

**CITY OF PALM BAY, FLORIDA
MONTHLY FINANCIAL REPORT (UNAUDITED)
FEBRUARY 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 February 2016. February is the fifth month of the fiscal year and represents 42% of the annual budget.

Financial Report Summary

- Citywide revenues of \$79.9 million are at 48% of the annual budget. Citywide expenditures of \$74.6 million are at 45% 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 \$8.0 million, or 12.1%, 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	
2/29/2016	\$ 74,337,467.98	2/29/2016	\$ 79,855,951.05	2/29/2016	\$ 74,574,187.71
2/28/2015	66,297,135.81	2/28/2015	58,905,803.95	2/28/2015	50,867,572.82
Increase	12.1% \$ 8,040,332.17	Increase	35.6% \$ 20,950,147.10	Increase	46.6% \$ 23,706,614.89

- General Fund revenues of \$31.5 million are at 51% of the annual budget. This is an increase of \$2.03 million, or 6.9%, in comparison to the prior year.
- General Fund expenditures of \$25.2 million are at 41% of the annual budget. This is an increase of \$1.49 million, or 6.3%, in comparison to the prior year.
- General Fund cash and investments decreased by \$1.53 million, or 9.1%, in comparison to the prior year.

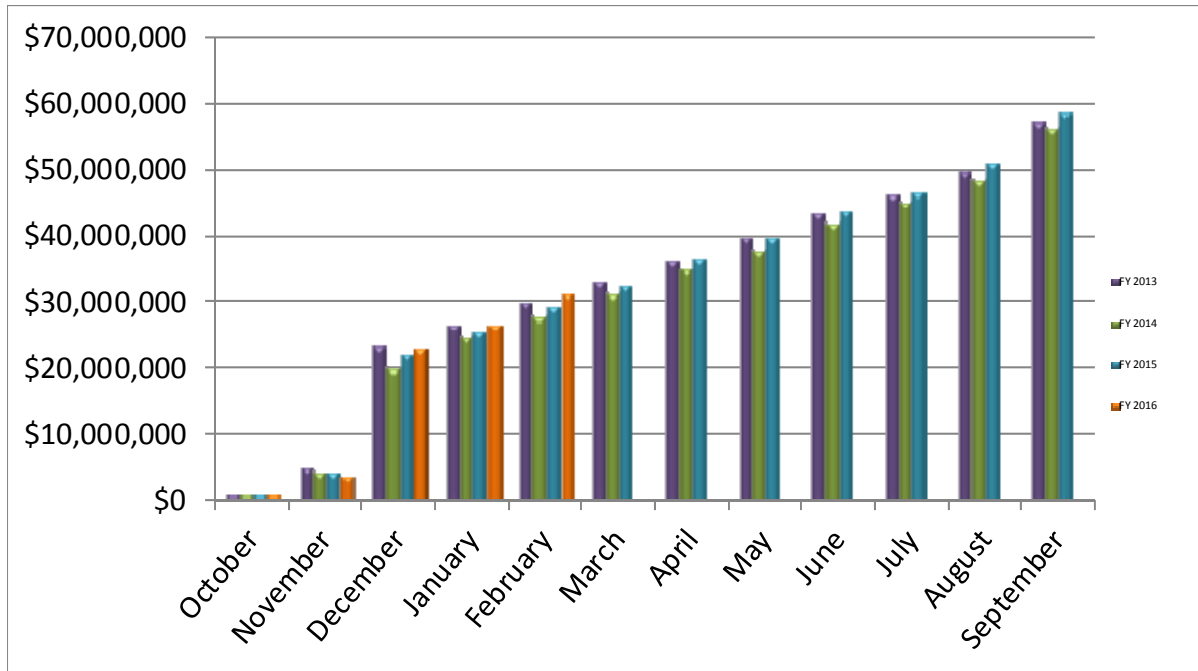
General Fund - Cash & Investments		General Fund - Revenues		General Fund - Expenditures	
2/29/2016	\$ 15,157,816.11	2/29/2016	\$ 31,450,634.60	2/29/2016	\$ 25,157,519.90
2/28/2015	16,682,922.16	2/28/2015	29,418,707.71	2/28/2015	23,668,267.28
Decrease	-9.1% \$ (1,525,106.05)	Increase	6.9% \$ 2,031,926.89	Increase	6.3% \$ 1,489,252.62

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 February 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	\$ 20,277,786	\$ 20,963,618	3.4%	\$ 24,471,077
Local Option Fuel Tax (1)	641,120	819,177	27.8%	3,560,238
Utility Service Taxes	2,126,070	2,197,979	3.4%	8,222,000
Communication Service Tax	756,194	736,898	-2.6%	2,953,575
Franchise Fees (2)	882,305	1,294,131	46.7%	5,390,000
State Shared Revenues (3)	842,633	952,411	13.0%	3,963,798
Half Cent Sales Tax	1,401,208	1,481,699	5.7%	5,801,620
Licenses and Permits	512,575	522,044	1.8%	580,520
Grants and Other Entitlements (4)	31,142	142,316	357.0%	246,975
Charges for Services	996,051	1,043,488	4.8%	2,714,153
Fines and Forfeitures	179,132	163,352	-8.8%	536,200
Interest, Rents & Other Revenues (5)	138,197	250,583	81.3%	447,860
Interfund Transfers & Capital Leases (6)	634,295	882,938	39.2%	2,085,486
Fund Balance	-	-	0.0%	991,161
	\$ 29,418,708	\$ 31,450,635	6.9%	\$ 61,964,663

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

(2) Increase primarily due to timing difference of receipt of one Franchise Fee payment.

