

**CITY OF PALM BAY, FLORIDA
MONTHLY FINANCIAL REPORT (UNAUDITED)
AUGUST 2016**



The City of Palm Bay, Florida's (the "City") monthly financial report presents an overview and analysis of the City's financial activities during the month of August 2016. August is the eleventh month of the fiscal year and represents 92% of the annual budget.

Financial Report Summary

- Citywide revenues of \$146.1 million are at 76% of the annual budget. Citywide expenditures of \$143.9 million are at 75% of the annual budget. Traditionally revenue collections are two months in arrears. For this reason, certain revenues for grants and other governmental resources are accrued at year end to reflect the period in which it represents.
- Citywide cash and investments increased by \$1.2 million, or 1.7%, in comparison to the prior year.
- In October 2015, the City refunded the 2006 Sales Tax Bonds. The 2015 Sales Tax Bond proceeds and its use in the defeasance of the 2006 Bonds are included in FY16 citywide revenues and expenditures in the chart below.

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Citywide - Cash & Investments		Citywide - Revenues		Citywide - Expenditures	
8/31/2016	\$ 68,436,911.69	8/31/2016	\$ 146,094,016.52	8/31/2016	\$ 143,920,100.10
8/31/2015	67,275,407.74	8/31/2015	127,757,956.79	8/31/2015	118,830,853.69
Increase	1.7% \$ 1,161,503.95	Increase	14.4% \$ 18,336,059.73	Increase	21.1% \$ 25,089,246.41

- General Fund revenues of \$53.1 million are at 83% of the annual budget. This is an increase of \$1.94 million, or 3.8%, in comparison to the prior year.
- General Fund expenditures of \$54.6 million are at 86% of the annual budget. This is an increase of \$0.11 million, or 0.2%, in comparison to the prior year.
- General Fund cash and investments increased by \$0.67 million, or 9.1%, in comparison to the prior year.

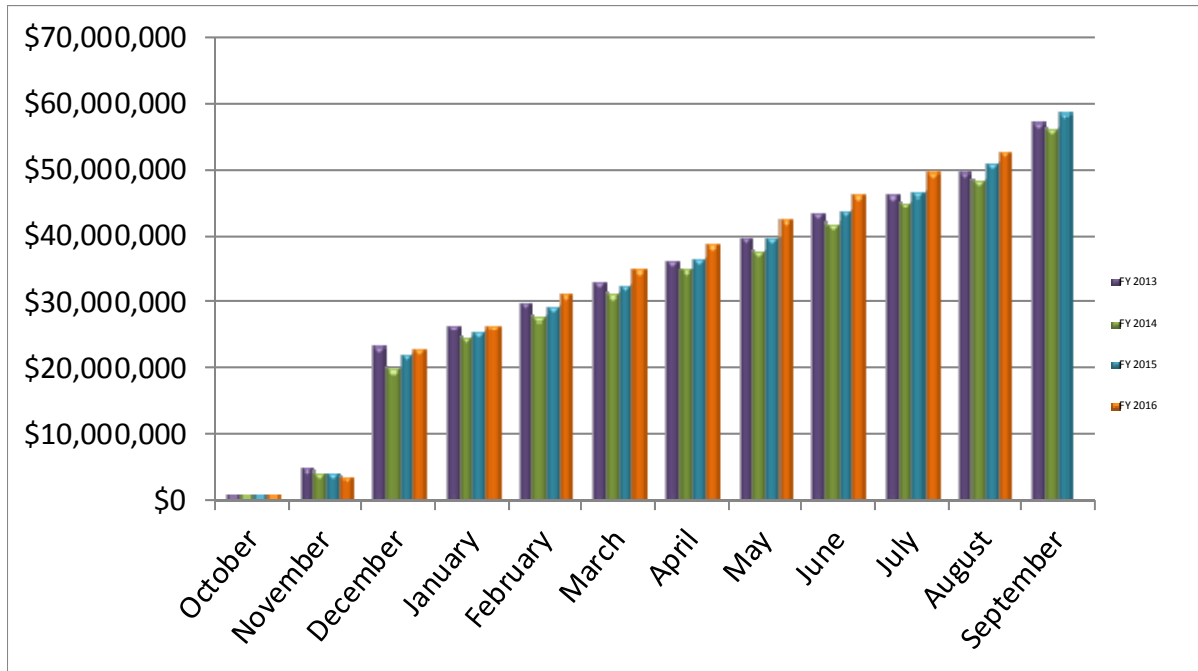
General Fund - Cash & Investments		General Fund - Revenues		General Fund - Expenditures	
8/31/2016	\$ 8,108,748.34	8/31/2016	\$ 53,118,446.60	8/31/2016	\$ 54,601,665.80
8/31/2015	7,434,398.48	8/31/2015	51,173,823.88	8/31/2015	54,492,952.77
Increase	9.1% \$ 674,349.86	Increase	3.8% \$ 1,944,622.72	Increase	0.2% \$ 108,713.03

The General Fund is the City's primary operating fund and is used to account for all resources except those that are required to be accounted for in another fund. The following information depicts the history of the revenues and expenditures for the General Fund from fiscal years 2013 to 2016.

This report contains unaudited information. If you have any questions or comments on the financial reports, please contact Yvonne McDonald, Finance Director or Ruth Chapman, Assistant Finance Director.

