

**CITY OF PALM BAY, FLORIDA
MONTHLY FINANCIAL REPORT (UNAUDITED)
JULY 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 July 2017. July is the tenth month of the fiscal year and represents 83% of the annual budget.

Financial Report Summary

- Citywide revenues of \$127.3 million are at 71.6% of the annual budget. Citywide expenditures of \$120.8 million are at 67.9% 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 \$5.7 million, or 8.3%, 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	
7/31/2017	\$ 73,577,297.14	7/31/2017	\$ 127,308,062.87	7/31/2017	\$ 120,812,000.05
7/31/2016	67,922,898.46	7/31/2016	135,208,449.46	7/31/2016	132,641,975.66
Increase	8.3% \$ 5,654,398.68	Decrease	-5.8% \$ (7,900,386.59)	Decrease	-8.9% \$ (11,829,975.61)

- General Fund revenues of \$53.5 million are at 79% of the annual budget. This is an increase of \$3.69 million, or 7.4%, in comparison to the prior year.
- General Fund expenditures of \$53.8 million are at 79% of the annual budget. This is an increase of \$3.93 million, or 7.9%, in comparison to the prior year.
- General Fund cash and investments increased by \$1.22 million, or 13.1%, in comparison to the prior year. Of this increased General Fund cash, \$800,000 is reserved.

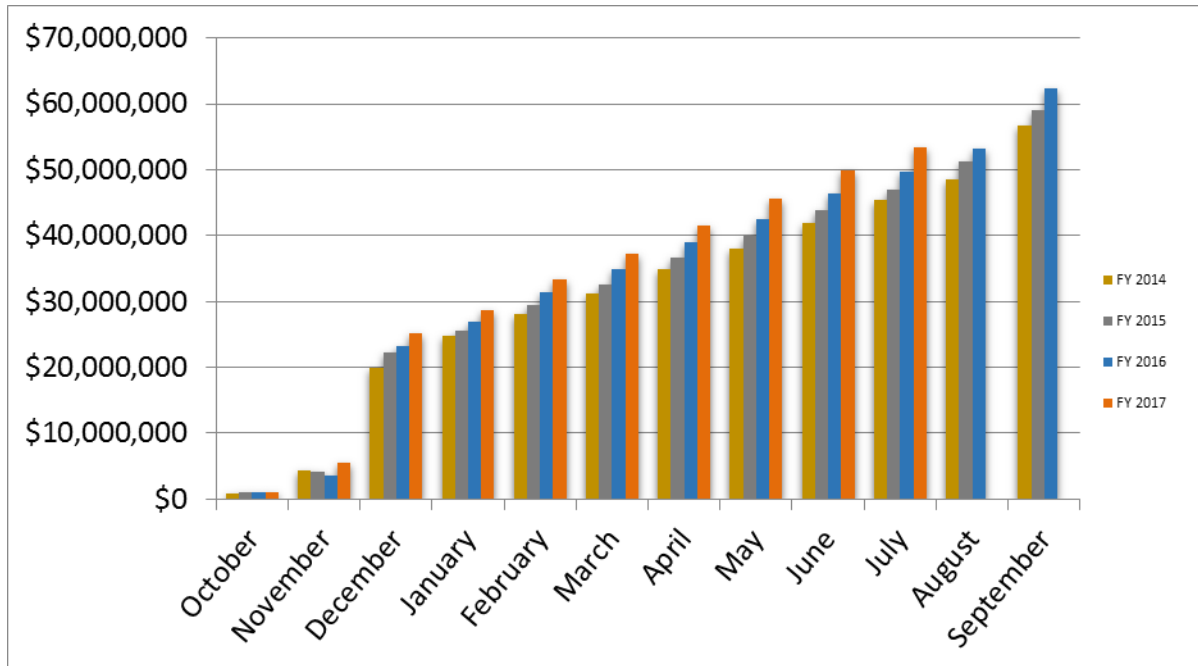
General Fund - Cash & Investments		General Fund - Revenues		General Fund - Expenditures	
7/31/2017	\$ 10,506,631.93	7/31/2017	\$ 53,482,790.22	7/31/2017	\$ 53,814,797.23
7/31/2016	9,286,895.32	7/31/2016	49,794,730.15	7/31/2016	49,889,035.93
Increase	13.1% \$ 1,219,736.61	Increase	7.4% \$ 3,688,060.07	Increase	7.9% \$ 3,925,761.30

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 July 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	\$ 23,998,769	\$ 26,228,519	9.3%	\$ 26,426,410
Local Option Fuel Tax	2,932,595	3,125,739	6.6%	3,822,462
Utility Service Taxes	5,330,907	5,483,109	2.9%	8,305,000
Communication Service Tax	1,890,817	1,718,153	-9.1%	2,683,536
Franchise Fees	3,187,932	3,207,676	0.6%	5,399,000
State Shared Revenues	2,552,665	2,625,457	2.9%	4,327,372
Half Cent Sales Tax	3,950,909	4,287,294	8.5%	6,107,351
Licenses and Permits	574,980	577,989	0.5%	607,500
Grants and Other Entitlements (1)	209,442	979,491	367.7%	1,007,796
Charges for Services (2)	2,380,817	2,814,661	18.2%	3,159,561
Fines and Forfeitures (3)	340,720	399,018	17.1%	414,500
Interest, Rents & Other Revenues (4)	667,843	485,283	-27.3%	548,702
Interfund Transfers & Capital Leases (5)	1,776,335	1,550,401	-12.7%	1,835,914
Fund Balance	-	-	0.0%	3,238,419
	\$ 49,794,730	\$ 53,482,790	7.4%	\$ 67,883,523

(1) Increase primarily due to multi-year agreement with County for partial reimbursement of expenses related to Regional Park, Senior Center, and Aquatic Center in FY17.

