

**CITY OF PALM BAY, FLORIDA  
MONTHLY FINANCIAL REPORT (UNAUDITED)  
MAY 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 May 2016. May is the eighth month of the fiscal year and represents 67% of the annual budget.

**Financial Report Summary**

- Citywide revenues of \$114.6 million are at 62% of the annual budget. Citywide expenditures of \$111.1 million are at 60% 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 \$3.0 million, or 4.6%, 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.

<b>Contents</b>		
❖ 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	
5/31/2016	\$ 69,433,662.38	5/31/2016	\$ 114,587,340.01	5/31/2016	\$ 111,076,479.27
5/31/2015	66,389,199.83	5/31/2015	93,356,721.09	5/31/2015	84,519,534.37
Increase	4.6% \$ 3,044,462.55	Increase	22.7% \$ 21,230,618.92	Increase	31.4% \$ 26,556,944.90

- General Fund revenues of \$42.5 million are at 68% of the annual budget. This is an increase of \$2.49 million, or 6.2%, in comparison to the prior year.
- General Fund expenditures of \$39.7 million are at 66% of the annual budget. This is an increase of \$2.67 million, or 7.2%, in comparison to the prior year.
- General Fund cash and investments decreased by \$1.67 million, or 12.6%, in comparison to the prior year.

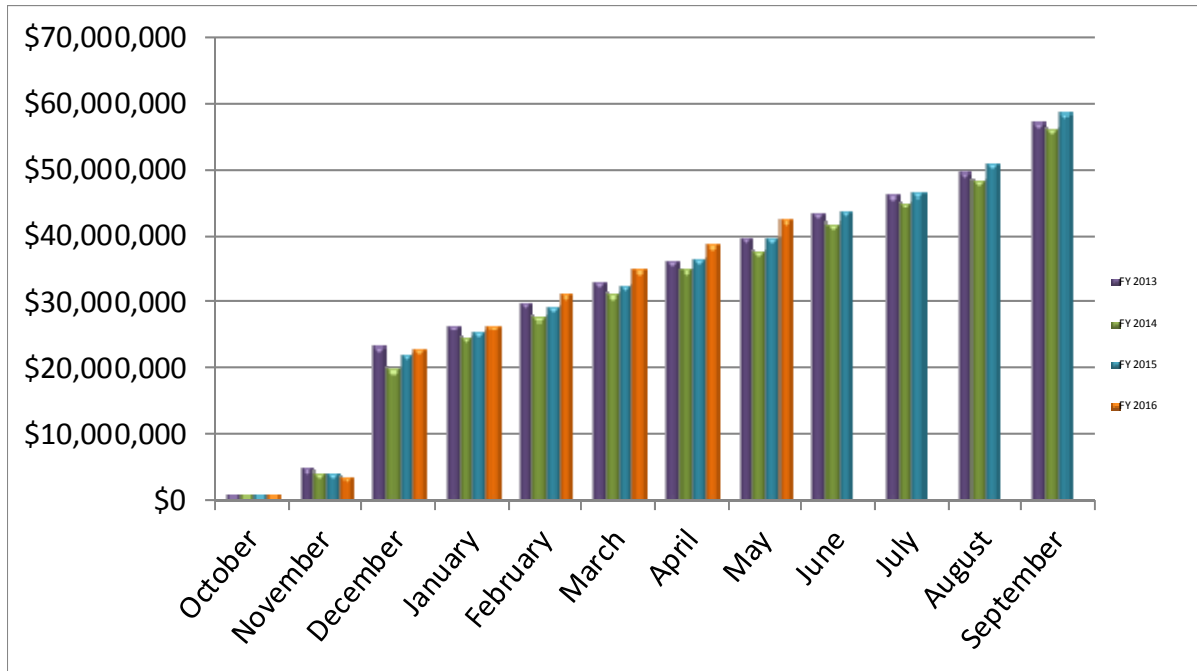
General Fund - Cash & Investments		General Fund - Revenues		General Fund - Expenditures	
5/31/2016	\$ 11,591,151.49	5/31/2016	\$ 42,494,428.63	5/31/2016	\$ 39,745,333.26
5/31/2015	13,261,246.88	5/31/2015	40,004,779.57	5/31/2015	37,070,564.04
Decrease	-12.6% \$ (1,670,095.39)	Increase	6.2% \$ 2,489,649.06	Increase	7.2% \$ 2,674,769.22

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 May 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	\$ 22,063,936	\$ 23,055,782	4.5%	\$ 24,471,077
Local Option Fuel Tax (1)	1,786,121	2,031,005	13.7%	3,560,238
Utility Service Taxes	3,914,081	4,055,845	3.6%	8,222,000
Communication Service Tax	1,508,862	1,451,009	-3.8%	2,953,575
Franchise Fees	2,447,416	2,392,919	-2.2%	5,390,000
State Shared Revenues (2)	1,679,836	1,903,688	13.3%	3,963,798
Half Cent Sales Tax	2,823,109	2,965,064	5.0%	5,801,620
Licenses and Permits	545,651	561,527	2.9%	580,520
Grants and Other Entitlements (3)	71,673	165,036	130.3%	246,975
Charges for Services	1,656,256	1,803,103	8.9%	2,828,153
Fines and Forfeitures	283,699	276,979	-2.4%	536,200
Interest, Rents & Other Revenues (4)	209,267	428,943	105.0%	502,093
Interfund Transfers & Capital Leases (5)	1,014,872	1,403,530	38.3%	2,090,701
Fund Balance	-	-	0.0%	1,185,465
	<b>\$ 40,004,780</b>	<b>\$ 42,494,429</b>	<b>6.2%</b>	<b>\$ 62,332,415</b>

