

**CITY OF PALM BAY, FLORIDA
MONTHLY FINANCIAL REPORT (UNAUDITED)
DECEMBER 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 December 2016. December is the third month of the fiscal year and represents 25% of the annual budget.

Financial Report Summary

- Citywide revenues of \$50.6 million are at 29.7% of the annual budget. Citywide expenditures of \$40.6 million are at 23.9% 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 \$3.2 million, or 4.4%, 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	
12/31/2016	\$ 76,202,588.63	12/31/2016	\$ 50,575,305.04	12/31/2016	\$ 40,646,442.83
12/31/2015	73,003,820.90	12/31/2015	60,329,319.00	12/31/2015	52,687,302.36
Increase	4.4% \$ 3,198,767.73	Decrease	-16.2% \$ (9,754,013.96)	Decrease	-22.9% \$ (12,040,859.53)

- General Fund revenues of \$25.1 million are at 39% of the annual budget. This is an increase of \$1.78 million, or 7.6%, in comparison to the prior year.
- General Fund expenditures of \$16.6 million are at 28% of the annual budget. This is an increase of \$0.90 million, or 5.7%, in comparison to the prior year.
- General Fund cash and investments increased by \$2.47 million, or 14.7%, in comparison to the prior year.

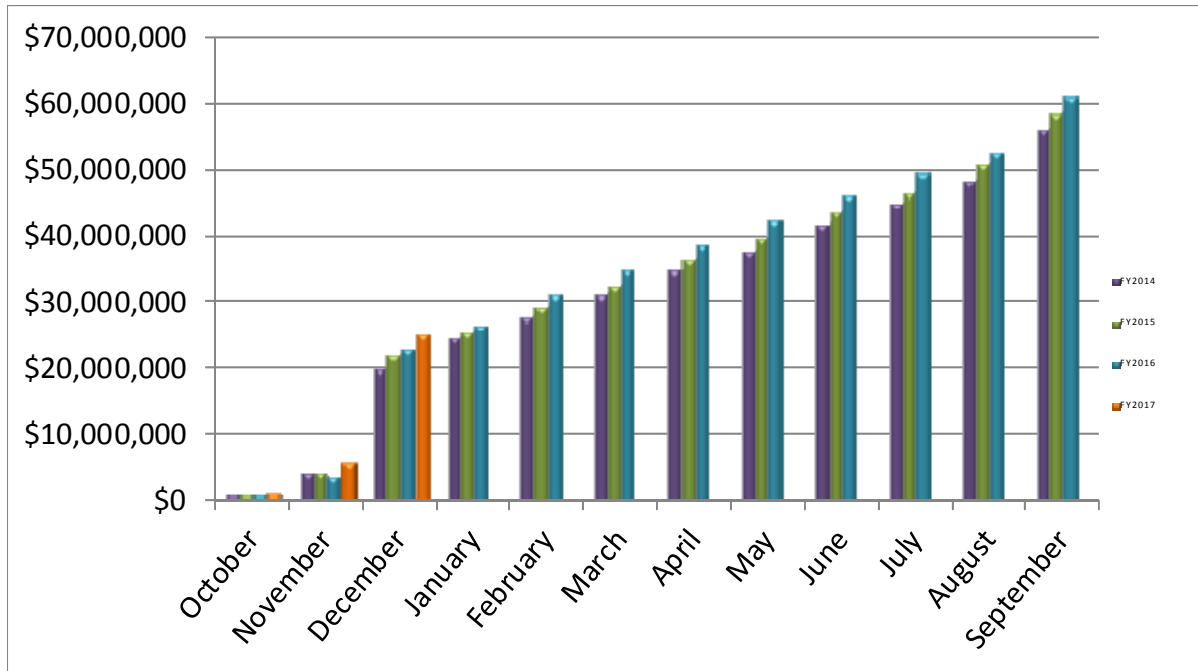
General Fund - Cash & Investments		General Fund - Revenues		General Fund - Expenditures	
12/31/2016	\$ 19,306,249.10	12/31/2016	\$ 25,096,559.44	12/31/2016	\$ 16,629,565.99
12/31/2015	16,838,464.92	12/31/2015	23,320,626.84	12/31/2015	15,725,725.65
Increase	14.7% \$ 2,467,784.18	Increase	7.6% \$ 1,775,932.60	Increase	5.7% \$ 903,840.34

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 December 2016

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	\$ 18,800,305	\$ 20,536,837	9.2%	\$ 26,426,410
Local Option Fuel Tax	227,022	241,655	6.4%	3,822,462
Utility Service Taxes	926,765	957,422	3.3%	8,305,000
Communication Service Tax (1)	258,588	216,873	-16.1%	2,683,536
Franchise Fees	454,187	459,386	1.1%	5,399,000
State Shared Revenues	317,470	323,821	2.0%	4,327,372
Half Cent Sales Tax	455,117	481,060	5.7%	6,107,351
Licenses and Permits	486,168	485,386	-0.2%	607,500
Grants and Other Entitlements (2)	12,841	44,650	247.7%	254,443
Charges for Services	609,069	666,294	9.4%	2,885,132
Fines and Forfeitures (3)	80,219	66,343	-17.3%	414,500
Interest, Rents & Other Revenues (4)	177,499	153,886	-13.3%	537,057
Interfund Transfers & Capital Leases (5)	515,378	462,947	-10.2%	1,782,649
Fund Balance	-	-	0.0%	1,621,197
	\$ 23,320,627	\$ 25,096,559	7.6%	\$ 65,173,609

(1) Decrease primarily due to lower year-to-date collection of Communications Service Tax in FY17.

