

**CITY OF PALM BAY, FLORIDA
MONTHLY FINANCIAL REPORT (UNAUDITED)
JULY 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 July 2016. July is the tenth month of the fiscal year and represents 83% of the annual budget.

Financial Report Summary

- Citywide revenues of \$135.2 million are at 71% of the annual budget. Citywide expenditures of \$132.6 million are at 70% 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 \$2.1 million, or 3.2%, 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	
7/31/2016	\$ 67,922,898.46	7/31/2016	\$ 135,208,449.46	7/31/2016	\$ 132,641,975.66
7/31/2015	65,808,422.66	7/31/2015	115,192,587.29	7/31/2015	107,814,144.47
Increase	3.2% \$ 2,114,475.80	Increase	17.4% \$ 20,015,862.17	Increase	23.0% \$ 24,827,831.19

- General Fund revenues of \$49.8 million are at 79% of the annual budget. This is an increase of \$2.79 million, or 5.9%, in comparison to the prior year.
- General Fund expenditures of \$49.9 million are at 79% of the annual budget. This is an increase of \$0.74 million, or 1.5%, in comparison to the prior year.
- General Fund cash and investments increased by \$0.46 million, or 5.2%, in comparison to the prior year.

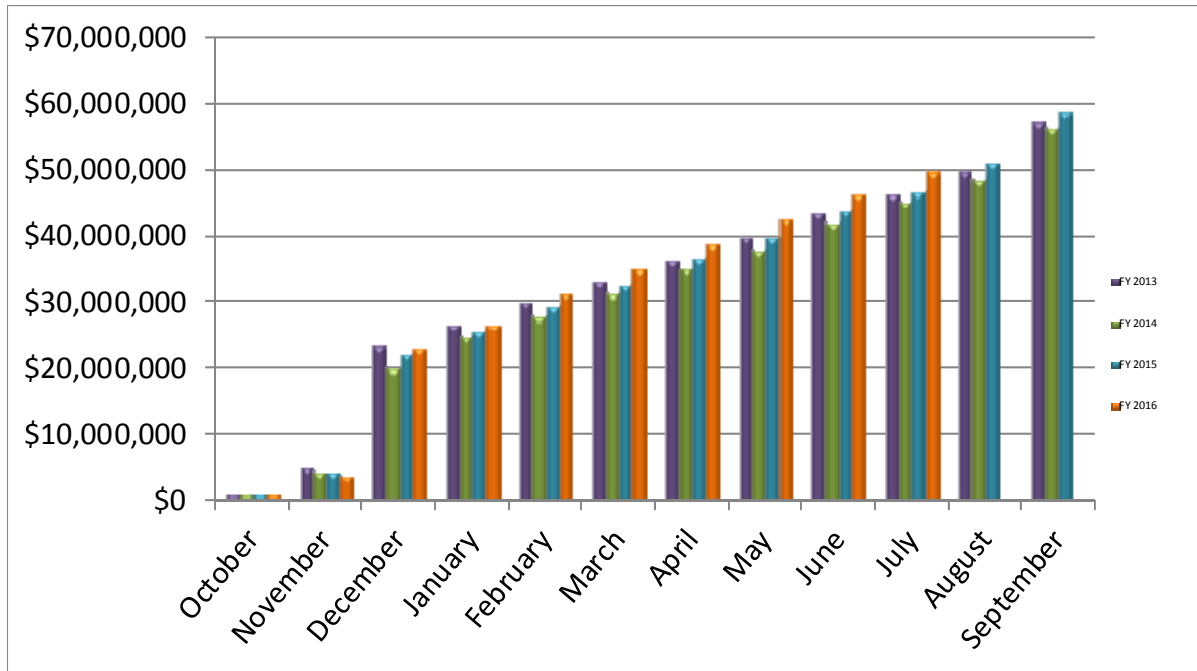
General Fund - Cash & Investments		General Fund - Revenues		General Fund - Expenditures	
7/31/2016	\$ 9,286,895.32	7/31/2016	\$ 49,794,730.15	7/31/2016	\$ 49,889,035.93
7/31/2015	8,825,313.02	7/31/2015	47,005,528.26	7/31/2015	49,146,150.80
Increase	5.2% \$ 461,582.30	Increase	5.9% \$ 2,789,201.89	Increase	1.5% \$ 742,885.13