General Fund Revenues – At a Glance August 2016

General Fund Revenues-YTD



FY2016 YTD Change in GF Revenues as Compared to Prior Year

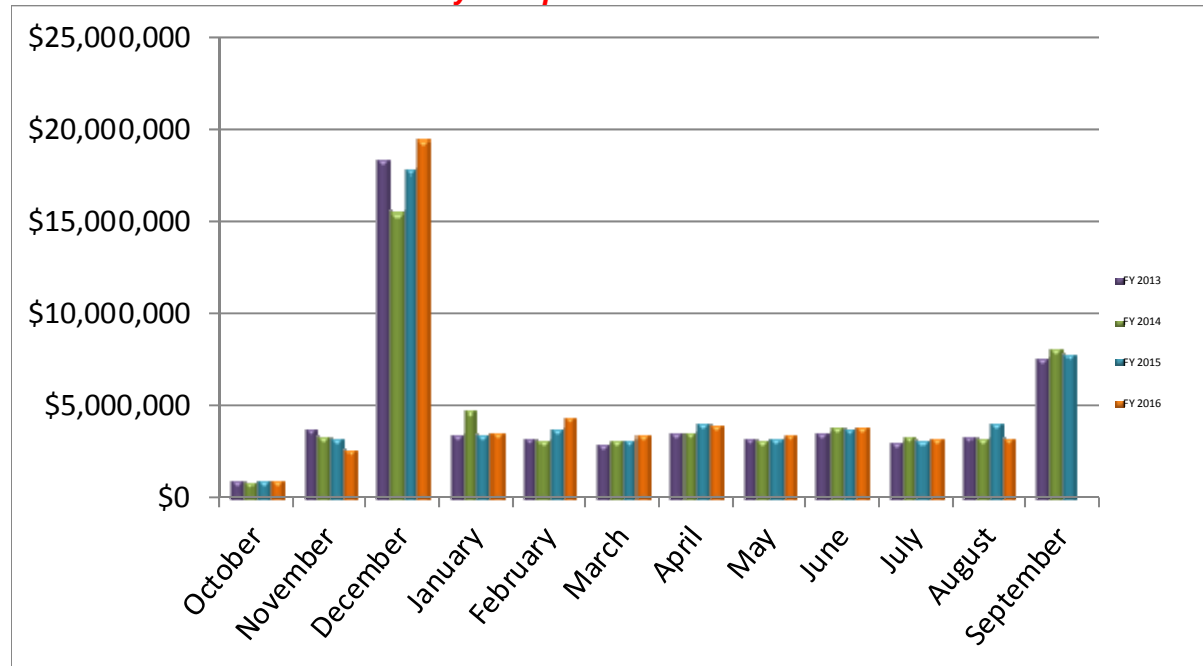
	Prior YTD	Current YTD	Percent Change	Annual Budget
Ad Valorem Taxes	\$ 23,001,301	\$ 24,026,582	4.5%	\$ 24,471,077
Local Option Fuel Tax (1)	2,835,645	3,161,425	11.5%	3,560,238
Utility Service Taxes	5,967,952	6,056,721	1.5%	8,222,000
Communication Service Tax	2,233,296	2,110,960	-5.5%	2,953,575
Franchise Fees	3,866,196	3,687,191	-4.6%	5,390,000
State Shared Revenues	3,044,914	3,138,491	3.1%	3,963,798
Half Cent Sales Tax	4,224,345	4,404,247	4.3%	5,801,620
Licenses and Permits	569,517	580,561	1.9%	580,520
Grants and Other Entitlements (2)	112,279	221,114	96.9%	246,975
Charges for Services	2,459,271	2,613,032	6.3%	2,828,153
Fines and Forfeitures	366,584	359,011	-2.1%	536,200
Interest, Rents & Other Revenues (3)	397,075	810,983	104.2%	576,111
Interfund Transfers & Capital Leases	2,095,449	1,948,128	-7.0%	2,622,882
Fund Balance	-	-	0.0%	1,294,822
	\$ 51,173,824	\$ 53,118,447	3.8%	\$ 63,047,971

(1) Increase primarily due to higher year-to-date collection of Local Option Gas Tax.

(2) Increase primarily due to higher year-to-date collection from Brevard County School Board and Department of Justice Grant.

(3) Increase primarily due to property sales and higher year-to-date sales of surplus materials in FY16.

