

**CITY OF PALM BAY, FLORIDA
MONTHLY FINANCIAL REPORT (UNAUDITED)
SEPTEMBER 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 September 2017. September is the twelfth month of the fiscal year and represents 100% of the annual budget.

Financial Report Summary

- Citywide revenues of \$157.8 million are at 84.9% of the annual budget. Citywide expenditures of \$147.2 million are at 79.2% 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 \$7.8 million, or 13.8%, 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.

Contents	
❖ 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	
9/30/2017	\$ 64,922,320.48	9/30/2017	\$ 157,822,200.95	9/30/2017	\$ 147,158,207.31
9/30/2016	57,073,735.38	9/30/2016	165,419,681.24	9/30/2016	161,579,918.65
Increase	13.8% \$ 7,848,585.10	Decrease	-4.6% \$ (7,597,480.29)	Decrease	-8.9% \$ (14,421,711.34)

- General Fund revenues of \$66.2 million are at 96% of the annual budget. This is an increase of \$3.89 million, or 6.3%, in comparison to the prior year.
- General Fund expenditures of \$67.0 million are at 97% of the annual budget. This is an increase of \$5.57 million, or 9.1%, in comparison to the prior year.
- General Fund cash and investments increased by \$0.55 million, or 8.7%, in comparison to the prior year. Of this increased General Fund cash, \$800,000 is reserved.

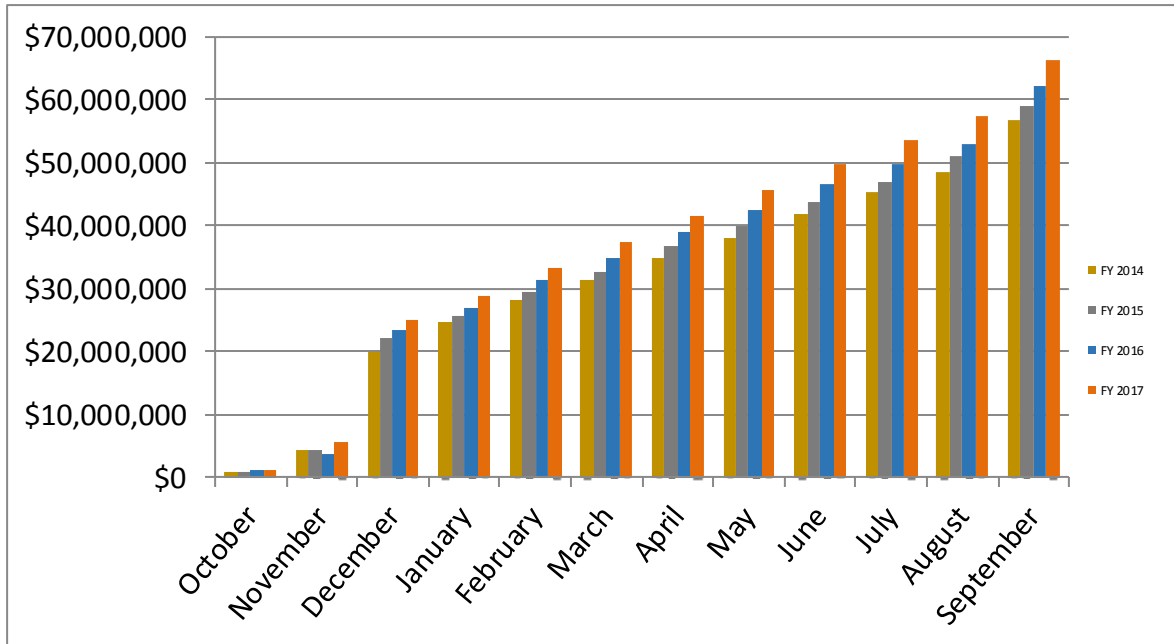
General Fund - Cash & Investments		General Fund - Revenues		General Fund - Expenditures	
9/30/2017	\$ 6,843,237.69	9/30/2017	\$ 66,178,351.92	9/30/2017	\$ 66,963,497.69
9/30/2016	6,294,412.17	9/30/2016	62,285,474.66	9/30/2016	61,393,243.38
Increase	8.7% \$ 548,825.52	Increase	6.3% \$ 3,892,877.26	Increase	9.1% \$ 5,570,254.31

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 September 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	\$ 24,067,163	\$ 26,256,111	9.1%	\$ 26,426,410
Local Option Fuel Tax	3,854,156	4,089,629	6.1%	3,822,462
Utility Service Taxes	8,288,194	8,529,880	2.9%	8,305,000
Communication Service Tax	2,756,083	2,569,292	-6.8%	2,683,536
Franchise Fees	5,367,504	5,419,302	1.0%	5,399,000
State Shared Revenues (1)	4,109,953	4,525,840	10.1%	4,327,372
Half Cent Sales Tax	5,900,650	6,311,425	7.0%	6,107,351
Licenses and Permits	603,667	600,378	-0.5%	607,500
Grants and Other Entitlements (2)	225,622	1,140,603	405.5%	1,007,796
Charges for Services (3)	2,894,244	3,419,166	18.1%	3,159,561
Fines and Forfeitures (4)	395,041	480,202	21.6%	414,500
Interest, Rents & Other Revenues	935,440	1,000,609	7.0%	548,702
Interfund Transfers & Capital Leases (5)	2,887,758	1,835,914	-36.4%	1,835,914
Fund Balance	-	-	0.0%	3,238,419
	\$ 62,285,475	\$ 66,178,352	6.3%	\$ 67,883,523

(1) Increase primarily due to increased year-to-date collection of State Shared Revenues.

