



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

Data as of June 30, 2012

City of North Miami Beach Quarterly Financial Analysis Third Quarter – FY 2012 Overview

- Disclaimer
- Methodology
- Overview
- Discussion Points

City of North Miami Beach
Quarterly Financial Analysis
Third Quarter – FY 2012
Overview

The attached schedules represent the *unaudited* results of operations as compared to the amended budget through June 30, 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 three 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 \$18.6 million as compared to budget at June 30, 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 and the debt service funds experienced a favorable net variance as of the third quarter.

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

The General Fund variance of \$3.1 million can be attributed to less than expected operating costs in all departments and across the board savings in salary and related costs largely due to vacant positions and pension plan contributions that have yet to be submitted to the police and firefighters pension plan. Capital outlay expenditures are behind schedule in the executive and public services departments. The Executive Administration division has \$215,000 in CIP Contingency funds and the Facility Management division has about \$482,000 originally budgeted for the library roof and air conditioning, Allen Park A/C duct replacement and Phase I of the fire alarm project for the Yes Center and City Hall. 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 \$3.9 million. As in the first two quarters, the variance can be attributed entirely to \$5 million that was budgeted for the land acquisition/economic development. 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 \$196,000. The revenues are received from Miami-Dade County three months in arrears. The expenditures are over budget due to the timing of the debt service payments 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
Third Quarter – FY 2012
Review and Analysis – Enterprise Funds

The Stormwater Fund variance of approximately \$169,000 results primarily from the debt service refinancing that reduced the fiscal year 2012 payment after the budget was passed.

The Water Fund has a favorable variance of nearly \$6.5 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 \$2.8 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 \$1.5 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 and operating costs are under budget due to tipping fees that are billed in arrears.

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 June 30, 2012**

REVENUES

Governmental Funds:	Current Year Budget	Three Quarters Budget	Actual	Over / (Under) Budget
General Fund	\$ 37,484,603	\$ 29,596,238	\$ 29,595,846	\$ (392)
Community Redevelopment Agency	6,148,435	4,611,327	4,723,624	112,297
Transit Surtax Fund	1,100,000	825,000	726,513	(98,487)
Governmental Impact Fee Fund	191,966	143,975	148,433	4,458
Alley Restoration Fund	189,100	141,825	141,839	14
Debt Service Funds	3,998,240	3,519,103	3,707,317	188,214

**City of North Miami Beach
Budgetary Comparison Summary
Cash Basis
For the Quarter Ending June 30, 2012
(continued)**

EXPENDITURES

Governmental Funds:	Current Year Budget	Three Quarters Budget	Actual	(Over) / Under Budget
General Fund	\$ 37,484,603	\$ 28,113,462	\$ 25,039,568	\$ 3,073,894
Community Redevelopment Agency	6,148,435	4,611,327	773,781	3,837,546
Transit Surtax Fund	1,100,000	825,000	922,352	(97,352)
Governmental Impact Fee Fund	191,966	143,975	11,937	132,038
Alley Restoration Fund	189,100	141,825	409	141,416
Debt Service Funds	3,998,240	2,998,681	3,324,862	(326,181)

**City of North Miami Beach
 Budgetary Comparison Summary
 Cash Basis
 For the Quarter Ending June 30, 2012
 (continued)**

	Net Variance Favorable / (Unfavorable)
Governmental Funds:	
General Fund	\$ 3,073,502
Community Redevelopment Agency	3,949,843
Transit Surtax Fund	(195,839)
Governmental Impact Fee Fund	136,496
Alley Restoration Fund	141,430
Debt Service Funds	<u>(137,967)</u>
TOTAL GOVERNMENTAL FUNDS	<u>\$ 6,967,465</u>

**City of North Miami Beach
 Budgetary Comparison Summary
 Cash Basis
 For the Quarter Ending June 30, 2012
 (continued)**

REVENUES

	Current Year Budget	Three Quarters Budget	Actual	Over / (Under) Budget
Enterprise Funds:				
Stormwater Fund	\$ 1,300,000	\$ 975,000	\$ 970,911	\$ (4,089)
Water Fund	33,461,407	25,096,055	25,635,955	539,900
Sewer Fund	9,100,500	6,825,375	6,779,233	(46,142)
Building Permit Fund	1,497,139	1,122,855	1,138,459	15,604
Solid Waste Fund	9,555,425	7,166,569	6,550,443	(616,126)
Impact Fees Funds	2,950,000	2,212,500	482,493	(1,730,007)