General Fund Revenues-Monthly Comparison



Monthly GF Revenues as Compared to Prior Years

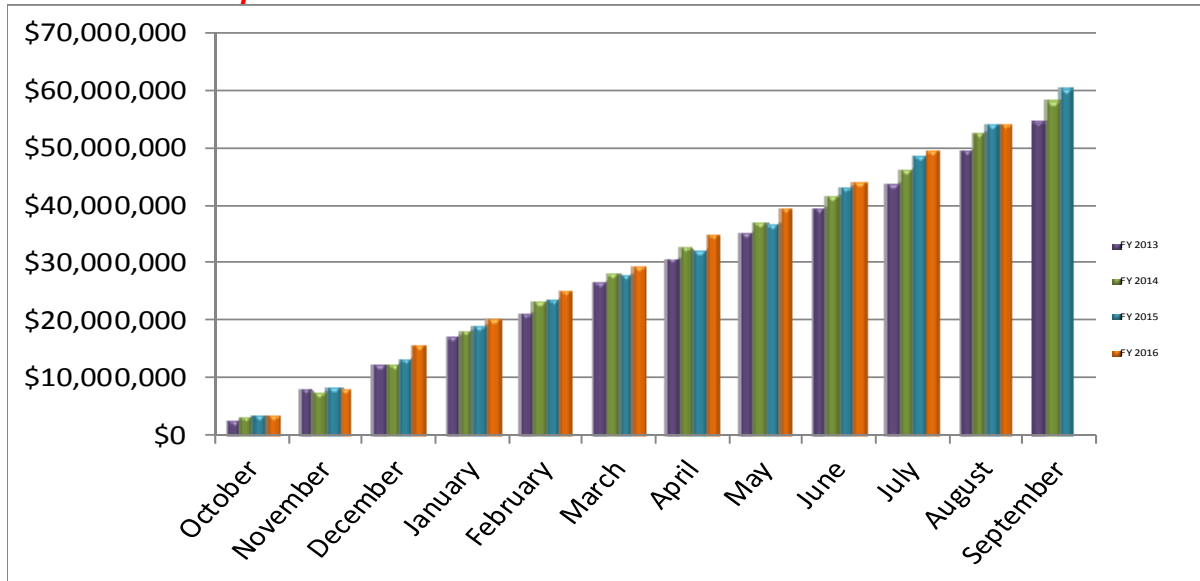
	FY 2013	FY 2014	FY 2015	FY 2016
October	\$ 1,048,437	\$ 911,630	\$ 953,761	\$ 1,012,271
November	3,846,416	3,425,400	3,246,502	2,619,131
December	18,439,244	15,683,359	17,977,402	19,689,226
January	3,531,439	4,802,728	3,458,799	3,639,261
February	3,279,875	3,200,574	3,782,243	4,490,812
March	2,917,572	3,208,482	3,203,645	3,522,695
April	3,616,551	3,651,785	4,103,728	4,009,369
May	3,276,506	3,198,408	3,278,699	3,511,664
June	3,611,729	3,880,153	3,830,369	3,976,789
July	3,046,753	3,363,584	3,170,380	3,323,512
August	3,393,534	3,262,185	4,168,296	3,323,716
September	7,579,482	8,115,309	7,881,277	
	\$ 57,587,537	\$ 56,703,597	\$ 59,055,101	\$ 53,118,447

Overall General Fund revenues for the month of August 2016 have decreased \$844,579 (20.26%) when compared to August 2015.

The major sources of revenues for the General Fund are taxes, franchise fees, intergovernmental revenues, licenses, permits, fines, forfeitures and charges for services. With a recovering economy and most of the City's revenues derived from ad valorem taxes, the revenue budget is essential for existing and critical City services. The City is conservative in budgeting revenues to account for the current economic condition.

General Fund Expenditures – At a Glance August 2016

General Fund Expenditures-YTD



	Prior YTD	Current YTD	Percent Change	Annual Budget
Legislative	\$ 529,418	\$ 573,929	8.4%	\$ 665,846
City Manager (1)	845,751	561,431	-33.6%	608,311
City Attorney (2)	779,508	1,126,467	44.5%	1,149,698
Finance	1,422,257	1,502,620	5.7%	1,722,936
Information Technology (3)	1,587,483	2,347,898	47.9%	2,730,131
Human Resources	461,535	455,967	-1.2%	570,970
Growth Management	536,430	485,517	-9.5%	552,396
Economic Development (4)	-	578,263	0.0%	668,751
Parks and Recreation (5)	3,966,506	2,389,034	-39.8%	2,694,007
Facilities (6)	-	1,924,987	0.0%	2,272,925
Police	17,246,589	15,946,245	-7.5%	19,417,653
Fire	11,880,015	11,749,028	-1.1%	13,115,189
Public Works	4,076,560	4,085,971	0.2%	4,830,247
Non-Departmental	3,452,801	3,384,078	-2.0%	4,138,053
Transfers	7,708,101	7,490,231	-2.8%	8,513,299
	\$ 54,492,953	\$ 54,601,666	0.2%	\$ 63,650,412

(1) Decrease primarily due to reclass/transfer of Public Information Officer and Economic Development Administrator positions and related operating costs to new department, and elimination of Assistant to the City Manager position.

(2) Increase primarily due to increased year-to-date costs for Other Attorneys and Other Professional Services.

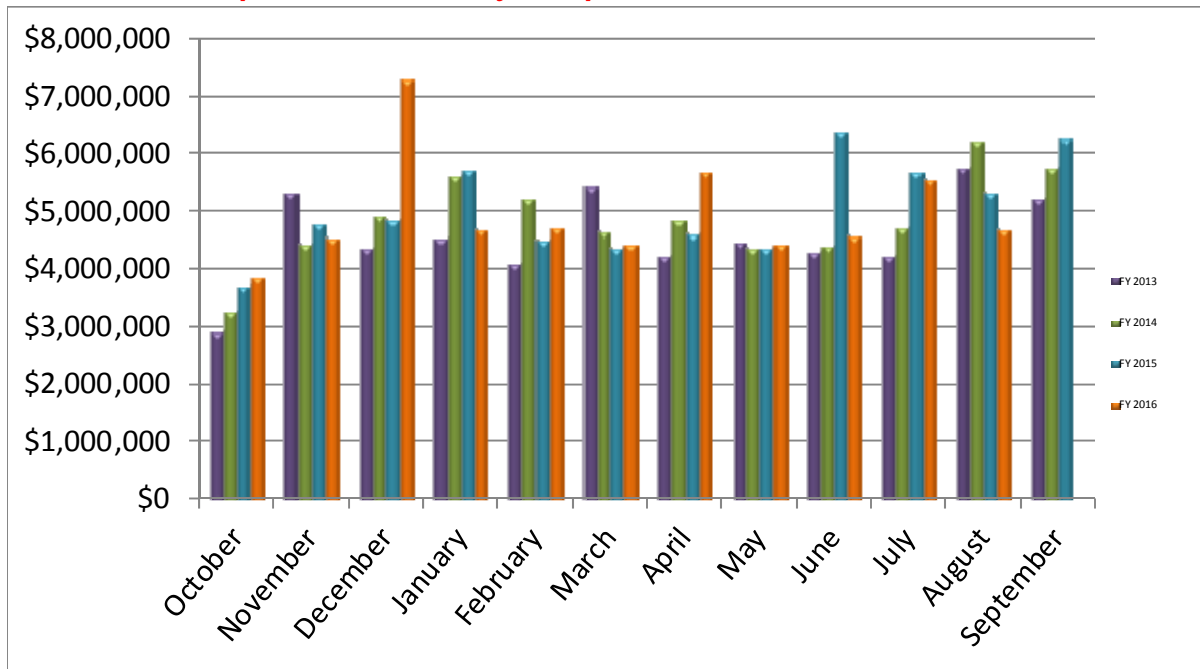
(3) Increase primarily due to increased year-to-date costs for network equipment, air cards, and computer supplies.