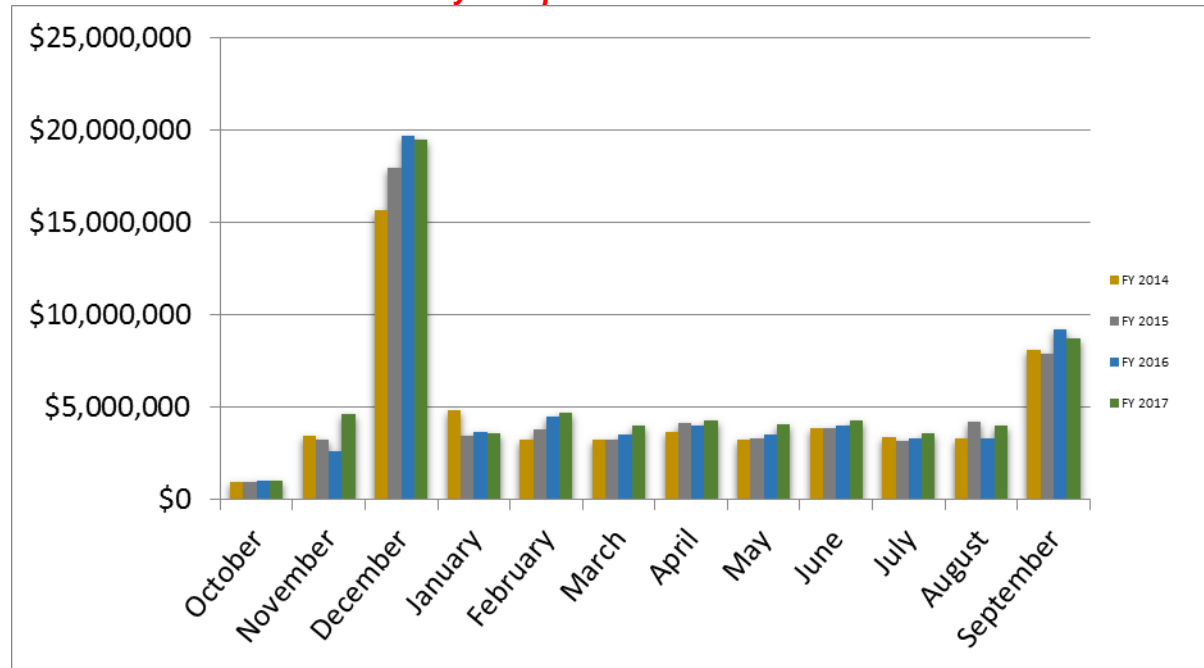
(2) Increase primarily due to multi-year agreement with County for partial reimbursement of expenses related to Regional Park, Senior Center, and Aquatic Center in FY17.

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

(4) Increase primarily due to higher year-to-date collection of confiscated monies in FY17.

(5) Decrease primarily due to Capital Lease recorded in FY16, and no budgeted transfer from Employee Benefit Fund in FY17.

General Fund Revenues-Monthly Comparison



Monthly GF Revenues as Compared to Prior Years

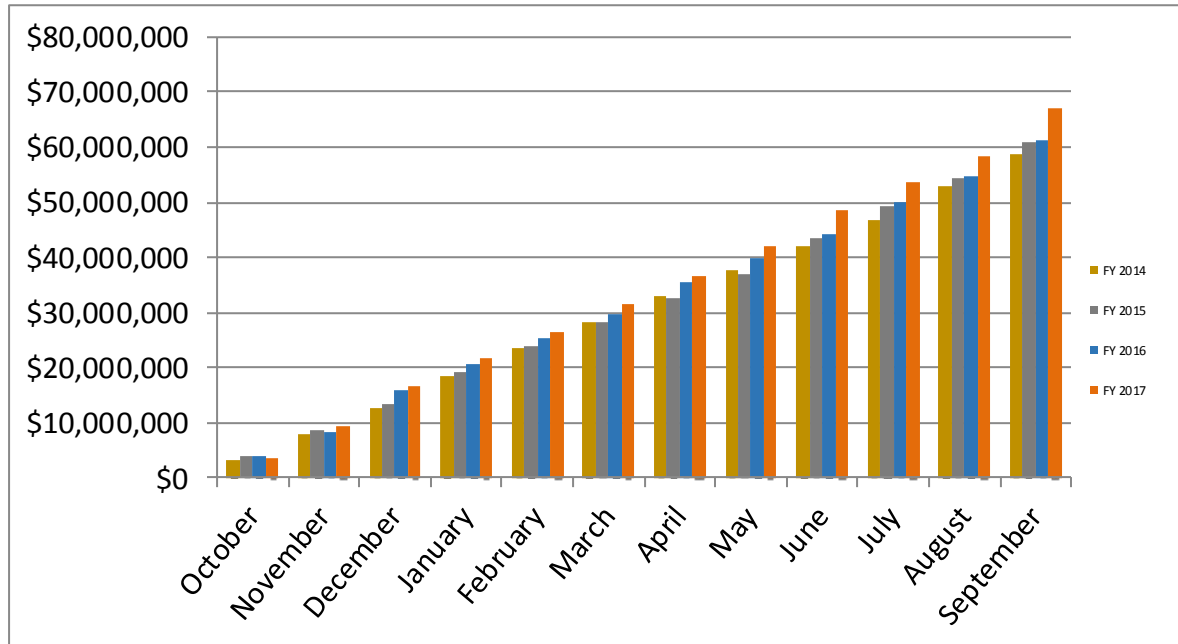
	FY 2014	FY 2015	FY 2016	FY 2017
October	\$ 911,630	\$ 953,761	\$ 1,012,271	\$ 1,005,090
November	3,425,400	3,246,502	2,619,131	4,580,252
December	15,683,359	17,977,402	19,689,226	19,511,218
January	4,802,728	3,458,799	3,639,261	3,585,305
February	3,200,574	3,782,243	4,490,812	4,656,371
March	3,208,482	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	4,237,693
July	3,363,584	3,170,380	3,323,512	3,597,870
August	3,262,185	4,168,296	3,323,716	3,960,272
September	8,115,309	7,881,278	9,167,028	8,735,290
	\$ 56,703,597	\$ 59,055,101	\$ 62,285,475	\$ 66,178,352

