

**CITY OF PALM BAY, FLORIDA
MONTHLY FINANCIAL REPORT (UNAUDITED)
JUNE 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 June 2016. June is the ninth month of the fiscal year and represents 75% of the annual budget.

Financial Report Summary

- Citywide revenues of \$125.1 million are at 66% of the annual budget. Citywide expenditures of \$120.8 million are at 64% 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 3.5%, 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	
6/30/2016	\$ 68,406,771.10	6/30/2016	\$ 125,083,326.03	6/30/2016	\$ 120,801,601.67
6/30/2015	66,069,625.96	6/30/2015	104,976,805.58	6/30/2015	97,090,078.74
Increase	3.5% \$ 2,337,145.14	Increase	19.2% \$ 20,106,520.45	Increase	24.4% \$ 23,711,522.93

- General Fund revenues of \$46.5 million are at 74% of the annual budget. This is an increase of \$2.64 million, or 6.0%, in comparison to the prior year.
- General Fund expenditures of \$44.3 million are at 70% of the annual budget. This is an increase of \$0.88 million, or 2.0%, in comparison to the prior year.
- General Fund cash and investments increased by \$0.23 million, or 2.1%, in comparison to the prior year.

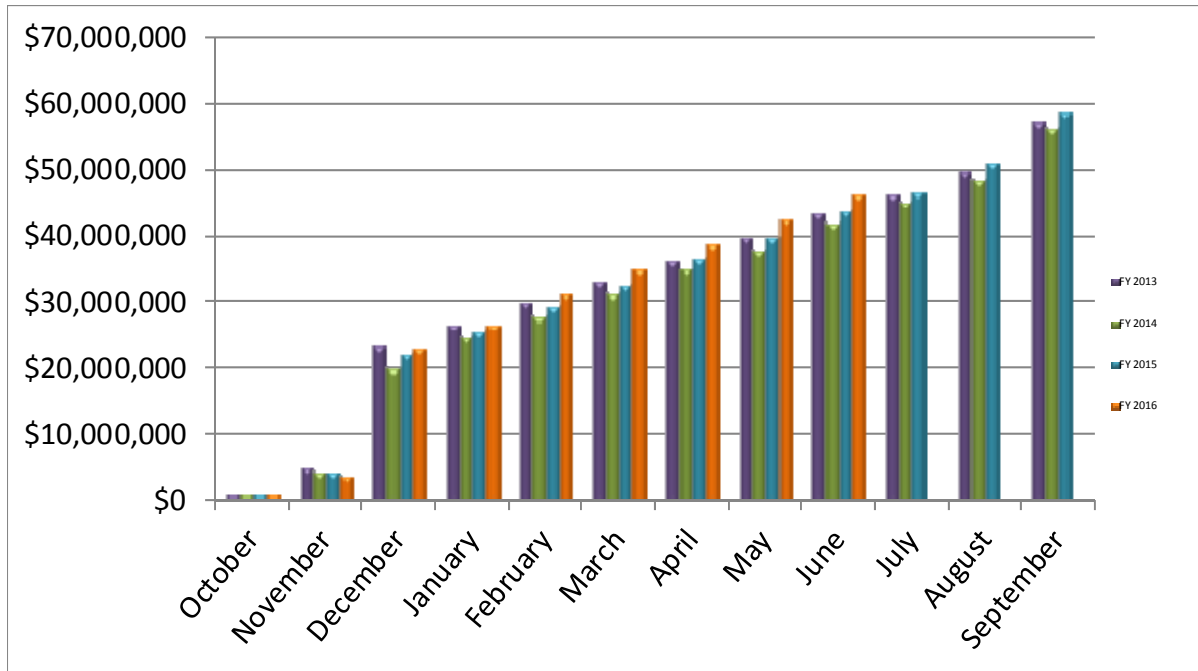
General Fund - Cash & Investments		General Fund - Revenues		General Fund - Expenditures	
6/30/2016	\$ 10,866,617.18	6/30/2016	\$ 46,471,217.91	6/30/2016	\$ 44,337,822.13
6/30/2015	10,640,700.67	6/30/2015	43,835,148.66	6/30/2015	43,456,243.07
Increase	2.1% \$ 225,916.51	Increase	6.0% \$ 2,636,069.25	Increase	2.0% \$ 881,579.06

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 June 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	\$ 22,965,861	\$ 23,970,961	4.4%	\$ 24,471,077
Local Option Fuel Tax (1)	2,194,485	2,468,182	12.5%	3,560,238
Utility Service Taxes	4,531,630	4,694,080	3.6%	8,222,000
Communication Service Tax	1,748,967	1,672,155	-4.4%	2,953,575
Franchise Fees	2,883,394	2,772,693	-3.8%	5,390,000
State Shared Revenues (2)	1,964,110	2,220,592	13.1%	3,963,798
Half Cent Sales Tax	3,302,906	3,451,149	4.5%	5,801,620
Licenses and Permits	556,626	568,863	2.2%	580,520
Grants and Other Entitlements (3)	71,839	206,664	187.7%	246,975
Charges for Services	1,909,611	2,066,797	8.2%	2,828,153
Fines and Forfeitures	318,504	317,310	-0.4%	536,200
Interest, Rents & Other Revenues (4)	245,484	457,229	86.3%	576,111
Interfund Transfers & Capital Leases (5)	1,141,731	1,604,543	40.5%	2,622,882
Fund Balance	-	-	0.0%	1,294,822
	\$ 43,835,149	\$ 46,471,218	6.0%	\$ 63,047,971

(1) Increase primarily due to higher year-to-date collection of Local Option Gas Tax.

