

**CITY OF PALM BAY, FLORIDA  
MONTHLY FINANCIAL REPORT (UNAUDITED)  
AUGUST 2017**



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 2017. August is the eleventh month of the fiscal year and represents 92% of the annual budget.

**Financial Report Summary**

- Citywide revenues of \$138.5 million are at 77.9% of the annual budget. Citywide expenditures of \$131.2 million are at 73.8% 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 \$6.2 million, or 9.1%, 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	
8/31/2017	\$ 74,672,342.09	8/31/2017	\$ 138,489,632.61	8/31/2017	\$ 131,240,939.58
8/31/2016	68,436,911.69	8/31/2016	146,094,016.52	8/31/2016	143,920,100.10
Increase	9.1% \$ 6,235,430.40	Decrease	-5.2% \$ (7,604,383.91)	Decrease	-8.8% \$ (12,679,160.52)

- General Fund revenues of \$57.4 million are at 85% of the annual budget. This is an increase of \$4.32 million, or 8.1%, in comparison to the prior year.
- General Fund expenditures of \$58.4 million are at 86% of the annual budget. This is an increase of \$3.82 million, or 7.0%, in comparison to the prior year.
- General Fund cash and investments increased by \$1.95 million, or 24.0%, in comparison to the prior year. Of this increased General Fund cash, \$800,000 is reserved.

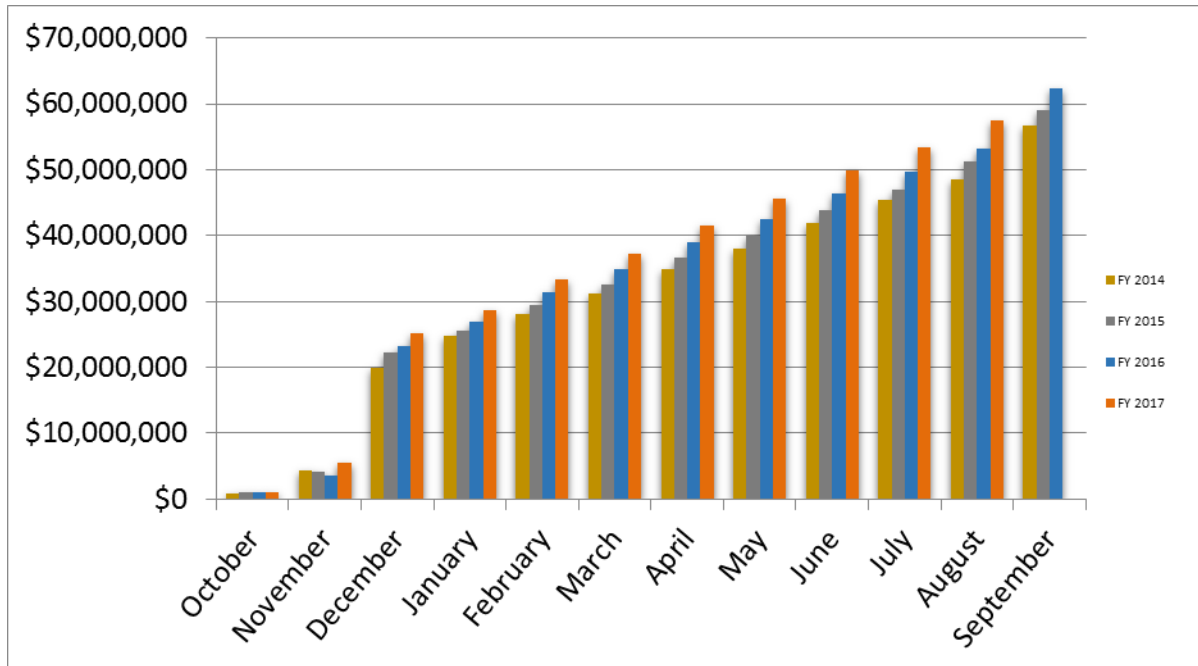
General Fund - Cash & Investments		General Fund - Revenues		General Fund - Expenditures	
8/31/2017	\$ 10,055,437.19	8/31/2017	\$ 57,443,062.31	8/31/2017	\$ 58,423,837.65
8/31/2016	8,108,748.34	8/31/2016	53,118,446.60	8/31/2016	54,601,665.80
Increase	24.0% \$ 1,946,688.85	Increase	8.1% \$ 4,324,615.71	Increase	7.0% \$ 3,822,171.85

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 2014 to 2017.

*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 2017

### General Fund Revenues-YTD



### FY2017 YTD Change in GF Revenues as Compared to Prior Year

	Prior YTD	Current YTD	Percent Change	Annual Budget
Ad Valorem Taxes	\$ 24,026,582	\$ 26,241,695	9.2%	\$ 26,426,410
Local Option Fuel Tax	3,161,425	3,366,231	6.5%	3,822,462
Utility Service Taxes	6,056,721	6,285,811	3.8%	8,305,000
Communication Service Tax	2,110,960	1,923,517	-8.9%	2,683,536
Franchise Fees	3,687,191	3,755,537	1.9%	5,399,000
State Shared Revenues	3,138,491	3,449,676	9.9%	4,327,372
Half Cent Sales Tax	4,404,247	4,817,445	9.4%	6,107,351
Licenses and Permits	580,561	583,956	0.6%	607,500
Grants and Other Entitlements (1)	221,114	981,246	343.8%	1,007,796
Charges for Services (2)	2,613,032	3,112,217	19.1%	3,159,561
Fines and Forfeitures (3)	359,011	443,908	23.6%	414,500
Interest, Rents & Other Revenues	810,983	784,953	-3.2%	548,702
Interfund Transfers & Capital Leases (4)	1,948,128	1,696,869	-12.9%	1,835,914
Fund Balance	-	-	0.0%	3,238,419
	<b>\$ 53,118,447</b>	<b>\$ 57,443,062</b>	<b>8.1%</b>	<b>\$ 67,883,523</b>

