

**CITY OF PALM BAY, FLORIDA
MONTHLY FINANCIAL REPORT (UNAUDITED)
OCTOBER 2015**



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 October 2015. October is the first month of the fiscal year and represents 8% of the annual budget.

Financial Report Summary

- Citywide revenues of \$24.1 million are at 15% of the annual budget. Citywide expenditures of \$28.2 million are at 17% 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 \$6.4 million, or 13.2%, 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 FY15 citywide revenues and expenditures in the chart below.

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Citywide - Cash & Investments		Citywide - Revenues		Citywide - Expenditures	
10/31/2015	\$ 54,914,301.24	10/31/2015	\$ 24,105,759.10	10/31/2015	\$ 28,211,861.03
10/31/2014	48,496,043.16	10/31/2014	4,761,674.27	10/31/2014	11,590,514.80
Increase	13.2% \$ 6,418,258.08	Increase	406.2% \$ 19,344,084.83	Increase	143.4% \$ 16,621,346.23

- General Fund revenues of \$1.0 million are at 2% of the annual budget. This is an increase of \$0.06 million, or 6.1%, in comparison to the prior year.
- General Fund expenditures of \$3.9 million are at 6% of the annual budget. This is an increase of \$0.13 million, or 3.6%, in comparison to the prior year.
- General Fund cash and investments decreased by \$1.68 million, or 33.9%, in comparison to the prior year.

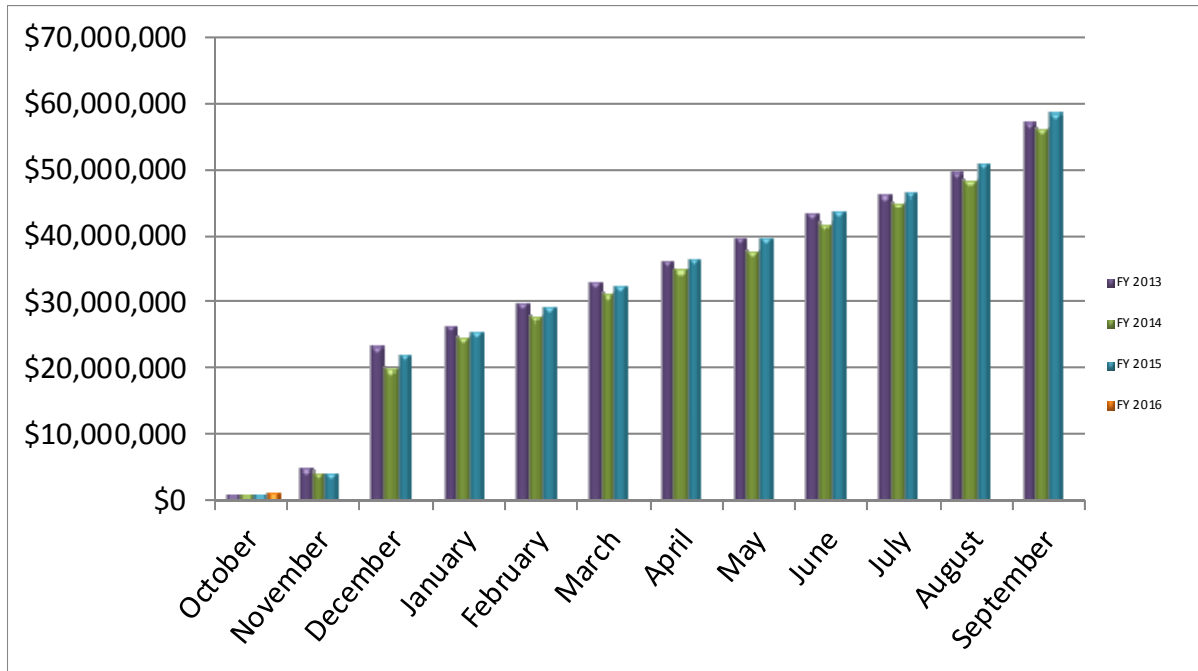
General Fund - Cash & Investments		General Fund - Revenues		General Fund - Expenditures	
10/31/2015	\$ 3,277,392.61	10/31/2015	\$ 1,012,270.52	10/31/2015	\$ 3,859,572.45
10/31/2014	4,958,793.25	10/31/2014	953,760.89	10/31/2014	3,726,415.72
Decrease	-33.9% \$ (1,681,400.64)	Increase	6.1% \$ 58,509.63	Increase	3.6% \$ 133,156.73

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 October 2015

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	\$ -	\$ -	0.0%	\$ 24,471,077
Local Option Fuel Tax	-	-	0.0%	3,560,238
Utility Service Taxes	120,402	123,058	2.2%	8,222,000
Communication Service Tax	-	-	0.0%	2,953,575
Franchise Fees	-	-	0.0%	5,390,000
State Shared Revenues	-	-	0.0%	3,963,798
Half Cent Sales Tax	-	-	0.0%	5,801,620
Licenses and Permits	423,634	421,103	-0.6%	580,520
Grants and Other Entitlements (1)	106	11,513	10735.7%	246,975
Charges for Services (2)	172,036	198,501	15.4%	2,714,153
Fines and Forfeitures (3)	64,982	27,634	-57.5%	536,200
Interest, Rents & Other Revenues (4)	45,741	58,669	28.3%	447,860
Interfund Transfers & Capital Leases (5)	126,859	171,793	35.4%	2,061,511
Fund Balance	-	-	0.0%	408,532
	\$ 953,761	\$ 1,012,271	6.1%	\$ 61,358,059

(1) Increase primarily due to higher year-to-date collection of Dept. of Justice grants.

