

**CITY OF PALM BAY, FLORIDA
MONTHLY FINANCIAL REPORT (UNAUDITED)
JANUARY 2018**



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 2018. January is the fourth month of the fiscal year and represents 33% of the annual budget.

Financial Report Summary

- Citywide revenues of \$72.2 million are at 36.7% of the annual budget. Citywide expenditures of \$53.0 million are at 26.9% 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 \$13.3 million, or 17.5%, in comparison to the prior year.
- Most of the increased citywide revenues are a result of the new Stormwater Assessment. Most of the increased citywide expenditures are due to needs in Stormwater and Utility Renewal & Replacement.

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	
1/31/2018	\$ 89,184,261.03	1/31/2018	\$ 72,237,353.32	1/31/2018	\$ 52,980,572.02
1/31/2017	75,888,395.82	1/31/2017	60,759,858.74	1/31/2017	51,371,653.73
Increase	17.5% \$ 13,295,865.21	Increase	18.9% \$ 11,477,494.58	Increase	3.1% \$ 1,608,918.29

- General Fund revenues of \$32.4 million are at 46% of the annual budget. This is an increase of \$3.69 million, or 12.9%, in comparison to the prior year.
- General Fund expenditures of \$24.5 million are at 35% of the annual budget. This is an increase of \$2.87 million, or 13.3%, in comparison to the prior year.
- General Fund cash and investments increased by \$1.70 million, or 9.7%, in comparison to the prior year. Of this increased General Fund cash, \$800,000 is reserved.

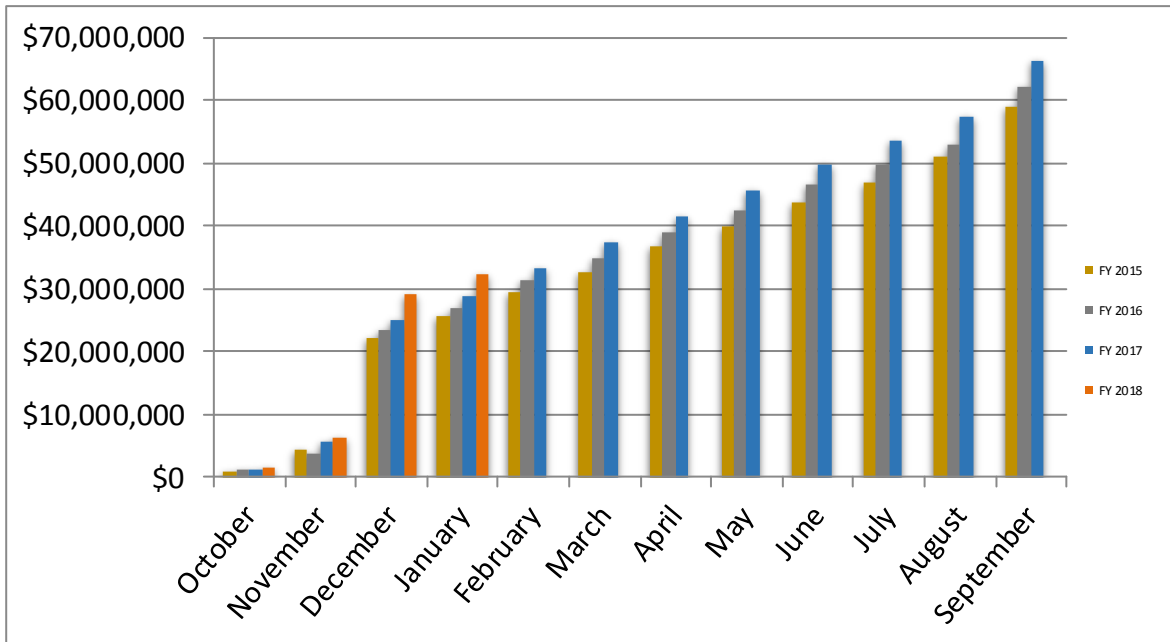
General Fund - Cash & Investments		General Fund - Revenues		General Fund - Expenditures	
1/31/2018	\$ 19,191,487.58	1/31/2018	\$ 32,371,915.92	1/31/2018	\$ 24,468,387.24
1/31/2017	17,486,854.74	1/31/2017	28,681,864.90	1/31/2017	21,602,439.43
Increase	9.7% \$ 1,704,632.84	Increase	12.9% \$ 3,690,051.02	Increase	13.3% \$ 2,865,947.81

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 January 2018

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 (1)	\$ 21,387,830	\$ 23,604,404	10.4%	\$ 28,467,595
Local Option Fuel Tax	480,614	475,316	-1.1%	4,208,406
Utility Service Taxes	1,573,408	1,700,890	8.1%	8,402,000
Communication Service Tax	434,534	446,928	2.9%	2,779,457
Franchise Fees (2)	811,389	955,674	17.8%	5,240,000
State Shared Revenues (3)	647,641	717,443	10.8%	4,515,736
Half Cent Sales Tax (4)	1,003,432	1,108,115	10.4%	6,686,792
Licenses and Permits	501,268	515,744	2.9%	602,000
Grants and Other Entitlements (5)	45,045	249,943	454.9%	1,283,468
Charges for Services (6)	874,689	1,228,040	40.4%	3,431,469
Fines and Forfeitures (7)	92,008	110,699	20.3%	346,300
Interest, Rents & Other Revenues (8)	216,911	313,626	44.6%	406,600
Interfund Transfers & Capital Leases (9)	613,096	945,094	54.2%	2,408,344
Fund Balance	-	-	0.0%	2,037,313
	\$ 28,681,865	\$ 32,371,916	12.9%	\$ 70,815,480

(1) Increase primarily due to increased year-to-date collections of Ad Valorem Taxes in FY18.

