

**CITY OF PALM BAY, FLORIDA
MONTHLY FINANCIAL REPORT (UNAUDITED)
MAY 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 May 2017. May is the eighth month of the fiscal year and represents 67% of the annual budget.

Financial Report Summary

- Citywide revenues of \$104.8 million are at 59.0% of the annual budget. Citywide expenditures of \$94.4 million are at 53.1% 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 \$8.3 million, or 11.9%, 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	
5/31/2017	\$ 77,694,080.05	5/31/2017	\$ 104,840,147.87	5/31/2017	\$ 94,390,768.67
5/31/2016	69,433,662.38	5/31/2016	114,587,340.01	5/31/2016	111,076,479.27
Increase	11.9% \$ 8,260,417.67	Decrease	-8.5% \$ (9,747,192.14)	Decrease	-15.0% \$ (16,685,710.60)

- General Fund revenues of \$45.6 million are at 67% of the annual budget. This is an increase of \$3.15 million, or 7.4%, in comparison to the prior year.
- General Fund expenditures of \$42.2 million are at 62% of the annual budget. This is an increase of \$2.41 million, or 6.1%, in comparison to the prior year.
- General Fund cash and investments increased by \$2.41 million, or 20.8%, in comparison to the prior year. Of this increased General Fund cash, \$800,000 is reserved.

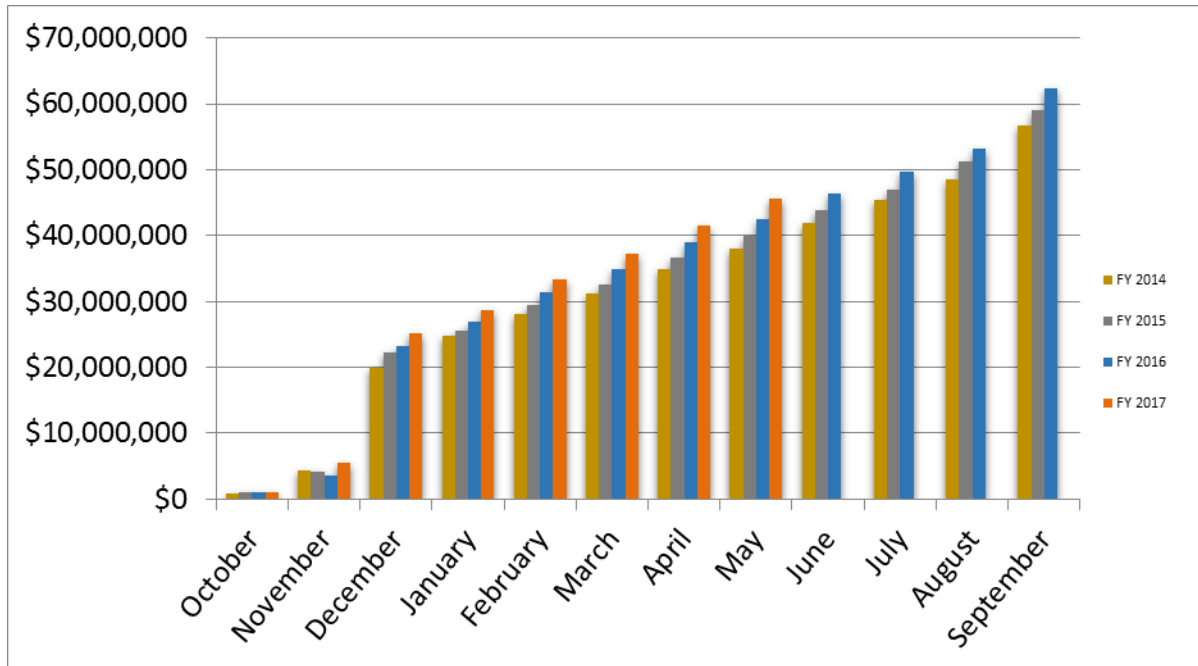
General Fund - Cash & Investments		General Fund - Revenues		General Fund - Expenditures	
5/31/2017	\$ 13,996,329.89	5/31/2017	\$ 45,647,227.20	5/31/2017	\$ 42,150,552.06
5/31/2016	11,591,151.49	5/31/2016	42,494,428.63	5/31/2016	39,745,333.26
Increase	20.8% \$ 2,405,178.40	Increase	7.4% \$ 3,152,798.57	Increase	6.1% \$ 2,405,218.80

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 May 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	\$ 23,055,782	\$ 25,206,026	9.3%	\$ 26,426,410
Local Option Fuel Tax	2,031,005	2,205,263	8.6%	3,822,462
Utility Service Taxes	4,055,845	4,040,711	-0.4%	8,305,000
Communication Service Tax (1)	1,451,009	1,299,324	-10.5%	2,683,536
Franchise Fees	2,392,919	2,302,927	-3.8%	5,399,000
State Shared Revenues	1,903,688	1,942,924	2.1%	4,327,372
Half Cent Sales Tax	2,965,064	3,214,194	8.4%	6,107,351
Licenses and Permits	561,527	560,416	-0.2%	607,500
Grants and Other Entitlements (2)	165,036	929,383	463.1%	1,007,796
Charges for Services (3)	1,803,103	2,047,697	13.6%	3,159,561
Fines and Forfeitures (4)	276,979	246,176	-11.1%	414,500
Interest, Rents & Other Revenues	428,943	392,593	-8.5%	548,702
Interfund Transfers & Capital Leases (5)	1,403,530	1,259,595	-10.3%	1,835,914
Fund Balance	-	-	0.0%	3,238,419
	\$ 42,494,429	\$ 45,647,227	7.4%	\$ 67,883,523

(1) Decrease primarily due to lower year-to-date collection of Communications Service Tax in FY17.

