

**CITY OF PALM BAY, FLORIDA
MONTHLY FINANCIAL REPORT (UNAUDITED)
JANUARY 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 January 2016. January is the fourth month of the fiscal year and represents 33% of the annual budget.

Financial Report Summary

- Citywide revenues of \$71.1 million are at 43% of the annual budget. Citywide expenditures of \$62.8 million are at 38% 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 \$8.1 million, or 12.4%, 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.

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	
1/31/2016	\$ 73,616,276.90	1/31/2016	\$ 71,138,357.54	1/31/2016	\$ 62,788,310.92
1/31/2015	65,507,368.74	1/31/2015	49,019,151.34	1/31/2015	41,462,371.50
Increase	12.4% \$ 8,108,908.16	Increase	45.1% \$ 22,119,206.20	Increase	51.4% \$ 21,325,939.42

- General Fund revenues of \$27.0 million are at 44% of the annual budget. This is an increase of \$1.32 million, or 5.2%, in comparison to the prior year.
- General Fund expenditures of \$20.4 million are at 33% of the annual budget. This is an increase of \$1.27 million, or 6.6%, in comparison to the prior year.
- General Fund cash and investments decreased by \$1.62 million, or 9.3%, in comparison to the prior year.

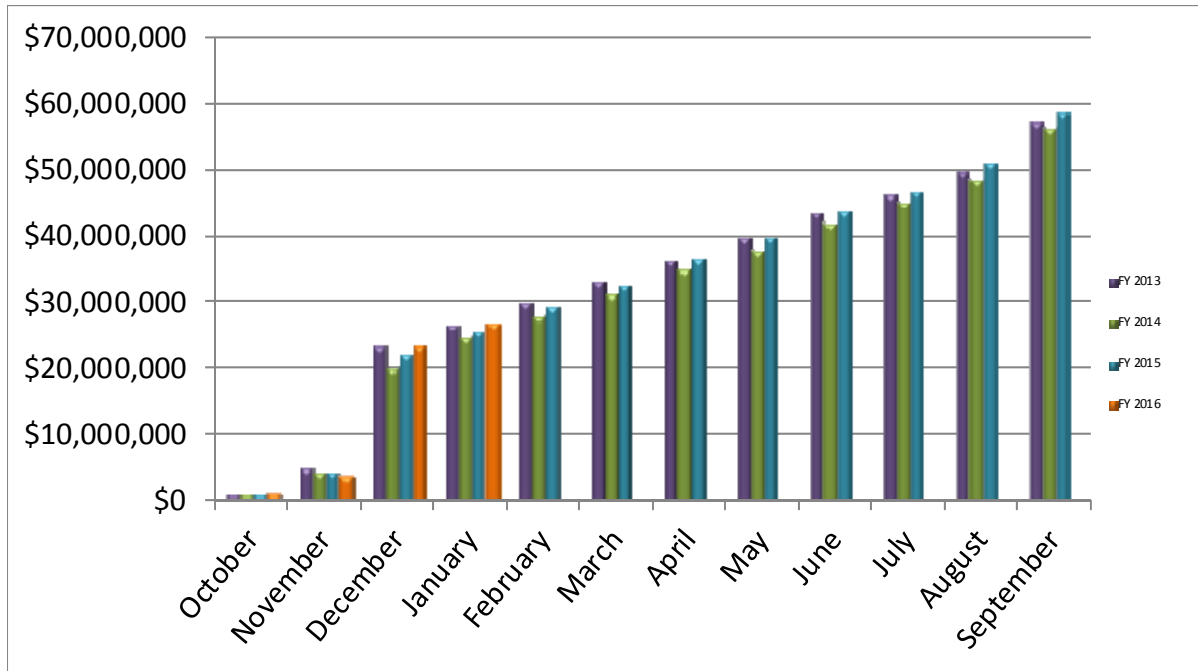
General Fund - Cash & Investments		General Fund - Revenues		General Fund - Expenditures	
1/31/2016	\$ 15,814,608.42	1/31/2016	\$ 26,959,887.87	1/31/2016	\$ 20,411,192.02
1/31/2015	17,433,351.51	1/31/2015	25,636,464.94	1/31/2015	19,141,774.87
Decrease	-9.3% \$ (1,618,743.09)	Increase	5.2% \$ 1,323,422.93	Increase	6.6% \$ 1,269,417.15

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 January 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	\$ 18,843,608	\$ 19,617,430	4.1%	\$ 24,471,077
Local Option Fuel Tax	418,890	440,529	5.2%	3,560,238
Utility Service Taxes	1,510,141	1,591,220	5.4%	8,222,000
Communication Service Tax	501,913	492,404	-1.9%	2,953,575
Franchise Fees	861,029	894,526	3.9%	5,390,000
State Shared Revenues (1)	561,755	634,941	13.0%	3,963,798
Half Cent Sales Tax	873,694	931,362	6.6%	5,801,620
Licenses and Permits	495,894	502,880	1.4%	580,520
Grants and Other Entitlements (2)	15,961	19,520	22.3%	246,975
Charges for Services	777,021	813,396	4.7%	2,714,153
Fines and Forfeitures	139,957	135,195	-3.4%	536,200
Interest, Rents & Other Revenues (3)	129,163	199,314	54.3%	447,860
Interfund Transfers & Capital Leases (4)	507,436	687,170	35.4%	2,085,486
Fund Balance	-	-	0.0%	991,161
	\$ 25,636,465	\$ 26,959,888	5.2%	\$ 61,964,663