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

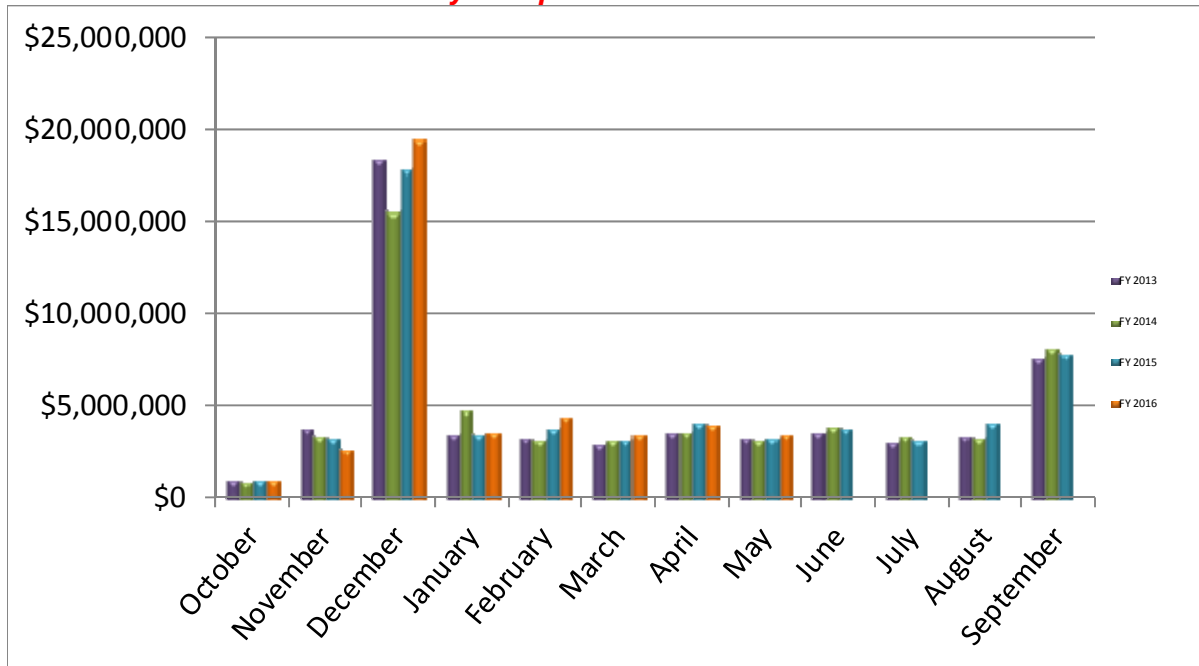
(2) Increase primarily due to higher year-to-date collection of State Shared Revenues.

(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**

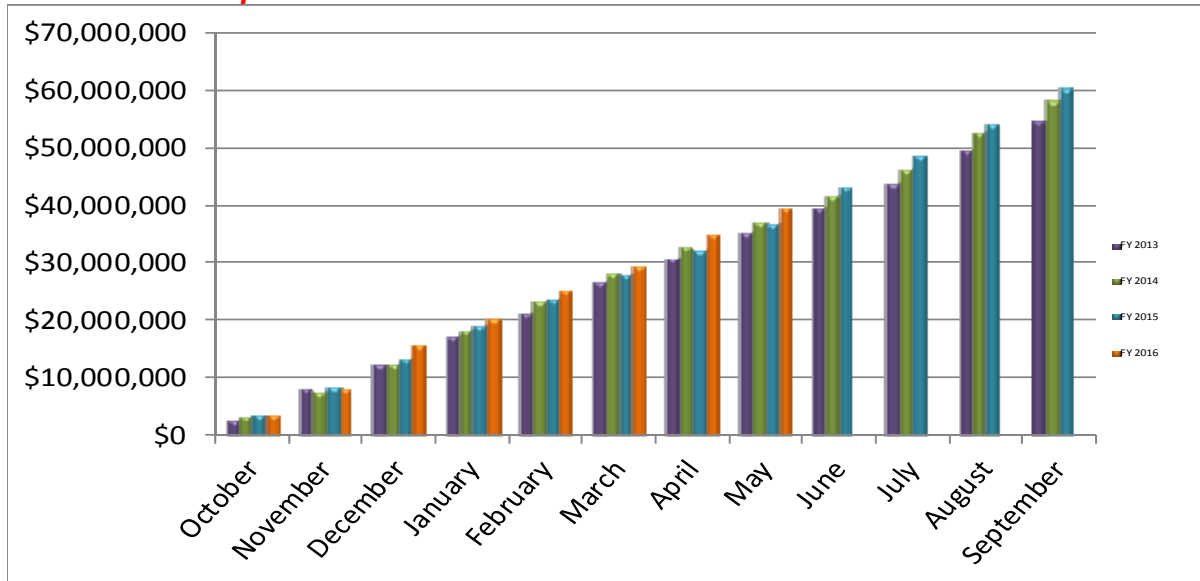
	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
October	\$ 1,048,437	\$ 911,630	\$ 953,761	\$ 1,012,271
November	3,846,416	3,425,400	3,246,502	2,619,131
December	18,439,244	15,683,359	17,977,402	19,689,226
January	3,531,439	4,802,728	3,458,799	3,639,261
February	3,279,875	3,200,574	3,782,243	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	
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	
	<b>\$ 57,587,537</b>	<b>\$ 56,703,597</b>	<b>\$ 59,055,101</b>	<b>\$ 42,494,429</b>

