

**CITY OF PALM BAY, FLORIDA
MONTHLY FINANCIAL REPORT (UNAUDITED)
SEPTEMBER 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 September 2016. September is the twelfth month of the fiscal year and represents 100% of the annual budget.

Financial Report Summary

- Citywide revenues of \$164.9 million are at 85% of the annual budget. Citywide expenditures of \$159.4 million are at 82% 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 decreased by \$2.9 million, or 4.9%, 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	
9/30/2016	\$ 57,045,046.64	9/30/2016	\$ 164,960,274.34	9/30/2016	\$ 159,413,243.70
9/30/2015	59,965,582.34	9/30/2015	146,686,341.69	9/30/2015	155,602,119.83
Decrease	-4.9% \$ (2,920,535.70)	Increase	12.5% \$ 18,273,932.65	Increase	2.4% \$ 3,811,123.87

- General Fund revenues of \$61.5 million are at 95% of the annual budget. This is an increase of \$2.40 million, or 4.1%, in comparison to the prior year.
- General Fund expenditures of \$61.6 million are at 95% of the annual budget. This is an increase of \$0.80 million, or 1.3%, in comparison to the prior year.
- General Fund cash and investments increased by \$0.49 million, or 8.8%, in comparison to the prior year.

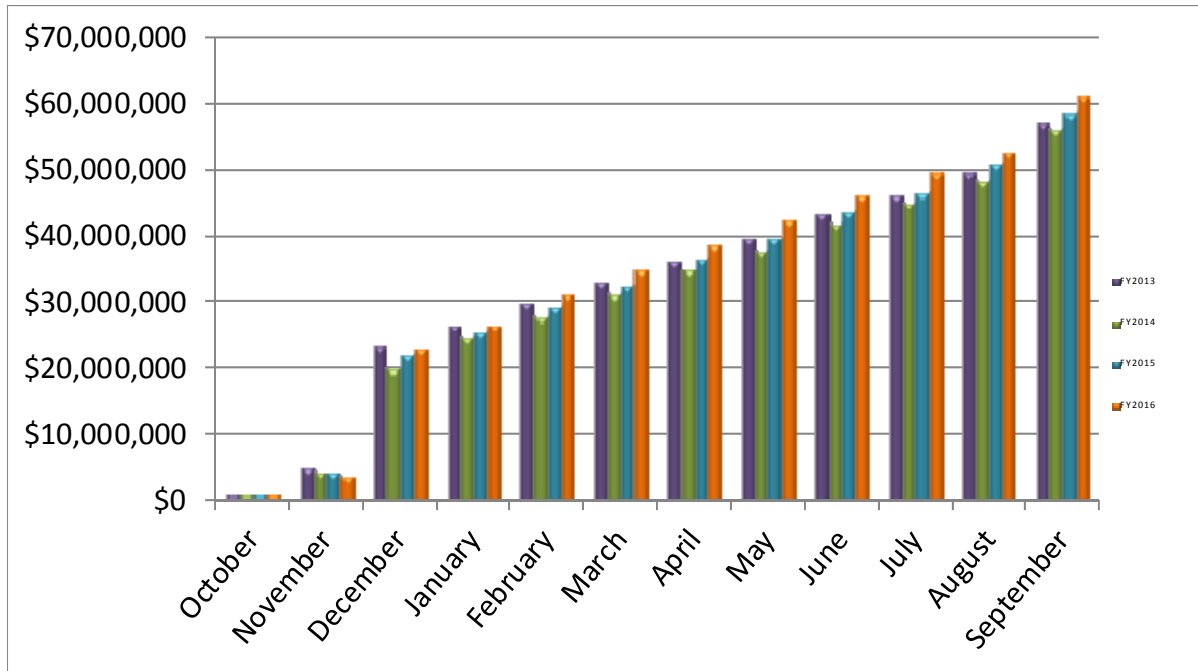
General Fund - Cash & Investments		General Fund - Revenues		General Fund - Expenditures	
9/30/2016	\$ 6,110,163.13	9/30/2016	\$ 61,475,384.39	9/30/2016	\$ 61,599,027.71
9/30/2015	5,616,667.32	9/30/2015	59,055,101.38	9/30/2015	60,813,065.85
Increase	8.8% \$ 493,495.81	Increase	4.1% \$ 2,420,283.01	Increase	1.3% \$ 785,961.86

