



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

Data as of December 31, 2011

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

- Disclaimer
- Methodology
- Overview
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City of North Miami Beach
Quarterly Financial Analysis
First Quarter – FY 2012
Overview

The attached schedules represent the *unaudited* results of operations as compared to the adopted budget through December 31, 2011 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, funds that have budgeted partial carryovers from prior years have one quarter of the appropriation 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 approximately \$5.9 million as compared to budget at December 31, 2011. 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. The primary contributors to the favorable position are the Community Redevelopment Agency and the Enterprise Funds.

City of North Miami Beach
Quarterly Financial Analysis
First Quarter – FY 2012
Review and Analysis

The General Fund unfavorable variance of approximately \$1.2 million consists of a shortfall of about \$3.2 million in revenue and about \$2.0 million in lower than expected expenditures. The primary factor affecting revenue is the timing of ad valorem tax collections. Although the taxes are due and payable annually in March, the payer is granted discounts of varying amounts for early payment. Consequently, about 62% of the City's property tax revenue has historically been collected during the first quarter. Because a portion of the property taxes are restricted to debt payments, those amounts are transferred to the debt service funds as soon as the bulk of collections have been received. So, even though 33% of the property tax revenues have been received, another \$3.1 million was expected by the end of December. The expenditure variance can be attributed to fewer than expected capital outlay expenditures in the IT, Police and Public Services departments, less than expected operating costs in the Public Services, Police and Legislative 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 received from the State for police and fire and submitted to the plan.

The Community Redevelopment Agency, (CRA) has a favorable variance of nearly \$1.3 million. As prefaced in the overview, 25% of the appropriated fund balance of about \$5.4 million has been included as a portion of the budgeted amounts and as a portion of the actual revenues. The variance can be attributed entirely to \$5 million that was budgeted for the land acquisition/economic development that has yet to be purchased.

The Transit Surtax Fund has an unfavorable variance of about \$77,000. The taxes are received from Miami-Dade County in arrears by three months. Therefore, the first collection was received in January and no revenue is recorded for the first quarter of fiscal year 2012. The expenditures for the quarter are below budget because the payment of the debt service payment for the 2003B bonds has not yet been recorded.

The Water Fund variance of nearly \$3.5 million results primarily from transfers to reserve accounts and debt service payments that have yet to be made as well as unused contingency funds. Various plant and infrastructure capital projects are also under budget for the first quarter. The causes of the Sewer Fund variance of nearly \$1.2 million mirror the causes of the variance in the Water Fund by also resulting primarily from transfers to reserve accounts and debt service payments that have yet to be made, unspent contingency funds, and system and infrastructure capital projects that are under budget for the first quarter.

The Solid Waste Fund has a favorable variance of about \$850,000. The key attribute of the revenue shortfall of nearly \$217,000 is an amount that was budgeted to finance capital equipment. The favorable expenditure variance of just over \$1 million consists of a combination of the aforementioned capital equipment, lower than expected tipping fees, expenditures relating to repairs, maintenance and fuel for vehicles, unspent contingency funds and transfers to reserve accounts that have not yet been recorded.

**City of North Miami Beach
Budgetary Comparison Summary
Cash Basis
For the Quarter Ending December 31, 2011**

REVENUES

	Current Year Budget	One Quarter Budget	Actual	Over / (Under) Budget
Governmental Funds:				
General Fund	\$ 37,360,354	\$ 13,383,713	\$ 10,181,114	\$ (3,202,599)
Community Redevelopment Agency	6,458,867	1,614,717	1,516,566	(98,151)
Transit Surtax Fund	1,100,000	275,000	-	(275,000)
Governmental Impact Fee Fund	191,966	47,992	47,974	(18)
Alley Restoration Fund	189,100	47,275	47,250	(25)
Debt Service Funds	3,998,240	2,560,828	2,386,278	(174,550)

**City of North Miami Beach
 Budgetary Comparison Summary
 Cash Basis
 For the Quarter Ending December 31, 2011
 (continued)**

EXPENDITURES

	Current Year Budget	One Quarter Budget	Actual	(Over) / Under Budget
Governmental Funds:				
General Fund	\$ 37,360,354	\$ 9,340,090	\$ 7,323,377	\$ 2,016,713
Community Redevelopment Agency	6,458,867	1,614,717	222,268	1,392,449
Transit Surtax Fund	1,100,000	275,000	76,617	198,383
Governmental Impact Fee Fund	191,966	47,992	1,962	46,030
Alley Restoration Fund	189,100	47,275	-	47,275
Debt Service Funds	3,998,240	999,560	733,877	265,683