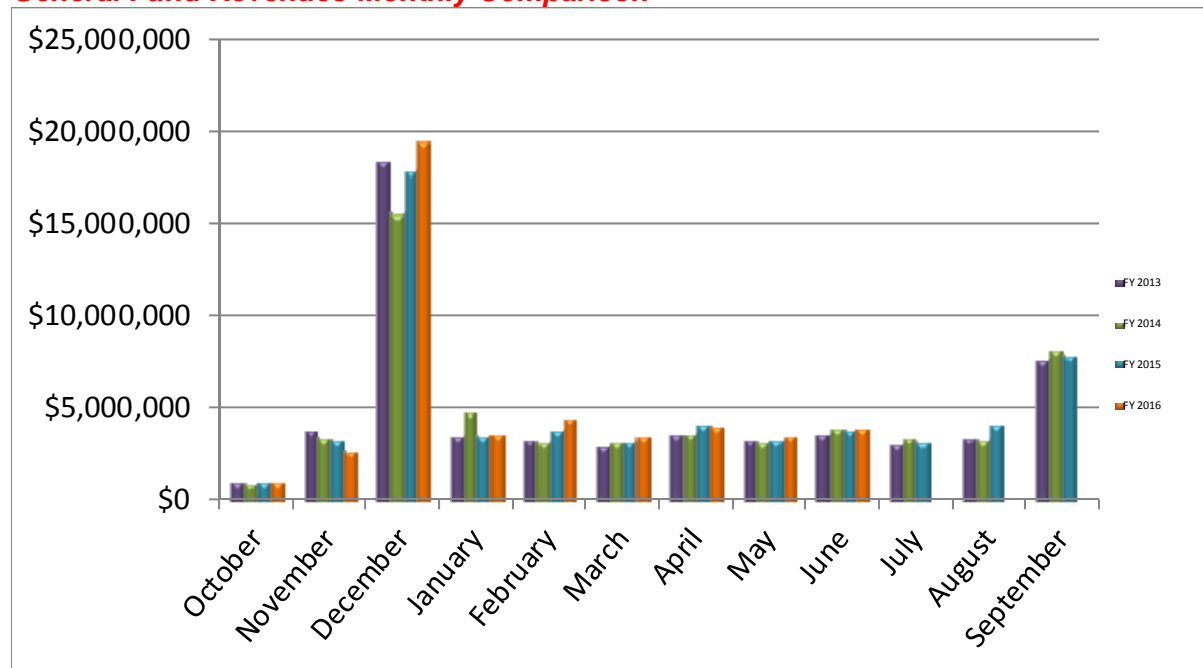
(2) Increase primarily due to higher year-to-date collection of State Shared Revenues.

(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 collection of property lease revenue 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

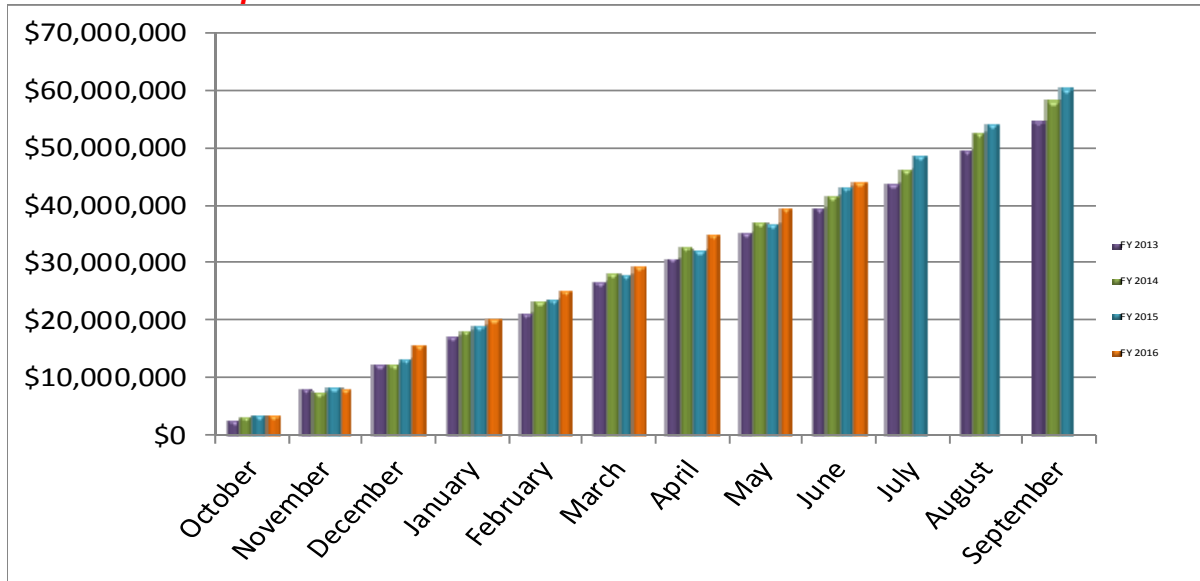
	FY 2013	FY 2014	FY 2015	FY 2016
October	\$ 1,048,437	\$ 911,630	\$ 953,761	\$ 1,012,271
November	3,846,416	3,425,400	3,246,502	2,619,131
December	18,439,244	15,683,359	17,977,402	19,689,226
January	3,531,439	4,802,728	3,458,799	3,639,261
February	3,279,875	3,200,574	3,782,243	4,490,812
March	2,917,572	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	
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	\$ 46,471,218