Overall General Fund revenues for the month of September 2017 have decreased \$431,738 (4.71%) when compared to September 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 September 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	\$ 630,388	\$ 669,149	6.1%	\$ 705,728
City Manager (1)	621,430	707,001	13.8%	746,389
City Attorney (2)	1,195,635	681,222	-43.0%	671,669
Procurement (3)	-	393,062	0.0%	424,153
Finance (4)	1,682,635	1,336,912	-20.5%	1,363,900
Information Technology	2,529,140	2,446,418	-3.3%	2,583,616
Human Resources	578,684	603,060	4.2%	650,814
Growth Management (5)	579,073	1,307,482	125.8%	1,401,767
Economic Development (6)	651,228	741,671	13.9%	795,232
Parks and Recreation (7)	2,673,323	4,440,661	66.1%	4,694,203
Facilities (8)	2,183,366	2,529,494	15.9%	2,695,491
Police	17,898,797	18,611,123	4.0%	19,137,297
Fire	13,271,427	13,876,655	4.6%	13,933,285
Public Works (9)	4,599,336	6,264,515	36.2%	6,785,065
Non-Departmental	3,665,717	3,785,970	3.3%	3,787,546
Transfers	8,633,064	8,569,104	-0.7%	8,577,792
	\$ 61,393,243	\$ 66,963,498	9.1%	\$ 68,953,947

(1) Increase primarily due to increased year-to-date costs for Executive salaries.

(2) Decrease primarily due to decreased year-to-date costs for Other Attorneys in FY17. Most in-house Attorney cost is charged to Risk Fund.

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

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

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

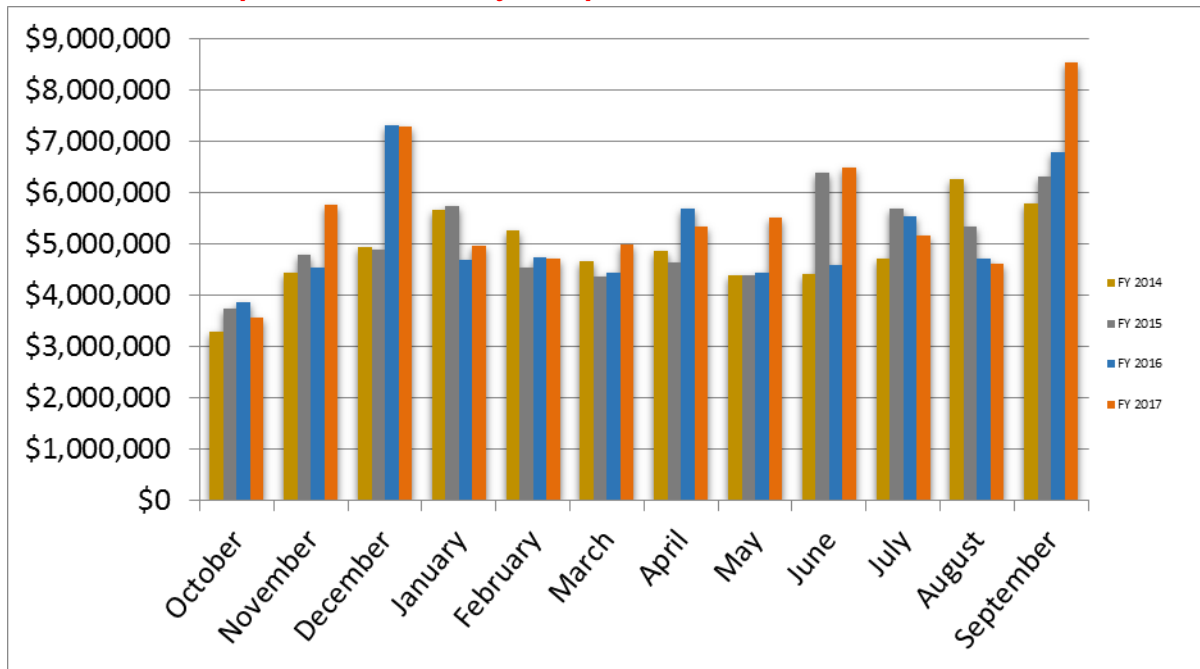
(6) Increase primarily due to expansion of Economic Development Department compared to same time last year.