Overall General Fund revenues for the month of May 2016 have increased \$232,965 (7.11%) when compared to May 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 May 2016

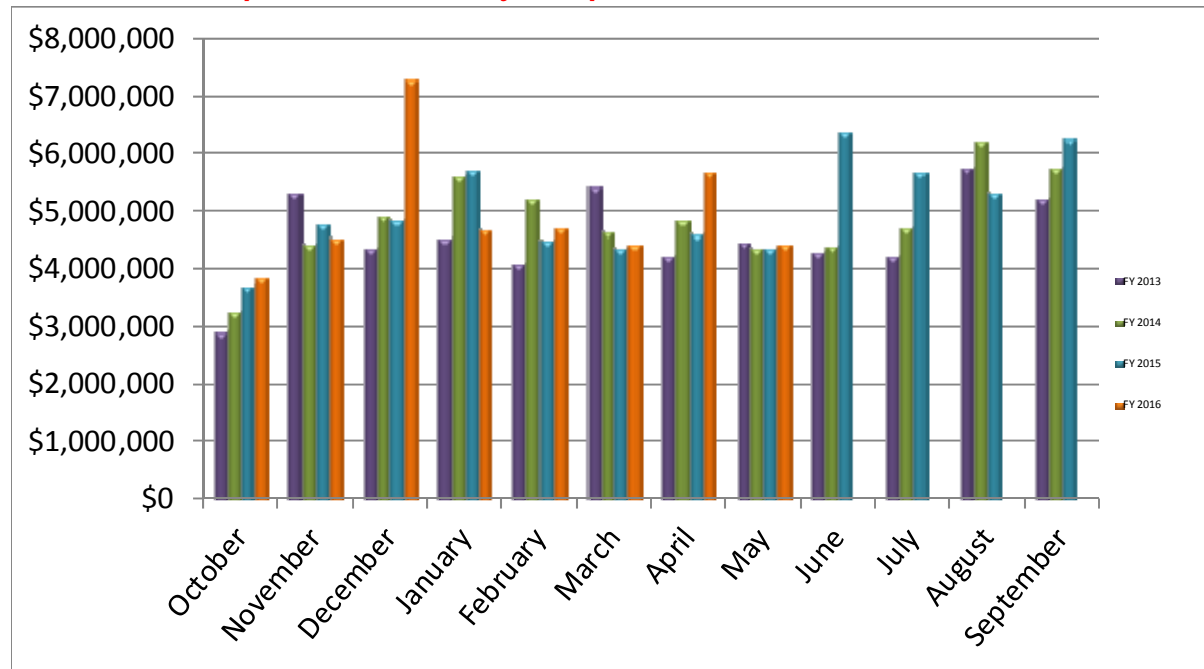
### General Fund Expenditures-YTD



	Prior YTD	Current YTD	Percent Change	Annual Budget
Legislative (1)	\$ 377,893	\$ 435,039	15.1%	\$ 665,846
City Manager (2)	591,964	430,615	-27.3%	608,311
City Attorney (3)	574,924	808,461	40.6%	914,698
Finance	1,015,770	1,066,255	5.0%	1,703,586
Information Technology (4)	1,222,149	1,529,661	25.2%	2,392,170
Human Resources	307,540	321,445	4.5%	574,970
Growth Management	369,430	341,322	-7.6%	543,398
Economic Development (5)	-	414,295	0.0%	607,451
Parks and Recreation (6)	2,678,725	1,663,783	-37.9%	2,682,764
Facilities (7)	-	1,321,388	0.0%	2,162,754
Police	12,194,089	11,474,130	-5.9%	19,253,043
Fire	8,485,015	8,515,951	0.4%	13,036,654
Public Works	2,917,207	2,905,048	-0.4%	4,926,330
Non-Departmental	2,550,175	2,457,821	-3.6%	4,138,053
Transfers (8)	3,785,684	6,060,118	60.1%	8,122,387
	<b>\$ 37,070,564</b>	<b>\$ 39,745,333</b>	<b>7.2%</b>	<b>\$ 62,332,415</b>

- (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.
- (8) Increase primarily due to increased budgeted transfers to Fleet Fund, Road Maintenance Fund, Debt Service Fund, and Parks Recreation Facilities Fund.