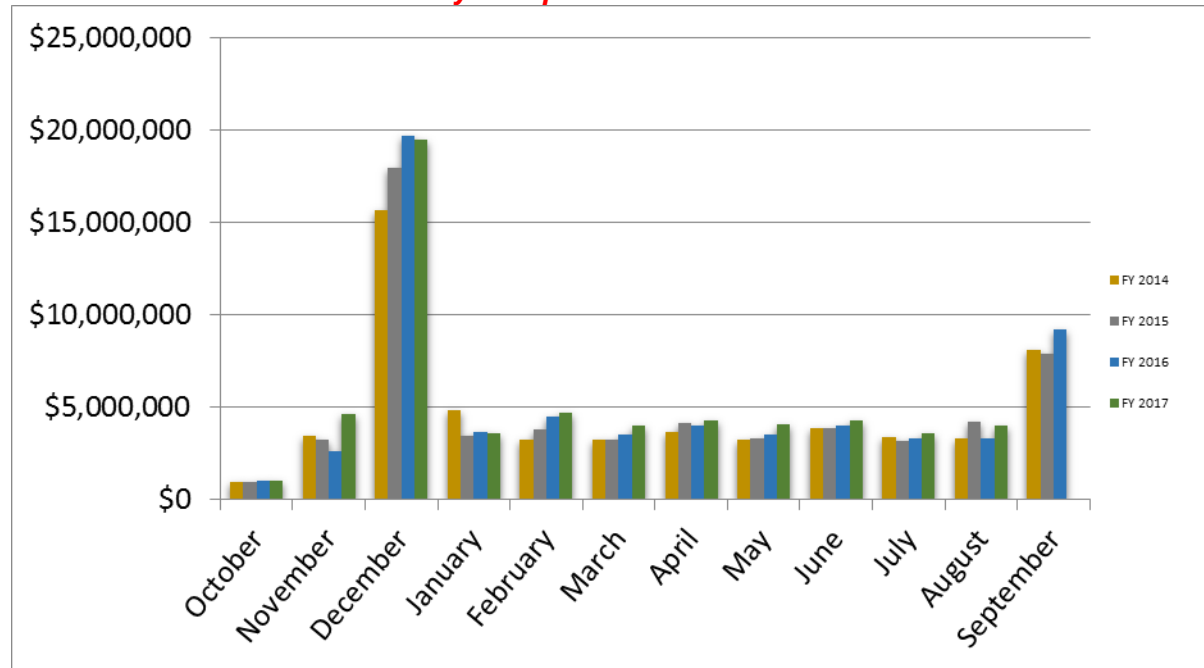
(1) Increase primarily due to multi-year agreement with County for partial reimbursement of expenses related to Regional Park, Senior Center, and Aquatic Center in FY17.

(2) Increase primarily due to increased year-to-date collections of Parks and Rec. Dept. fees and Fire Dept. fees in FY17.

(3) Increase primarily due to higher year-to-date collection of confiscated monies in FY17.

(4) Decrease primarily due to no budgeted transfer from Employee Benefit Fund in FY17.

**General Fund Revenues-Monthly Comparison**



**Monthly GF Revenues as Compared to Prior Years**

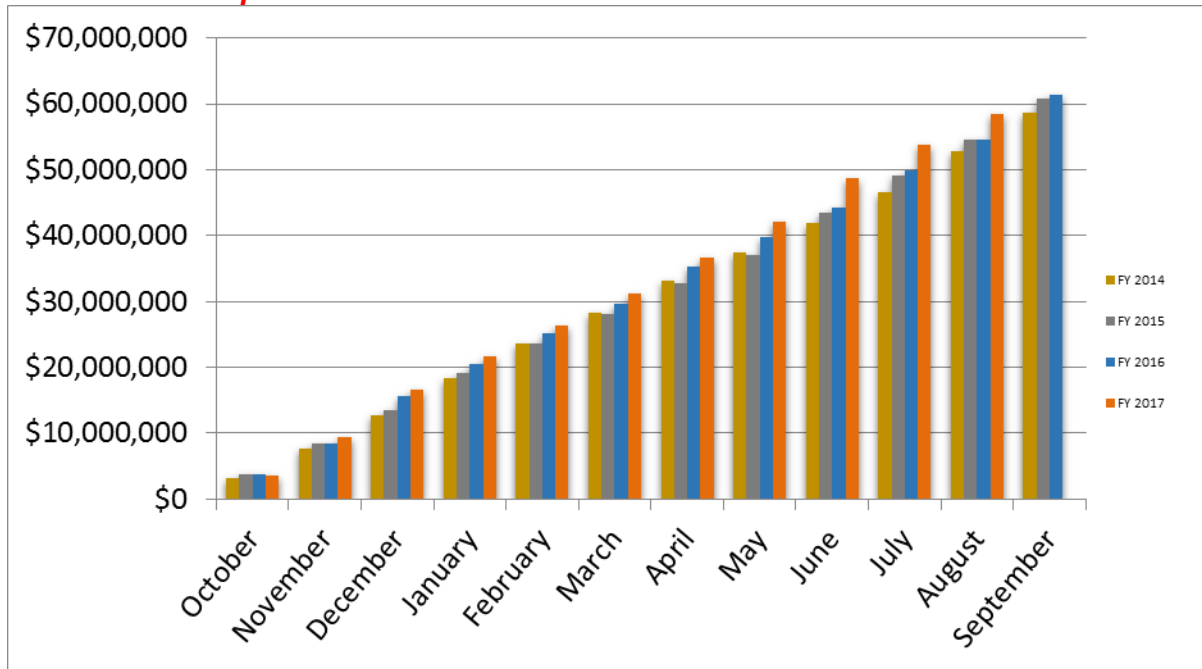
	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
October	\$ 911,630	\$ 953,761	\$ 1,012,271	\$ 1,005,090
November	3,425,400	3,246,502	2,619,131	4,580,252
December	15,683,359	17,977,402	19,689,226	19,511,218
January	4,802,728	3,458,799	3,639,261	3,585,305
February	3,200,574	3,782,243	4,490,812	4,656,371
March	3,208,482	3,203,645	3,522,695	3,990,468
April	3,651,785	4,103,728	4,009,369	4,245,071
May	3,198,408	3,278,699	3,511,664	4,073,453
June	3,880,153	3,830,369	3,976,789	4,237,693
July	3,363,584	3,170,380	3,323,512	3,597,870
August	3,262,185	4,168,296	3,323,716	3,960,272
September	8,115,309	7,881,278	9,167,028	-
	<b>\$ 56,703,597</b>	<b>\$ 59,055,101</b>	<b>\$ 62,285,475</b>	<b>\$ 57,443,062</b>