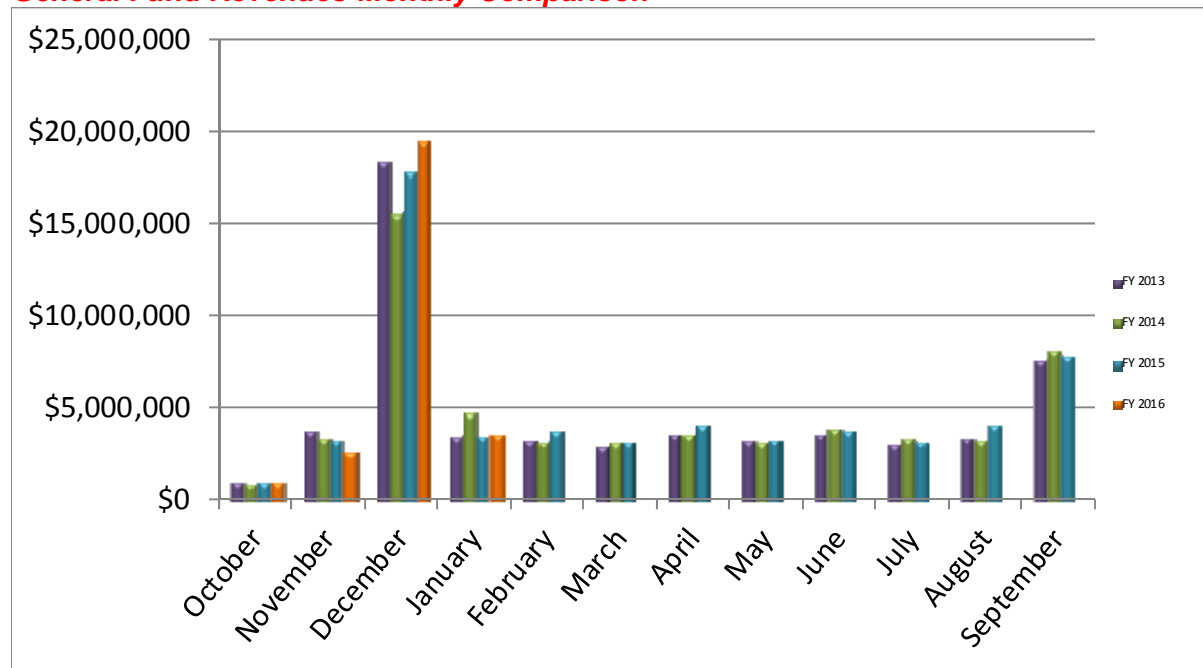
(1) Increase primarily due to higher year-to-date collection of State Shared Revenues.

(2) Increase primarily due to higher year-to-date collection of Department of Justice Grant and Alcoholic Beverage License fees.

(3) Increase primarily due to property sale and higher year-to-date collection of property lease revenue.

(4) 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

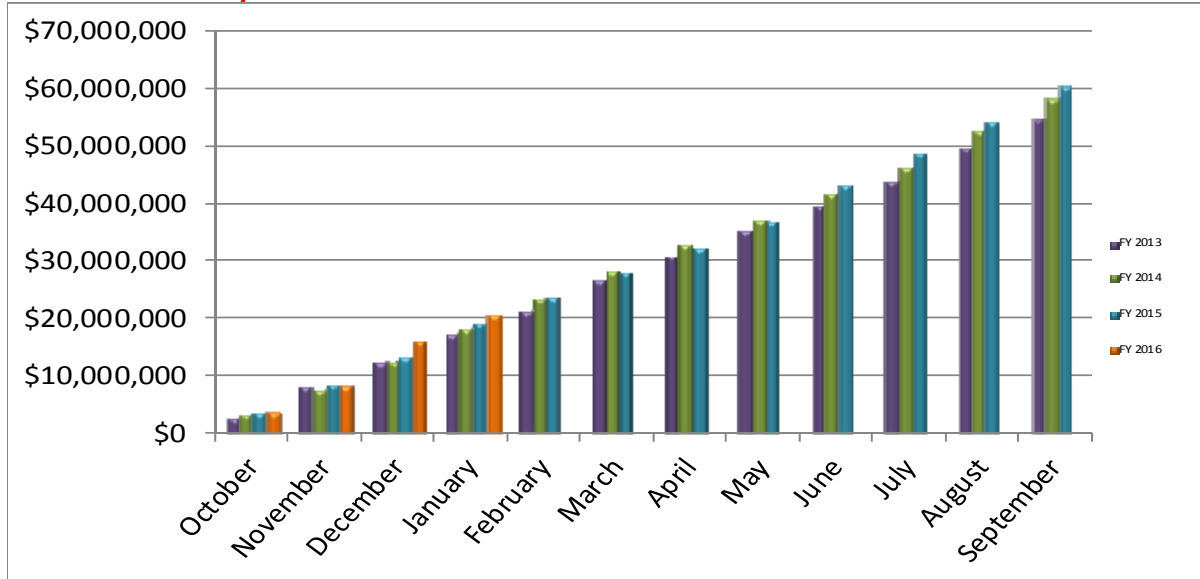
	FY 2013	FY 2014	FY 2015	FY 2016
October	\$ 1,048,437	\$ 911,630	\$ 953,761	\$ 1,012,271
November	3,846,416	3,425,400	3,246,502	2,619,131
December	18,439,244	15,683,359	17,977,402	19,689,226
January	3,531,439	4,802,728	3,458,799	3,639,261
February	3,279,875	3,200,574	3,782,243	
March	2,917,572	3,208,482	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	\$ 26,959,888