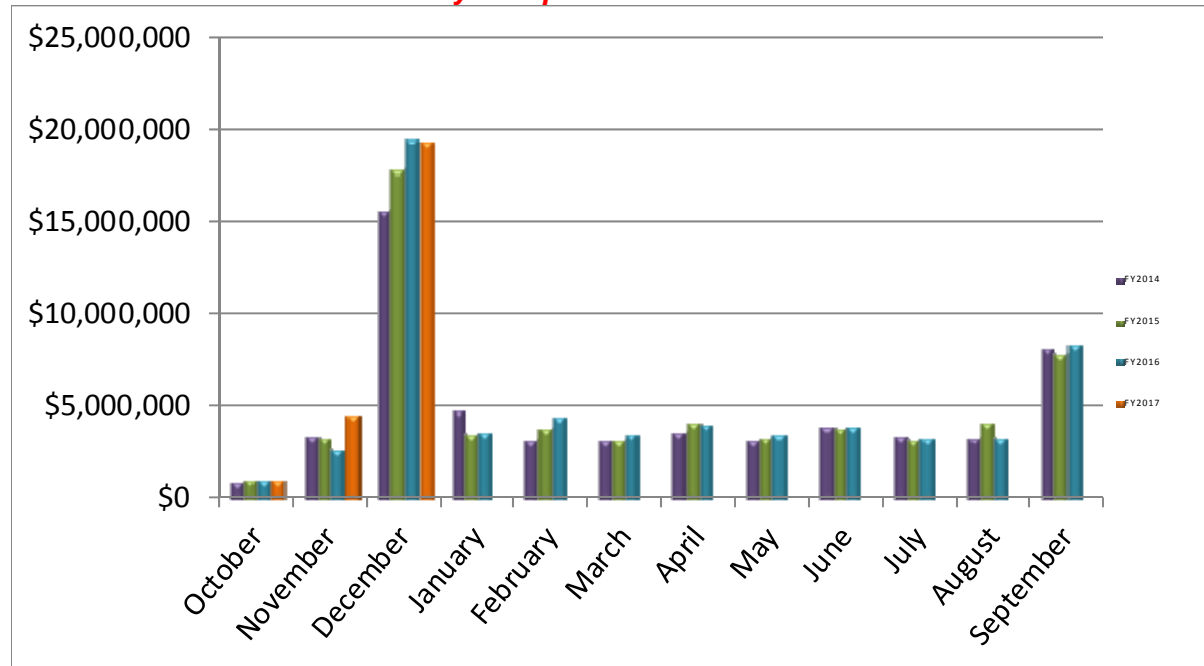
(2) Increase primarily due to higher year-to-date collection of School Resource Officer reimbursement from Brevard County School Board.

(3) Decrease primarily due to lower year-to-date collection of Code Compliance Fines in FY17.

(4) Decrease primarily due to lower year-to-date property lease collections in FY17.

(5) Decrease primarily due to no budgeted transfer from Employee Benefits Fund in FY17.

General Fund Revenues-Monthly Comparison



Monthly GF Revenues as Compared to Prior Years

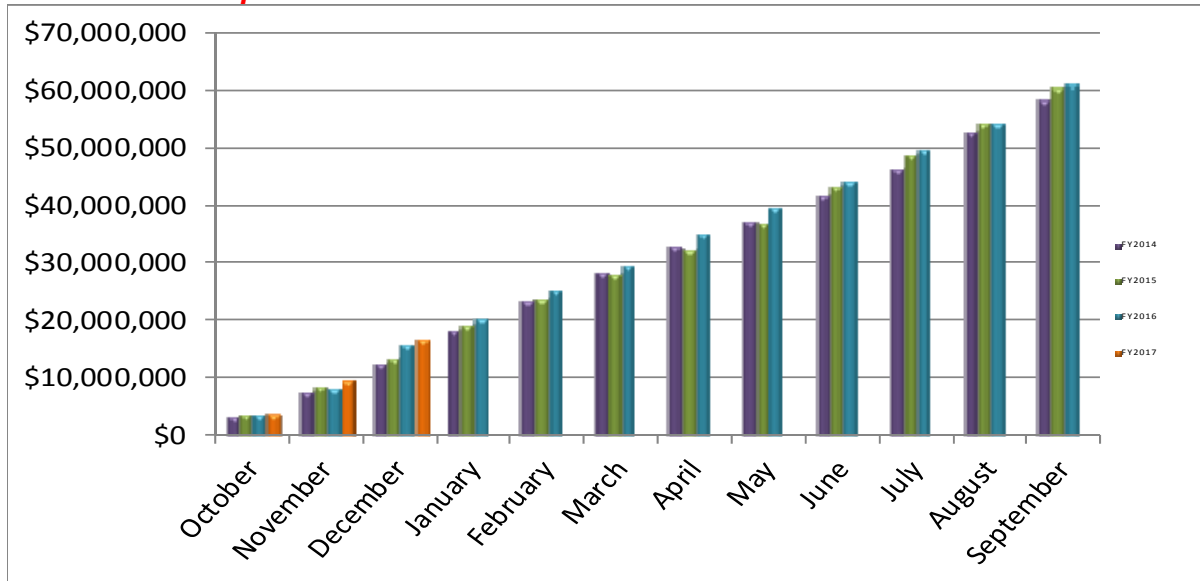
	FY 2014	FY 2015	FY 2016	FY 2017
October	\$ 911,630	\$ 953,761	\$ 1,012,271	\$ 1,005,090
November	3,425,400	3,246,502	2,619,131	4,580,252
December	15,683,359	17,977,402	19,689,226	19,511,218
January	4,802,728	3,458,799	3,639,261	-
February	3,200,574	3,782,243	4,490,812	-
March	3,208,482	3,203,645	3,522,695	-
April	3,651,785	4,103,728	4,009,369	-
May	3,198,408	3,278,699	3,511,664	-
June	3,880,153	3,830,369	3,976,789	-
July	3,363,584	3,170,380	3,323,512	-
August	3,262,185	4,168,296	3,323,716	-
September	8,115,309	7,881,277	8,398,726	-
	\$ 56,703,597	\$ 59,055,101	\$ 61,517,172	\$ 25,096,559