**General Fund Expenditures-Monthly Comparison**



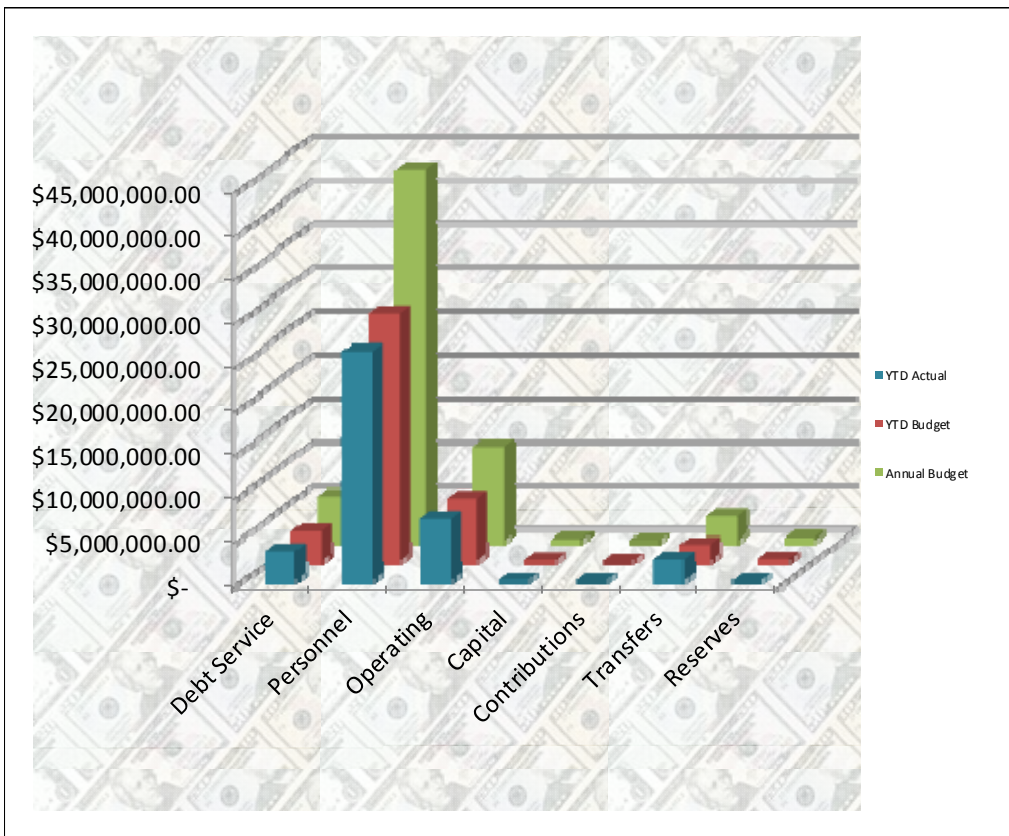
**Monthly GF Expenditures as Compared to Prior Years**

	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
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	
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	
	<b>\$ 55,116,519</b>	<b>\$ 58,669,085</b>	<b>\$ 60,803,379</b>	<b>\$ 39,745,333</b>

May General Fund expenditures were \$53,664 (1.22%) more when comparing May 2016 to May 2015. Year-to-date expenditures are \$2,674,769 more.

**General Fund Expenditures-Budgetary Comparison by Category**

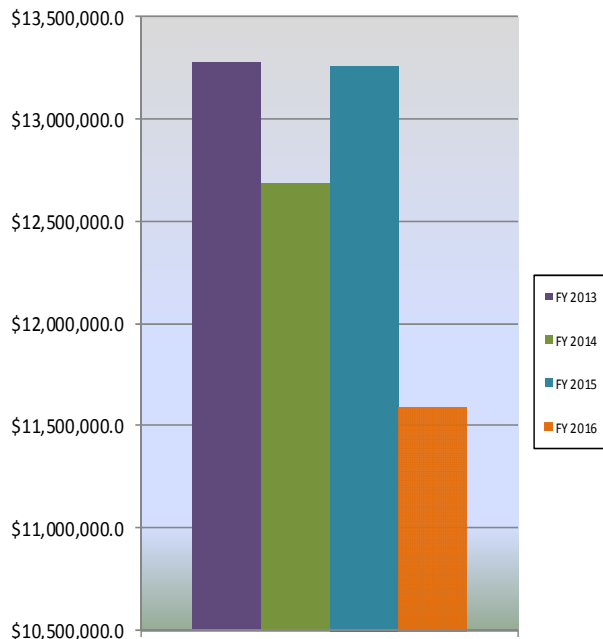
	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>	<u>% Spent</u>
Debt Service	\$ 3,492,674.34	\$ 3,463,205	\$ 5,194,807	67.23%
Personnel	26,373,409.07	28,397,619	42,596,428	61.91%
Operating	7,157,051.25	7,250,746	10,876,119	65.81%
Capital	138,652.51	171,389	257,084	53.93%
Contributions	16,102.70	24,783	37,175	43.32%
Transfers	2,567,443.39	1,951,720	2,927,580	87.70%
Reserves	-	295,481	443,222	0.00%
<b>Total</b>	<b>\$ 39,745,333.26</b>	<b>\$ 41,554,943</b>	<b>\$ 62,332,415</b>	<b>63.76%</b>



The total budgeted expenditures for 2016 are \$62,332,415 (includes encumbrances from prior year and 2016 budget amendments). Of this amount, \$42,596,428, or 68.3%, is related to personnel costs.