Overall General Fund revenues for the month of January 2016 have increased \$180,462 (5.22%) when compared to January 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 January 2016

General Fund Expenditures-YTD



	Prior YTD	Current YTD	Percent Change	Annual Budget
Legislative (1)	\$ 207,002	\$ 231,451	11.8%	\$ 676,674
City Manager	280,252	278,443	-0.6%	582,305
City Attorney (2)	337,168	558,770	65.7%	922,903
Finance	489,376	505,805	3.4%	1,730,406
Information Technology (3)	749,995	940,041	25.3%	2,407,799
Human Resources (4)	129,650	162,123	25.0%	582,129
Growth Management	185,006	171,576	-7.3%	553,536
Economic Development (5)	-	144,642	0.0%	613,097
Parks and Recreation (6)	1,249,077	869,223	-30.4%	2,636,981
Facilities (7)	-	606,420	0.0%	2,076,280
Police	6,290,701	5,979,078	-5.0%	19,588,392
Fire	4,302,792	4,409,531	2.5%	13,233,577
Public Works	1,433,968	1,467,761	2.4%	4,987,151
Non-Departmental	1,323,140	1,229,510	-7.1%	4,138,053
Transfers (8)	2,163,649	2,856,817	32.0%	7,235,380
	\$ 19,141,775	\$ 20,411,192	6.6%	\$ 61,964,663

(1) Increase primarily due to increased year-to-date costs for equipment, health insurance premiums, and for dues and memberships.

(2) Increase primarily due to increased year-to-date Other Attorney Cost.

(3) Increase primarily due to increased year-to-date costs for network equipment.

(4) Increase primarily due to vacancy of H.R. Director position during early FY15.

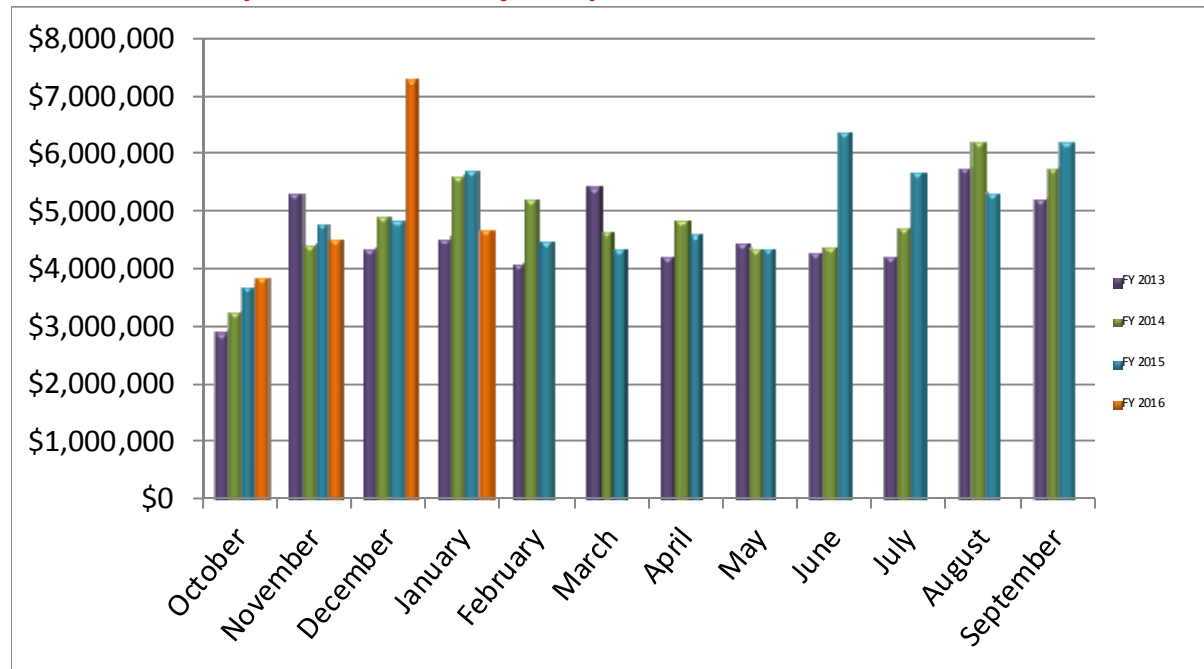
(5) Increase due to Economic Development Department's first year of existence in FY16. Previously was in City Manager's Office.