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 September 2016

General Fund Revenues-YTD



FY2017 YTD Change in GF Revenues as Compared to Prior Year

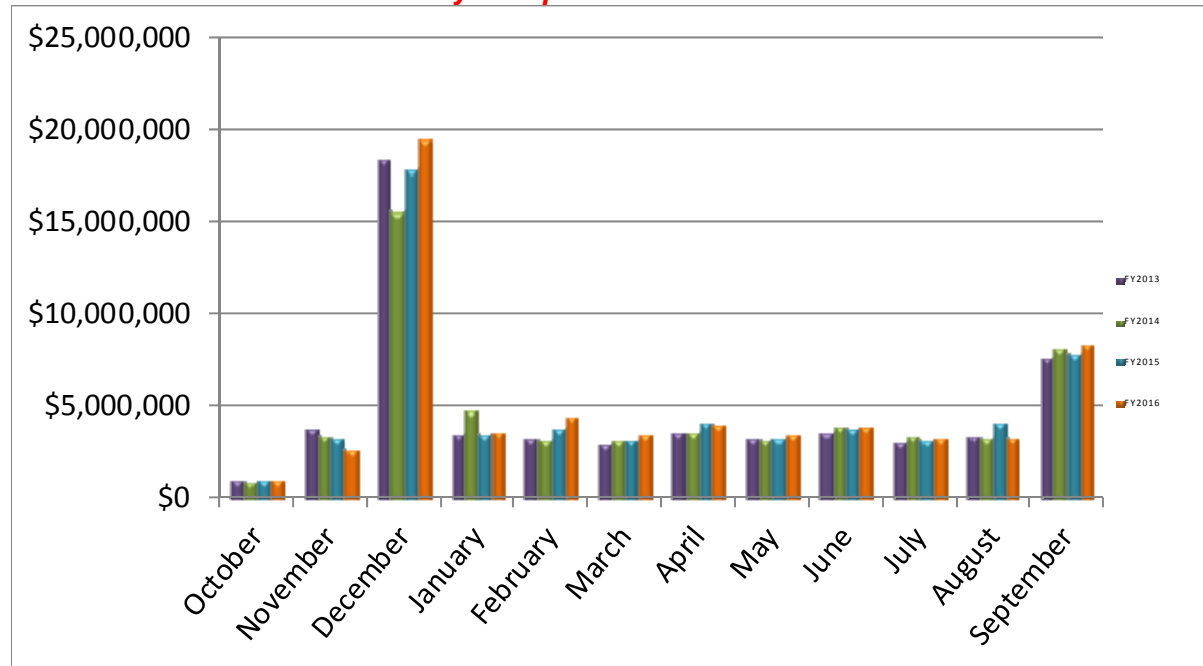
	Prior YTD	Current YTD	Percent Change	Annual Budget
Ad Valorem Taxes	\$ 23,048,733	\$ 24,067,163	4.4%	\$ 24,471,077
Local Option Fuel Tax (1)	3,490,076	3,854,156	10.4%	3,560,238
Utility Service Taxes	7,978,611	8,288,194	3.9%	8,222,000
Communication Service Tax	2,953,713	2,756,083	-6.7%	2,953,575
Franchise Fees	5,414,637	5,367,504	-0.9%	5,390,000
State Shared Revenues	3,997,325	4,109,953	2.8%	3,963,798
Half Cent Sales Tax	5,627,552	5,900,650	4.9%	5,801,620
Licenses and Permits	590,442	603,667	2.2%	580,520
Grants and Other Entitlements (2)	132,475	221,220	67.0%	288,320
Charges for Services	2,711,401	2,884,771	6.4%	2,828,153
Fines and Forfeitures	394,263	395,041	0.2%	536,200
Interest, Rents & Other Revenues (3)	493,084	893,225	81.2%	1,119,305
Interfund Transfers & Capital Leases	2,222,789	2,133,758	-4.0%	2,636,719
Fund Balance	-	-	0.0%	2,211,872
	\$ 59,055,101	\$ 61,475,384	4.1%	\$ 64,563,397

(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 from Brevard County School Board.

(3) Increase primarily due to property sales in FY16.

General Fund Revenues-Monthly Comparison



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Monthly GF Revenues as Compared to Prior Years

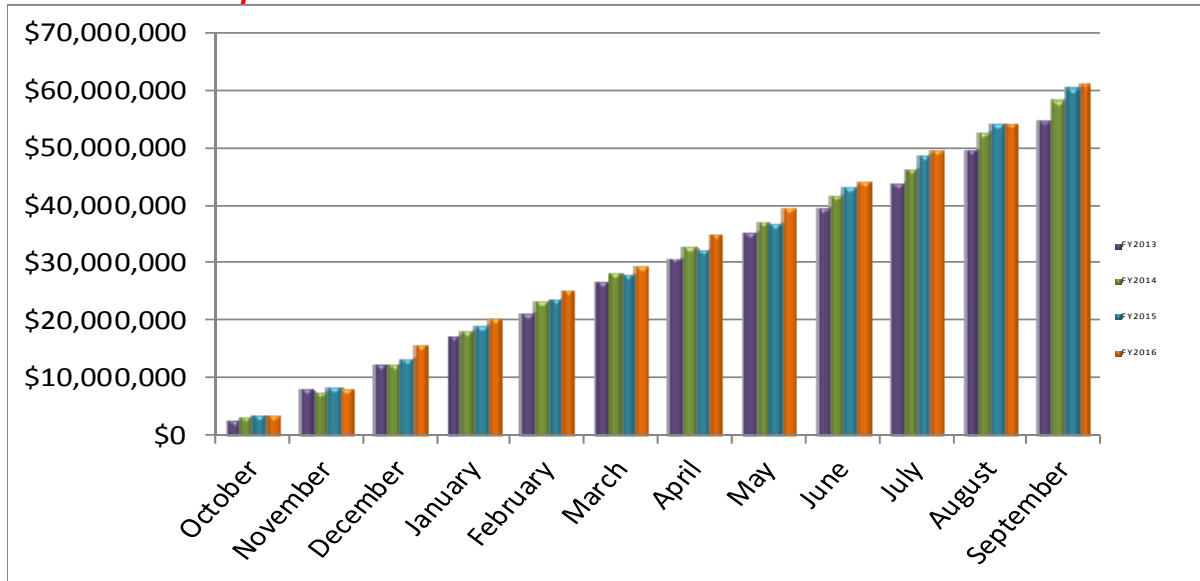
	FY 2013	FY 2014	FY 2015	FY 2016
October	\$ 1,048,437	\$ 911,630	\$ 953,761	\$ 1,012,271
November	3,846,416	3,425,400	3,246,502	2,619,131
December	18,439,244	15,683,359	17,977,402	19,689,226
January	3,531,439	4,802,728	3,458,799	3,639,261
February	3,279,875	3,200,574	3,782,243	4,490,812
March	2,917,572	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	3,323,512
August	3,393,534	3,262,185	4,168,296	3,323,716
September	7,579,482	8,115,309	7,881,277	8,356,938
Total	\$ 57,587,537	\$ 56,703,597	\$ 59,055,101	\$ 61,475,384