Overall General Fund revenues for the month of December 2016 have decreased \$178,008 (0.90%) when compared to December 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 December 2016

General Fund Expenditures-YTD

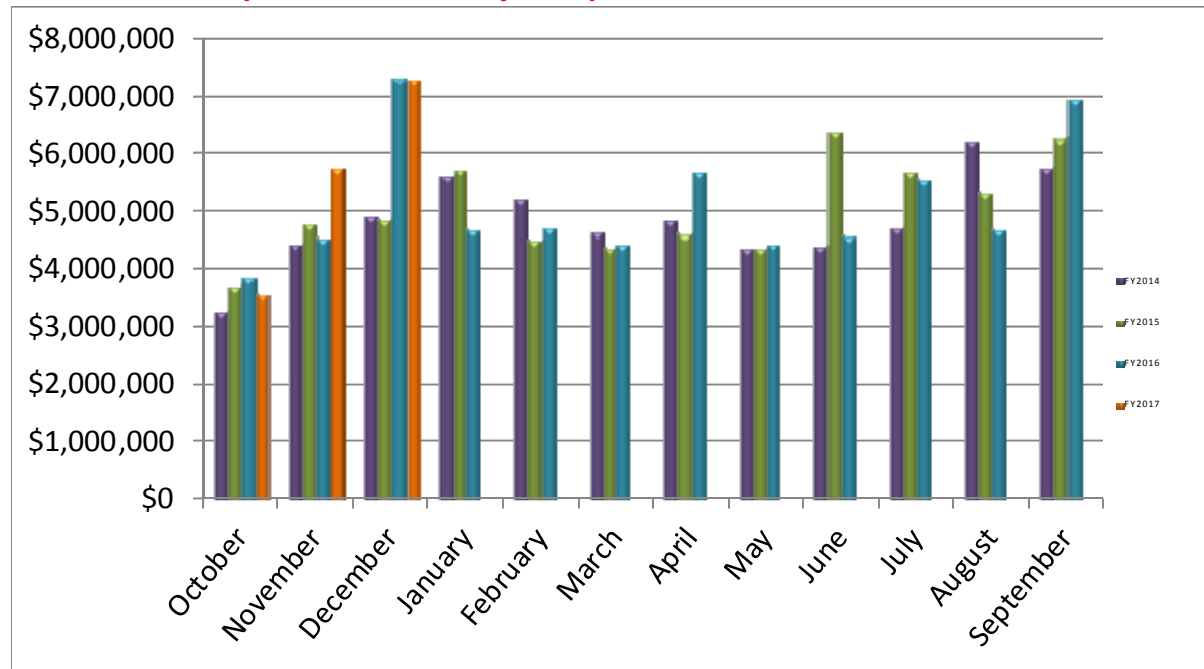


2017 YTD Change in GF Expenditures as Compared to Prior Year

	Prior YTD	Current YTD	Percent Change	Annual Budget
Legislative (1)	\$ 190,012	\$ 159,683	-16.0%	\$ 678,030
City Manager (2)	217,682	159,514	-26.7%	717,480
City Attorney (3)	528,616	121,225	-77.1%	613,919
Procurement (4)	-	89,692	0.0%	402,536
Finance (5)	381,762	316,041	-17.2%	1,321,959
Information Technology	729,135	675,447	-7.4%	2,581,074
Human Resources (6)	120,382	106,439	-11.6%	643,258
Growth Management (7)	126,269	277,478	119.8%	1,266,234
Economic Development (8)	113,082	262,281	131.9%	777,070
Parks and Recreation	673,041	646,112	-4.0%	2,711,961
Facilities	508,075	507,247	-0.2%	2,402,634
Police	4,519,534	4,429,612	-2.0%	19,572,286
Fire	3,286,579	3,482,093	5.9%	14,056,986
Public Works (9)	1,126,919	1,751,081	55.4%	5,416,169
Non-Departmental	923,258	965,082	4.5%	3,872,328
Transfers (10)	2,281,380	2,680,538	17.5%	8,139,685
	\$ 15,725,726	\$ 16,629,566	5.7%	\$ 65,173,609