(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 higher year-to-date costs for personnel, repairs and maintenance, and operating supplies.

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

General Fund Expenditures-Monthly Comparison



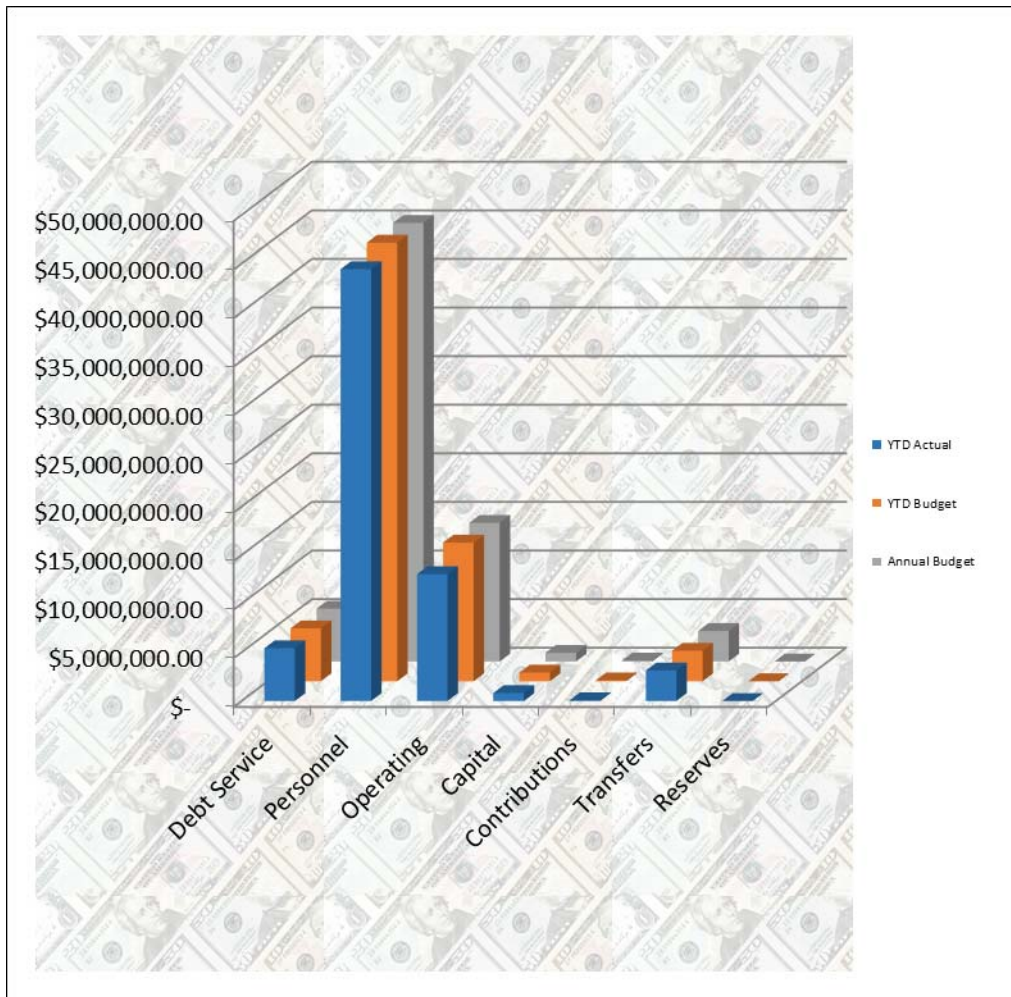
Monthly GF Expenditures as Compared to Prior Years

	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	6,488,834
July	4,721,680	5,689,908	5,551,214	5,175,411
August	6,272,362	5,346,802	4,712,630	4,609,040
September	5,780,329	6,310,426	6,791,578	8,539,660
	\$ 58,669,085	\$ 60,803,379	\$ 61,393,243	\$ 66,963,498

September General Fund expenditures were \$1,748,082 (25.74%) more when comparing September 2017 to September 2016, mainly due to hurricane costs. Year-to-date expenditures are \$5,570,254 more.