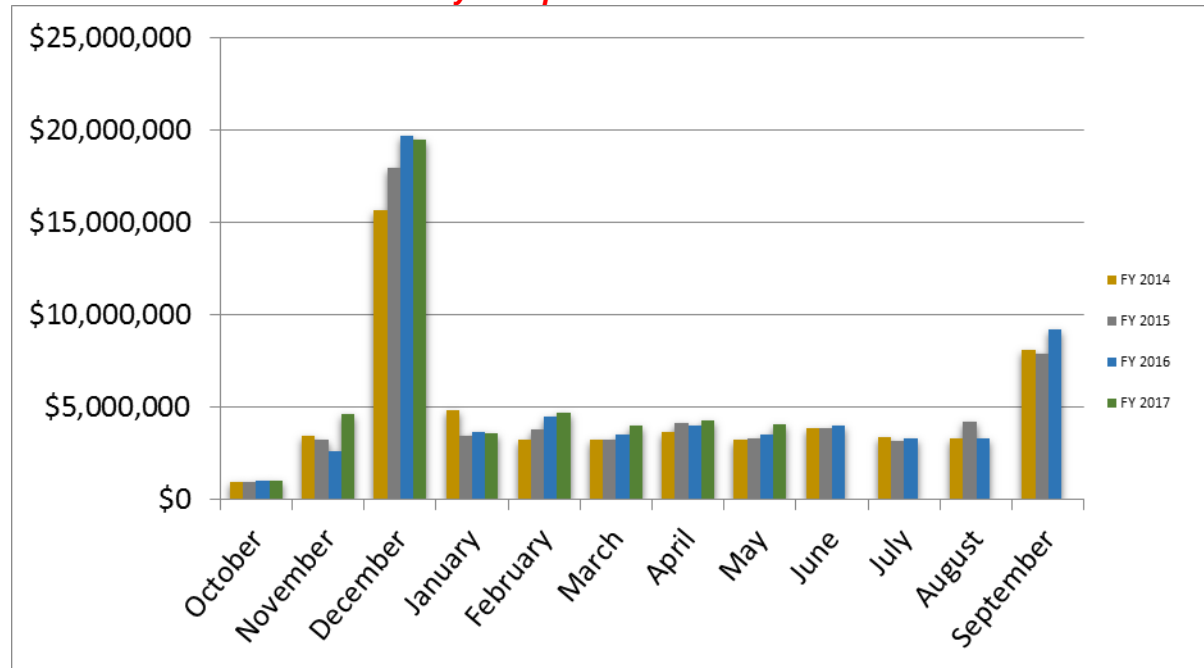
(2) Increase primarily due to multi-year agreement with County for partial reimbursement of expenses related to Regional Park, Senior Center, and Aquatic Center in FY17.

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

(4) Decrease primarily due to lower year-to-date collection of Code Compliance Fines 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

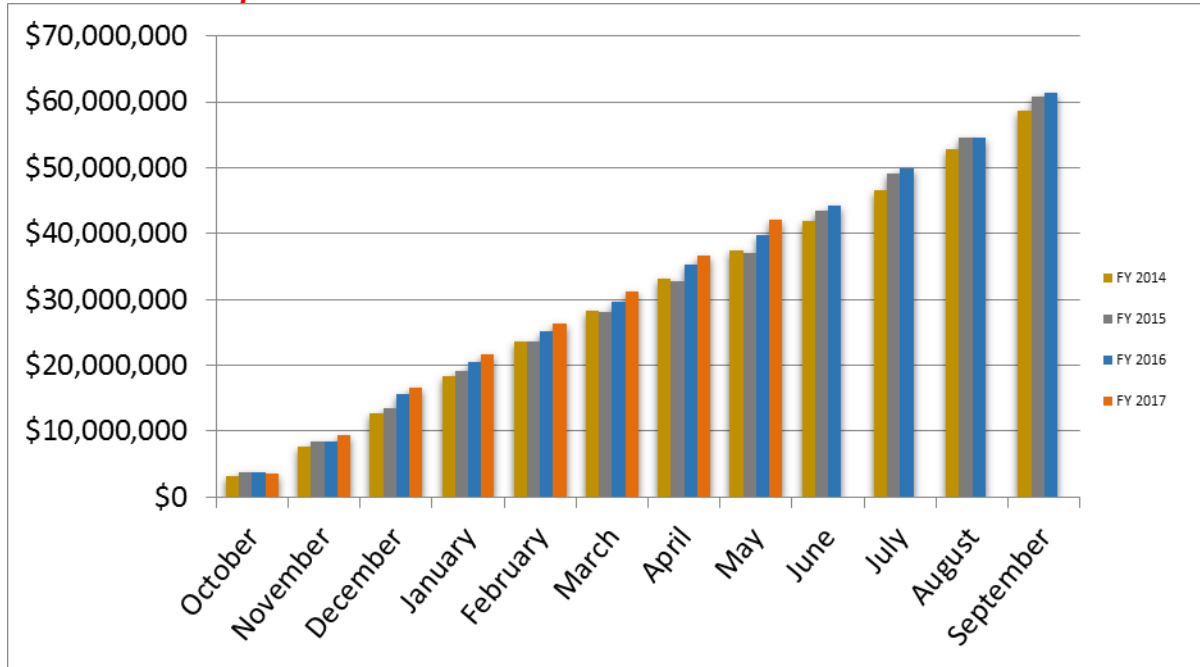
	FY 2014	FY 2015	FY 2016	FY 2017
October	\$ 911,630	\$ 953,761	\$ 1,012,271	\$ 1,005,090
November	3,425,400	3,246,502	2,619,131	4,580,252
December	15,683,359	17,977,402	19,689,226	19,511,218
January	4,802,728	3,458,799	3,639,261	3,585,305
February	3,200,574	3,782,243	4,490,812	4,656,371
March	3,208,482	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	-
July	3,363,584	3,170,380	3,323,512	-
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	\$ 45,647,227