**City of North Miami Beach
 Budgetary Comparison Summary
 Cash Basis
 For the Quarter Ending June 30, 2012
 (continued)**

EXPENDITURES

	Current Year Budget	Three Quarters Budget	Actual	(Over) / Under Budget
Enterprise Funds:				
Stormwater Fund	\$ 1,300,000	\$ 975,000	\$ 802,036	\$ 172,964
Water Fund	33,461,407	25,096,055	19,157,332	5,938,723
Sewer Fund	9,100,500	6,825,375	3,961,860	2,863,515
Building Permit Fund	1,497,139	1,122,855	948,754	174,101
Solid Waste Fund	9,555,425	7,166,569	5,080,330	2,086,239
Impact Fees Funds	2,950,000	2,212,500	-	2,212,500

**City of North Miami Beach
 Budgetary Comparison Summary
 Cash Basis
 For the Quarter Ending June 30, 2012
 (continued)**

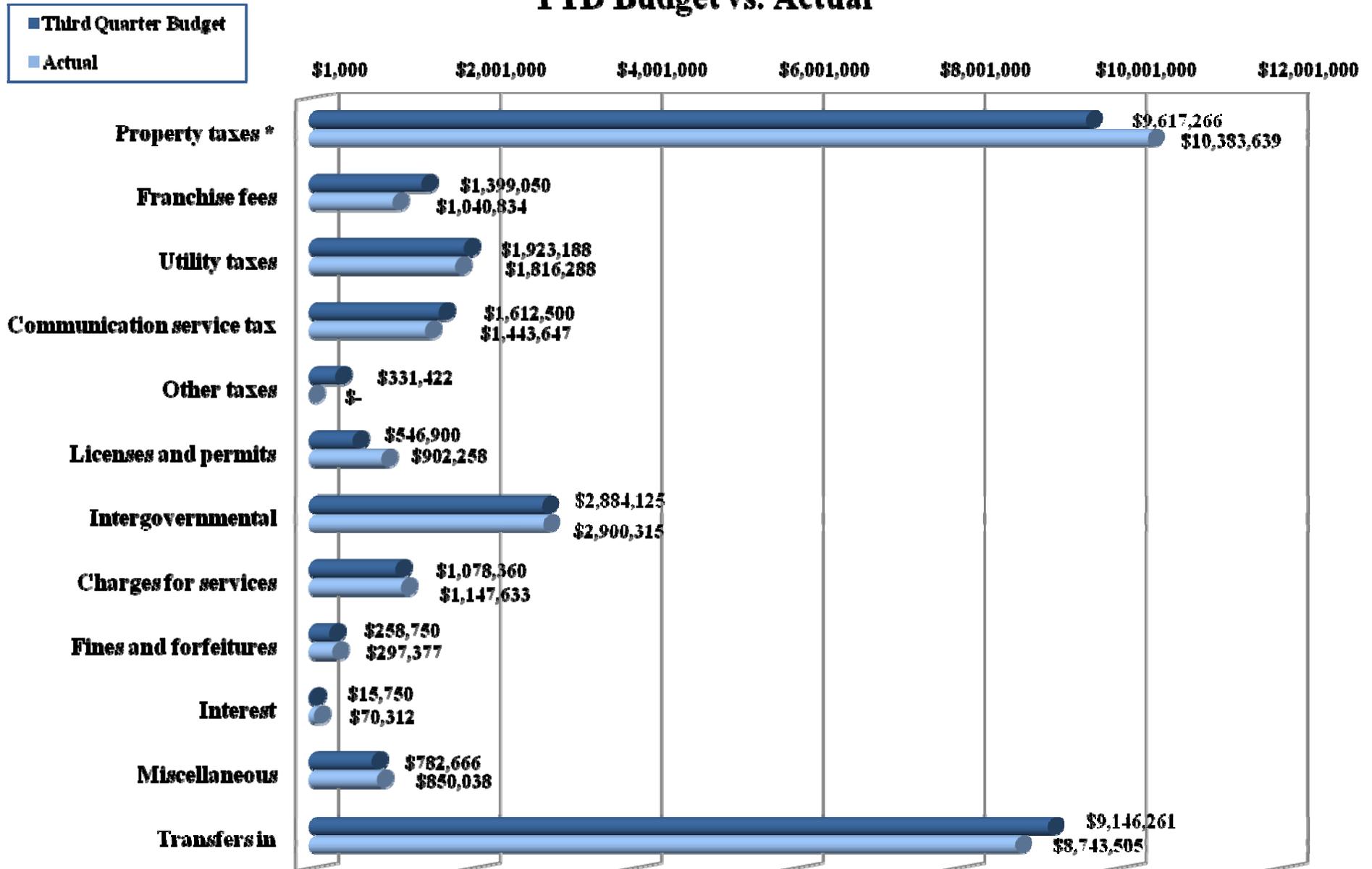
	Net Variance Favorable / (Unfavorable)
Enterprise Funds:	
Stormwater Fund	\$ 168,875
Water Fund	6,478,623
Sewer Fund	2,817,373
Building Permit Fund	189,705
Solid Waste Fund	1,470,113
Impact Fees Funds	<u>482,493</u>
TOTAL ENTERPRISE FUNDS	\$ <u>11,607,182</u>
TOTAL ALL FUNDS	\$ 18,574,647

