

**CITY OF PALM BAY, FLORIDA
MONTHLY FINANCIAL REPORT (UNAUDITED)
DECEMBER 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 December 2017. December is the third month of the fiscal year and represents 25% of the annual budget.

Financial Report Summary

- Citywide revenues of \$59.7 million are at 30.3% of the annual budget. Citywide expenditures of \$38.7 million are at 19.6% 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 \$13.3 million, or 17.4%, in comparison to the prior year.
- Most of the increased citywide revenues are a result of the new Stormwater Assessment. Most of the decreased citywide expenditures are due to the cash defeasance payment made in FY17 to refund the Utility Revenue Bonds, Series 2005B.

Contents	
❖ General Fund	
YTD Revenues	Page 2
Monthly Revenues	Page 3
YTD Expenditures	Page 4
Monthly Expenditures	Page 5
YTD Budget Comparison	Page 6
Cash & Investments	Page 7
Fund Balance	Page 8
❖ Utilities Fund	
YTD Revenues	Page 9
Monthly Revenues	Page 10
YTD Expenses	Page 11
Cash & Investments	Page 12
❖ Building Fund	
YTD Revenues	Page 13
YTD Expenses	Page 14
Cash & Fund Equity	Page 15

Citywide - Cash & Investments		Citywide - Revenues		Citywide - Expenditures	
12/31/2017	\$ 89,461,237.82	12/31/2017	\$ 59,703,207.43	12/31/2017	\$ 38,694,427.30
12/31/2016	76,202,588.63	12/31/2016	50,575,305.04	12/31/2016	40,646,442.83
Increase	17.4% \$ 13,258,649.19	Increase	18.0% \$ 9,127,902.39	Increase	-4.8% \$ (1,952,015.53)

- General Fund revenues of \$29.2 million are at 41% of the annual budget. This is an increase of \$4.06 million, or 16.2%, in comparison to the prior year.
- General Fund expenditures of \$18.3 million are at 26% of the annual budget. This is an increase of \$1.62 million, or 9.8%, in comparison to the prior year.
- General Fund cash and investments increased by \$3.41 million, or 17.7%, in comparison to the prior year. Of this increased General Fund cash, \$800,000 is reserved.

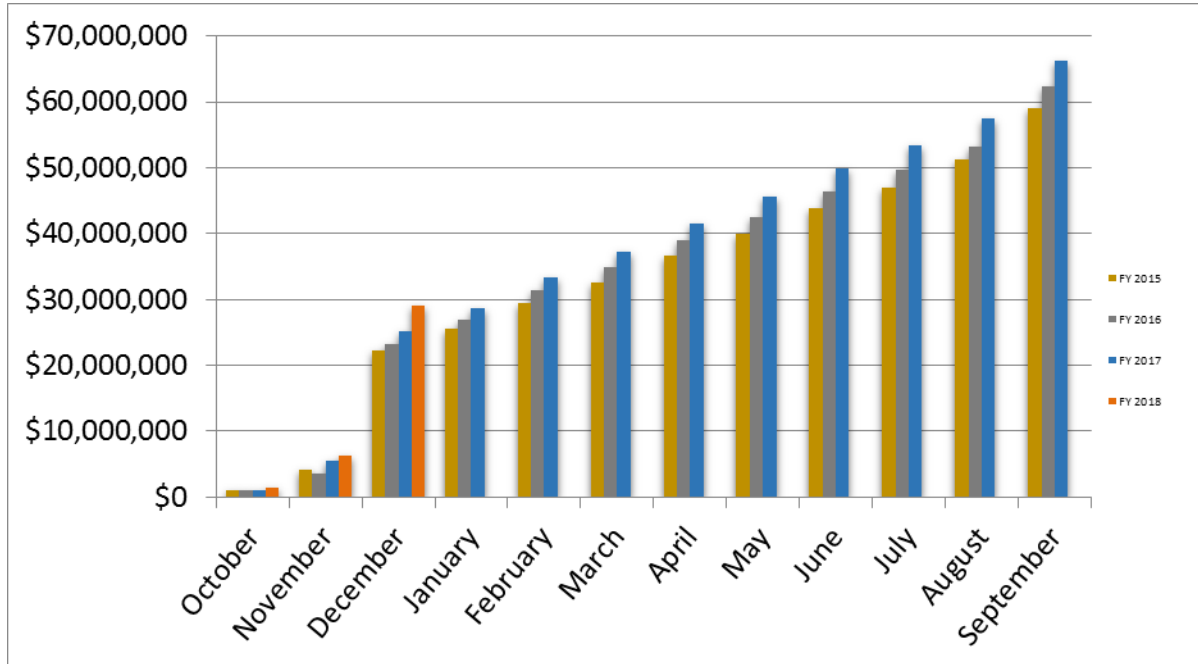
General Fund - Cash & Investments		General Fund - Revenues		General Fund - Expenditures	
12/31/2017	\$ 22,720,278.42	12/31/2017	\$ 29,159,781.48	12/31/2017	\$ 18,254,098.58
12/31/2016	19,306,249.10	12/31/2016	25,096,559.44	12/31/2016	16,629,565.99
Increase	17.7% \$ 3,414,029.32	Increase	16.2% \$ 4,063,222.04	Increase	9.8% \$ 1,624,532.59

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 2015 to 2018.