(2) Increase primarily due to increased year-to-date collections of Electric Franchise Fees in FY18.

(3) Increase primarily due to increased year-to-date collections of State Shared Revenues in FY18.

(4) Increase primarily due to increased year-to-date collections of Half Cent Sales Tax in FY18.

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

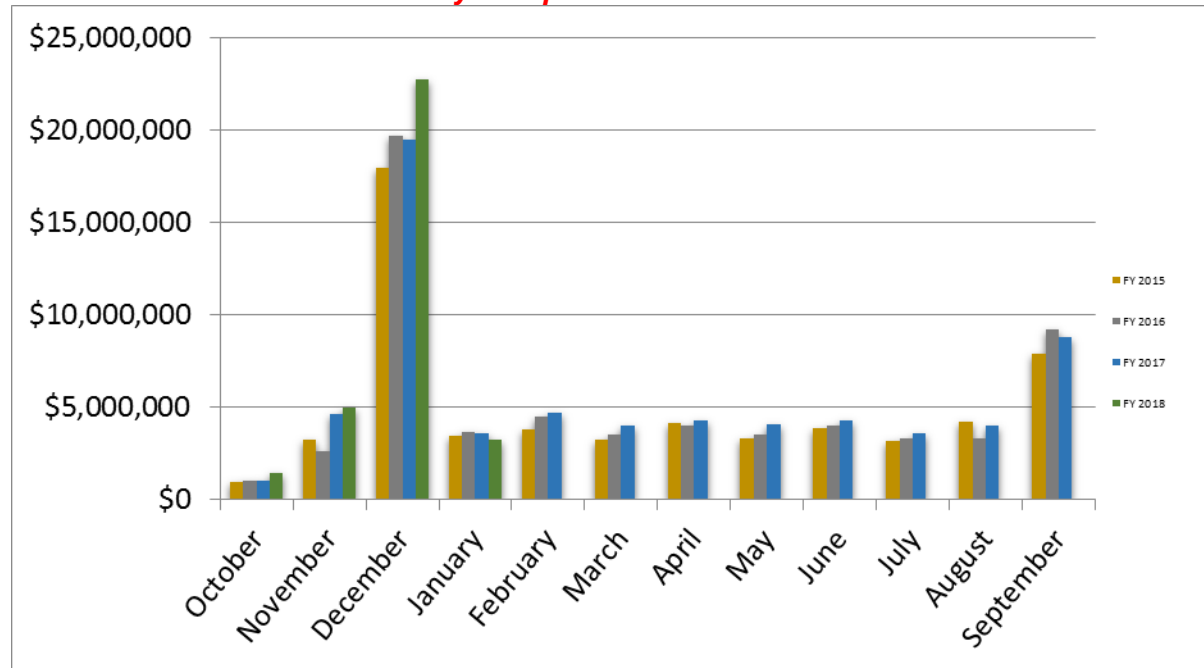
(6) Increase primarily due to increased year-to-date collections for Engineering Plans, Recreation Programs, and Utilities Allocation in FY18.

(7) Increase primarily due to higher year-to-date collection of Code Compliance Fines and False Alarm Fines in FY18.

