



**City of North Miami Beach  
Quarterly Financial Analysis  
Second Quarter – FY 2012**

**Data as of March 31, 2012**

# **City of North Miami Beach Quarterly Financial Analysis Second Quarter – FY 2012 Overview**

- Disclaimer
- Methodology
- Overview
- Discussion Points

# City of North Miami Beach

## Quarterly Financial Analysis

### Second Quarter – FY 2012

#### Overview

The attached schedules represent the *unaudited* results of operations as compared to the amended budget through March 31, 2012 for all budgeted funds except the internal service funds. This document has, for the most part, been prepared on the cash basis of accounting utilizing information that was available at the time of this report.

For purposes of this presentation, the City's eight Debt Service Funds have been combined as have the three, proprietary Impact Fees Funds. It should be noted that the annual budget has generally been divided equally into four quarters. Actual cash flows do not necessarily follow this pattern of receipt or expenditure. An exception has been made to present ad valorem taxes based on historical collection patterns in both the general fund and the debt service funds. Also, the CRA and Governmental Impact Fees Funds have two quarters of the budgeted partial carryovers from prior years included as actual receipts. The effects of budgeted depreciation have been eliminated from all enterprise funds.

This analysis will detail the major variances, the unfavorable variances and the causes thereof. A major variance is considered to be any variance over \$500,000 or 10% of the total budget.

Overall, the City is in a favorable position of almost \$13.3 million as compared to budget at March 31, 2012. The use of a portion of this amount is restricted for specific purposes. Excess proceeds of the general fund are generally unrestricted as to purpose. Every fund except the transit surtax fund experienced a favorable net variance as of the second quarter.

**City of North Miami Beach**  
**Quarterly Financial Analysis**  
**Second Quarter – FY 2012**  
**Review and Analysis – Governmental Funds**

The General Fund revenues are back on track as of March 31<sup>st</sup>. The expenditure variance can be attributed to less than expected operating costs in all departments except finance and across the board savings in salary and related costs largely due to vacant positions and pension plan contributions that have yet to be received from the State and submitted to the police and firefighters pension plan. Capital outlay expenditures are behind schedule in all departments except leisure services. Non-operating expenditures exceed the target because out-going transfers have been recorded for the entire fiscal year.

The Community Redevelopment Agency, (CRA) has a favorable variance of about \$2.8 million. As in the first quarter, the variance can be attributed entirely to \$5 million that was budgeted for the land acquisition/economic development that has yet to be purchased. As of April 3, 2012, the \$5 million has been re-programmed for infrastructure and land acquisition.

The Transit Surtax Fund has an unfavorable variance of about \$358,000. The revenues are received from Miami-Dade County three months in arrears. The expenditures for the quarter are over budget due to the timing of the debt service payment for the 2003B bonds.

The favorable variance in the Governmental Impact Fees Funds is the result of the prior year carryover recorded as revenue and minimal fund expenditures.

Similarly, the Alley Restoration Fund has received the budgeted transfers from the transit surtax and stormwater funds with only minimal expenditures.

The variance in the Debt Service Funds can be attributed to the timing of the debt service payments on the expenditure side of the ledger, and fully funding the voted debt millage during the first quarter on the revenue side

**City of North Miami Beach**  
**Quarterly Financial Analysis**  
**Second Quarter – FY 2012**  
**Review and Analysis – Enterprise Funds**

The Stormwater Fund variance of approximately \$156,000 also results primarily from the debt service payment that is due in May.

The Water Fund has a favorable variance of nearly \$3.8 million. While revenues are up slightly, the bulk of the variance results from lower than expected capital outlay expenditures and the timing of non-operating expenditures such as expenditures from the contingency account, transfers to reserves and the timing of debt service payments.

The Sewer Fund's favorable variance of almost \$2.1 million is entirely attributable to lower than budgeted expenditures. The categories of which mirror those of the Water Fund.

The Solid Waste Fund variance of about \$1.1 million can be attributed to revenues and expenditures related to leasing equipment that has not yet occurred. The fund also has budgeted transfers to reserves that have not yet been recorded.

The favorable variance in the Impact Fees Funds is the result of revenue receipts with no corresponding fund expenditures.

