

**CITY OF PALM BAY, FLORIDA
MONTHLY FINANCIAL REPORT (UNAUDITED)
JANUARY 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 January 2017. January is the fourth month of the fiscal year and represents 33% of the annual budget.

Financial Report Summary

- Citywide revenues of \$60.8 million are at 35.7% of the annual budget. Citywide expenditures of \$51.4 million are at 30.2% 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 \$2.3 million, or 3.1%, 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	
1/31/2017	\$ 75,888,395.82	1/31/2017	\$ 60,759,858.74	1/31/2017	\$ 51,371,653.73
1/31/2016	73,616,276.90	1/31/2016	71,138,357.54	1/31/2016	62,788,310.92
Increase	3.1% \$ 2,272,118.92	Decrease	-14.6% \$ (10,378,498.80)	Decrease	-18.2% \$ (11,416,657.19)

- General Fund revenues of \$28.7 million are at 44% of the annual budget. This is an increase of \$1.72 million, or 6.4%, in comparison to the prior year.
- General Fund expenditures of \$21.6 million are at 33% of the annual budget. This is an increase of \$1.19 million, or 5.8%, in comparison to the prior year.
- General Fund cash and investments increased by \$1.67 million, or 10.6%, in comparison to the prior year.

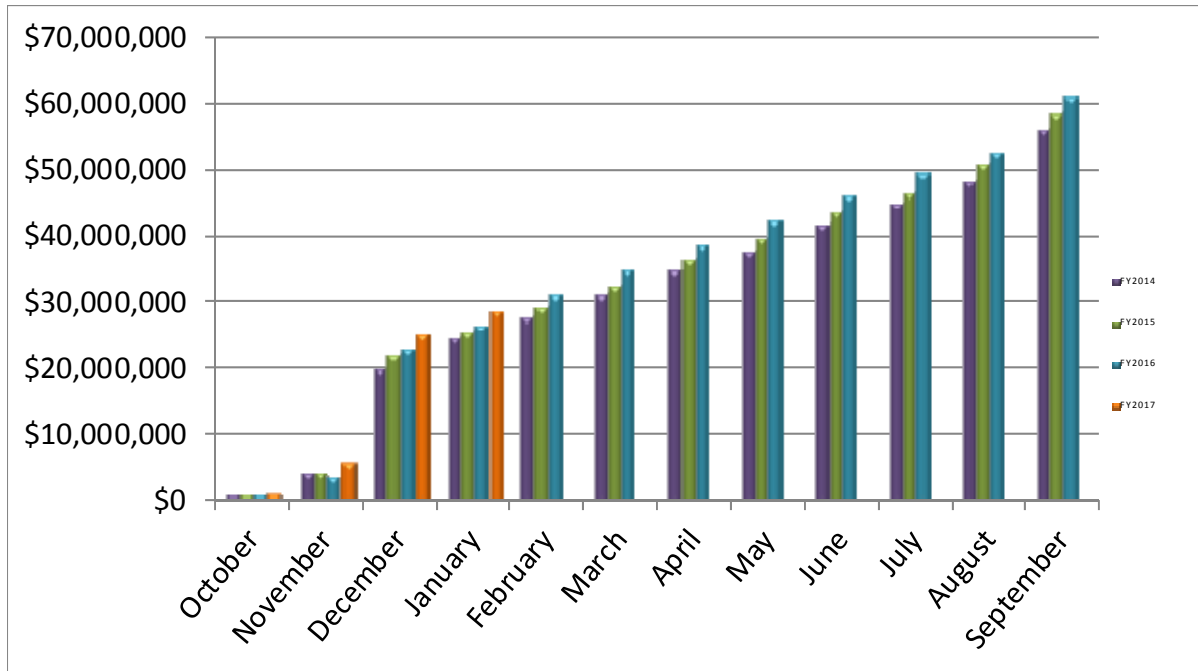
General Fund - Cash & Investments		General Fund - Revenues		General Fund - Expenditures	
1/31/2017	\$ 17,486,854.74	1/31/2017	\$ 28,681,864.90	1/31/2017	\$ 21,602,439.43
1/31/2016	15,814,608.42	1/31/2016	26,959,887.87	1/31/2016	20,411,192.02
Increase	10.6% \$ 1,672,246.32	Increase	6.4% \$ 1,721,977.03	Increase	5.8% \$ 1,191,247.41

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 January 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	\$ 19,617,430	\$ 21,387,830	9.0%	\$ 26,426,410
Local Option Fuel Tax	440,529	480,614	9.1%	3,822,462
Utility Service Taxes	1,591,220	1,573,408	-1.1%	8,305,000
Communication Service Tax (1)	492,404	434,534	-11.8%	2,683,536
Franchise Fees	894,526	811,389	-9.3%	5,399,000
State Shared Revenues	634,941	647,641	2.0%	4,327,372
Half Cent Sales Tax	931,362	1,003,432	7.7%	6,107,351
Licenses and Permits	502,880	501,268	-0.3%	607,500
Grants and Other Entitlements (2)	19,520	45,045	130.8%	254,443
Charges for Services	813,396	874,689	7.5%	2,885,132
Fines and Forfeitures (3)	135,195	92,008	-31.9%	414,500
Interest, Rents & Other Revenues	199,314	216,911	8.8%	537,057
Interfund Transfers & Capital Leases (4)	687,170	613,096	-10.8%	1,782,649
Fund Balance	-	-	0.0%	1,621,197
	\$ 26,959,888	\$ 28,681,865	6.4%	\$ 65,173,609