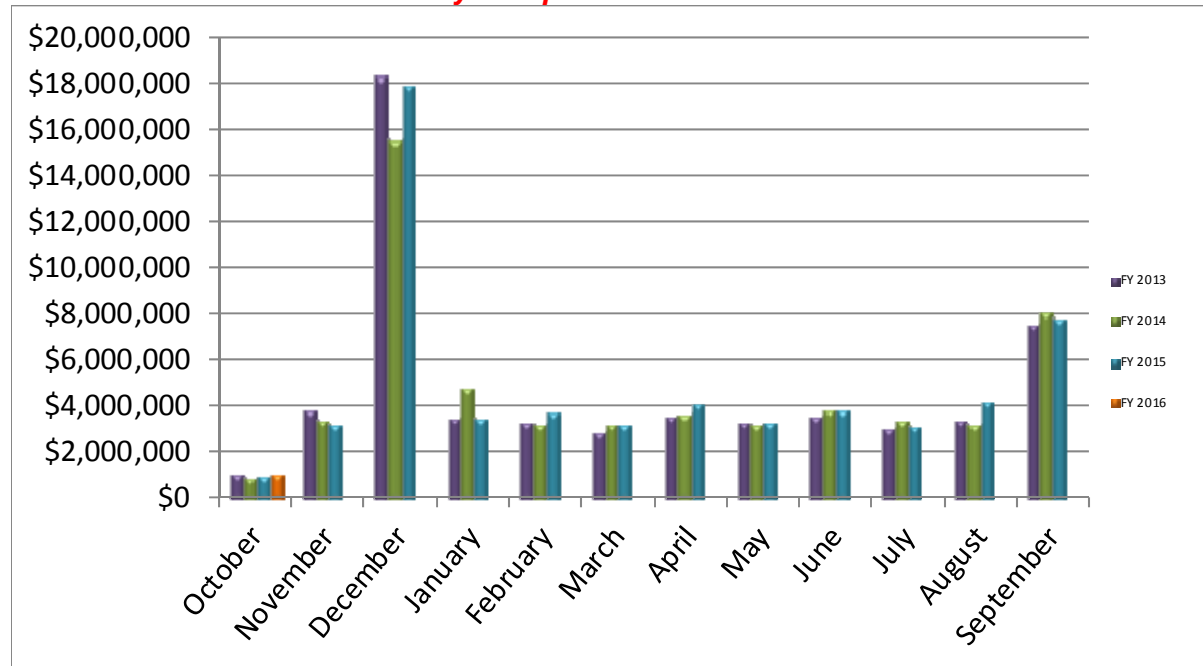
(2) Increase primarily due to higher year-to-date collection of Lien Research Fees and higher budgeted allocation of Other Charges for Services.

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

(4) Increase primarily due to Parks Sponsorship received in FY16.

(5) Increase primarily due to higher year-to-date transfer from Employee Benefits Fund in FY16.

General Fund Revenues-Monthly Comparison



Monthly GF Revenues as Compared to Prior Years

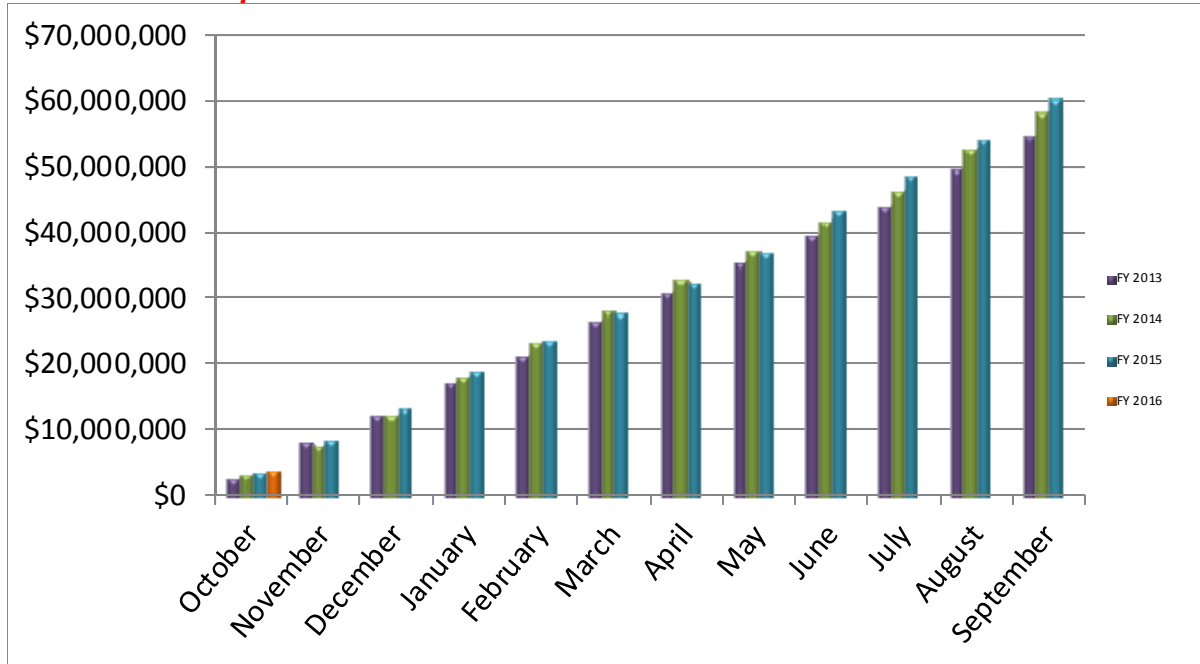
	FY 2013	FY 2014	FY 2015	FY 2016
October	\$ 1,048,437	\$ 911,630	\$ 953,761	\$ 1,012,271
November	3,846,416	3,425,400	3,246,502	
December	18,439,244	15,683,359	17,977,402	
January	3,531,439	4,802,728	3,458,799	
February	3,279,875	3,200,574	3,782,243	
March	2,917,572	3,208,482	3,203,645	
April	3,616,551	3,651,785	4,103,728	
May	3,276,506	3,198,408	3,278,699	
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	7,868,800	
	\$ 57,587,537	\$ 56,703,597	\$ 59,042,624	\$ 1,012,271