Overall General Fund revenues for the month of August 2017 have increased \$636,556 (19.15%) when compared to August 2016.

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 2017

### General Fund Expenditures-YTD



### 2017 YTD Change in GF Expenditures as Compared to Prior Year

	Prior YTD	Current YTD	Percent Change	Annual Budget
Legislative	\$ 573,929	\$ 591,860	3.1%	\$ 701,148
City Manager (1)	561,431	634,017	12.9%	750,319
City Attorney (2)	1,126,467	637,622	-43.4%	613,919
Procurement (3)	-	352,984	0.0%	410,026
Finance (4)	1,502,620	1,195,234	-20.5%	1,363,900
Information Technology	2,347,898	2,224,253	-5.3%	2,583,474
Human Resources (5)	455,967	539,414	18.3%	650,814
Growth Management (6)	485,517	1,133,280	133.4%	1,401,767
Economic Development (7)	578,263	678,651	17.4%	780,623
Parks and Recreation (8)	2,389,034	3,942,229	65.0%	4,694,203
Facilities (9)	1,924,987	2,199,354	14.3%	2,606,625
Police	15,946,245	16,107,779	1.0%	19,601,350
Fire	11,749,028	12,242,740	4.2%	14,059,856
Public Works (10)	4,085,971	5,342,915	30.8%	6,373,933
Non-Departmental	3,384,078	3,473,024	2.6%	3,787,546
Transfers	7,490,231	7,128,480	-4.8%	7,504,020
	<b>\$ 54,601,666</b>	<b>\$ 58,423,838</b>	<b>7.0%</b>	<b>\$ 67,883,523</b>

(1) Increase primarily due to increased year-to-date costs for Executive salaries.

(2) Decrease primarily due to decreased year-to-date costs for Other Attorneys in FY17. Most of in-house Attorney cost is charged to Risk Fund.

(3) Increase due to Procurement Department's first year of existence in FY17. Previously was in Finance Department.

(4) Decrease primarily due to Purchasing Division transferred to Procurement Department in FY17.

(5) Increase primarily due to increased year-to-date costs for Fire Department physicals in FY17.

(6) Increase primarily due to FY17 budget of Code Compliance Division in Growth Management instead of in Police Department.

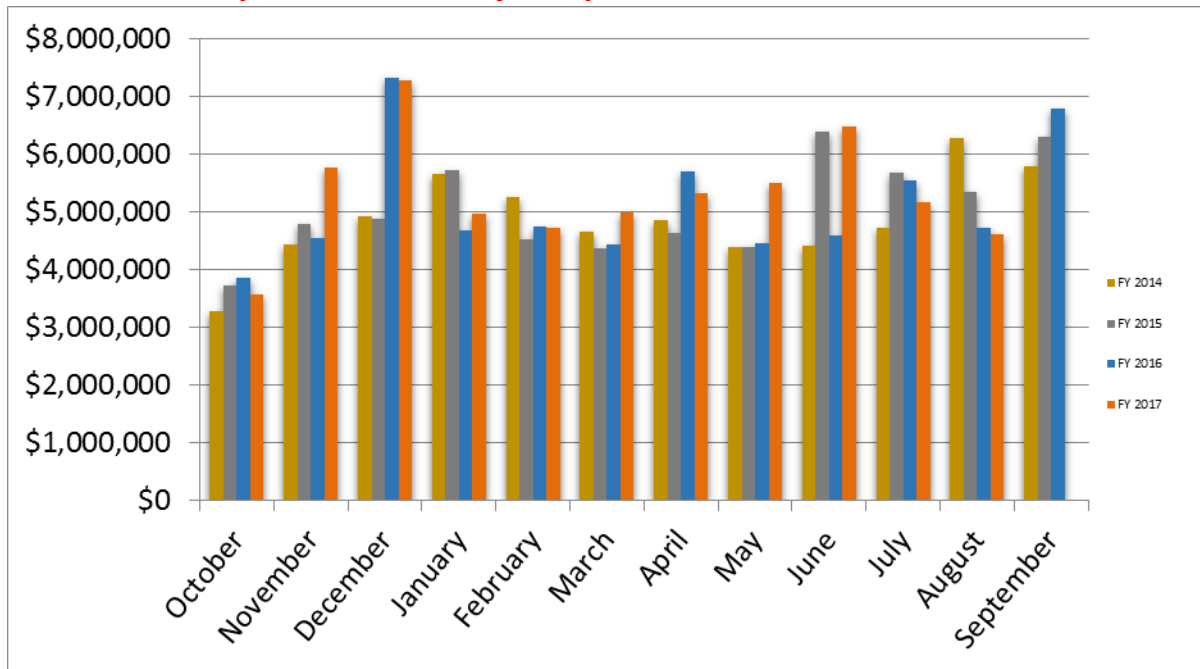
(7) Increase primarily due to expansion of Economic Development Department compared to same time last year.