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

(9) 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

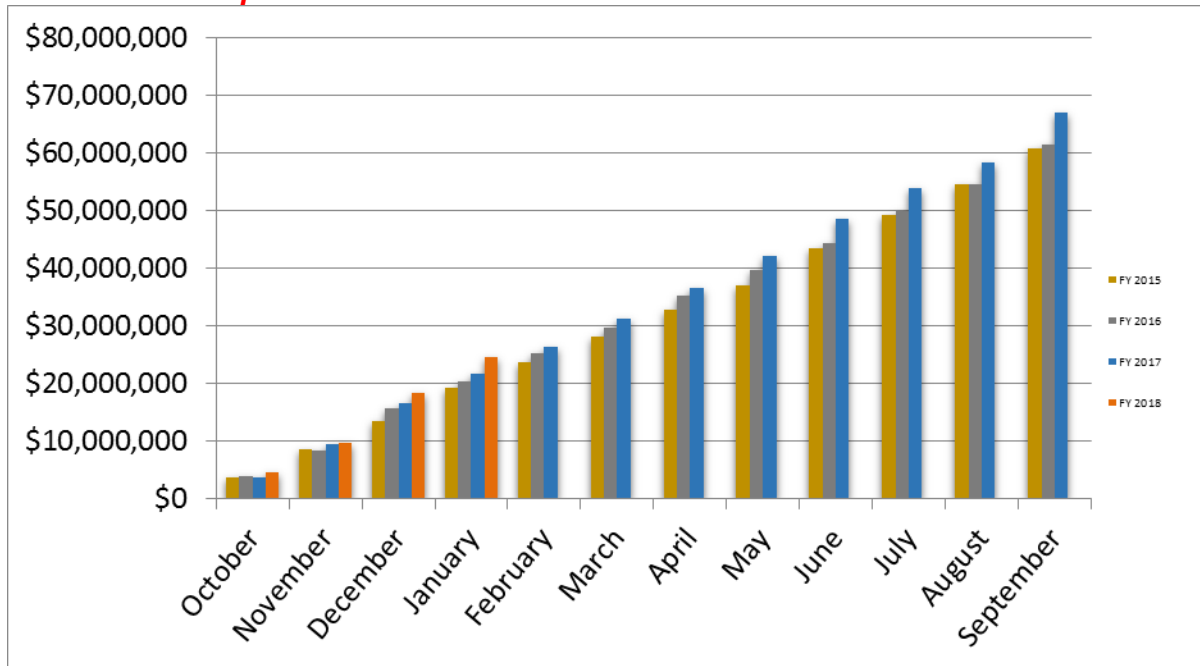
	FY 2015	FY 2016	FY 2017	FY 2018
October	\$ 953,761	\$ 1,012,271	\$ 1,005,090	\$ 1,416,001
November	3,246,502	2,619,131	4,580,252	4,969,155
December	17,977,402	19,689,226	19,511,218	22,774,626
January	3,458,799	3,639,261	3,585,305	3,212,134
February	3,782,243	4,490,812	4,656,371	
March	3,203,645	3,522,695	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	8,913,454	
	\$ 59,055,101	\$ 62,285,475	\$ 66,356,517	\$ 32,371,916

Overall General Fund revenues for the month of January 2018 have decreased \$373,171 (10.41%) when compared to January 2017.

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 2018

General Fund Expenditures-YTD



2018 YTD Change in GF Expenditures as Compared to Prior Year

	Prior YTD	Current YTD	Percent Change	Annual Budget
Legislative	\$ 225,207	\$ 240,896	7.0%	\$ 712,660
City Manager	242,437	219,375	-9.5%	800,423
City Attorney (1)	155,192	193,170	24.5%	581,105
Procurement	121,902	117,488	-3.6%	468,024
Finance	418,704	430,668	2.9%	1,404,782
Information Technology (2)	791,857	871,195	10.0%	3,446,430
Human Resources (3)	145,648	174,842	20.0%	715,807
Growth Management	378,539	402,630	6.4%	1,406,042
Economic Development (4)	326,325	211,875	-35.1%	696,632
Parks and Recreation (5)	891,579	1,213,353	36.1%	4,275,090
Facilities	730,225	758,467	3.9%	2,655,842
Police	5,966,997	6,079,601	1.9%	19,767,307
Fire	4,507,469	4,638,457	2.9%	14,451,150
Public Works (6)	2,257,118	3,344,871	48.2%	6,819,229
Non-Departmental	1,287,200	1,375,261	6.8%	5,594,168
Transfers (7)	3,156,040	4,196,239	33.0%	7,020,789
	\$ 21,602,439	\$ 24,468,387	13.3%	\$ 70,815,480

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

(2) Increase primarily due to higher year-to-date costs for Repair and Maintenance.

(3) Increase primarily due to Payroll staff was moved to Human Resources last year and increased year-to-date hardware/software support.

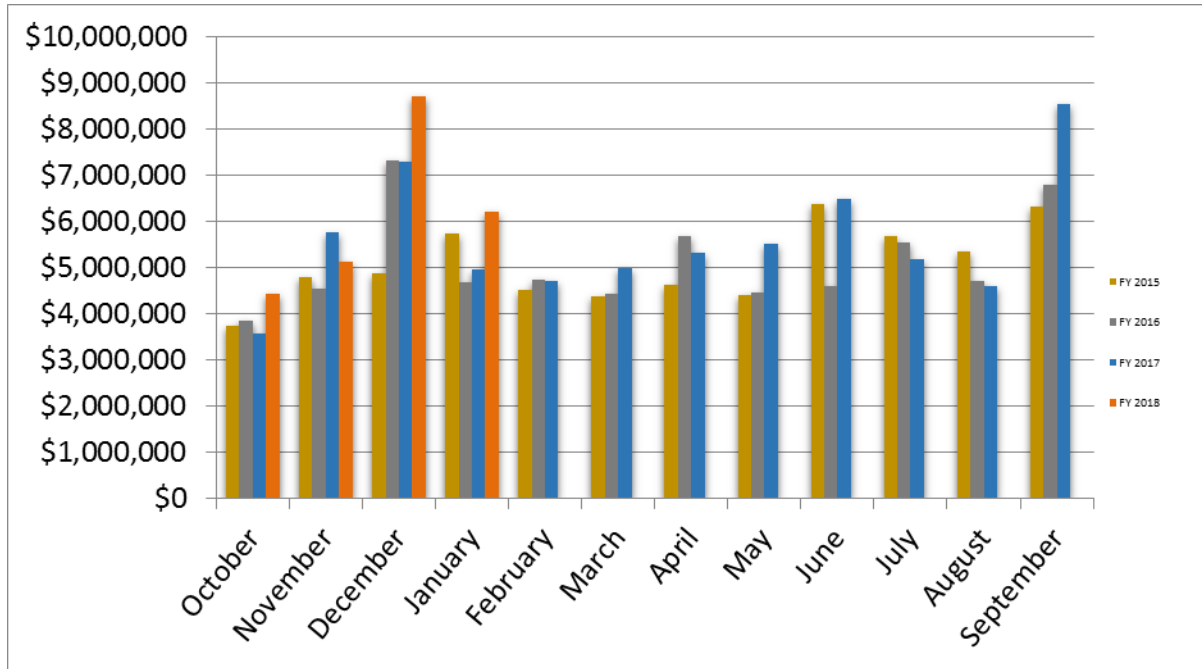
(4) Decrease primarily due to lower year-to-date costs for Professional Services and Promotional Activities.