**City of North Miami Beach  
Budgetary Comparison Summary  
Cash Basis  
For the Quarter Ending March 31, 2012**

**REVENUES**

	<b>Current Year Budget</b>	<b>Two Quarters Budget</b>	<b>Actual</b>	<b>Over / (Under) Budget</b>
<b>Governmental Funds:</b>				
<b>General Fund</b>	\$ 37,484,603	\$ 21,365,193	\$ 21,395,696	\$ 30,503
<b>Community Redevelopment Agency</b>	6,148,435	3,074,218	3,309,369	235,151
<b>Transit Surtax Fund</b>	1,100,000	550,000	364,002	(185,998)
<b>Governmental Impact Fee Fund</b>	191,966	95,983	95,948	(35)
<b>Alley Restoration Fund</b>	189,100	94,550	94,560	10
<b>Debt Service Funds</b>	3,998,240	3,039,965	3,287,756	247,791

**City of North Miami Beach  
 Budgetary Comparison Summary  
 Cash Basis  
 For the Quarter Ending March 31, 2012  
 (continued)**

**EXPENDITURES**

	Current Year Budget	Two Quarters Budget	Actual	(Over) / Under Budget
<b>Governmental Funds:</b>				
<b>General Fund</b>	\$ 37,484,603	\$ 18,742,303	\$ 16,858,036	\$ 1,884,272
<b>Community Redevelopment Agency</b>	6,148,435	3,047,218	471,060	2,603,158
<b>Transit Surtax Fund</b>	1,100,000	550,000	721,871	(171,871)
<b>Governmental Impact Fee Fund</b>	191,966	95,983	3,887	92,096
<b>Alley Restoration Fund</b>	189,100	94,550	275	94,275
<b>Debt Service Funds</b>	3,998,240	1,999,120	1,168,913	830,207

**City of North Miami Beach  
 Budgetary Comparison Summary  
 Cash Basis  
 For the Quarter Ending March 31, 2012  
 (continued)**

	<b>Net Variance Favorable / (Unfavorable)</b>
<b>Governmental Funds:</b>	
<b>General Fund</b>	<b>\$ 1,914,775</b>
<b>Community Redevelopment Agency</b>	<b>2,838,309</b>
<b>Transit Surtax Fund</b>	<b>(357,869)</b>
<b>Governmental Impact Fee Fund</b>	<b>92,061</b>
<b>Alley Restoration Fund</b>	<b>94,285</b>
<b>Debt Service Funds</b>	<b><u>1,077,998</u></b>
<b>TOTAL GOVERNMENTAL FUNDS</b>	<b><u>\$ 5,659,559</u></b>

**City of North Miami Beach  
 Budgetary Comparison Summary  
 Cash Basis  
 For the Quarter Ending March 31, 2012  
 (continued)**

**REVENUES**

	Current Year Budget	Two Quarters Budget	Actual	Over / (Under) Budget
<b>Enterprise Funds:</b>				
<b>Stormwater Fund</b>	\$ 1,300,000	\$ 650,000	\$ 647,776	\$ (2,224)
<b>Water Fund</b>	33,461,407	16,730,704	17,152,640	421,936
<b>Sewer Fund</b>	9,100,500	4,550,250	4,527,163	(23,087)
<b>Building Permit Fund</b>	1,497,139	748,570	713,640	(34,930)
<b>Solid Waste Fund</b>	9,555,425	4,777,713	4,358,782	(418,931)
<b>Impact Fees Funds</b>	2,950,000	1,475,000	458,530	(1,016,470)

**City of North Miami Beach  
 Budgetary Comparison Summary  
 Cash Basis  
 For the Quarter Ending March 31, 2012  
 (continued)**

**EXPENDITURES**

	<b>Current Year Budget</b>	<b>Two Quarters Budget</b>	<b>Actual</b>	<b>(Over) / Under Budget</b>
<b>Enterprise Funds:</b>				
<b>Stormwater Fund</b>	\$ 1,300,000	\$ 650,000	\$ 491,728	\$ 158,272
<b>Water Fund</b>	33,461,407	16,730,704	13,371,721	3,358,983
<b>Sewer Fund</b>	9,100,500	4,550,205	2,458,720	2,091,530
<b>Building Permit Fund</b>	1,497,139	748,570	641,501	107,069
<b>Solid Waste Fund</b>	9,555,425	4,777,713	3,257,295	1,520,418
<b>Impact Fees Funds</b>	2,950,000	1,475,000	-	1,475,000

**City of North Miami Beach  
 Budgetary Comparison Summary  
 Cash Basis  
 For the Quarter Ending March 31, 2012  
 (continued)**