(8) Increase primarily due to FY17 Budget Amendment to include expenses of Regional Park, Aquatic Center, and Senior Center in General Fund.

(9) Increase primarily due to higher year-to-date costs for personnel, repairs and maintenance, and operating supplies.

(10) Increase primarily due to increased year-to-date costs for disaster preparedness.

**General Fund Expenditures-Monthly Comparison**



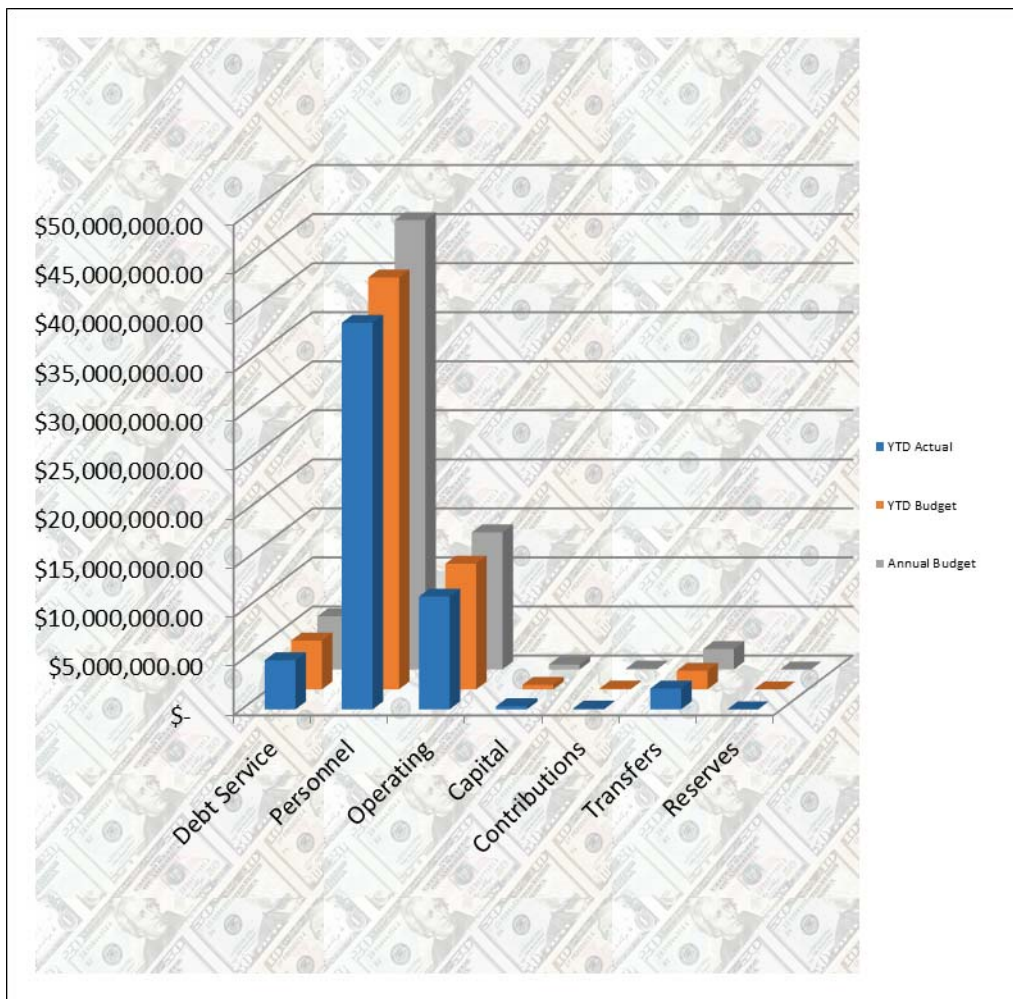
**Monthly GF Expenditures as Compared to Prior Years**

	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
October	\$ 3,279,274	\$ 3,726,416	\$ 3,859,572	\$ 3,572,123
November	4,445,312	4,799,117	4,542,401	5,766,532
December	4,931,871	4,886,462	7,323,753	7,290,910
January	5,653,811	5,729,780	4,685,466	4,972,873
February	5,259,394	4,526,492	4,746,328	4,719,784
March	4,666,428	4,375,170	4,443,296	4,983,695
April	4,859,644	4,630,094	5,693,822	5,332,488
May	4,386,401	4,397,032	4,450,696	5,512,146
June	4,412,580	6,385,679	4,592,489	6,488,834
July	4,721,680	5,689,908	5,551,214	5,175,411
August	6,272,362	5,346,802	4,712,630	4,609,040
September	5,780,329	6,310,426	6,791,578	-
	<b>\$ 58,669,085</b>	<b>\$ 60,803,379</b>	<b>\$ 61,393,243</b>	<b>\$ 58,423,838</b>

August General Fund expenditures were \$103,589 (2.20%) less when comparing August 2017 to August 2016. Year-to-date expenditures are \$3,822,172 more.