(4) Increase due to Economic Development Department's first year of existence in FY16. Previously was in City Manager's Office.

(5) Decrease primarily due to Facilities Division transferred to Facilities Department in FY16.

(6) Increase due to Facilities Department's first year of existence in FY16. Previously was in Recreation Department.

General Fund Expenditures-Monthly Comparison



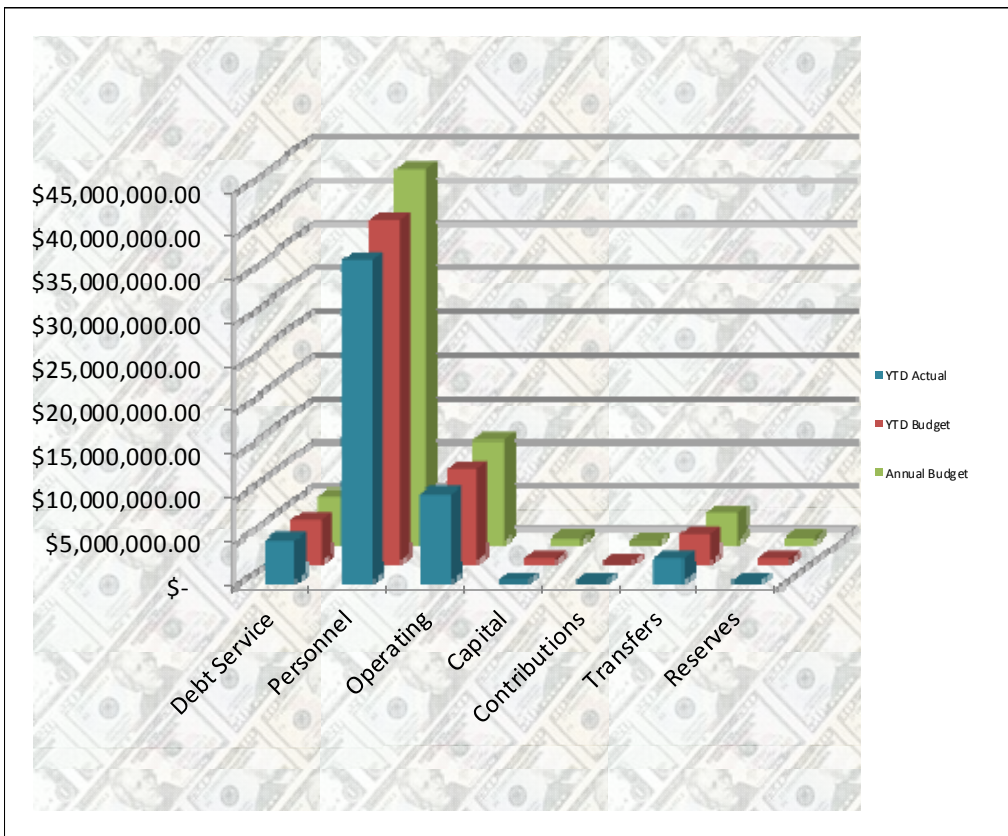
Monthly GF Expenditures as Compared to Prior Years

	FY 2013	FY 2014	FY 2015	FY 2016
October	\$ 2,928,572	\$ 3,279,274	\$ 3,726,416	\$ 3,859,572
November	5,357,915	4,445,312	4,799,117	4,542,401
December	4,385,251	4,931,871	4,886,462	7,323,753
January	4,576,388	5,653,811	5,729,780	4,685,466
February	4,095,023	5,259,394	4,526,492	4,746,328
March	5,452,911	4,666,428	4,375,170	4,443,296
April	4,230,477	4,859,644	4,630,094	5,693,822
May	4,504,552	4,386,401	4,397,032	4,450,696
June	4,321,706	4,412,580	6,385,679	4,592,489
July	4,248,739	4,721,680	5,689,908	5,551,214
August	5,769,101	6,272,362	5,346,802	4,712,630
September	5,245,884	5,780,329	6,310,427	
	\$ 55,116,519	\$ 58,669,085	\$ 60,803,379	\$ 54,601,666

August General Fund expenditures were \$634,172 (11.86%) less when comparing August 2016 to August 2015. Year-to-date expenditures are \$108,713 more.