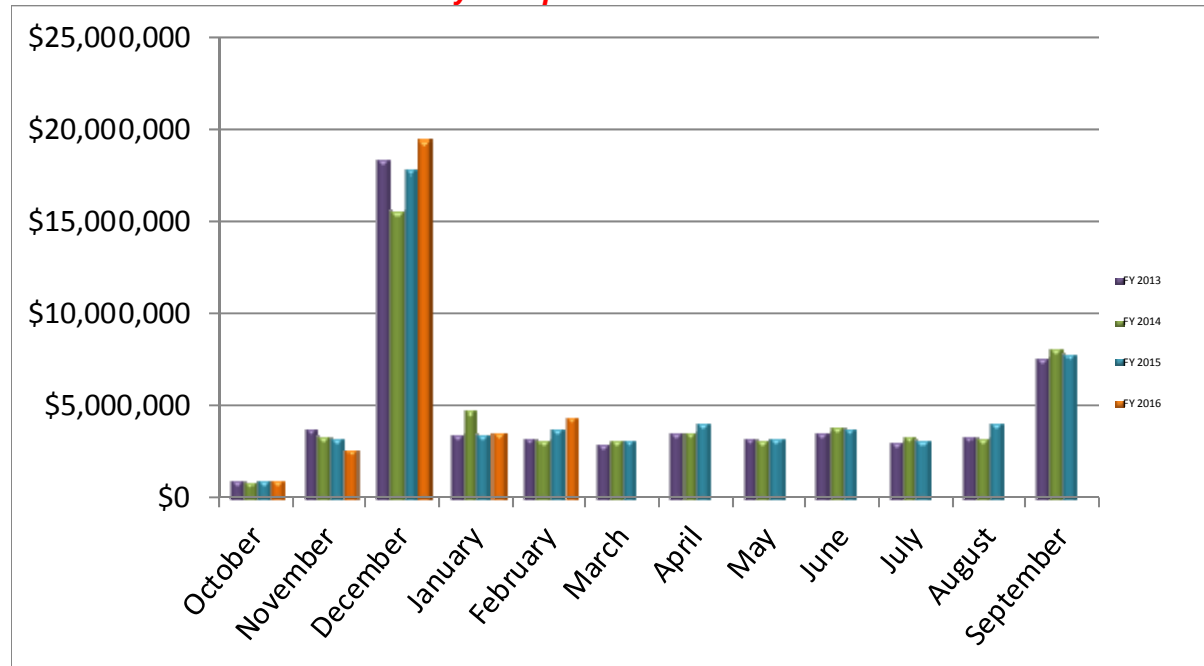
(3) Increase primarily due to higher year-to-date collection of State Shared Revenues.

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

(5) Increase primarily due to property sale, higher year-to-date collection of property lease revenue, and other miscellaneous revenues.

(6) Increase primarily due to increased budgeted transfer from Employee Benefits Fund in FY16.

General Fund Revenues-Monthly Comparison



Monthly GF Revenues as Compared to Prior Years

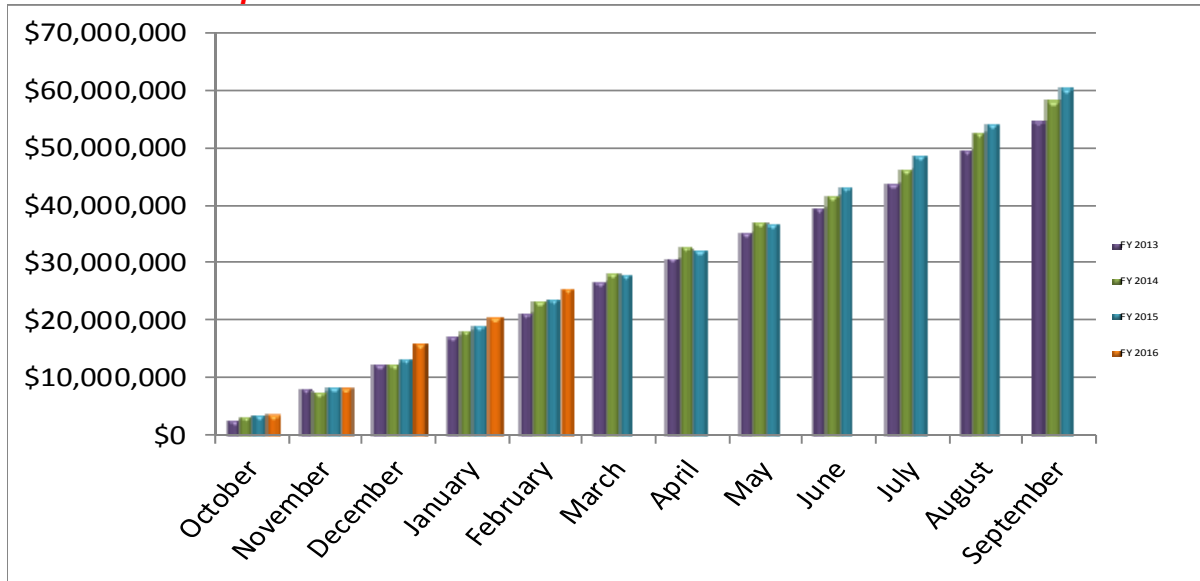
	FY 2013	FY 2014	FY 2015	FY 2016
October	\$ 1,048,437	\$ 911,630	\$ 953,761	\$ 1,012,271
November	3,846,416	3,425,400	3,246,502	2,619,131
December	18,439,244	15,683,359	17,977,402	19,689,226
January	3,531,439	4,802,728	3,458,799	3,639,261
February	3,279,875	3,200,574	3,782,243	4,490,747
March	2,917,572	3,208,482	3,203,645	
April	3,616,551	3,651,785	4,103,728	
May	3,276,506	3,198,408	3,278,699	
June	3,611,729	3,880,153	3,830,369	
July	3,046,753	3,363,584	3,170,380	
August	3,393,534	3,262,185	4,168,296	
September	7,579,482	8,115,309	7,868,800	
	\$ 57,587,537	\$ 56,703,597	\$ 59,042,624	\$ 31,450,635