**City of North Miami Beach
 Budgetary Comparison Summary
 Cash Basis
 For the Quarter Ending December 31, 2011
 (continued)**

	Net Variance Favorable / (Unfavorable)
Governmental Funds:	
General Fund	\$ (1,185,886)
Community Redevelopment Agency	1,294,298
Transit Surtax Fund	(76,617)
Governmental Impact Fee Fund	46,012
Alley Restoration Fund	47,250
Debt Service Funds	<u>91,133</u>
TOTAL GOVERNMENTAL FUNDS	<u>\$ 216,190</u>

**City of North Miami Beach
Budgetary Comparison Summary
Cash Basis
For the Quarter Ending December 31, 2011
(continued)**

REVENUES

	Current Year Budget	One Quarter Budget	Actual	Over / (Under) Budget
Enterprise Funds:				
Stormwater Fund	\$ 1,300,000	\$ 325,000	\$ 325,734	\$ 734
Water Fund	33,461,407	8,365,352	8,416,818	51,466
Sewer Fund	9,100,500	2,275,125	2,253,162	(21,963)
Building Permit Fund	1,497,139	374,285	352,644	(21,641)
Solid Waste Fund	9,555,425	2,388,856	2,172,092	(216,764)
Impact Fees Funds	2,950,000	737,500	35,224	(702,276)

**City of North Miami Beach
 Budgetary Comparison Summary
 Cash Basis
 For the Quarter Ending December 31, 2011
 (continued)**

EXPENDITURES

	Current Year Budget	One Quarter Budget	Actual	(Over) / Under Budget
Enterprise Funds:				
Stormwater Fund	\$ 1,300,000	\$ 325,000	\$ 210,422	\$ 114,578
Water Fund	33,461,407	8,365,352	4,977,710	3,387,642
Sewer Fund	9,100,500	2,275,125	1,060,535	1,214,590
Building Permit Fund	1,497,139	374,285	285,649	88,636
Solid Waste Fund	9,555,425	2,388,856	1,330,852	1,058,004
Impact Fees Funds	2,950,000	737,500	-	737,500

**City of North Miami Beach
 Budgetary Comparison Summary
 Cash Basis
 For the Quarter Ending December 31, 2011
 (continued)**

Enterprise Funds:	Net Variance Favorable / (Unfavorable)
Stormwater Fund	\$ 115,312
Water Fund	3,439,108
Sewer Fund	1,192,627
Building Permit Fund	66,995
Solid Waste Fund	841,240
Impact Fees Funds	<u>35,224</u>
TOTAL ENTERPRISE FUNDS	<u>\$ 5,690,506</u>
TOTAL ALL FUNDS	\$ 5,906,696