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 2017

General Fund Revenues-YTD



FY2018 YTD Change in GF Revenues as Compared to Prior Year

	Prior YTD	Current YTD	Percent Change	Annual Budget
Ad Valorem Taxes	\$ 20,536,837	\$ 23,406,104	0.0%	\$ 28,467,595
Local Option Fuel Tax	241,655	249,596	0.0%	4,208,406
Utility Service Taxes	957,422	1,049,284	9.6%	8,402,000
Communication Service Tax	216,873	228,797	0.0%	2,779,457
Franchise Fees	459,386	541,657	0.0%	5,240,000
State Shared Revenues	323,821	358,721	0.0%	4,515,736
Half Cent Sales Tax	481,060	547,337	0.0%	6,686,792
Licenses and Permits	485,386	495,929	2.2%	602,000
Grants and Other Entitlements (1)	44,650	247,763	454.9%	1,283,468
Charges for Services (2)	666,294	923,585	38.6%	3,431,469
Fines and Forfeitures (3)	66,343	81,086	22.2%	346,300
Interest, Rents & Other Revenues (4)	153,886	271,269	76.3%	406,600
Interfund Transfers & Capital Leases (5)	462,947	758,653	63.9%	2,408,344
Fund Balance	-	-	0.0%	2,037,313
	\$ 25,096,559	\$ 29,159,781	16.2%	\$ 70,815,480

(1) Increase primarily due to increased year-to-date collections from Brevard County for partial reimbursement of Parks expenses in FY18.

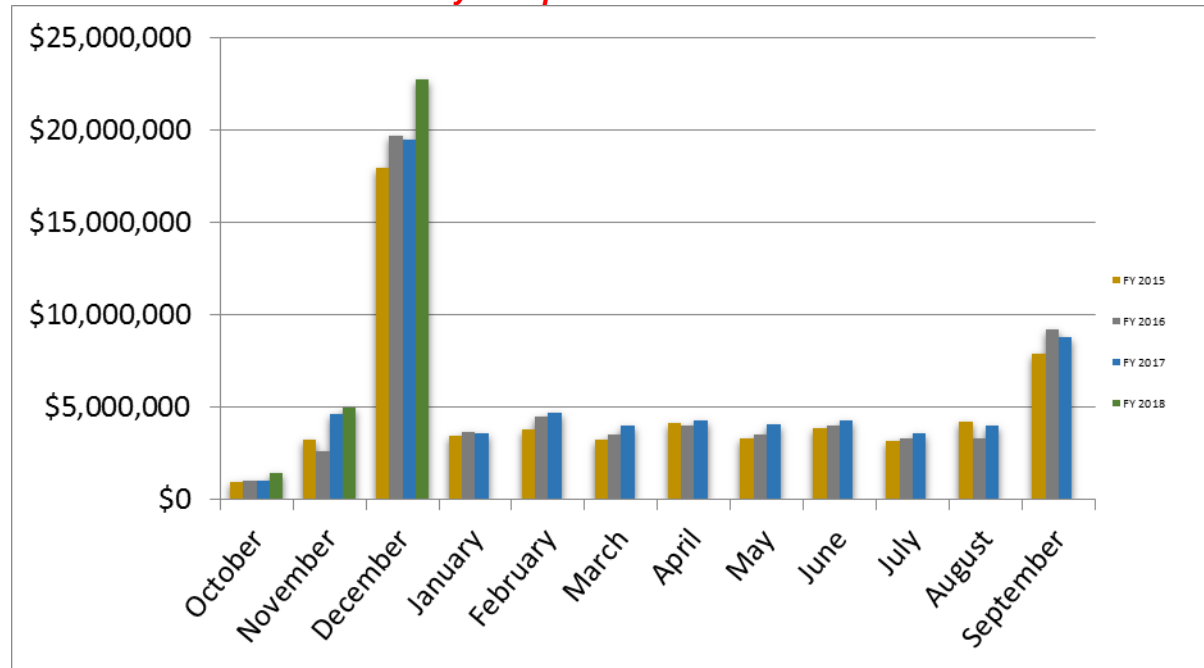
(2) Increase primarily due to increased year-to-date collections of Engineering Plan, Recreation Program, and Collection/Disposal fees in FY18.

(3) Increase primarily due to higher year-to-date collection of Investigative Cost Recoveries in FY18.

(4) Increase primarily due to higher year-to-date collections from property sales in FY18.

(5) Increase primarily due to higher budgeted transfer from Utility Operating Fund and higher year-to-date transfer from Stormwater in FY18.