**City of North Miami Beach
General Fund Revenues
Budgetary Comparison Schedule
For the Quarter Ending June 30, 2012**

Revenues	Current Year Budget	Three Quarters Budget	Actual	Favorable / (Unfavorable) Variance	Percentage of Budget Collected
Property taxes *	\$ 10,928,711	\$ 9,617,266	\$ 10,383,639	\$ 766,373	95%
Franchise fees	1,865,400	1,399,050	1,040,834	(358,216)	56%
Utility taxes	2,564,250	1,923,188	1,816,288	(106,900)	71%
Communication service tax	2,150,000	1,612,500	1,443,647	(168,853)	67%
Other taxes	441,896	331,422	-	(331,422)	0%
Licenses and permits	729,200	546,900	902,258	355,358	124%
Intergovernmental	3,845,500	2,884,125	2,900,315	16,190	75%
Charges for services	1,437,813	1,078,360	1,147,633	69,273	80%
Fines and forfeitures	345,000	258,750	297,377	38,627	86%
Interest	21,000	15,750	70,312	54,562	335%
Miscellaneous	960,819	782,666	850,038	67,372	88%
Transfers in	<u>12,195,014</u>	<u>9,146,261</u>	<u>8,743,505</u>	<u>(402,756)</u>	<u>72%</u>
Total revenues	<u>\$ 37,484,603</u>	<u>\$ 29,596,238</u>	<u>\$ 29,595,846</u>	<u>\$ (392)</u>	<u>79%</u>

* 88% of budgeted amount is expected to be collected during the first three quarters based on historical collection patterns.

General Fund Revenues Analysis YTD Budget vs. Actual



*88% of budgeted amount expected to be collected during the first three quarters based on historical collection patterns

**City of North Miami Beach
General Fund Expenditures
Budgetary Comparison Schedule
For the Quarter Ending June 30, 2012**

	Current Year Budget	Three Quarters Budget	Actual	Favorable / (Unfavorable) Variance	Percentage of Budget Spent
Expenditures by Function					
Administrative	\$ 1,207,638	\$ 905,728	\$ 835,285	\$ 70,443	69%
Legislative	2,978,524	2,233,893	1,593,869	640,024	54%
Executive	2,495,108	1,871,332	1,714,915	156,417	69%
Human resources	1,271,524	953,645	563,646	389,999	44%
Finance	1,149,098	861,824	743,978	117,846	65%
Police services	18,110,425	13,582,821	13,188,130	394,691	73%
Leisure services	4,410,774	3,308,082	2,944,990	363,092	67%
Public services	3,838,642	2,878,983	2,339,480	539,503	61%
Capital outlay	878,816	659,112	74,244	584,868	8%
Debt service	246,455	184,842	167,219	17,623	68%
Transfers out	<u>897,599</u>	<u>673,200</u>	<u>873,812</u>	<u>(200,612)</u>	<u>97%</u>
<i>Total expenditures</i>	<u>\$ 37,484,603</u>	<u>\$ 28,113,462</u>	<u>\$ 25,039,568</u>	<u>\$ 3,073,894</u>	<u>67%</u>
Expenditures by Class					
Salaries & related costs	\$ 28,637,150	\$ 21,477,866	\$ 20,017,682	\$ 1,460,184	70%
Operating expenses	6,824,583	5,118,442	3,906,611	1,211,831	57%
Capital outlay	878,816	659,112	74,244	584,868	8%
Non-operating expenses	<u>1,144,054</u>	<u>858,042</u>	<u>1,041,031</u>	<u>(182,989)</u>	<u>91%</u>
<i>Total expenditures</i>	<u>\$ 37,484,603</u>	<u>\$ 28,113,462</u>	<u>\$ 25,039,568</u>	<u>\$ 3,073,894</u>	<u>67%</u>