- (1) Decrease primarily due to decreased year-to-date costs for equipment, and for dues and memberships.
- (2) Decrease primarily due to FY17 budget of some former City Manager operating costs into Economic Development Department.
- (3) Decrease primarily due to decreased year-to-date costs for Other Attorneys.
- (4) Increase due to Procurement Department's first year of existence in FY17. Previously was in Finance Department.
- (5) Decrease primarily due to Purchasing Division transferred to Procurement Department in FY17.
- (6) Decrease primarily due to promotion of H.R. Director to Deputy City Manager; his FY17 salary is charged to City Manager's Office.
- (7) Increase primarily due to FY17 budget of Code Compliance Division in Growth Management instead of in Police Department.
- (8) Increase primarily due to expansion of Economic Development Department compared to same time last year.
- (9) Increase primarily due to increased year-to-date costs for disaster preparedness.
- (10) Increase primarily due to increased year-to-date transfers to Road Maintenance CIP Fund.

General Fund Expenditures-Monthly Comparison



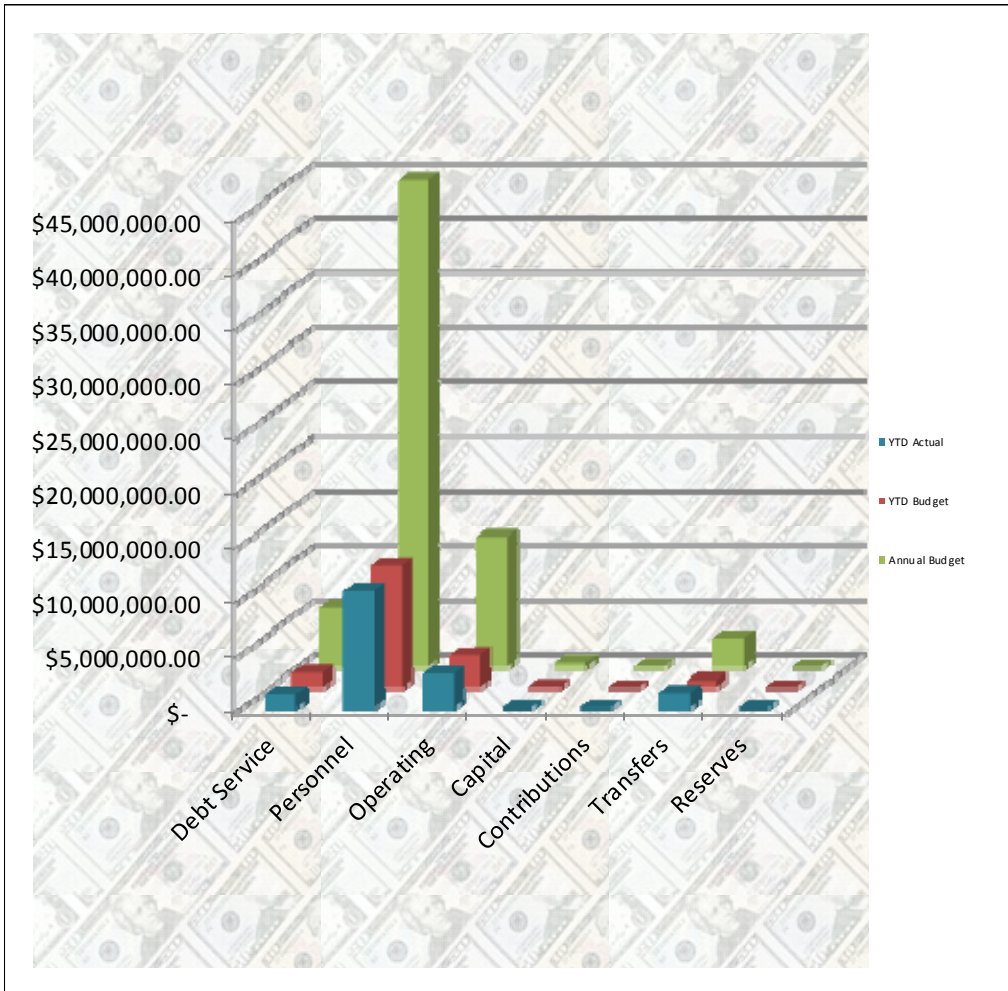
Monthly GF Expenditures as Compared to Prior Years

	FY 2014	FY 2015	FY 2016	FY 2017
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	-
February	5,259,394	4,526,492	4,746,328	-
March	4,666,428	4,375,170	4,443,296	-
April	4,859,644	4,630,094	5,693,822	-
May	4,386,401	4,397,032	4,450,696	-
June	4,412,580	6,385,679	4,592,489	-
July	4,721,680	5,689,908	5,551,214	-
August	6,272,362	5,346,802	4,712,630	-
September	5,780,329	6,310,426	6,997,362	-
	\$ 58,669,085	\$ 60,803,379	\$ 61,599,028	\$ 16,629,566

December General Fund expenditures were \$32,842 (0.45%) less when comparing December 2016 to December 2015. Year-to-date expenditures are \$903,840 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	\$ 1,281,087.45	\$ 1,363,688	\$ 5,454,751	23.49%
Personnel	10,794,341.45	11,153,947	44,615,788	24.19%
Operating	3,101,636.69	2,984,711	11,938,842	25.98%
Capital	-	101,824	407,294	0.00%
Contributions	53,050.00	18,000	72,000	73.68%
Transfers	1,399,450.40	671,234	2,684,934	52.12%
Reserves	-	-	-	0.00%
Total	\$ 16,629,565.99	\$ 16,293,402	\$ 65,173,609	25.52%



The total budgeted expenditures for 2017 are \$65,173,609 (includes encumbrances from prior year and 2017 budget amendments). Of this amount, \$44,615,788, or 68.5%, is related to personnel costs.