	<b>Net Variance Favorable / (Unfavorable)</b>
<b>Enterprise Funds:</b>	
<b>Stormwater Fund</b>	<b>\$ 156,048</b>
<b>Water Fund</b>	<b>3,780,919</b>
<b>Sewer Fund</b>	<b>2,068,443</b>
<b>Building Permit Fund</b>	<b>72,139</b>
<b>Solid Waste Fund</b>	<b>1,101,487</b>
<b>Impact Fees Funds</b>	<b><u>458,530</u></b>
<b>TOTAL ENTERPRISE FUNDS</b>	<b><u>\$ 7,637,566</u></b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 13,297,125</b>

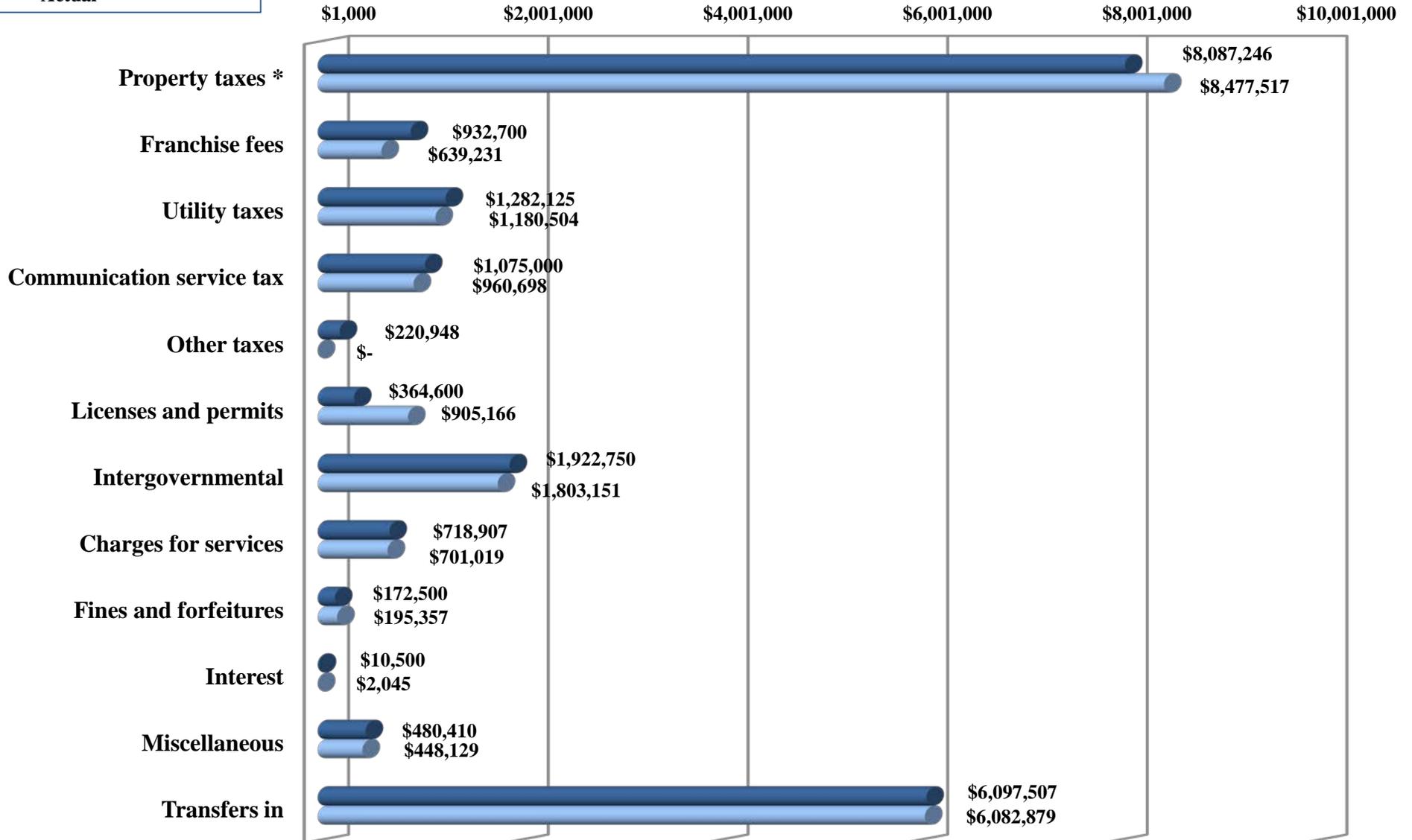
**City of North Miami Beach  
General Fund Revenues  
Budgetary Comparison Schedule  
For the Quarter Ending March 31, 2012**