Overall General Fund revenues for the month of May 2017 have increased \$561,788 (16.00%) when compared to May 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 May 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	\$ 435,039	\$ 420,786	-3.3%	\$ 701,148
City Manager	430,615	446,395	3.7%	750,319
City Attorney (1)	808,461	339,502	-58.0%	613,919
Procurement (2)	-	249,429	0.0%	410,026
Finance (3)	1,066,255	858,888	-19.4%	1,363,900
Information Technology (4)	1,529,661	1,323,306	-13.5%	2,583,474
Human Resources	321,445	327,402	1.9%	650,814
Growth Management (5)	341,322	767,706	124.9%	1,401,767
Economic Development (6)	414,295	522,239	26.1%	780,623
Parks and Recreation (7)	1,663,783	2,634,100	58.3%	4,694,203
Facilities	1,321,388	1,371,575	3.8%	2,606,625
Police	11,474,130	11,641,265	1.5%	19,601,350
Fire	8,515,951	8,860,972	4.1%	14,059,856
Public Works (8)	2,905,048	4,072,579	40.2%	6,373,933
Non-Departmental	2,457,821	2,526,684	2.8%	3,787,546
Transfers	6,060,118	5,787,725	-4.5%	7,504,020
	\$ 39,745,333	\$ 42,150,552	6.1%	\$ 67,883,523

(1) Decrease primarily due to decreased year-to-date costs for Other Attorneys.

(2) Increase due to Procurement Department's first year of existence in FY17. Previously was in Finance Department.

(3) Decrease primarily due to Purchasing Division transferred to Procurement Department in FY17.

(4) Decrease primarily due to capital network equipment and computer supplies purchased in FY16.

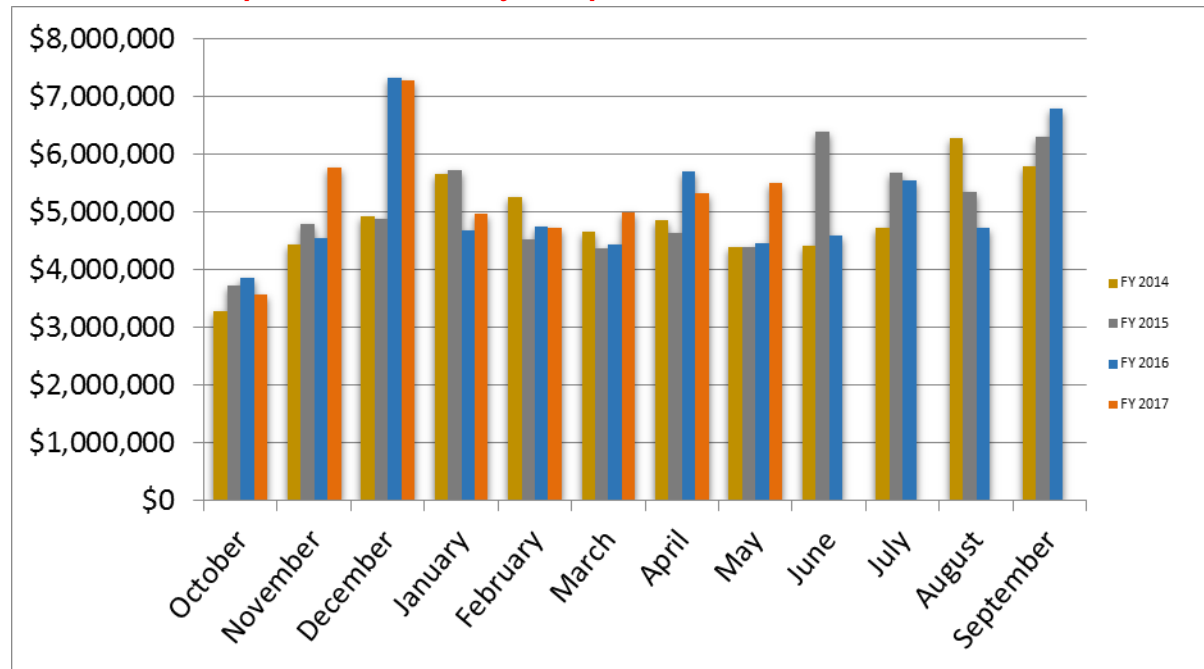
(5) Increase primarily due to FY17 budget of Code Compliance Division in Growth Management instead of in Police Department.