Overall General Fund revenues for the month of June 2016 have increased \$146,420 (3.82%) when compared to June 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 June 2016

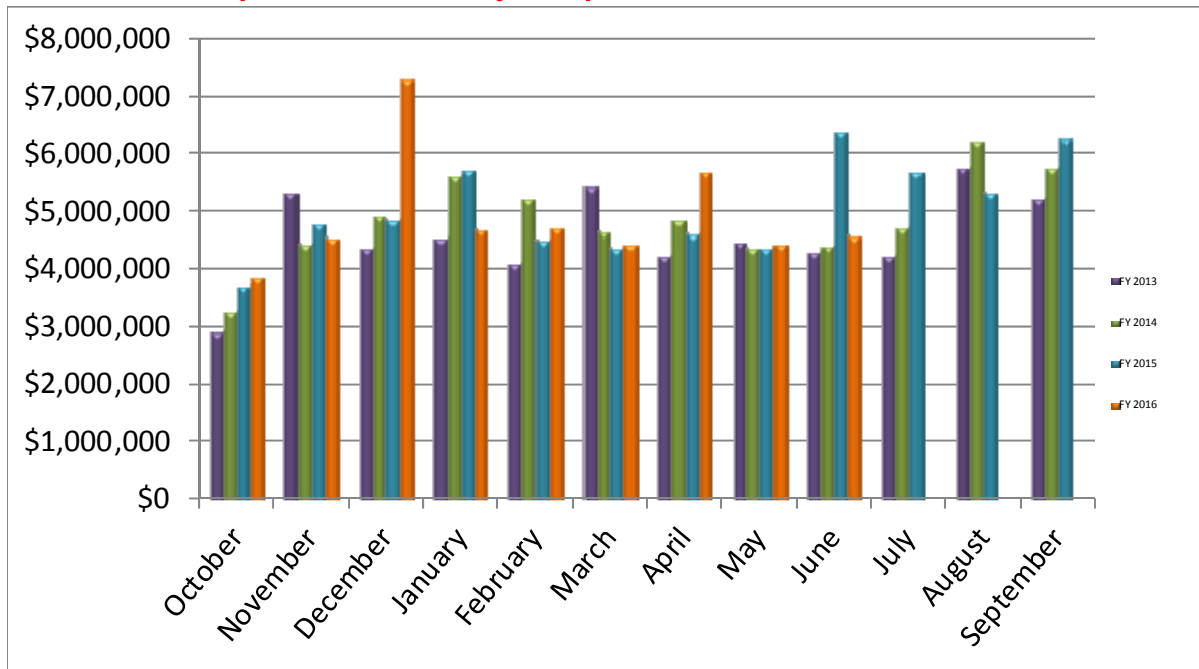
General Fund Expenditures-YTD



	Prior YTD	Current YTD	Percent Change	Annual Budget
Legislative (1)	\$ 419,094	\$ 478,326	14.1%	\$ 665,846
City Manager (2)	672,632	469,040	-30.3%	608,311
City Attorney (3)	626,012	1,033,567	65.1%	914,698
Finance	1,137,890	1,190,360	4.6%	1,722,936
Information Technology (4)	1,311,541	1,671,728	27.5%	2,730,131
Human Resources	353,103	365,614	3.5%	574,970
Growth Management	414,926	376,861	-9.2%	552,396
Economic Development (5)	-	460,796	0.0%	607,451
Parks and Recreation (6)	2,989,676	1,858,100	-37.8%	2,694,007
Facilities (7)	-	1,459,635	0.0%	2,183,205
Police	13,675,903	12,846,453	-6.1%	19,418,043
Fire	9,507,016	9,461,506	-0.5%	13,115,189
Public Works	3,255,005	3,259,301	0.1%	4,894,130
Non-Departmental	2,837,183	2,764,073	-2.6%	4,138,053
Transfers	6,256,263	6,642,461	6.2%	8,228,605
	\$ 43,456,243	\$ 44,337,822	2.0%	\$ 63,047,971

