

**CITY OF PALM BAY, FLORIDA  
MONTHLY FINANCIAL REPORT (UNAUDITED)  
OCTOBER 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 October 2017. October is the first month of the fiscal year and represents 8% of the annual budget.

**Financial Report Summary**

- Citywide revenues of \$9.4 million are at 4.9% of the annual budget. Citywide expenditures of \$13.7 million are at 7.1% 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 \$4.8 million, or 8.5%, in comparison to the prior year.
- Most of the increased citywide revenues are a result of a timing issue with Utilities unbilled revenue. Most of the increased citywide expenditures are due to a timing issue regarding debt service payments and increased year-to-date spending for disaster preparedness.

<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	
10/31/2017	\$ 61,819,252.44	10/31/2017	\$ 9,381,810.98	10/31/2017	\$ 13,668,628.80
10/31/2016	56,985,140.51	10/31/2016	6,831,800.95	10/31/2016	8,956,249.81
Increase	8.5% \$ 4,834,111.93	Increase	37.3% \$ 2,550,010.03	Increase	52.6% \$ 4,712,378.99

- General Fund revenues of \$1.4 million are at 2% of the annual budget. This is an increase of \$0.39 million, or 38.8%, in comparison to the prior year.
- General Fund expenditures of \$4.4 million are at 6% of the annual budget. This is an increase of \$0.85 million, or 23.9%, in comparison to the prior year.
- General Fund cash and investments increased by \$2.21 million, or 49.2%, in comparison to the prior year. Of this increased General Fund cash, \$800,000 is reserved.

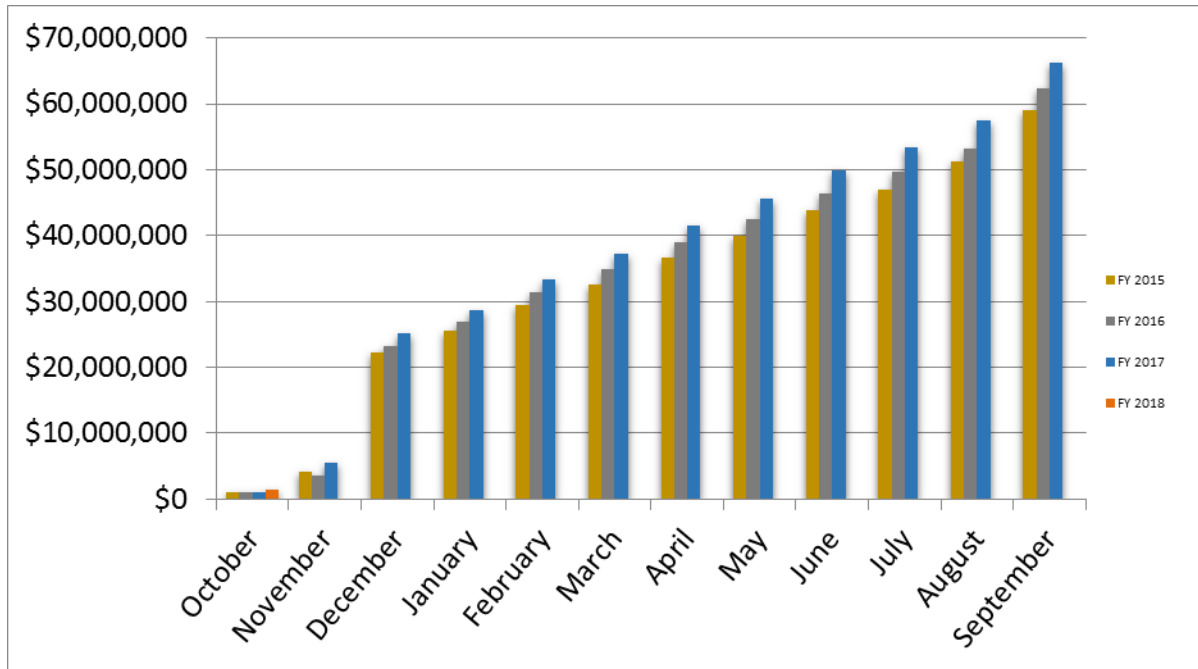
General Fund - Cash & Investments		General Fund - Revenues		General Fund - Expenditures	
10/31/2017	\$ 6,696,830.08	10/31/2017	\$ 1,394,672.15	10/31/2017	\$ 4,424,710.99
10/31/2016	4,487,091.66	10/31/2016	1,005,089.55	10/31/2016	3,572,123.39
Increase	49.2% \$ 2,209,738.42	Increase	38.8% \$ 389,582.60	Increase	23.9% \$ 852,587.60

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 2015 to 2018.

*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 2017

### General Fund Revenues-YTD



### FY2018 YTD Change in GF Revenues as Compared to Prior Year

	Prior YTD	Current YTD	Percent Change	Annual Budget
Ad Valorem Taxes	\$ -	\$ -	0.0%	\$ 28,467,595
Local Option Fuel Tax	-	-	0.0%	4,208,406
Utility Service Taxes	113,570	124,247	9.4%	8,402,000
Communication Service Tax	-	-	0.0%	2,779,457
Franchise Fees	-	-	0.0%	5,240,000
State Shared Revenues	-	-	0.0%	4,515,736
Half Cent Sales Tax	-	-	0.0%	6,686,792
Licenses and Permits	433,201	426,360	-1.6%	602,000
Grants and Other Entitlements (1)	2,158	240,322	11035.5%	820,738
Charges for Services (2)	208,737	305,445	46.3%	3,431,469
Fines and Forfeitures (3)	22,357	32,133	43.7%	346,300
Interest, Rents & Other Revenues (4)	74,917	60,880	-18.7%	406,600
Interfund Transfers & Capital Leases (5)	150,149	205,285	36.7%	2,408,344
Fund Balance	-	-	0.0%	380,167
	<b>\$ 1,005,090</b>	<b>\$ 1,394,672</b>	<b>38.8%</b>	<b>\$ 68,695,604</b>

(1) Increase primarily due to increased year-to-date collections from Brevard County for partial reimbursement of Parks expenses in FY18.