(6) Increase primarily due to expansion of Economic Development Department compared to same time last year.

(7) Increase primarily due to FY17 Budget Amendment to include expenses of Regional Park, Aquatic Center, and Senior Center in General Fund.

(8) Increase primarily due to increased year-to-date costs for disaster preparedness.

General Fund Expenditures-Monthly Comparison



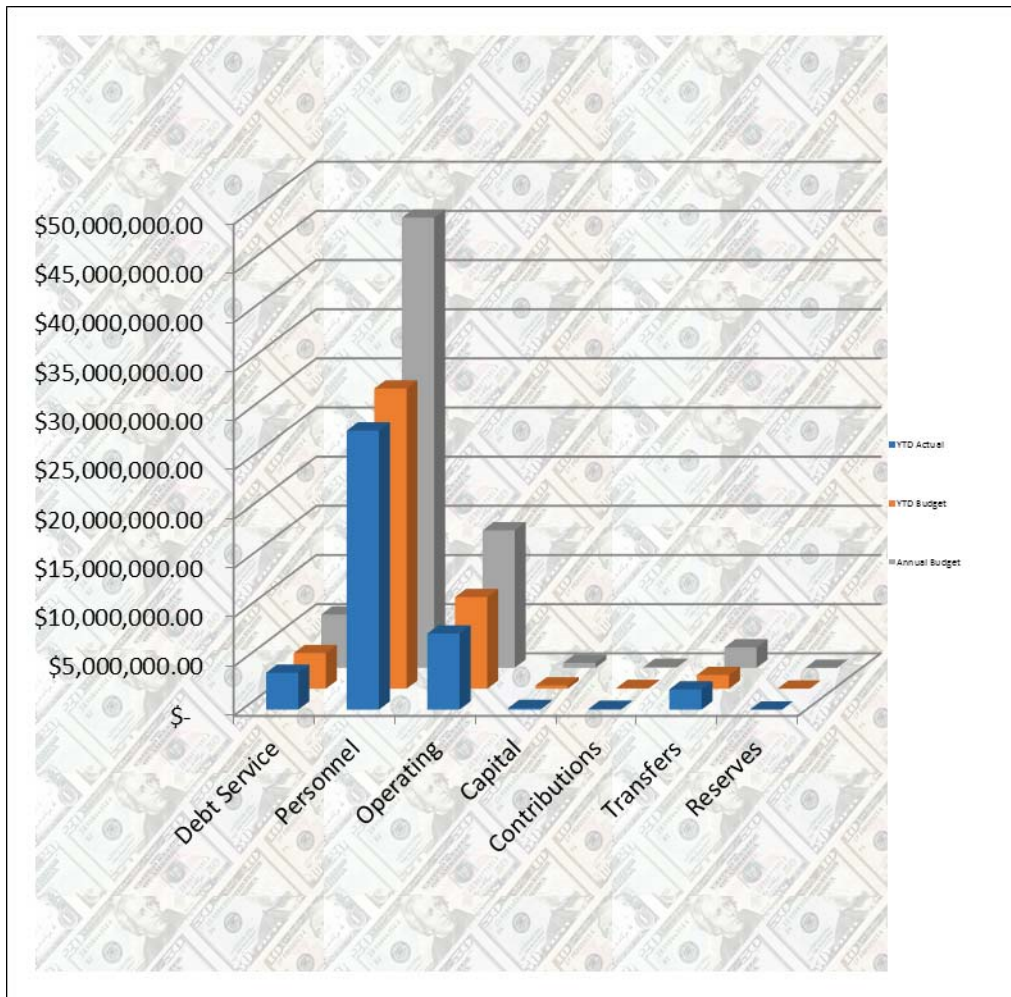
Monthly GF Expenditures as Compared to Prior Years

	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	-
July	4,721,680	5,689,908	5,551,214	-
August	6,272,362	5,346,802	4,712,630	-
September	5,780,329	6,310,426	6,791,578	-
	\$ 58,669,085	\$ 60,803,379	\$ 61,393,243	\$ 42,150,552

May General Fund expenditures were \$1,061,450 (23.85%) more when comparing May 2017 to May 2016. Year-to-date expenditures are \$2,405,219 more.