General Fund Expenditures-Budgetary Comparison by Category

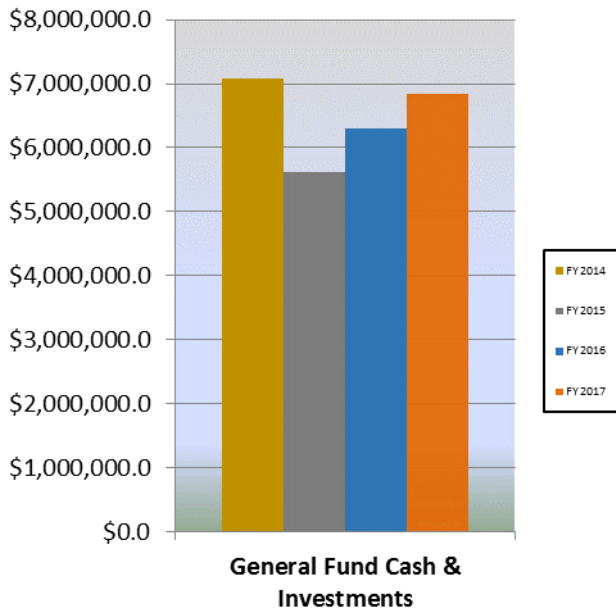
	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>	<u>% Spent</u>
Debt Service	\$ 5,428,345.78	\$ 5,437,034	\$ 5,437,034	99.84%
Personnel	44,439,977.52	45,128,482	45,128,482	98.47%
Operating	13,049,615.25	14,263,371	14,263,371	91.49%
Capital	820,993.74	890,989	890,989	92.14%
Contributions	83,807.40	93,313	93,313	89.81%
Transfers	3,140,758.00	3,140,758	3,140,758	100.00%
Reserves	-	-	-	0.00%
Total	\$ 66,963,497.69	\$ 68,953,947	\$ 68,953,947	97.11%



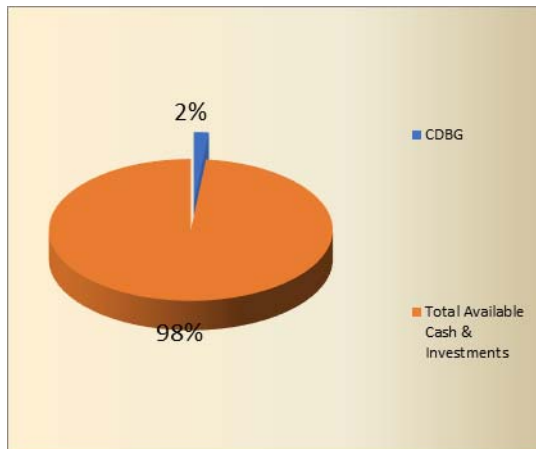
The total budgeted expenditures for 2017 are \$68,953,947 (includes encumbrances from prior year and 2017 budget amendments). Of this amount, \$45,128,482, or 65.4%, is related to personnel costs.

General Fund Cash & Investments – At a Glance September 2017

General Fund Cash & Investments-YTD



General Fund Cash & Investments	
Prior Month Ending Balance	\$ 10,055,437.19
Cash Increase (Decrease)	<u>(3,212,199.50)</u>
Ending Balance 9/30/17	<u><u>\$ 6,843,237.69</u></u>



General Fund Cash & Investments	
September 2017 Ending Balance	\$ 6,843,237.69
Cash Advanced to Other Funds:	
CDBG	<u>\$ (135,408.51)</u>
Total Available Cash & Investments	<u><u>\$ 6,707,829.18</u></u>

General Fund Balance – At a Glance September 2017

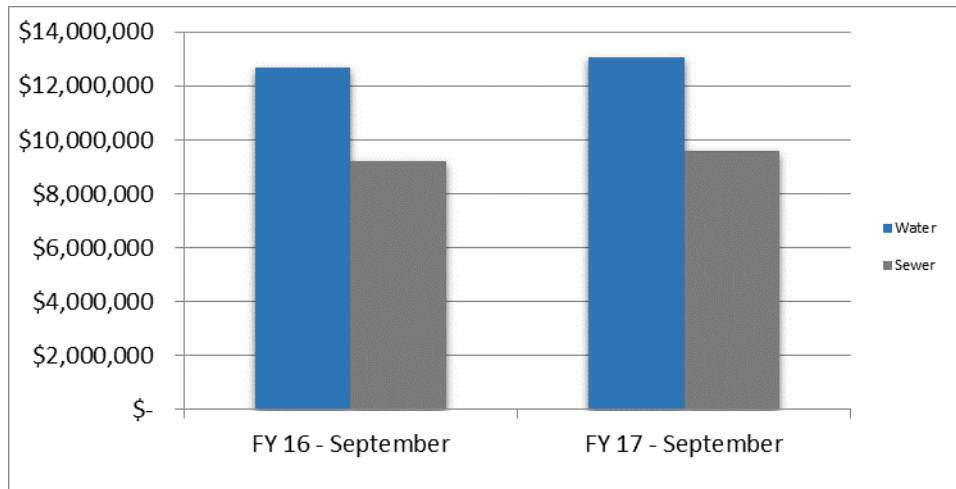
	PRIOR YTD	CURRENT YTD
REVENUES		
Ad Valorem Taxes	\$ 24,067,163	\$ 26,256,111
Local Option Fuel Tax	3,854,156	4,089,629
Utility Service Taxes	8,288,194	8,529,880
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Charges for Services	2,894,244	3,419,166
Fines and Forfeitures	395,041	480,202
Interest, Rents and Other Revenues	935,440	1,000,609
Interfund Transfers and Other Sources	2,887,758	1,835,914
Total Revenues	62,285,475	66,178,352
EXPENDITURES		
Legislative	630,388	669,149
City Manager	621,430	707,001
City Attorney	1,195,635	681,222
Procurement	-	393,062
Finance	1,682,635	1,336,912
Information Technology	2,529,140	2,446,418
Human Resources	578,684	603,060
Growth Management	579,073	1,307,482
Economic Development	651,228	741,671
Parks and Recreation	2,673,323	4,440,661
Facilities	2,183,366	2,529,494
Police	17,898,797	18,611,123
Fire	13,271,427	13,876,655
Public Works	4,599,336	6,264,515
Non-Departmental	3,665,717	3,785,970
Transfers	8,633,064	8,569,104
Total Expenditures	61,393,243	66,963,498
Excess (Deficiency) of Revenues Over Expenditures	892,231	(785,146)
Fund Balance - Beginning	8,282,350	9,174,582
Prior Period Adjustment	-	-
Fund Balance - Beginning as Restated	8,282,350	9,174,582
Fund Balance - Ending	\$ 9,174,582	8,389,436