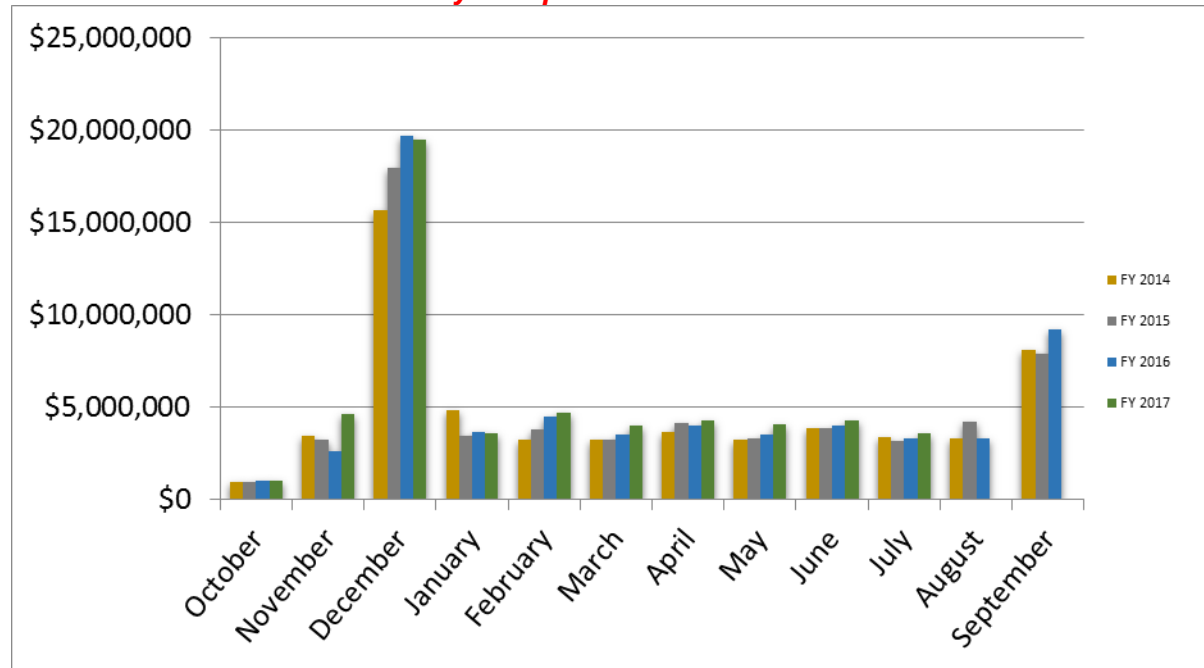
(2) Increase primarily due to increased year-to-date collections of Parks and Rec. Dept. fees and Fire Dept. fees in FY17.

(3) Increase primarily due to higher year-to-date collection of confiscated monies in FY17.

(4) Decrease primarily due to lower year-to-date proceeds from property sales in FY17.

(5) Decrease primarily due to no budgeted transfer from Employee Benefit Fund in FY17.

General Fund Revenues-Monthly Comparison



Monthly GF Revenues as Compared to Prior Years

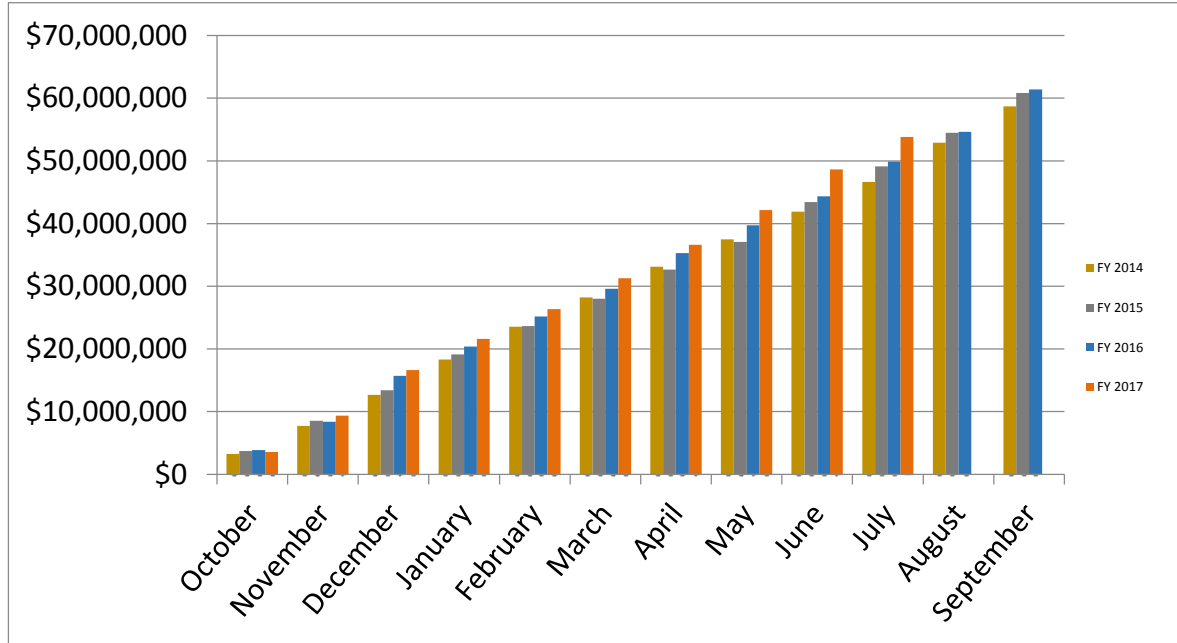
	FY 2014	FY 2015	FY 2016	FY 2017
October	\$ 911,630	\$ 953,761	\$ 1,012,271	\$ 1,005,090
November	3,425,400	3,246,502	2,619,131	4,580,252
December	15,683,359	17,977,402	19,689,226	19,511,218
January	4,802,728	3,458,799	3,639,261	3,585,305
February	3,200,574	3,782,243	4,490,812	4,656,371
March	3,208,482	3,203,645	3,522,695	3,990,468
April	3,651,785	4,103,728	4,009,369	4,245,071
May	3,198,408	3,278,699	3,511,664	4,073,453
June	3,880,153	3,830,369	3,976,789	4,237,693
July	3,363,584	3,170,380	3,323,512	3,597,870
August	3,262,185	4,168,296	3,323,716	-
September	8,115,309	7,881,278	9,167,028	-
	\$ 56,703,597	\$ 59,055,101	\$ 62,285,475	\$ 53,482,790