- (1) Increase primarily due to increased year-to-date costs for equipment and for health insurance premiums.
- (2) 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.
- (3) Increase primarily due to increased year-to-date costs for Other Attorneys and Other Professional Services.
- (4) Increase primarily due to increased year-to-date costs for network equipment, air cards, and health insurance.
- (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



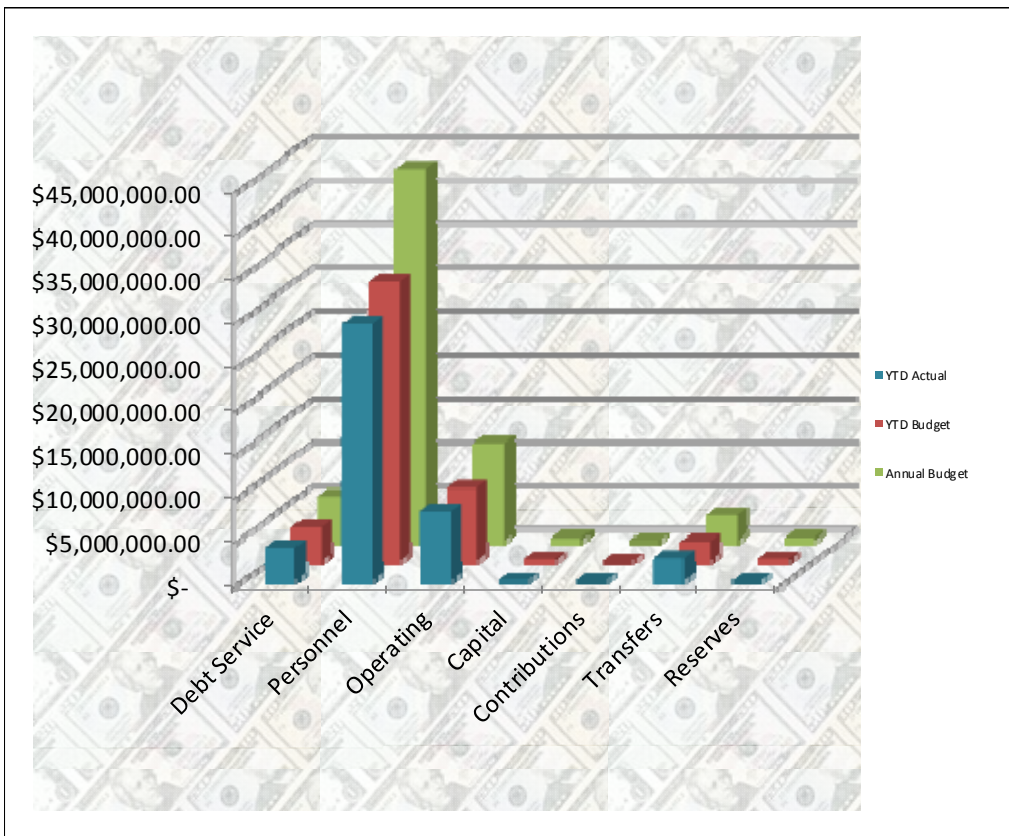
Monthly GF Expenditures as Compared to Prior Years

	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	
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	\$ 44,337,822

June General Fund expenditures were \$1,793,190 (28.08%) less when comparing June 2016 to June 2015. Year-to-date expenditures are \$881,579 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	\$ 3,915,577.25	\$ 3,896,105	\$ 5,194,807	75.37%
Personnel	29,506,366.02	31,998,244	42,664,325	69.16%
Operating	8,034,239.77	8,439,420	11,252,560	71.40%
Capital	138,652.51	316,563	422,084	32.85%
Contributions	16,102.70	27,881	37,175	43.32%
Transfers	2,726,883.88	2,275,349	3,033,798	89.88%
Reserves	-	332,417	443,222	0.00%
Total	\$ 44,337,822.13	\$ 47,285,978	\$ 63,047,971	70.32%



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.

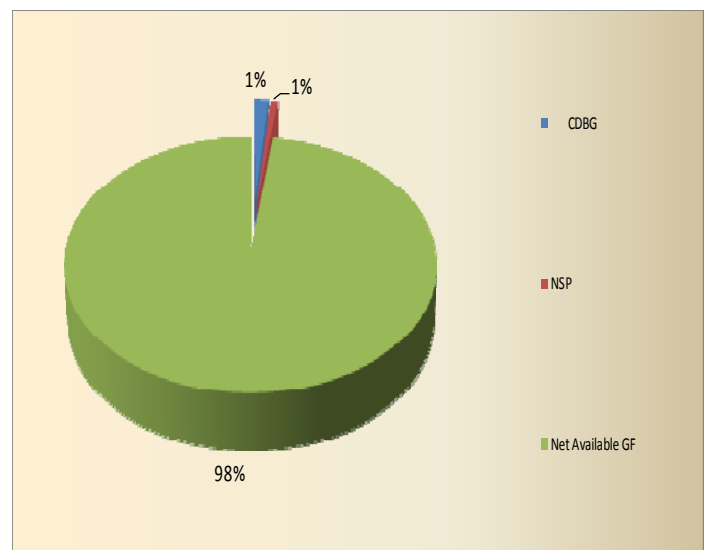
General Fund Cash & Investments – At a Glance June 2016