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

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

(7) Increase primarily due to a quarterly (rather than monthly) transfer was made in January 2018.

General Fund Expenditures-Monthly Comparison



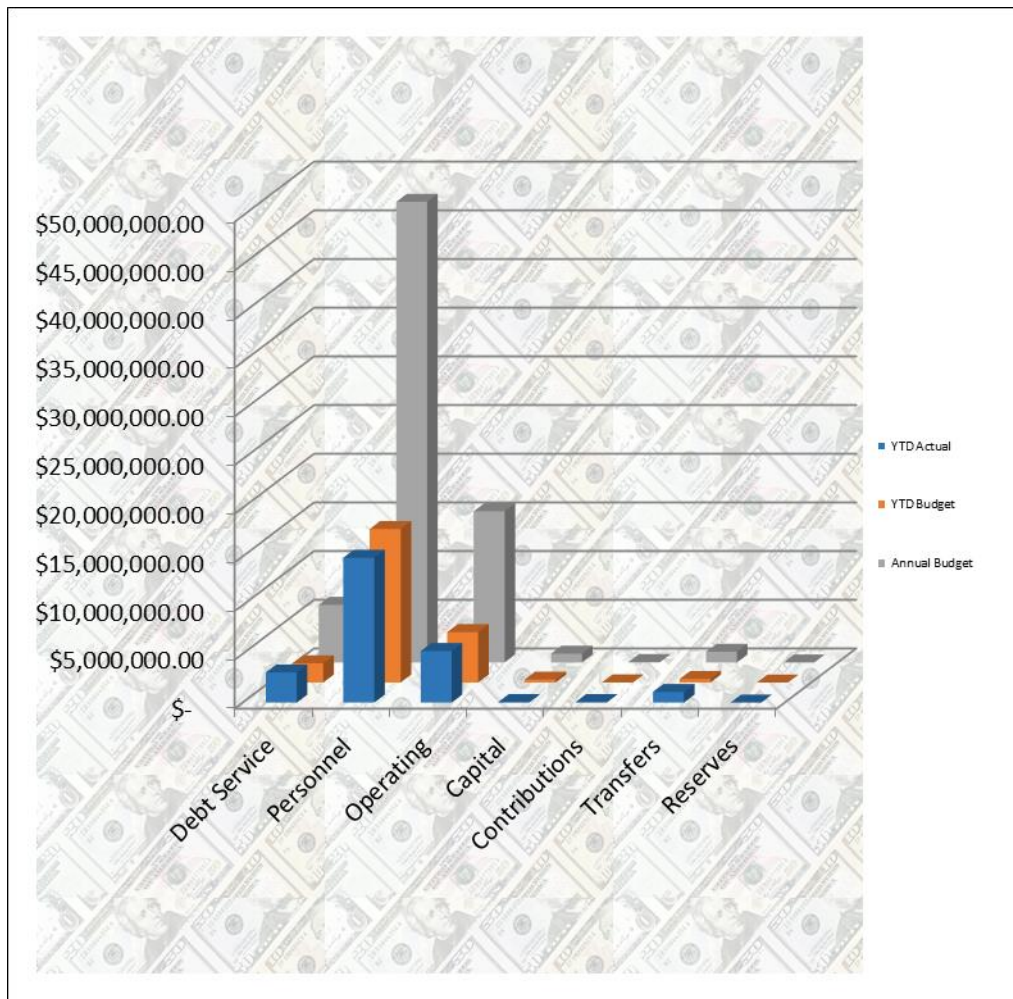
Monthly GF Expenditures as Compared to Prior Years

	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	6,214,289
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	8,475,273	
	\$ 60,803,379	\$ 61,393,243	\$ 66,899,111	\$ 24,468,387

January General Fund expenditures were \$1,241,415 (24.96%) more when comparing January 2018 to January 2017. Year-to-date expenditures are \$2,865,948 more.