General Fund Revenues-Monthly Comparison



Monthly GF Revenues as Compared to Prior Years

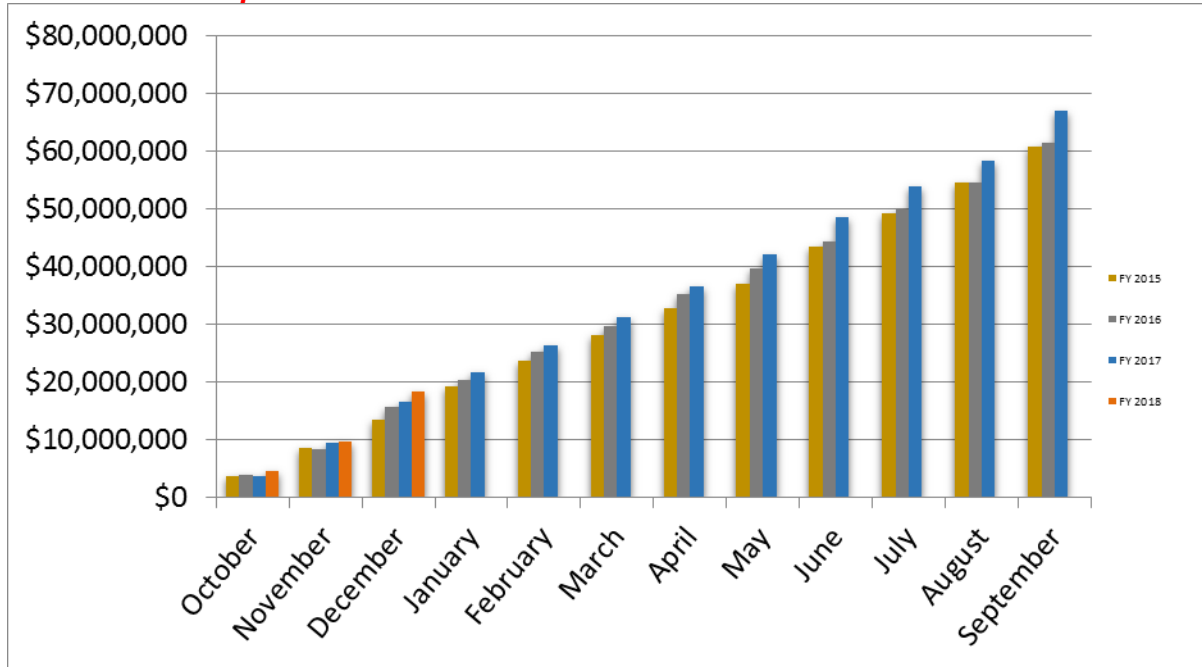
	FY 2015	FY 2016	FY 2017	FY 2018
October	\$ 953,761	\$ 1,012,271	\$ 1,005,090	\$ 1,416,001
November	3,246,502	2,619,131	4,580,252	4,969,155
December	17,977,402	19,689,226	19,511,218	22,774,626
January	3,458,799	3,639,261	3,585,305	
February	3,782,243	4,490,812	4,656,371	
March	3,203,645	3,522,695	3,990,468	
April	4,103,728	4,009,369	4,245,071	
May	3,278,699	3,511,664	4,073,453	
June	3,830,369	3,976,789	4,237,693	
July	3,170,380	3,323,512	3,597,870	
August	4,168,296	3,323,716	3,960,272	
September	7,881,278	9,167,028	8,798,341	
	\$ 59,055,101	\$ 62,285,475	\$ 66,241,404	\$ 29,159,781

Overall General Fund revenues for the month of December 2017 have increased \$3,263,408 (16.73%) when compared to December 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 December 2017

General Fund Expenditures-YTD



2018 YTD Change in GF Expenditures as Compared to Prior Year

	Prior YTD	Current YTD	Percent Change	Annual Budget
Legislative (1)	\$ 159,683	\$ 176,945	10.8%	\$ 712,660
City Manager	159,514	161,064	1.0%	800,423
City Attorney (2)	121,225	151,659	25.1%	581,105
Procurement	89,692	86,478	-3.6%	468,024
Finance	316,041	322,759	2.1%	1,404,782
Information Technology (3)	675,447	454,160	-32.8%	3,446,430
Human Resources (4)	106,439	126,314	18.7%	715,807
Growth Management	277,478	304,952	9.9%	1,406,042
Economic Development (5)	262,281	173,108	-34.0%	696,632
Parks and Recreation (6)	646,112	894,811	38.5%	4,275,090
Facilities (7)	507,247	590,645	16.4%	2,655,842
Police	4,429,612	4,506,658	1.7%	19,767,307
Fire	3,482,093	3,555,579	2.1%	14,451,150
Public Works (8)	1,751,081	2,919,350	66.7%	6,819,229
Non-Departmental	965,082	1,029,932	6.7%	5,594,168
Transfers	2,680,538	2,799,686	4.4%	7,020,789
	\$ 16,629,566	\$ 18,254,099	9.8%	\$ 70,815,480

(1) Increase primarily due to increased year-to-date costs for executive salaries and health insurance.

(2) Increase primarily due to increased year-to-date costs for Other Attorneys in FY18. Most in-house Attorney cost is charged to Risk Fund.

(3) Decrease primarily due to lower year-to-date costs for Computer Software Maintenance.

(4) Increase primarily due to Payroll staff was moved to Human Resources within the last year.

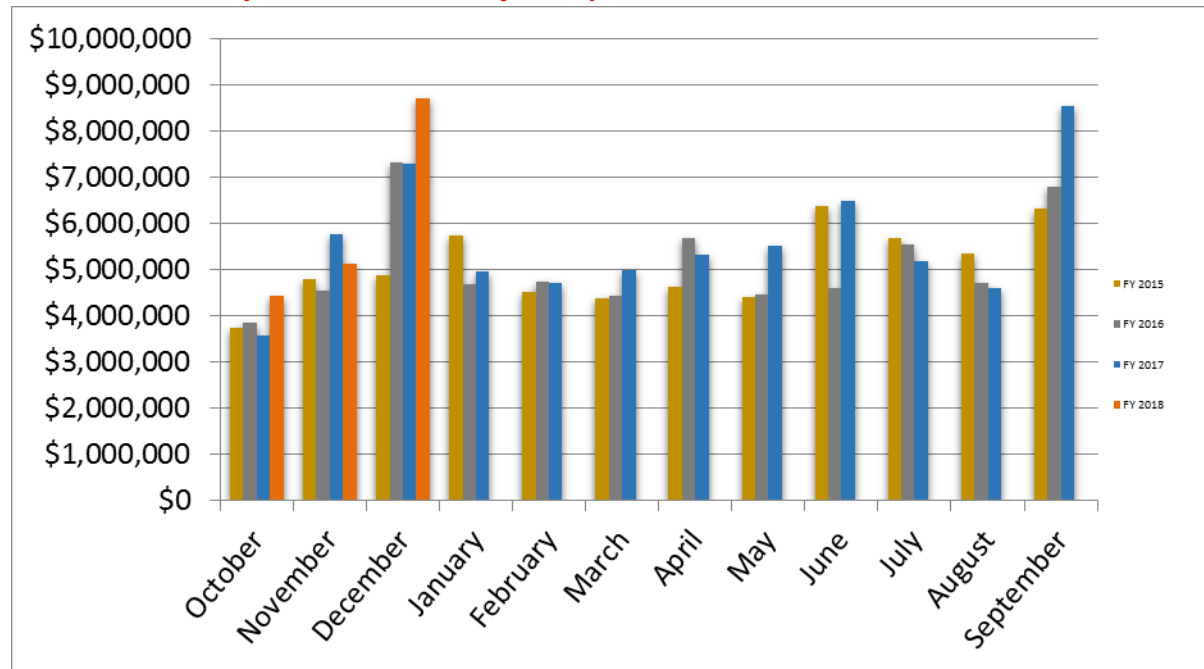
(5) Decrease primarily due to lower year-to-date cinema advertising costs compared to same time last year.