General Fund Cash & Investments – At a Glance December 2016

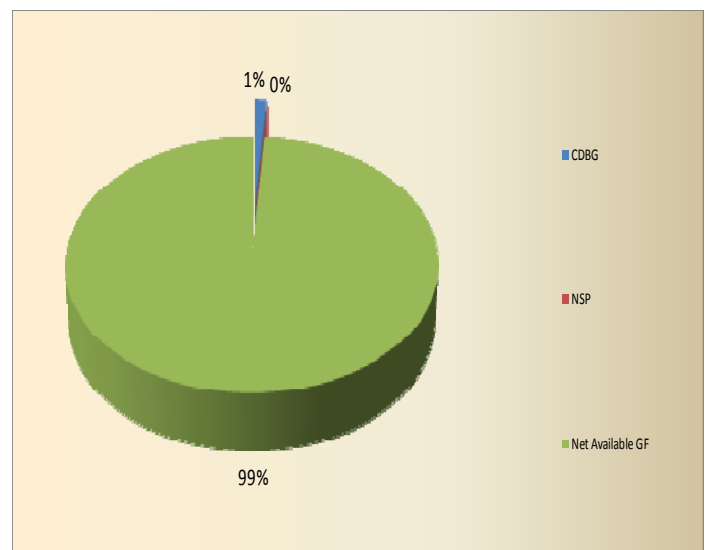
General Fund Cash & Investments-YTD



General Fund Cash & Investments

General Fund Cash & Investments	
Prior Month Ending Balance	\$ 6,211,476.25
Cash Increase (Decrease)	<u>13,094,772.85</u>
Ending Balance 12/31/16	<u><u>\$ 19,306,249.10</u></u>

General Fund Cash & Investments	
December 2016 Ending Balance	\$ 19,306,249.10
Cash Advanced to Other Funds:	
CDBG	(226,826.90)
NSP	<u>\$ (1,508.80)</u>
Total Available Cash & Investments	<u><u>\$ 19,077,913.40</u></u>



General Fund Balance – At a Glance December 2016

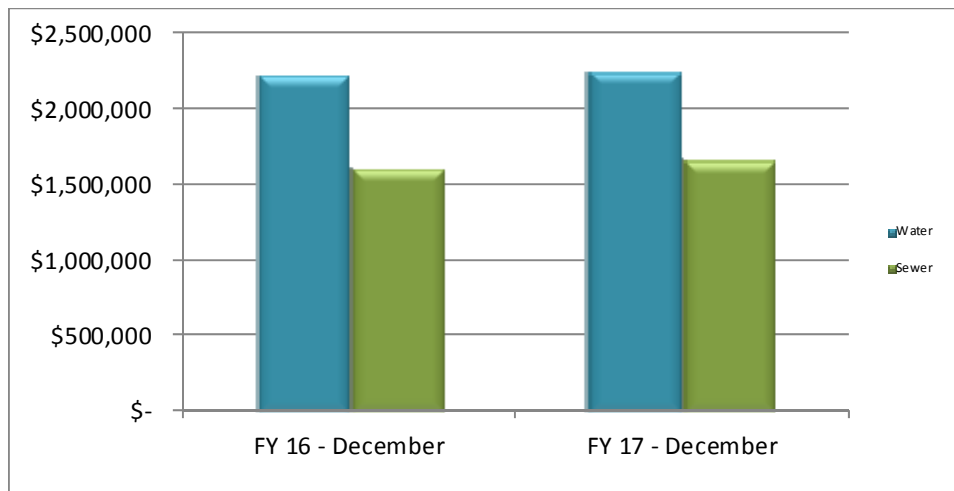
	PRIOR YTD	CURRENT YTD
REVENUES		
Ad Valorem Taxes	\$ 18,800,305	\$ 20,536,837
Local Option Fuel Tax	227,022	241,655
Utility Service Taxes	926,765	957,422
Communication Service Tax	258,588	216,873
Franchise Fees	454,187	459,386
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Half Cent Sales Tax	455,117	481,060
Licenses and Permits	486,168	485,386
Grants and Other Entitlements	12,841	44,650
Charges for Services	609,069	666,294
Fines and Forfeitures	80,219	66,343
Interest, Rents and Other Revenues	177,499	153,886
Interfund Transfers and Other Sources	515,378	462,947
Total Revenues	23,320,627	25,096,559
EXPENDITURES		
Legislative	190,012	159,683
City Manager	217,682	159,514
City Attorney	528,616	121,225
Procurement	-	89,692
Finance	381,762	316,041
Information Technology	729,135	675,447
Human Resources	120,382	106,439
Growth Management	126,269	277,478
Economic Development	113,082	262,281
Parks and Recreation	673,041	646,112
Facilities	508,075	507,247
Police	4,519,534	4,429,612
Fire	3,286,579	3,482,093
Public Works	1,126,919	1,751,081
Non-Departmental	923,258	965,082
Transfers	2,281,380	2,680,538
Total Expenditures	15,725,726	16,629,566
Excess (Deficiency) of Revenues Over Expenditures	7,594,901	8,466,993
Fund Balance - Beginning	8,282,350	8,158,706
Prior Period Adjustment	-	-
Fund Balance - Beginning as Restated	8,282,350	8,158,706
Fund Balance - Ending	\$ 15,877,251	16,625,700

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	\$ 8,158,706	14.58%
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 December 2016

Water & Sewer Revenues-YTD



Overall year-to-date Water revenue in December 2016 has increased \$21,915 (0.98%) when compared to December 2015.