Overall General Fund revenues for the month of September 2016 have increased \$475,661 (6.04%) when compared to September 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 September 2016

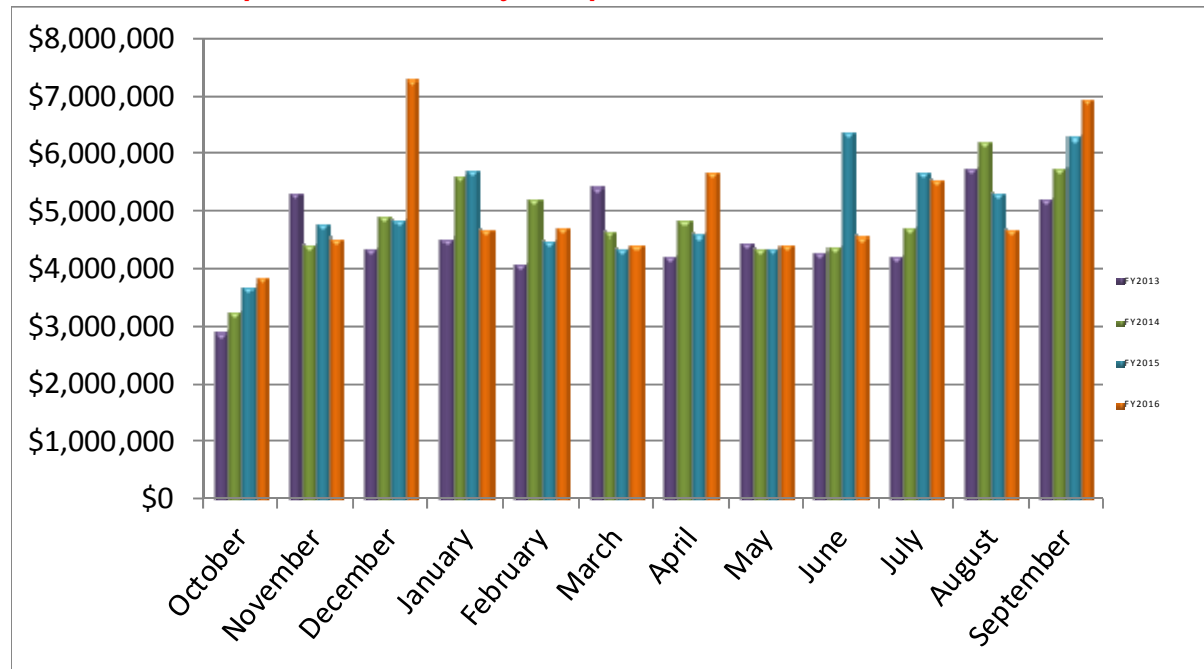
General Fund Expenditures-YTD



	Prior YTD	Current YTD	Percent Change	Annual Budget
Legislative (1)	\$ 571,170	\$ 630,388	10.4%	\$ 665,846
City Manager (2)	980,643	621,430	-36.6%	608,311
City Attorney (3)	960,036	1,195,635	24.5%	1,191,698
Finance	1,588,043	1,682,635	6.0%	1,722,936
Information Technology (4)	1,770,601	2,529,140	42.8%	2,685,502
Human Resources	568,196	578,684	1.8%	581,970
Growth Management	592,850	580,233	-2.1%	588,551
Economic Development (5)	2,976	651,228	0.0%	668,751
Parks and Recreation (6)	4,550,071	2,672,327	-41.3%	2,722,151
Facilities (7)	120	2,191,066	0.0%	2,423,436
Police	19,243,503	17,937,289	-6.8%	19,458,998
Fire	13,249,528	13,405,887	1.2%	13,392,382
Public Works	4,624,274	4,599,336	-0.5%	4,820,647
Non-Departmental	3,721,502	3,690,331	-0.8%	4,138,053
Transfers	8,389,553	8,633,419	2.9%	8,894,165
	\$ 60,813,066	\$ 61,599,028	1.3%	\$ 64,563,397