(6) Increase primarily due to inclusion of expenses of the Regional Park, Aquatic Center, and Whitlock Center in General Fund.

(7) Increase primarily due to lower year-to-date costs for utility services.

(8) Increase primarily due to higher year-to-date costs for Disaster Preparedness, Railroad Crossing Maintenance, and School Flashers.

General Fund Expenditures-Monthly Comparison



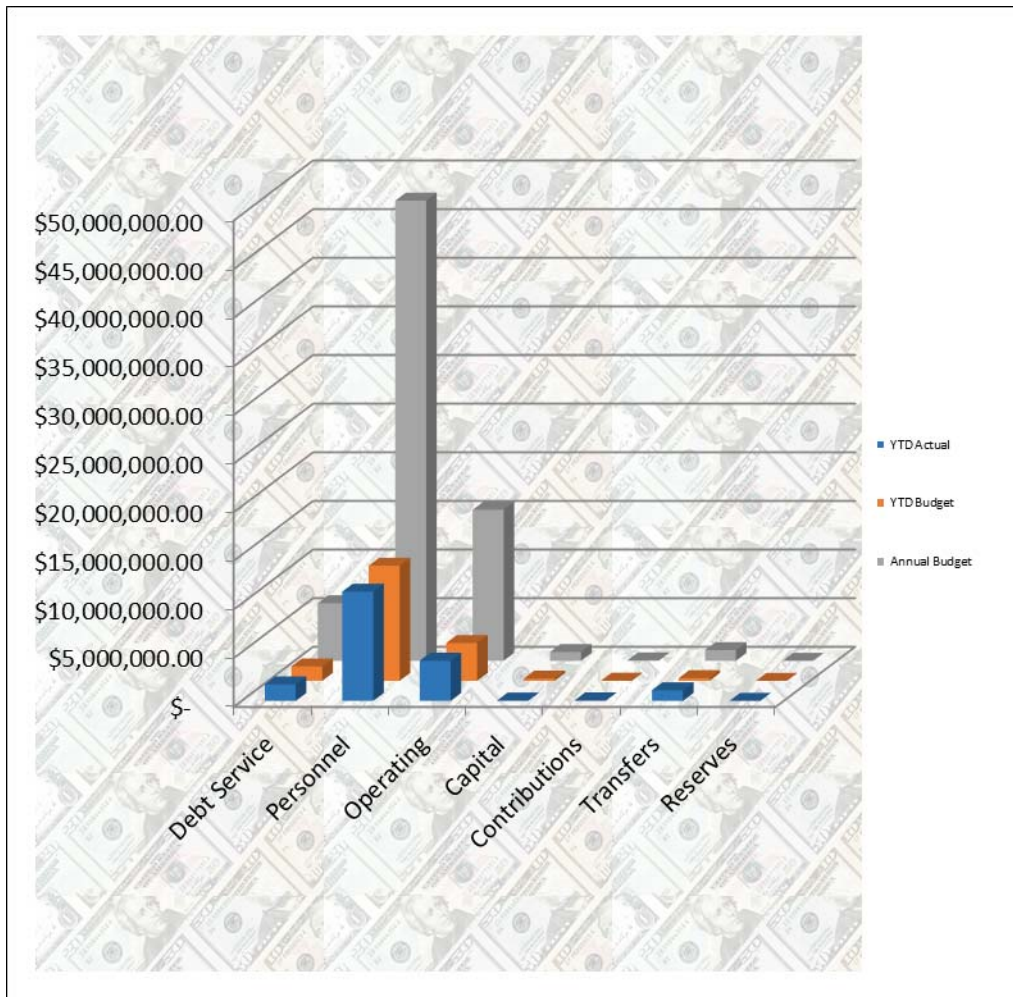
Monthly GF Expenditures as Compared to Prior Years

	FY 2015	FY 2016	FY 2017	FY 2018
October	\$ 3,726,416	\$ 3,859,572	\$ 3,572,123	\$ 4,424,711
November	4,799,117	4,542,401	5,766,532	5,122,997
December	4,886,462	7,323,753	7,290,910	8,706,391
January	5,729,780	4,685,466	4,972,873	
February	4,526,492	4,746,328	4,719,784	
March	4,375,170	4,443,296	4,983,695	
April	4,630,094	5,693,822	5,332,488	
May	4,397,032	4,450,696	5,512,146	
June	6,385,679	4,592,489	6,488,834	
July	5,689,908	5,551,214	5,175,411	
August	5,346,802	4,712,630	4,609,040	
September	6,310,426	6,791,578	8,539,660	
	\$ 60,803,379	\$ 61,393,243	\$ 66,963,498	\$ 18,254,099

December General Fund expenditures were \$1,415,481 (19.41%) more when comparing December 2017 to December 2016. Year-to-date expenditures are \$1,624,533 more.