Overall year-to-date Sewer revenue in December 2016 has increased \$58,029 (3.58%) when compared to December 2015.

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

Meter Installation Fees are recorded at 31% of the budgeted amount. The Utility Lien Costs are recorded at 62% of the budgeted amount.

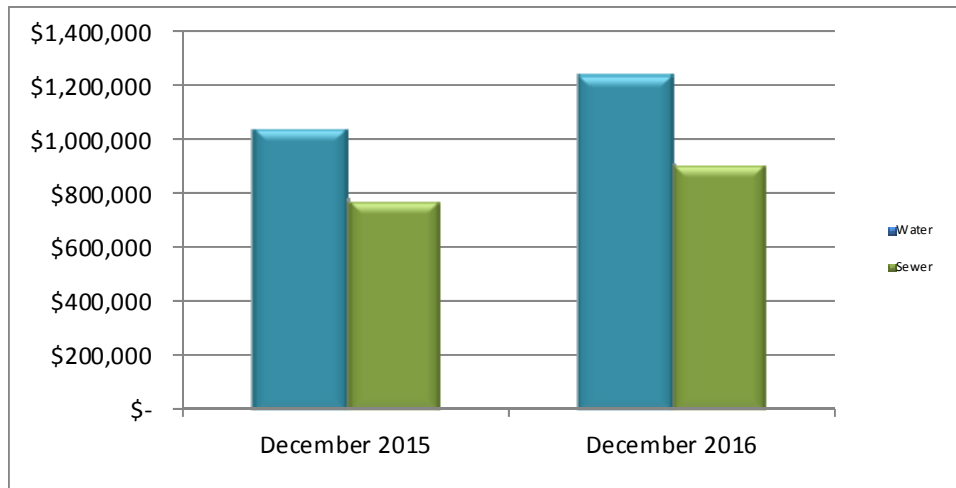
Operating Interest Income is recorded at -4% at this time. The negative amount is related to year-end adjustments between fiscal years and will level out. The interest for the Palm Bay Estates Loan (\$21,067) will be recorded in June, and the interest on the Fleet Services Loan will be recorded in March (\$25,866.14) and September (\$14,785.53).

Excluding Fund Balance, the total FY17 Operating Revenue is recorded at 17.21% of the budgeted amount compared to FY16 which was at 17.24%.

Water Connection Fees are recorded at 26% of the budgeted amount, and Sewer Connection Fees are recorded at 24% of the budgeted amount.

Water MLEs are recorded at 32% of the budgeted amount, and Sewer MLEs are recorded at 52% of the budgeted amount.

Water & Sewer Revenues-Monthly Comparison



Overall Water revenue for the month of December 2016 has increased by \$210,875 (20.17%) when compared to December 2015.

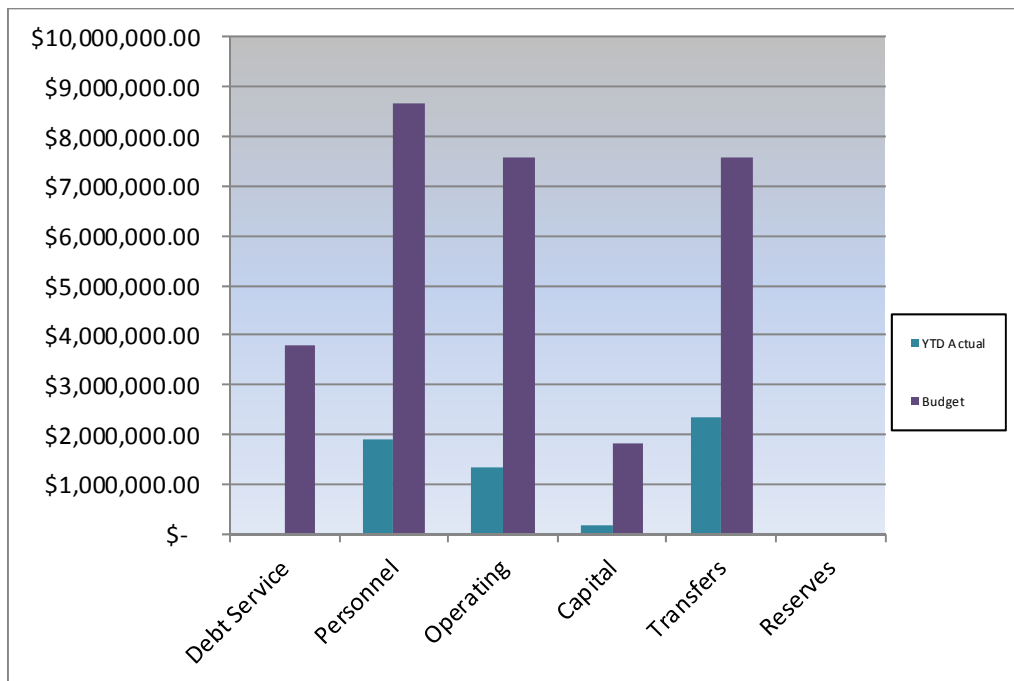
Overall Sewer revenue for the month of December 2016 has increased by \$138,602 (17.76%) when compared to December 2015.