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 July 2016

General Fund Revenues-YTD

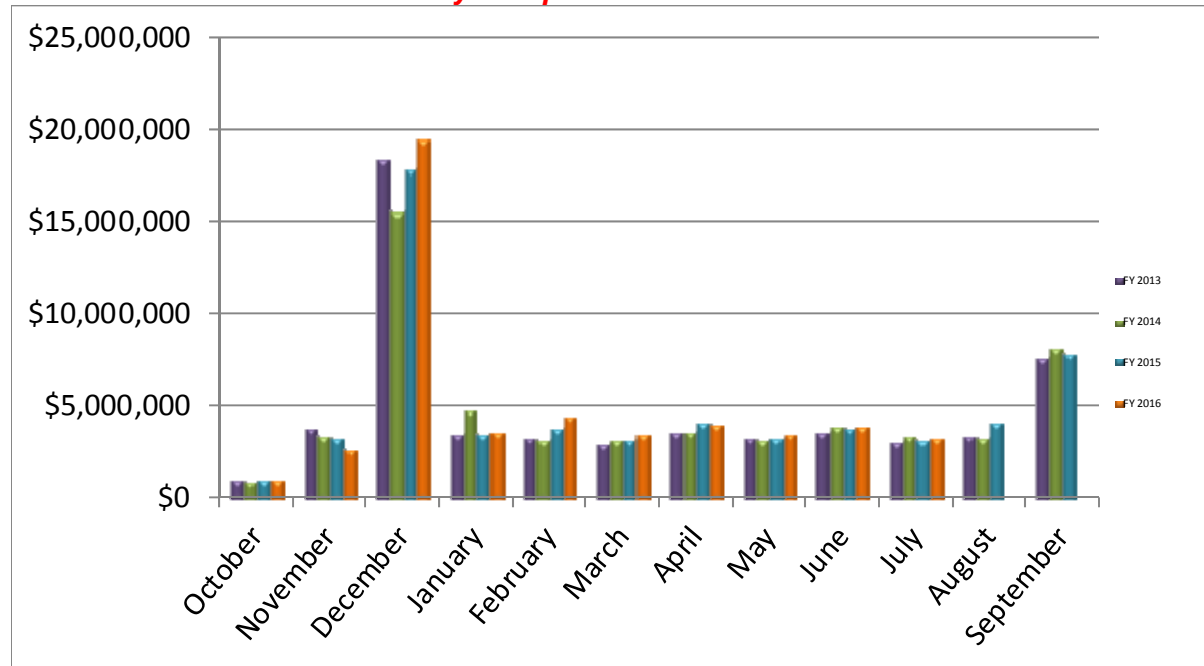


FY2016 YTD Change in GF Revenues as Compared to Prior Year

	Prior YTD	Current YTD	Percent Change	Annual Budget
Ad Valorem Taxes	\$ 22,988,687	\$ 23,998,769	4.4%	\$ 24,471,077
Local Option Fuel Tax (1)	2,611,649	2,932,595	12.3%	3,560,238
Utility Service Taxes	5,244,032	5,330,907	1.7%	8,222,000
Communication Service Tax	1,996,170	1,890,817	-5.3%	2,953,575
Franchise Fees	3,343,901	3,187,932	-4.7%	5,390,000
State Shared Revenues (2)	2,281,580	2,552,665	11.9%	3,963,798
Half Cent Sales Tax	3,792,633	3,950,909	4.2%	5,801,620
Licenses and Permits	565,152	574,980	1.7%	580,520
Grants and Other Entitlements (3)	97,731	209,442	114.3%	246,975
Charges for Services	2,178,467	2,380,817	9.3%	2,828,153
Fines and Forfeitures	349,844	340,720	-2.6%	536,200
Interest, Rents & Other Revenues (4)	287,092	667,843	132.6%	576,111
Interfund Transfers & Capital Leases (5)	1,268,590	1,776,335	40.0%	2,622,882
Fund Balance	-	-	0.0%	1,294,822
	\$ 47,005,528	\$ 49,794,730	5.9%	\$ 63,047,971

(1) Increase primarily due to higher year-to-date collection of Local Option Gas Tax.
 (2) Increase primarily due to higher year-to-date collection of State Shared Revenues.
 (3) Increase primarily due to higher year-to-date collection from Brevard County School Board and Department of Justice Grant.
 (4) Increase primarily due to property sales and higher year-to-date sales of surplus materials in FY16.
 (5) 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

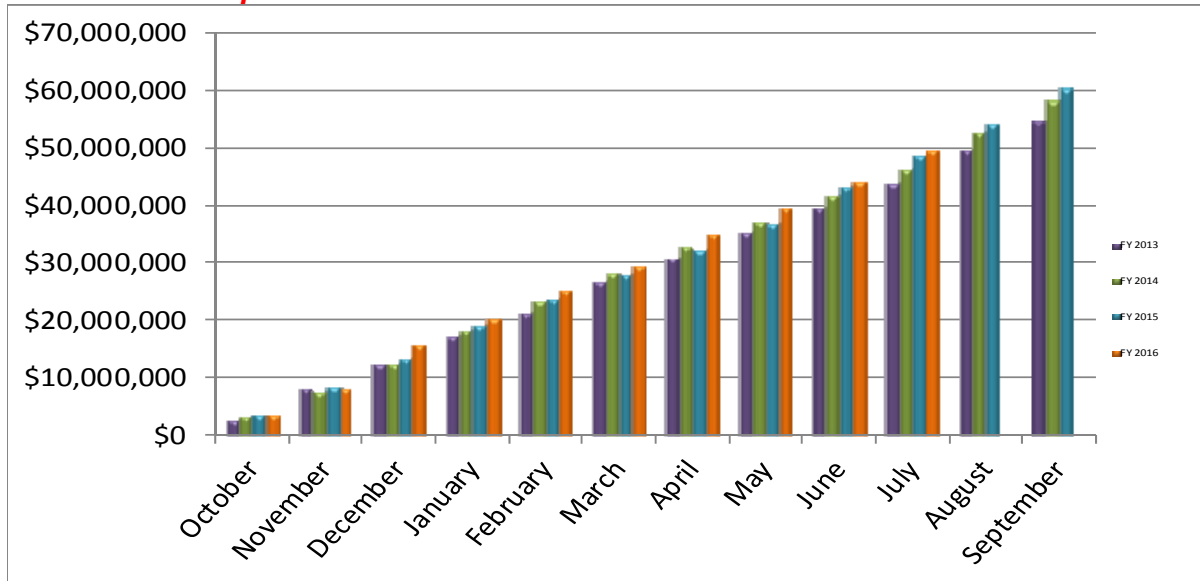
	FY 2013	FY 2014	FY 2015	FY 2016
October	\$ 1,048,437	\$ 911,630	\$ 953,761	\$ 1,012,271
November	3,846,416	3,425,400	3,246,502	2,619,131
December	18,439,244	15,683,359	17,977,402	19,689,226
January	3,531,439	4,802,728	3,458,799	3,639,261
February	3,279,875	3,200,574	3,782,243	4,490,812
March	2,917,572	3,208,482	3,203,645	3,522,695
April	3,616,551	3,651,785	4,103,728	4,009,369
May	3,276,506	3,198,408	3,278,699	3,511,664
June	3,611,729	3,880,153	3,830,369	3,976,789
July	3,046,753	3,363,584	3,170,380	3,323,512
August	3,393,534	3,262,185	4,168,296	
September	7,579,482	8,115,309	7,881,277	
	\$ 57,587,537	\$ 56,703,597	\$ 59,055,101	\$ 49,794,730