General Fund Expenditures-Budgetary Comparison by Category

	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>	<u>% Spent</u>
Debt Service	\$ 4,761,383.07	\$ 4,761,906	\$ 5,194,807	91.66%
Personnel	36,914,890.27	39,108,965	42,664,325	86.52%
Operating	10,031,562.45	10,604,101	11,568,110	86.72%
Capital	148,878.99	388,924	424,281	35.09%
Contributions	16,102.70	34,077	37,175	43.32%
Transfers	2,728,848.32	3,041,951	3,318,492	82.23%
Reserves	-	406,287	443,222	0.00%
Total	\$ 54,601,665.80	\$ 58,346,211	\$ 63,650,412	85.78%



The total budgeted expenditures for 2016 are \$63,650,412 (includes encumbrances from prior year and 2016 budget amendments). Of this amount, \$42,664,325, or 67.0%, is related to personnel costs.

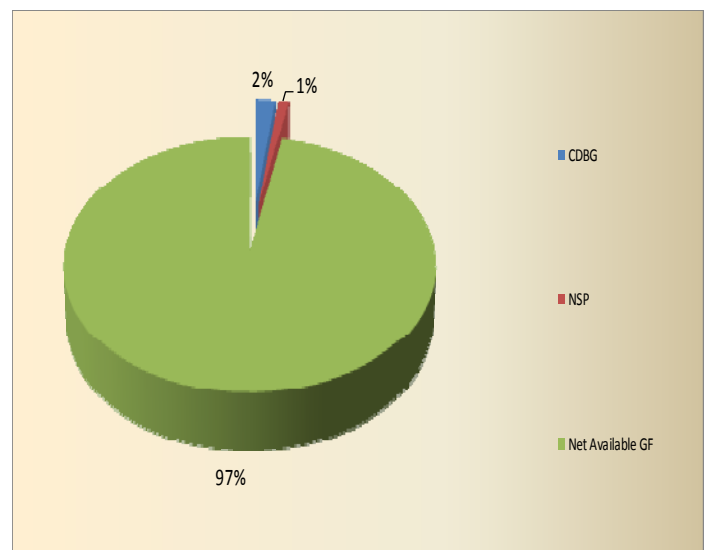
General Fund Cash & Investments – At a Glance August 2016

General Fund Cash & Investments-YTD



General Fund Unrestricted Cash & Investments	
Prior Month Ending Balance	\$ 9,286,895.32
Cash Increase (Decrease)	<u>(1,178,146.98)</u>
Ending Balance 8/31/16	<u><u>\$ 8,108,748.34</u></u>

General Fund Available Cash & Investments	
August 2016 Ending Balance	\$ 8,108,748.34
Cash Advanced to Other Funds:	
CDBG	(167,027.59)
NSP	<u>\$ (88,745.14)</u>
Total Available Cash & Investments	<u><u>\$ 7,852,975.61</u></u>



General Fund Balance – At a Glance August 2016

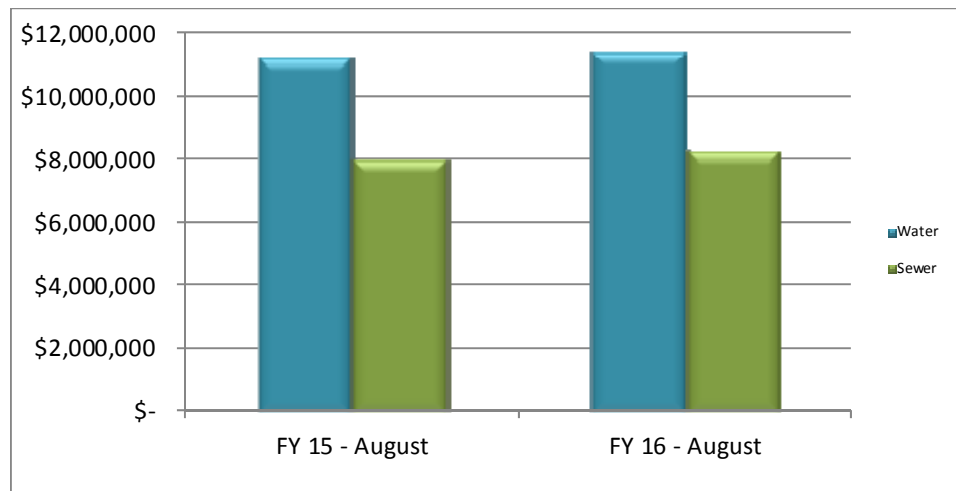
	PRIOR YTD	CURRENT YTD
REVENUES		
Ad Valorem Taxes	\$ 23,001,301	\$ 24,026,582
Local Option Fuel Tax	2,835,645	3,161,425
Utility Service Taxes	5,967,952	6,056,721
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Grants and Other Entitlements	112,279	221,114
Charges for Services	2,459,271	2,613,032
Fines and Forfeitures	366,584	359,011
Interest, Rents and Other Revenues	397,075	810,983
Interfund Transfers and Other Sources	2,095,449	1,948,128
Total Revenues	51,173,824	53,118,447
EXPENDITURES		
Legislative	529,418	573,929
City Manager	845,751	561,431
City Attorney	779,508	1,126,467
Finance	1,422,257	1,502,620
Information Technology	1,587,483	2,347,898
Human Resources	461,535	455,967
Economic Development	536,430	485,517
Growth Management	-	578,263
Parks and Recreation	3,966,506	2,389,034
Facilities	-	1,924,987
Police	17,246,589	15,946,245
Fire	11,880,015	11,749,028
Public Works	4,076,560	4,085,971
Non-Departmental	3,452,801	3,384,078
Transfers	7,708,101	7,490,231
Total Expenditures	54,492,953	54,601,666
Excess (Deficiency) of Revenues Over Expenditures	(3,319,129)	(1,483,219)
Fund Balance - Beginning	10,040,314	8,282,350
Prior Period Adjustment	-	-
Fund Balance - Beginning as Restated	10,040,314	8,282,350
Fund Balance - Ending	\$ 6,721,185	6,799,130

The minimum General Fund balance, as established by Resolution 2011-34, is ten percent (10%) of the subsequent fiscal year's budgeted expenditures less capital outlay and transfers out as originally adopted by ordinance in September. The following is a history of the City's General Fund balance.