	<b>Current Year Budget</b>	<b>Two Quarters Budget</b>	<b>Actual</b>	<b>Favorable / (Unfavorable) Variance</b>	<b>Percentage of Budget Collected</b>
<b>Revenues</b>					
Property taxes *	\$ 10,928,711	\$ 8,087,246	\$ 8,477,517	\$ 390,271	78%
Franchise fees	1,865,400	932,700	639,231	(293,469)	34%
Utility taxes	2,564,250	1,282,125	1,180,504	(101,621)	46%
Communication service tax	2,150,000	1,075,000	960,698	(114,302)	45%
Other taxes	441,896	220,948	-	(220,948)	0%
Licenses and permits	729,200	364,600	905,166	540,566	124%
Intergovernmental	3,845,500	1,922,750	1,803,151	(119,599)	47%
Charges for services	1,437,813	718,907	701,019	(17,888)	49%
Fines and forfeitures	345,000	172,500	195,357	22,857	57%
Interest	21,000	10,500	2,045	(8,455)	10%
Miscellaneous	960,819	480,410	448,129	(32,281)	47%
Transfers in	<u>12,195,014</u>	<u>6,097,507</u>	<u>6,082,879</u>	<u>(14,628)</u>	<u>50%</u>
<b>Total revenues</b>	<b><u>\$ 37,484,603</u></b>	<b><u>\$ 21,365,193</u></b>	<b><u>\$ 21,395,696</u></b>	<b><u>\$ 30,503</u></b>	<b><u>57%</u></b>

\* 74% of budgeted amount is expected to be collected during the first quarter based on historical collection patterns.

# General Fund Revenues Analysis

## YTD Budget vs. Actual



\*74% of budgeted amount expected to be collected during the first quarter based on historical collection patterns

**City of North Miami Beach  
General Fund Expenditures  
Budgetary Comparison Schedule  
For the Quarter Ending March 31, 2012**

	Current Year Budget	Two Quarters Budget	Actual	Favorable / (Unfavorable) Variance	Percentage of Budget Spent
<b>Expenditures by Function</b>					
Administrative	\$ 1,207,638	\$ 603,819	\$ 525,801	\$ 78,018	44%
Legislative	2,995,217	1,497,609	1,115,061	382,548	42%
Executive	2,490,808	1,245,404	1,144,848	100,556	46%
Human resources	1,271,524	635,762	323,889	311,873	25%
Finance	1,149,098	574,549	480,830	93,719	42%
Police services	18,113,425	9,056,713	8,938,439	118,274	49%
Leisure services	4,397,981	2,198,991	1,867,928	331,063	42%
Public services	3,840,642	1,920,321	1,434,208	486,113	37%
Capital outlay	874,216	437,108	34,858	402,250	4%
Debt service	246,455	123,228	119,570	3,658	49%
Transfers out	<u>897,599</u>	<u>448,799</u>	<u>872,599</u>	<u>(423,800)</u>	<u>96%</u>
<i>Total expenditures</i>	<u>\$ 37,484,603</u>	<u>\$ 18,742,303</u>	<u>\$ 16,858,031</u>	<u>\$ 1,884,272</u>	45%
<b>Expenditures by Class</b>					
Salaries & related costs	\$ 28,636,333	\$ 14,318,168	\$ 13,393,271	\$ 924,897	47%
Operating expenses	6,830,000	3,415,000	2,437,734	977,266	36%
Capital outlay	874,216	437,108	34,858	402,250	4%
Non-operating expenses	<u>1,144,054</u>	<u>572,027</u>	<u>992,168</u>	<u>(420,141)</u>	<u>87%</u>
<i>Total expenditures</i>	<u>\$ 37,484,603</u>	<u>\$ 18,742,303</u>	<u>\$ 16,858,031</u>	<u>\$ 1,884,272</u>	45%

**City of North Miami Beach  
Other Governmental Funds  
Budgetary Comparison Schedule  
For the Quarter Ending March 31, 2012**

	Current Year Budget	Two Quarters Budget	Actual	Favorable / (Unfavorable) Variance	Percentage of Budget Collected / Spent
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**Community Redevelopment Agency**