General Fund Cash & Investments-YTD



General Fund Unrestricted Cash & Investments	
Prior Month Ending Balance	\$ 11,591,151.49
Cash Increase (Decrease)	<u>(724,534.31)</u>
Ending Balance 6/30/16	<u><u>\$ 10,866,617.18</u></u>

General Fund Available Cash & Investments	
June 2016 Ending Balance	\$ 10,866,617.18
Cash Advanced to Other Funds:	
CDBG	(158,437.82)
NSP	<u>\$ (79,227.11)</u>
Total Available Cash & Investments	<u>\$ 10,628,952.25</u>



General Fund Balance – At a Glance June 2016

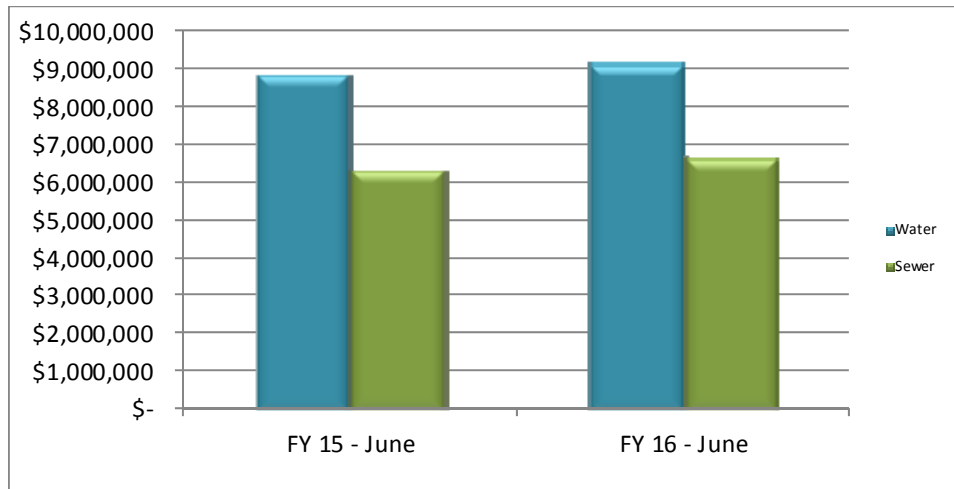
	PRIOR YTD	CURRENT YTD
REVENUES		
Ad Valorem Taxes	\$ 22,965,861	\$ 23,970,961
Local Option Fuel Tax	2,194,485	2,468,182
Utility Service Taxes	4,531,630	4,694,080
Communication Service Tax	1,748,967	1,672,155
Franchise Fees	2,883,394	2,772,693
State Shared Revenues	1,964,110	2,220,592
Half Cent Sales Tax	3,302,906	3,451,149
Licenses and Permits	556,626	568,863
Grants and Other Entitlements	71,839	206,664
Charges for Services	1,909,611	2,066,797
Fines and Forfeitures	318,504	317,310
Interest, Rents and Other Revenues	245,484	457,229
Interfund Transfers and Other Sources	1,141,731	1,604,543
Total Revenues	43,835,149	46,471,218
EXPENDITURES		
Legislative	419,094	478,326
City Manager	672,632	469,040
City Attorney	626,012	1,033,567
Finance	1,137,890	1,190,360
Information Technology	1,311,541	1,671,728
Human Resources	353,103	365,614
Economic Development	414,926	376,861
Growth Management	-	460,796
Parks and Recreation	2,989,676	1,858,100
Facilities	-	1,459,635
Police	13,675,903	12,846,453
Fire	9,507,016	9,461,506
Public Works	3,255,005	3,259,301
Non-Departmental	2,837,183	2,764,073
Transfers	6,256,263	6,642,461
Total Expenditures	43,456,243	44,337,822
Excess (Deficiency) of Revenues Over Expenditures	378,906	2,133,396
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	\$ 10,419,220	10,415,745

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 June 2016

Water & Sewer Revenues-YTD



Overall year-to-date Water revenue in June 2016 has increased \$306,228 (3.44%) when compared to June 2015.

Overall year-to-date Sewer revenue in June 2016 has increased \$296,245 (4.62%) when compared to June 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 74% of the budgeted amount. The Utility Lien Costs are recorded at 58% of the budgeted amount.