Overall General Fund revenues for the month of October 2015 have increased \$58,510 (6.13%) when compared to October 2014.

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 October 2015

General Fund Expenditures-YTD



	Prior YTD	Current YTD	Percent Change	Annual Budget
Legislative (1)	\$ 42,186	\$ 72,795	72.6%	\$ 676,674
City Manager	49,245	54,009	9.7%	1,019,423
City Attorney (2)	128,962	319,480	147.7%	622,903
Finance	84,984	84,919	-0.1%	1,730,406
Information Technology	368,556	353,118	-4.2%	2,407,799
Human Resources (3)	27,283	31,842	16.7%	582,129
Economic Development (4)	-	6,268	0.0%	-
Growth Management (5)	31,029	23,396	-24.6%	547,561
Parks and Recreation (6)	175,688	128,622	-26.8%	2,612,590
Facilities (7)	-	52,521	0.0%	2,047,554
Police	1,077,948	1,015,311	-5.8%	19,588,392
Fire	758,877	751,879	-0.9%	13,233,577
Public Works	242,505	236,257	-2.6%	4,916,574
Non-Departmental	304,154	306,253	0.7%	4,138,053
Transfers	435,000	422,903	-2.8%	7,234,424
	\$ 3,726,416	\$ 3,859,572	3.6%	\$ 61,358,059

(1) Increase primarily due to increased year-to-date costs for dues and memberships.

(2) Increase primarily due to 200% increase in year-to-date Other Attorney Cost.

(3) Increase primarily due to vacancy of H.R. Director position during early FY15.

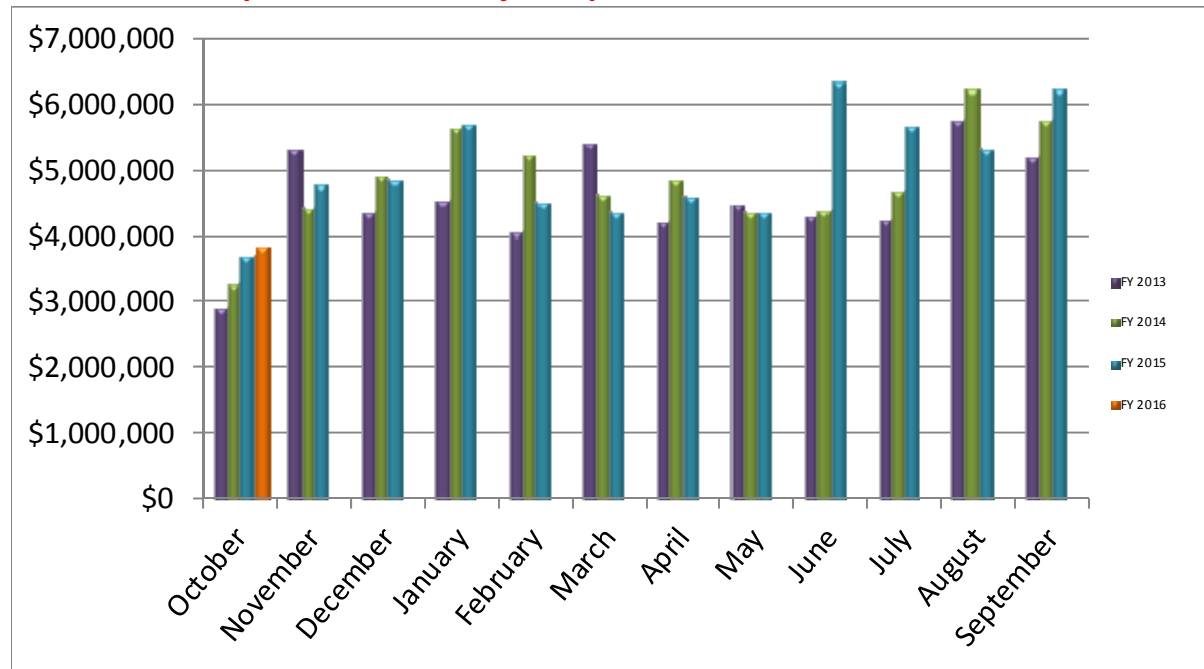
(4) Increase due to Economic Development Department's first year of existence in FY16. Previously was in City Manager's Office.

