



**City of North Miami Beach
Quarterly Financial Analysis
FY 2016
Nine Months Ended, June 30, 2016**

**City of North Miami Beach
Quarterly Financial Analysis
Third Quarter – FY 2016
Overview**

The attached schedules represent the ***unaudited*** results of operations as compared to the amended budget through June 30, 2016 for all budgeted 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 five Debt Service Funds have been combined, as well as the three proprietary Impact Fees Funds. Fund balance carryforwards have been eliminated to improve transparency.

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. Certain exceptions have been made to this formula when cash flows can reasonably be expected to occur at a particular time. For example, business tax receipts are due on October 1st. Therefore, at the end of the first quarter, 100% of the budget would be expected to be received. Likewise, debt service payments are scheduled and can be included in the quarterly budget column when due. Ad valorem taxes are presented based on historical collection patterns in both the general fund and the debt service 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 \$22.5 million as compared to budget at June 30, 2016. 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. Virtually every fund is contributing to the favorable position.

**City of North Miami Beach
 Budgetary Comparison Summary
 Cash Basis
 For the Quarter Ending June 30, 2016**

REVENUES

Governmental Funds:	Current Year Budget	Third Quarter's Budget	Actual	Over / (Under) Budget
General Fund	\$ 44,031,023	\$ 33,558,437	\$ 35,044,273	\$ 1,485,836
Community Redevelopment Agency	\$ 703,508	\$ 701,008	\$ 702,073	\$ 1,065
Transit Surtax Fund	\$ 1,535,000	\$ 639,583	\$ 711,897	\$ 72,314
Governmental Impact Fee Fund	\$ 248,300	\$ 186,225	\$ 13,448	\$ (172,777)
Alley Restoration Fund	\$ 300,000	\$ 225,000	\$ 225,000	\$ -
Debt Service Funds	\$ 2,710,450	\$ 1,954,369	\$ 1,954,369	\$ -
Liability Self Insurance	\$ 1,301,988	\$ 1,301,988	\$ 1,380,315	\$ 78,327
Worker's Comp Self Insurance	\$ 843,106	\$ 843,106	\$ 913,232	\$ 70,126
TOTAL GOVT'L FUNDS REVENUE	\$ 51,673,375	\$ 39,409,716	\$ 40,944,607	\$ 1,534,891

**City of North Miami Beach
Budgetary Comparison Summary
Cash Basis
For the Quarter Ending June 30, 2016
(continued)**

EXPENDITURES

	Current Year Budget	Third Quarter's Budget	Actual	(Over) / Under Budget
Governmental Funds:				
General Fund	\$ 45,098,299	\$ 35,662,618	\$ 30,466,830	\$ 5,195,788
Community Redevelopment Agency	\$ 1,410,453	\$ 1,062,972	\$ 369,044	\$ 693,928
Transit Surtax Fund	\$ 2,077,280	\$ 1,715,062	\$ 952,396	\$ 762,666
Governmental Impact Fee Fund	\$ 428,759	\$ 321,569	\$ 185,552	\$ 136,017
Alley Restoration Fund	\$ 300,000	\$ 225,000	\$ 163,893	\$ 61,107
Debt Service Funds	\$ 2,710,450	\$ 2,524,181	\$ 2,524,181	\$ -
Liability Self Insurance	\$ 1,402,395	\$ 1,051,796	\$ 598,148	\$ 453,648
Worker's Comp Self Insurance	\$ 843,106	\$ 632,330	\$ 871,786	\$ (239,456)
TOTAL GOVT'L FUNDS EXPENSE	\$ 54,270,742	\$ 43,195,528	\$ 36,131,830	\$ 7,063,698