General Fund Balance - History			
	Minimum Required	Actual Fund Balance	Fund Balance Percentage
FY 2015	\$ 5,311,438	\$ 8,282,350	15.59%
FY 2014	5,321,416	10,040,314	18.87%
FY 2013	5,059,293	12,005,802	23.73%
FY 2012	4,941,647	9,534,785	19.29%
FY 2011	5,046,518	6,077,849	12.04%
FY 2010	5,223,284	5,790,912	11.09%

Utilities Revenues – At a Glance August 2016

Water & Sewer Revenues-YTD



Overall year-to-date Water revenue in August 2016 has increased \$188,901 (1.68%) when compared to August 2015.

Overall year-to-date Sewer revenue in August 2016 has increased \$254,279 (3.15%) when compared to August 2015.

Fire Protection for FY16 was billed at 100% of the budgeted amount. The majority of the Fire Protection Service Charges were billed in October 2015 (annual billing).

Meter Installation Fees are recorded at 100% of the budgeted amount. The Utility Lien Costs are recorded at 155% of the budgeted amount.

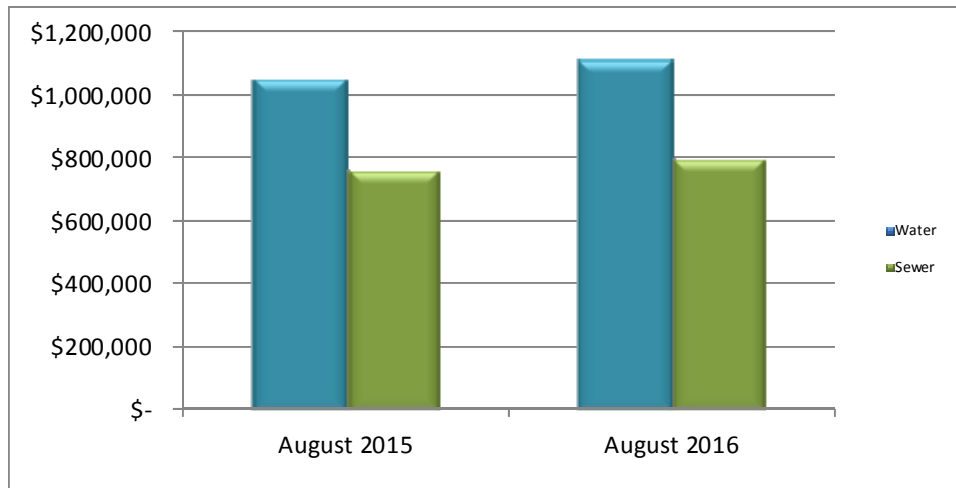
Operating Interest Income is recorded at 67% at this time. The interest for Palm Bay Estates Loan (\$22,491.75) was recorded in June 2016. The second interest payment on the Fleet Services Loan will be recorded in September 2016 (\$17,053.38).

Excluding Fund Balance, the total FY16 Operating Revenue is recorded at 85.65% of the budgeted amount compared to FY15 which was at 86.17%.

Water Connection Fees are recorded at 138% of the budgeted amount, and Sewer Connection Fees are recorded at 135% of the budgeted amount.

Water MLEs are recorded at 131% of the budgeted amount, and Sewer MLEs are recorded at 136% of the budgeted amount.

Water & Sewer Revenues-Monthly Comparison



Overall Water revenue for the month of August 2016 has increased by \$71,952 (6.82%) when compared to August 2015.

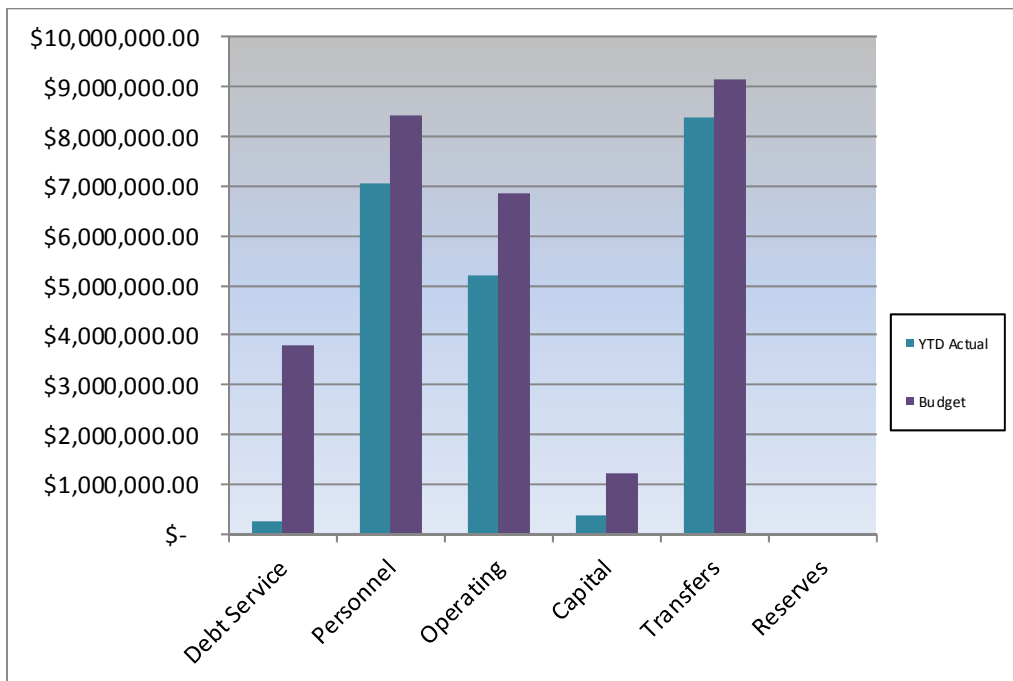
Overall Sewer revenue for the month of August 2016 has increased by \$36,751 (4.79%) when compared to August 2015.