- (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 computer supplies.
- (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



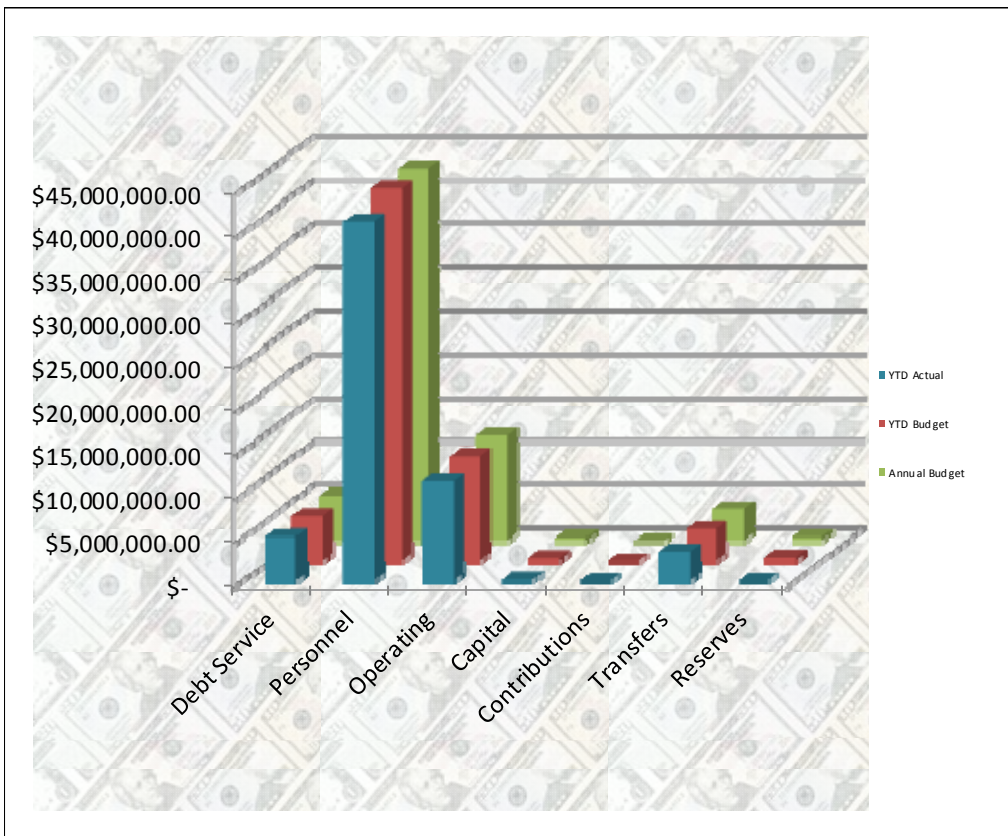
Monthly GF Expenditures as Compared to Prior Years

	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	5,551,214
August	5,769,101	6,272,362	5,346,802	4,712,630
September	5,245,884	5,780,329	6,320,113	6,997,362
	\$ 55,116,519	\$ 58,669,085	\$ 60,813,066	\$ 61,599,028

September General Fund expenditures were \$677,249 (10.72%) more when comparing September 2016 to September 2015. Year-to-date expenditures are \$785,962 more.

General Fund Expenditures-Budgetary Comparison by Category

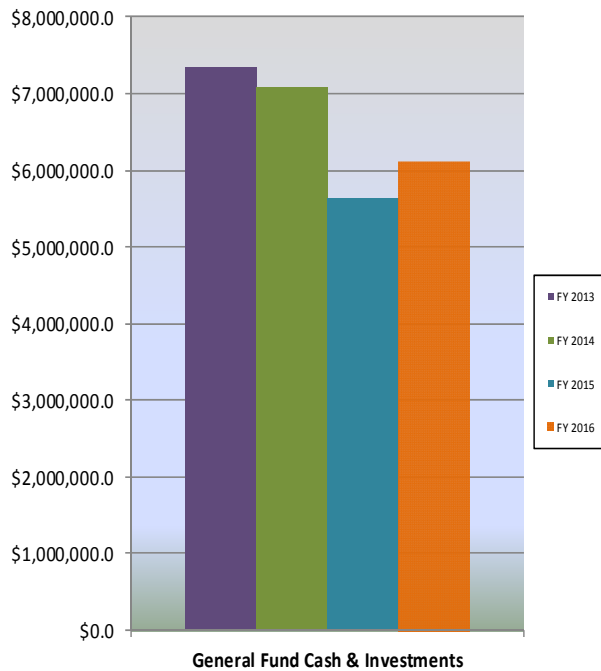
	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>	<u>% Spent</u>
Debt Service	\$ 5,169,586.69	\$ 5,194,937	\$ 5,194,937	99.51%
Personnel	41,321,442.70	42,731,853	42,731,853	96.70%
Operating	11,474,920.56	12,076,330	12,076,330	95.02%
Capital	153,142.98	379,652	379,652	40.34%
Contributions	16,102.70	38,175	38,175	42.18%
Transfers	3,463,832.08	3,699,228	3,699,228	93.64%
Reserves	-	443,222	443,222	0.00%
Total	\$ 61,599,027.71	\$ 64,563,397	\$ 64,563,397	95.41%



The total budgeted expenditures for 2016 are \$64,563,397 (includes encumbrances from prior year and 2016 budget amendments). Of this amount, \$42,731,853, or 66.2%, is related to personnel costs.