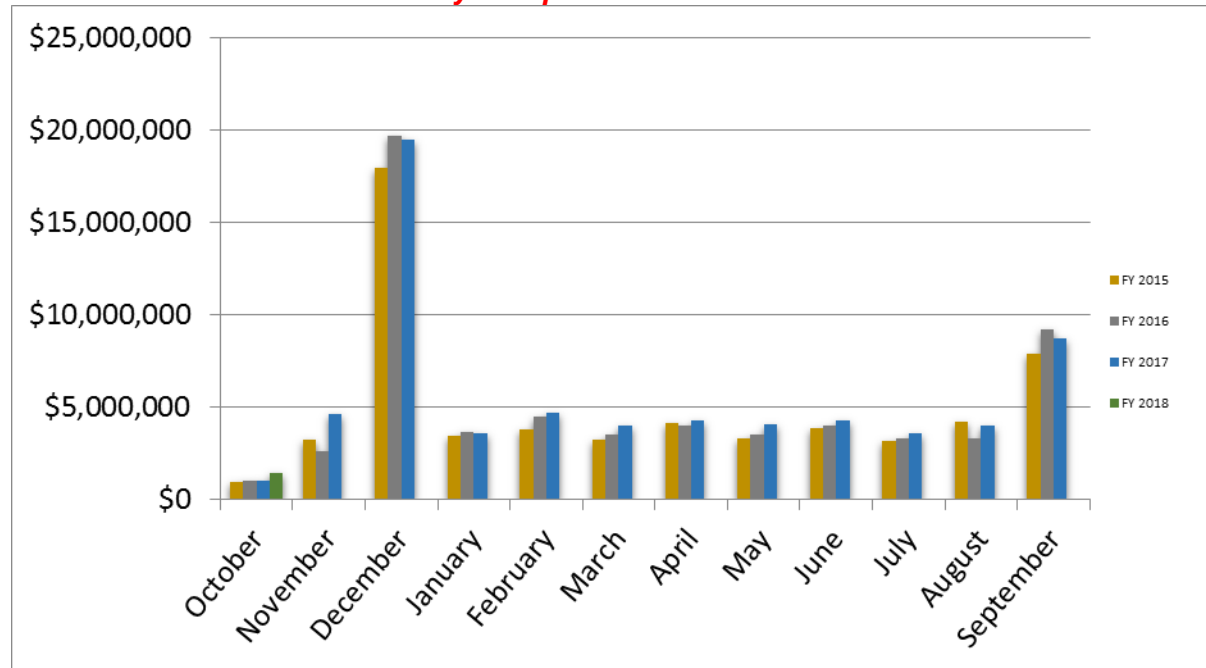
(2) Increase primarily due to increased year-to-date collections of Parks and Rec. Dept. fees and Fire Dept. fees in FY18.

(3) Increase primarily due to higher year-to-date collection of code compliance fines in FY18.

(4) Decrease primarily due to lower year-to-date proceeds from property sales in FY18.

(5) Increase primarily due to higher budgeted transfer from Utility Operating Fund in FY18.

**General Fund Revenues-Monthly Comparison**



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

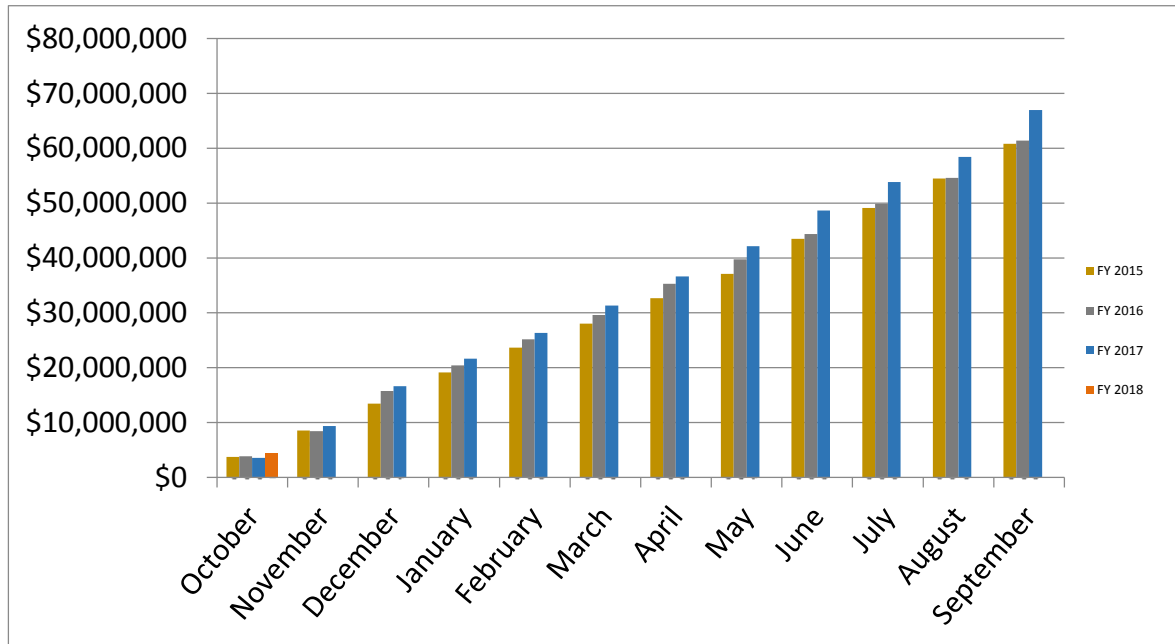
	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
October	\$ 953,761	\$ 1,012,271	\$ 1,005,090	\$ 1,394,672
November	3,246,502	2,619,131	4,580,252	
December	17,977,402	19,689,226	19,511,218	
January	3,458,799	3,639,261	3,585,305	
February	3,782,243	4,490,812	4,656,371	
March	3,203,645	3,522,695	3,990,468	
April	4,103,728	4,009,369	4,245,071	
May	3,278,699	3,511,664	4,073,453	
June	3,830,369	3,976,789	4,237,693	
July	3,170,380	3,323,512	3,597,870	
August	4,168,296	3,323,716	3,960,272	
September	7,881,278	9,167,028	8,798,341	
	<b>\$ 59,055,101</b>	<b>\$ 62,285,475</b>	<b>\$ 66,241,404</b>	<b>\$ 1,394,672</b>