**General Fund Expenditures-Budgetary Comparison by Category**

	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>Annual Budget</b>	<b>% Spent</b>
Debt Service	\$ 5,005,567.29	\$ 4,975,007	\$ 5,427,280	92.23%
Personnel	39,400,939.26	41,988,785	45,805,947	86.02%
Operating	11,491,084.43	12,818,321	13,983,623	82.18%
Capital	319,526.82	456,023	497,480	64.23%
Contributions	83,807.40	84,749	92,453	90.65%
Transfers	2,122,912.45	1,903,678	2,076,740	102.22%
Reserves	-	-	-	0.00%
<b>Total</b>	<b>\$ 58,423,837.65</b>	<b>\$ 62,226,563</b>	<b>\$ 67,883,523</b>	<b>86.06%</b>

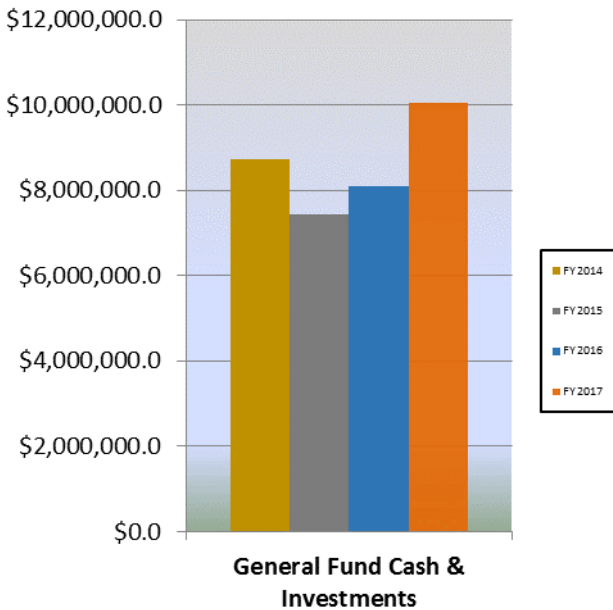


The total budgeted expenditures for 2017 are \$67,883,523 (includes encumbrances from prior year and 2017 budget amendments). Of this amount, \$45,805,947, or 67.5%, is related to personnel costs.

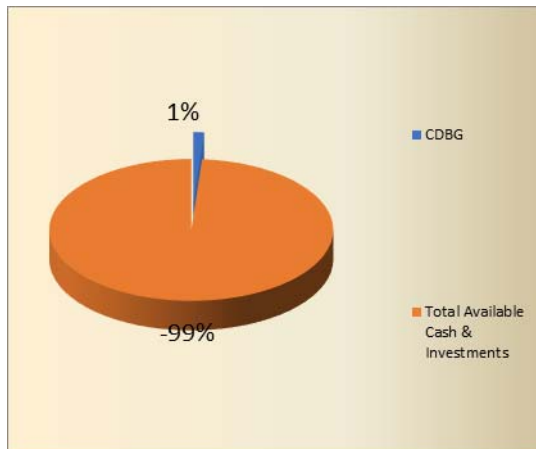


## General Fund Cash & Investments – At a Glance August 2017

### General Fund Cash & Investments-YTD



General Fund Cash & Investments	
Prior Month Ending Balance	\$ 10,506,631.93
Cash Increase (Decrease)	<u>(451,194.74)</u>
Ending Balance 8/31/17	<u><u>\$ 10,055,437.19</u></u>



General Fund Cash & Investments	
August 2017 Ending Balance	\$ 10,055,437.19
Cash Advanced to Other Funds:	
CDBG	<u>\$ (122,291.96)</u>
Total Available Cash & Investments	<u><u>\$ 9,933,145.23</u></u>

## General Fund Balance – At a Glance August 2017

	PRIOR YTD	CURRENT YTD
<b>REVENUES</b>		
Ad Valorem Taxes	\$ 24,026,582	\$ 26,241,695
Local Option Fuel Tax	3,161,425	3,366,231
Utility Service Taxes	6,056,721	6,285,811
Communication Service Tax	2,110,960	1,923,517
Franchise Fees	3,687,191	3,755,537
State Shared Revenues	3,138,491	3,449,676
Half Cent Sales Tax	4,404,247	4,817,445
Licenses and Permits	580,561	583,956
Grants and Other Entitlements	221,114	981,246
Charges for Services	2,613,032	3,112,217
Fines and Forfeitures	359,011	443,908
Interest, Rents and Other Revenues	810,983	784,953
Interfund Transfers and Other Sources	1,948,128	1,696,869
<b>Total Revenues</b>	<b>53,118,447</b>	<b>57,443,062</b>
<b>EXPENDITURES</b>		
Legislative	573,929	591,860
City Manager	561,431	634,017
City Attorney	1,126,467	637,622
Procurement	-	352,984
Finance	1,502,620	1,195,234
Information Technology	2,347,898	2,224,253
Human Resources	455,967	539,414
Growth Management	485,517	1,133,280
Economic Development	578,263	678,651
Parks and Recreation	2,389,034	3,942,229
Facilities	1,924,987	2,199,354
Police	15,946,245	16,107,779
Fire	11,749,028	12,242,740
Public Works	4,085,971	5,342,915
Non-Departmental	3,384,078	3,473,024
Transfers	7,490,231	7,128,480
<b>Total Expenditures</b>	<b>54,601,666</b>	<b>58,423,838</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(1,483,219)</b>	<b>(980,775)</b>
<b>Fund Balance - Beginning</b>	<b>8,282,350</b>	<b>9,174,581</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - Beginning as Restated</b>	<b>8,282,350</b>	<b>9,174,581</b>
<b>Fund Balance - Ending</b>	<b>\$ 6,799,130</b>	<b>8,193,806</b>