Overall General Fund revenues for the month of July 2017 have increased \$274,358 (8.26%) when compared to July 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 July 2017

General Fund Expenditures-YTD

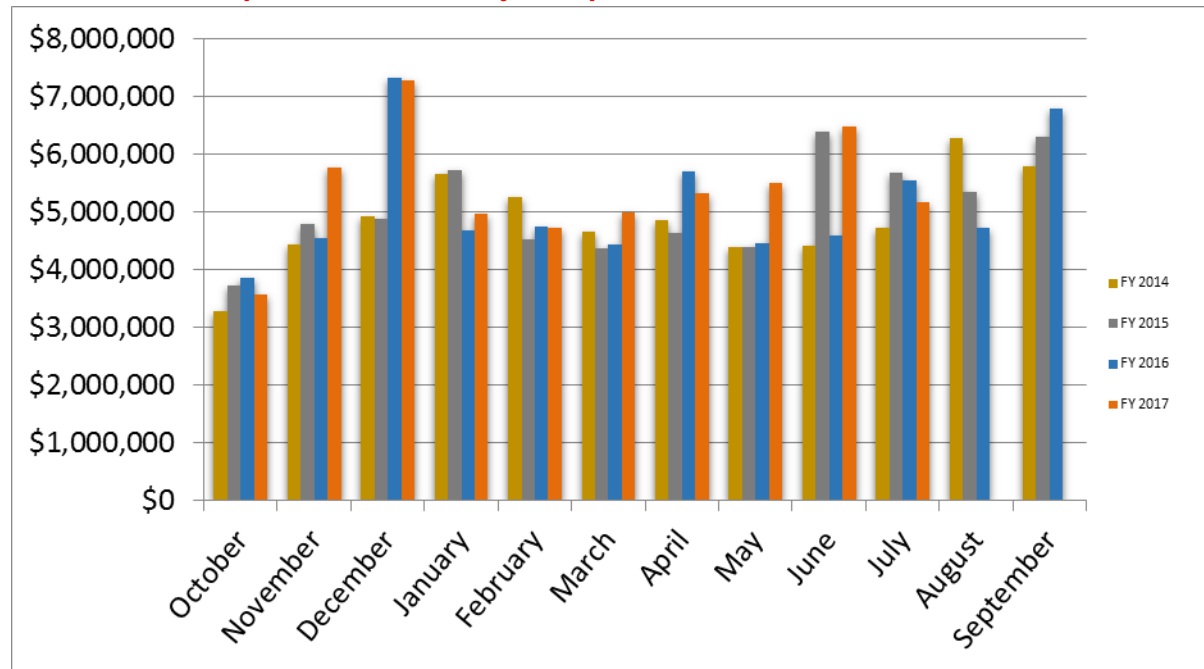


2017 YTD Change in GF Expenditures as Compared to Prior Year

	Prior YTD	Current YTD	Percent Change	Annual Budget
Legislative	\$ 528,502	\$ 533,835	1.0%	\$ 701,148
City Manager (1)	522,833	581,647	11.2%	750,319
City Attorney (2)	1,082,494	589,268	-45.6%	613,919
Procurement (3)	-	325,379	0.0%	410,026
Finance (4)	1,363,024	1,099,968	-19.3%	1,363,900
Information Technology (5)	1,839,229	2,073,873	12.8%	2,583,474
Human Resources (6)	417,514	491,054	17.6%	650,814
Growth Management (7)	429,319	998,069	132.5%	1,401,767
Economic Development (8)	528,934	640,111	21.0%	780,623
Parks and Recreation (9)	2,171,240	3,620,213	66.7%	4,694,203
Facilities (10)	1,773,932	1,998,063	12.6%	2,606,625
Police	14,612,313	14,792,266	1.2%	19,601,350
Fire	10,761,798	11,241,460	4.5%	14,059,856
Public Works (11)	3,720,961	4,969,958	33.6%	6,373,933
Non-Departmental Transfers	3,070,326	3,152,577	2.7%	3,787,546
	\$ 49,889,036	\$ 53,814,797	7.9%	\$ 67,883,523