Overall General Fund revenues for the month of February 2016 have increased \$708,504 (18.73%) when compared to February 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 February 2016

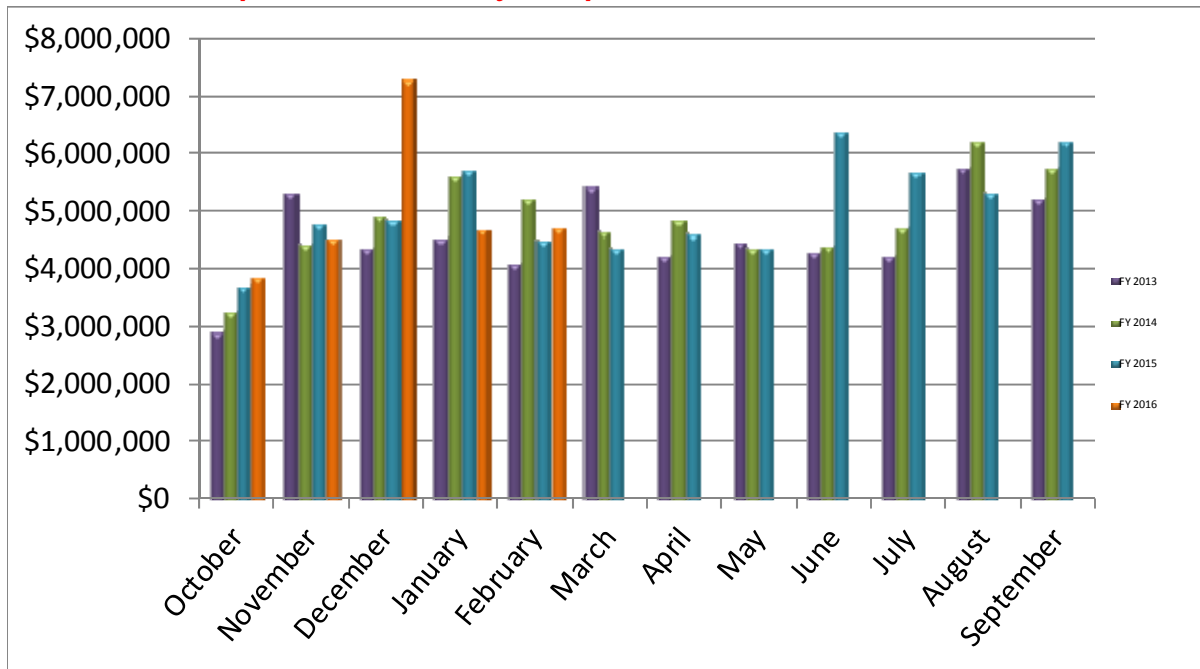
General Fund Expenditures-YTD



	Prior YTD	Current YTD	Percent Change	Annual Budget
Legislative (1)	\$ 252,997	\$ 306,976	21.3%	\$ 676,674
City Manager (2)	370,604	288,102	-22.3%	582,305
City Attorney (3)	407,112	594,069	45.9%	922,903
Finance	637,190	660,040	3.6%	1,730,406
Information Technology (4)	855,457	1,104,558	29.1%	2,407,799
Human Resources (5)	165,610	206,094	24.4%	582,129
Growth Management	231,262	208,336	-9.9%	553,536
Economic Development (6)	-	247,085	0.0%	613,097
Parks and Recreation (7)	1,613,910	1,094,163	-32.2%	2,636,981
Facilities (8)	-	789,900	0.0%	2,076,280
Police	7,811,633	7,378,241	-5.5%	19,588,392
Fire	5,343,108	5,453,926	2.1%	13,233,577
Public Works	1,775,391	1,854,312	4.4%	4,987,151
Non-Departmental	1,627,948	1,535,763	-5.7%	4,138,053
Transfers (9)	2,576,044	3,435,956	33.4%	7,235,380
	\$ 23,668,267	\$ 25,157,520	6.3%	\$ 61,964,663

- (1) Increase primarily due to increased year-to-date costs for equipment, health insurance premiums, and for dues and memberships.
- (2) 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.
- (3) Increase primarily due to increased year-to-date Other Attorney Cost.
- (4) Increase primarily due to increased year-to-date costs for network equipment.
- (5) Increase primarily due to vacancies in H.R. Department during early FY15.
- (6) Increase due to Economic Development Department's first year of existence in FY16. Previously was in City Manager's Office.
- (7) Decrease primarily due to Facilities Division transferred to Facilities Department in FY16.
- (8) Increase due to Facilities Department's first year of existence in FY16. Previously was in Recreation Department.
- (9) Increase primarily due to increased budgeted transfers to Road Maintenance Fund in FY16.