## General Fund Cash & Investments – At a Glance May 2016

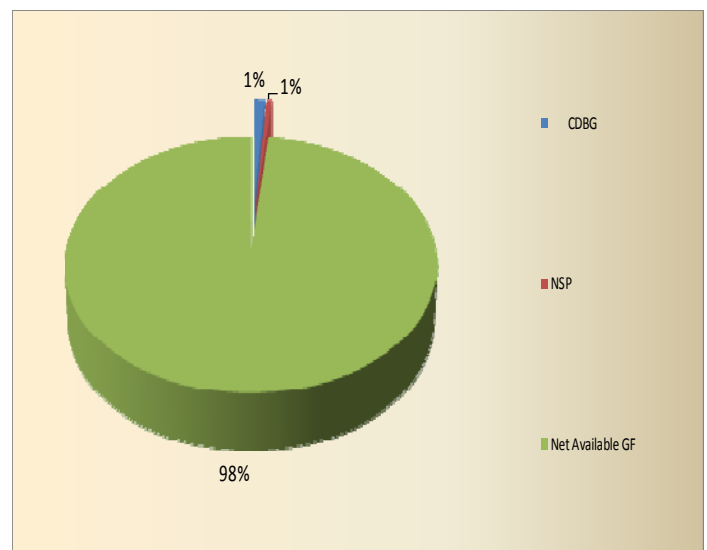
### General Fund Cash & Investments-YTD



General Fund Cash & Investments

General Fund Unrestricted Cash & Investments	
Prior Month Ending Balance	\$ 12,340,761.89
Cash Increase (Decrease)	(749,610.40)
Ending Balance 5/31/16	\$ 11,591,151.49

General Fund Available Cash & Investments	
May 2016 Ending Balance	\$ 11,591,151.49
Cash Advanced to Other Funds:	
CDBG	(128,459.25)
NSP	\$ (65,652.65)
	(194,111.90)
<b>Total Available Cash &amp; Investments</b>	<b>\$ 11,397,039.59</b>





## General Fund Balance – At a Glance May 2016

	PRIOR YTD	CURRENT YTD
<b>REVENUES</b>		
Ad Valorem Taxes	\$ 22,063,936	\$ 23,055,782
Local Option Fuel Tax	1,786,121	2,031,005
Utility Service Taxes	3,914,081	4,055,845
Communication Service Tax	1,508,862	1,451,009
Franchise Fees	2,447,416	2,392,919
State Shared Revenues	1,679,836	1,903,688
Half Cent Sales Tax	2,823,109	2,965,064
Licenses and Permits	545,651	561,527
Grants and Other Entitlements	71,673	165,036
Charges for Services	1,656,256	1,803,103
Fines and Forfeitures	283,699	276,979
Interest, Rents and Other Revenues	209,267	428,943
Interfund Transfers and Other Sources	1,014,872	1,403,530
<b>Total Revenues</b>	<b>40,004,780</b>	<b>42,494,429</b>
<b>EXPENDITURES</b>		
Legislative	377,893	435,039
City Manager	591,964	430,615
City Attorney	574,924	808,461
Finance	1,015,770	1,066,255
Information Technology	1,222,149	1,529,661
Human Resources	307,540	321,445
Economic Development	369,430	341,322
Growth Management	-	414,295
Parks and Recreation	2,678,725	1,663,783
Facilities	-	1,321,388
Police	12,194,089	11,474,130
Fire	8,485,015	8,515,951
Public Works	2,917,207	2,905,048
Non-Departmental	2,550,175	2,457,821
Transfers	3,785,684	6,060,118
<b>Total Expenditures</b>	<b>37,070,564</b>	<b>39,745,333</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>2,934,216</b>	<b>2,749,095</b>
<b>Fund Balance - Beginning</b>	<b>10,040,314</b>	<b>8,282,350</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - Beginning as Restated</b>	<b>10,040,314</b>	<b>8,282,350</b>
<b>Fund Balance - Ending</b>	<b>\$ 12,974,530</b>	<b>11,031,445</b>

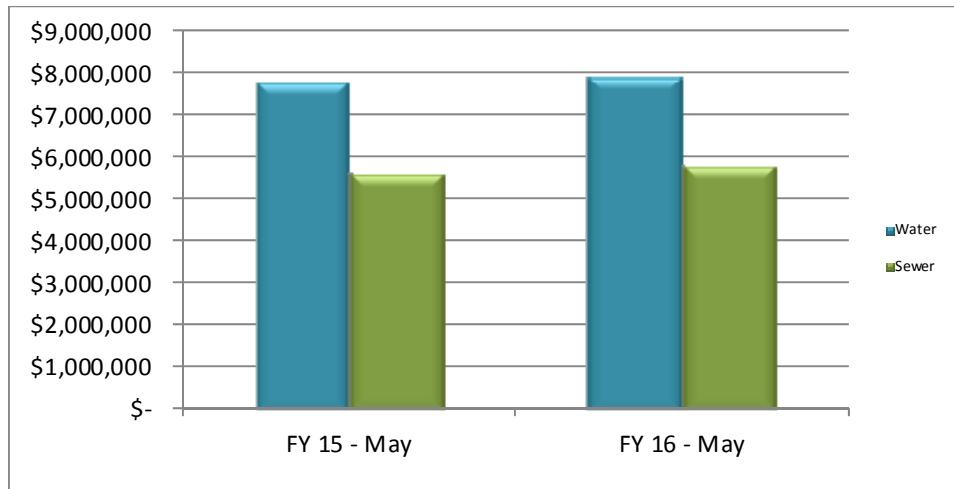
The minimum General Fund balance, as established by Resolution 2011-34, is ten percent (10%) of the subsequent fiscal year's budgeted expenditures less capital outlay and transfers out as originally adopted by ordinance in September. The following is a history of the City's General Fund balance.