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

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

(8) Increase primarily due to increased budgeted transfers to Road Maintenance Fund in FY16.

General Fund Expenditures-Monthly Comparison



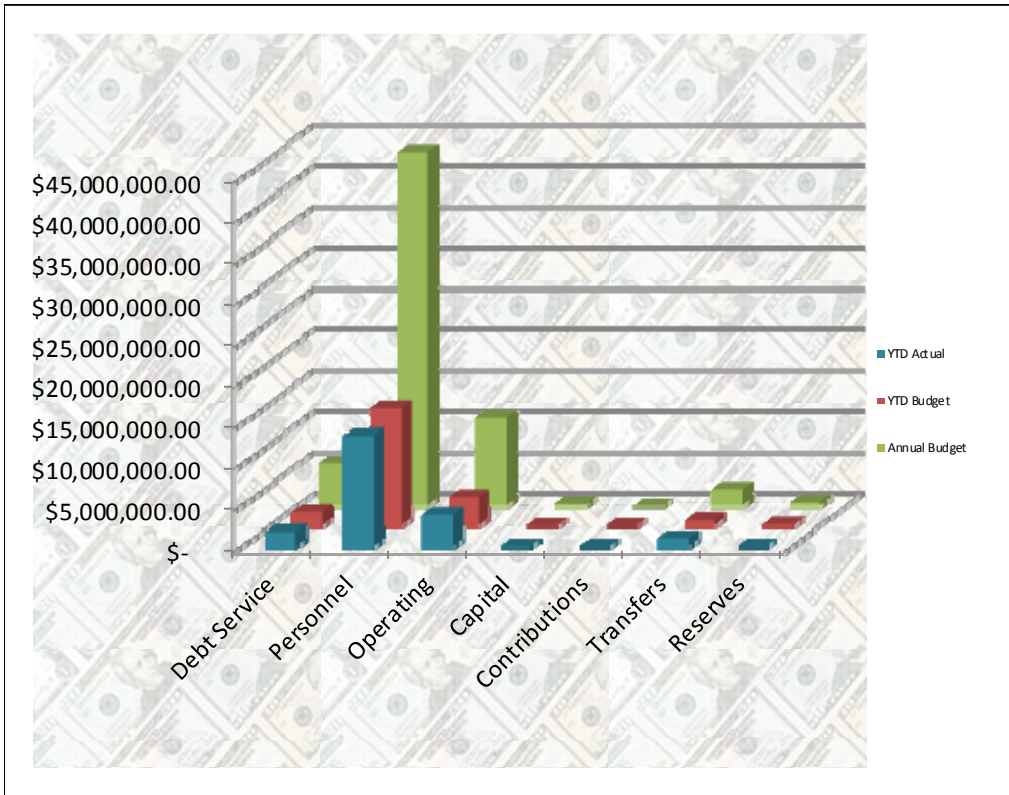
Monthly GF Expenditures as Compared to Prior Years

	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	
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	\$ 20,411,192

January General Fund expenditures were \$1,044,313 (18.23%) less when comparing January 2016 to January 2015. Year-to-date expenditures are \$1,269,417 more.

General Fund Expenditures-Budgetary Comparison by Category

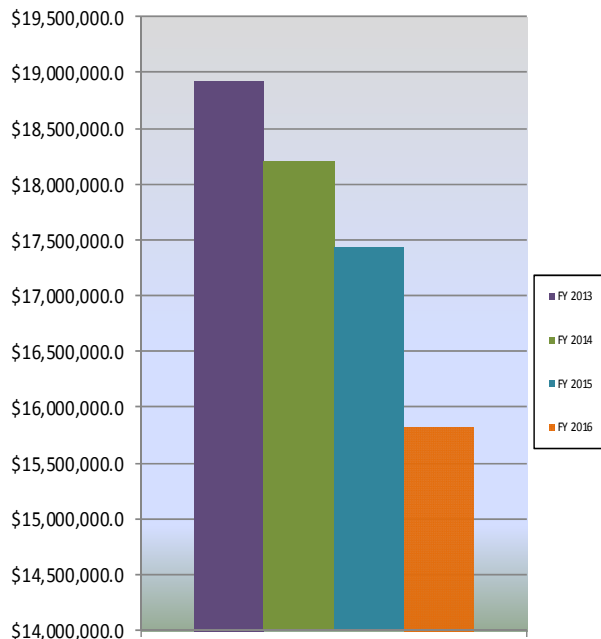
	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>	<u>% Spent</u>
Debt Service	\$ 1,795,670.19	\$ 1,728,350	\$ 5,185,049	34.63%
Personnel	13,576,647.00	14,415,582	43,246,747	31.39%
Operating	3,865,406.46	3,581,685	10,745,055	35.97%
Capital	109,926.51	90,695	272,084	40.40%
Contributions	2,395.29	7,392	22,175	10.80%
Transfers	1,061,146.57	683,444	2,050,331	51.75%
Reserves	-	147,741	443,222	0.00%
Total	\$ 20,411,192.02	\$ 20,654,888	\$ 61,964,663	32.94%