Overall General Fund revenues for the month of July 2016 have increased \$153,133 (4.83%) when compared to July 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 July 2016

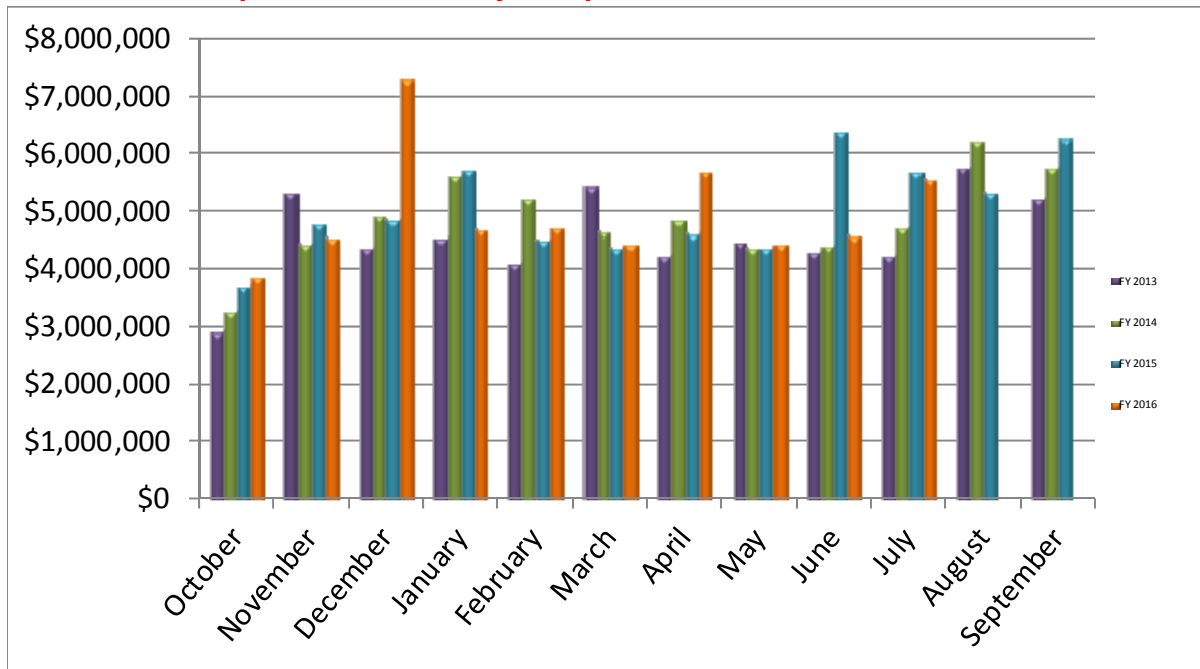
General Fund Expenditures-YTD



	Prior YTD	Current YTD	Percent Change	Annual Budget
Legislative	\$ 480,949	\$ 528,502	9.9%	\$ 665,846
City Manager (1)	755,763	522,833	-30.8%	608,311
City Attorney (2)	704,676	1,082,494	53.6%	914,698
Finance	1,303,531	1,363,024	4.6%	1,722,936
Information Technology (3)	1,460,634	1,839,229	25.9%	2,730,131
Human Resources	411,772	417,514	1.4%	574,970
Growth Management (4)	487,792	429,319	-12.0%	552,396
Economic Development (5)	-	528,934	0.0%	607,451
Parks and Recreation (6)	3,443,157	2,171,240	-36.9%	2,694,007
Facilities (7)	-	1,773,932	0.0%	2,183,205
Police	15,743,822	14,612,313	-7.2%	19,418,043
Fire	10,862,229	10,761,798	-0.9%	13,115,189
Public Works	3,722,220	3,720,961	0.0%	4,894,130
Non-Departmental	3,141,992	3,070,326	-2.3%	4,138,053
Transfers	6,627,613	7,066,619	6.6%	8,228,605
	\$ 49,146,151	\$ 49,889,036	1.5%	\$ 63,047,971

- (1) 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.
- (2) Increase primarily due to increased year-to-date costs for Other Attorneys and Other Professional Services.
- (3) Increase primarily due to increased year-to-date costs for network equipment, air cards, and health insurance.
- (4) Decrease primarily due to partial allocation of salaries and benefits to other funds in FY16
- (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.