General Fund Expenditures-Budgetary Comparison by Category

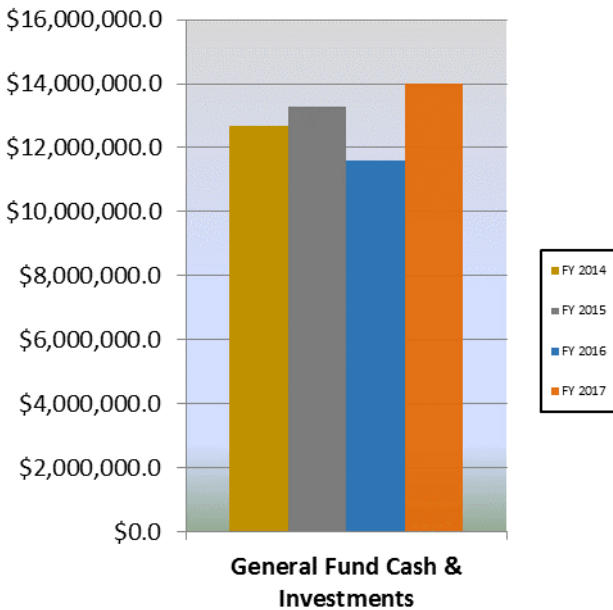
	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>	<u>% Spent</u>
Debt Service	\$ 3,741,899.10	\$ 3,618,187	\$ 5,427,280	68.95%
Personnel	28,386,776.45	30,537,298	45,805,947	61.97%
Operating	7,732,990.12	9,322,415	13,983,623	55.30%
Capital	159,363.23	331,653	497,480	32.03%
Contributions	83,697.40	61,635	92,453	90.53%
Transfers	2,045,825.76	1,384,493	2,076,740	98.51%
Reserves	-	-	-	0.00%
Total	\$ 42,150,552.06	\$ 45,255,682	\$ 67,883,523	62.09%



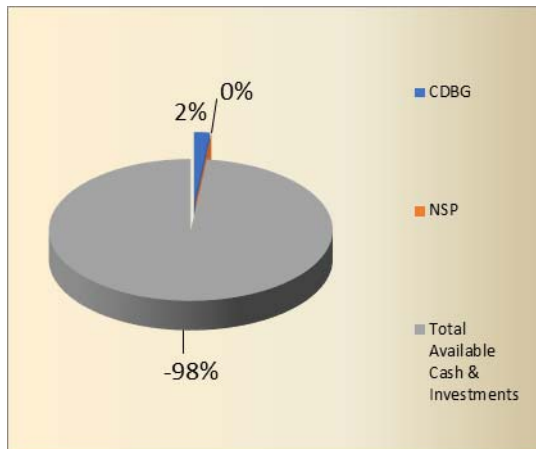
The total budgeted expenditures for 2017 are \$67,883,523 (includes encumbrances from prior year and 2017 budget amendments). Of this amount, \$45,805,947, or 67.5%, is related to personnel costs.

General Fund Cash & Investments – At a Glance May 2017

General Fund Cash & Investments-YTD



General Fund Cash & Investments	
Prior Month Ending Balance	\$ 15,364,300.68
Cash Increase (Decrease)	<u>(1,367,970.79)</u>
Ending Balance 5/31/17	<u><u>\$ 13,996,329.89</u></u>



General Fund Cash & Investments	
May 2017 Ending Balance	\$ 13,996,329.89
Cash Advanced to Other Funds:	
CDBG	(252,969.64)
NSP	\$ (112.56)
Total Available Cash & Investments	<u><u>\$ 13,743,247.69</u></u>

General Fund Balance – At a Glance May 2017

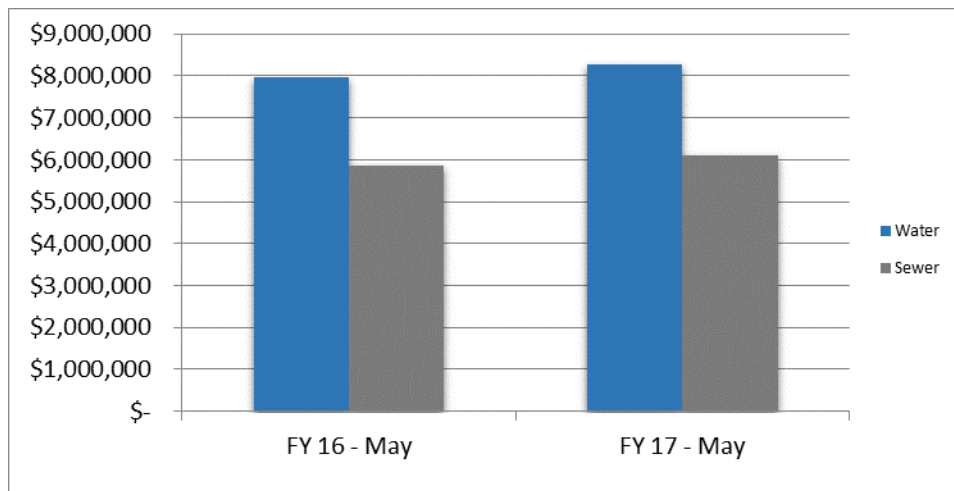
	PRIOR YTD	CURRENT YTD
REVENUES		
Ad Valorem Taxes	\$ 23,055,782	\$ 25,206,026
Local Option Fuel Tax	2,031,005	2,205,263
Utility Service Taxes	4,055,845	4,040,711
Communication Service Tax	1,451,009	1,299,324
Franchise Fees	2,392,919	2,302,927
State Shared Revenues	1,903,688	1,942,924
Half Cent Sales Tax	2,965,064	3,214,194
Licenses and Permits	561,527	560,416
Grants and Other Entitlements	165,036	929,383
Charges for Services	1,803,103	2,047,697
Fines and Forfeitures	276,979	246,176
Interest, Rents and Other Revenues	428,943	392,593
Interfund Transfers and Other Sources	1,403,530	1,259,595
Total Revenues	42,494,429	45,647,227
EXPENDITURES		
Legislative	435,039	420,786
City Manager	430,615	446,395
City Attorney	808,461	339,502
Procurement	-	249,429
Finance	1,066,255	858,888
Information Technology	1,529,661	1,323,306
Human Resources	321,445	327,402
Growth Management	341,322	767,706
Economic Development	414,295	522,239
Parks and Recreation	1,663,783	2,634,100
Facilities	1,321,388	1,371,575
Police	11,474,130	11,641,265
Fire	8,515,951	8,860,972
Public Works	2,905,048	4,072,579
Non-Departmental	2,457,821	2,526,684
Transfers	6,060,118	5,787,725
Total Expenditures	39,745,333	42,150,552
Excess (Deficiency) of Revenues Over Expenditures	2,749,095	3,496,675
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	\$ 11,031,445	12,671,256