General Fund Expenditures-Budgetary Comparison by Category

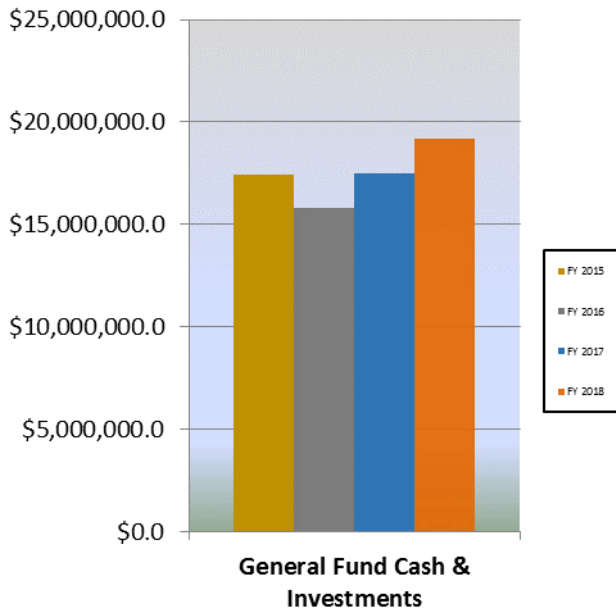
	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>	<u>% Spent</u>
Debt Service	\$ 3,101,087.71	\$ 1,975,213	\$ 5,925,638	52.33%
Personnel	14,875,524.99	15,772,038	47,316,115	31.44%
Operating	5,295,687.74	5,176,332	15,528,995	34.10%
Capital	46,185.80	299,860	899,581	5.13%
Contributions	54,750.00	16,667	50,000	109.50%
Transfers	1,095,151.00	365,050	1,095,151	100.00%
Reserves	-	-	-	0.00%
Total	\$ 24,468,387.24	\$ 23,605,160	\$ 70,815,480	34.55%



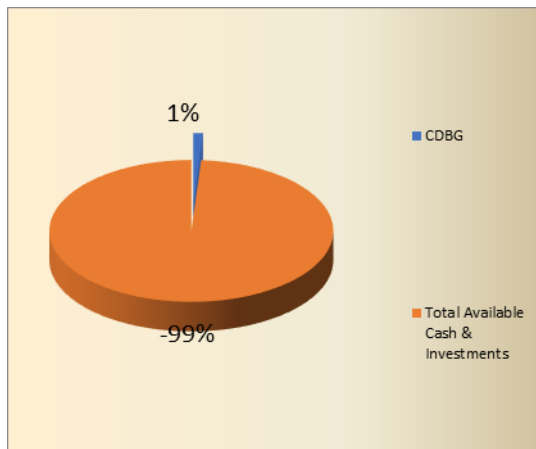
The total budgeted expenditures for 2018 are \$70,815,480 (includes encumbrances from prior year and 2018 budget amendments). Of this amount, \$47,316,115, or 66.8%, is related to personnel costs.

General Fund Cash & Investments – At a Glance January 2018

General Fund Cash & Investments-YTD



General Fund Cash & Investments	
Prior Month Ending Balance	\$ 22,720,278.42
Cash Increase (Decrease)	<u>(3,528,790.84)</u>
Ending Balance 1/31/18	<u><u>\$ 19,191,487.58</u></u>



General Fund Cash & Investments	
January 2018 Ending Balance	\$ 19,191,487.58
Cash Advanced to Other Funds:	
CDBG	<u>\$ (212,768.71)</u>
Total Available Cash & Investments	<u><u>\$ 18,978,718.87</u></u>

General Fund Balance – At a Glance January 2018

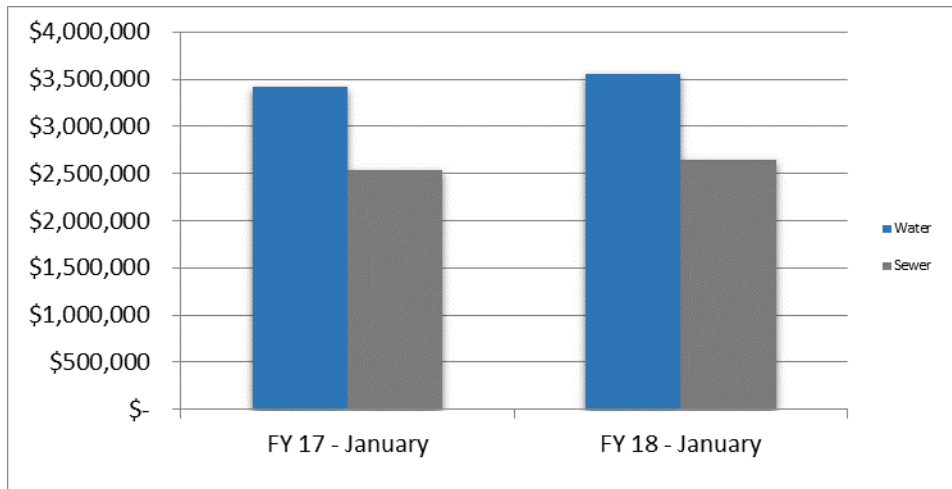
	PRIOR YTD	CURRENT YTD
REVENUES		
Ad Valorem Taxes	\$ 21,387,830	\$ 23,604,404
Local Option Fuel Tax	480,614	475,316
Utility Service Taxes	1,573,408	1,700,890
Communication Service Tax	434,534	446,928
Franchise Fees	811,389	955,674
State Shared Revenues	647,641	717,443
Half Cent Sales Tax	1,003,432	1,108,115
Licenses and Permits	501,268	515,744
Grants and Other Entitlements	45,045	249,943
Charges for Services	874,689	1,228,040
Fines and Forfeitures	92,008	110,699
Interest, Rents and Other Revenues	216,911	313,626
Interfund Transfers and Other Sources	613,096	945,094
Total Revenues	28,681,865	32,371,916
EXPENDITURES		
Legislative	225,207	240,896
City Manager	242,437	219,375
City Attorney	155,192	193,170
Procurement	121,902	117,488
Finance	418,704	430,668
Information Technology	791,857	871,195
Human Resources	145,648	174,842
Growth Management	378,539	402,630
Economic Development	326,325	211,875
Parks and Recreation	891,579	1,213,353
Facilities	730,225	758,467
Police	5,966,997	6,079,601
Fire	4,507,469	4,638,457
Public Works	2,257,118	3,344,871
Non-Departmental	1,287,200	1,375,261
Transfers	3,156,040	4,196,239
Total Expenditures	21,602,439	24,468,387
Excess (Deficiency) of Revenues Over Expenditures	7,079,425	7,903,529
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	\$ 16,254,008	16,292,965