General Fund Expenditures-Budgetary Comparison by Category

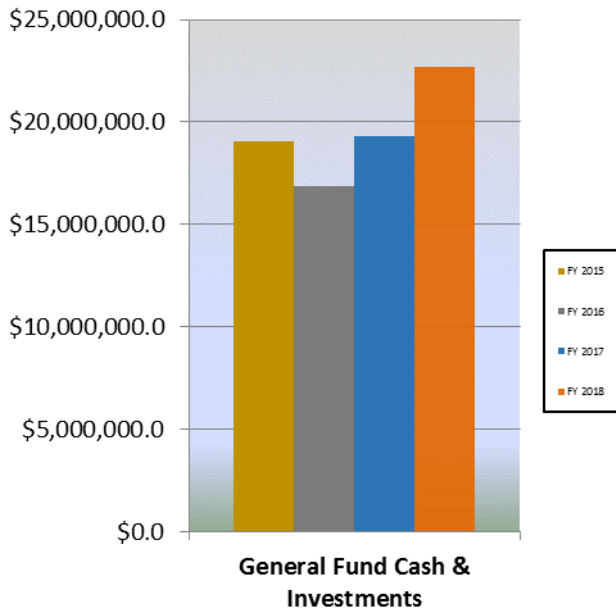
	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>	<u>% Spent</u>
Debt Service	\$ 1,704,534.66	\$ 1,481,410	\$ 5,925,638	28.77%
Personnel	11,228,475.75	11,829,029	47,316,115	23.73%
Operating	4,127,272.60	3,882,249	15,528,995	26.58%
Capital	43,914.57	224,895	899,581	4.88%
Contributions	54,750.00	12,500	50,000	109.50%
Transfers	1,095,151.00	273,788	1,095,151	100.00%
Reserves	-	-	-	0.00%
Total	\$ 18,254,098.58	\$ 17,703,870	\$ 70,815,480	25.78%



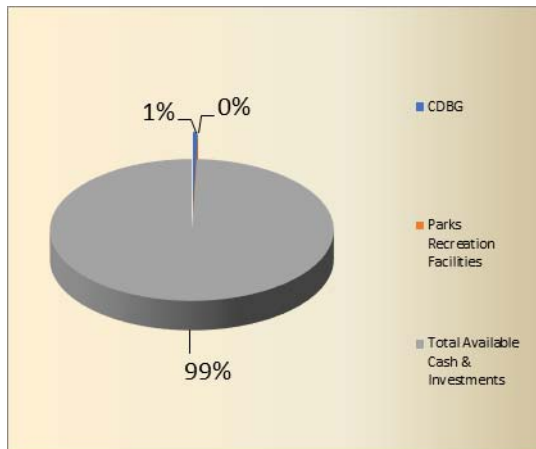
The total budgeted expenditures for 2018 are \$70,815,480 (includes encumbrances from prior year and 2018 budget amendments). Of this amount, \$47,316,115, or 66.8%, is related to personnel costs.

General Fund Cash & Investments – At a Glance December 2017

General Fund Cash & Investments-YTD



General Fund Cash & Investments	
Prior Month Ending Balance	\$ 8,205,188.22
Cash Increase (Decrease)	<u>14,515,090.20</u>
Ending Balance 12/31/17	<u><u>\$ 22,720,278.42</u></u>



General Fund Cash & Investments	
December 2017 Ending Balance	\$ 22,720,278.42
Cash Advanced to Other Funds:	
CDBG	(121,187.31)
Parks Recreation Facilities	(3,305.83)
Total Available Cash & Investments	<u><u>\$ 22,595,785.28</u></u>