(5) Decrease primarily due to allocation of portion of Growth Management Director and Administrative Assistant salaries to other funds.

(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



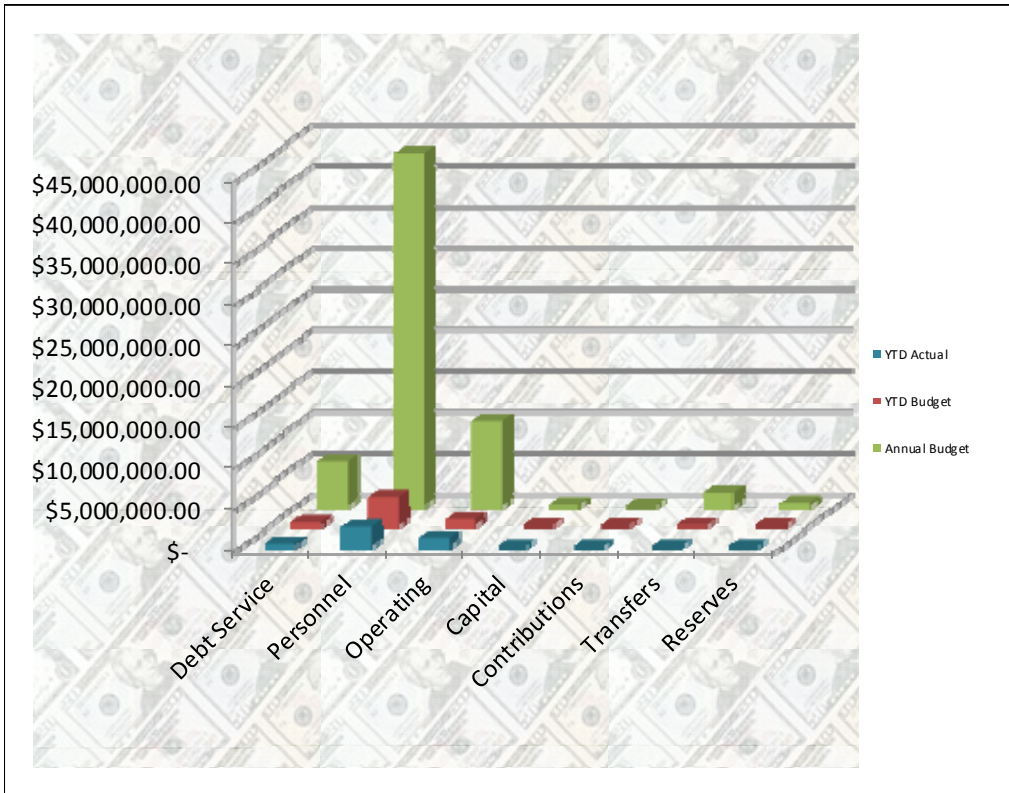
Monthly GF Expenditures as Compared to Prior Years

	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
October	\$ 2,928,572	\$ 3,279,274	\$ 3,726,416	\$ 3,859,572
November	5,357,915	4,445,312	4,799,117	
December	4,385,251	4,931,871	4,886,462	
January	4,576,388	5,653,811	5,729,780	
February	4,095,023	5,259,394	4,526,492	
March	5,452,911	4,666,428	4,375,170	
April	4,230,477	4,859,644	4,630,094	
May	4,504,552	4,386,401	4,397,032	
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	6,264,048	
	\$ 55,116,519	\$ 58,669,085	\$ 60,757,000	\$ 3,859,572

October General Fund expenditures were \$133,157 (3.57%) more when comparing October 2015 to October 2014. Year-to-date expenditures are also \$133,157 more.

General Fund Expenditures-Budgetary Comparison by Category

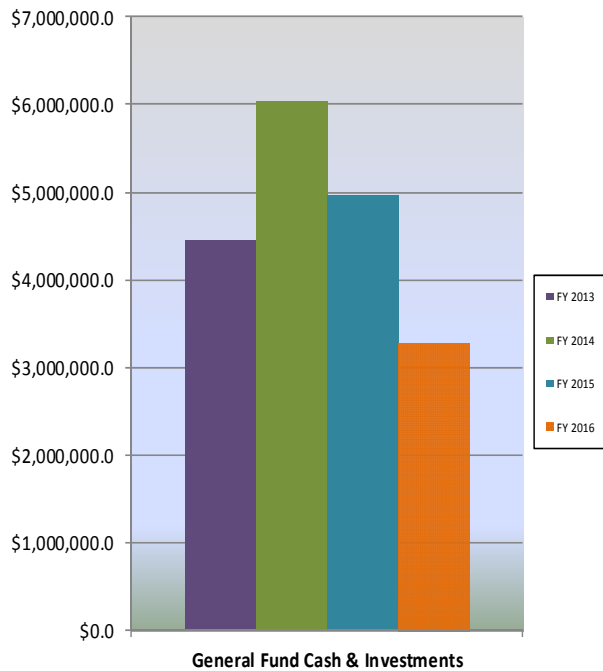
	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>	<u>% Spent</u>
Debt Service	\$ 422,902.91	\$ 457,556	\$ 5,490,672	7.70%
Personnel	2,326,940.68	3,591,932	43,103,180	5.40%
Operating	1,109,228.86	861,806	10,341,675	10.73%
Capital	-	17,030	204,358	0.00%
Contributions	500.00	2,600	31,200	1.60%
Transfers	-	145,313	1,743,752	0.00%
Reserves	-	36,935	443,222	0.00%
Total	\$ 3,859,572.45	\$ 5,113,172	\$ 61,358,059	6.29%



The *total budgeted expenditures* for 2016 are \$61,358,059 (includes encumbrances from prior year and 2016 budget amendments). Of this amount, \$43,103,180, or 70.2%, is related to personnel costs.