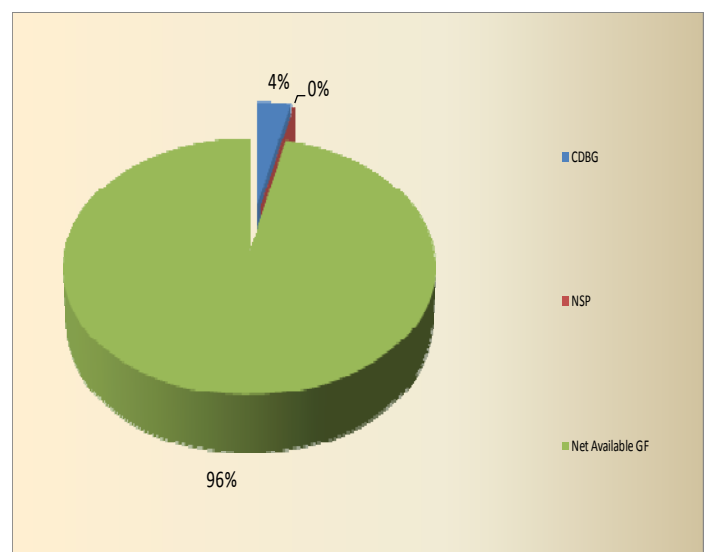
General Fund Cash & Investments – At a Glance September 2016

General Fund Cash & Investments-YTD



General Fund Unrestricted Cash & Investments	
Prior Month Ending Balance	\$ 8,108,748.34
Cash Increase (Decrease)	<u>(1,998,585.21)</u>
Ending Balance 9/30/16	<u><u>\$ 6,110,163.13</u></u>

General Fund Available Cash & Investments	
September 2016 Ending Balance	\$ 6,110,163.13
Cash Advanced to Other Funds:	
CDBG	(215,131.69)
NSP	<u>\$ (1,508.80)</u>
Total Available Cash & Investments	<u><u>\$ 5,893,522.64</u></u>



General Fund Balance – At a Glance September 2016

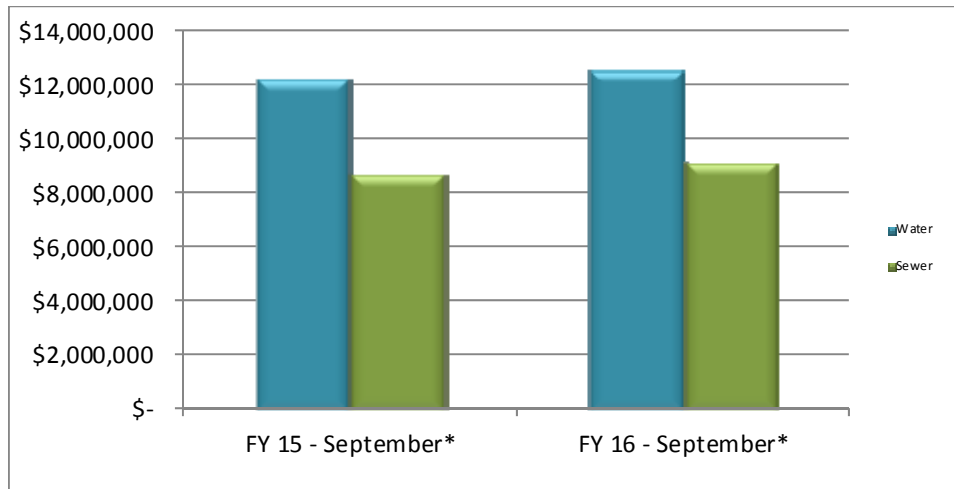
	PRIOR YTD	CURRENT YTD
REVENUES		
Ad Valorem Taxes	\$ 23,048,733	\$ 24,067,163
Local Option Fuel Tax	3,490,076	3,854,156
Utility Service Taxes	7,978,611	8,288,194
Communication Service Tax	2,953,713	2,756,083
Franchise Fees	5,414,637	5,367,504
State Shared Revenues	3,997,325	4,109,953
Half Cent Sales Tax	5,627,552	5,900,650
Licenses and Permits	590,442	603,667
Grants and Other Entitlements	132,475	221,220
Charges for Services	2,711,401	2,884,771
Fines and Forfeitures	394,263	395,041
Interest, Rents and Other Revenues	493,084	893,225
Interfund Transfers and Other Sources	2,222,789	2,133,758
Total Revenues	59,055,101	61,475,384
EXPENDITURES		
Legislative	571,170	630,388
City Manager	980,643	621,430
City Attorney	960,036	1,195,635
Finance	1,588,043	1,682,635
Information Technology	1,770,601	2,529,140
Human Resources	568,196	578,684
Economic Development	592,850	580,233
Growth Management	2,976	651,228
Parks and Recreation	4,550,071	2,672,327
Facilities	120	2,191,066
Police	19,243,503	17,937,289
Fire	13,249,528	13,405,887
Public Works	4,624,274	4,599,336
Non-Departmental	3,721,502	3,690,331
Transfers	8,389,553	8,633,419
Total Expenditures	60,813,066	61,599,028
Excess (Deficiency) of Revenues Over Expenditures	(1,757,964)	(123,643)
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	\$ 8,282,350	8,158,706

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	\$ 8,158,706	14.58%
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 September 2016

Water & Sewer Revenues-YTD



Overall year-to-date Water revenue in September 2016 has increased \$421,093 (3.43%) when compared to September 2015.