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 May 2016

### Water & Sewer Revenues-YTD



Overall year-to-date Water revenue in May 2016 has increased \$182,357 (2.34%) when compared to May 2015.

Overall year-to-date Sewer revenue in May 2016 has increased \$223,423 (3.96%) when compared to May 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 65% of the budgeted amount. The Utility Lien Costs are recorded at 59% of the budgeted amount.

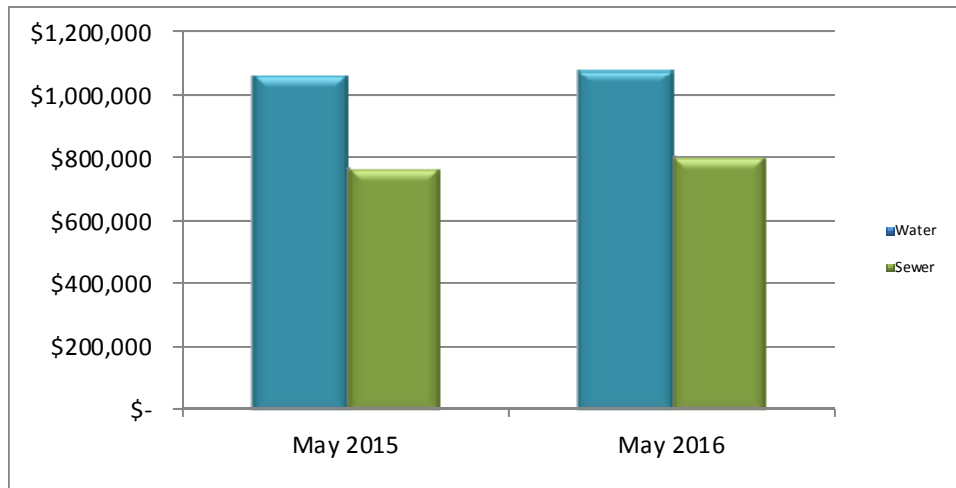
Operating Interest Income is recorded at 36% at this time. The interest for Palm Bay Estates Loan (\$22,491.75) will be recorded in June 2016. The second interest payment on the Fleet Services Loan will be recorded in September 2016 (\$17,053.38).

Excluding Fund Balance, the total FY16 Operating Revenue is recorded at 59.83% of the budgeted amount compared to FY15 which was at 60.41%.

Water Connection Fees are recorded at 87% of the budgeted amount, and Sewer Connection Fees are recorded at 88% of the budgeted amount.

Water MLEs are recorded at 81% of the budgeted amount, and Sewer MLEs are recorded at 81% of the budgeted amount.

*Water & Sewer Revenues-Monthly Comparison*



Overall Water revenue for the month of May 2016 has increased by \$22,205 (2.08%) when compared to May 2015.

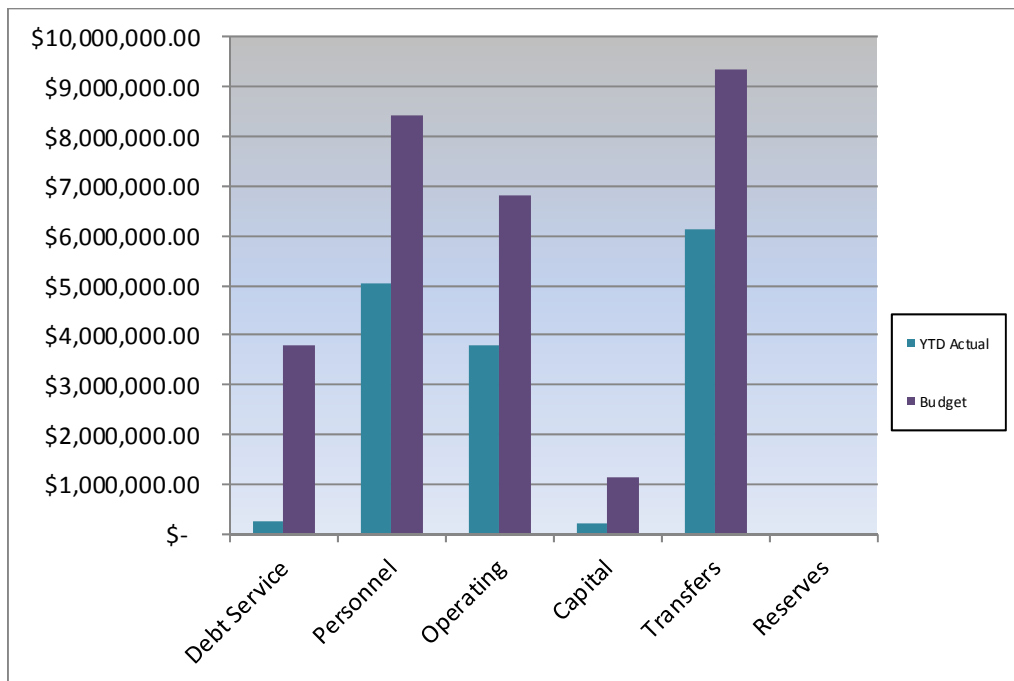
Overall Sewer revenue for the month of May 2016 has increased by \$33,647 (4.34%) when compared to May 2015.