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	\$ 8,389,435	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 September 2017

Water & Sewer Revenues-YTD



Overall year-to-date Water revenue in September 2017 has increased \$372,453 (2.94%) when compared to September 2016.

Overall year-to-date Sewer revenue in September 2017 has increased \$345,510 (3.74%) when compared to September 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 157% of the budgeted amount. The Utility Lien Costs are recorded at 186% of the budgeted amount.

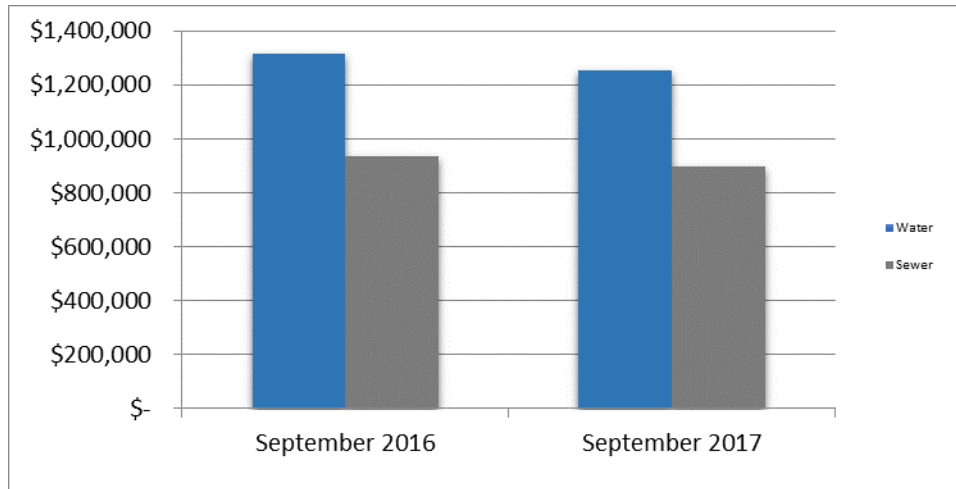
Operating Interest Income is recorded at 122%.

Excluding Fund Balance, the total FY17 Operating Revenue is recorded at 89.68% of the budgeted amount compared to FY16 which was at 93.26%.

Water Connection Fees are recorded at 165% of the budgeted amount, and Sewer Connection Fees are recorded at 115% of the budgeted amount.

Water MLEs are recorded at 187% of the budgeted amount, and Sewer MLEs are recorded at 254% of the budgeted amount.

Water & Sewer Revenues-Monthly Comparison



Overall Water revenue for the month of September 2017 has decreased by \$58,232 (4.43%) when compared to September 2016.

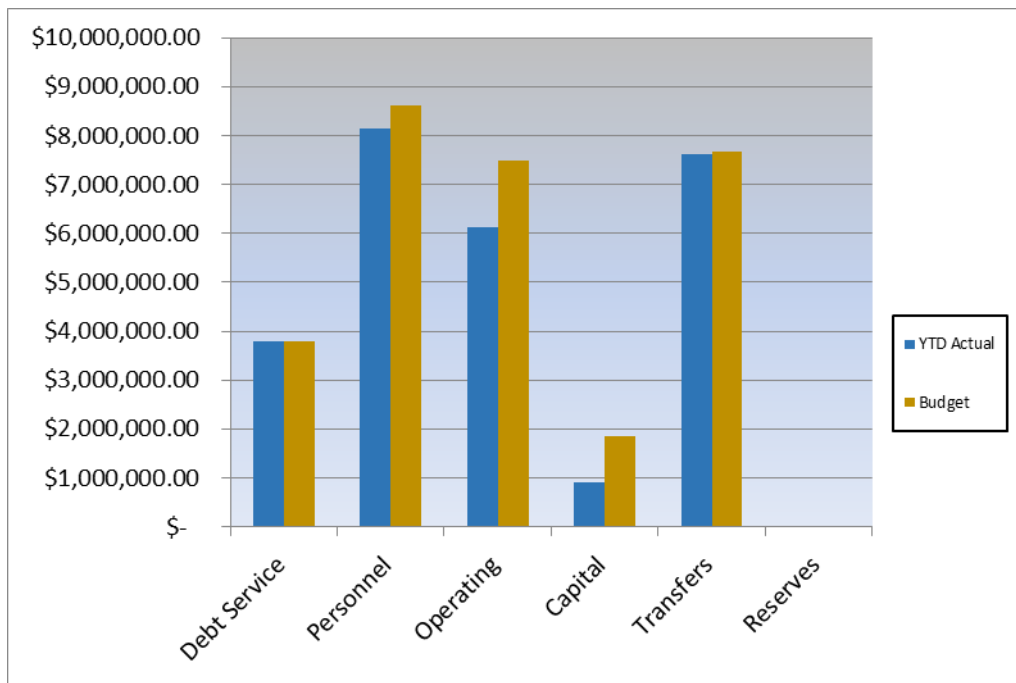
Overall Sewer revenue for the month of September 2017 has decreased by \$37,813 (4.04%) when compared to September 2016.