General Fund Expenditures-Monthly Comparison



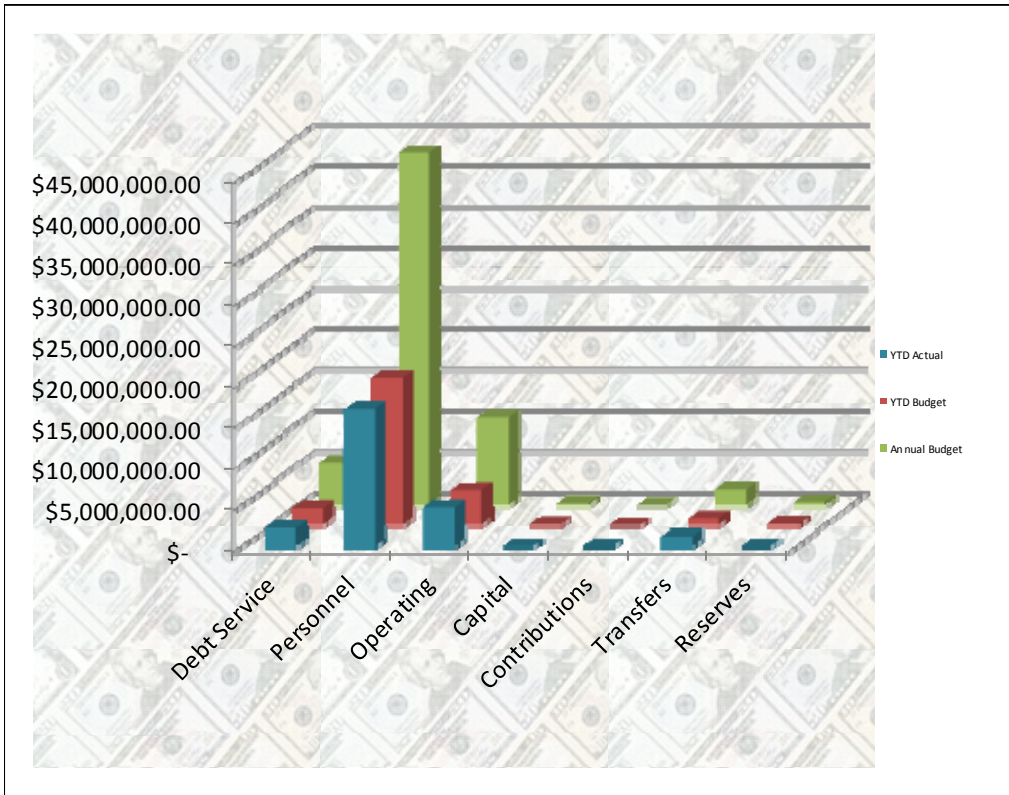
Monthly GF Expenditures as Compared to Prior Years

	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	
April	4,230,477	4,859,644	4,630,094	
May	4,504,552	4,386,401	4,397,032	
June	4,321,706	4,412,580	6,385,679	
July	4,248,739	4,721,680	5,689,908	
August	5,769,101	6,272,362	5,346,802	
September	5,245,884	5,780,329	6,264,048	
	\$ 55,116,519	\$ 58,669,085	\$ 60,757,000	\$ 25,157,520

February General Fund expenditures were \$219,835 (4.86%) more when comparing February 2016 to February 2015. Year-to-date expenditures are \$1,489,253 more.

General Fund Expenditures-Budgetary Comparison by Category

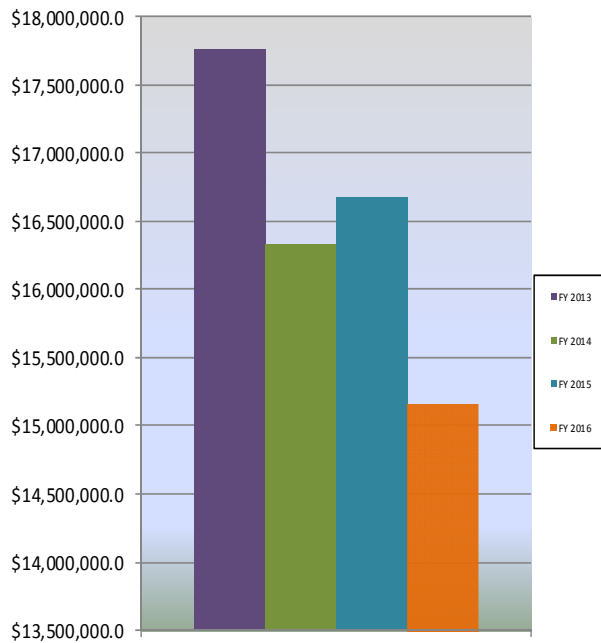
	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>	<u>% Spent</u>
Debt Service	\$ 2,214,207.61	\$ 2,160,437	\$ 5,185,049	42.70%
Personnel	16,835,001.87	18,019,478	43,246,747	38.93%
Operating	4,774,164.94	4,477,106	10,745,055	44.43%
Capital	109,926.51	113,368	272,084	40.40%
Contributions	2,470.29	9,240	22,175	11.14%
Transfers	1,221,748.68	854,305	2,050,331	59.59%
Reserves	-	184,676	443,222	0.00%
Total	\$ 25,157,519.90	\$ 25,818,610	\$ 61,964,663	40.60%



The total budgeted expenditures for 2016 are \$61,964,663 (includes encumbrances from prior year and 2016 budget amendments). Of this amount, \$43,246,747, or 69.8%, is related to personnel costs.