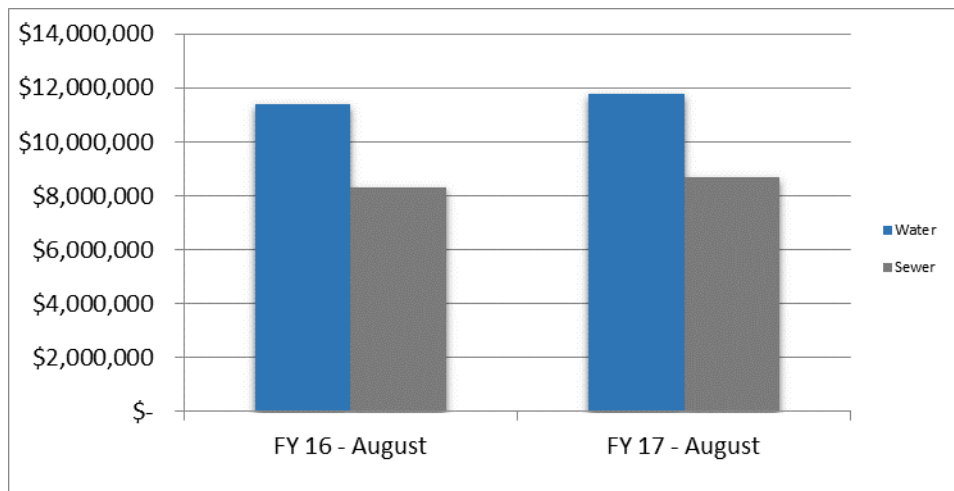
The minimum General Fund balance, as established by Resolution 2011-34, is ten percent (10%) of the subsequent fiscal year's budgeted expenditures less capital outlay and transfers out as originally adopted by ordinance in September. The following is a history of the City's General Fund balance.

General Fund Balance - History			
	Minimum Required	Actual Fund Balance	Fund Balance Percentage
FY 2016	\$ 5,594,175	\$ 9,174,581	16.40%
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%



## Utilities Revenues – At a Glance August 2017

### Water & Sewer Revenues-YTD



Overall year-to-date Water revenue in August 2017 has increased \$386,157 (3.38%) when compared to August 2016.

Overall year-to-date Sewer revenue in August 2017 has increased \$360,244 (4.33%) when compared to August 2016.

Fire Protection for FY17 was billed at 101% of the budgeted amount. Most the Fire Protection Service Charges were billed in October 2016 (annual billing).

Meter Installation Fees are recorded at 145% of the budgeted amount. The Utility Lien Costs are recorded at 186% of the budgeted amount.

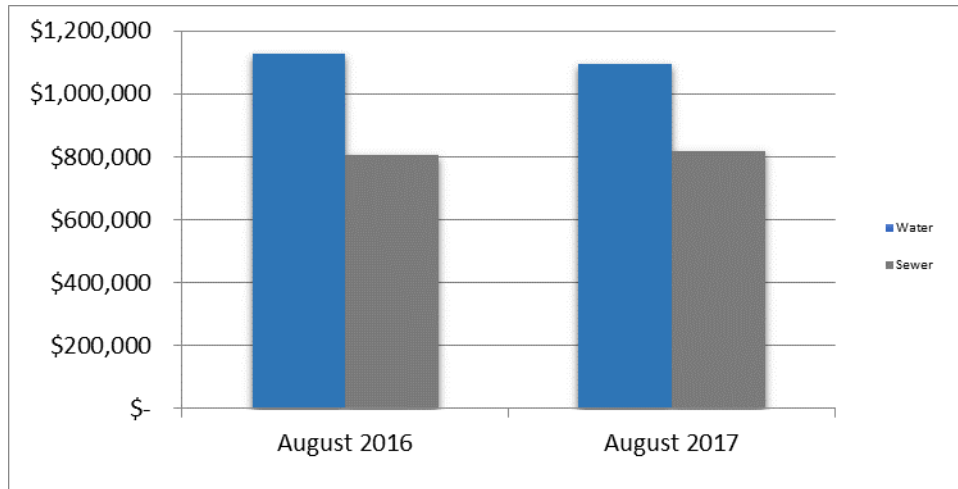
Operating Interest Income is recorded at 103%. The interest for the Palm Bay Estates Loan (\$21,067) was recorded in June, and the second interest payment on the Fleet Services Loan will be recorded in September (\$14,785.53).

Excluding Fund Balance, the total FY17 Operating Revenue is recorded at 87.67% of the budgeted amount compared to FY16 which was at 85.65%.

Water Connection Fees are recorded at 148% of the budgeted amount, and Sewer Connection Fees are recorded at 105% of the budgeted amount.

Water MLEs are recorded at 169% of the budgeted amount, and Sewer MLEs are recorded at 230% of the budgeted amount.

*Water & Sewer Revenues-Monthly Comparison*



Overall Water revenue for the month of August 2017 has decreased by \$32,644 (2.90%) when compared to August 2016.