Overall General Fund revenues for the month of October 2017 have increased \$389,583 (38.74%) when compared to October 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 October 2017

### General Fund Expenditures-YTD



### 2018 YTD Change in GF Expenditures as Compared to Prior Year

	Prior YTD	Current YTD	Percent Change	Annual Budget
Legislative (1)	\$ 50,533	\$ 60,195	19.1%	\$ 712,660
City Manager (2)	29,013	32,535	12.1%	798,081
City Attorney (3)	56,791	19,115	-66.3%	577,672
Procurement	17,644	17,861	1.2%	468,024
Finance	68,446	67,968	-0.7%	1,404,782
Information Technology (4)	122,986	98,746	-19.7%	3,438,711
Human Resources (5)	25,849	34,406	33.1%	715,807
Growth Management (6)	54,755	62,649	14.4%	1,398,112
Economic Development (7)	81,792	32,198	-60.6%	696,632
Parks and Recreation (8)	133,111	188,956	42.0%	4,275,090
Facilities	138,063	141,966	2.8%	2,657,250
Police	1,086,067	995,128	-8.4%	19,776,232
Fire	759,642	818,822	7.8%	14,260,285
Public Works (9)	201,441	1,040,599	416.6%	5,405,452
Non-Departmental	321,694	345,775	7.5%	5,591,564
Transfers (10)	424,296	467,791	10.3%	6,519,250
<b>Total</b>	<b>\$ 3,572,123</b>	<b>\$ 4,424,711</b>	<b>23.9%</b>	<b>\$ 68,695,604</b>

(1) Increase primarily due to increased year-to-date costs for salaries, insurance, and furniture/equipment

(2) Increase primarily due to higher year-to-date training and education costs.

(3) Decrease primarily due to decreased year-to-date costs for Other Attorneys in FY18. Most in-house Attorney cost is charged to Risk Fund.

(4) Decrease primarily due to lower year-to-date costs for telephone maintenance and for licenses/certificates.

(5) Increase primarily due to Payroll staff was moved to Human Resources within the last year.

(6) Increase primarily due to higher year-to-date costs for personnel services in Land Development and Code Compliance divisions.

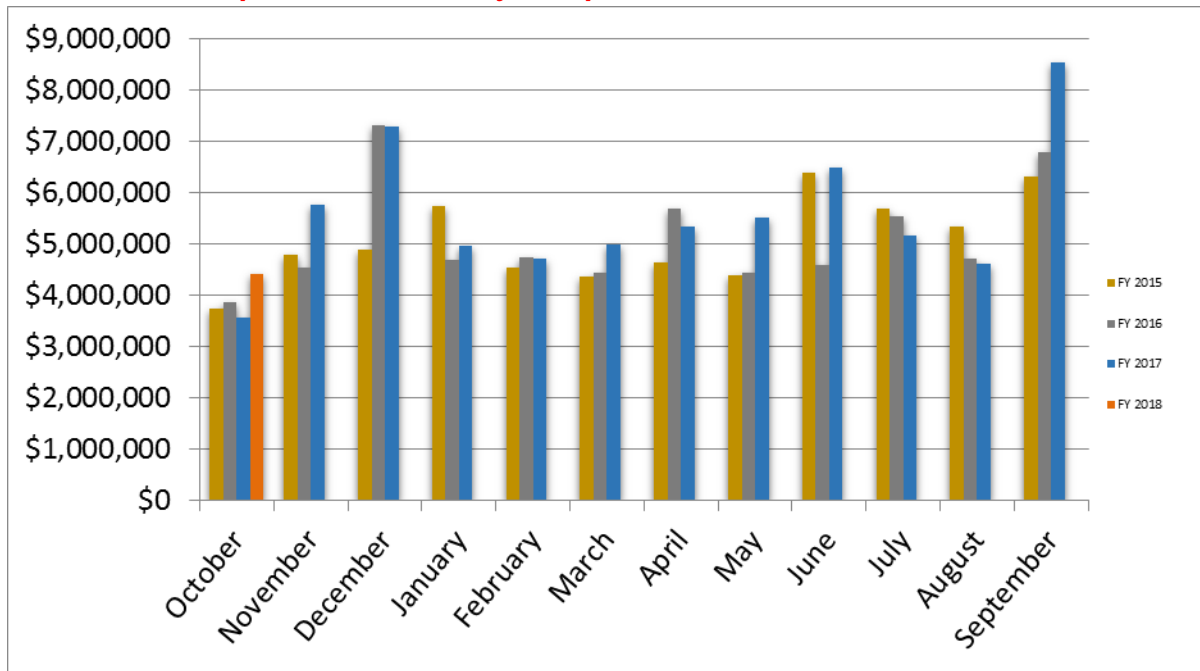
(7) Decrease primarily due to lower year-to-date cinema advertising costs compared to same time last year.