- (1) Increase primarily due to increased year-to-date costs for Executive salaries.
- (2) Decrease primarily due to decreased year-to-date costs for Other Attorneys in FY17. Bulk of in-house Attorney cost is charged to Risk Fund.
- (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) Increase primarily due to increased year-to-date costs for Computers, DP, & Word Proc. Software in FY17.
- (6) Increase primarily due to increased year-to-date costs for Fire Department physicals in FY17.
- (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 FY17 Budget Amendment to include expenses of Regional Park, Aquatic Center, and Senior Center in General Fund.
- (10) Increase primarily due to higher year-to-date costs for personnel, repairs and maintenance, and operating supplies.
- (11) Increase primarily due to increased year-to-date costs for disaster preparedness.

General Fund Expenditures-Monthly Comparison



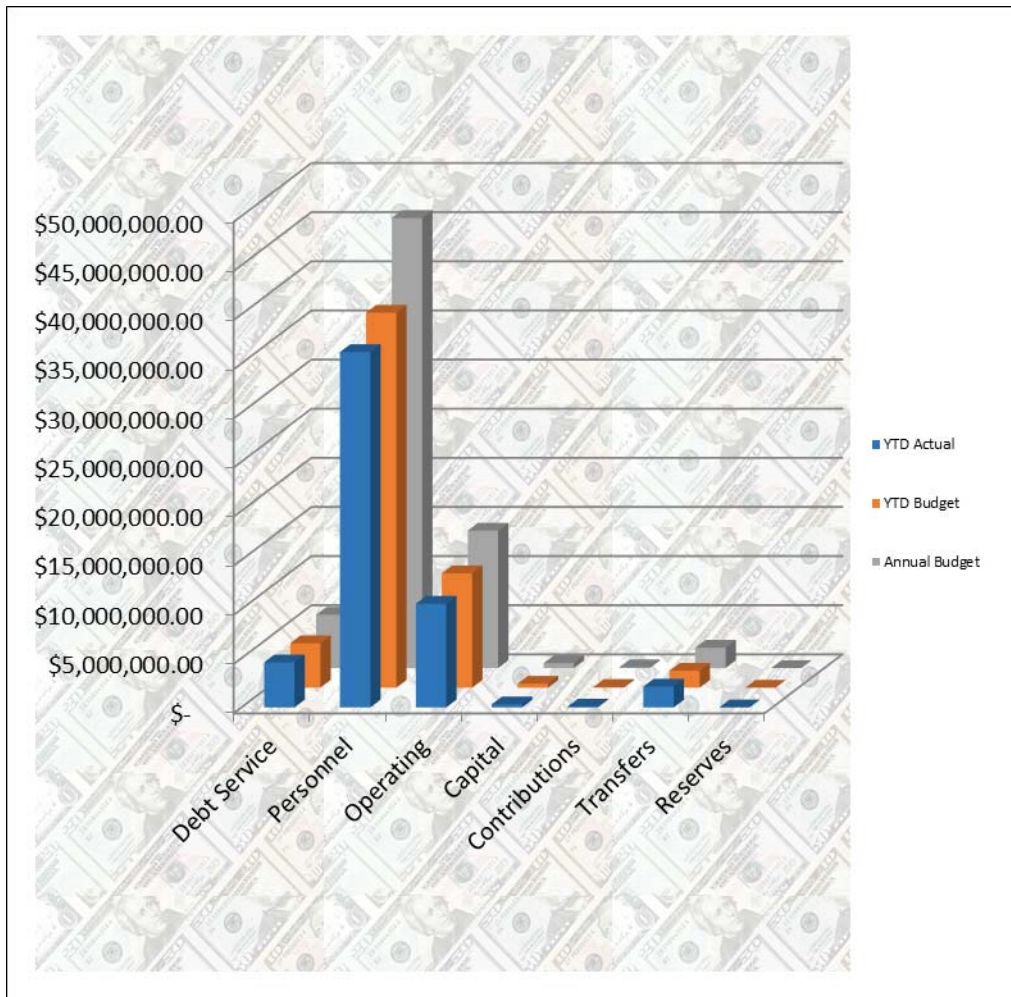
Monthly GF Expenditures as Compared to Prior Years

	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	4,719,784
March	4,666,428	4,375,170	4,443,296	4,983,695
April	4,859,644	4,630,094	5,693,822	5,332,488
May	4,386,401	4,397,032	4,450,696	5,512,146
June	4,412,580	6,385,679	4,592,489	6,488,834
July	4,721,680	5,689,908	5,551,214	5,175,411
August	6,272,362	5,346,802	4,712,630	-
September	5,780,329	6,310,426	6,791,578	-
Total	\$ 58,669,085	\$ 60,803,379	\$ 61,393,243	\$ 53,814,797

July General Fund expenditures were \$375,803 (6.77%) less when comparing July 2017 to July 2016. Year-to-date expenditures are \$3,925,761 more.