Overall year-to-date Sewer revenue in September 2016 has increased \$391,108 (4.43%) when compared to September 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 114% of the budgeted amount. The Utility Lien Costs are recorded at 155% of the budgeted amount.

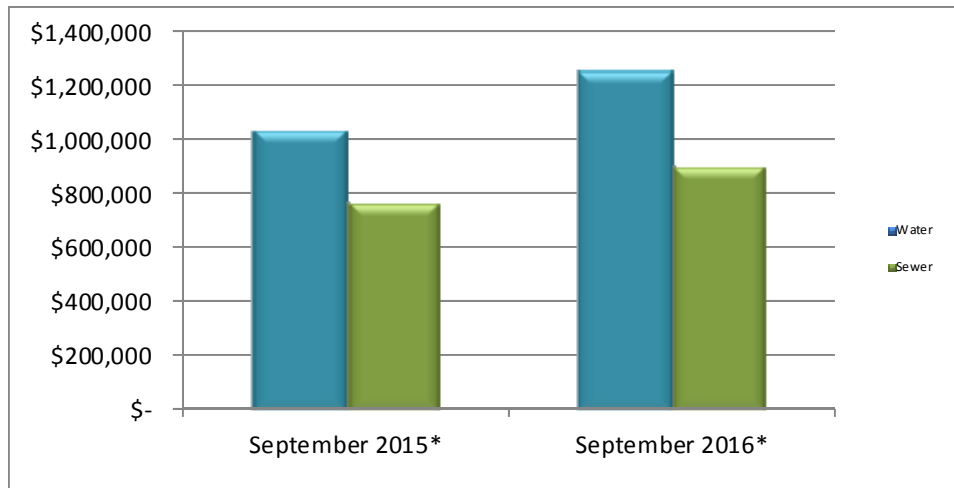
Operating Interest Income is recorded at 96% at this time.

Excluding Fund Balance, the total FY16 Operating Revenue is recorded at 102.83% of the budgeted amount compared to FY15 which was at 102.40%.

Water Connection Fees are recorded at 156% of the budgeted amount, and Sewer Connection Fees are recorded at 145% of the budgeted amount.

Water MLEs are recorded at 151% of the budgeted amount, and Sewer MLEs are recorded at 154% of the budgeted amount.

Water & Sewer Revenues-Monthly Comparison



Overall Water revenue for the month of September 2016 has increased by \$232,193 (22.39%) when compared to September 2015.

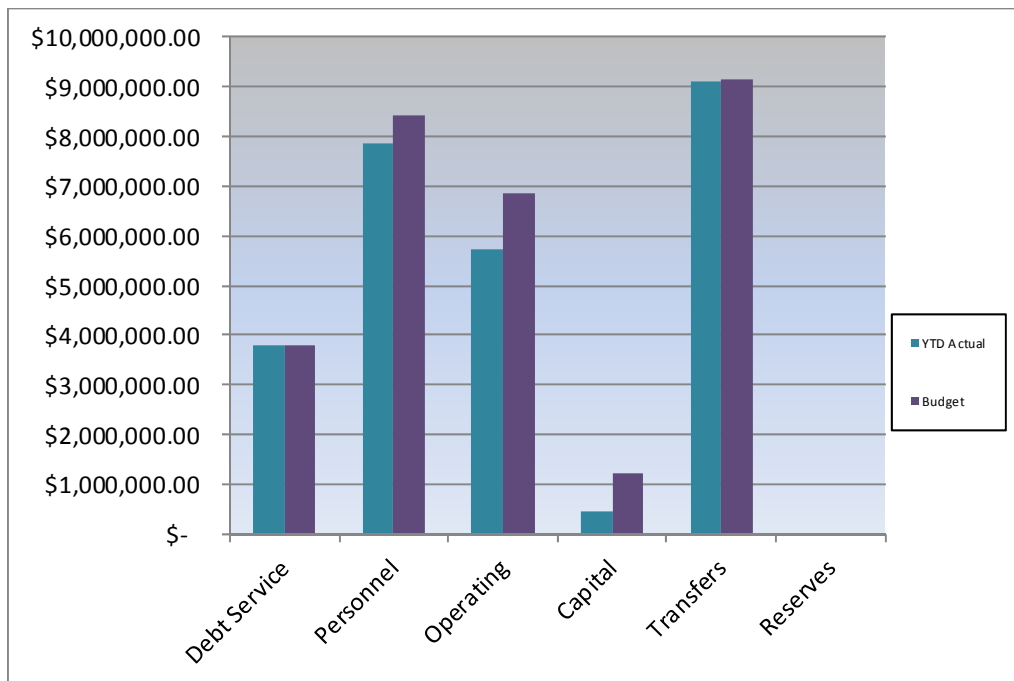
Overall Sewer revenue for the month of September 2016 has increased by \$136,829 (17.63%) when compared to September 2015.