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 January 2016

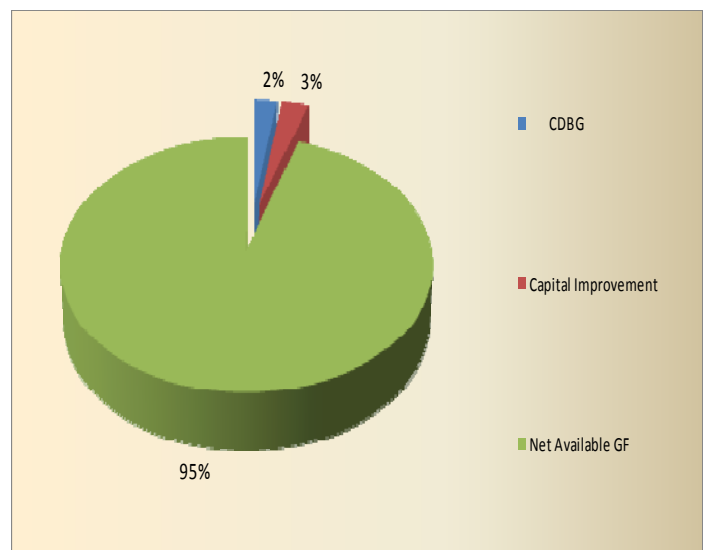
General Fund Cash & Investments-YTD



General Fund Cash & Investments

General Fund Unrestricted Cash & Investments	
Prior Month Ending Balance	\$ 16,838,464.92
Cash Increase (Decrease)	<u>(1,023,856.50)</u>
Ending Balance 1/31/16	<u><u>\$ 15,814,608.42</u></u>

General Fund Available Cash & Investments	
January 2015 Ending Balance	\$ 15,814,608.42
Cash Advanced to Other Funds:	
CDBG	(432,653.98)
Capital Improvement	<u>\$ (284,979.96)</u>
Total Available Cash & Investments	<u><u>\$ 15,096,974.48</u></u>



General Fund Balance – At a Glance January 2016

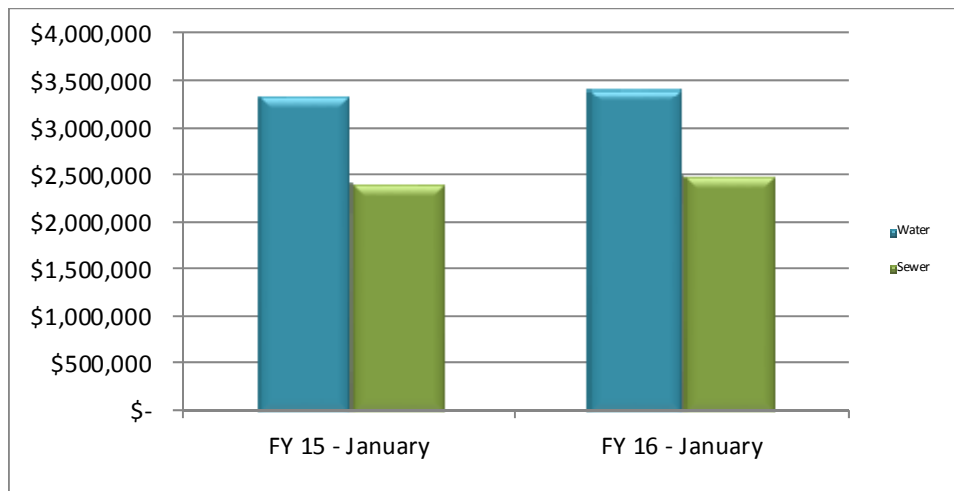
	PRIOR YTD	CURRENT YTD
REVENUES		
Ad Valorem Taxes	\$ 18,843,608	\$ 19,617,430
Local Option Fuel Tax	418,890	440,529
Utility Service Taxes	1,510,141	1,591,220
Communication Service Tax	501,913	492,404
Franchise Fees	861,029	894,526
State Shared Revenues	561,755	634,941
Half Cent Sales Tax	873,694	931,362
Licenses and Permits	495,894	502,880
Grants and Other Entitlements	15,961	19,520
Charges for Services	777,021	813,396
Fines and Forfeitures	139,957	135,195
Interest, Rents and Other Revenues	129,163	199,314
Interfund Transfers and Other Sources	507,436	687,170
Total Revenues	25,636,465	26,959,888
EXPENDITURES		
Legislative	207,002	231,451
City Manager	280,252	278,443
City Attorney	337,168	558,770
Finance	489,376	505,805
Information Technology	749,995	940,041
Human Resources	129,650	162,123
Economic Development	185,006	171,576
Growth Management	-	144,642
Parks and Recreation	1,249,077	869,223
Facilities	-	606,420
Police	6,290,701	5,979,078
Fire	4,302,792	4,409,531
Public Works	1,433,968	1,467,761
Non-Departmental	1,323,140	1,229,510
Transfers	2,163,649	2,856,817
Total Expenditures	19,141,775	20,411,192
Excess (Deficiency) of Revenues Over Expenditures	6,494,690	6,548,696
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	\$ 16,535,004	14,874,633

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 January 2016

Water & Sewer Revenues-YTD



Overall year-to-date Water revenue in January 2016 has increased \$97,470 (2.90%) when compared to January 2015.