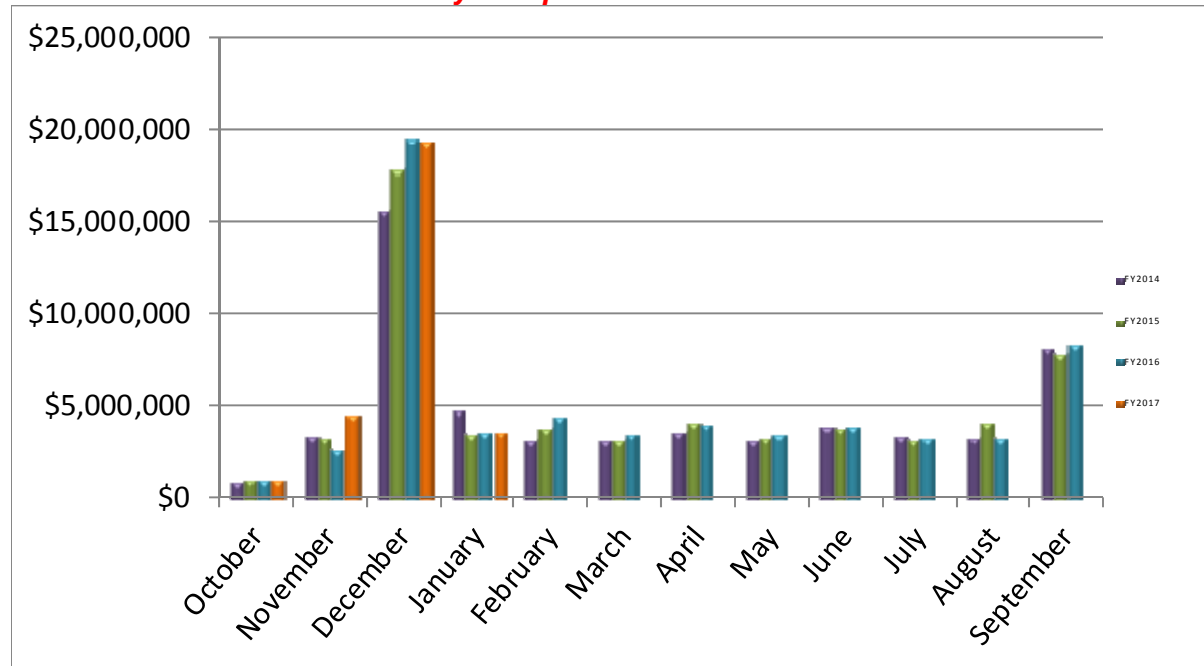
(1) Decrease primarily due to lower year-to-date collection of Communications Service Tax in FY17.

(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 reduced budgeted transfer from Employee Benefits Fund in FY17.

General Fund Revenues-Monthly Comparison



Monthly GF Revenues as Compared to Prior Years

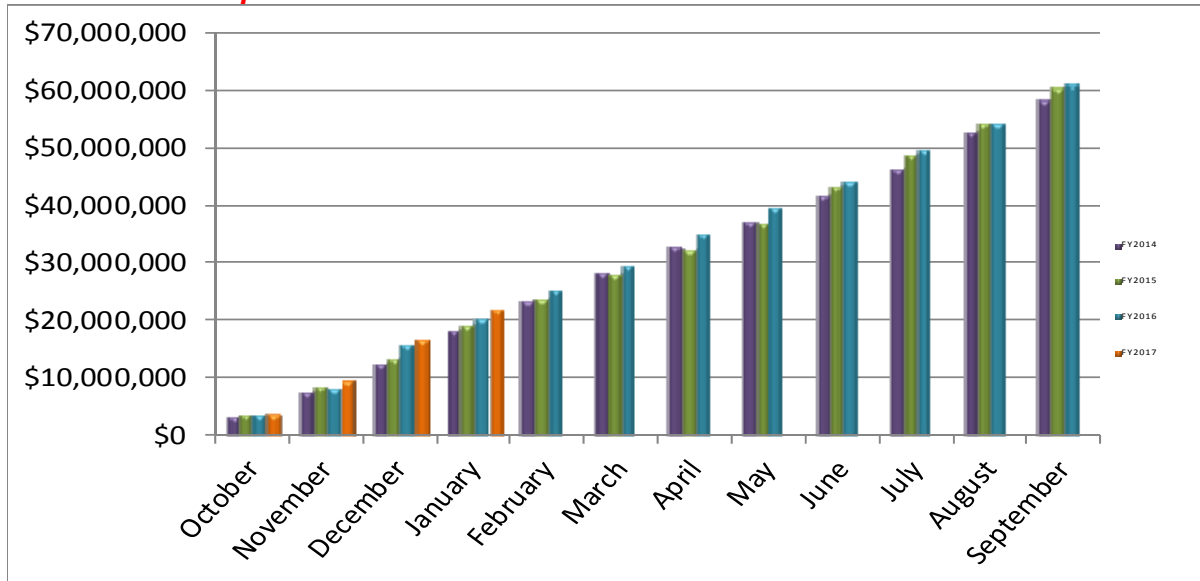
	FY 2014	FY 2015	FY 2016	FY 2017
October	\$ 911,630	\$ 953,761	\$ 1,012,271	\$ 1,005,090
November	3,425,400	3,246,502	2,619,131	4,580,252
December	15,683,359	17,977,402	19,689,226	19,511,218
January	4,802,728	3,458,799	3,639,261	3,585,305
February	3,200,574	3,782,243	4,490,812	-
March	3,208,482	3,203,645	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	\$ 28,681,865