Utilities Expenses – At a Glance September 2016

Water & Sewer Expenditures-YTD

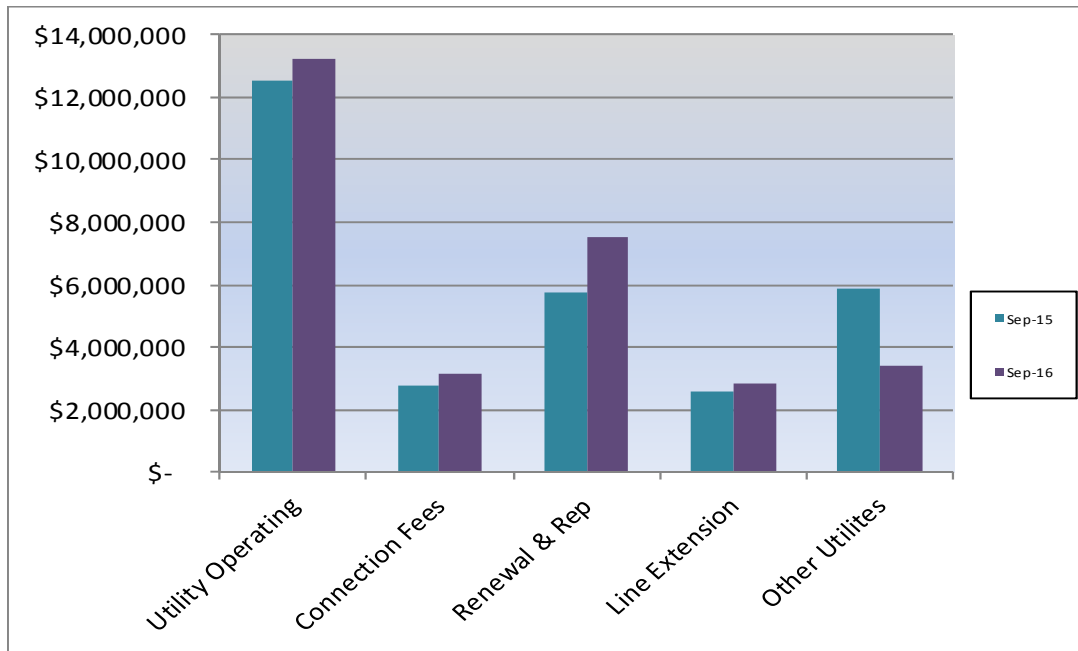
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Debt Service	\$ 3,801,503.67	\$ 3,801,504	100.00%
Personnel	7,871,568.08	8,411,790	93.58%
Operating	5,712,015.58	6,837,468	83.54%
Capital	443,790.41	1,228,014	36.14%
Transfers	9,121,105.77	9,126,788	99.94%
Reserves	-	-	-
Total	\$ 26,949,983.51	\$ 29,405,564	91.65%



Utilities Cash & Investments – At a Glance September 2016

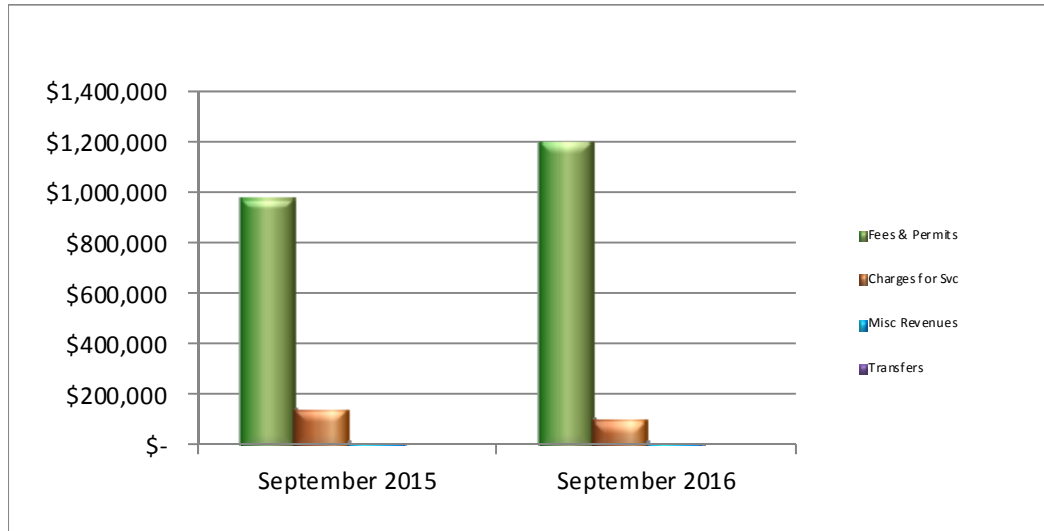
Water & Sewer Cash & Investments-YTD



Overall the Water & Sewer Funds cash and investments were \$0.60 million (2.0%) more as of September 2016 as compared to September 2015.