Revenues*	\$ 6,148,435	\$ 3,074,218	\$ 3,309,369	\$ 235,151	54%
Expenditures	<u>6,148,435</u>	<u>3,074,218</u>	<u>471,060</u>	<u>2,603,158</u>	8%
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,838,309</u>	<u>\$ 2,838,309</u>	

**Transit Surtax Fund**

Revenues	\$ 1,100,000	\$ 550,000	\$ 364,002	\$ (185,998)	33%
Expenditures	<u>1,100,000</u>	<u>550,000</u>	<u>721,871</u>	<u>(171,871)</u>	66%
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (357,869)</u>	<u>\$ (357,869)</u>	

**Governmental Impact Fee Fund**

Revenues *	\$ 191,966	\$ 95,983	\$ 95,948	\$ (35)	50%
Expenditures	<u>191,966</u>	<u>95,983</u>	<u>3,887</u>	<u>92,096</u>	1%
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,061</u>	<u>\$ 92,061</u>	

\* 50% of the budgeted carryover from the prior year is included as actual revenue.

**City of North Miami Beach**  
**Other Governmental Funds**  
**Budgetary Comparison Schedule**  
**For the Quarter Ending March 31, 2012**  
**(continued)**

	<b>Current Year Budget</b>	<b>Two Quarters Budget</b>	<b>Actual</b>	<b>Favorable / (Unfavorable) Variance</b>	<b>Percentage of Budget Collected / Spent</b>
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**Alley Restoration Fund**

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Revenues	\$ 189,100	\$ 94,550	\$ 94,560	\$ 10	50%
Expenditures	<u>189,100</u>	<u>94,550</u>	<u>275</u>	<u>94,275</u>	0%
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,285</u>	<u>\$ 94,285</u>	

**Debt Service Funds**

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Revenues*	\$ 3,998,240	\$ 3,039,965	\$ 3,287,756	\$ 247,791	82%
Expenditures	<u>3,998,240</u>	<u>1,999,120</u>	<u>1,168,913</u>	<u>830,207</u>	29%
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,040,845</u>	<u>\$ 2,118,843</u>	<u>\$ 1,077,998</u>	

\* Debt Service Funds with voted millage have 100% of budgeted ad valorem revenues included as revenue.

**City of North Miami Beach  
Enterprise Funds  
Budgetary Comparison Schedule  
For the Quarter Ending March 31, 2012**

Current Year Budget	Two Quarters Budget	Actual	Favorable / (Unfavorable) Variance	Percentage of Budget Collected / Spent
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**Stormwater Fund**

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**Revenue:**

Operating revenue	\$ 1,268,000	\$ 634,000	\$ 638,278	\$ 4,278	50%
Non-operating revenue	<u>32,000</u>	<u>16,000</u>	<u>9,498</u>	<u>(6,502)</u>	<u>30%</u>
<i>Total Revenues:</i>	1,300,000	650,000	647,776	(2,224)	50%

**Expenses:**

Salaries & related costs	467,232	233,616	234,539	(923)	50%
Operating costs	203,390	101,695	87,716	13,979	43%
Non-operating expenses	<u>629,378</u>	<u>314,689</u>	<u>169,473</u>	<u>145,216</u>	<u>27%</u>
<i>Total Expenses:</i>	1,300,000	650,000	491,728	158,272	38%
<i>Change in net assets</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156,048</u>	<u>\$ 156,048</u>	

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**City of North Miami Beach**  
**Enterprise Funds**  
**Budgetary Comparison Schedule**  
**For the Quarter Ending March 31, 2012**  
(continued)

	Current Year Budget	Two Quarters Budget	Actual	Favorable / (Unfavorable) Variance	Percentage of Budget Collected / Spent
<b>Water Fund</b>					
<b>Revenue:</b>					
Operating revenue	\$ 27,280,000	\$ 13,640,000	\$ 13,990,522	\$ 350,522	51%
Non-operating revenue	<u>6,181,407</u>	<u>3,090,704</u>	<u>3,162,118</u>	<u>71,414</u>	51%
<i>Total Revenues:</i>	33,461,407	16,730,704	17,152,640	421,936	51%
<b>Expenses:</b>					
Salaries & related costs	8,641,687	4,320,844	4,162,418	158,426	48%
Operating costs	3,680,409	1,840,204	1,297,493	542,711	35%
Capital outlay	2,065,591	1,032,796	173,624	859,172	8%
Non-operating expenses	<u>19,073,720</u>	<u>9,536,860</u>	<u>7,738,186</u>	<u>1,798,674</u>	41%
<i>Total Expenses:</i>	33,461,407	16,730,704	13,371,721	3,358,983	40%
<i>Change in net assets</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,780,919</u>	<u>\$ 3,780,919</u>	