## Utilities Expenses – At a Glance May 2016

### Water & Sewer Expenditures-YTD

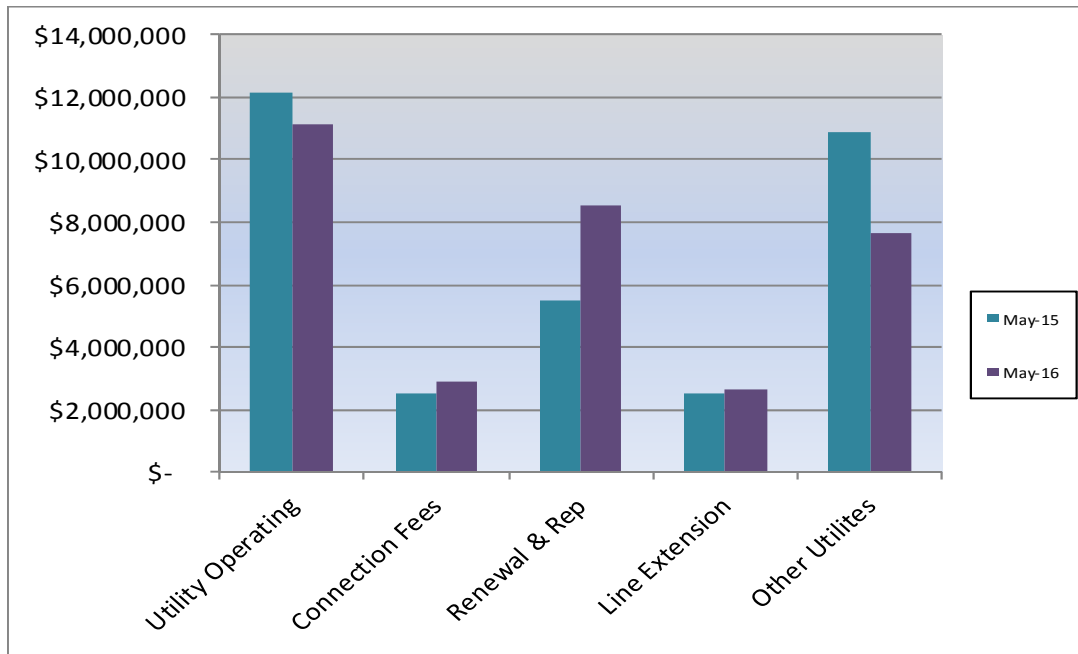
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Debt Service	\$ 253,484.17	\$ 3,801,039	6.67%
Personnel	5,052,791.65	8,412,255	60.06%
Operating	3,785,038.33	6,826,167	55.45%
Capital	215,136.70	1,138,844	18.89%
Transfers	6,141,208.00	9,362,982	65.59%
Reserves	-	-	-
<b>Total</b>	<b>\$ 15,447,658.85</b>	<b>\$ 29,541,287</b>	<b>52.29%</b>



## Utilities Cash & Investments – At a Glance May 2016

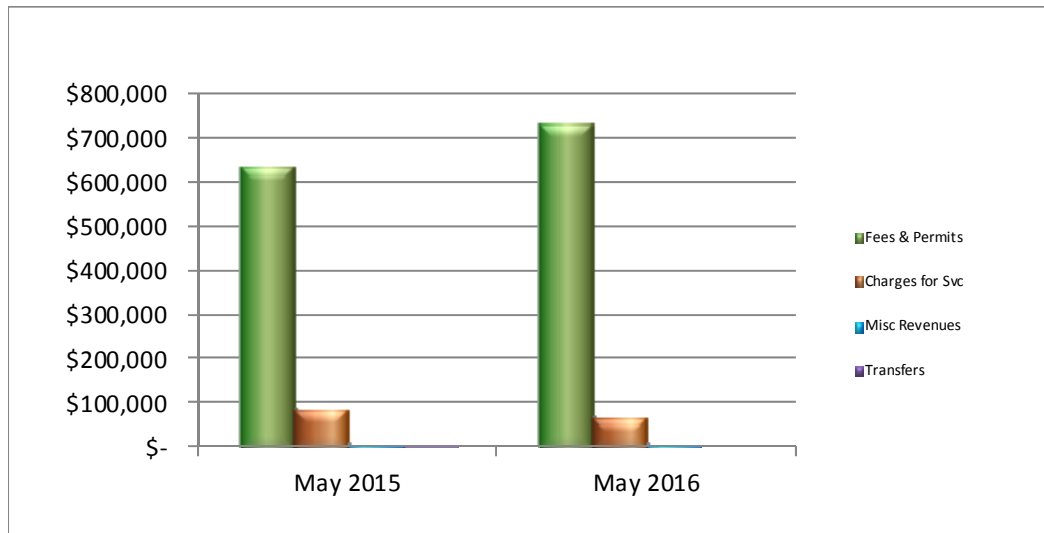
### Water & Sewer Cash & Investments-YTD



Overall the Water & Sewer Funds cash and investments were \$0.73 million (2.2%) less as of May 2016 as compared to May 2015.