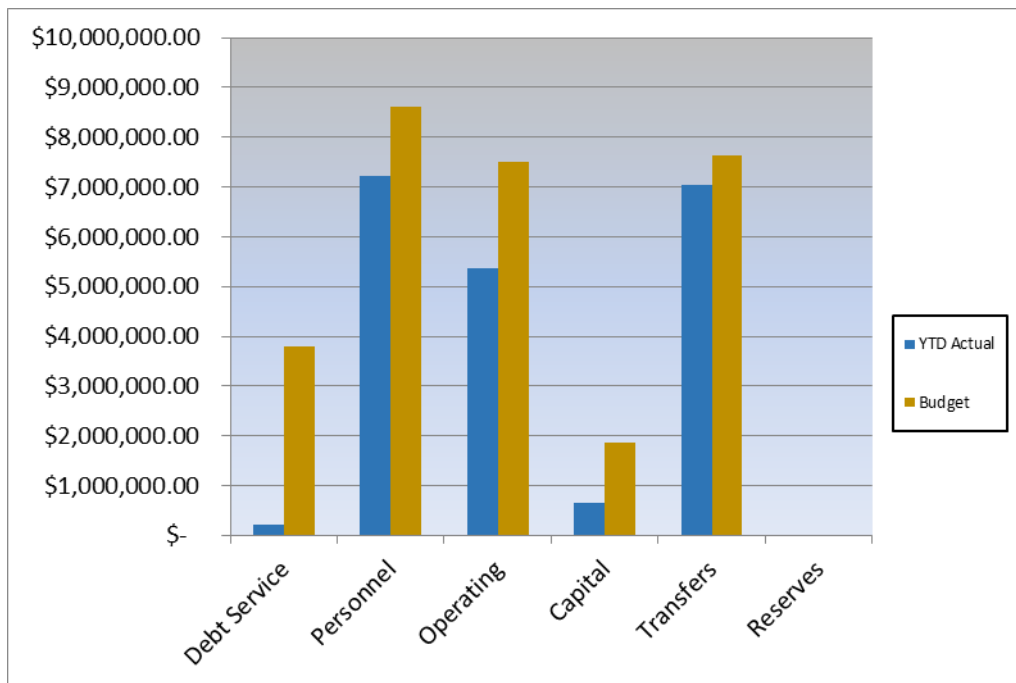
Overall Sewer revenue for the month of August 2017 has increased by \$13,943 (1.73%) when compared to August 2016.

## Utilities Expenses – At a Glance August 2017

### Water & Sewer Expenditures-YTD

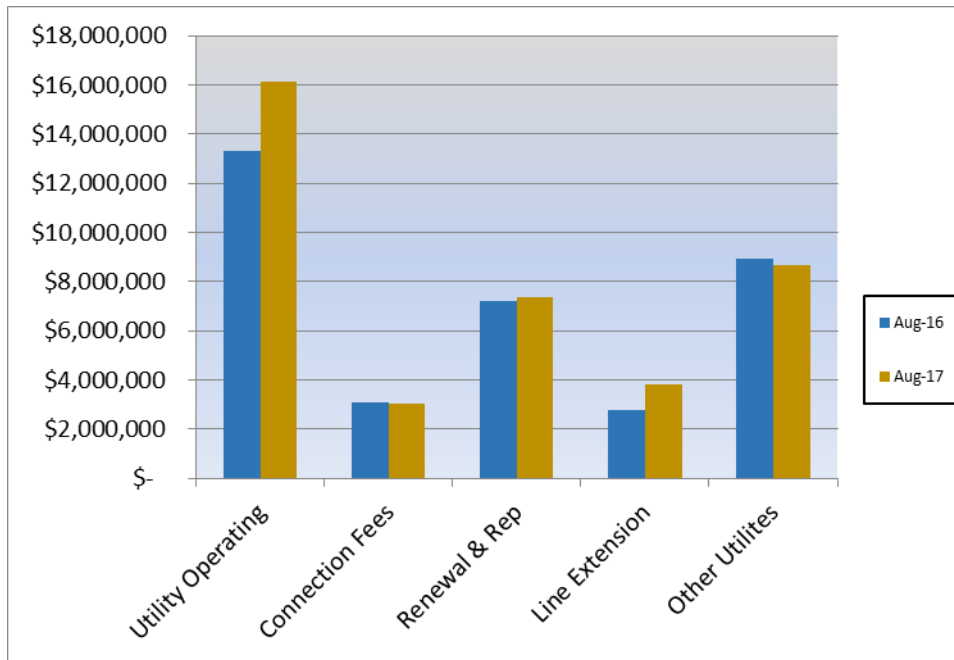
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Debt Service	\$ 219,545.67	\$ 3,798,162	5.78%
Personnel	7,215,071.75	8,618,660	83.71%
Operating	5,369,914.81	7,492,856	71.67%
Capital	659,912.89	1,858,659	35.50%
Transfers	7,042,760.45	7,624,971	92.36%
Reserves	-	-	-
<b>Total</b>	<b>\$ 20,507,205.57</b>	<b>\$ 29,393,308</b>	<b>69.77%</b>



## Utilities Cash & Investments – At a Glance August 2017

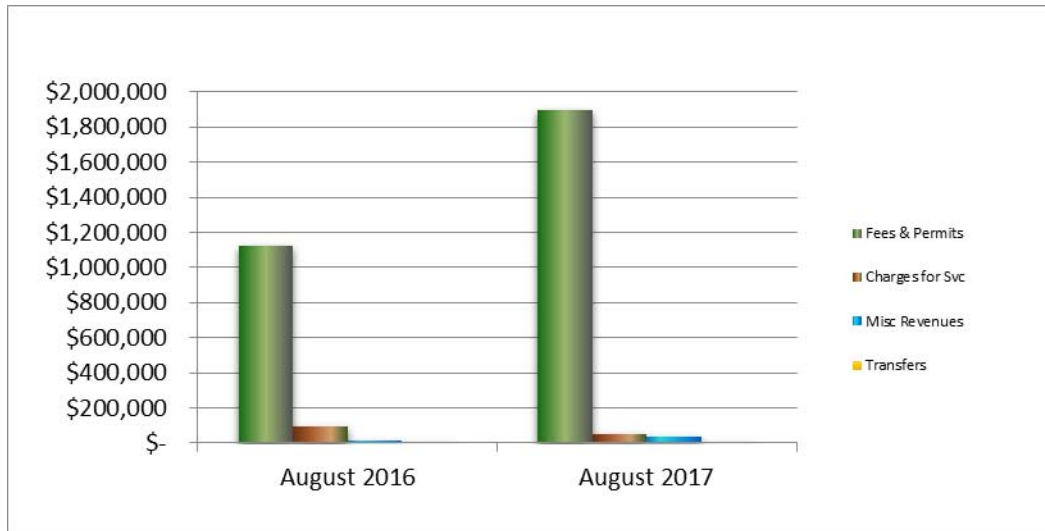
### Water & Sewer Cash & Investments-YTD



Overall the Water & Sewer Funds cash and investments were \$3.72 million (10.5%) more as of August 2017 as compared to August 2016.