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 January 2018

Water & Sewer Revenues-YTD



Overall year-to-date Water revenue in January 2018 has increased \$140,443 (4.11%) when compared to January 2017.

Overall year-to-date Sewer revenue in January 2018 has increased \$108,327 (4.27%) when compared to January 2017.

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

Meter Installation Fees are recorded at 38% of the budgeted amount. The Utility Lien Costs are recorded at 38% of the budgeted amount.

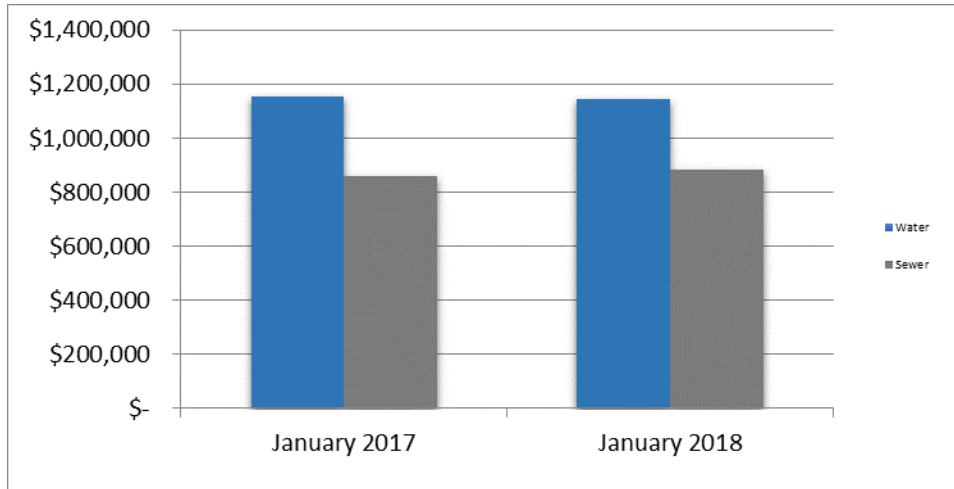
Operating Interest Income is recorded at 28%.

Excluding Fund Balance, the total FY18 Operating Revenue is recorded at 24.41% of the budgeted amount compared to FY17 which was at 25.33%.

Water Connection Fees are recorded at 48% of the budgeted amount, and Sewer Connection Fees are recorded at 47% of the budgeted amount.

Water MLEs are recorded at 40% of the budgeted amount, and Sewer MLEs are recorded at 35% of the budgeted amount.

Water & Sewer Revenues-Monthly Comparison



Overall Water revenue for the month of January 2018 has decreased by \$6,450 (0.56%) when compared to January 2017.

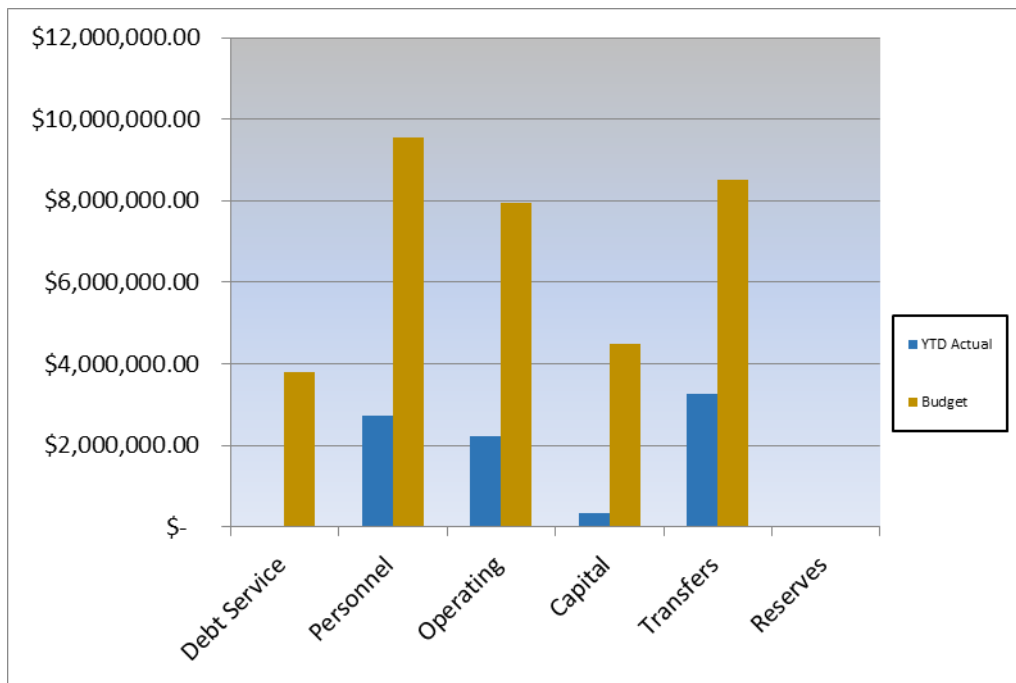
Overall Sewer revenue for the month of January 2018 has increased by \$23,625 (2.75%) when compared to January 2017.