General Fund Expenditures-Monthly Comparison



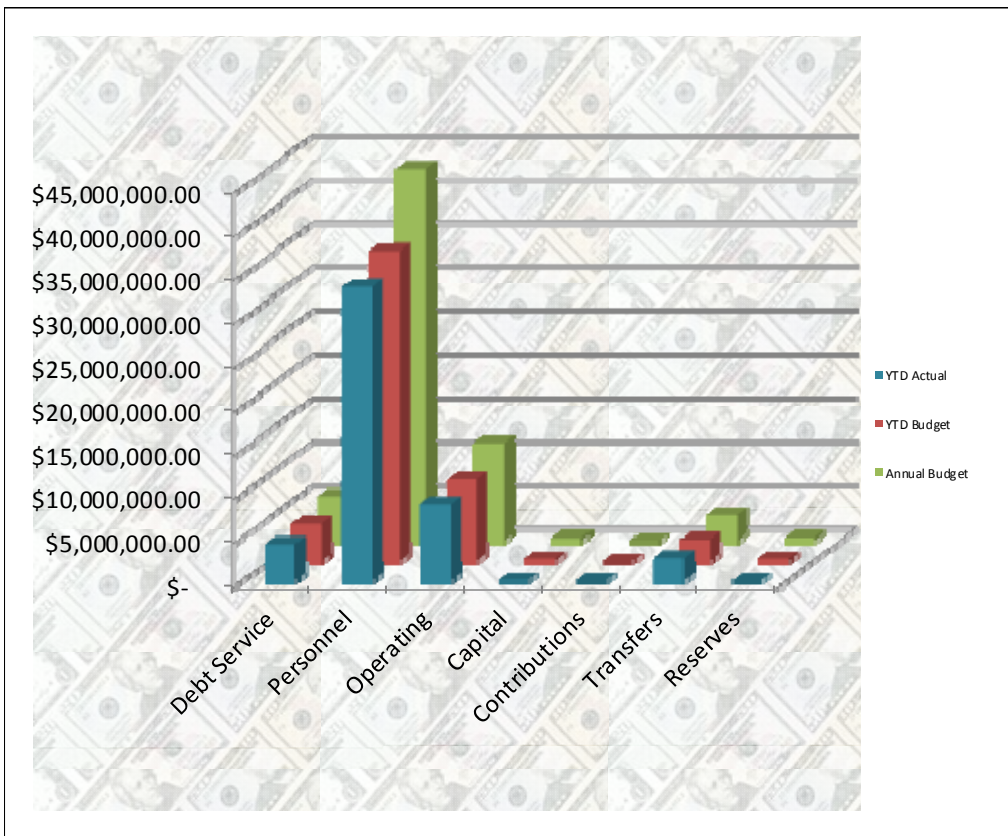
Monthly GF Expenditures as Compared to Prior Years

	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	4,443,296
April	4,230,477	4,859,644	4,630,094	5,693,822
May	4,504,552	4,386,401	4,397,032	4,450,696
June	4,321,706	4,412,580	6,385,679	4,592,489
July	4,248,739	4,721,680	5,689,908	5,551,214
August	5,769,101	6,272,362	5,346,802	
September	5,245,884	5,780,329	6,310,427	
	\$ 55,116,519	\$ 58,669,085	\$ 60,803,379	\$ 49,889,036

July General Fund expenditures were \$138,694 (2.44%) less when comparing June 2016 to June 2015. Year-to-date expenditures are \$742,855 more.

General Fund Expenditures-Budgetary Comparison by Category

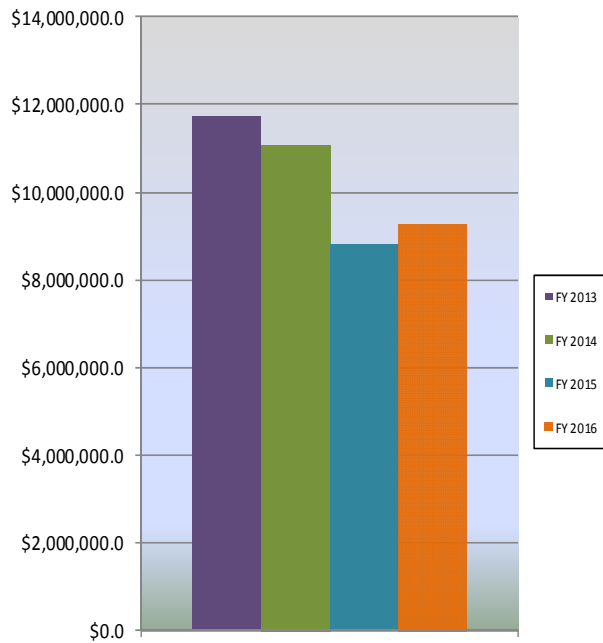
	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>	<u>% Spent</u>
Debt Service	\$ 4,338,480.16	\$ 4,329,006	\$ 5,194,807	83.52%
Personnel	33,761,906.78	35,553,604	42,664,325	79.13%
Operating	8,905,507.05	9,377,133	11,252,560	79.14%
Capital	138,900.90	351,737	422,084	32.91%
Contributions	16,102.70	30,979	37,175	43.32%
Transfers	2,728,138.34	2,528,165	3,033,798	89.92%
Reserves	-	369,352	443,222	0.00%
Total	\$ 49,889,035.93	\$ 52,539,976	\$ 63,047,971	79.13%



The total budgeted expenditures for 2016 are \$63,047,971 (includes encumbrances from prior year and 2016 budget amendments). Of this amount, \$42,664,325, or 67.7%, is related to personnel costs.