**City of North Miami Beach**  
**Enterprise Funds**  
**Budgetary Comparison Schedule**  
**For the Quarter Ending March 31, 2012**  
(continued)

Current Year Budget	Two Quarters Budget	Actual	Favorable / (Unfavorable) Variance	Percentage of Budget Collected / Spent
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**Sewer Fund**

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**Revenue:**

Operating revenue	\$ 7,505,000	\$ 3,752,500	\$ 3,735,400	\$ (17,100)	50%
Non-operating revenue	<u>1,595,500</u>	<u>797,750</u>	<u>791,763</u>	<u>(5,987)</u>	<u>50%</u>
<i>Total Revenues:</i>	9,100,500	4,550,250	4,527,163	(23,087)	50%

**Expenses:**

Salaries & related costs	745,488	372,744	337,287	35,457	45%
Operating costs	381,090	190,545	37,298	153,247	10%
Capital outlay	1,010,000	505,000	1,260	503,740	0%
Non-operating expenses	<u>6,963,922</u>	<u>3,481,961</u>	<u>2,082,875</u>	<u>1,399,086</u>	<u>30%</u>
<i>Total Expenses:</i>	9,100,500	4,550,250	2,458,720	2,091,530	27%
<i>Change in net assets</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,068,443</u>	<u>\$ 2,068,443</u>	

**City of North Miami Beach**  
**Enterprise Funds (continued)**  
**Budgetary Comparison Schedule**  
**For the Quarter Ending March 31, 2012**  
(continued)

Current Year Budget	Two Quarters Budget	Actual	Favorable / (Unfavorable) Variance	Percentage of Budget Collected / Spent
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**Building Permit Fund**

**Revenue:**

Operating revenue	\$ 1,337,759	\$ 668,880	\$ 676,666	\$ 7,786	51%
Non-operating revenue	<u>159,380</u>	<u>79,690</u>	<u>36,974</u>	<u>(42,716)</u>	23%
<i>Total Revenues:</i>	1,497,139	748,570	713,640	(34,930)	48%

**Expenses:**

Salaries & related costs	1,249,253	624,627	570,647	53,980	46%
Operating costs	219,386	109,693	70,854	38,839	32%
Capital outlay	8,500	4,250	-	4,250	0%
Non-operating expenses	<u>20,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>	0%
<i>Total Expenses:</i>	1,497,139	748,570	641,501	107,069	43%
<i>Change in net assets</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,139</u>	<u>\$ 72,139</u>	

**City of North Miami Beach**  
**Enterprise Funds (continued)**  
**Budgetary Comparison Schedule**  
**For the Quarter Ending March 31, 2012**  
(continued)

Current Year Budget	Two Quarters Budget	Actual	Favorable / (Unfavorable) Variance	Percentage of Budget Collected / Spent
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**Solid Waste Fund**

**Revenue:**

Operating revenue	\$ 8,553,500	\$ 4,276,750	\$ 4,259,082	\$ (17,668)	50%
Non-operating revenue	<u>1,001,925</u>	<u>500,963</u>	<u>99,700</u>	<u>(401,263)</u>	10%
<i>Total Revenues:</i>	9,555,425	4,777,713	4,358,782	(418,931)	46%

**Expenses:**

Salaries & related costs	3,081,307	1,540,653	1,488,661	51,992	48%
Operating costs	3,927,905	1,963,953	1,237,160	726,793	31%
Capital outlay	788,425	394,213	-	394,213	0%
Non-operating expenses	<u>1,757,788</u>	<u>878,894</u>	<u>531,474</u>	<u>347,420</u>	30%
<i>Total Expenses:</i>	9,555,425	4,777,713	3,257,295	1,520,418	34%
<i>Change in net assets</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,101,487</u>	<u>\$ 1,101,487</u>	

**City of North Miami Beach**  
**Enterprise Funds (continued)**  
**Budgetary Comparison Schedule**  
**For the Quarter Ending March 31, 2012**  
(continued)