(8) Increase primarily due to inclusion of expenses of the Regional Park, Aquatic Center, and Senior Center in General Fund.

(9) Increase primarily due to higher year-to-date costs for disaster preparedness and for school traffic signals in FY18.

(10) Increase primarily due to principal portion added to sinking fund payments for 2013 Pension Bonds in FY18.

**General Fund Expenditures-Monthly Comparison**



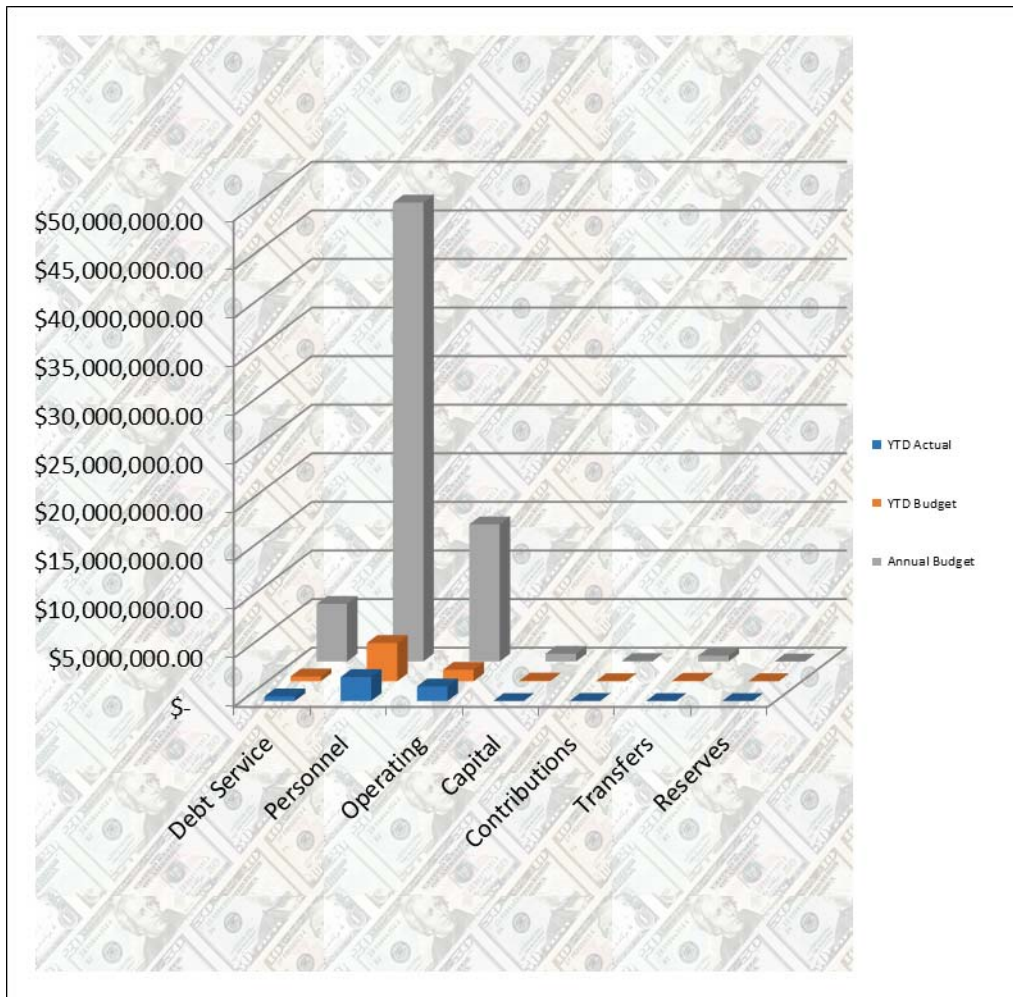
**Monthly GF Expenditures as Compared to Prior Years**

	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
October	\$ 3,726,416	\$ 3,859,572	\$ 3,572,123	\$ 4,424,711
November	4,799,117	4,542,401	5,766,532	
December	4,886,462	7,323,753	7,290,910	
January	5,729,780	4,685,466	4,972,873	
February	4,526,492	4,746,328	4,719,784	
March	4,375,170	4,443,296	4,983,695	
April	4,630,094	5,693,822	5,332,488	
May	4,397,032	4,450,696	5,512,146	
June	6,385,679	4,592,489	6,488,834	
July	5,689,908	5,551,214	5,175,411	
August	5,346,802	4,712,630	4,609,040	
September	6,310,426	6,791,578	8,539,660	
	<b>\$ 60,803,379</b>	<b>\$ 61,393,243</b>	<b>\$ 66,963,498</b>	<b>\$ 4,424,711</b>

October General Fund expenditures were \$852,588 (23.87%) more when comparing October 2017 to October 2016, mainly due to costs associated with Hurricane Irma.