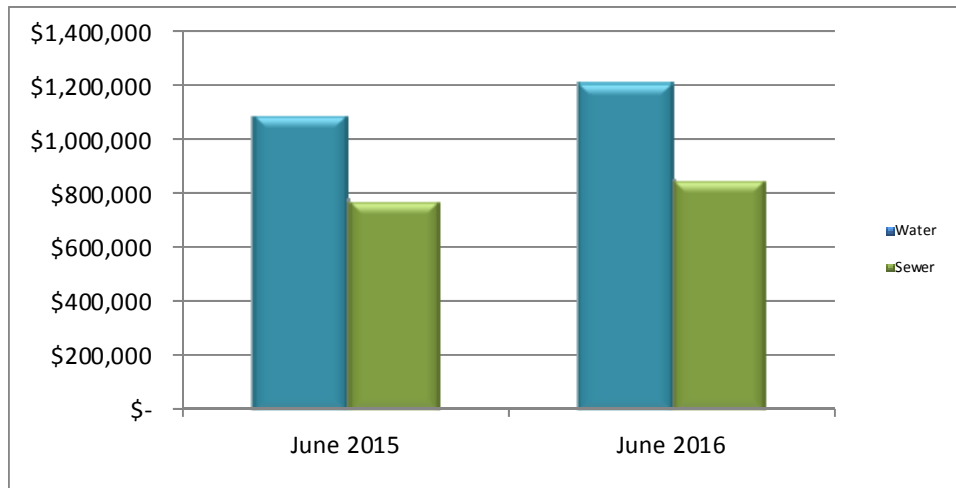
Operating Interest Income is recorded at 54% at this time. The interest for Palm Bay Estates Loan (\$22,491.75) was recorded in June 2016. The second interest payment on the Fleet Services Loan will be recorded in September 2016 (\$17,053.38).

Excluding Fund Balance, the total FY16 Operating Revenue is recorded at 68.72% of the budgeted amount compared to FY15 which was at 68.59%.

Water Connection Fees are recorded at 99% of the budgeted amount, and Sewer Connection Fees are recorded at 92% of the budgeted amount.

Water MLEs are recorded at 96% of the budgeted amount, and Sewer MLEs are recorded at 93% of the budgeted amount.

Water & Sewer Revenues-Monthly Comparison



Overall Water revenue for the month of June 2016 has increased by \$123,870 (11.27%) when compared to June 2015.

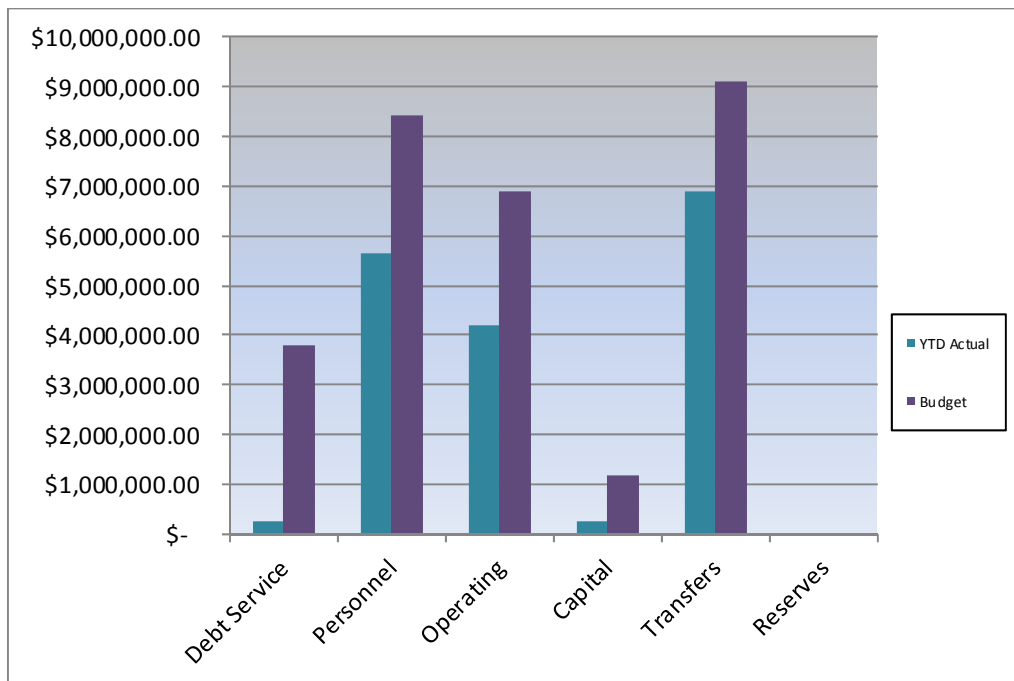
Overall Sewer revenue for the month of June 2016 has increased by \$72,822 (9.32%) when compared to June 2015.