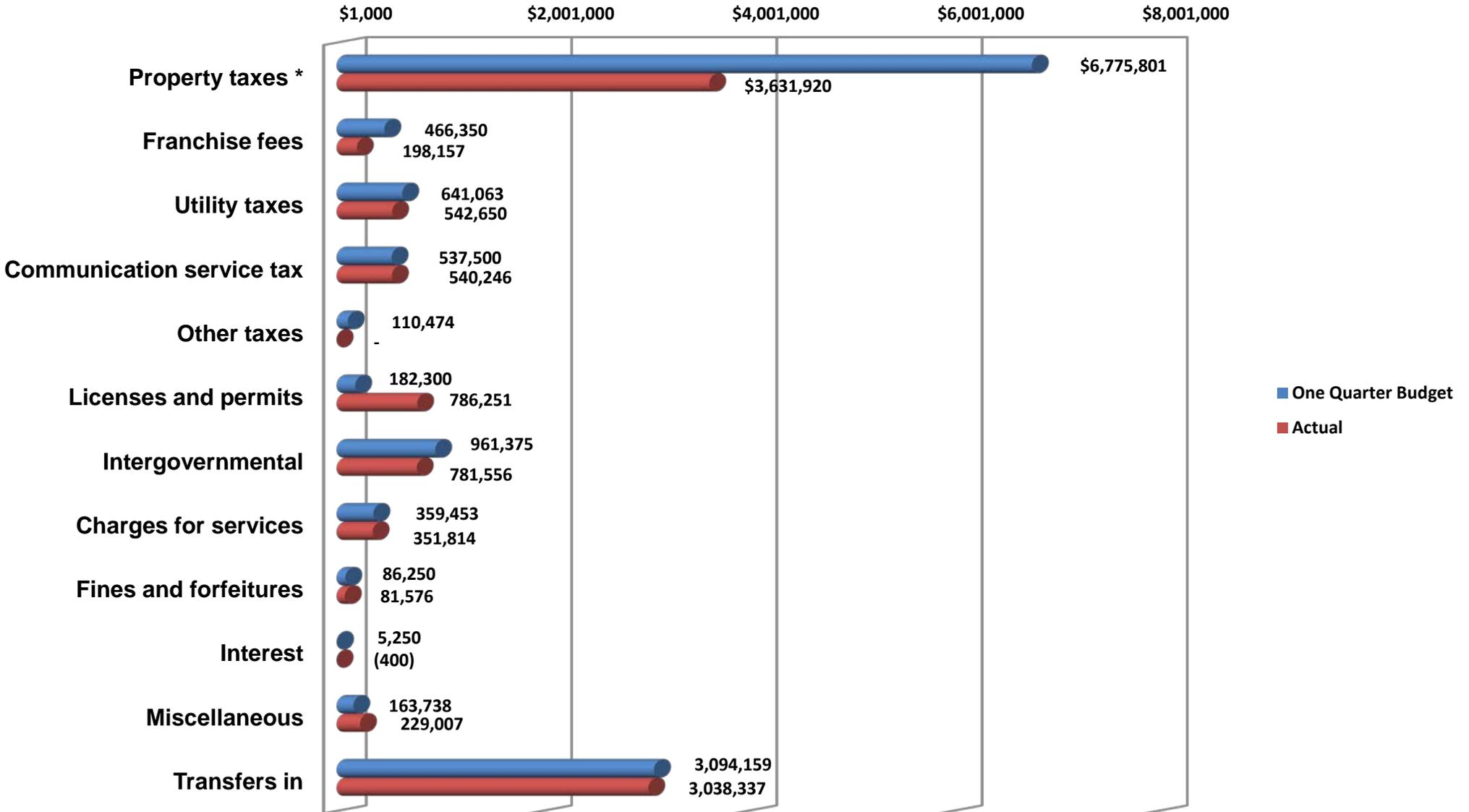
**City of North Miami Beach
General Fund Revenues
Budgetary Comparison Schedule
For the Quarter Ending December 31, 2011**

	Current Year Budget	One Quarter Budget	Actual	Favorable / (Unfavorable) Variance	Percentage of Budget Collected
Revenues					
Property taxes *	\$ 10,928,711	\$ 6,775,801	\$ 3,631,920	\$ (3,143,881)	33%
Franchise fees	1,865,400	466,350	198,157	(268,193)	11%
Utility taxes	2,564,250	641,063	542,650	(98,413)	21%
Communication service tax	2,150,000	537,500	540,246	2,746	25%
Other taxes	441,896	110,474	-	(110,474)	0%
Licenses and permits	729,200	182,300	786,251	603,951	108%
Intergovernmental	3,845,500	961,375	781,556	(179,819)	20%
Charges for services	1,437,813	359,453	351,814	(7,639)	24%
Fines and forfeitures	345,000	86,250	81,576	(4,674)	24%
Interest	21,000	5,250	(400)	(5,650)	-2%
Miscellaneous	654,950	163,738	229,007	65,269	35%
Transfers in	<u>12,376,634</u>	<u>3,094,159</u>	<u>3,038,337</u>	<u>(55,822)</u>	<u>25%</u>
Total revenues	<u>\$ 37,360,354</u>	<u>\$ 13,383,713</u>	<u>\$ 10,181,114</u>	<u>\$ (3,202,599)</u>	27%

* 62% of budgeted amount is expected to be collected during the first quarter based on historical collection patterns.

General Fund Revenues Analysis

One Quarter Budget vs. Actual



* 62% of budgeted amount is 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 December 31, 2011**