Current Year Budget	Two Quarters Budget	Actual	Favorable / (Unfavorable) Variance	Percentage of Budget Collected / Spent
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**Impact Fees Funds**

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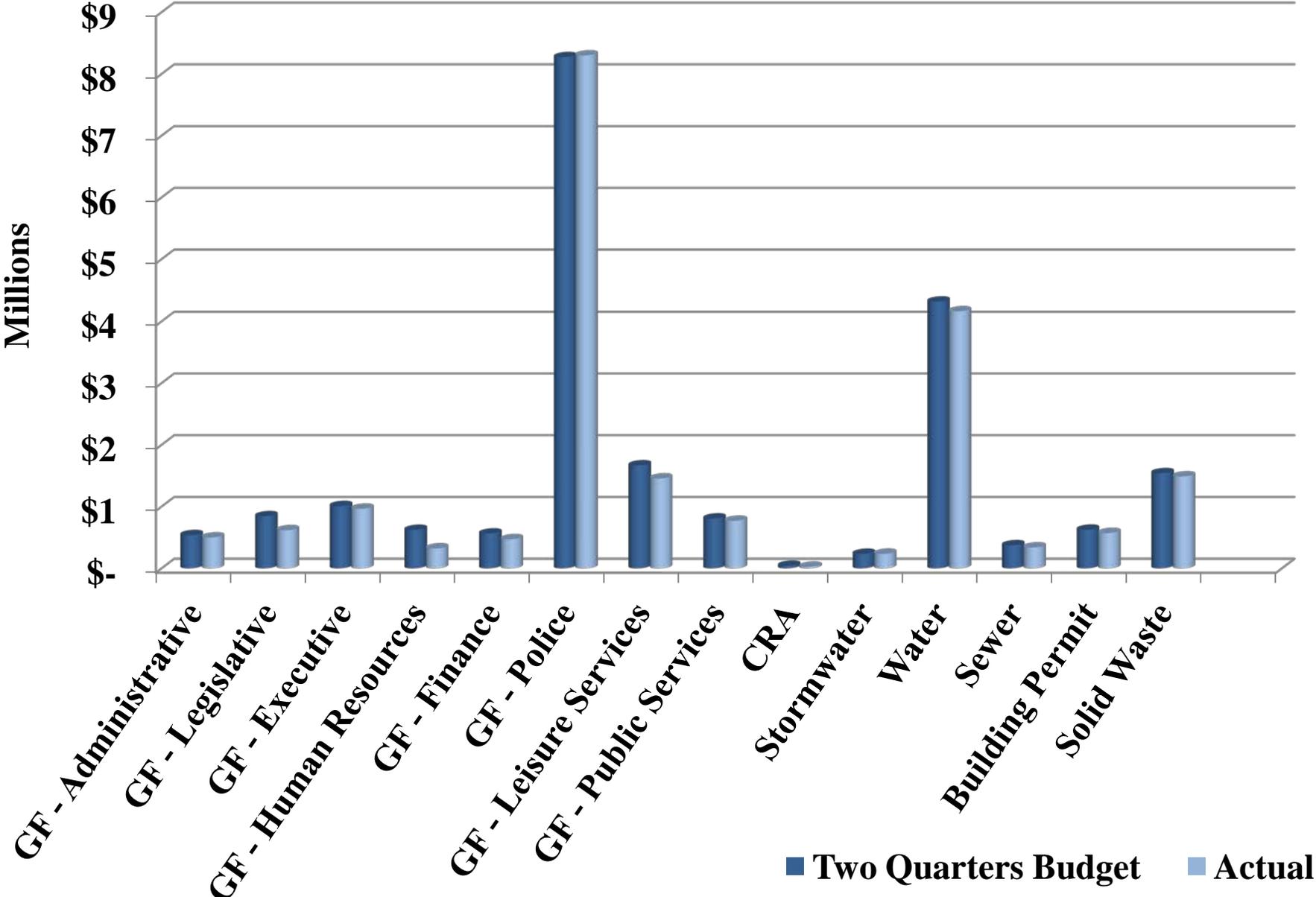
**Revenue:**

Operating revenue	<u>\$ 2,950,000</u>	<u>\$ 1,475,000</u>	<u>\$ 458,530</u>	<u>\$ (1,016,470)</u>	16%
<i>Total Revenues:</i>	2,950,000	1,475,000	458,530	(1,016,470)	16%