**City of North Miami Beach
Other Governmental Funds
Budgetary Comparison Schedule
For the Quarter Ending June 30, 2012**

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

Revenues*	\$ 6,148,435	\$ 4,611,327	\$ 4,723,624	\$ 112,297	77%
Expenditures	<u>6,148,435</u>	<u>4,611,327</u>	<u>773,781</u>	<u>3,837,546</u>	13%
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,949,843</u>	<u>\$ 3,949,843</u>	

Transit Surtax Fund

Revenues	\$ 1,100,000	\$ 825,000	\$ 726,513	\$ (98,487)	66%
Expenditures	<u>1,100,000</u>	<u>825,000</u>	<u>922,352</u>	<u>(97,352)</u>	84%
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (195,839)</u>	<u>\$ (195,839)</u>	

Governmental Impact Fee Fund

Revenues *	\$ 191,966	\$ 143,975	\$ 148,433	\$ 4,458	77%
Expenditures	<u>191,966</u>	<u>143,975</u>	<u>11,937</u>	<u>132,038</u>	6%
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,496</u>	<u>\$ 136,496</u>	

* 75% 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 June 30, 2012
(continued)**

	Current Year Budget	Three Quarters Budget	Actual	Favorable / (Unfavorable) Variance	Percentage of Budget Collected / Spent
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Alley Restoration Fund

Revenues	\$ 189,100	\$ 141,825	\$ 141,839	\$ 14	75%
Expenditures	<u>189,100</u>	<u>141,825</u>	<u>409</u>	<u>141,416</u>	0%
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	\$ <u>141,430</u>	\$ <u>141,430</u>	

Debt Service Funds

Revenues*	\$ 3,998,240	\$ 3,519,103	\$ 3,707,317	\$ 188,214	93%
Expenditures	<u>3,998,240</u>	<u>2,998,681</u>	<u>3,324,862</u>	<u>(326,181)</u>	83%
Net change in fund balance	\$ <u>-</u>	\$ <u>520,422</u>	\$ <u>382,455</u>	\$ <u>(137,967)</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 June 30, 2012**

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

Revenue:

Operating revenue	\$ 1,268,000	\$ 951,000	\$ 956,834	\$ 5,834	75%
Non-operating revenue	<u>32,000</u>	<u>24,000</u>	<u>14,077</u>	<u>(9,923)</u>	<u>44%</u>
<i>Total Revenues:</i>	1,300,000	975,000	970,911	(4,089)	75%

Expenses:

Salaries & related costs	468,832	351,624	343,349	8,275	73%
Operating costs	199,398	149,548	125,587	23,961	63%
Non-operating expenses	<u>631,770</u>	<u>473,828</u>	<u>333,100</u>	<u>140,728</u>	<u>53%</u>
<i>Total Expenses:</i>	1,300,000	975,000	802,036	172,964	62%
Change in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,875</u>	<u>\$ 168,875</u>	

City of North Miami Beach
Enterprise Funds
Budgetary Comparison Schedule
For the Quarter Ending June 30, 2012
(continued)

	Current Year Budget	Three Quarters Budget	Actual	Favorable / (Unfavorable) Variance	Percentage of Budget Collected / Spent
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Water Fund

Revenue:

Operating revenue	\$ 27,280,000	\$ 20,460,000	\$ 20,965,648	\$ 505,648	77%
Non-operating revenue	<u>6,181,407</u>	<u>4,636,055</u>	<u>4,670,307</u>	<u>34,252</u>	<u>76%</u>
<i>Total Revenues:</i>	33,461,407	25,096,055	25,635,955	539,900	77%