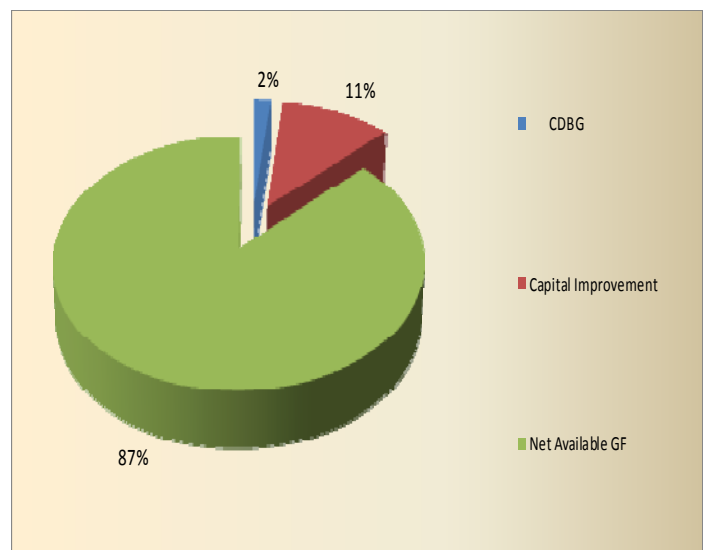
General Fund Cash & Investments – At a Glance October 2015

General Fund Cash & Investments-YTD



General Fund Unrestricted Cash & Investments	
Prior Month Ending Balance	\$ 5,597,094.73
Cash Increase (Decrease)	<u>(2,319,702.12)</u>
Ending Balance 10/31/15	<u><u>\$ 3,277,392.61</u></u>

General Fund Available Cash & Investments	
October 2015 Ending Balance	\$ 3,277,392.61
Cash Advanced to Other Funds:	
CDBG	(56,055.96)
Capital Improvement	<u>\$ (364,757.64)</u>
Total Available Cash & Investments	<u><u>\$ 2,856,579.01</u></u>



General Fund Balance – At a Glance October 2015

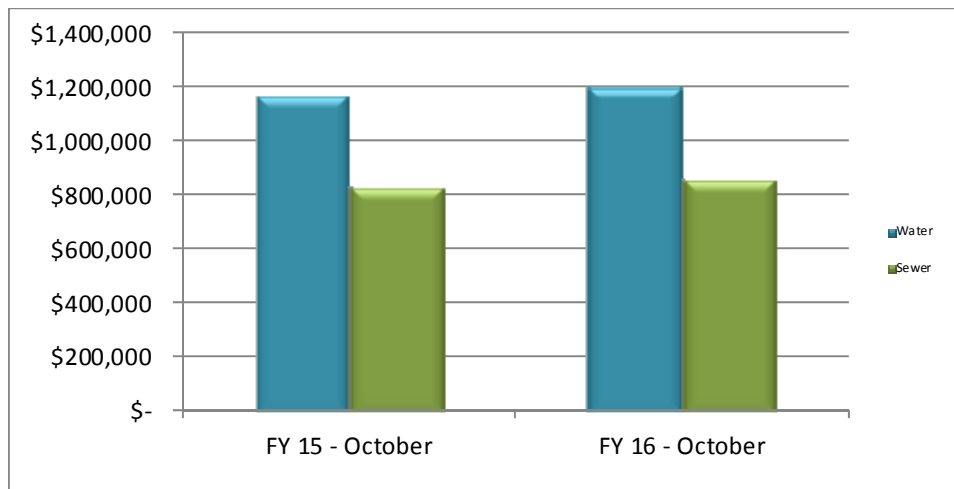
	PRIOR YTD	CURRENT YTD
REVENUES		
Ad Valorem Taxes	\$ -	\$ -
Local Option Fuel Tax	-	-
Utility Service Taxes	120,402	123,058
Communication Service Tax	-	-
Franchise Fees	-	-
State Shared Revenues	-	-
Half Cent Sales Tax	-	-
Licenses and Permits	423,634	421,103
Grants and Other Entitlements	106	11,513
Charges for Services	172,036	198,501
Fines and Forfeitures	64,982	27,634
Interest, Rents and Other Revenues	45,741	58,669
Interfund Transfers and Other Sources	126,859	171,793
Total Revenues	953,761	1,012,271
EXPENDITURES		
Legislative	42,186	72,795
City Manager	49,245	54,009
City Attorney	128,962	319,480
Finance	84,984	84,919
Information Technology	368,556	353,118
Human Resources	27,283	31,842
Economic Development	-	6,268
Growth Management	31,029	23,396
Parks and Recreation	175,688	128,622
Facilities	-	52,521
Police	1,077,948	1,015,311
Fire	758,877	751,879
Public Works	242,505	236,257
Non-Departmental	304,154	306,253
Transfers	435,000	422,903
Total Expenditures	3,726,416	3,859,572
Excess (Deficiency) of Revenues Over Expenditures	(2,772,655)	(2,847,302)
Fund Balance - Beginning	10,040,314	8,325,937
Prior Period Adjustment	-	-
Fund Balance - Beginning as Restated	10,040,314	8,325,937
Fund Balance - Ending	\$ 7,267,659	5,478,635

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	Actual	Fund Balance
	Required	Fund Balance	Percentage
FY 2015	\$ 5,319,916	\$ 8,325,937	15.65%
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 October 2015

Water & Sewer Revenues-YTD



Overall year-to-date Water revenue in October 2015 has increased \$34,158 (2.90%) when compared to October 2014.