Overall year-to-date Sewer revenue in January 2016 has increased \$89,897 (3.71%) when compared to January 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 38% of the budgeted amount. The Utility Lien Costs are recorded at 36% of the budgeted amount.

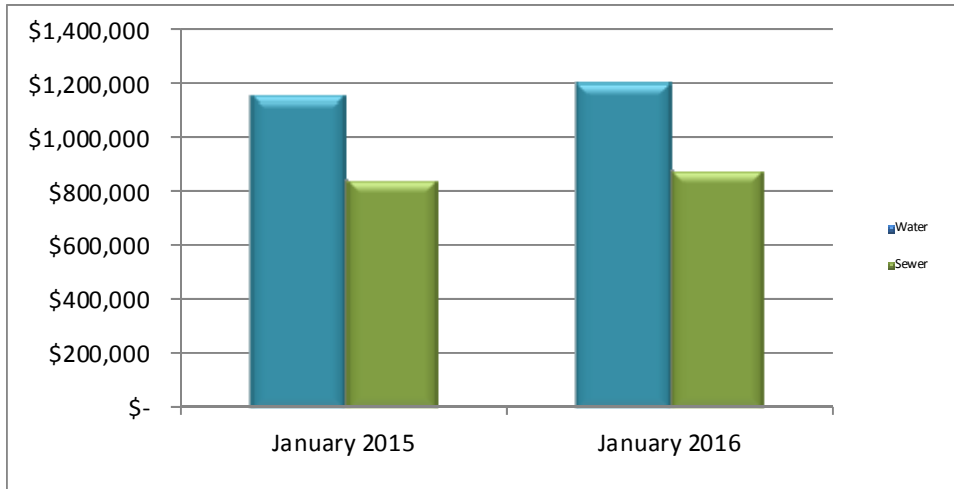
Operating Interest Income is recorded at negative 3% at this time. The interest for Palm Bay Estates Loan (\$22,491.75) will be recorded in June 2016. The interest on the Fleet Services Loan will be recorded in March (\$27,876.61) and September 2016 (\$17,053.38).

Excluding Fund Balance, the total FY16 Operating Revenue is recorded at 26.07% of the budgeted amount compared to FY15 which was at 26.05%.

Water Connection Fees are recorded at 34% of the budgeted amount, and Sewer Connection Fees are recorded at 25% of the budgeted amount.

Water MLEs are recorded at 41% of the budgeted amount, and Sewer MLEs are recorded at 41% of the budgeted amount.

Water & Sewer Revenues-Monthly Comparison



Overall Water revenue for the month of January 2016 has increased by \$50,614 (4.34%) when compared to January 2015.

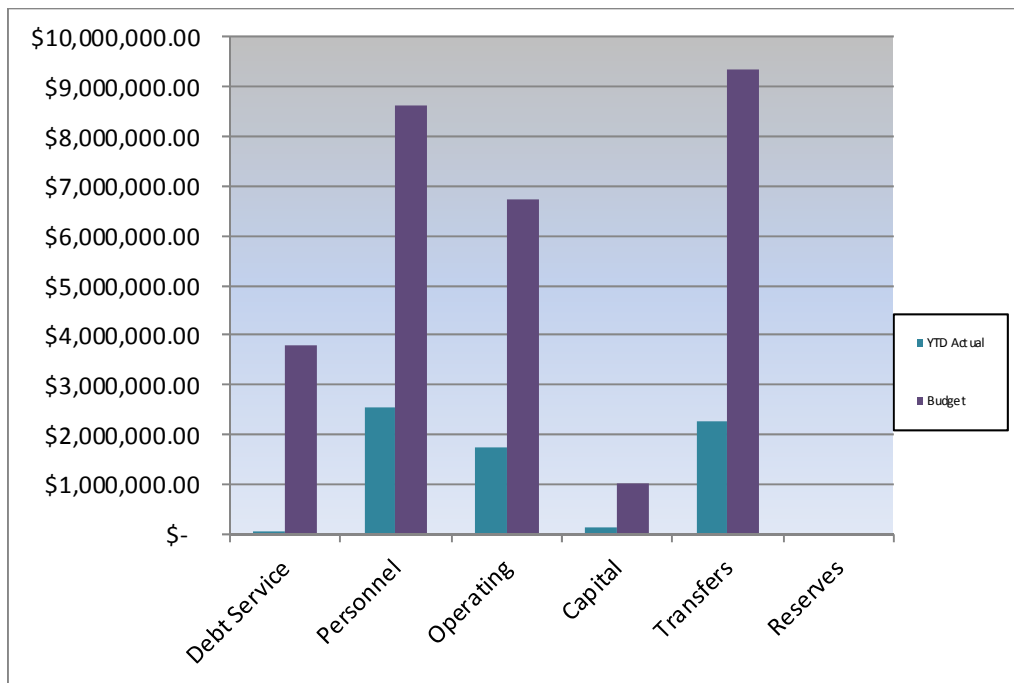
Overall Sewer revenue for the month of January 2016 has increased by \$40,486 (4.76%) when compared to January 2015.

