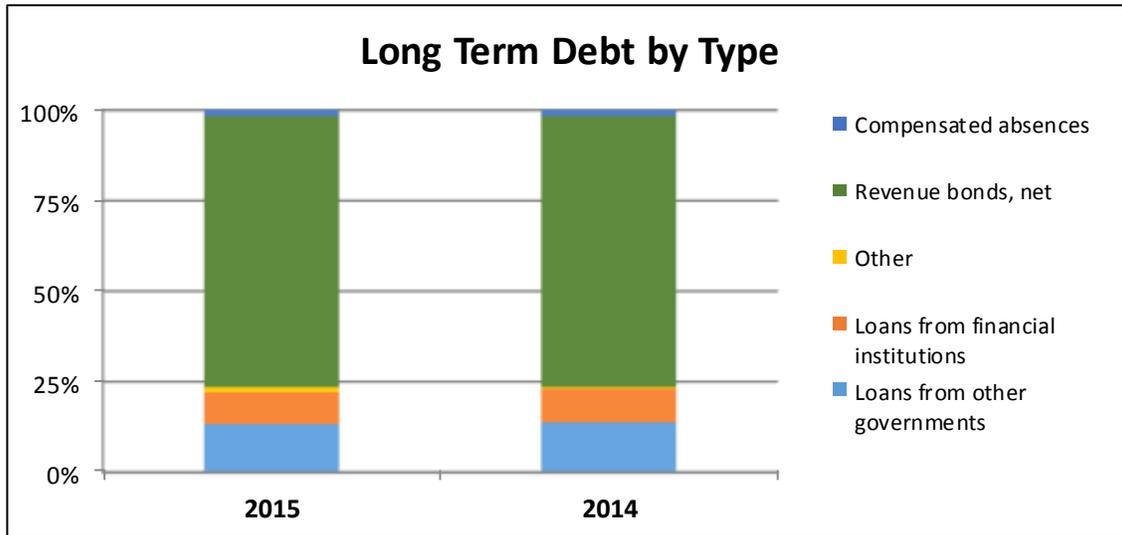
Depreciation - A measurement of the decline in value of an asset over a period of time.

Infrastructure - Basic equipment and structures, such as roads and bridges, needed for the City to function properly.

City Debt

The City of Palm Coast owes \$136,396,216 in revenue bonds, net of premiums, used for the purchase and expansion of the utility system. There are State Revolving Fund loans and a bank loan totaling \$30,565,211 primarily for utility and stormwater improvements. The City also has a CRA revenue loan for redevelopment costs with a balance of \$9,666,000 at year end. The remainder of the long-term debt is made up of compensated absences, capital leases, and an unfunded net OPEB liability. The total long-term debt of the City is \$182,046,128.

	Governmental Activities		Business Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Loans from other governments	\$ -	\$ -	\$ 24,207,237	\$ 25,914,379	\$ 24,207,237	\$ 25,914,379
Loans from financial institutions	9,666,000	10,289,000	6,357,974	7,109,377	16,023,974	17,398,377
Revenue bonds, net	-	-	136,396,216	140,782,845	136,396,216	140,782,845
Capital leases	-	-	34,967	67,794	34,967	67,794
Net Pension liability	1,578,867	-	-	-	1,578,867	-
Net OPEB liability	524,088	438,953	377,608	313,841	901,696	752,794
Compensated absences	1,691,303	1,773,777	1,211,868	1,155,954	2,903,171	2,929,731
Total	\$13,460,258	\$12,501,730	\$168,585,870	\$175,344,190	\$182,046,128	\$187,845,920



Capital Lease - A lease of business equipment which represents ownership and is treated as a purchase by the person leasing it and a loan by the person offering the lease. The lease is reflected as an asset.

CRA - Community Redevelopment Area - A special district in which any future increases in property taxes are set aside to support economic development projects within the district.

Compensated Absences - Expected payments to employees who miss work because of illness, vacation or holidays.

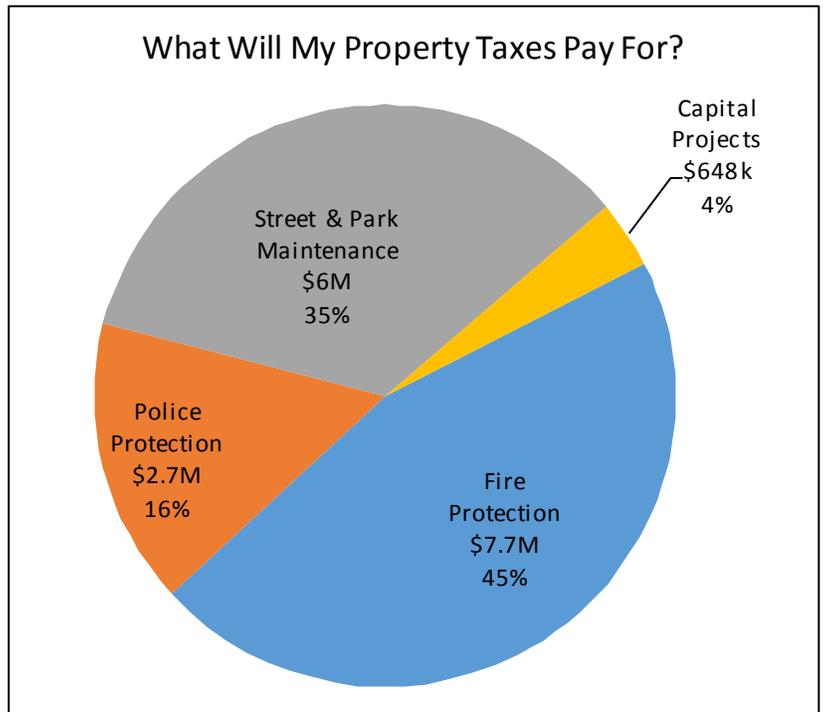
Long Term Debt - Debt that is due in one year or more.