Overall General Fund revenues for the month of January 2017 have decreased \$53,956 (1.48%) when compared to January 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 January 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	\$ 231,451	\$ 225,207	-2.7%	\$ 678,030
City Manager (1)	278,443	242,437	-12.9%	717,480
City Attorney (2)	558,770	155,192	-72.2%	613,919
Procurement (3)	-	121,902	0.0%	402,536
Finance (4)	505,805	418,704	-17.2%	1,321,959
Information Technology (5)	940,041	791,857	-15.8%	2,581,074
Human Resources (6)	162,123	145,648	-10.2%	643,258
Growth Management (7)	171,576	378,539	120.6%	1,266,234
Economic Development (8)	144,642	326,325	125.6%	777,070
Parks and Recreation	869,223	891,579	2.6%	2,711,961
Facilities (9)	606,420	730,225	20.4%	2,402,634
Police	5,979,078	5,966,997	-0.2%	19,572,286
Fire	4,409,531	4,507,469	2.2%	14,056,986
Public Works (10)	1,467,761	2,257,118	53.8%	5,416,169
Non-Departmental	1,229,510	1,287,200	4.7%	3,872,328
Transfers (11)	2,856,817	3,156,040	10.5%	8,139,685
	\$ 20,411,192	\$ 21,602,439	5.8%	\$ 65,173,609

(1) Decrease primarily due to FY17 budget of some former City Manager operating costs into Economic Development Department.

(2) Decrease primarily due to decreased year-to-date costs for Other Attorneys.

(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) Decrease primarily due to capital network equipment purchased in FY16.

(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.

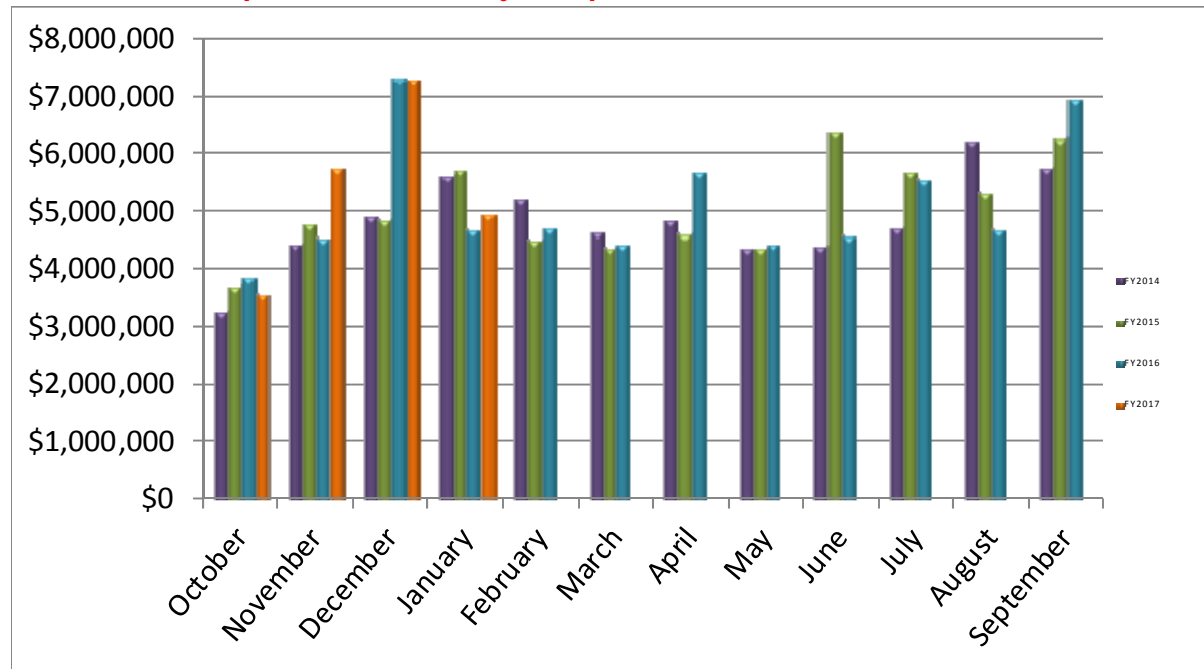
(8) Increase primarily due to expansion of Economic Development Department compared to same time last year.

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

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

(11) Increase primarily due to increased year-to-date transfers to Road Maintenance CIP Fund.