Utilities Expenses – At a Glance December 2016

Water & Sewer Expenditures-YTD

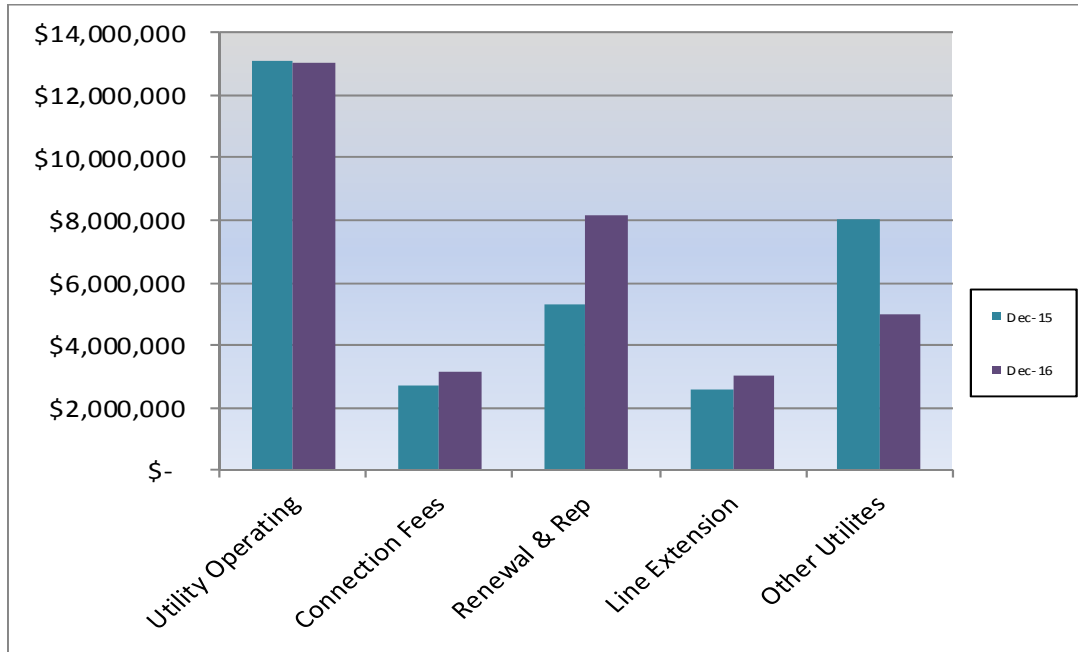
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Debt Service	\$ -	\$ 3,798,162	0.00%
Personnel	1,910,233.23	8,674,485	22.02%
Operating	1,336,387.85	7,563,734	17.67%
Capital	188,169.93	1,830,144	10.28%
Transfers	2,331,807.85	7,571,706	30.80%
Reserves	-	-	-
Total	\$ 5,766,598.86	\$ 29,438,231	19.59%



Utilities Cash & Investments – At a Glance December 2016

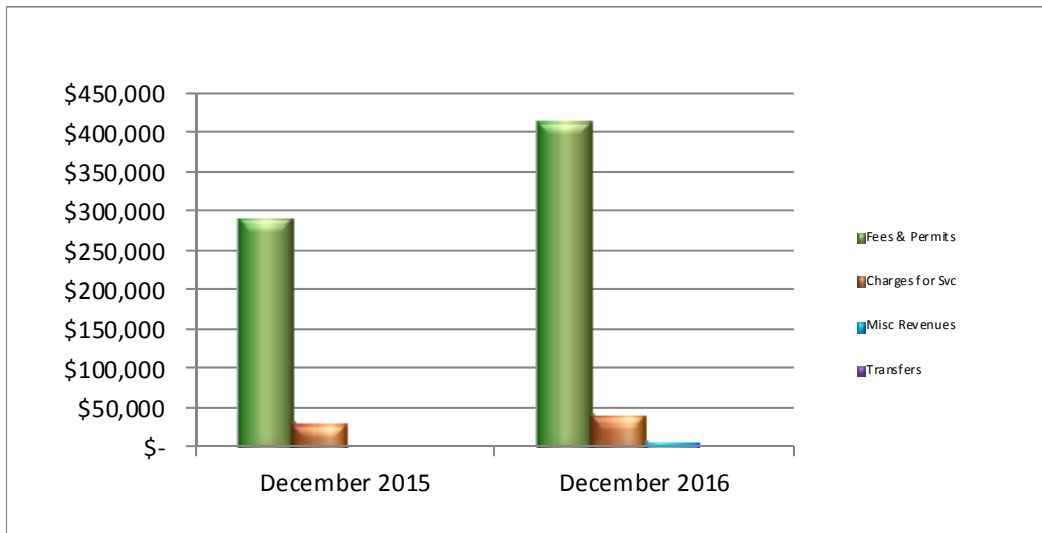
Water & Sewer Cash & Investments-YTD



Overall the Water & Sewer Funds cash and investments were \$0.68 million (2.2%) more as of December 2016 as compared to December 2015.