Utilities Expenses – At a Glance August 2016

Water & Sewer Expenditures-YTD

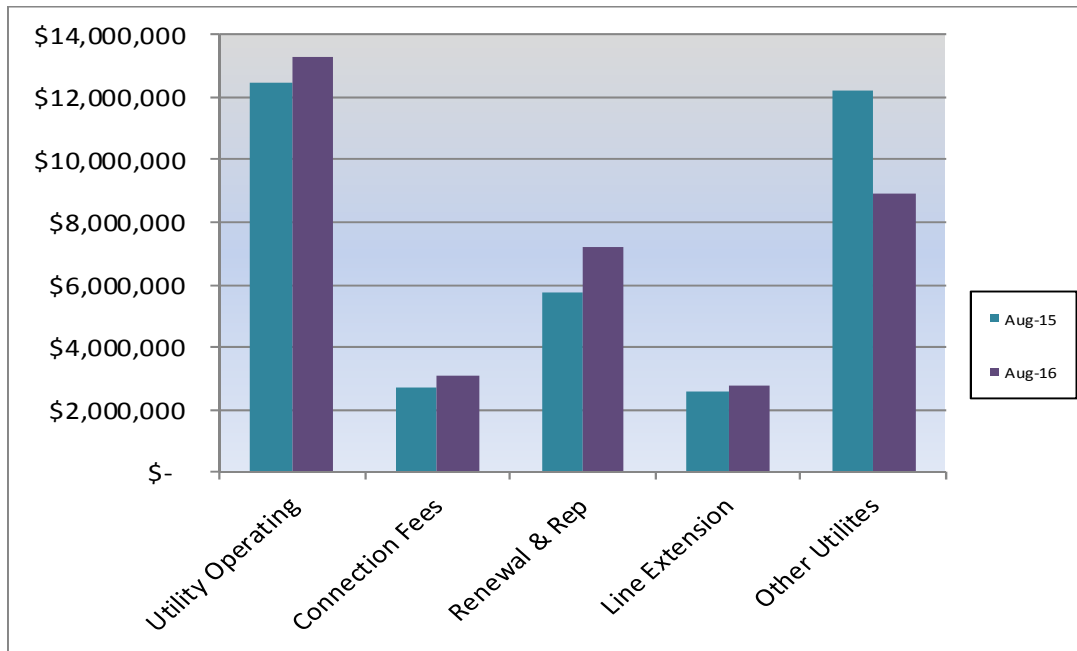
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Debt Service	\$ 253,484.17	\$ 3,801,039	6.67%
Personnel	7,056,218.42	8,412,255	83.88%
Operating	5,188,038.62	6,857,105	75.66%
Capital	365,385.61	1,208,377	30.24%
Transfers	8,373,015.19	9,126,788	91.74%
Reserves	-	-	-
Total	\$ 21,236,142.01	\$ 29,405,564	72.22%



Utilities Cash & Investments – At a Glance August 2016

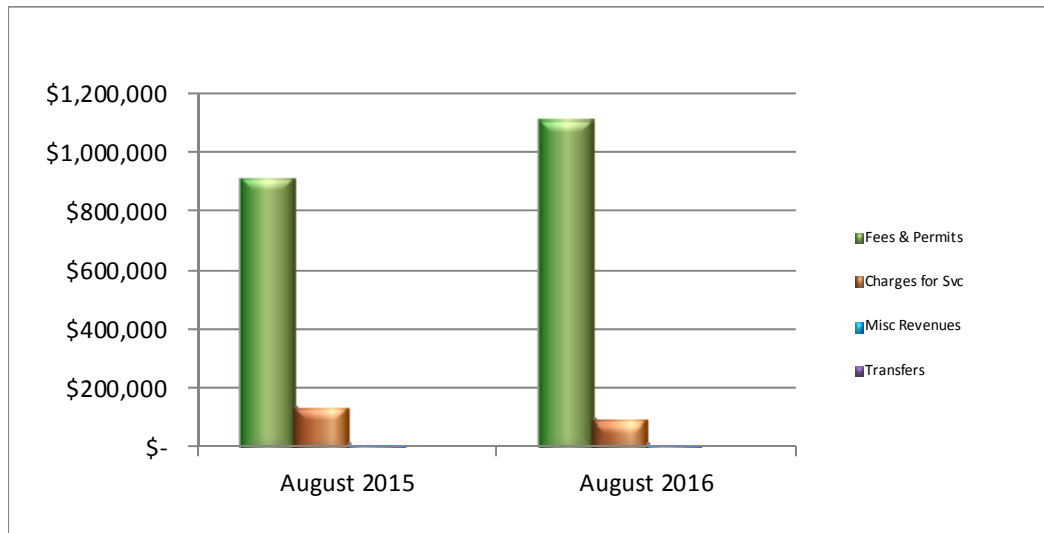
Water & Sewer Cash & Investments-YTD



Overall the Water & Sewer Funds cash and investments were \$0.39 million (1.1%) less as of August 2016 as compared to August 2015.