OPEB - Other post employment benefits - Post employment benefits that an employee will begin to receive at the start of retirement.

Revenue Bond - A special type of municipal bond distinguished by its guarantee of repayment solely by revenues generated by a specified revenue-generating entity associated with the purpose of the bonds.

Next Year's Budget and Rates

The City Council approved a millage rate of 4.2450 mills for fiscal year 2016. Of the total millage, 0.1622 mills will be dedicated to the storm-water and capital projects funds for capital improvements. The balance of 4.0828 mills is assigned to the general fund. Market values of properties have increased for the third consecutive year since the recession. The increase in taxable value was approximately 6%. New construction added approximately 1% to the taxable value.



The water and sewer rates increased for fiscal year 2015 as a result of a rate study performed as part of the 2003 bond refinancing. The water and sewer rates increased by an average of 4% for all customers effective October 1, 2014. Annual C.P.I. adjustments will take place starting in fiscal year 2016. These rate increases are necessary to cover anticipated increases in operating costs and capital replacement needs. As a result of these actions, the City's bond rating increased to A+ from both Fitch and Standard & Poor's.

The City Council adopted a policy of having new development help fund its impact on infrastructure in the community through impact fees. These fees are annually indexed and will increase approximately two percent for fiscal year 2016. One exception to this policy are recreation impact fees. These fees are based on a study of expected recreation enhancements and population growth as outlined in the park master plan for the City as of fiscal year 2014. These fees will remain static until this plan is updated in the future.

The fiscal year 2016 budget includes over \$51 million invested in new and replacement infrastructure City-wide. This investment includes roadway expansions, refurbished recreational facilities, bridge rehabilitation, stormwater control structure replacements, a new wastewater treatment plant, and utility infrastructure expansion and replacements.

Financial Glossary

Accounts Payable

Amounts due to vendors for products or services delivered but not paid for as of the end of a reporting period.

Accrued Payroll

Amount due to employees for time worked but not paid for as of the end of a reporting period.

Accrued Interest Payable

Interest due on debt that has been incurred but not paid as of the end of a reporting period.

Ad Valorem Property Tax (Property Tax)

Taxes assessed on a portion of a property's value.

Asset

Property owned by the City, which has monetary value.

Audited Financial Statements

Financial statements that bear the report of independent auditors attesting to the financial statements fairness and compliance with generally accepted accounting principles (GAAP).

Bond Proceeds

Funds used to finance a project or purpose for which the bonds were issued and to pay certain costs of the issuance.

Capital Assets

The City's long-term investments in land, buildings, equipment, improvements, infrastructure, and construction in progress. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Capital Lease

A lease of business equipment which represents ownership and is treated as a purchase by the person leasing it and a loan by the person offering the lease. The lease is reflected as an asset.

Communications Services Tax

The communications services tax applies to telecommunications, video, direct-to-home satellite and related services at a rate of 5.22%. These tax revenues may be used for any public purpose.

Compensated Absences

Expected payments to employees who miss work because of illness, vacation or holidays.

Construction in Progress

Construction work which has been started but is not yet completed.

CRA

Community Redevelopment Area - A special district in which any future increases in property values are set aside to support economic development projects within the district.

Culture & Recreation

Includes recreational programs and maintenance to city parks.

Current and Other Liabilities - These are primarily debts that can be paid off in one year or less. This includes accounts payable, accrued payroll and accrued interest payable.

Deferred Inflows

Acquisition of net assets that are applicable to future reporting.

Financial Glossary

Deferred Outflows

Consumption of net assets that are applicable to a future reporting period.

Half Cent Sales Tax - This program generates the largest amount of revenue for local governments among the state-shared revenue sources currently authorized by Legislature. It distributes a portion of the state 6% sales tax.

Infrastructure

Basic equipment and structures, such as roads and bridges, needed for the City to function properly.

Long Term Debt

Debt that is due in one year or more.

Long-Term Liabilities

Represents mainly debt obligations of the City. The proceeds from these various debt issues are used to finance large projects such as building and road-way construction, renovations and major equipment purchases.

Millage Rate

A rate established per \$1,000 of assessed taxable value for property tax purposes.

Old Kings Road Special Assessment

Special tax assessment for Old Kings Road property owners from SR100 to Palm Coast Parkway in order to expand Old Kings Road from two lanes to four.

OPEB

Other post employment benefits - Post employment benefits that an employee will begin to receive at the start of retirement.

Program Revenues

Charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function.

Public Safety

Provide citizens with Police and Fire services.

Restricted Net Position

Resources whose use is subject to externally imposed restrictions. The City has resources set aside for debt service, capital projects, and specific projects and programs established by the City Council.

Revenue Bond

A special type of municipal bond distinguished by its guarantee of repayment solely by revenues generated by a specified revenue-generating entity associated with the purpose of the bonds.

Statement of Activities

This financial statement reports the revenues and expenses and the changes in the amounts of each of the classes of net assets during a specific period.

Statement of Net Position

This financial statement reports the assets, liabilities and deferred inflows/outflows. It is similar to a balance sheet.

Transportation & Physical Environment

Includes street resurfacing, construction and maintenance.

Unrestricted Net Position

These are resources that are accessible to the City to provide services to the residents if there were no additional revenues or resources available.