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 May 2017

Water & Sewer Revenues-YTD



Overall year-to-date Water revenue in May 2017 has increased \$290,374 (3.64%) when compared to May 2016.

Overall year-to-date Sewer revenue in May 2017 has increased \$241,933 (4.13%) when compared to May 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 95% of the budgeted amount. The Utility Lien Costs are recorded at 186% of the budgeted amount.

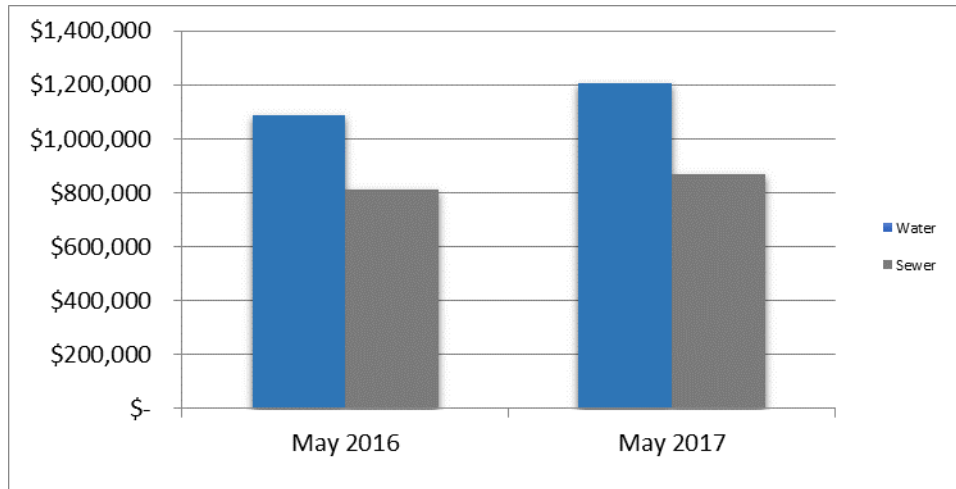
Operating Interest Income is recorded at 61% at this time. The interest for the Palm Bay Estates Loan (\$21,067) will be recorded in June, and the second interest payment on the Fleet Services Loan will be recorded in September (\$14,785.53).

Excluding Fund Balance, the total FY17 Operating Revenue is recorded at 60.04% of the budgeted amount compared to FY16 which was at 59.83%.

Water Connection Fees are recorded at 95% of the budgeted amount, and Sewer Connection Fees are recorded at 64% of the budgeted amount.

Water MLEs are recorded at 114% of the budgeted amount, and Sewer MLEs are recorded at 143% of the budgeted amount.

Water & Sewer Revenues-Monthly Comparison



Overall Water revenue for the month of May 2017 has increased by \$115,568 (10.61%) when compared to May 2016.

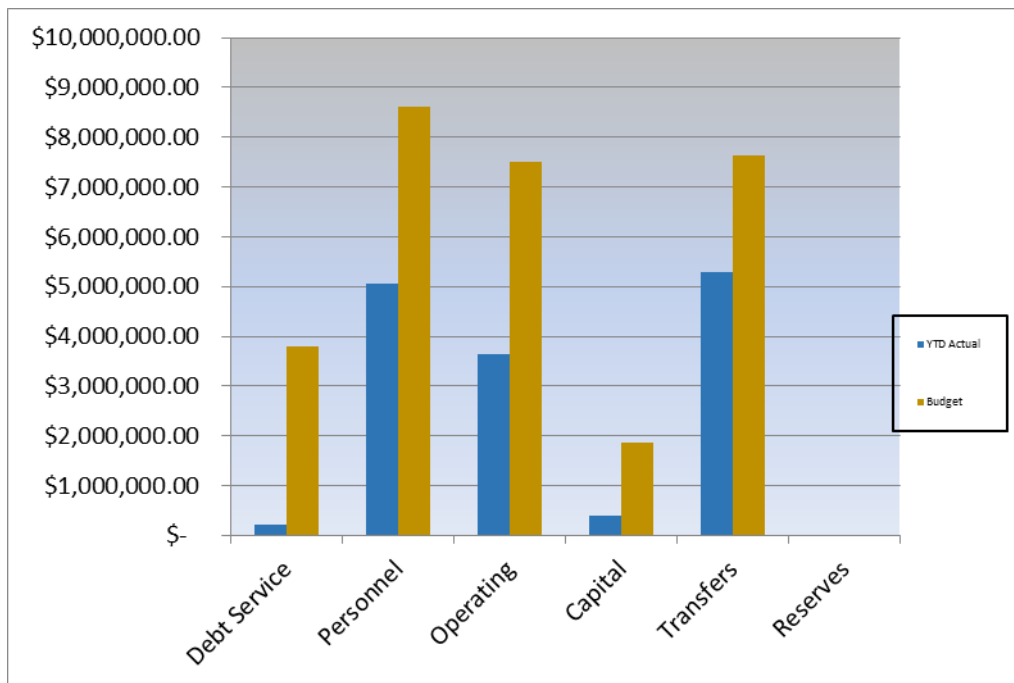
Overall Sewer revenue for the month of May 2017 has increased by \$58,974 (7.28%) when compared to May 2016.