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

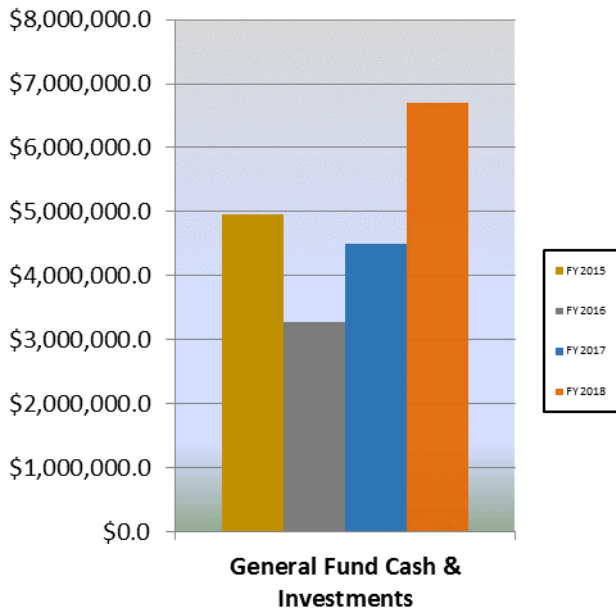
	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>	<u>% Spent</u>
Debt Service	\$ 467,791.42	\$ 493,803	\$ 5,925,638	7.89%
Personnel	2,458,552.84	3,934,822	47,217,865	5.21%
Operating	1,494,866.73	1,176,493	14,117,910	10.59%
Capital	-	65,882	790,579	0.00%
Contributions	3,500.00	4,167	50,000	7.00%
Transfers	-	49,468	593,612	0.00%
Reserves	-	-	-	0.00%
<b>Total</b>	<b>\$ 4,424,710.99</b>	<b>\$ 5,724,634</b>	<b>\$ 68,695,604</b>	<b>6.44%</b>



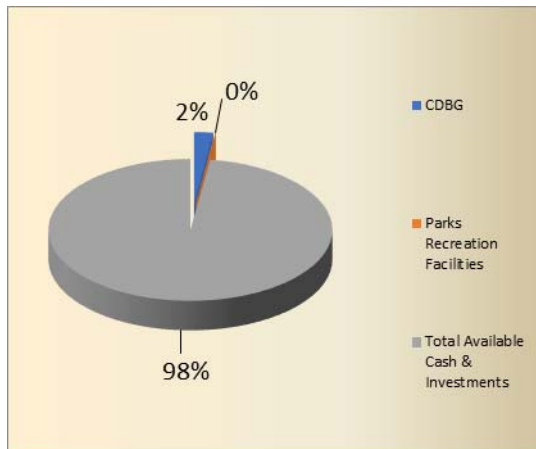
The total budgeted expenditures for 2018 are \$68,695,604 (includes encumbrances from prior year and 2018 budget amendments). Of this amount, \$47,217,865, or 68.7%, is related to personnel costs.

## General Fund Cash & Investments – At a Glance October 2017

### General Fund Cash & Investments-YTD



General Fund Cash & Investments	
Prior Month Ending Balance	\$ 6,843,237.69
Cash Increase (Decrease)	<u>(146,407.61)</u>
Ending Balance 10/31/17	<u><u>\$ 6,696,830.08</u></u>



General Fund Cash & Investments	
October 2017 Ending Balance	\$ 6,696,830.08
Cash Advanced to Other Funds:	
CDBG	(144,312.80)
Parks Recreation Facilities	<u>(5,653.83)</u>
Total Available Cash & Investments	<u><u>\$ 6,546,863.45</u></u>

## General Fund Balance – At a Glance October 2017

	PRIOR YTD	CURRENT YTD
<b>REVENUES</b>		
Ad Valorem Taxes	\$ -	\$ -
Local Option Fuel Tax	-	-
Utility Service Taxes	113,570	124,247
Communication Service Tax	-	-
Franchise Fees	-	-
State Shared Revenues	-	-
Half Cent Sales Tax	-	-
Licenses and Permits	433,201	426,360
Grants and Other Entitlements	2,158	240,322
Charges for Services	208,737	305,445
Fines and Forfeitures	22,357	32,133
Interest, Rents and Other Revenues	74,917	60,880
Interfund Transfers and Other Sources	150,149	205,285
<b>Total Revenues</b>	<b>1,005,090</b>	<b>1,394,672</b>
<b>EXPENDITURES</b>		
Legislative	50,533	60,195
City Manager	29,013	32,535
City Attorney	56,791	19,115
Procurement	17,644	17,861
Finance	68,446	67,968
Information Technology	122,986	98,746
Human Resources	25,849	34,406
Growth Management	54,755	62,649
Economic Development	81,792	32,198
Parks and Recreation	133,111	188,956
Facilities	138,063	141,966
Police	1,086,067	995,128
Fire	759,642	818,822
Public Works	201,441	1,040,599
Non-Departmental	321,694	345,775
Transfers	424,296	467,791
<b>Total Expenditures</b>	<b>3,572,123</b>	<b>4,424,711</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(2,567,034)</b>	<b>(3,030,039)</b>
<b>Fund Balance - Beginning</b>	<b>9,174,582</b>	<b>8,389,436</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - Beginning as Restated</b>	<b>9,174,582</b>	<b>8,389,436</b>
<b>Fund Balance - Ending</b>	<b>\$ 6,607,548</b>	<b>5,359,397</b>