General Fund Cash & Investments – At a Glance February 2016

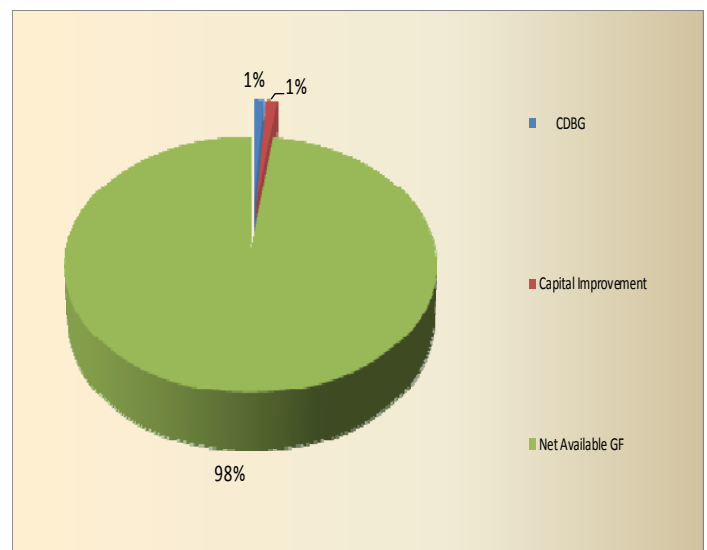
General Fund Cash & Investments-YTD



General Fund Cash & Investments

General Fund Unrestricted Cash & Investments	
Prior Month Ending Balance	\$ 15,814,608.42
Cash Increase (Decrease)	<u>(656,792.31)</u>
Ending Balance 2/29/16	<u><u>\$ 15,157,816.11</u></u>

General Fund Available Cash & Investments	
February 2016 Ending Balance	\$ 15,157,816.11
Cash Advanced to Other Funds:	
CDBG	(157,312.76)
Capital Improvement	<u>\$ (172,779.14)</u>
Total Available Cash & Investments	<u><u>\$ 14,827,724.21</u></u>



General Fund Balance – At a Glance February 2016

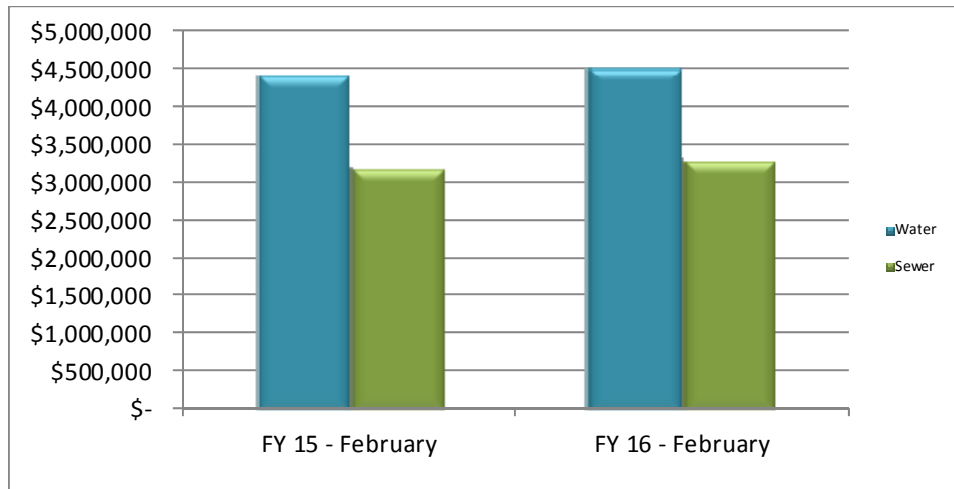
	PRIOR YTD	CURRENT YTD
REVENUES		
Ad Valorem Taxes	\$ 20,277,786	\$ 20,963,618
Local Option Fuel Tax	641,120	819,177
Utility Service Taxes	2,126,070	2,197,979
Communication Service Tax	756,194	736,898
Franchise Fees	882,305	1,294,131
State Shared Revenues	842,633	952,411
Half Cent Sales Tax	1,401,208	1,481,699
Licenses and Permits	512,575	522,044
Grants and Other Entitlements	31,142	142,316
Charges for Services	996,051	1,043,488
Fines and Forfeitures	179,132	163,352
Interest, Rents and Other Revenues	138,197	250,583
Interfund Transfers and Other Sources	634,295	882,938
Total Revenues	29,418,708	31,450,635
EXPENDITURES		
Legislative	252,997	306,976
City Manager	370,604	288,102
City Attorney	407,112	594,069
Finance	637,190	660,040
Information Technology	855,457	1,104,558
Human Resources	165,610	206,094
Economic Development	231,262	208,336
Growth Management	-	247,085
Parks and Recreation	1,613,910	1,094,163
Facilities	-	789,900
Police	7,811,633	7,378,241
Fire	5,343,108	5,453,926
Public Works	1,775,391	1,854,312
Non-Departmental	1,627,948	1,535,763
Transfers	2,576,044	3,435,956
Total Expenditures	23,668,267	25,157,520
Excess (Deficiency) of Revenues Over Expenditures	5,750,440	6,293,115
Fund Balance - Beginning	10,040,314	8,325,937
Prior Period Adjustment	-	-
Fund Balance - Beginning as Restated	10,040,314	8,325,937
Fund Balance - Ending	\$ 15,790,755	14,619,052