General Fund Balance – At a Glance December 2017

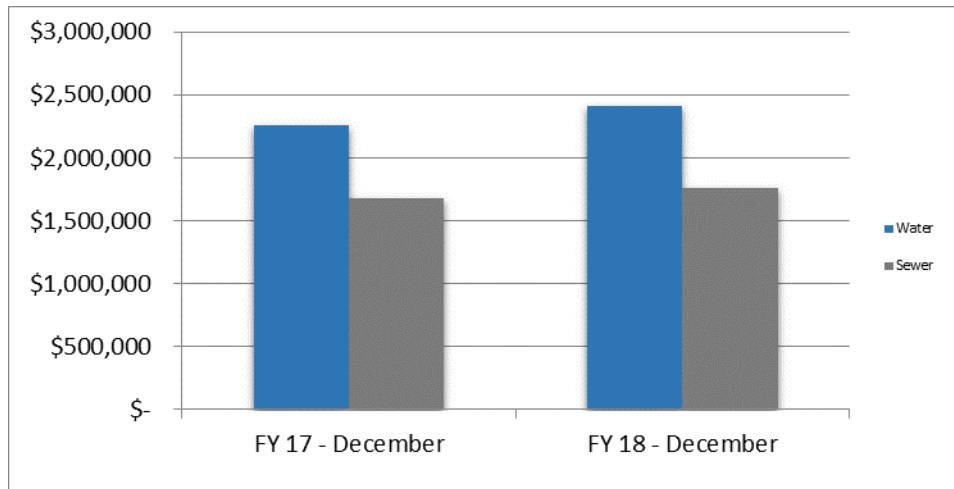
	PRIOR YTD	CURRENT YTD
REVENUES		
Ad Valorem Taxes	\$ 20,536,837	\$ 23,406,104
Local Option Fuel Tax	241,655	249,596
Utility Service Taxes	957,422	1,049,284
Communication Service Tax	216,873	228,797
Franchise Fees	459,386	541,657
State Shared Revenues	323,821	358,721
Half Cent Sales Tax	481,060	547,337
Licenses and Permits	485,386	495,929
Grants and Other Entitlements	44,650	247,763
Charges for Services	666,294	923,585
Fines and Forfeitures	66,343	81,086
Interest, Rents and Other Revenues	153,886	271,269
Interfund Transfers and Other Sources	462,947	758,653
Total Revenues	25,096,559	29,159,781
EXPENDITURES		
Legislative	159,683	176,945
City Manager	159,514	161,064
City Attorney	121,225	151,659
Procurement	89,692	86,478
Finance	316,041	322,759
Information Technology	675,447	454,160
Human Resources	106,439	126,314
Growth Management	277,478	304,952
Economic Development	262,281	173,108
Parks and Recreation	646,112	894,811
Facilities	507,247	590,645
Police	4,429,612	4,506,658
Fire	3,482,093	3,555,579
Public Works	1,751,081	2,919,350
Non-Departmental	965,082	1,029,932
Transfers	2,680,538	2,799,686
Total Expenditures	16,629,566	18,254,099
Excess (Deficiency) of Revenues Over Expenditures	8,466,993	10,905,683
Fund Balance - Beginning	9,174,582	8,389,436
Prior Period Adjustment	-	-
Fund Balance - Beginning as Restated	9,174,582	8,389,436
Fund Balance - Ending	\$ 17,641,576	19,295,119

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 2017	\$ 6,107,113	\$ 8,389,436	13.74%
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%

Utilities Revenues – At a Glance December 2017

Water & Sewer Revenues-YTD



Overall year-to-date Water revenue in December 2017 has increased \$146,894 (6.49%) when compared to December 2016.

Overall year-to-date Sewer revenue in December 2017 has increased \$84,702 (5.05%) when compared to December 2016.

Fire Protection for FY18 was billed at 101% of the budgeted amount. The Fire Protection Service Charges is billed in November (annual billing).

Meter Installation Fees are recorded at 28% of the budgeted amount. The Utility Lien Costs are recorded at 32% of the budgeted amount.

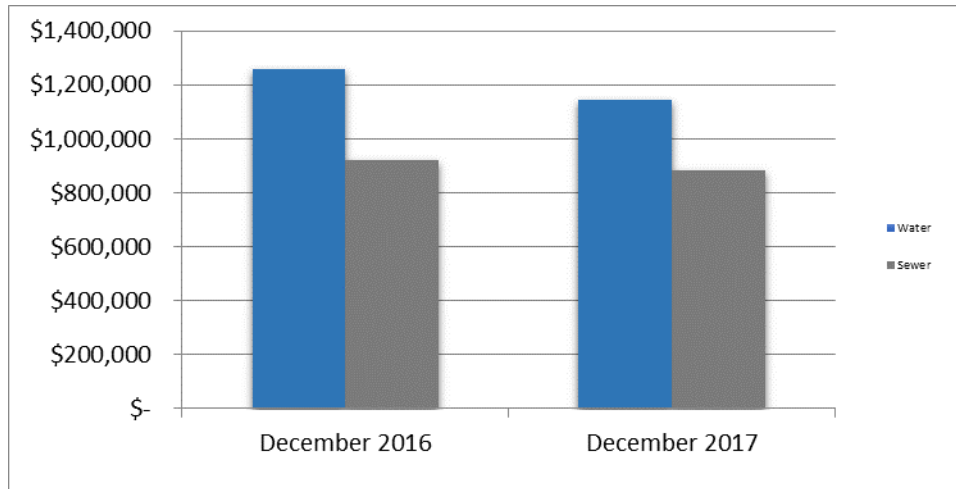
Operating Interest Income is recorded at 19%.

Excluding Fund Balance, the total FY18 Operating Revenue is recorded at 16.65% of the budgeted amount compared to FY17 which was at 17.21%.

Water Connection Fees are recorded at 35% of the budgeted amount, and Sewer Connection Fees are recorded at 30% of the budgeted amount.

Water MLEs are recorded at 29% of the budgeted amount, and Sewer MLEs are recorded at 22% of the budgeted amount.

Water & Sewer Revenues-Monthly Comparison



Overall Water revenue for the month of December 2017 has decreased by \$112,200 (8.93%) when compared to December 2016.