General Fund Cash & Investments – At a Glance July 2016

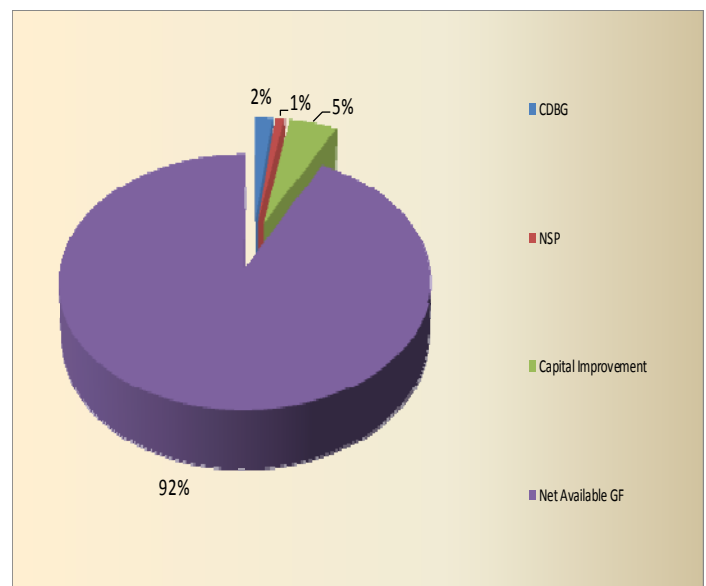
General Fund Cash & Investments-YTD



General Fund Cash & Investments

General Fund Unrestricted Cash & Investments	
Prior Month Ending Balance	\$ 10,866,617.18
Cash Increase (Decrease)	<u>(1,579,721.86)</u>
Ending Balance 7/31/16	<u><u>\$ 9,286,895.32</u></u>

General Fund Available Cash & Investments	
July 2016 Ending Balance	\$ 9,286,895.32
Cash Advanced to Other Funds:	
CDBG	(167,671.00)
NSP	(85,977.26)
Capital Improvement	<u>\$ (444,195.09)</u>
Total Available Cash & Investments	<u><u>\$ 8,589,051.97</u></u>



General Fund Balance – At a Glance July 2016

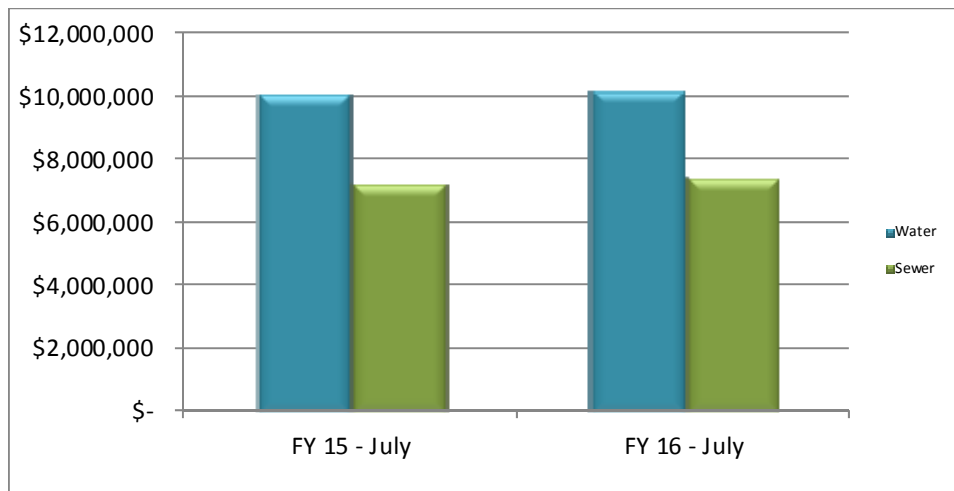
	PRIOR YTD	CURRENT YTD
REVENUES		
Ad Valorem Taxes	\$ 22,988,687	\$ 23,998,769
Local Option Fuel Tax	2,611,649	2,932,595
Utility Service Taxes	5,244,032	5,330,907
Communication Service Tax	1,996,170	1,890,817
Franchise Fees	3,343,901	3,187,932
State Shared Revenues	2,281,580	2,552,665
Half Cent Sales Tax	3,792,633	3,950,909
Licenses and Permits	565,152	574,980
Grants and Other Entitlements	97,731	209,442
Charges for Services	2,178,467	2,380,817
Fines and Forfeitures	349,844	340,720
Interest, Rents and Other Revenues	287,092	667,843
Interfund Transfers and Other Sources	1,268,590	1,776,335
Total Revenues	47,005,528	49,794,730
EXPENDITURES		
Legislative	480,949	528,502
City Manager	755,763	522,833
City Attorney	704,676	1,082,494
Finance	1,303,531	1,363,024
Information Technology	1,460,634	1,839,229
Human Resources	411,772	417,514
Economic Development	487,792	429,319
Growth Management	-	528,934
Parks and Recreation	3,443,157	2,171,240
Facilities	-	1,773,932
Police	15,743,822	14,612,313
Fire	10,862,229	10,761,798
Public Works	3,722,220	3,720,961
Non-Departmental	3,141,992	3,070,326
Transfers	6,627,613	7,066,619
Total Expenditures	49,146,151	49,889,036
Excess (Deficiency) of Revenues Over Expenditures	(2,140,623)	(94,306)
Fund Balance - Beginning	10,040,314	8,282,350
Prior Period Adjustment	-	-
Fund Balance - Beginning as Restated	10,040,314	8,282,350
Fund Balance - Ending	\$ 7,899,692	8,188,044