Overall year-to-date Sewer revenue in October 2015 has increased \$32,243 (3.87%) when compared to October 2014.

Fire Protection for FY16 was billed at 100% of the budgeted amount. The majority of the Fire Protection Service Charges were billed in October.

Meter Installation Fees are recorded at 12% of the budgeted amount. The Utility Lien Costs are recorded at 0% of the budgeted amount.

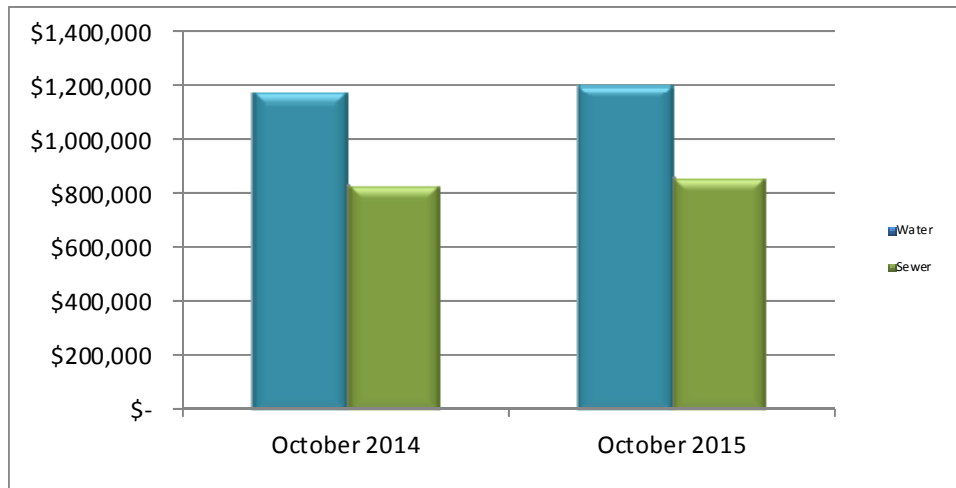
Operating Interest Income is recorded at negative 11% at this time. The interest for Palm Bay Estates Loan (\$22,491.75) will be recorded in June 2016. The interest on the Fleet Services Loan will be recorded in March (\$27,876.61) and September 2016 (\$17,053.38).

Excluding Fund Balance, the total FY16 Operating Revenue is recorded at 9.45% of the budgeted amount compared to FY15 which was at 0.55%. The unbilled revenue transaction for FY15 was recorded in October 2014, and the unbilled revenue transaction for FY16 will not be billed until November 2015, accounting for a majority of the difference.

Water Connection Fees are recorded at 8% of the budgeted amount, and Sewer Connection Fees are recorded at 5% of the budgeted amount.

Water MLEs are recorded at 10% of the budgeted amount, and Sewer MLEs are recorded at 10% of the budgeted amount.

Water & Sewer Revenues-Monthly Comparison



Overall Water revenue for the month of October 2015 has increased by \$34,158 (2.90%) when compared to October 2014.

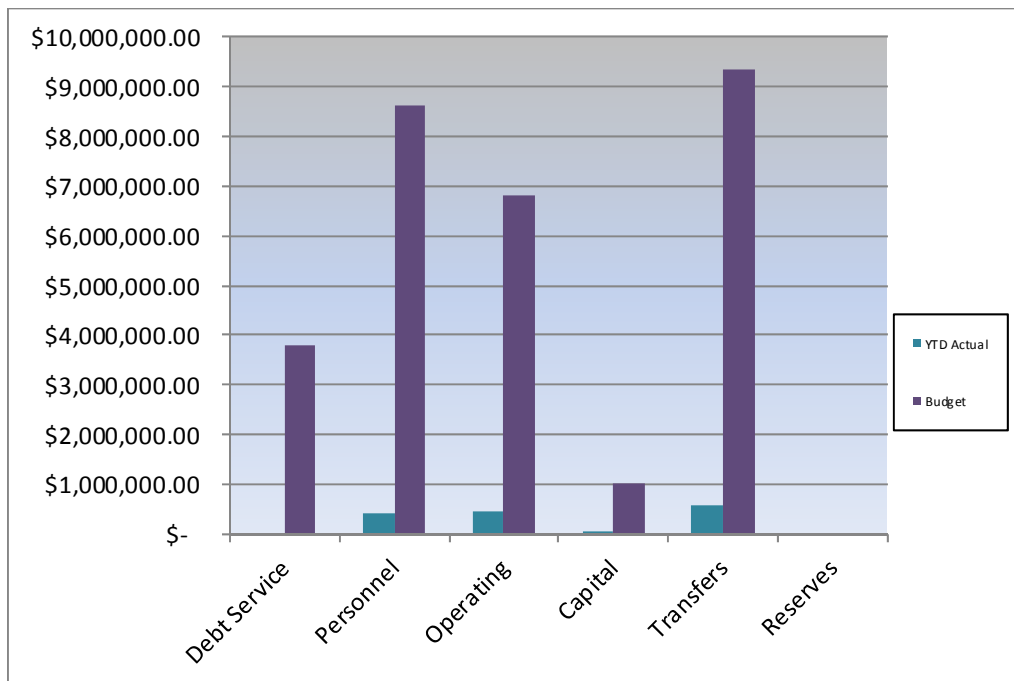
Overall Sewer revenue for the month of October 2015 has increased by \$32,243 (3.87%) when compared to October 2014.