General Fund Expenditures-Monthly Comparison



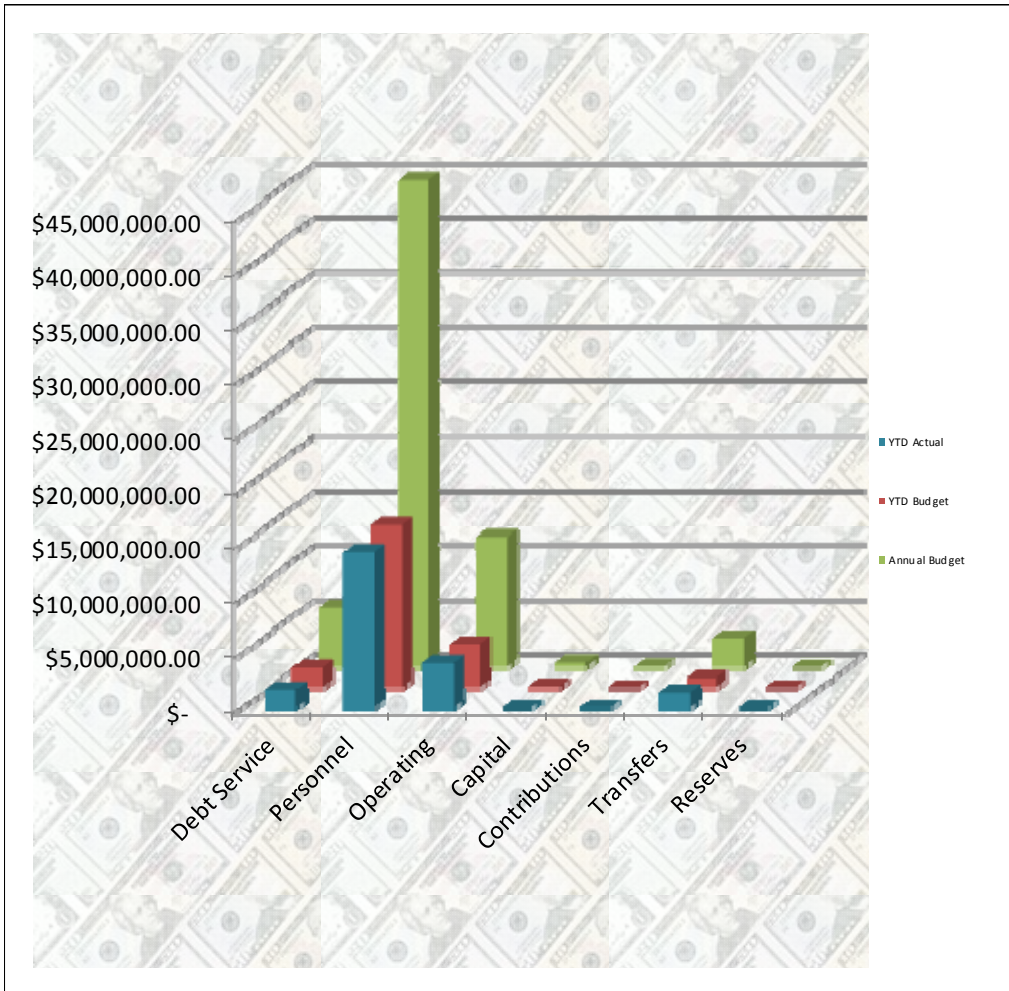
Monthly GF Expenditures as Compared to Prior Years

	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	4,972,873
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	\$ 21,602,439

January General Fund expenditures were \$287,407 (6.13%) more when comparing January 2017 to January 2016. Year-to-date expenditures are \$1,191,247 more.

General Fund Expenditures-Budgetary Comparison by Category

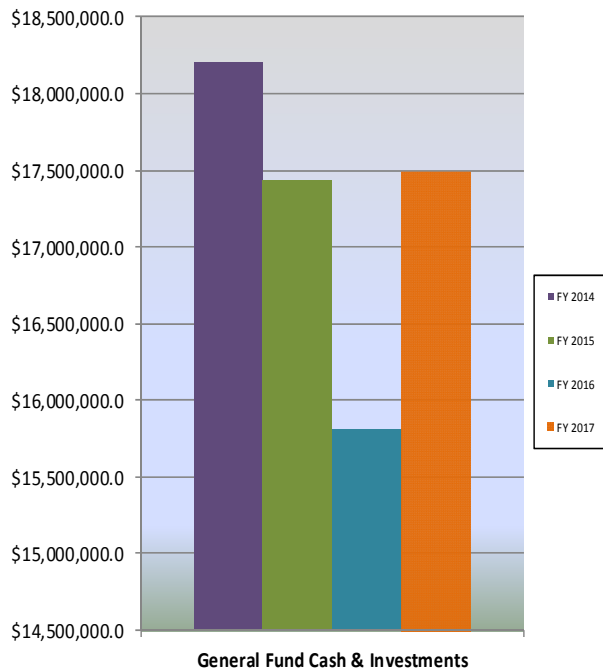
	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>	<u>% Spent</u>
Debt Service	\$ 1,702,310.18	\$ 1,818,250	\$ 5,454,751	31.21%
Personnel	14,297,118.55	14,871,929	44,615,788	32.04%
Operating	4,090,737.17	3,979,614	11,938,842	34.26%
Capital	-	135,765	407,294	0.00%
Contributions	58,544.21	24,000	72,000	81.31%
Transfers	1,453,729.32	894,978	2,684,934	54.14%
Reserves	-	-	-	0.00%
Total	\$ 21,602,439.43	\$ 21,724,536	\$ 65,173,609	33.15%



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.