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	\$ 5,311,438	\$ 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%
FY 2010	5,223,284	5,790,912	11.09%

Utilities Revenues – At a Glance July 2016

Water & Sewer Revenues-YTD



Overall year-to-date Water revenue in July 2016 has increased \$116,949 (1.15%) when compared to July 2015.

Overall year-to-date Sewer revenue in July 2016 has increased \$217,528 (2.98%) when compared to July 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 86% of the budgeted amount. The Utility Lien Costs are recorded at 114% of the budgeted amount.

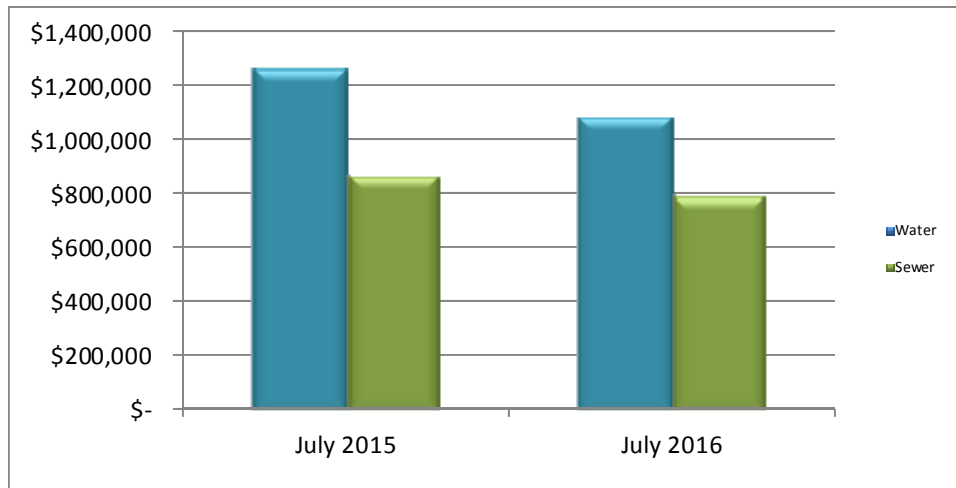
Operating Interest Income is recorded at 61% at this time. The interest for Palm Bay Estates Loan (\$22,491.75) was recorded in June 2016. The second interest payment on the Fleet Services Loan will be recorded in September 2016 (\$17,053.38).

Excluding Fund Balance, the total FY16 Operating Revenue is recorded at 76.87% of the budgeted amount compared to FY15 which was at 78.16%.

Water Connection Fees are recorded at 120% of the budgeted amount, and Sewer Connection Fees are recorded at 113% of the budgeted amount.

Water MLEs are recorded at 111% of the budgeted amount, and Sewer MLEs are recorded at 106% of the budgeted amount.

Water & Sewer Revenues-Monthly Comparison



Overall Water revenue for the month of July 2016 has decreased by \$189,279 (14.82%) when compared to July 2015.

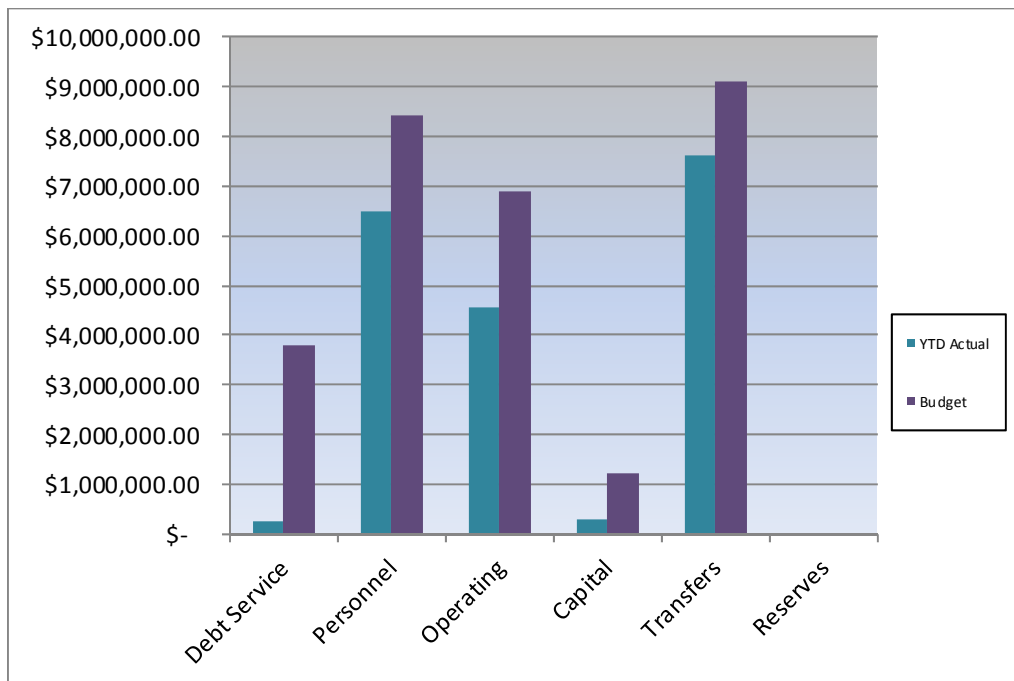
Overall Sewer revenue for the month of July 2016 has decreased by \$78,717 (9.00%) when compared to July 2015.