Utilities Expenses – At a Glance October 2015

Water & Sewer Expenditures-YTD

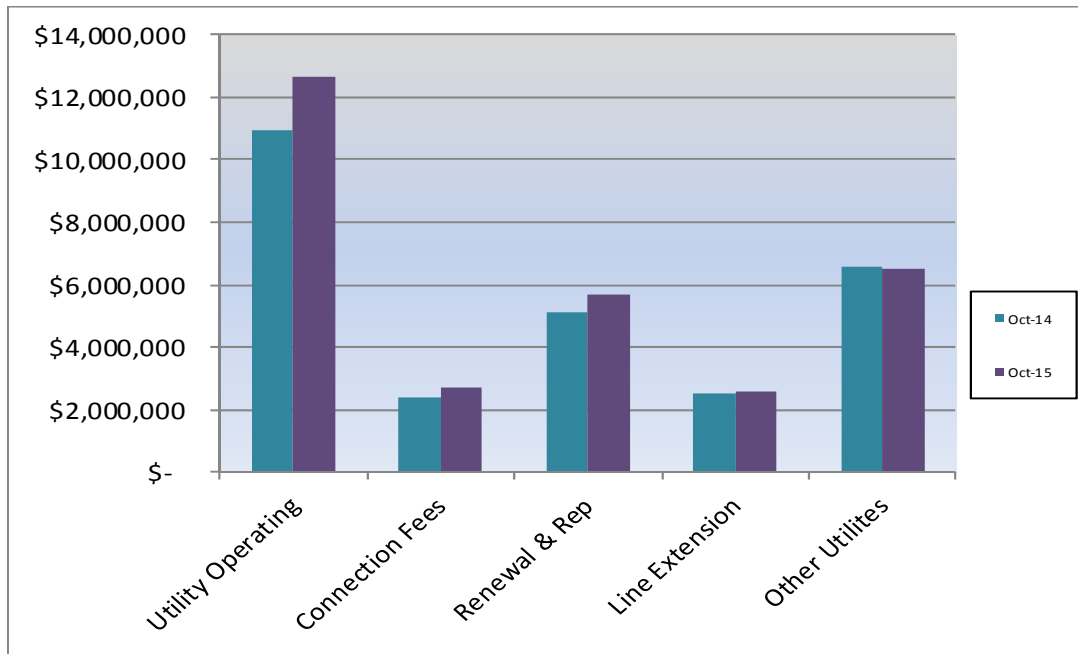
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Debt Service	\$ -	\$ 3,801,039	0.00%
Personnel	413,464.00	8,617,000	4.80%
Operating	458,377.73	6,814,036	6.73%
Capital	8,345.11	1,025,178	0.81%
Transfers	568,723.59	9,362,982	6.07%
Reserves	-	-	-
Total	\$ 1,448,910.43	\$ 29,620,235	4.89%



Utilities Cash & Investments – At a Glance October 2015

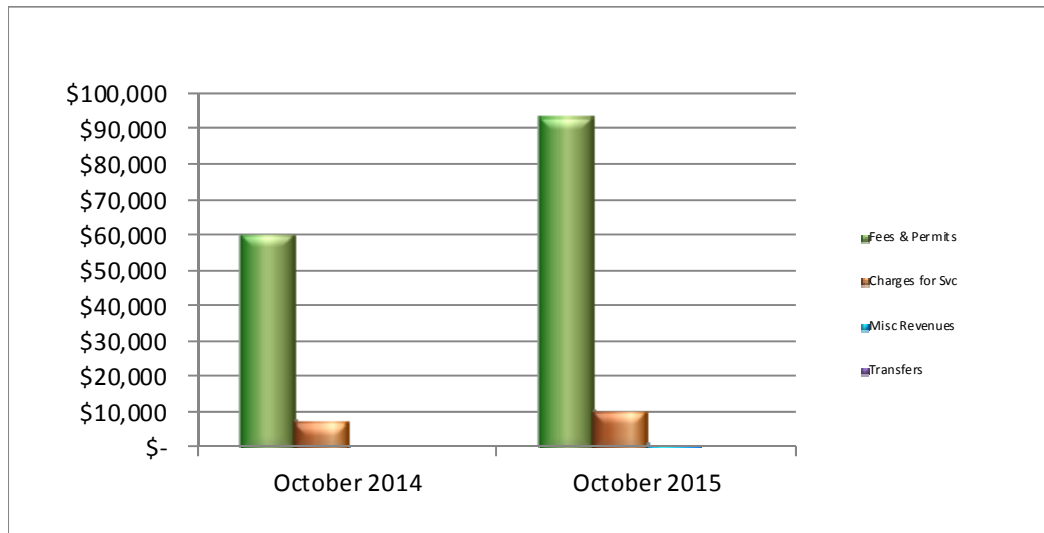
Water & Sewer Cash & Investments-YTD



Overall the Water & Sewer Funds cash and investments were \$2.61 million (9.5%) more as of October 2015 as compared to October 2014.