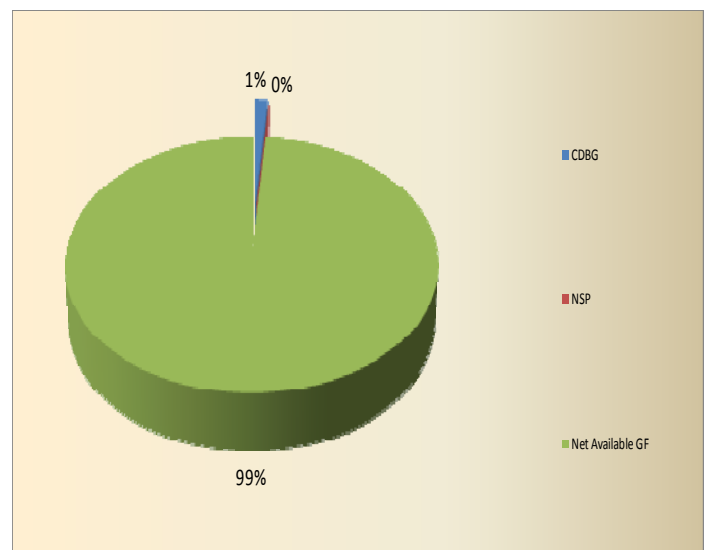
General Fund Cash & Investments – At a Glance January 2017

General Fund Cash & Investments-YTD



General Fund Cash & Investments	
Prior Month Ending Balance	\$ 19,306,249.10
Cash Increase (Decrease)	<u>(1,819,394.36)</u>
Ending Balance 1/31/17	<u><u>\$ 17,486,854.74</u></u>

General Fund Cash & Investments	
January 2017 Ending Balance	\$ 17,486,854.74
Cash Advanced to Other Funds:	
CDBG	(222,837.83)
NSP	<u>\$ (1,508.80)</u>
Total Available Cash & Investments	<u>\$ 17,262,508.11</u>



General Fund Balance – At a Glance January 2017

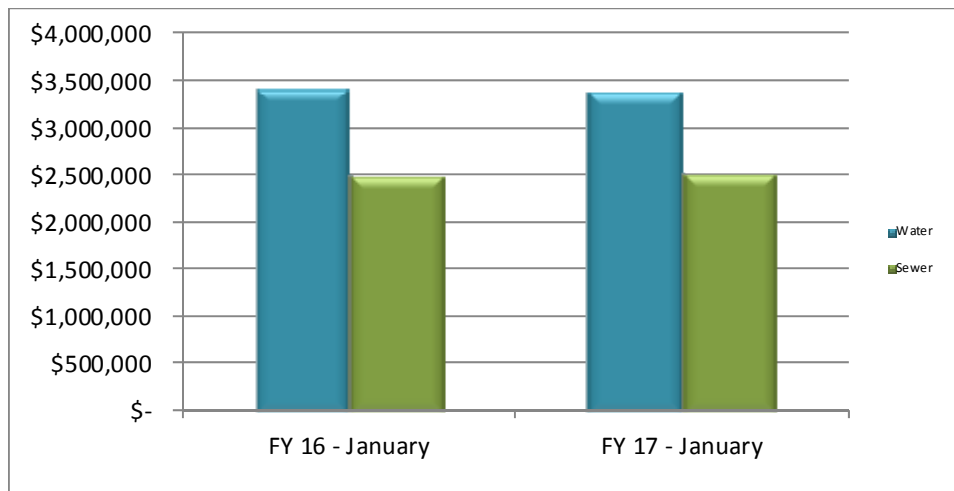
	PRIOR YTD	CURRENT YTD
REVENUES		
Ad Valorem Taxes	\$ 19,617,430	\$ 21,387,830
Local Option Fuel Tax	440,529	480,614
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Fines and Forfeitures	135,195	92,008
Interest, Rents and Other Revenues	199,314	216,911
Interfund Transfers and Other Sources	687,170	613,096
Total Revenues	26,959,888	28,681,865
EXPENDITURES		
Legislative	231,451	225,207
City Manager	278,443	242,437
City Attorney	558,770	155,192
Procurement	-	121,902
Finance	505,805	418,704
Information Technology	940,041	791,857
Human Resources	162,123	145,648
Growth Management	171,576	378,539
Economic Development	144,642	326,325
Parks and Recreation	869,223	891,579
Facilities	606,420	730,225
Police	5,979,078	5,966,997
Fire	4,409,531	4,507,469
Public Works	1,467,761	2,257,118
Non-Departmental	1,229,510	1,287,200
Transfers	2,856,817	3,156,040
Total Expenditures	20,411,192	21,602,439
Excess (Deficiency) of Revenues Over Expenditures	6,548,696	7,079,425
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	\$ 14,831,046	15,238,132

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 January 2017

Water & Sewer Revenues-YTD



Overall year-to-date Water revenue in January 2017 has decreased \$42,403 (1.23%) when compared to January 2016.