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	\$ 5,319,916	\$ 8,325,937	15.65%
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 February 2016

Water & Sewer Revenues-YTD



Overall year-to-date Water revenue in February 2016 has increased \$96,480 (2.17%) when compared to February 2015.

Overall year-to-date Sewer revenue in February 2016 has increased \$118,726 (3.70%) when compared to February 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 48% of the budgeted amount. The Utility Lien Costs are recorded at 45% of the budgeted amount.

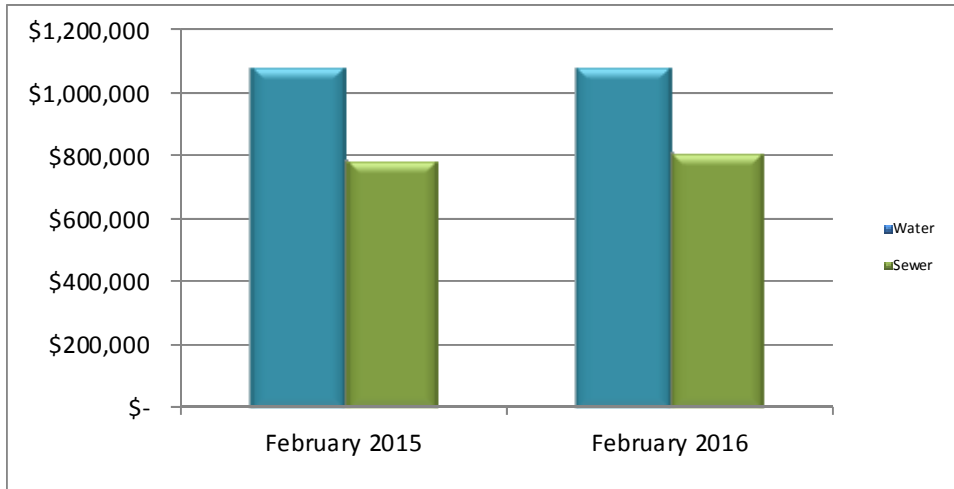
Operating Interest Income is recorded at 2% at this time. The interest for Palm Bay Estates Loan (\$22,491.75) will be recorded in June 2016. The interest on the Fleet Services Loan will be recorded in March (\$27,876.61) and September 2016 (\$17,053.38).

Excluding Fund Balance, the total FY16 Operating Revenue is recorded at 34.82% of the budgeted amount compared to FY15 which was at 34.47%.

Water Connection Fees are recorded at 47% of the budgeted amount, and Sewer Connection Fees are recorded at 38% of the budgeted amount.

Water MLEs are recorded at 53% of the budgeted amount, and Sewer MLEs are recorded at 53% of the budgeted amount.

Water & Sewer Revenues-Monthly Comparison



Overall Water revenue for the month of February 2016 has decreased by \$991 (0.09%) when compared to February 2015.

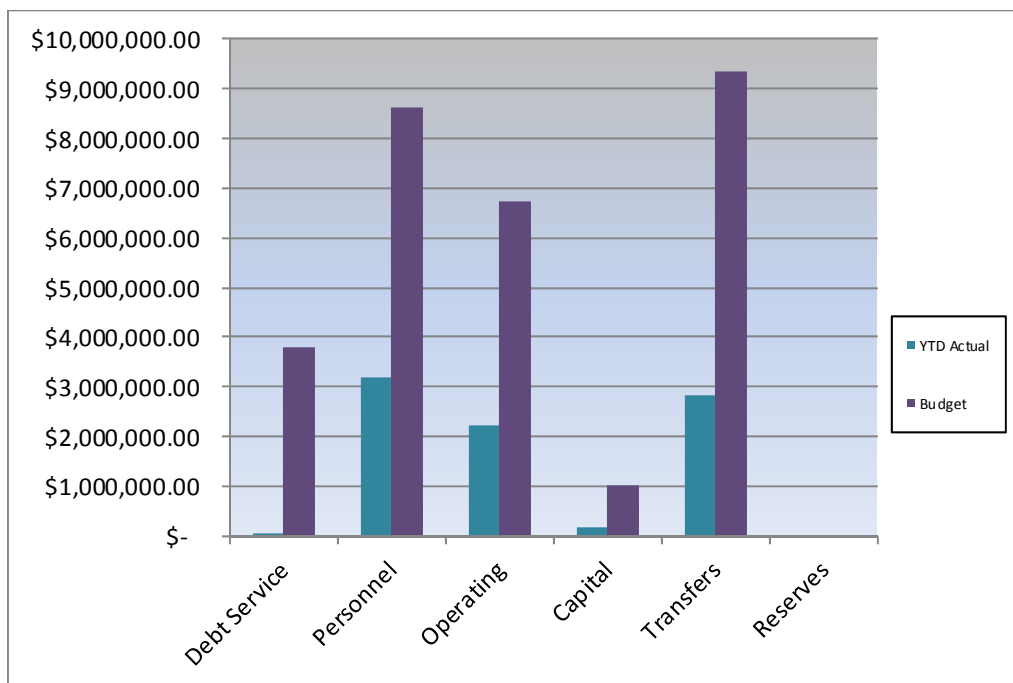
Overall Sewer revenue for the month of February 2016 has increased by \$28,829 (3.64%) when compared to February 2015.