## Building Revenues – At a Glance May 2016

### Building Revenues-YTD



Fees and Permits revenue in May 2016 is up \$97,486 (15.20%) from May 2015.

Charges for Services revenue in May 2016 is down \$19,369 (21.68%) from May 2015.

Overall, Building revenues in FY 16 (at May) have increased by \$70,259 (9.38%) when compared to FY 15 (at May).

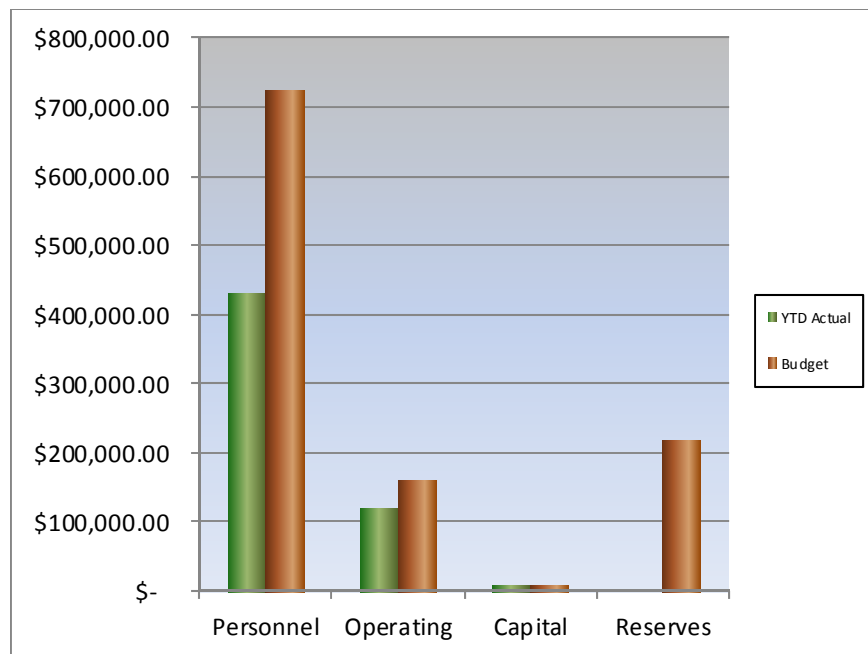
The total FY 16 Building revenues are recorded at 73.7% of the budgeted amount compared to FY 15 which was 70.6%.

## Building Expenses – At a Glance May 2016

### *Building Expenditures-YTD*

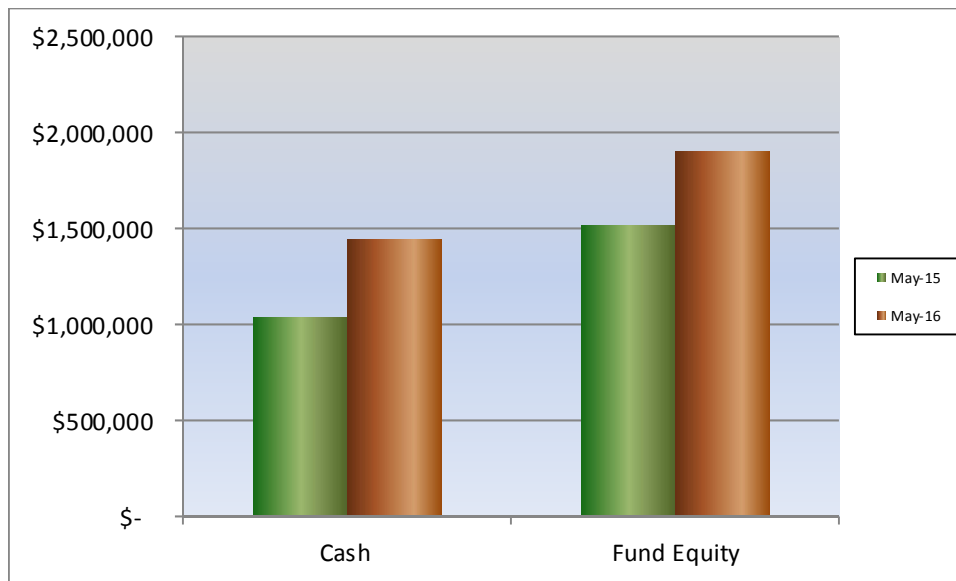
Overall expenditures (excluding encumbrances) are as follows:

	<u>Actual</u>	<u>Budget</u>	<u>% Spent</u>
Personnel	\$ 430,326.69	\$ 723,561	59.47%
Operating	121,619.05	161,941	75.10%
Capital	8,659.66	7,500	115.46%
Reserves	-	219,535	0.00%
Total	\$ 560,605.40	\$ 1,112,537	50.39%



## Building Cash & Fund Equity – At a Glance May 2016

### *Building Cash & Fund Equity-YTD*



Overall the Building cash and cash equivalents were \$404,168 (38.9%) more as of May 2016 as compared to May 2015.

Overall the Building fund equity was \$394,868 (26.1%) more as of May 2016 as compared to May 2015.