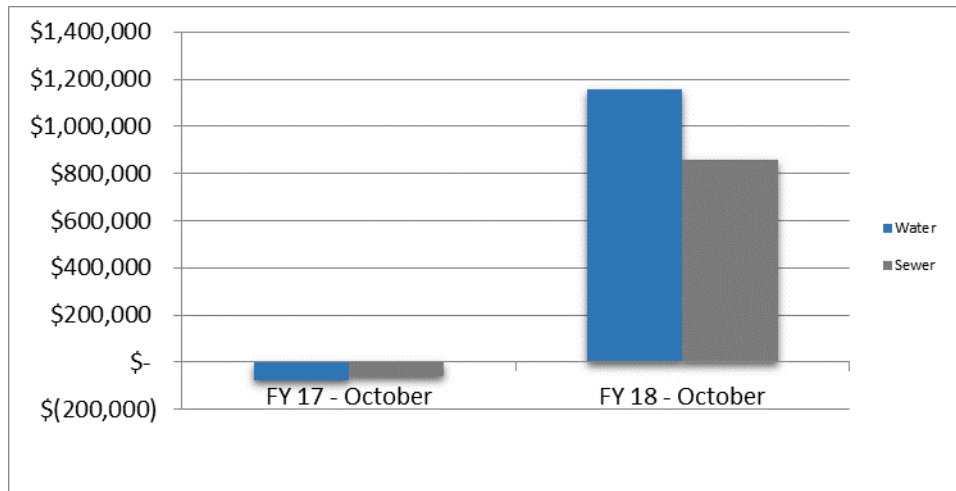
The minimum General Fund balance, as established by Resolution 2011-34, is ten percent (10%) of the subsequent fiscal year's budgeted expenditures less capital outlay and transfers out as originally adopted by ordinance in September. The following is a history of the City's General Fund balance.

General Fund Balance - History			
	Minimum Required	Actual Fund Balance	Fund Balance Percentage
FY 2017	\$ 6,107,113	\$ 8,389,436	13.74%
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%



## Utilities Revenues – At a Glance October 2017

### Water & Sewer Revenues-YTD



Overall year-to-date Water revenue in October 2017 has increased \$1,235,958 (1600.08%) when compared to October 2016. However, the difference is related to the timing of the unbilled revenue transaction which should clear in December.

Overall year-to-date Sewer revenue in October 2017 has increased \$915,356 (1553.90%) when compared to October 2016. However, the difference is related to the timing of the unbilled revenue transaction which should clear in December.

Fire Protection for FY17 was billed at 0% of the budgeted amount. The Fire Protection Service Charges will be billed in November (annual billing).

Meter Installation Fees are recorded at 9% of the budgeted amount. The Utility Lien Costs are recorded at 7% of the budgeted amount.

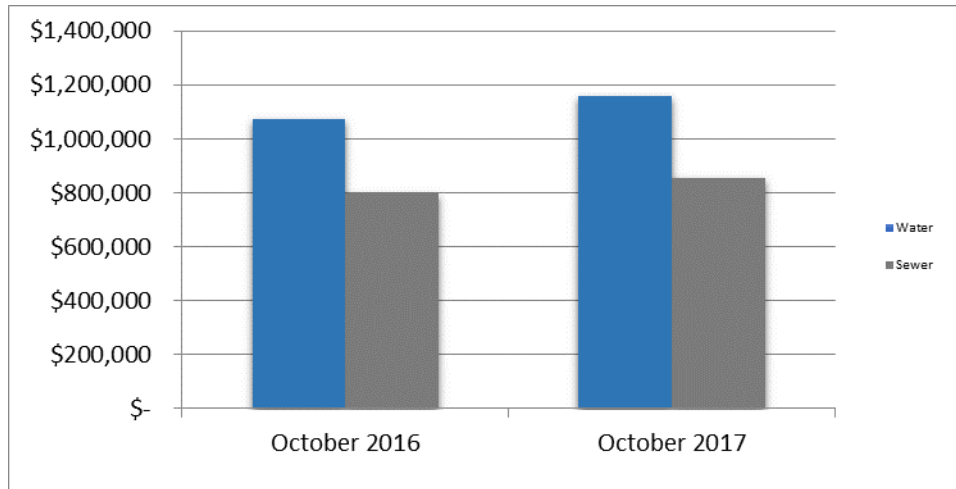
Operating Interest Income is recorded at 5%.

Excluding Fund Balance, the total FY18 Operating Revenue is recorded at 7.57% of the budgeted amount compared to FY17 which was at 0.37%. Again, the difference is related to the timing of the unbilled revenue transactions; the large discrepancy should clear in December.

Water Connection Fees are recorded at 10% of the budgeted amount, and Sewer Connection Fees are recorded at 14% of the budgeted amount.

Water MLEs are recorded at 6% of the budgeted amount, and Sewer MLEs are recorded at 8% of the budgeted amount.

*Water & Sewer Revenues-Monthly Comparison*



Overall Water revenue for the month of October 2017 has increased by \$88,081 (8.23%) when compared to October 2016.