	Current Year Budget	One Quarter Budget	Actual	Favorable / (Unfavorable) Variance	Percentage of Budget Spent
Expenditures by Function					
Administrative	\$ 1,224,003	\$ 306,001	\$ 250,633	\$ 55,368	20%
Legislative	3,303,653	825,913	404,256	421,657	12%
Executive	2,539,402	634,851	549,610	85,241	22%
Human resources	1,315,915	328,979	109,115	219,864	8%
Finance	1,237,924	309,481	222,277	87,204	18%
Police services	18,111,358	4,527,840	4,192,689	335,151	23%
Leisure services	4,440,366	1,110,092	872,994	237,098	20%
Public services	3,840,199	960,050	648,349	311,701	17%
Capital outlay	782,649	195,662	22,649	173,013	3%
Debt service	246,455	61,614	50,805	10,809	21%
Transfers out	<u>318,430</u>	<u>79,607</u>	<u>-</u>	<u>79,607</u>	<u>0%</u>
Total expenditures	<u>\$ 37,360,354</u>	<u>\$ 9,340,090</u>	<u>\$ 7,323,377</u>	<u>\$ 2,016,713</u>	20%
Expenditures by Class					
Salaries & related costs	\$ 28,812,498	\$ 7,203,126	\$ 6,310,959	\$ 892,167	22%
Operating expenses	7,175,322	1,793,831	913,963	879,868	13%
Capital outlay	782,649	195,662	22,649	173,013	3%
Non-operating expenses	<u>589,885</u>	<u>147,471</u>	<u>75,806</u>	<u>71,665</u>	<u>13%</u>
Total expenditures	<u>\$ 37,360,354</u>	<u>\$ 9,340,090</u>	<u>\$ 7,323,377</u>	<u>\$ 2,016,713</u>	20%

**City of North Miami Beach
Other Governmental Funds
Budgetary Comparison Schedule
For the Quarter Ending December 31, 2011**

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

Revenues*	\$ 6,458,867	\$ 1,614,717	\$ 1,516,566	\$ (98,151)	23%
Expenditures	<u>6,458,867</u>	<u>1,614,717</u>	<u>222,268</u>	<u>1,392,449</u>	3%
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,294,298</u>	<u>\$ 1,294,298</u>	

Transit Surtax Fund

Revenues	\$ 1,100,000	\$ 275,000	\$ -	\$ (275,000)	0%
Expenditures	<u>1,100,000</u>	<u>275,000</u>	<u>76,617</u>	<u>198,383</u>	7%
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (76,617)</u>	<u>\$ (76,617)</u>	

Governmental Impact Fee Fund

Revenues *	\$ 191,966	\$ 47,992	\$ 47,974	\$ (18)	25%
Expenditures	<u>191,966</u>	<u>47,992</u>	<u>1,962</u>	<u>46,030</u>	1%
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,012</u>	<u>\$ 46,012</u>	

* 25% 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 December 31, 2011
(continued)

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

Revenues	\$ 189,100	\$ 47,275	\$ 47,250	\$ (25)	25%
Expenditures	<u>189,100</u>	<u>47,275</u>	<u>-</u>	<u>47,275</u>	0%
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,250</u>	<u>\$ 47,250</u>	

Debt Service Funds

Revenues*	\$ 3,998,240	\$ 2,560,828	\$ 2,386,278	\$ (174,550)	60%
Expenditures	<u>3,998,240</u>	<u>999,560</u>	<u>733,877</u>	<u>265,683</u>	18%
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,561,268</u>	<u>\$ 1,652,401</u>	<u>\$ 91,133</u>	

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

**City of North Miami Beach
Enterprise Funds
Budgetary Comparison Schedule
For the Quarter Ending December 31, 2011**

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

Revenue:

Operating revenue	\$ 1,268,000	\$ 317,000	\$ 319,422	\$ 2,422	25%
Non-operating revenue	<u>32,000</u>	<u>8,000</u>	<u>6,312</u>	<u>(1,688)</u>	<u>20%</u>
Total Revenues:	1,300,000	325,000	325,734	734	25%

Expenses:

Salaries & related costs	465,247	116,311	103,364	12,947	22%
Operating costs	205,375	51,344	7,709	43,635	4%
Non-operating expenses	<u>629,378</u>	<u>157,345</u>	<u>99,349</u>	<u>57,996</u>	<u>16%</u>
Total Expenses:	1,300,000	325,000	210,422	114,578	16%

Change in net assets \$ - \$ - \$ 115,312 \$ 115,312

City of North Miami Beach
Enterprise Funds
Budgetary Comparison Schedule
For the Quarter Ending December 31, 2011
(continued)

	Current Year Budget	One Quarter Budget	Actual	Favorable / (Unfavorable) Variance	Percentage of Budget Collected / Spent
Water Fund					
Revenue:					
Operating revenue	\$ 27,280,000	\$ 6,820,000	\$ 6,869,151	\$ 49,151	25%
Non-operating revenue	<u>6,181,407</u>	<u>1,545,352</u>	<u>1,547,667</u>	<u>2,315</u>	25%
Total Revenues:	33,461,407	8,365,352	8,416,818	51,466	25%
Expenses:					
Salaries & related costs	8,539,623	2,134,906	1,918,436	216,470	22%
Operating costs	1,918,382	479,596	213,531	266,065	11%
Capital outlay	2,062,524	515,630	843	514,787	0%
Non-operating expenses	<u>20,940,878</u>	<u>5,235,220</u>	<u>2,844,900</u>	<u>2,390,320</u>	14%
Total Expenses:	33,461,407	8,365,352	4,977,710	3,387,642	15%
Change in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,439,108</u>	<u>\$ 3,439,108</u>	