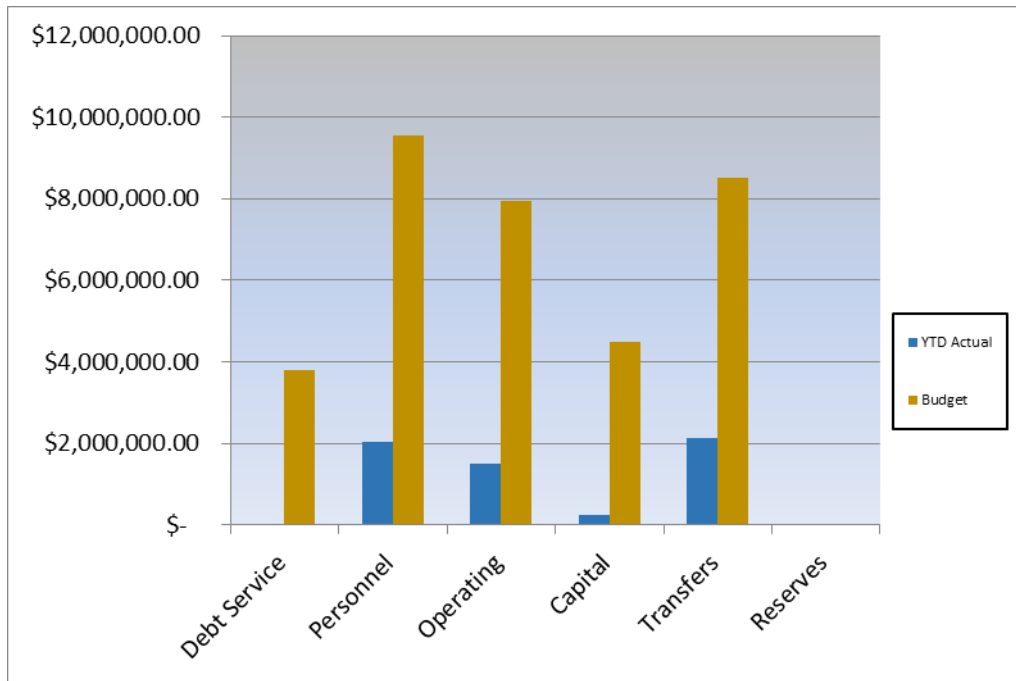
Overall Sewer revenue for the month of December 2017 has decreased by \$37,215 (4.05%) when compared to December 2016.

Utilities Expenses – At a Glance December 2017

Water & Sewer Expenditures-YTD

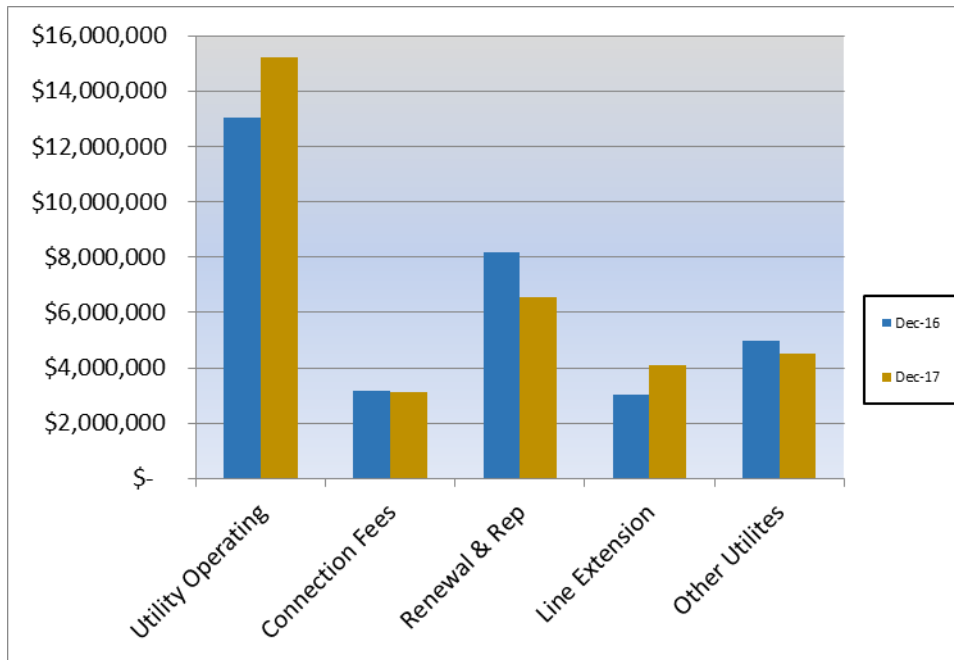
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Debt Service	\$ 464.67	\$ 3,799,411	0.01%
Personnel	2,037,762.26	9,565,864	21.30%
Operating	1,495,252.20	7,939,073	18.83%
Capital	225,695.24	4,479,078	5.04%
Transfers	2,140,744.34	8,520,949	25.12%
Reserves	-	-	-
Total	\$ 5,899,918.71	\$ 34,304,375	17.20%



Utilities Cash & Investments – At a Glance December 2017

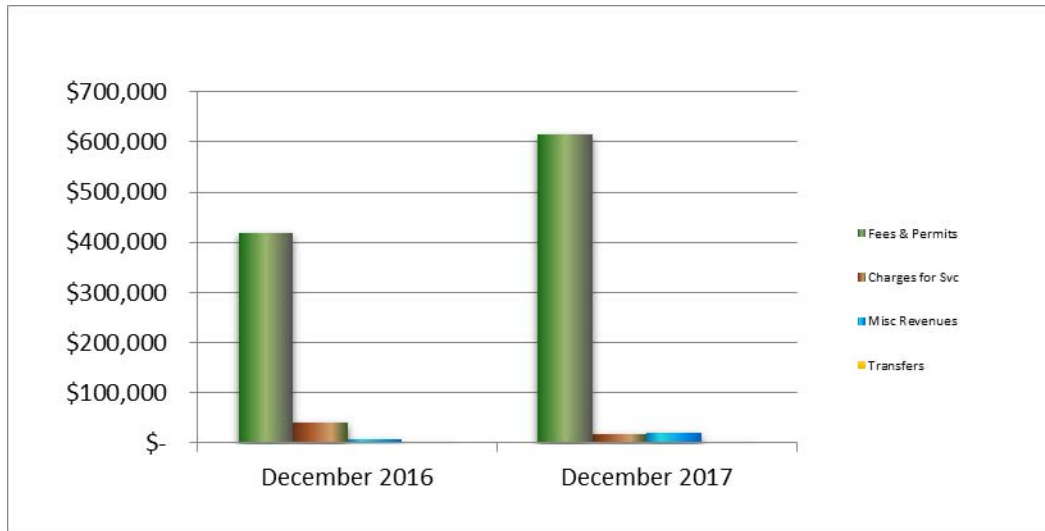
Water & Sewer Cash & Investments-YTD



Overall the Water & Sewer Funds cash and investments were \$1.09 million (3.4%) more as of December 2017 as compared to December 2016.