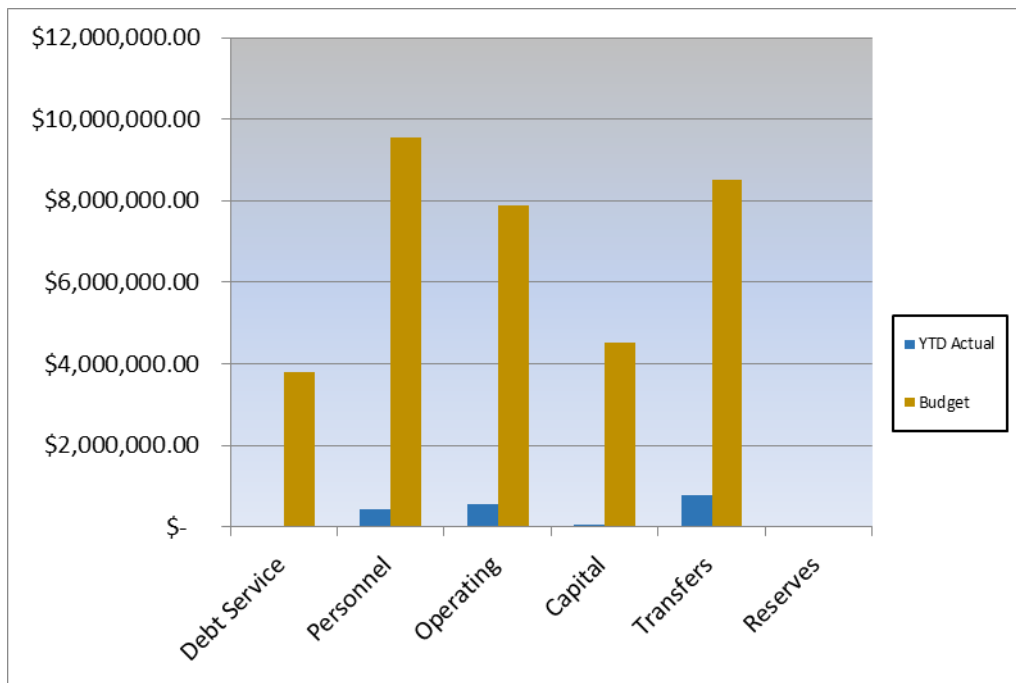
Overall Sewer revenue for the month of October 2017 has increased by \$58,832 (7.38%) when compared to October 2016.

## Utilities Expenses – At a Glance October 2017

### Water & Sewer Expenditures-YTD

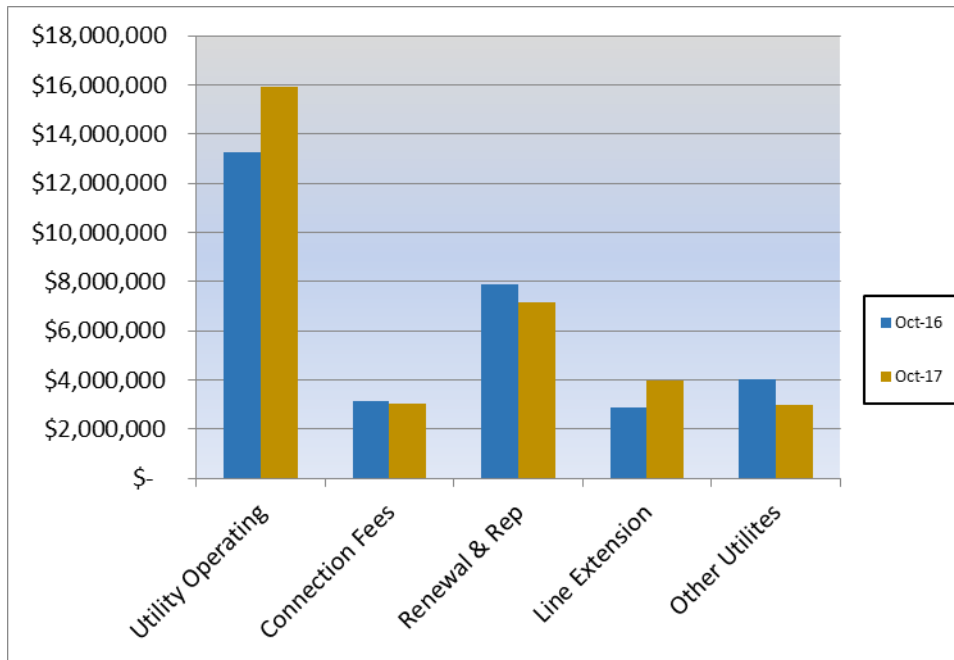
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Debt Service	\$ 464.67	\$ 3,799,411	0.01%
Personnel	433,502.72	9,558,865	4.54%
Operating	557,040.26	7,891,073	7.06%
Capital	44,749.90	4,527,078	0.99%
Transfers	784,355.48	8,520,949	9.21%
Reserves	-	-	-
<b>Total</b>	<b>\$ 1,820,113.03</b>	<b>\$ 34,297,376</b>	<b>5.31%</b>



## Utilities Cash & Investments – At a Glance October 2017

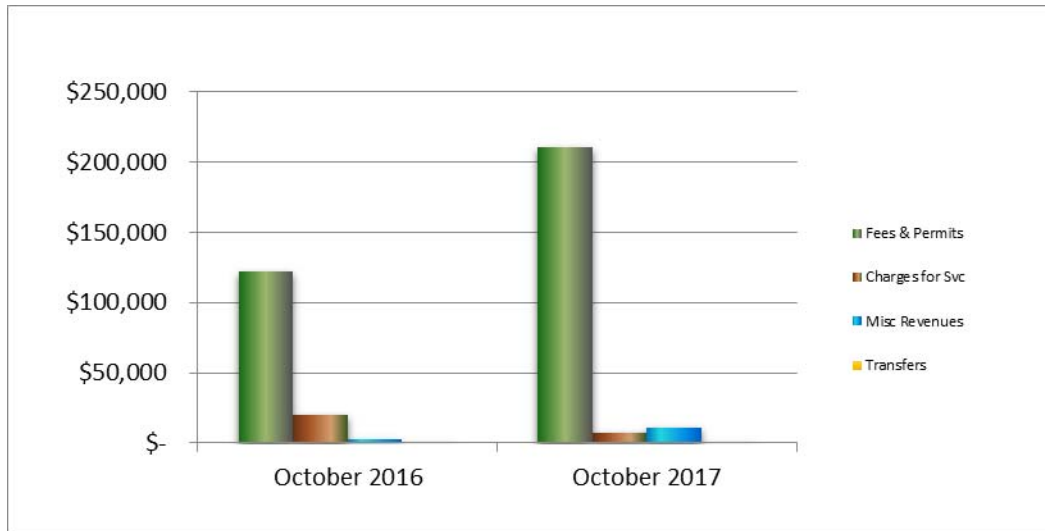
### Water & Sewer Cash & Investments-YTD



Overall the Water & Sewer Funds cash and investments were \$1.89 million (6.1%) more as of October 2017 as compared to October 2016.