Utilities Expenses – At a Glance July 2016

Water & Sewer Expenditures-YTD

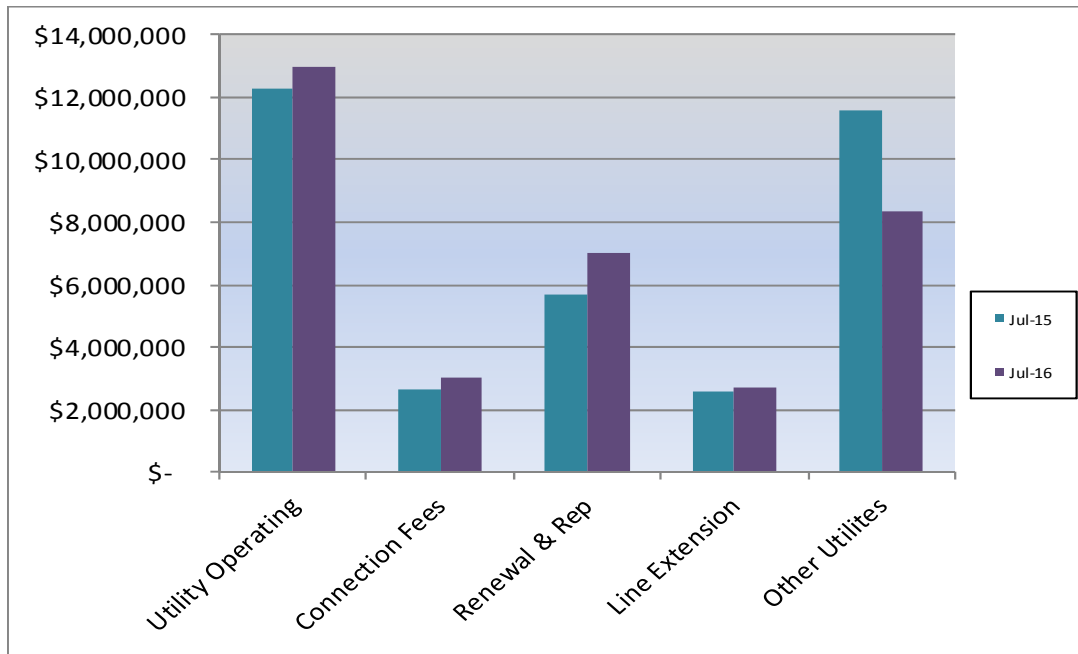
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Debt Service	\$ 253,484.17	\$ 3,801,039	6.67%
Personnel	6,474,709.06	8,412,255	76.97%
Operating	4,571,462.37	6,874,842	66.50%
Capital	287,468.56	1,200,477	23.95%
Transfers	7,629,079.46	9,116,951	83.68%
Reserves	-	-	-
Total	\$ 19,216,203.62	\$ 29,405,564	65.35%



Utilities Cash & Investments – At a Glance July 2016

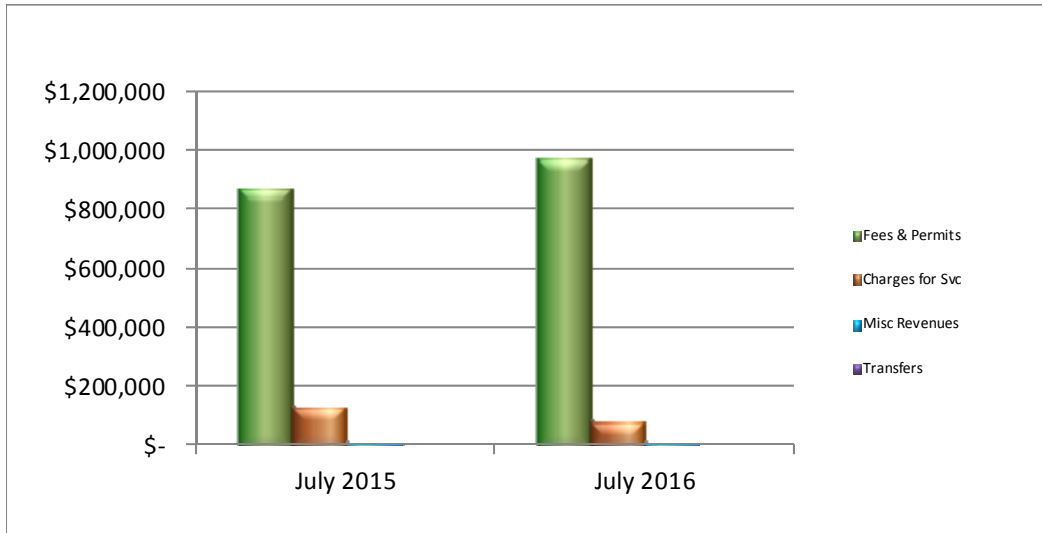
Water & Sewer Cash & Investments-YTD



Overall the Water & Sewer Funds cash and investments were \$0.78 million (2.2%) less as of July 2016 as compared to July 2015.