General Fund Expenditures-Budgetary Comparison by Category

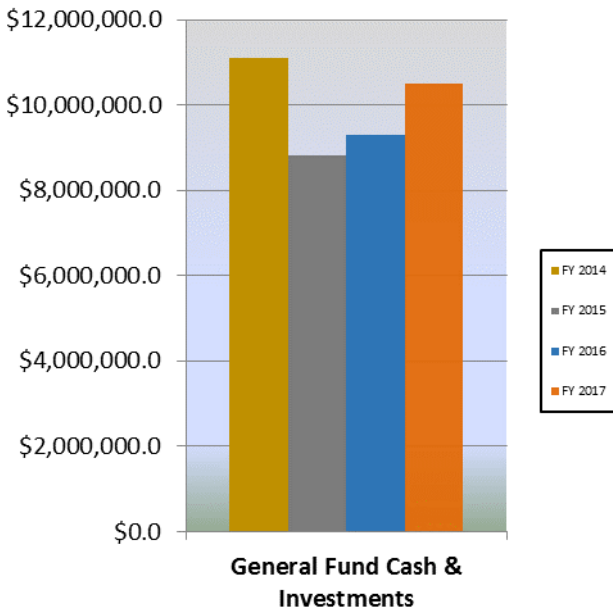
	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>	<u>% Spent</u>
Debt Service	\$ 4,584,344.56	\$ 4,522,733	\$ 5,427,280	84.47%
Personnel	36,166,027.94	38,171,623	45,805,947	78.95%
Operating	10,547,663.95	11,653,019	13,983,623	75.43%
Capital	310,353.72	414,567	497,480	62.39%
Contributions	83,697.40	77,044	92,453	90.53%
Transfers	2,122,709.66	1,730,617	2,076,740	102.21%
Reserves	-	-	-	0.00%
Total	\$ 53,814,797.23	\$ 56,569,603	\$ 67,883,523	79.28%



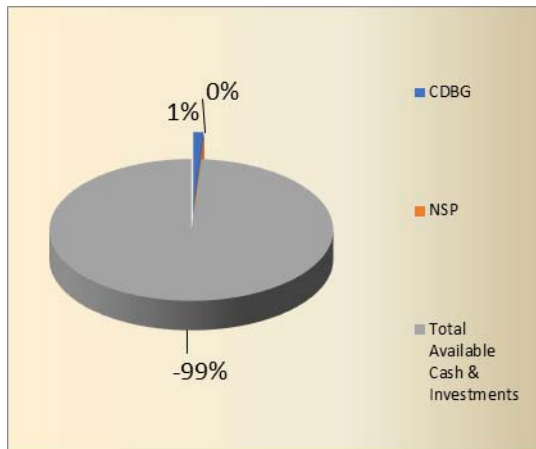
The total budgeted expenditures for 2017 are \$67,883,523 (includes encumbrances from prior year and 2017 budget amendments). Of this amount, \$45,805,947, or 67.5%, is related to personnel costs.

General Fund Cash & Investments – At a Glance July 2017

General Fund Cash & Investments-YTD



General Fund Cash & Investments	
Prior Month Ending Balance	\$ 12,601,053.37
Cash Increase (Decrease)	<u>(2,094,421.44)</u>
Ending Balance 7/31/17	<u><u>\$ 10,506,631.93</u></u>



General Fund Cash & Investments	
July 2017 Ending Balance	\$ 10,506,631.93
Cash Advanced to Other Funds:	
CDBG	(118,244.16)
NSP	\$ (112.56)
Total Available Cash & Investments	<u><u>\$ 10,388,275.21</u></u>

General Fund Balance – At a Glance July 2017

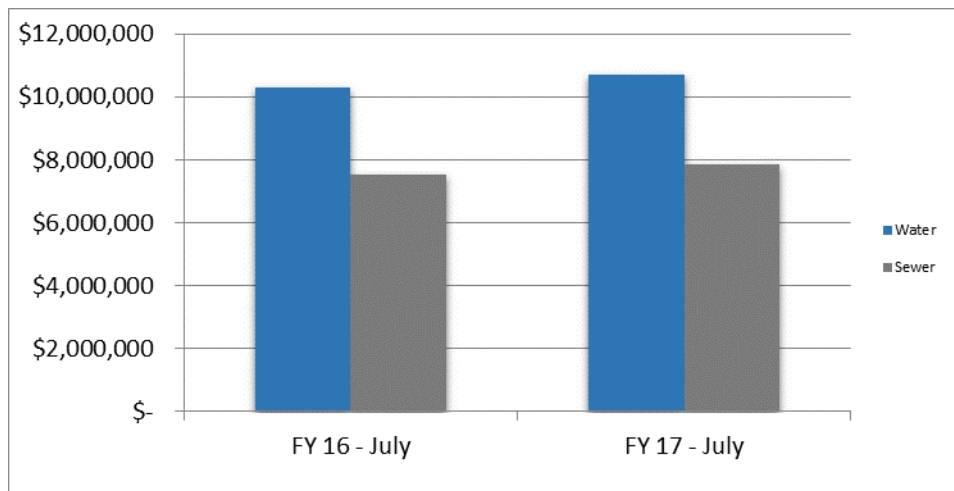
	PRIOR YTD	CURRENT YTD
REVENUES		
Ad Valorem Taxes	\$ 23,998,769	\$ 26,228,519
Local Option Fuel Tax	2,932,595	3,125,739
Utility Service Taxes	5,330,907	5,483,109
Communication Service Tax	1,890,817	1,718,153
Franchise Fees	3,187,932	3,207,676
State Shared Revenues	2,552,665	2,625,457
Half Cent Sales Tax	3,950,909	4,287,294
Licenses and Permits	574,980	577,989
Grants and Other Entitlements	209,442	979,491
Charges for Services	2,380,817	2,814,661
Fines and Forfeitures	340,720	399,018
Interest, Rents and Other Revenues	667,843	485,283
Interfund Transfers and Other Sources	1,776,335	1,550,401
Total Revenues	49,794,730	53,482,790
EXPENDITURES		
Legislative	528,502	533,835
City Manager	522,833	581,647
City Attorney	1,082,494	589,268
Procurement	-	325,379
Finance	1,363,024	1,099,968
Information Technology	1,839,229	2,073,873
Human Resources	417,514	491,054
Growth Management	429,319	998,069
Economic Development	528,934	640,111
Parks and Recreation	2,171,240	3,620,213
Facilities	1,773,932	1,998,063
Police	14,612,313	14,792,266
Fire	10,761,798	11,241,460
Public Works	3,720,961	4,969,958
Non-Departmental	3,070,326	3,152,577
Transfers	7,066,619	6,707,054
Total Expenditures	49,889,036	53,814,797
Excess (Deficiency) of Revenues Over Expenditures	(94,306)	(332,007)
Fund Balance - Beginning	8,282,350	9,174,581
Prior Period Adjustment	-	-
Fund Balance - Beginning as Restated	8,282,350	9,174,581
Fund Balance - Ending	\$ 8,188,044	8,842,574