Utilities Expenses – At a Glance September 2017

Water & Sewer Expenditures-YTD

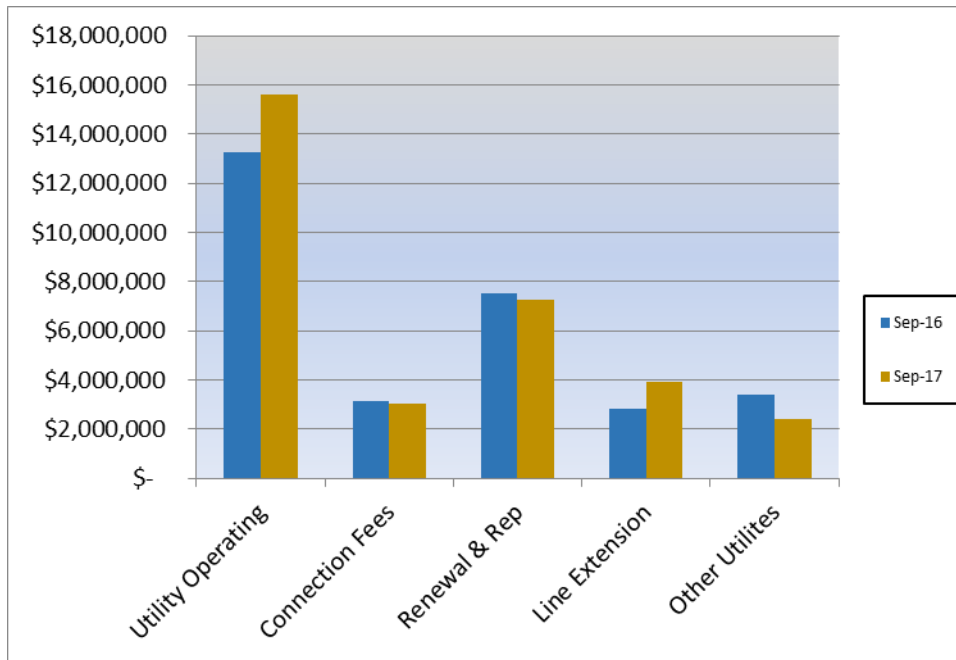
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Debt Service	\$ 3,798,626.67	\$ 3,798,162	100.01%
Personnel	8,141,227.29	8,618,660	94.46%
Operating	6,111,182.07	7,492,856	81.56%
Capital	905,055.39	1,864,250	48.55%
Transfers	7,611,233.92	7,666,665	99.28%
Reserves	-	-	-
Total	\$ 26,567,325.34	\$ 29,440,593	90.24%



Utilities Cash & Investments – At a Glance September 2017

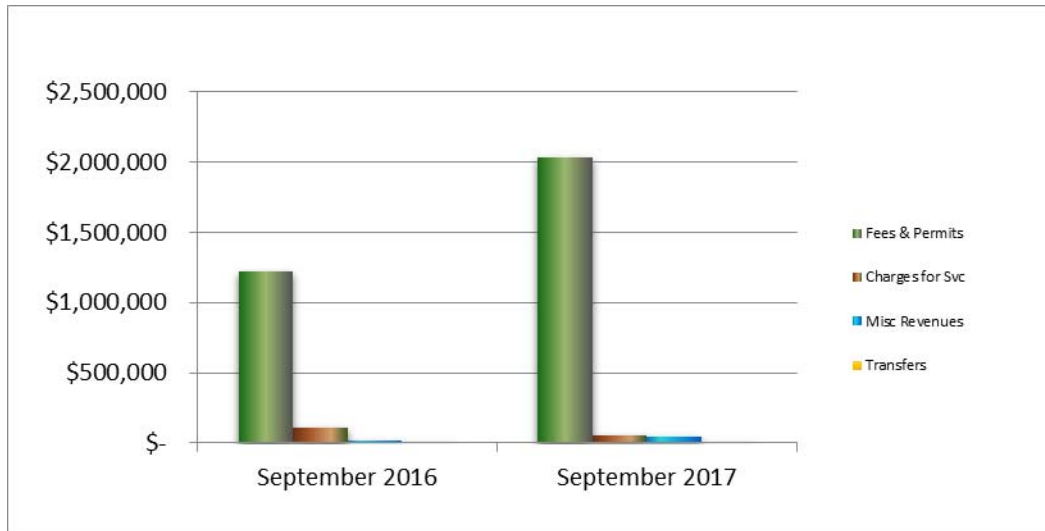
Water & Sewer Cash & Investments-YTD



Overall the Water & Sewer Funds cash and investments were \$2.14 million (7.1%) more as of September 2017 as compared to September 2016.