Building Revenues – At a Glance October 2015

Building Revenues-YTD



Fees and Permits revenue in October 2015 is up \$33,862 (55.88%) from October 2014.

Charges for Services revenue in October 2015 is up \$2,721 (36.42%) from October 2014.

Overall, Building revenues in FY 16 (at October) have increased by \$36,946 (53.54%) when compared to FY 15 (at October).

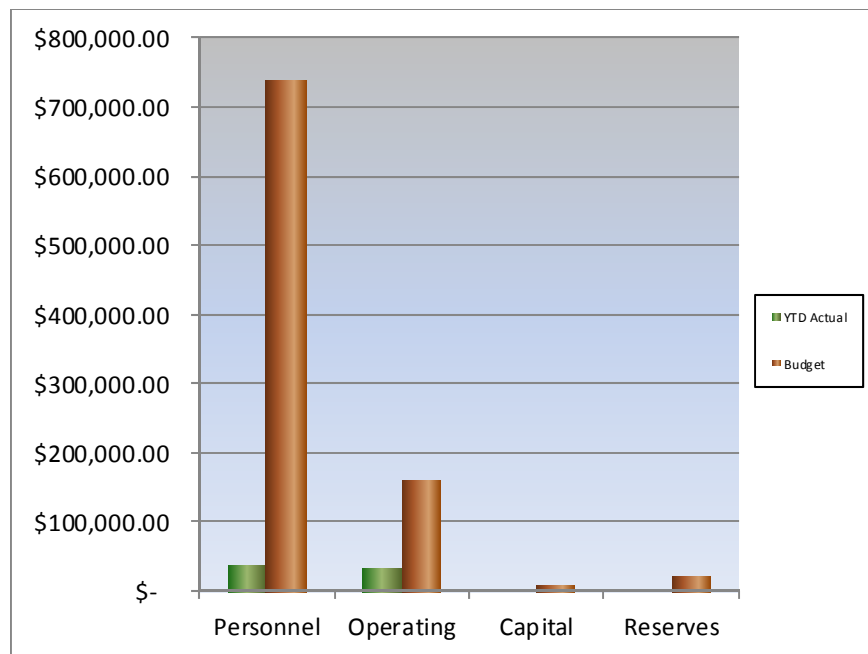
The total FY 16 Building revenues are recorded at 9.4% of the budgeted amount compared to FY 15 which was 6.5%.

Building Expenses – At a Glance October 2015

Building Expenditures-YTD

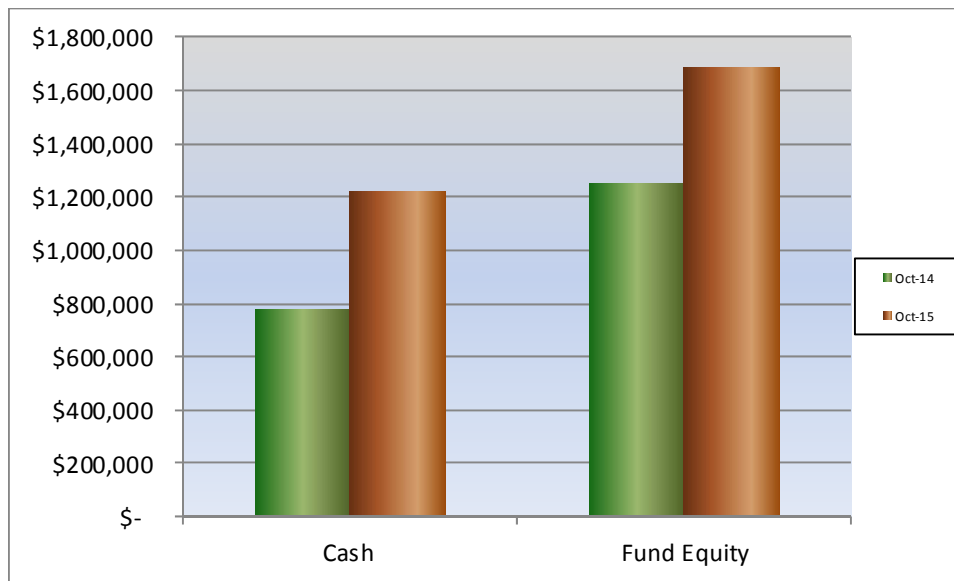
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Personnel	\$ 36,043.22	\$ 739,399	4.87%
Operating	32,992.57	161,941	20.37%
Capital	-	7,500	0.00%
Reserves	-	21,955	0.00%
Total	\$ 69,035.79	\$ 930,795	7.42%



Building Cash & Fund Equity – At a Glance October 2015

Building Cash & Fund Equity-YTD



Overall the Building cash and cash equivalents were \$438,322 (56.3%) more as of October 2015 as compared to October 2014.

Overall the Building fund equity was \$434,495 (34.7%) more as of October 2015 as compared to October 2014.