Utilities Expenses – At a Glance February 2016

Water & Sewer Expenditures-YTD

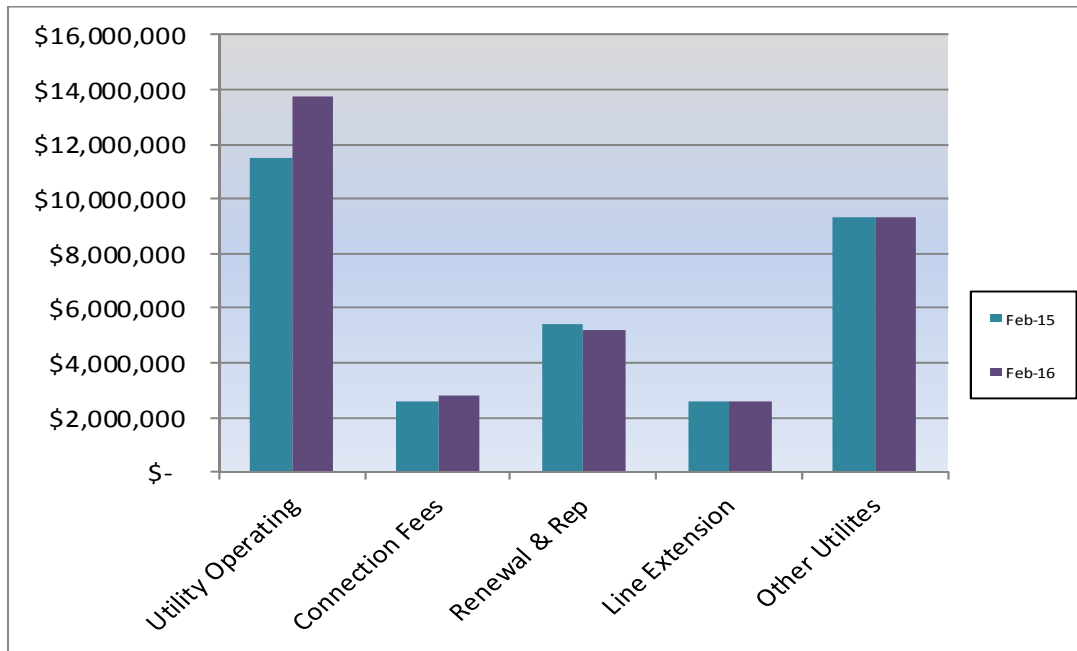
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Debt Service	\$ 464.67	\$ 3,801,039	0.01%
Personnel	3,171,948.87	8,617,000	36.81%
Operating	2,232,131.88	6,715,901	33.24%
Capital	171,172.25	1,008,866	16.97%
Transfers	2,843,617.95	9,362,982	30.37%
Reserves	-	-	-
Total	\$ 8,419,335.62	\$ 29,505,788	28.53%



Utilities Cash & Investments – At a Glance February 2016

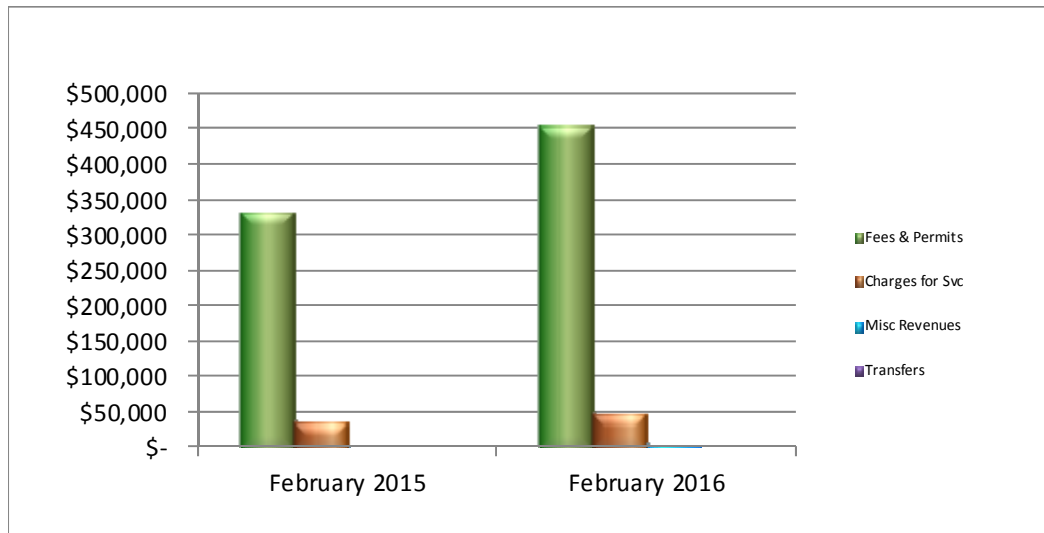
Water & Sewer Cash & Investments-YTD



Overall the Water & Sewer Funds cash and investments were \$2.19 million (7.0%) more as of February 2016 as compared to February 2015.