Utilities Expenses – At a Glance January 2018

Water & Sewer Expenditures-YTD

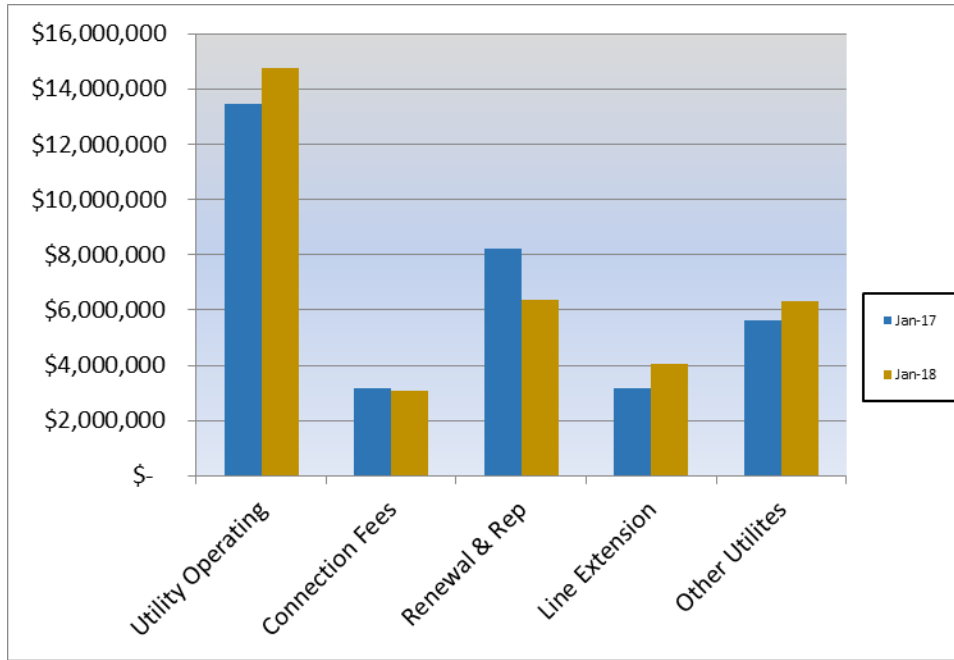
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Debt Service	\$ 464.67	\$ 3,799,411	0.01%
Personnel	2,721,089.95	9,565,864	28.45%
Operating	2,210,126.62	7,939,073	27.84%
Capital	342,776.73	4,479,078	7.65%
Transfers	3,247,782.60	8,520,949	38.12%
Reserves	-	-	-
Total	\$ 8,522,240.57	\$ 34,304,375	24.84%



Utilities Cash & Investments – At a Glance January 2018

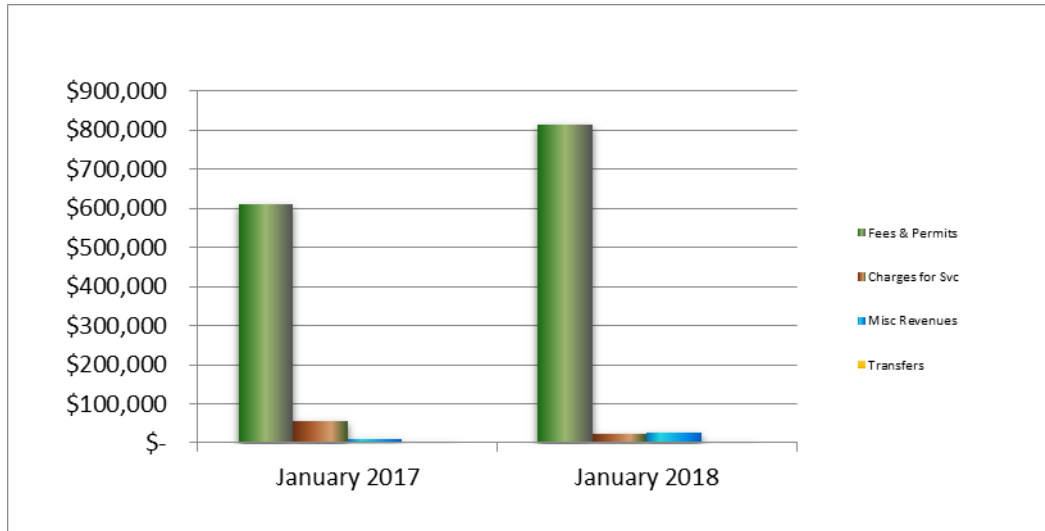
Water & Sewer Cash & Investments-YTD



Overall the Water & Sewer Funds cash and investments were \$0.98 million (2.9%) more as of January 2018 as compared to January 2017.