Expenses:

Salaries & related costs	8,653,187	6,489,890	6,174,902	314,988	71%
Operating costs	3,833,907	2,875,430	2,261,419	614,011	59%
Capital outlay	2,066,093	1,549,570	325,528	1,224,042	16%
Non-operating expenses	<u>18,908,220</u>	<u>14,181,165</u>	<u>10,395,483</u>	<u>3,785,682</u>	<u>55%</u>
<i>Total Expenses:</i>	33,461,407	25,096,055	19,157,332	5,938,723	57%
Change in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,478,623</u>	<u>\$ 6,478,623</u>	

City of North Miami Beach
Enterprise Funds
Budgetary Comparison Schedule
For the Quarter Ending June 30, 2012
(continued)

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

Revenue:

Operating revenue	\$ 7,505,000	\$ 5,628,750	\$ 5,598,978	\$ (29,772)	75%
Non-operating revenue	<u>1,595,500</u>	<u>1,196,625</u>	<u>1,180,255</u>	<u>(16,370)</u>	<u>74%</u>
<i>Total Revenues:</i>	9,100,500	6,825,375	6,779,233	(46,142)	74%

Expenses:

Salaries & related costs	745,488	559,115	506,681	52,434	68%
Operating costs	381,090	285,818	42,676	243,142	11%
Capital outlay	1,326,000	994,500	15,187	979,313	1%
Non-operating expenses	<u>6,647,922</u>	<u>4,985,942</u>	<u>3,397,316</u>	<u>1,588,626</u>	<u>51%</u>
<i>Total Expenses:</i>	9,100,500	6,825,375	3,961,860	2,863,515	44%
 Change in net assets	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 2,817,373</u>	 <u>\$ 2,817,373</u>	

City of North Miami Beach
Enterprise Funds (continued)
Budgetary Comparison Schedule
For the Quarter Ending June 30, 2012
(continued)

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

Revenue:

Operating revenue	\$ 1,337,759	\$ 1,003,320	\$ 1,059,021	\$ 55,701	79%
Non-operating revenue	<u>159,380</u>	<u>119,535</u>	<u>79,438</u>	<u>(40,097)</u>	<u>50%</u>
<i>Total Revenues:</i>	1,497,139	1,122,855	1,138,459	15,604	76%

Expenses:

Salaries & related costs	1,249,253	936,940	834,038	102,902	67%
Operating costs	219,386	164,540	97,686	66,854	32%
Capital outlay	8,500	6,375	2,030	4,345	24%
Non-operating expenses	<u>20,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>75%</u>
<i>Total Expenses:</i>	1,497,139	1,122,855	948,754	174,101	63%
Change in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,705</u>	<u>\$ 189,705</u>	

City of North Miami Beach
Enterprise Funds (continued)
Budgetary Comparison Schedule
For the Quarter Ending June 30, 2012
(continued)

	Current Year Budget	Three Quarters Budget	Actual	Favorable / (Unfavorable) Variance	Percentage of Budget Collected / Spent
Solid Waste Fund					
Revenue:					
Operating revenue	\$ 8,553,500	\$ 6,415,125	\$ 6,421,139	\$ 6,014	75%
Non-operating revenue	<u>1,001,925</u>	<u>751,444</u>	<u>129,304</u>	<u>(622,140)</u>	13%
<i>Total Revenues:</i>	9,555,425	7,166,569	6,550,443	(616,126)	69%
Expenses:					
Salaries & related costs	3,081,307	2,310,980	2,159,818	151,162	70%
Operating costs	3,927,905	2,945,929	2,123,580	822,349	54%
Capital outlay	813,425	610,069	-	610,069	0%
Non-operating expenses	<u>1,732,788</u>	<u>1,299,591</u>	<u>796,932</u>	<u>502,659</u>	46%
<i>Total Expenses:</i>	9,555,425	7,166,569	5,080,330	2,086,239	53%
Change in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,470,113</u>	<u>\$ 1,470,113</u>	

City of North Miami Beach
Enterprise Funds (continued)
Budgetary Comparison Schedule
For the Quarter Ending June 30, 2012
(continued)

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

Revenue:

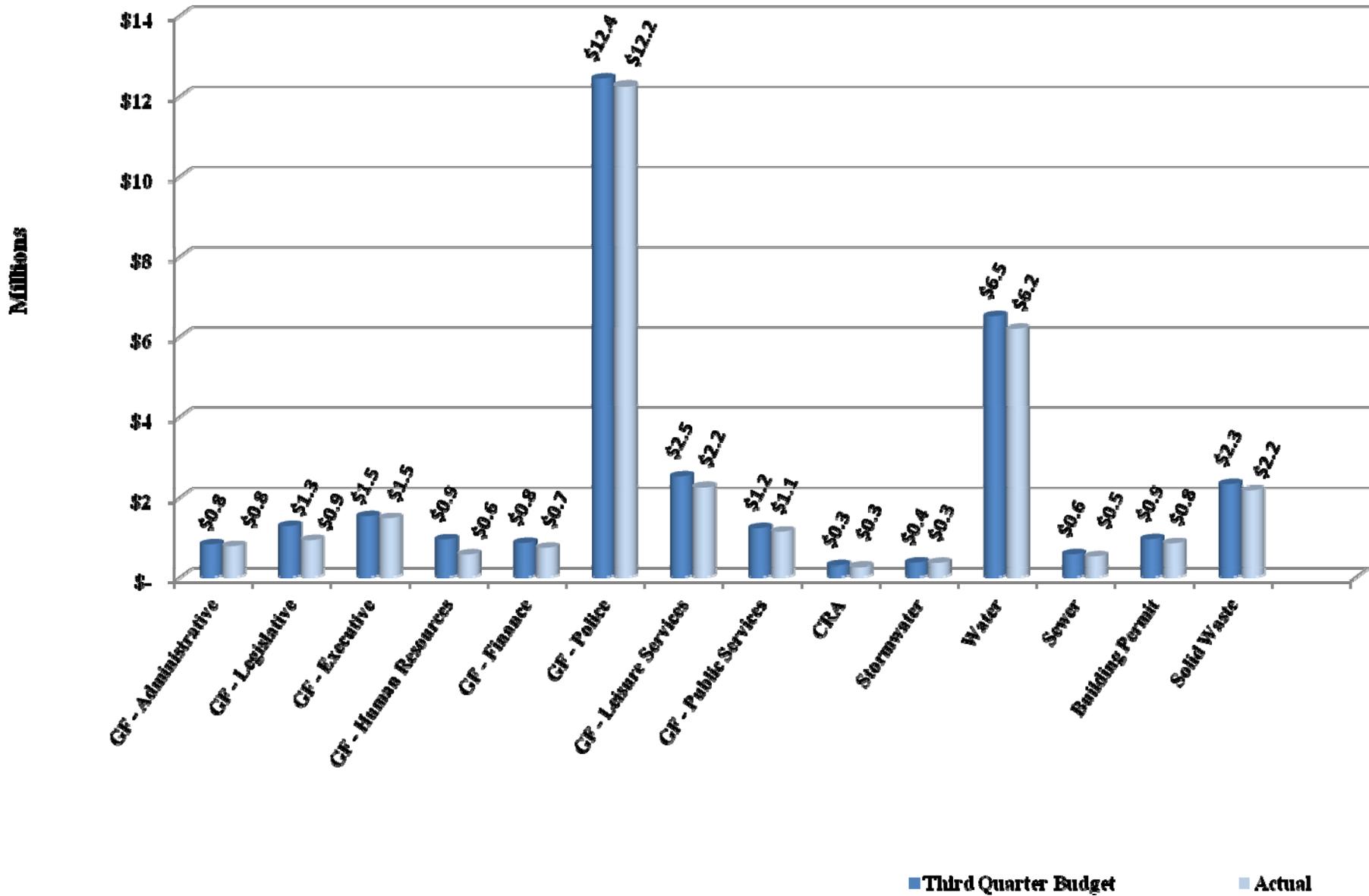
Operating revenue	<u>\$ 2,950,000</u>	<u>\$ 2,212,500</u>	<u>\$ 482,493</u>	<u>\$ (1,730,007)</u>	16%
<i>Total Revenues:</i>	2,950,000	2,212,500	482,493	(1,730,007)	16%

Expenses:

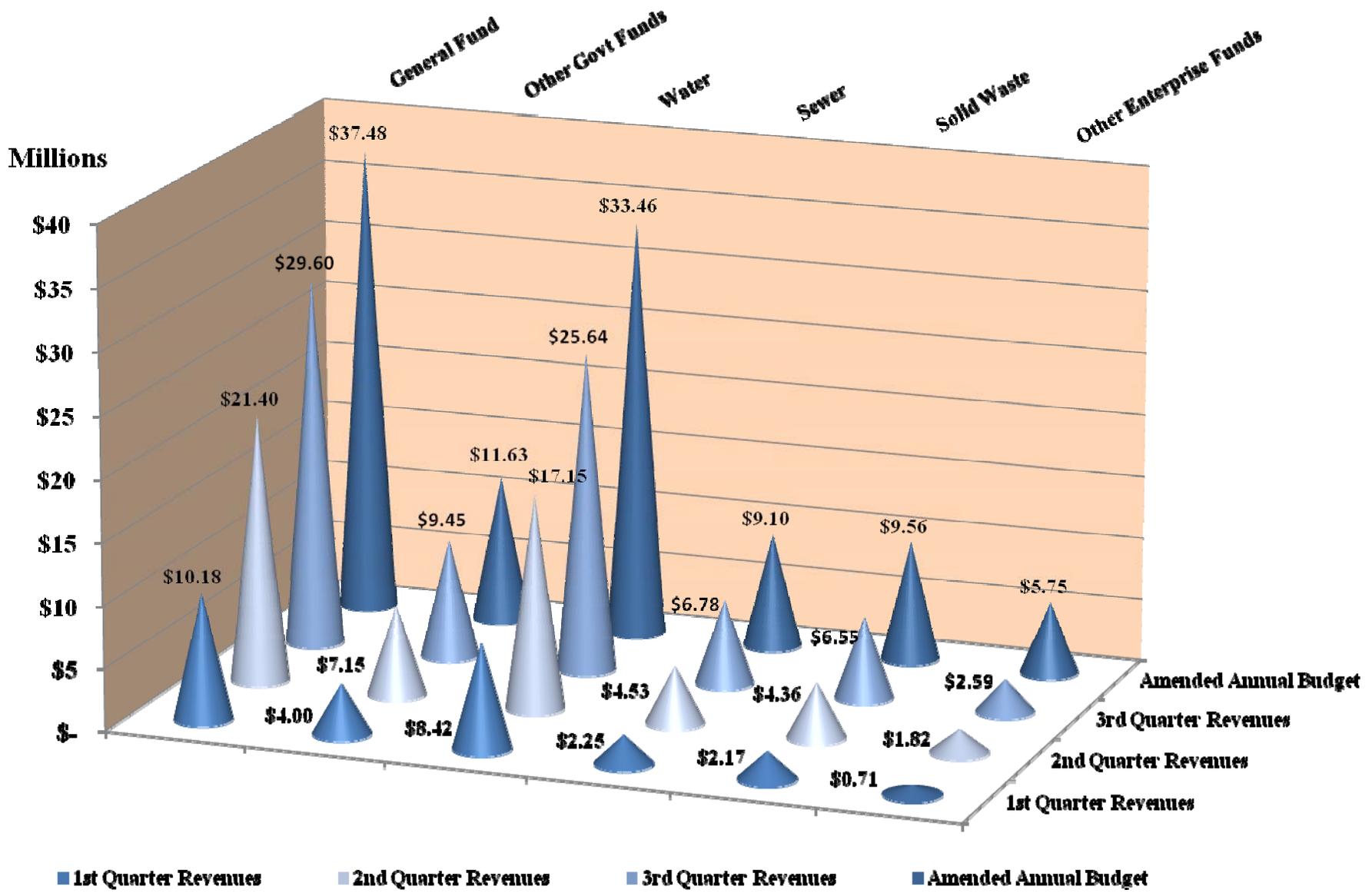
Capital outlay	<u>2,950,000</u>	<u>2,212,500</u>	<u>-</u>	<u>2,212,500</u>	0%
<i>Total Expenses:</i>	2,950,000	2,212,500	-	2,212,500	0%

Change in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 482,493</u>	<u>\$ 482,493</u>	
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Salaries & Related Costs by Department



Quarterly Comparison - Revenues



Quarterly Comparison - Expenses