Building Revenues – At a Glance December 2017

Building Revenues-YTD



Fees and Permits revenue in December 2017 is up \$195,975 (46.69%) from December 2016.

Charges for Services revenue in December 2017 is down \$23,807 (58.27%) from December 2016.

Overall, Building revenues in FY 18 (at December) have increased by \$184,080 (39.28%) when compared to FY 17 (at December).

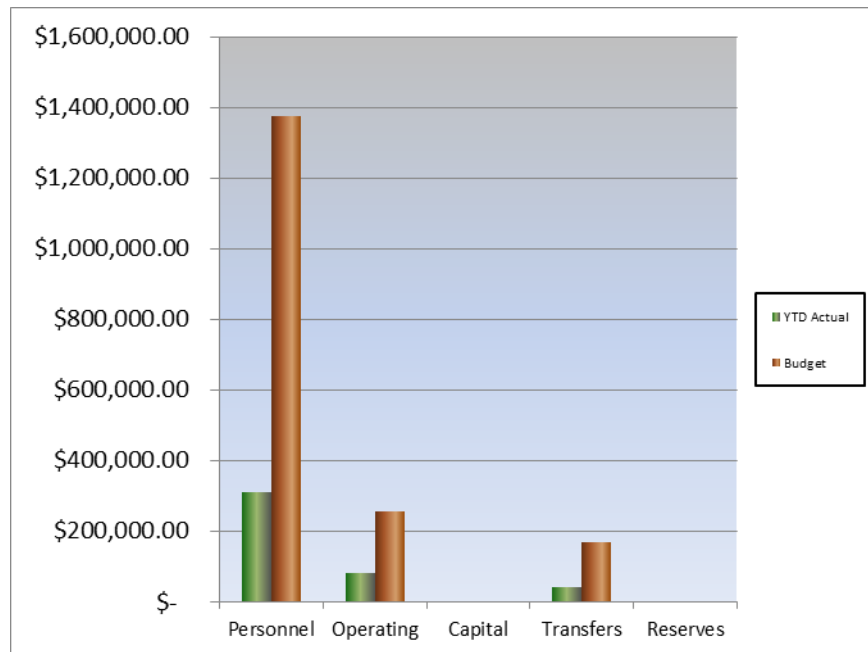
The total FY 18 Building revenues are recorded at 36.30% of the budgeted amount compared to FY 17 which was 27.02%.

Building Expenses – At a Glance December 2017

Building Expenditures-YTD

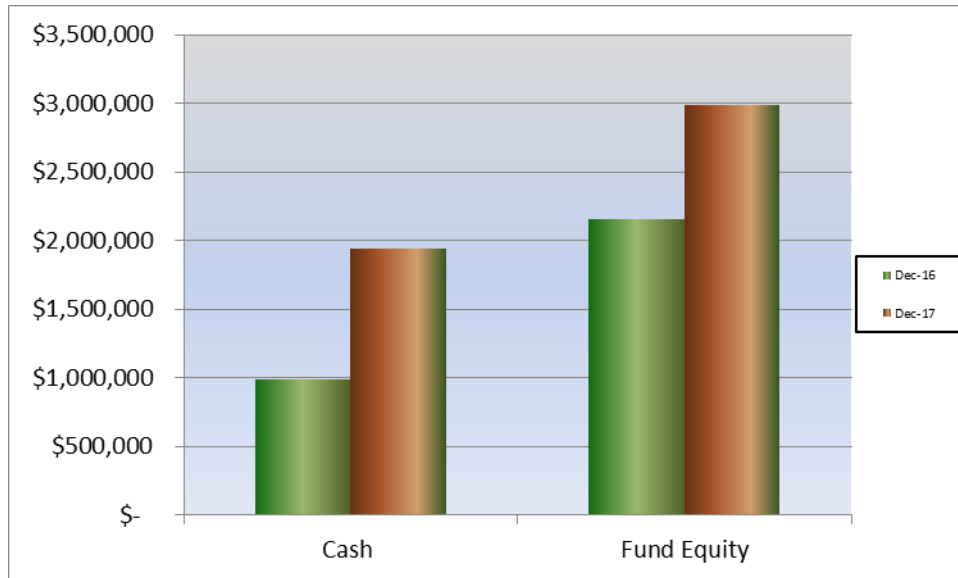
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Personnel	\$ 311,136.32	\$ 1,376,197	22.61%
Operating	82,974.31	255,211	32.51%
Capital	-	-	0.00%
Transfers	41,662.26	166,649	25.00%
Reserves	-	-	0.00%
Total	\$ 435,772.89	\$ 1,798,057	24.24%



Building Cash & Fund Equity – At a Glance December 2017

Building Cash & Fund Equity-YTD



Overall the Building cash and investments were \$952,222 (96.6%) more as of December 2017 as compared to December 2016.

Overall the Building fund equity was \$835,320 (38.8%) more as of December 2017 as compared to December 2016.