Utilities Expenses – At a Glance May 2017

Water & Sewer Expenditures-YTD

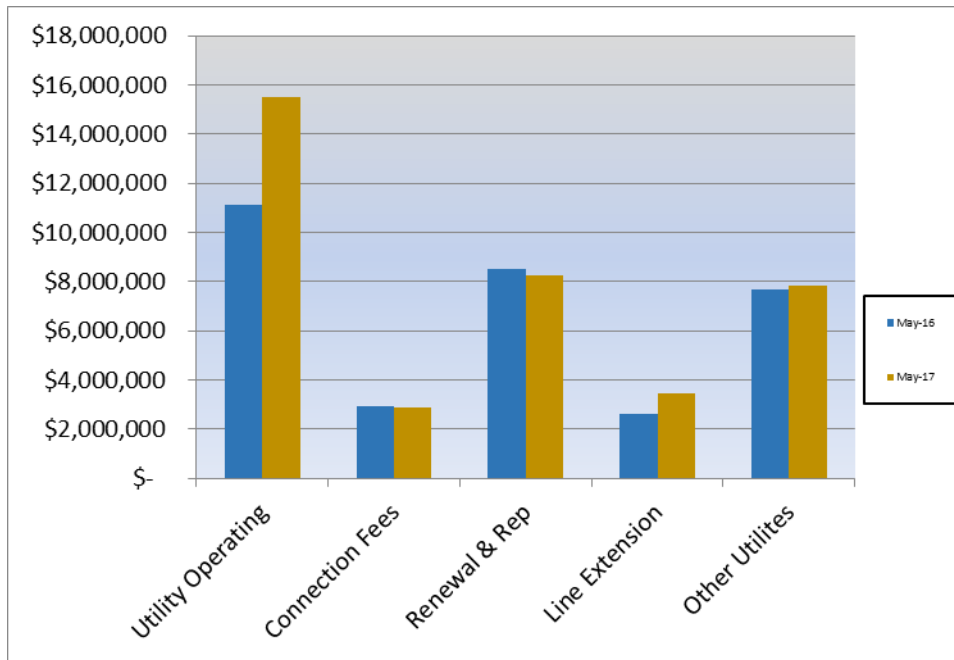
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Debt Service	\$ 219,545.67	\$ 3,798,162	5.78%
Personnel	5,067,530.75	8,618,660	58.80%
Operating	3,641,638.59	7,492,856	48.60%
Capital	394,896.11	1,858,659	21.25%
Transfers	5,296,127.60	7,624,971	69.46%
Reserves	-	-	-
Total	\$ 14,619,738.72	\$ 29,393,308	49.74%



Utilities Cash & Investments – At a Glance May 2017

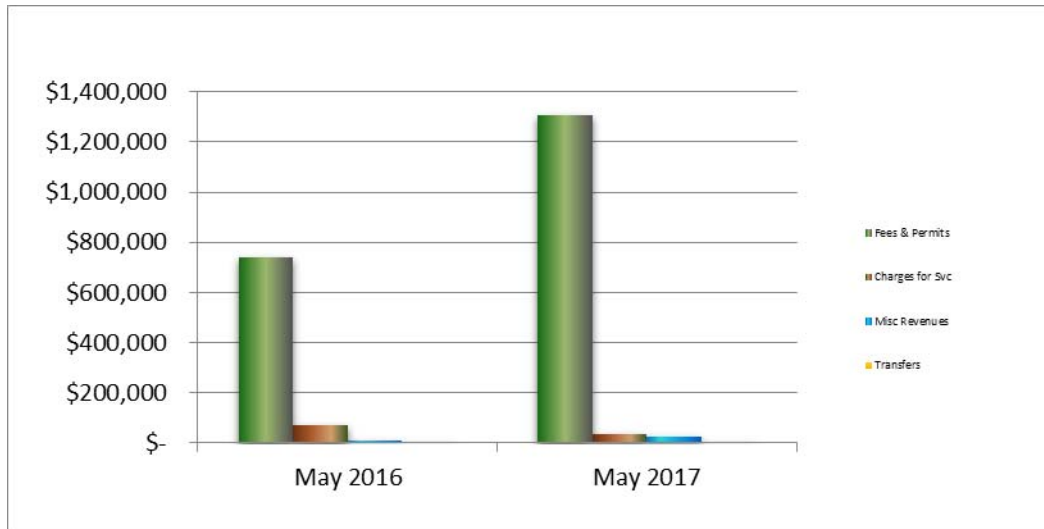
Water & Sewer Cash & Investments-YTD



Overall the Water & Sewer Funds cash and investments were \$5.11 million (15.6%) more as of May 2017 as compared to May 2016.