Building Revenues – At a Glance August 2016

Building Revenues-YTD



Fees and Permits revenue in August 2016 is up \$195,496 (23.11%) from August 2015.

Charges for Services revenue in August 2016 is down \$43,359 (30.92%) from August 2015.

Overall, Building revenues in FY 16 (at August) have increased by \$142,918 (13.11%) when compared to FY 15 (at August).

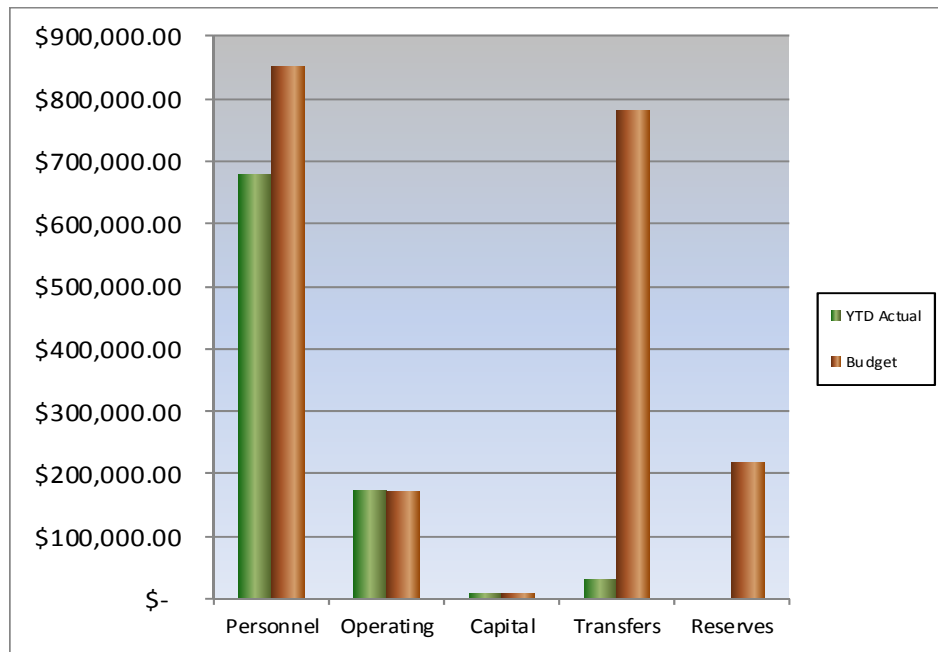
The total FY 16 Building revenues are recorded at 60.70% of the budgeted amount compared to FY 15 which was 102.79%.

Building Expenses – At a Glance August 2016

Building Expenditures-YTD

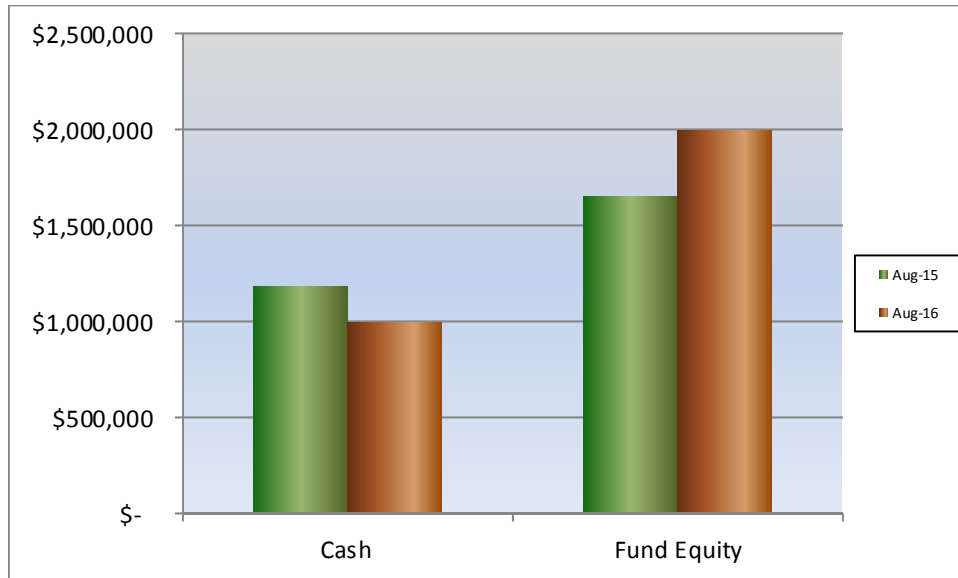
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Personnel	\$ 678,170.30	\$ 852,573	79.54%
Operating	173,897.07	171,941	101.14%
Capital	8,659.66	7,500	115.46%
Transfers	29,220.00	780,204	3.75%
Reserves	-	219,535	0.00%
Total	\$ 889,947.03	\$ 2,031,753	43.80%



Building Cash & Fund Equity – At a Glance August 2016

Building Cash & Fund Equity-YTD



Overall the Building cash and investments were \$184,361 (15.6%) less as of August 2016 as compared to August 2015.

Overall the Building fund equity was \$337,474 (20.4%) more as of August 2016 as compared to August 2015.