Utilities Expenses – At a Glance June 2016

Water & Sewer Expenditures-YTD

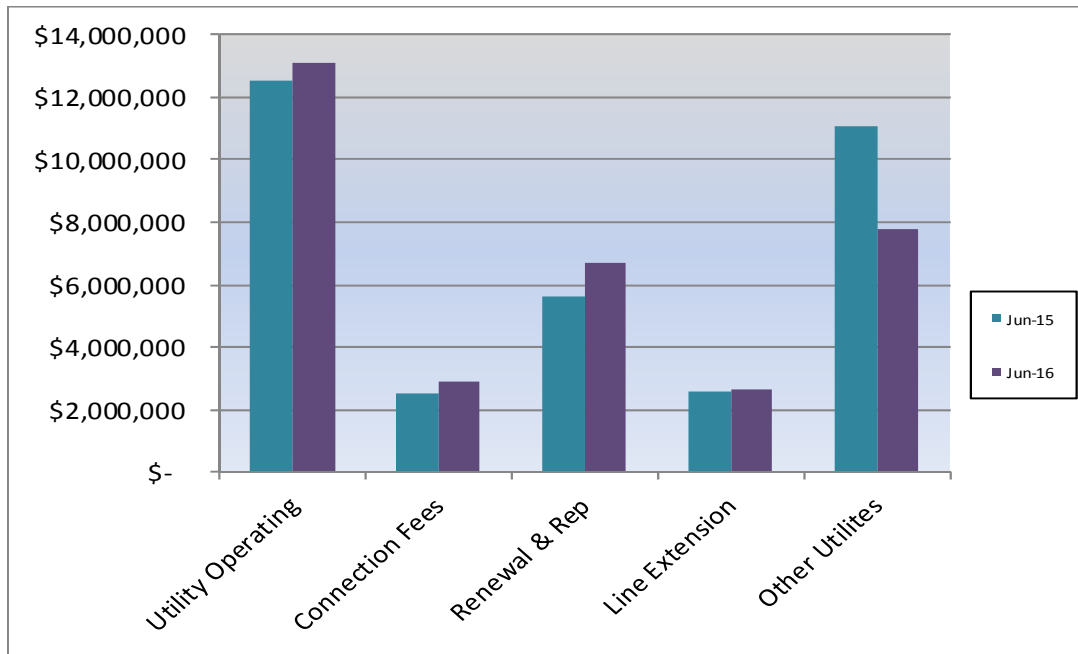
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Debt Service	\$ 253,484.17	\$ 3,801,039	6.67%
Personnel	5,649,020.00	8,412,255	67.15%
Operating	4,199,689.98	6,886,475	60.98%
Capital	252,332.36	1,188,844	21.23%
Transfers	6,885,143.73	9,116,951	75.52%
Reserves	-	-	-
Total	\$ 17,239,670.24	\$ 29,405,564	58.63%



Utilities Cash & Investments – At a Glance June 2016

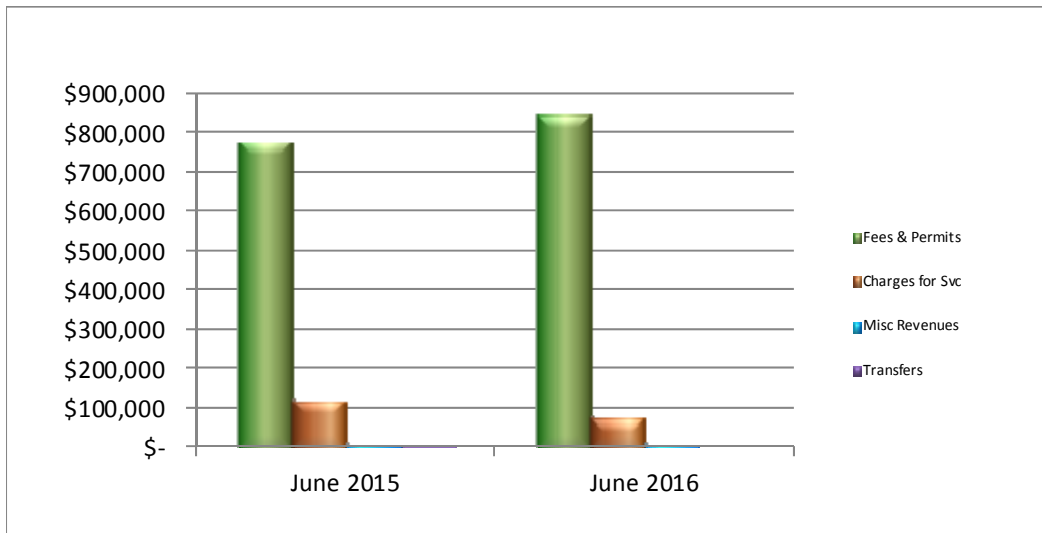
Water & Sewer Cash & Investments-YTD



Overall the Water & Sewer Funds cash and investments were \$1.17 million (3.4%) less as of June 2016 as compared to June 2015.

Building Revenues – At a Glance June 2016

Building Revenues-YTD



Fees and Permits revenue in June 2016 is up \$72,044 (9.25%) from June 2015.