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	\$ 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%
FY 2011	5,046,518	6,077,849	12.04%

Utilities Revenues – At a Glance July 2017

Water & Sewer Revenues-YTD



Overall year-to-date Water revenue in July 2017 has increased \$418,801 (4.07%) when compared to July 2016.

Overall year-to-date Sewer revenue in July 2017 has increased \$346,281 (4.61%) when compared to July 2016.

Fire Protection for FY17 was billed at 101% of the budgeted amount. Most the Fire Protection Service Charges were billed in October 2016 (annual billing).

Meter Installation Fees are recorded at 129% of the budgeted amount. The Utility Lien Costs are recorded at 186% of the budgeted amount.

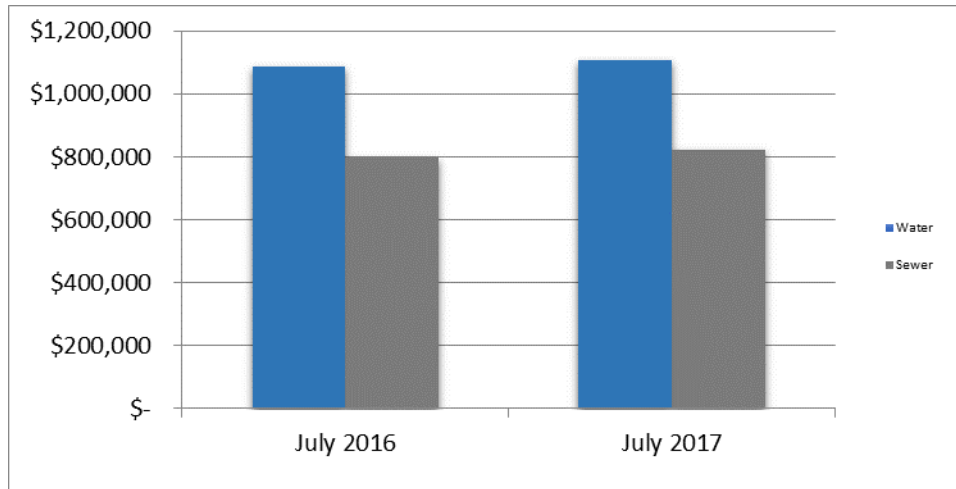
Operating Interest Income is recorded at 91% at this time. The interest for the Palm Bay Estates Loan (\$21,067) was recorded in June, and the second interest payment on the Fleet Services Loan will be recorded in September (\$14,785.53).

Excluding Fund Balance, the total FY17 Operating Revenue is recorded at 79.60% of the budgeted amount compared to FY16 which was at 76.87%.

Water Connection Fees are recorded at 133% of the budgeted amount, and Sewer Connection Fees are recorded at 94% of the budgeted amount.

Water MLEs are recorded at 152% of the budgeted amount, and Sewer MLEs are recorded at 205% of the budgeted amount.

Water & Sewer Revenues-Monthly Comparison



Overall Water revenue for the month of July 2017 has increased by \$20,441 (1.84%) when compared to July 2016.