Building Revenues – At a Glance July 2016

Building Revenues-YTD



Fees and Permits revenue in July 2016 is up \$101,241 (11.56%) from July 2015.

Charges for Services revenue in July 2016 is down \$46,977 (35.14%) from July 2015.

Overall, Building revenues in FY 16 (at July) have increased by \$44,616 (4.32%) when compared to FY 15 (at July).

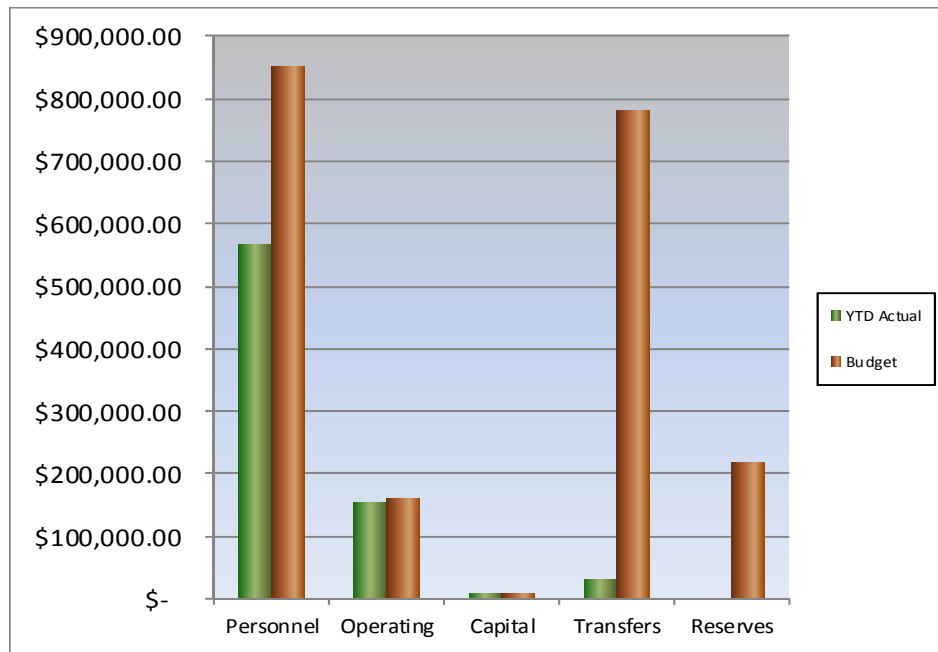
The total FY 16 Building revenues are recorded at 53.29% of the budgeted amount compared to FY 15 which was 97.36%.

Building Expenses – At a Glance July 2016

Building Expenditures-YTD

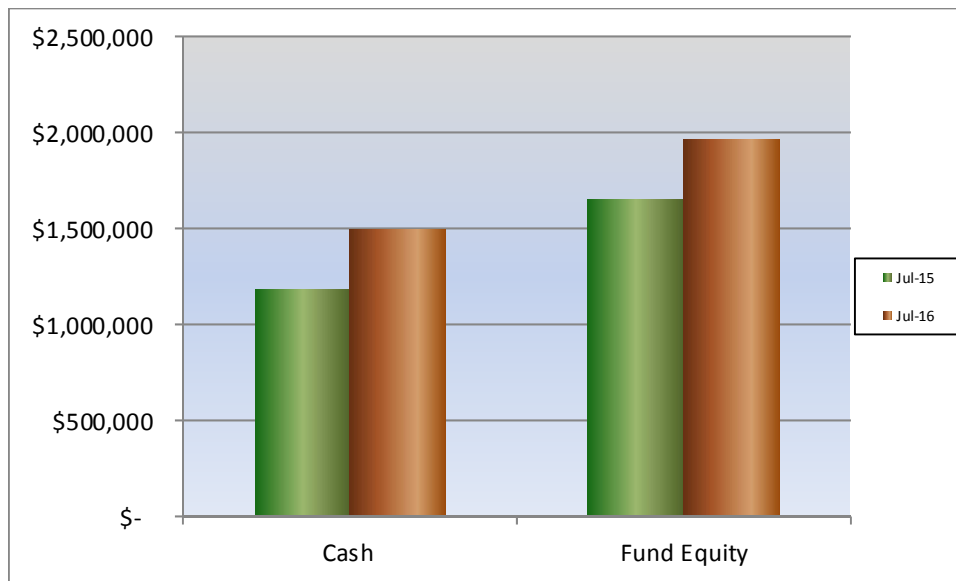
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Personnel	\$ 567,560.84	\$ 852,573	66.57%
Operating	156,513.98	161,941	96.65%
Capital	8,659.66	7,500	115.46%
Transfers	29,220.00	780,204	3.75%
Reserves	-	219,535	0.00%
Total	\$ 761,954.48	\$ 2,021,753	37.69%



Building Cash & Fund Equity – At a Glance July 2016

Building Cash & Fund Equity-YTD



Overall the Building cash and investments were \$309,167 (26.0%) more as of July 2016 as compared to July 2015.

Overall the Building fund equity was \$309,162 (18.7%) more as of July 2016 as compared to July 2015.