Building Revenues – At a Glance February 2016

Building Revenues-YTD



Fees and Permits revenue in February 2016 is up \$125,537 (37.48%) from February 2015.

Charges for Services revenue in February 2016 is up \$11,408 (31.12%) from February 2015.

Overall, Building revenues in FY 16 (at February) have increased by \$138,711 (36.87%) when compared to FY 15 (at February).

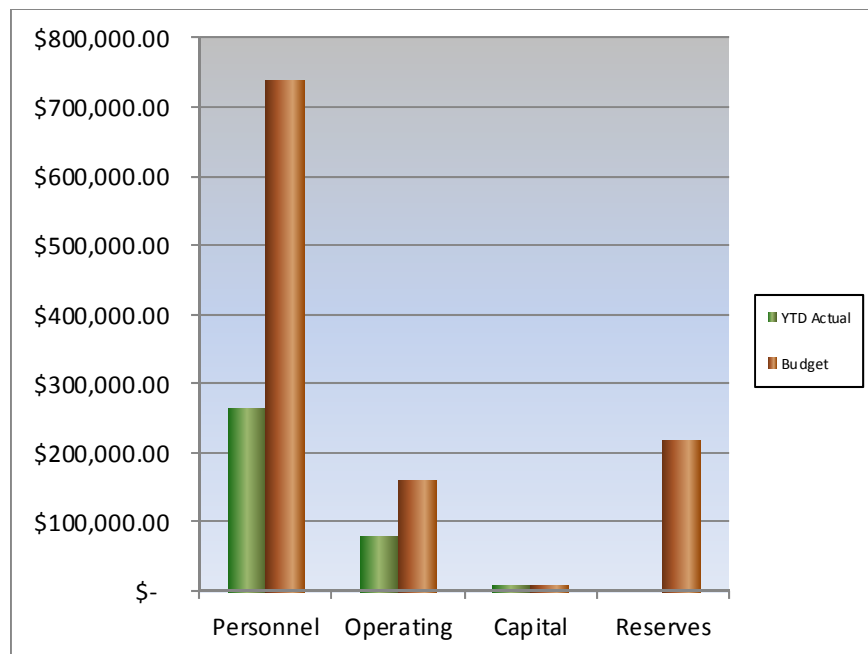
The total FY 16 Building revenues are recorded at 45.6% of the budgeted amount compared to FY 15 which was 35.5%.

Building Expenses – At a Glance February 2016

Building Expenditures-YTD

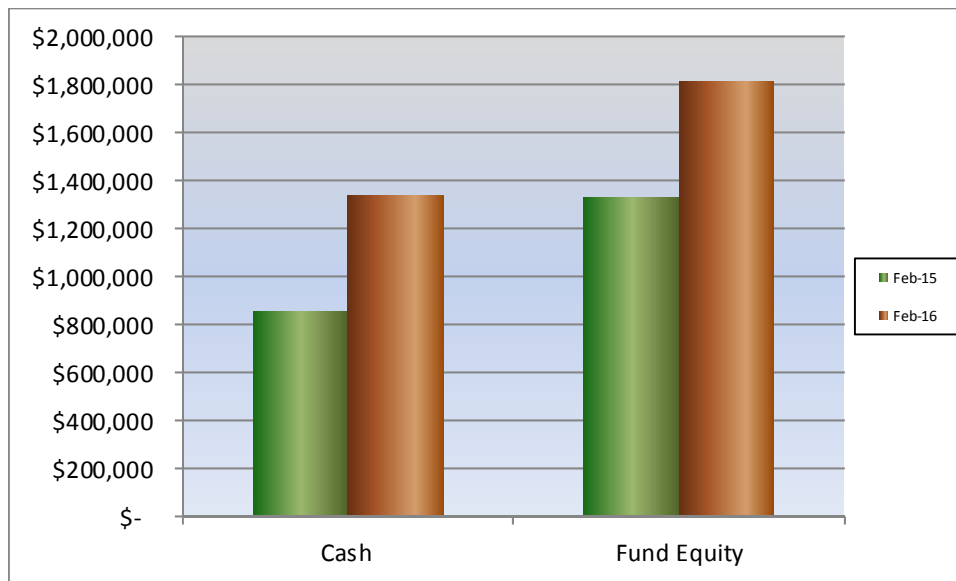
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Personnel	\$ 265,105.12	\$ 739,399	35.85%
Operating	78,774.30	161,941	48.64%
Capital	8,659.66	7,500	115.46%
Reserves	-	219,535	0.00%
Total	\$ 352,539.08	\$ 1,128,375	31.24%



Building Cash & Fund Equity – At a Glance February 2016

Building Cash & Fund Equity-YTD



Overall the Building cash and cash equivalents were \$484,532 (56.6%) more as of February 2016 as compared to February 2015.

Overall the Building fund equity was \$482,705 (36.3%) more as of February 2016 as compared to February 2015.