Overall year-to-date Sewer revenue in January 2017 has increased \$28,465 (1.13%) when compared to January 2016.

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 42% of the budgeted amount. The Utility Lien Costs are recorded at 62% of the budgeted amount.

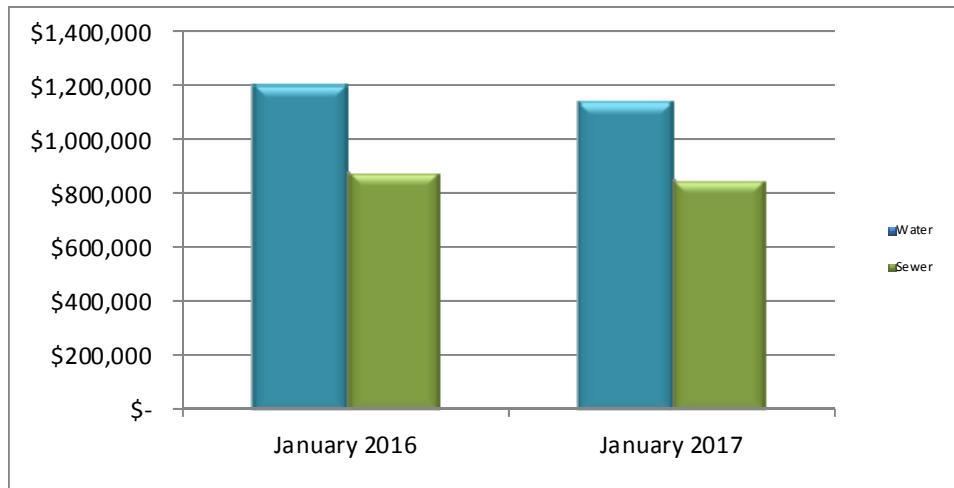
Operating Interest Income is recorded at 3% at this time. The interest for the Palm Bay Estates Loan (\$21,067) will be recorded in June, and the interest on the Fleet Services Loan will be recorded in March (\$25,866.14) and September (\$14,785.53).

Excluding Fund Balance, the total FY17 Operating Revenue is recorded at 25.33% of the budgeted amount compared to FY16 which was at 26.27%.

Water Connection Fees are recorded at 41% of the budgeted amount, and Sewer Connection Fees are recorded at 30% of the budgeted amount.

Water MLEs are recorded at 53% of the budgeted amount, and Sewer MLEs are recorded at 79% of the budgeted amount.

Water & Sewer Revenues-Monthly Comparison



Overall Water revenue for the month of January 2017 has decreased by \$64,318 (5.29%) when compared to January 2016.

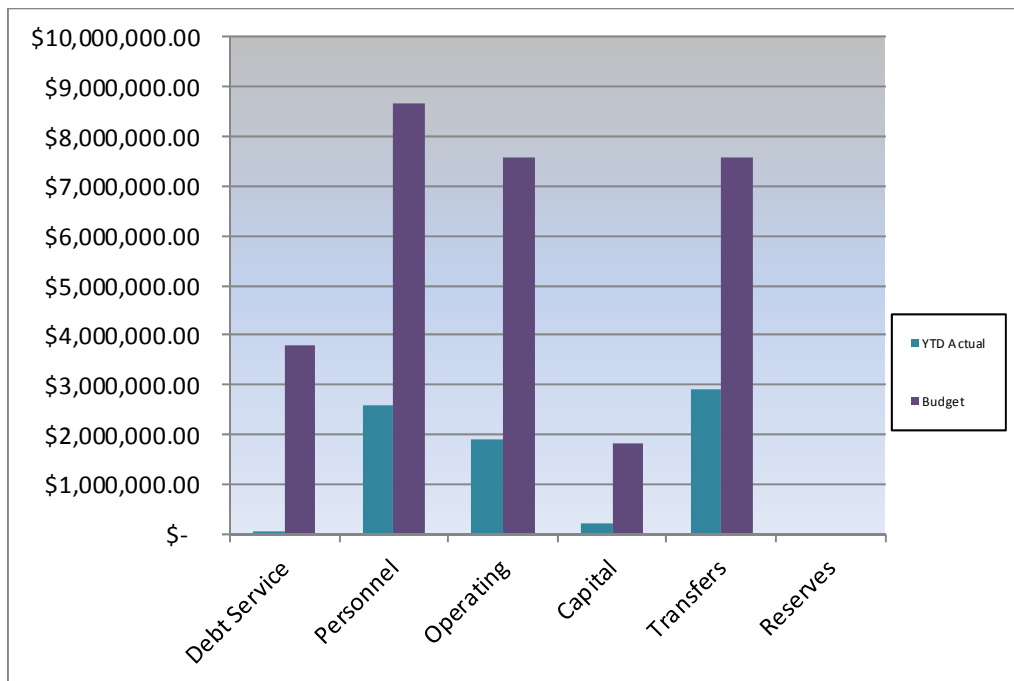
Overall Sewer revenue for the month of January 2017 has decreased by \$29,564 (3.32%) when compared to January 2016.