Building Revenues – At a Glance January 2018

Building Revenues-YTD



Fees and Permits revenue in January 2018 is up \$205,135 (33.69%) from January 2017.

Charges for Services revenue in January 2018 is down \$31,026 (57.33%) from January 2017.

Overall, Building revenues in FY 18 (at January) have increased by \$190,022 (28.21%) when compared to FY 17 (at January).

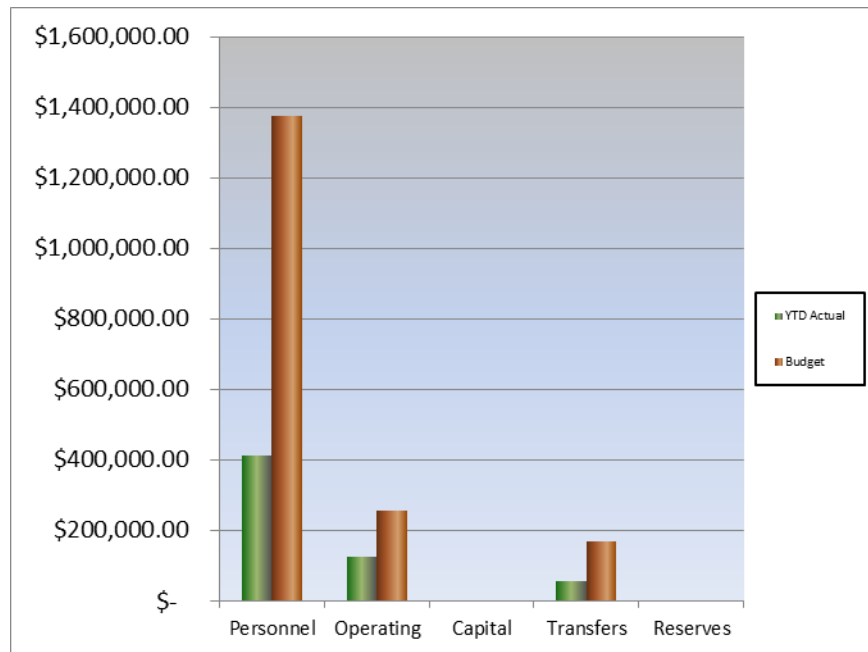
The total FY 18 Building revenues are recorded at 48.04% of the budgeted amount compared to FY 17 which was 38.85%.

Building Expenses – At a Glance January 2018

Building Expenditures-YTD

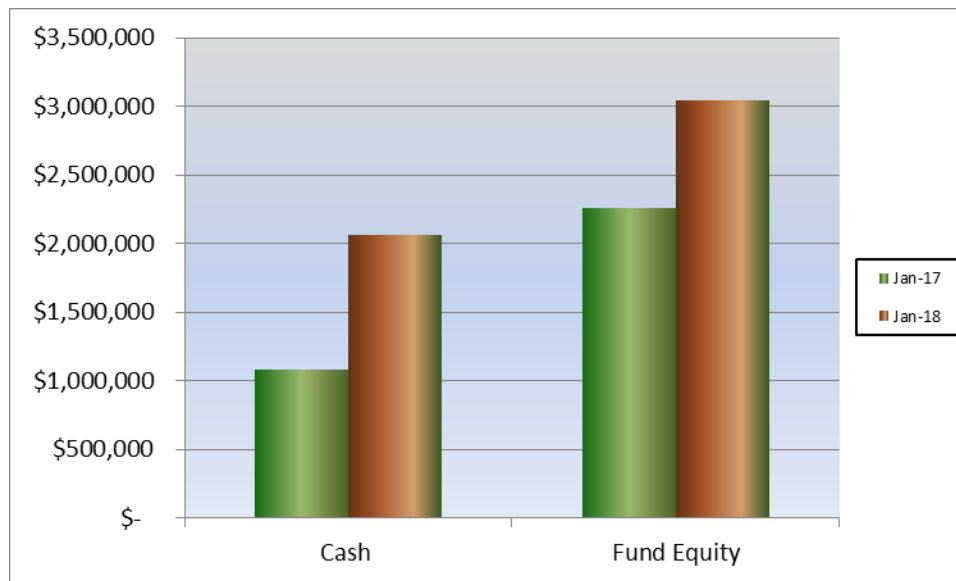
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Personnel	\$ 412,801.43	\$ 1,376,197	30.00%
Operating	123,240.13	255,211	48.29%
Capital	-	-	0.00%
Transfers	55,549.68	166,649	33.33%
Reserves	-	-	0.00%
Total	\$ 591,591.24	\$ 1,798,057	32.90%



Building Cash & Fund Equity – At a Glance January 2018

Building Cash & Fund Equity-YTD



Overall the Building cash and investments were \$974,465 (89.9%) more as of January 2018 as compared to January 2017.

Overall the Building fund equity was \$783,253 (34.7%) more as of January 2018 as compared to January 2017.