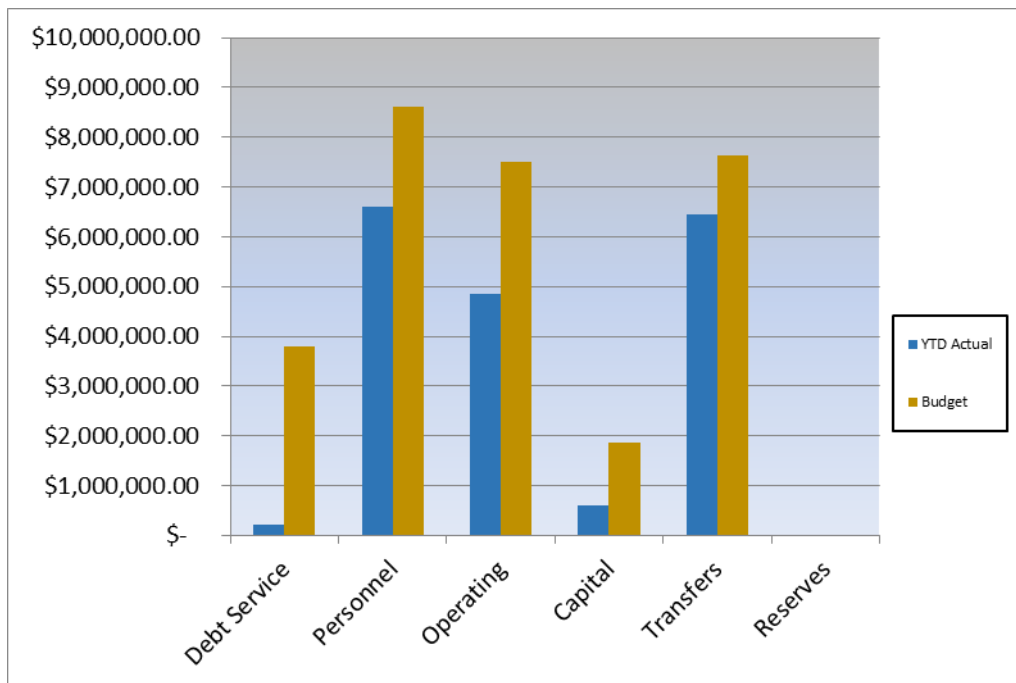
Overall Sewer revenue for the month of July 2017 has increased by \$24,681 (3.10%) when compared to July 2016.

Utilities Expenses – At a Glance July 2017

Water & Sewer Expenditures-YTD

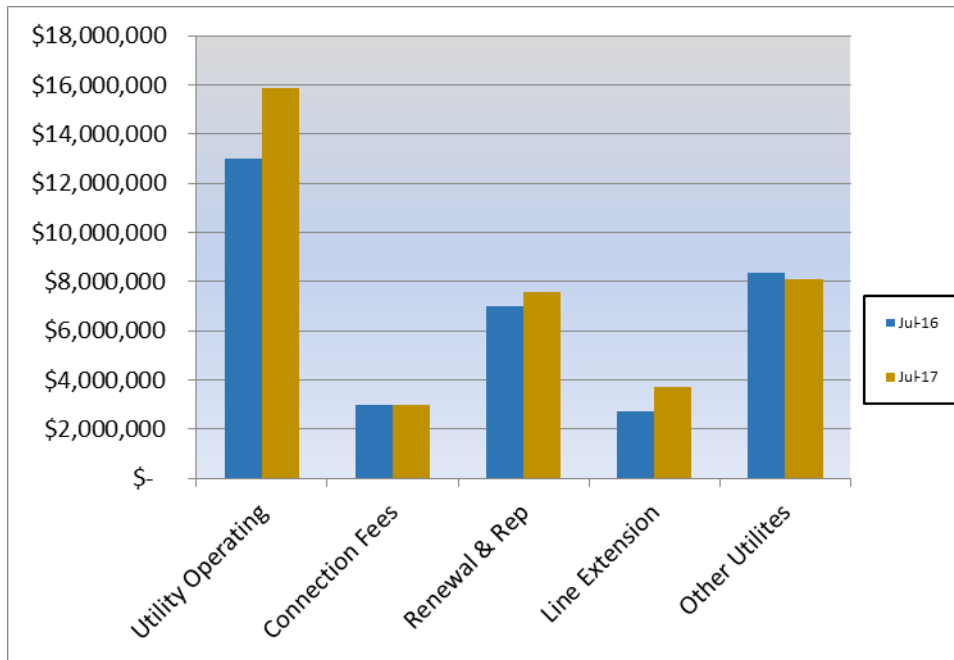
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Debt Service	\$ 219,545.67	\$ 3,798,162	5.78%
Personnel	6,598,779.84	8,618,660	76.56%
Operating	4,854,939.34	7,492,856	64.79%
Capital	587,626.49	1,858,659	31.62%
Transfers	6,460,549.50	7,624,971	84.73%
Reserves	-	-	-
Total	\$ 18,721,440.84	\$ 29,393,308	63.69%



Utilities Cash & Investments – At a Glance July 2017

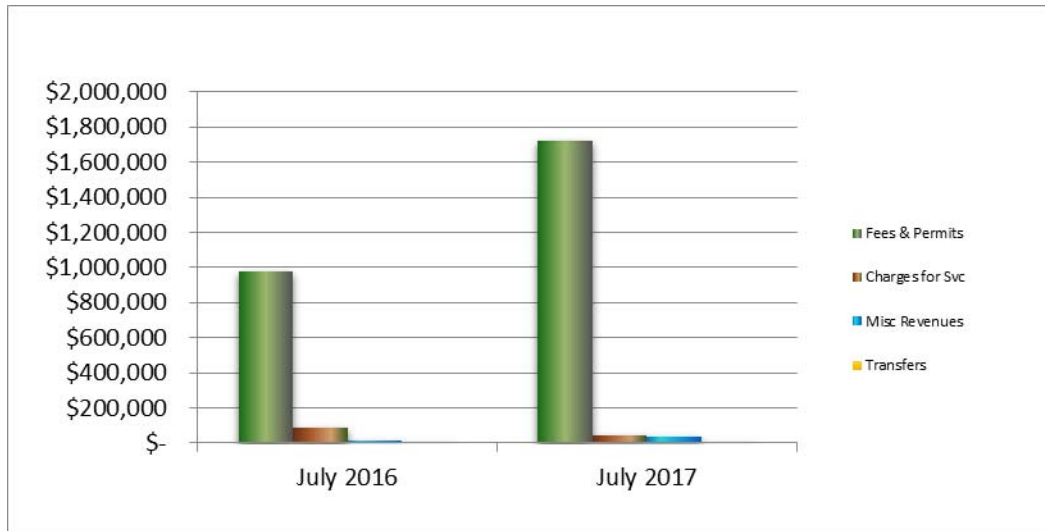
Water & Sewer Cash & Investments-YTD



Overall the Water & Sewer Funds cash and investments were \$4.18 million (12.3%) more as of July 2017 as compared to July 2016.