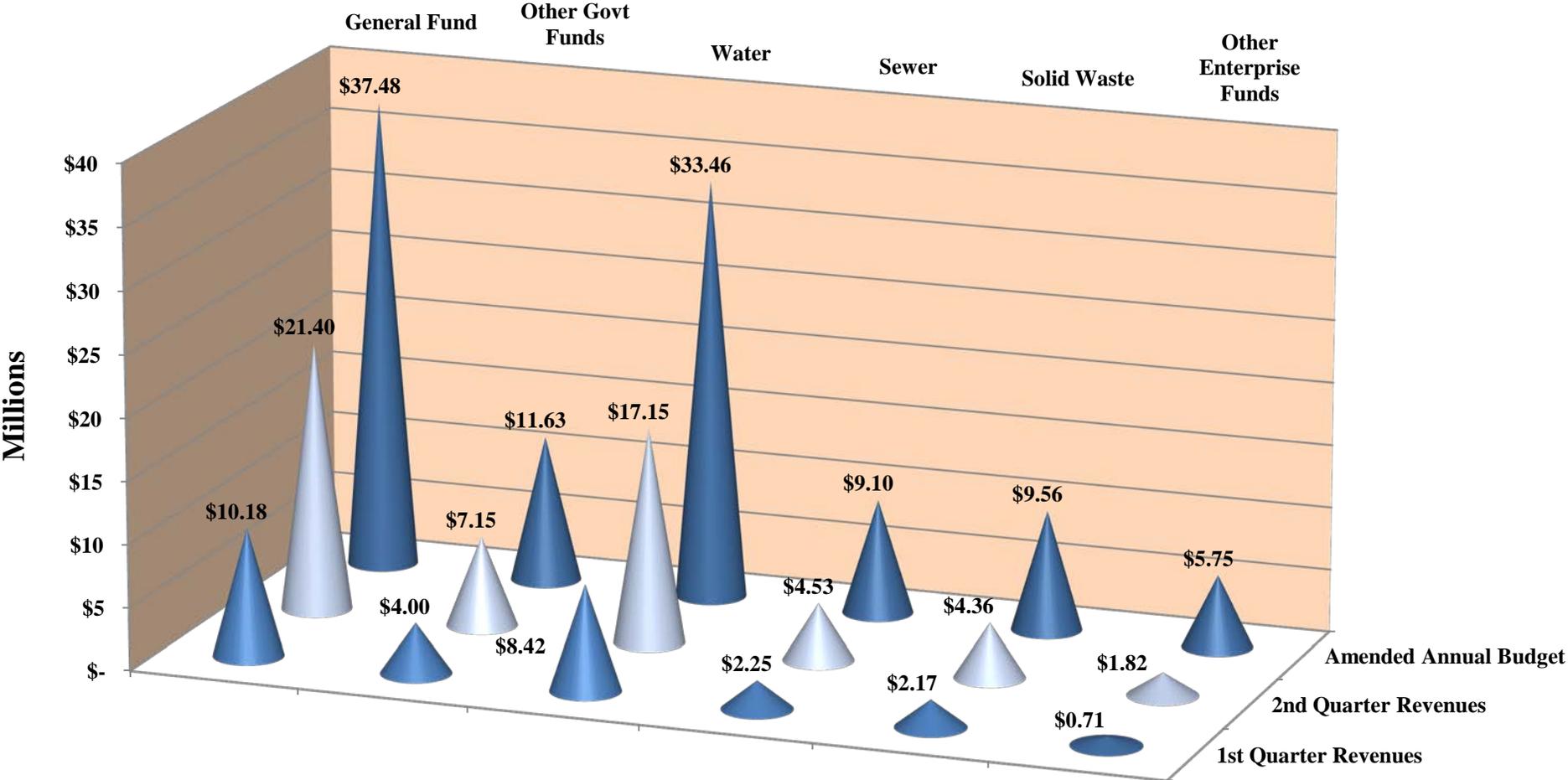
**Expenses:**

Capital outlay	<u>2,950,000</u>	<u>1,475,000</u>	<u>-</u>	<u>1,475,000</u>	0%
<i>Total Expenses:</i>	2,950,000	1,475,000	-	1,475,000	0%
<i>Change in net assets</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 458,530</u>	<u>\$ 458,530</u>	

# Salaries & Related Costs by Department



# Quarterly Comparison - Revenues



# Quarterly Comparison - Expenses