Utilities Expenses – At a Glance January 2016

Water & Sewer Expenditures-YTD

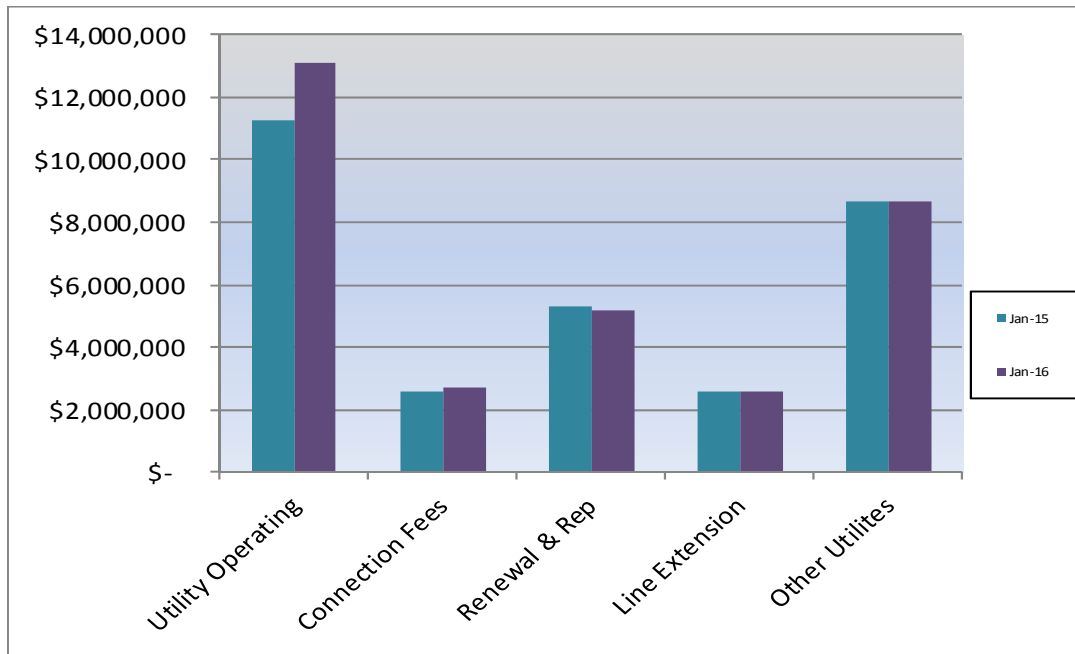
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Debt Service	\$ 464.67	\$ 3,801,039	0.01%
Personnel	2,551,270.79	8,617,000	29.61%
Operating	1,731,521.07	6,715,901	25.78%
Capital	141,392.13	1,008,866	14.01%
Transfers	2,274,894.36	9,362,982	24.30%
Reserves	-	-	-
Total	\$ 6,699,543.02	\$ 29,505,788	22.71%



Utilities Cash & Investments – At a Glance January 2016

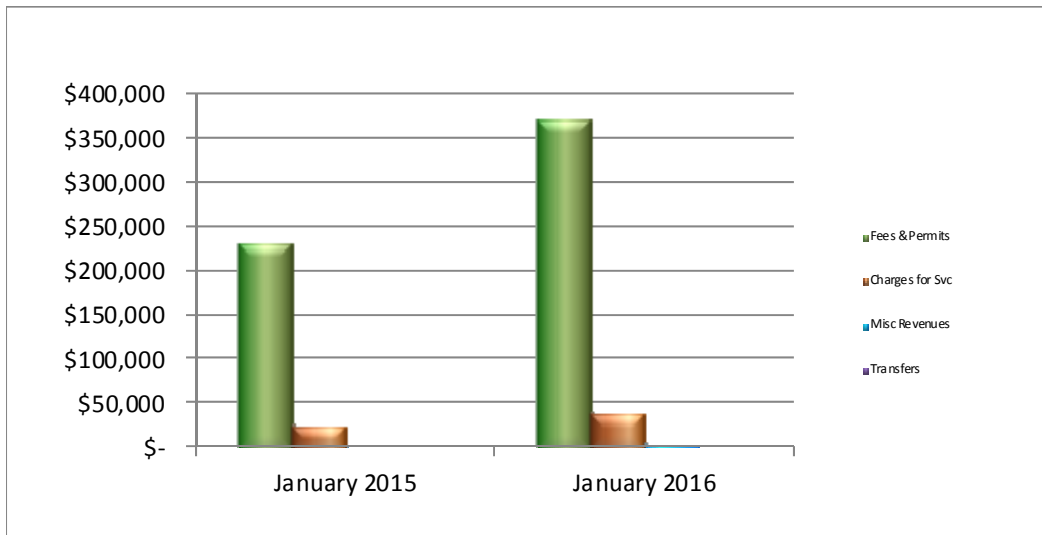
Water & Sewer Cash & Investments-YTD



Overall the Water & Sewer Funds cash and investments were \$1.87 million (6.2%) more as of January 2016 as compared to January 2015.