Building Revenues – At a Glance July 2017

Building Revenues-YTD



Fees and Permits revenue in July 2017 is up \$741,028 (75.84%) from July 2016.

Charges for Services revenue in July 2017 is down \$40,241 (46.40%) from July 2016.

Overall, Building revenues in FY 17 (at July) have increased by \$720,219 (66.85%) when compared to FY 16 (at July).

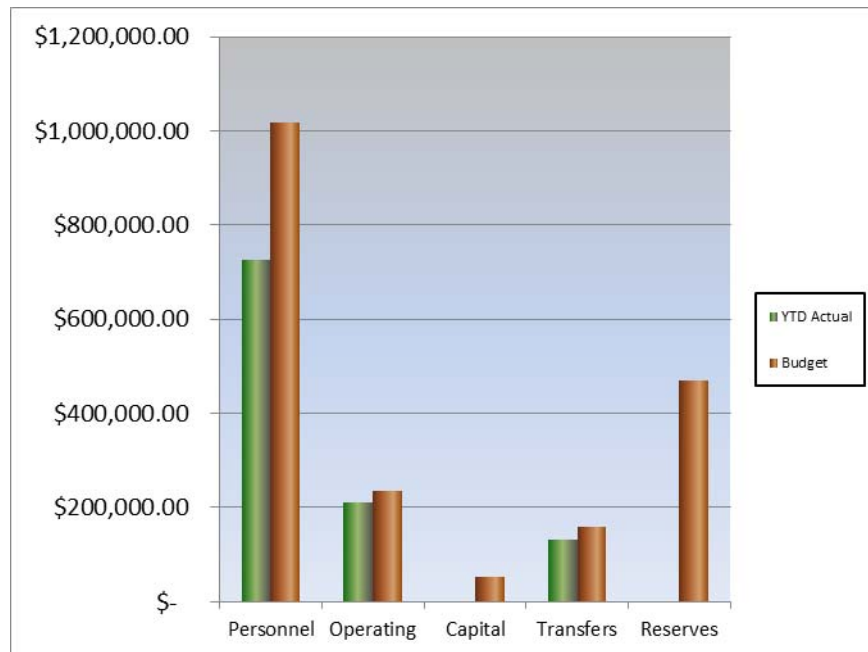
The total FY 17 Building revenues are recorded at 92.92% of the budgeted amount compared to FY 16 which was 53.29%.

Building Expenses – At a Glance July 2017

Building Expenditures-YTD

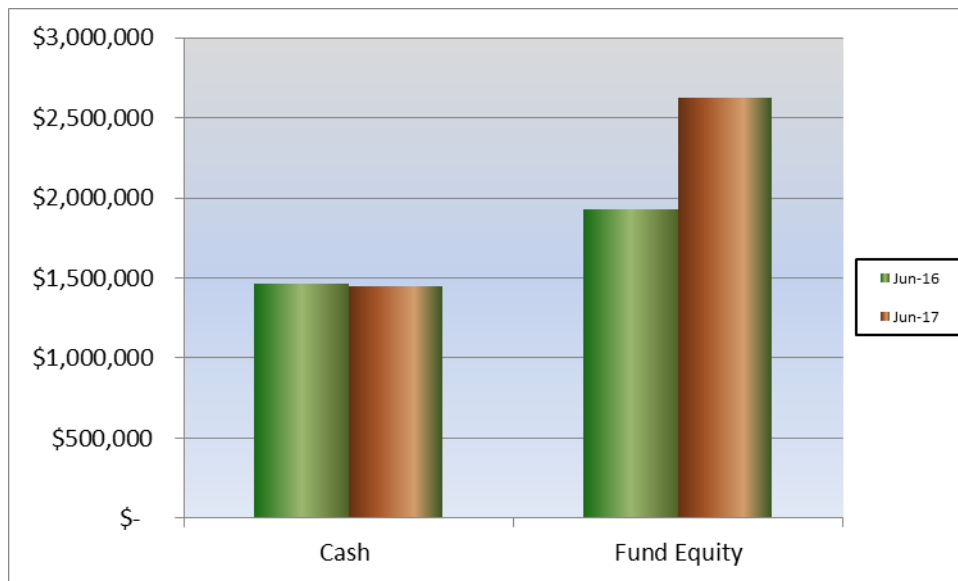
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Personnel	\$ 725,361.82	\$ 1,018,560	71.21%
Operating	209,977.04	236,077	88.94%
Capital	-	52,496	0.00%
Transfers	131,901.70	158,282	83.33%
Reserves	-	469,020	0.00%
Total	\$ 1,067,240.56	\$ 1,934,435	55.17%



Building Cash & Fund Equity – At a Glance July 2017

Building Cash & Fund Equity-YTD



Overall the Building cash and investments were \$62,186 (4.2%) more as of July 2017 as compared to July 2016.

Overall the Building fund equity was \$787,495 (40.1%) more as of July 2017 as compared to July 2016.