Building Revenues – At a Glance December 2016

Building Revenues-YTD



Fees and Permits revenue in December 2016 is up \$126,533 (43.16%) from December 2015.

Charges for Services revenue in December 2016 is up \$8,813 (27.51%) from December 2015.

Overall, Building revenues in FY 17 (at December) have increased by \$139,703 (42.48%) when compared to FY 16 (at December).

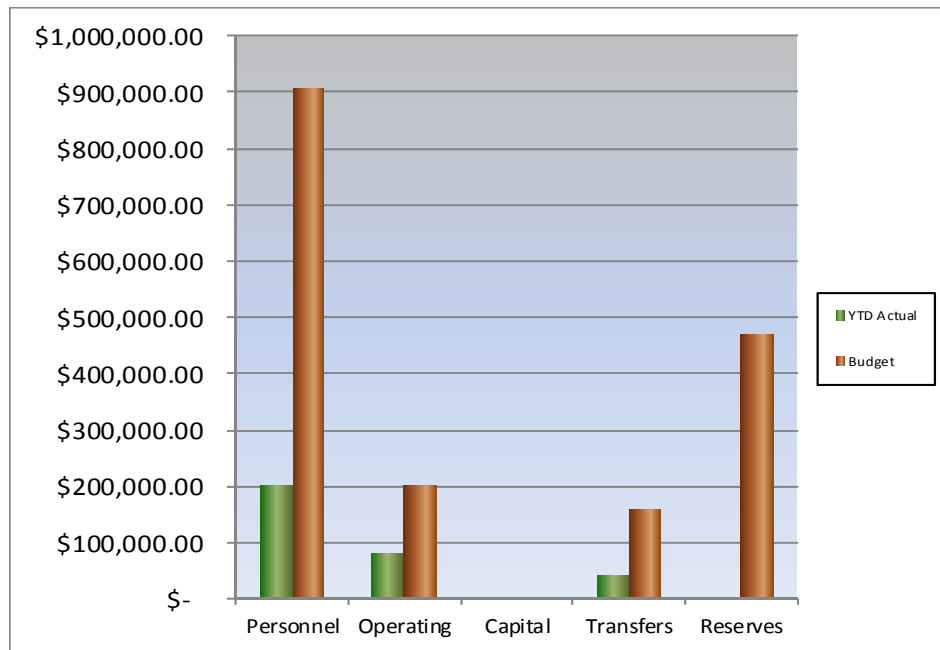
The total FY 17 Building revenues are recorded at 27.02% of the budgeted amount compared to FY 16 which was 29.15%.

Building Expenses – At a Glance December 2016

Building Expenditures-YTD

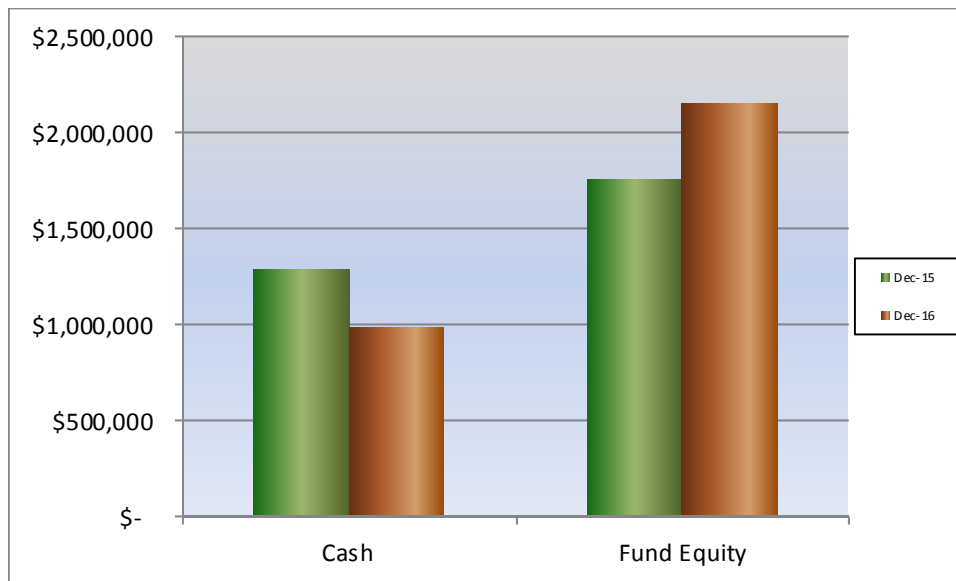
Overall expenditures (excluding encumbrances) are as follows:

	<u>Actual</u>	<u>Budget</u>	<u>% Spent</u>
Personnel	\$ 201,760.79	\$ 907,598	22.23%
Operating	78,803.08	199,234	39.55%
Capital	-	-	0.00%
Transfers	39,570.51	158,282	25.00%
Reserves	-	469,020	0.00%
Total	\$ 320,134.38	\$ 1,734,134	18.46%



Building Cash & Fund Equity – At a Glance December 2016

Building Cash & Fund Equity-YTD



Overall the Building cash and investments were \$303,819 (23.6%) less as of December 2016 as compared to December 2015.

Overall the Building fund equity was \$398,714 (22.7%) more as of December 2016 as compared to December 2015.