Utilities Expenses – At a Glance January 2017

Water & Sewer Expenditures-YTD

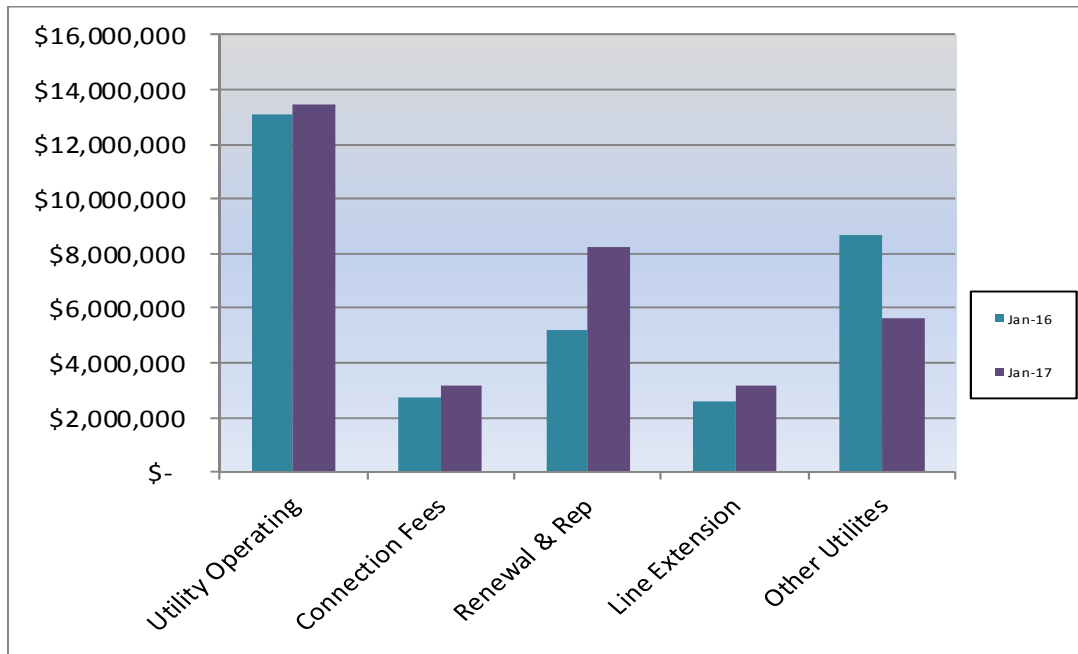
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Debt Service	\$ 464.67	\$ 3,798,162	0.01%
Personnel	2,574,191.23	8,674,485	29.68%
Operating	1,920,950.59	7,563,734	25.40%
Capital	224,549.76	1,830,144	12.27%
Transfers	2,914,018.80	7,571,706	38.49%
Reserves	-	-	-
Total	\$ 7,634,175.05	\$ 29,438,231	25.93%



Utilities Cash & Investments – At a Glance January 2017

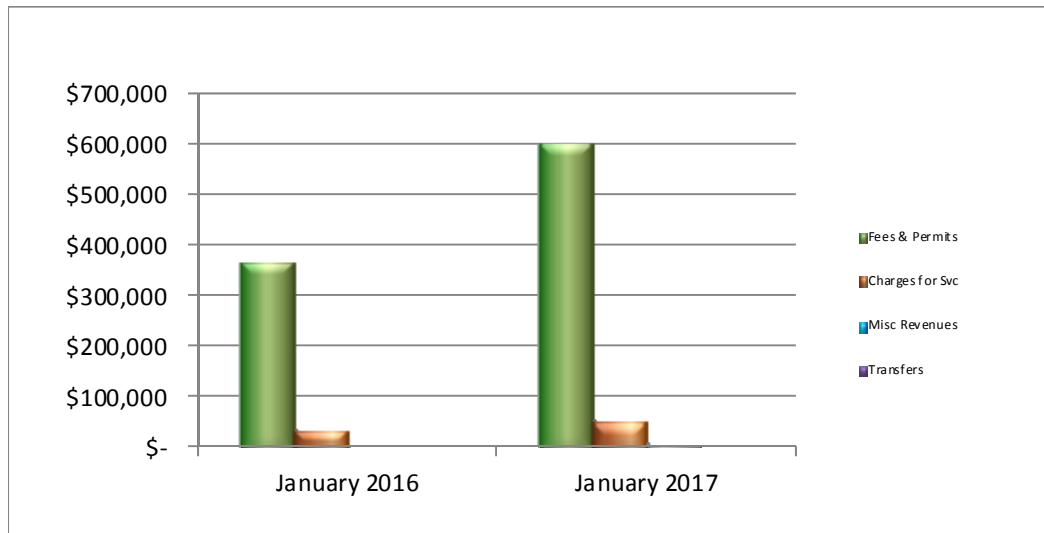
Water & Sewer Cash & Investments-YTD



Overall the Water & Sewer Funds cash and investments were \$1.34 million (4.2%) more as of January 2017 as compared to January 2016.