## Building Revenues – At a Glance October 2017

### *Building Revenues-YTD*



Fees and Permits revenue in October 2017 is up \$88,762 (72.73%) from October 2016.

Charges for Services revenue in October 2017 is down \$12,026 (61.25%) from October 2016.

Overall, Building revenues in FY 18 (at October) have increased by \$84,268 (58.29%) when compared to FY 17 (at October).

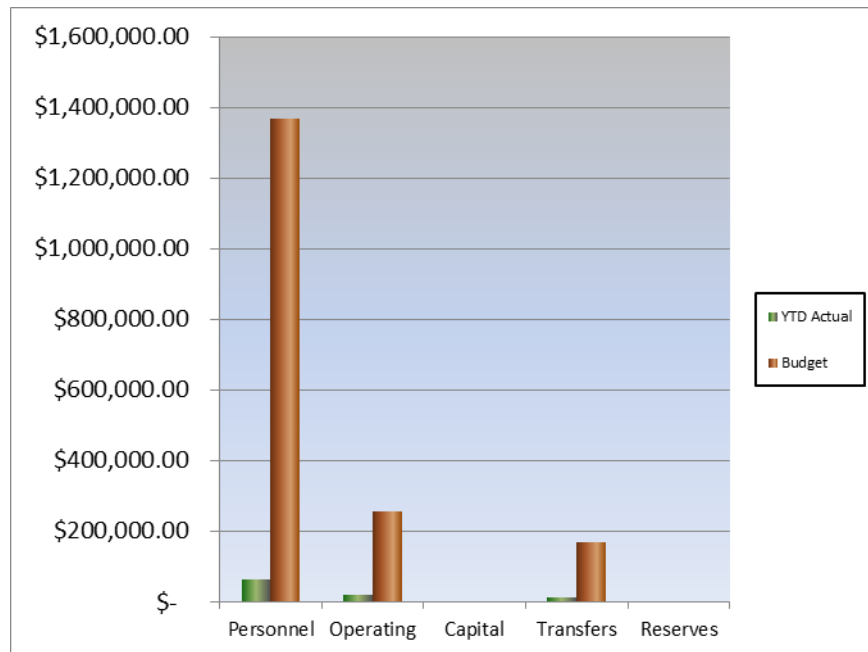
The total FY 18 Building revenues are recorded at 12.79% of the budgeted amount compared to FY 17 which was 8.38%.

## Building Expenses – At a Glance October 2017

### *Building Expenditures-YTD*

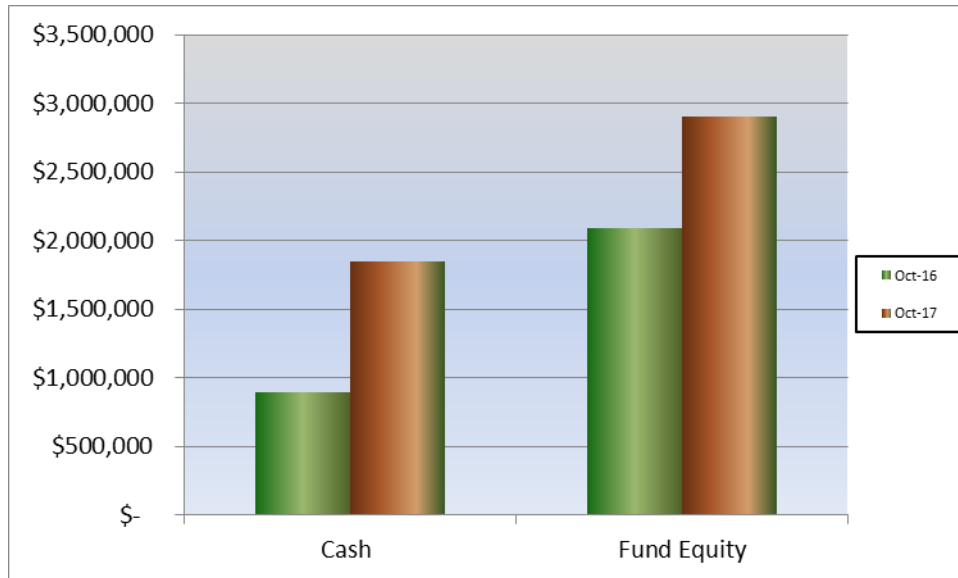
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Personnel	\$ 64,788.03	\$ 1,367,118	4.74%
Operating	20,540.09	255,211	8.05%
Capital	-	-	0.00%
Transfers	13,887.42	166,649	8.33%
Reserves	-	-	0.00%
Total	\$ 99,215.54	\$ 1,788,978	5.55%



## Building Cash & Fund Equity – At a Glance October 2017

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



Overall the Building cash and investments were \$945,671 (105.3%) more as of October 2017 as compared to October 2016.

Overall the Building fund equity was \$809,556 (38.7%) more as of October 2017 as compared to October 2016.