Building Revenues – At a Glance September 2017

Building Revenues-YTD



Fees and Permits revenue in September 2017 is up \$817,709 (67.14%) from September 2016.

Charges for Services revenue in September 2017 is down \$49,049 (46.44%) from September 2016.

Overall, Building revenues in FY 17 (at September) have increased by \$789,676 (58.48%) when compared to FY 16 (at September).

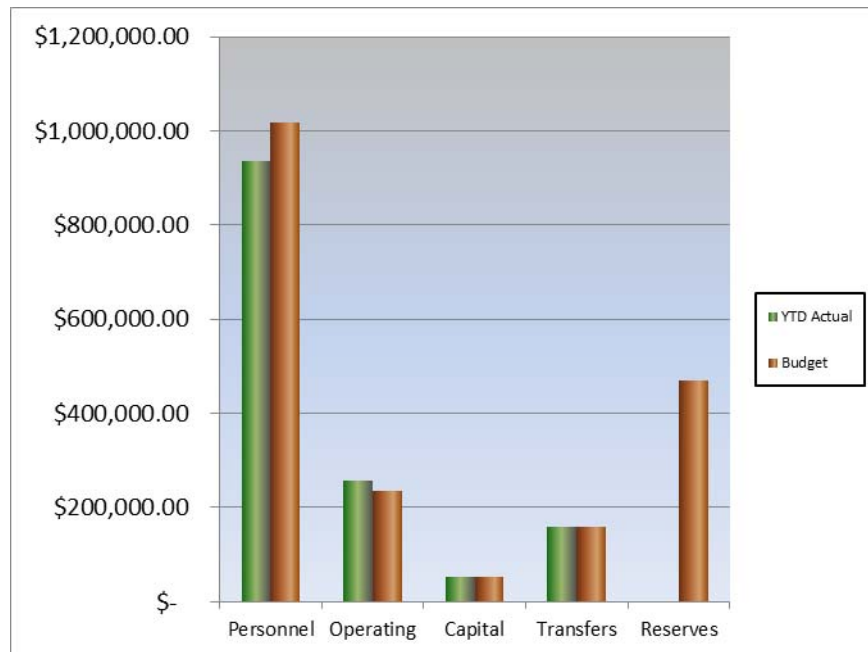
The total FY 17 Building revenues are recorded at 110.62% of the budgeted amount compared to FY 16 which was 66.46%.

Building Expenses – At a Glance September 2017

Building Expenditures-YTD

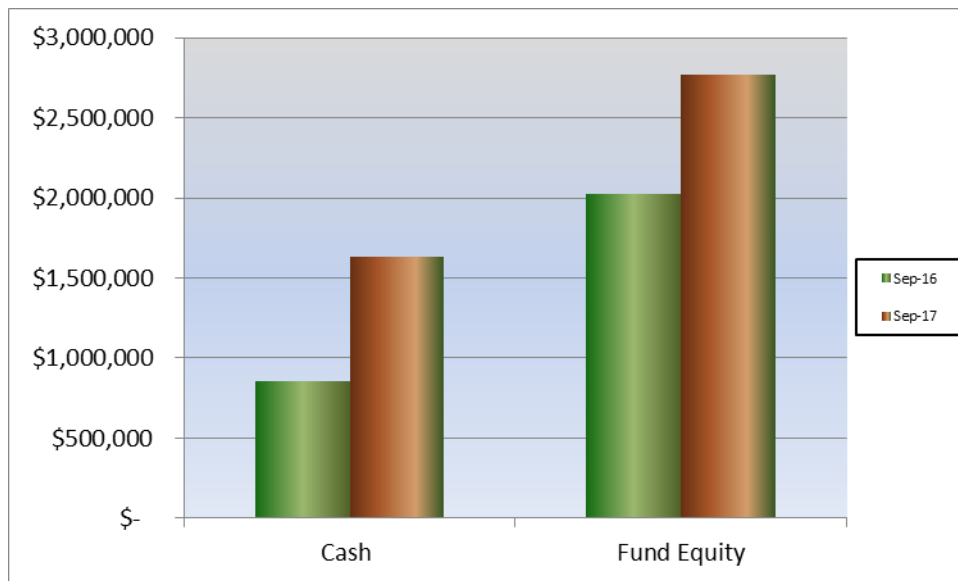
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Personnel	\$ 936,822.35	\$ 1,018,560	91.98%
Operating	255,901.53	236,077	108.40%
Capital	52,099.44	52,496	0.00%
Transfers	158,282.04	158,282	100.00%
Reserves	-	469,020	0.00%
Total	\$ 1,403,105.36	\$ 1,934,435	72.53%



Building Cash & Fund Equity – At a Glance September 2017

Building Cash & Fund Equity-YTD



Overall the Building cash and investments were \$775,952 (91.1%) more as of September 2017 as compared to September 2016.

Overall the Building fund equity was \$749,772 (37.1%) more as of September 2017 as compared to September 2016.