Building Revenues – At a Glance January 2016

Building Revenues-YTD



Fees and Permits revenue in January 2016 is up \$139,866 (59.79%) from January 2015.

Charges for Services revenue in January 2016 is up \$13,195 (51.63%) from January 2015.

Overall, Building revenues in FY 16 (at January) have increased by \$154,125 (58.52%) when compared to FY 15 (at January).

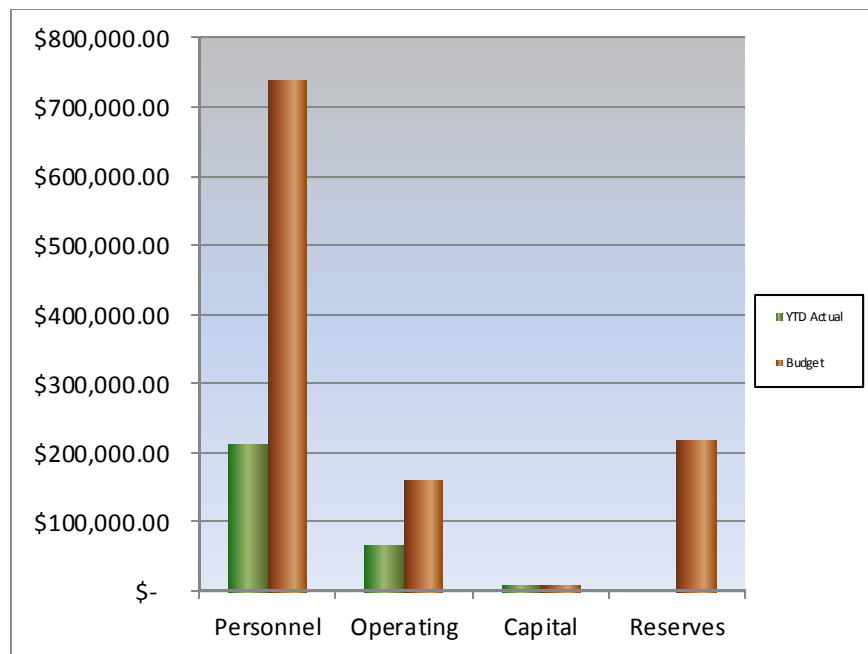
The total FY 16 Building revenues are recorded at 37.0% of the budgeted amount compared to FY 15 which was 24.8%.

Building Expenses – At a Glance January 2016

Building Expenditures-YTD

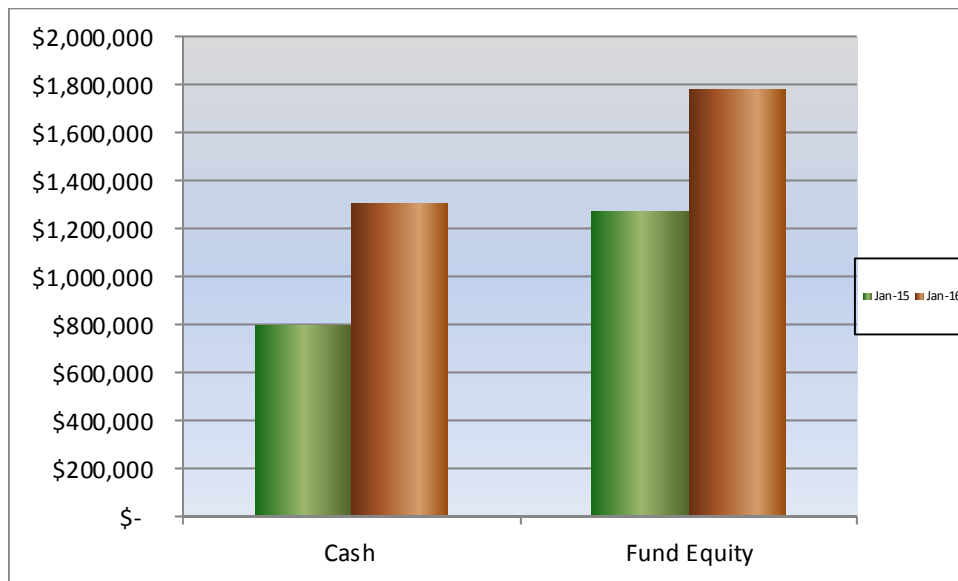
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Personnel	\$ 213,625.02	\$ 739,399	28.89%
Operating	65,529.85	161,941	40.47%
Capital	8,659.66	7,500	115.46%
Reserves	-	219,535	0.00%
Total	\$ 287,814.53	\$ 1,128,375	25.51%



Building Cash & Fund Equity – At a Glance January 2016

Building Cash & Fund Equity-YTD



Overall the Building cash and cash equivalents were \$506,257 (63.6%) more as of January 2016 as compared to January 2015.

Overall the Building fund equity was \$505,576 (39.7%) more as of January 2016 as compared to January 2015.