Building Revenues – At a Glance January 2017

Building Revenues-YTD



Fees and Permits revenue in January 2017 is up \$235,126 (62.90%) from January 2016.

Charges for Services revenue in January 2017 is up \$15,364 (39.64%) from January 2016.

Overall, Building revenues in FY 17 (at January) have increased by \$256,213 (61.37%) when compared to FY 16 (at January).

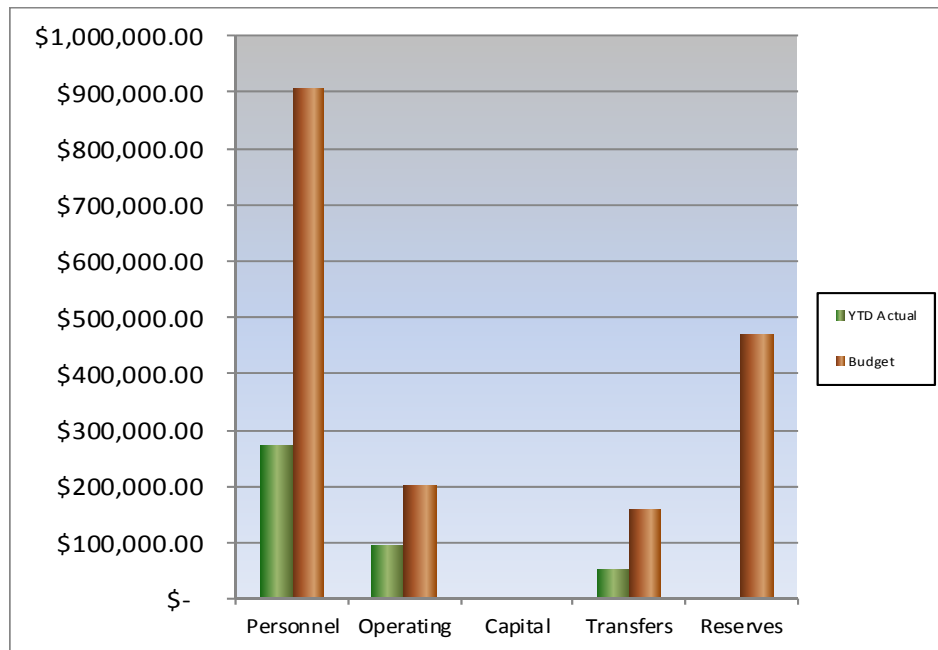
The total FY 17 Building revenues are recorded at 38.85% of the budgeted amount compared to FY 16 which was 37.00%.

Building Expenses – At a Glance January 2017

Building Expenditures-YTD

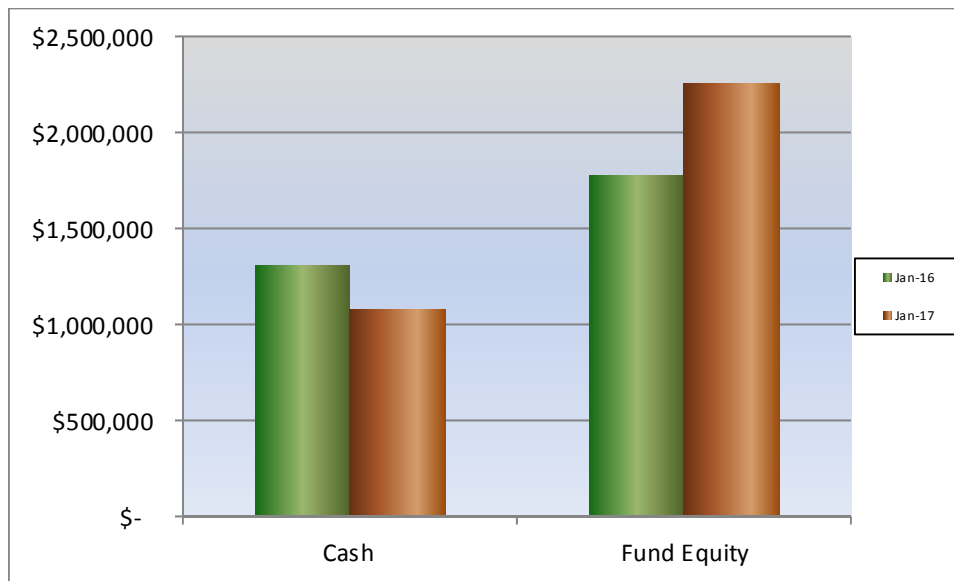
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Personnel	\$ 270,110.34	\$ 907,598	29.76%
Operating	95,072.32	199,234	47.72%
Capital	-	-	0.00%
Transfers	52,760.68	158,282	33.33%
Reserves	-	469,020	0.00%
Total	\$ 417,943.34	\$ 1,734,134	24.10%



Building Cash & Fund Equity – At a Glance January 2017

Building Cash & Fund Equity-YTD



Overall the Building cash and investments were \$221,434 (17.0%) less as of January 2017 as compared to January 2016.

Overall the Building fund equity was \$480,838 (27.0%) more as of January 2017 as compared to January 2016.