Building Revenues – At a Glance May 2017

Building Revenues-YTD



Fees and Permits revenue in May 2017 is up \$568,452 (76.96%) from May 2016.

Charges for Services revenue in May 2017 is down \$35,490 (50.73%) from May 2016.

Overall, Building revenues in FY 17 (at May) have increased by \$545,024 (66.51%) when compared to FY 16 (at May).

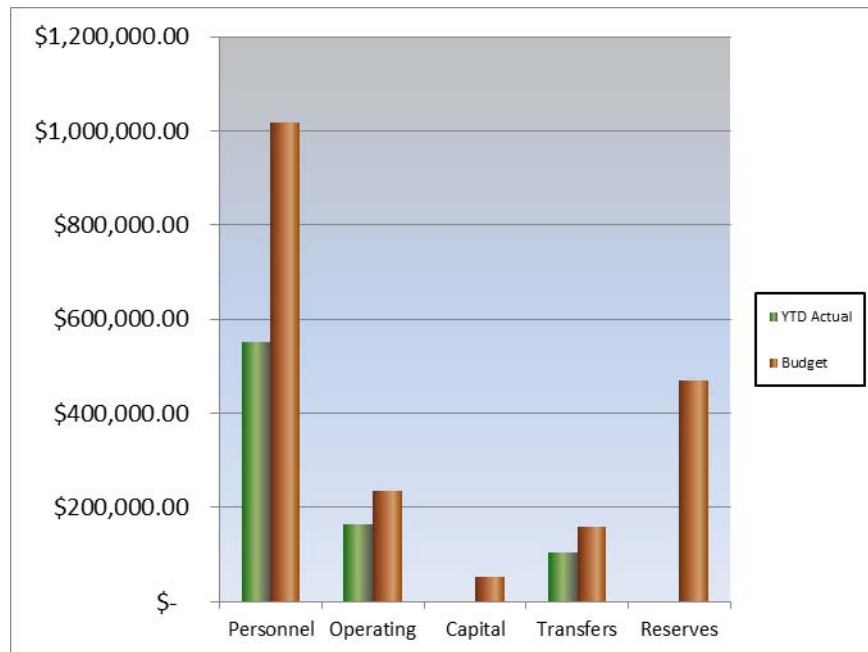
The total FY 17 Building revenues are recorded at 70.54% of the budgeted amount compared to FY 16 which was 73.66%.

Building Expenses – At a Glance May 2017

Building Expenditures-YTD

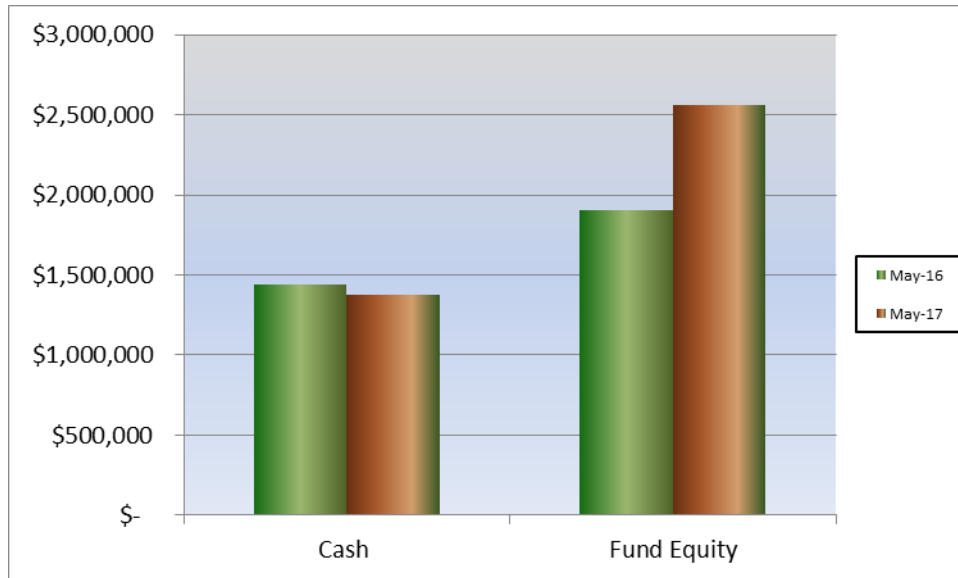
Overall expenditures (excluding encumbrances) are as follows:

	<u>Actual</u>	<u>Budget</u>	<u>% Spent</u>
Personnel	\$ 551,998.15	\$ 1,018,560	54.19%
Operating	164,055.56	236,077	69.49%
Capital	-	52,496	0.00%
Transfers	105,521.36	158,282	66.67%
Reserves	-	469,020	0.00%
Total	\$ 821,575.07	\$ 1,934,435	42.47%



Building Cash & Fund Equity – At a Glance May 2017

Building Cash & Fund Equity-YTD



Overall the Building cash and investments were \$65,976 (4.6%) less as of May 2017 as compared to May 2016.

Overall the Building fund equity was \$656,617 (34.4%) more as of May 2017 as compared to May 2016.