## Building Revenues – At a Glance August 2017

### Building Revenues-YTD



Fees and Permits revenue in August 2017 is up \$777,057 (69.30%) from August 2016.

Charges for Services revenue in August 2017 is down \$44,465 (45.91%) from August 2016.

Overall, Building revenues in FY 17 (at August) have increased by \$765,642 (62.08%) when compared to FY 16 (at August).

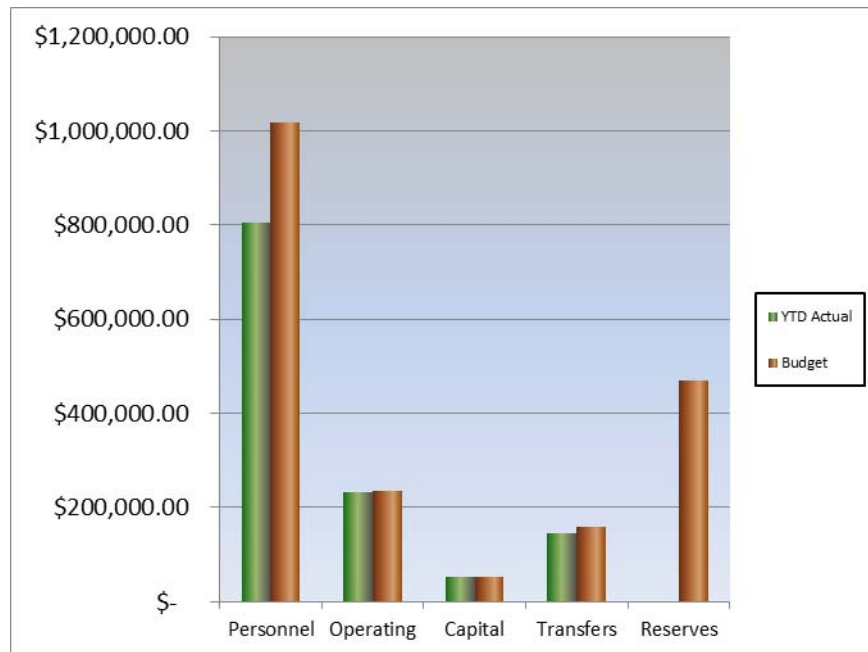
The total FY 17 Building revenues are recorded at 103.33% of the budgeted amount compared to FY 16 which was 60.70%.

## Building Expenses – At a Glance August 2017

### *Building Expenditures-YTD*

Overall expenditures (excluding encumbrances) are as follows:

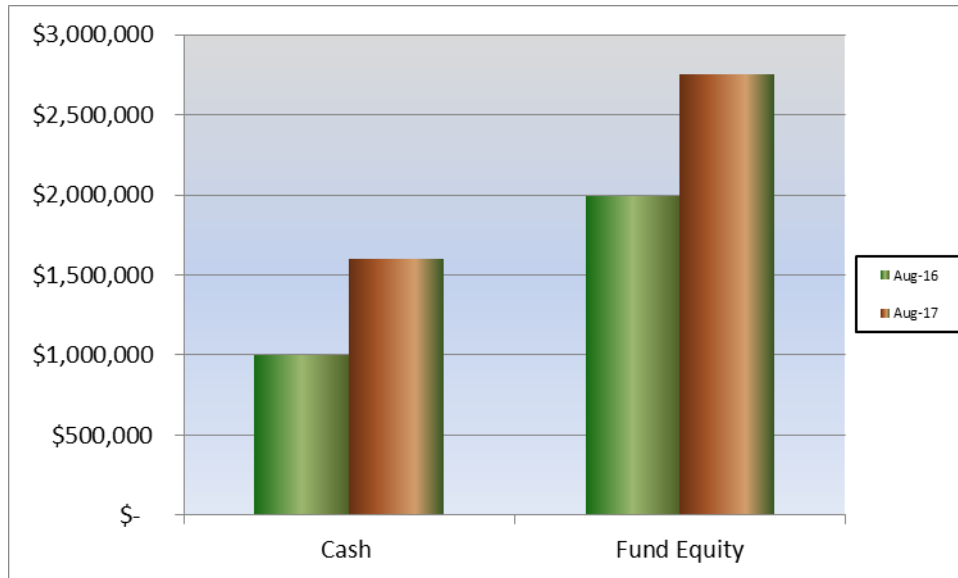
	<u>Actual</u>	<u>Budget</u>	<u>% Spent</u>
Personnel	\$ 805,643.20	\$ 1,018,560	79.10%
Operating	232,268.40	236,077	98.39%
Capital	51,513.00	52,496	0.00%
Transfers	145,091.87	158,282	91.67%
Reserves	-	469,020	0.00%
<b>Total</b>	<b>\$ 1,234,516.47</b>	<b>\$ 1,934,435</b>	<b>63.82%</b>





## Building Cash & Fund Equity – At a Glance August 2017

### *Building Cash & Fund Equity-YTD*



Overall the Building cash and investments were \$759,549 (38.1%) more as of August 2017 as compared to August 2016.

Overall the Building fund equity was \$603,963 (60.5%) more as of August 2017 as compared to August 2016.