**City of North Miami Beach
Enterprise Funds
Budgetary Comparison Schedule
For the Quarter Ending December 31, 2011
(continued)**

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

Revenue:

Operating revenue	\$ 7,505,000	\$ 1,876,250	\$ 1,859,624	\$ (16,626)	25%
Non-operating revenue	<u>1,595,500</u>	<u>398,875</u>	<u>393,538</u>	<u>(5,337)</u>	<u>25%</u>
Total Revenues:	9,100,500	2,275,125	2,253,162	(21,963)	25%

Expenses:

Salaries & related costs	744,338	186,084	152,902	33,182	21%
Operating costs	370,250	92,563	11,023	81,540	3%
Capital outlay	1,010,000	252,500	-	252,500	0%
Non-operating expenses	<u>6,975,912</u>	<u>1,743,978</u>	<u>896,610</u>	<u>847,368</u>	<u>13%</u>
Total Expenses:	9,100,500	2,275,125	1,060,535	1,214,590	12%

Change in net assets \$ - \$ - \$ 1,192,627 \$ 1,192,627

City of North Miami Beach
Enterprise Funds (continued)
Budgetary Comparison Schedule
For the Quarter Ending December 31, 2011
(continued)

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

Revenue:

Operating revenue	\$ 1,337,759	\$ 334,440	\$ 350,395	\$ 15,955	26%
Non-operating revenue	<u>159,380</u>	<u>39,845</u>	<u>2,249</u>	<u>(37,596)</u>	1%
<i>Total Revenues:</i>	1,497,139	374,285	352,644	(21,641)	24%

Expenses:

Salaries & related costs	1,249,253	312,313	283,402	28,911	23%
Operating costs	219,386	54,847	2,247	52,600	0%
Capital outlay	8,500	2,125	-	2,125	0%
Non-operating expenses	<u>20,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>	0%
<i>Total Expenses:</i>	1,497,139	374,285	285,649	88,636	19%
<i>Change in net assets</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,995</u>	<u>\$ 66,995</u>	

**City of North Miami Beach
Enterprise Funds (continued)
Budgetary Comparison Schedule
For the Quarter Ending December 31, 2011
(continued)**

	Current Year Budget	One Quarter Budget	Actual	Favorable / (Unfavorable) Variance	Percentage of Budget Collected / Spent
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Solid Waste Fund

Revenue:

Operating revenue	\$ 8,553,500	\$ 2,138,375	\$ 2,129,019	\$ (9,356)	25%
Non-operating revenue	<u>1,001,925</u>	<u>250,481</u>	<u>43,073</u>	<u>(207,408)</u>	<u>4%</u>
<i>Total Revenues:</i>	9,555,425	2,388,856	2,172,092	(216,764)	23%

Expenses:

Salaries & related costs	3,078,857	769,714	641,340	128,374	21%
Operating costs	3,913,555	978,389	336,372	642,017	9%
Capital outlay	788,425	197,106	-	197,106	0%
Non-operating expenses	<u>1,774,588</u>	<u>443,647</u>	<u>353,140</u>	<u>90,507</u>	<u>20%</u>
<i>Total Expenses:</i>	9,555,425	2,388,856	1,330,852	1,058,004	14%
<i>Change in net assets</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 841,240</u>	<u>\$ 841,240</u>	

**City of North Miami Beach
Enterprise Funds (continued)
Budgetary Comparison Schedule
For the Quarter Ending December 31, 2011
(continued)**

Current Year Budget	One Quarter 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>\$ 737,500</u>	<u>\$ 35,224</u>	<u>\$ (702,276)</u>	1%
<i>Total Revenues:</i>	2,950,000	737,500	35,224	(702,276)	1%

Expenses:

Capital outlay	<u>2,950,000</u>	<u>737,500</u>	<u>-</u>	<u>737,500</u>	0%
<i>Total Expenses:</i>	2,950,000	737,500	-	737,500	0%
<i>Change in net assets</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,224</u>	<u>\$ 35,224</u>	