Building Revenues – At a Glance September 2016

Building Revenues-YTD



Fees and Permits revenue in September 2016 is up \$228,326 (23.07%) from September 2015.

Charges for Services revenue in September 2016 is down \$42,357 (28.62%) from September 2015.

Overall, Building revenues in FY 16 (at September) have increased by \$187,242 (16.10%) when compared to FY 15 (at September).

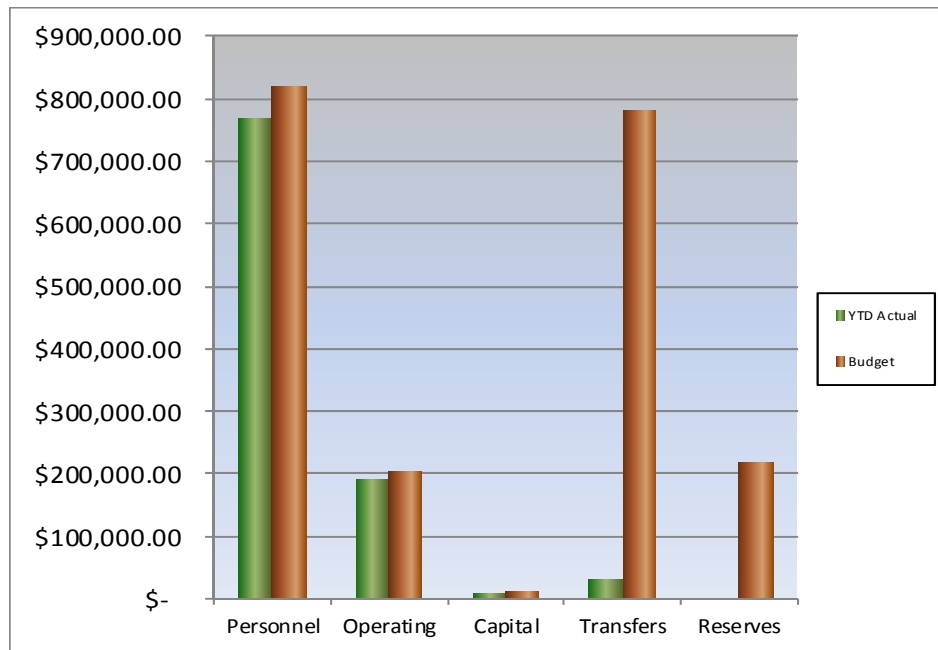
The total FY 16 Building revenues are recorded at 66.46% of the budgeted amount compared to FY 15 which was 109.64%.

Building Expenses – At a Glance September 2016

Building Expenditures-YTD

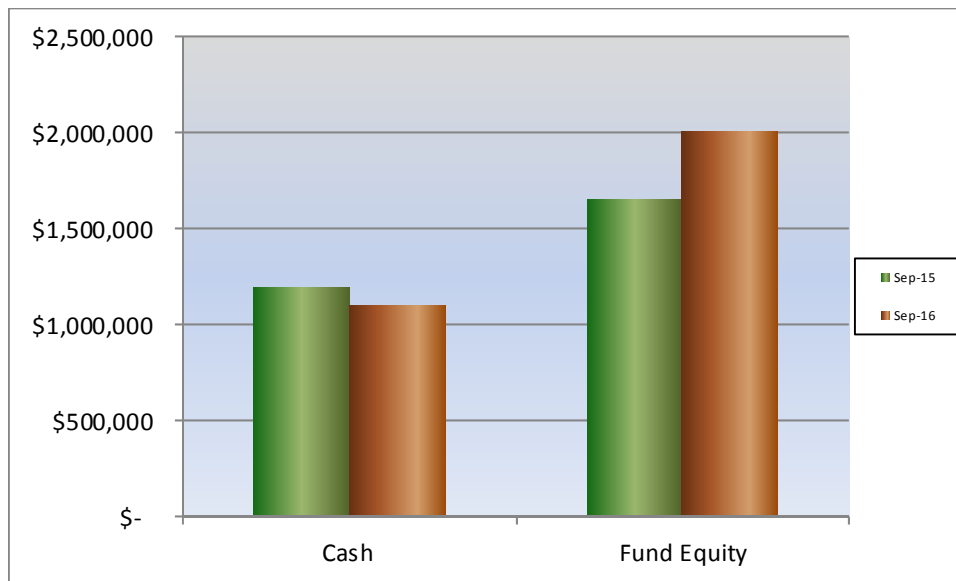
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Personnel	\$ 767,478.42	\$ 818,473	93.77%
Operating	189,439.68	203,721	92.99%
Capital	8,659.66	9,820	88.18%
Transfers	29,220.00	780,204	3.75%
Reserves	-	219,535	0.00%
Total	\$ 994,797.76	\$ 2,031,753	48.96%



Building Cash & Fund Equity – At a Glance September 2016

Building Cash & Fund Equity-YTD



Overall the Building cash and investments were \$96,576 (8.1%) less as of September 2016 as compared to September 2015.

Overall the Building fund equity was \$355,456 (21.6%) more as of September 2016 as compared to September 2015.