Charges for Services revenue in June 2016 is down \$45,273 (36.94%) from June 2015.

Overall, Building revenues in FY 16 (at June) have increased by \$19,254 (2.09%) when compared to FY 15 (at June).

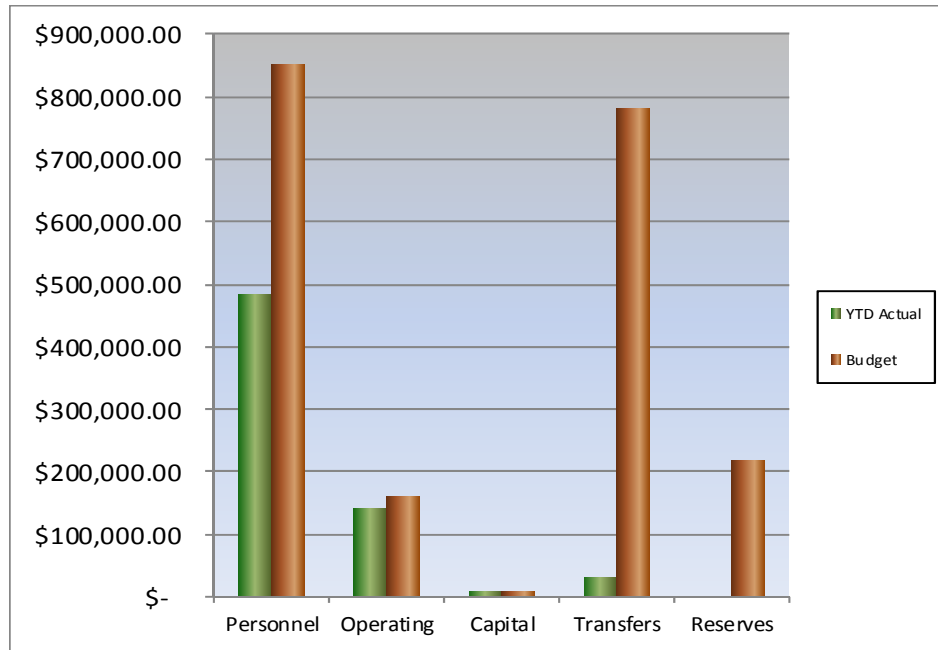
The total FY 16 Building revenues are recorded at 46.52% of the budgeted amount compared to FY 15 which was 86.86%.

Building Expenses – At a Glance June 2016

Building Expenditures-YTD

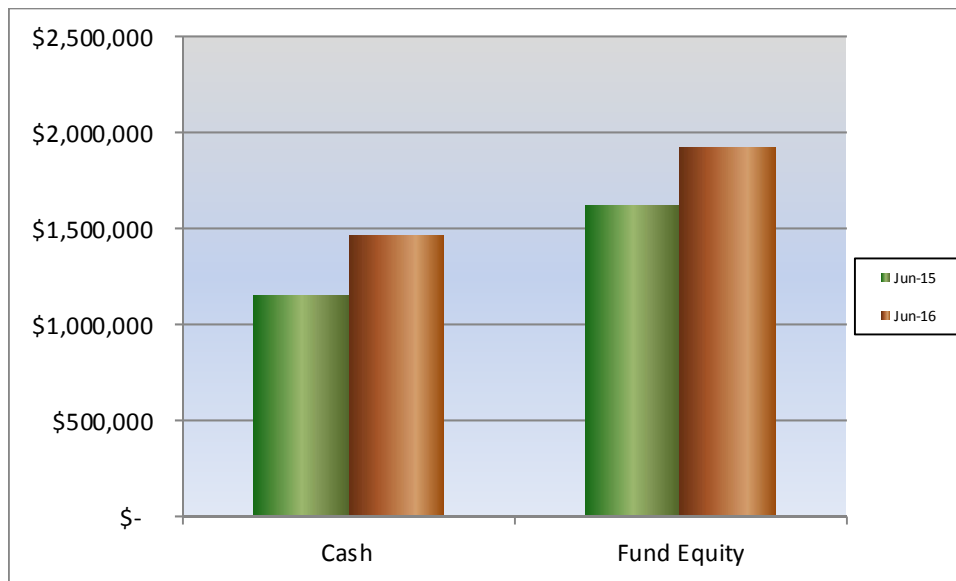
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Personnel	\$ 482,817.00	\$ 852,573	56.63%
Operating	142,713.80	161,941	88.13%
Capital	8,659.66	7,500	115.46%
Transfers	29,220.00	780,204	3.75%
Reserves	-	219,535	0.00%
Total	\$ 663,410.46	\$ 2,021,753	32.81%



Building Cash & Fund Equity – At a Glance June 2016

Building Cash & Fund Equity-YTD



Overall the Building cash and cash equivalents were \$308,184 (26.7%) more as of June 2016 as compared to June 2015.

Overall the Building fund equity was \$304,371 (18.8%) more as of June 2016 as compared to June 2015.