**City of North Miami Beach
Budgetary Comparison Summary
Cash Basis
For the Quarter Ending June 30, 2016
(continued)**

Governmental Funds:	Revenue Variance	Expenditure Variance	Net Variance Favorable / (Unfavorable)
General Fund	\$ 1,485,836	\$ 5,195,788	\$ 6,681,624
Community Redevelopment Agency	\$ 1,065	\$ 693,928	\$ 694,993
Transit Surtax Fund	\$ 72,314	\$ 762,666	\$ 834,980
Governmental Impact Fee Fund	\$ (172,777)	\$ 136,017	\$ (36,760)
Alley Restoration Fund	\$ -	\$ 61,107	\$ 61,107
Debt Service Funds	\$ -	\$ -	\$ -
Liability Self Insurance	\$ 78,327	\$ 453,648	\$ 531,975
Worker's Comp Self Insurance	\$ 70,126	\$ (239,456)	\$ (169,330)
TOTAL GOVERNMENTAL FUNDS	\$ 1,534,891	\$ 7,063,698	\$ 8,598,589

**City of North Miami Beach
Budgetary Comparison Summary
Cash Basis
For the Quarter Ending June 30, 2016
(continued)**

REVENUES

Enterprise Funds:	Current Year Budget	Third Quarter's Budget	Actual	Over / (Under) Budget
Stormwater Fund	\$ 1,309,200	\$ 981,900	\$ 976,991	\$ (4,909)
Water Fund	\$ 31,139,326	\$ 23,354,495	\$ 23,667,613	\$ 313,118
Sewer Fund	\$ 6,849,232	\$ 5,136,923	\$ 5,350,979	\$ 214,056
Building Permit Fund	\$ 2,389,761	\$ 1,792,321	\$ 2,693,075	\$ 900,754
Solid Waste Fund	\$ 11,148,675	\$ 8,664,200	\$ 8,770,903	\$ 106,703
Impact Fees Funds	\$ 3,510,000	\$ 2,632,500	\$ 2,117,971	\$ (514,529)
Internal Service Fund	\$ 2,753,547	\$ 2,065,160	\$ 2,062,905	\$ (2,255)
TOTAL ENTERPRISE FUNDS REVENUE	\$ 59,099,741	\$ 44,627,499	\$ 45,640,437	\$ 1,012,938

**City of North Miami Beach
Budgetary Comparison Summary
Cash Basis
For the Quarter Ending June 30, 2016
(continued)**

EXPENDITURES

Enterprise Funds:	Current Year Budget	Third Quarter's Budget	Actual	(Over) / Under Budget
Stormwater Fund	\$ 1,309,200	\$ 1,132,675	\$ 737,772	\$ 394,903
Water Fund	\$ 31,139,326	\$ 25,694,063	\$ 21,166,365	\$ 4,527,698
Sewer Fund	\$ 6,849,232	\$ 5,343,655	\$ 4,467,698	\$ 875,957
Building Permit Fund	\$ 2,389,761	\$ 1,883,105	\$ 1,584,474	\$ 298,631
Solid Waste Fund	\$ 11,148,675	\$ 8,839,710	\$ 7,604,345	\$ 1,235,365
Impact Fees Funds	\$ 7,310,000	\$ 5,482,500	-	\$ 5,482,500
Internal Service Fund	\$ 2,753,547	\$ 2,026,246	\$ 1,928,461	\$ 97,785
TOTAL ENTERPRISE FUNDS EXPENSE	<u>\$ 62,899,741</u>	<u>\$ 50,401,954</u>	<u>\$ 37,489,115</u>	<u>\$ 12,912,839</u>

**City of North Miami Beach
Budgetary Comparison Summary
Cash Basis
For the Quarter Ending June 30, 2016
(continued)**

	Revenue Variance	Expenditure Variance	Net Variance Favorable / (Unfavorable)
Enterprise Funds:			
Stormwater Fund	\$ (4,909)	\$ 394,903	\$ 389,994
Water Fund	\$ 313,118	\$ 4,527,698	\$ 4,840,816
Sewer Fund	\$ 214,056	\$ 875,957	\$ 1,090,013
Building Permit Fund	\$ 900,754	\$ 298,631	\$ 1,199,385
Solid Waste Fund	\$ 106,703	\$ 1,235,365	\$ 1,342,068
Impact Fees Funds	\$ (514,529)	\$ 5,482,500	\$ 4,967,971
Internal Service Funds	\$ (2,255)	\$ 97,785	\$ 95,530
TOTAL ENTERPRISE FUNDS	<u>\$ 1,012,938</u>	<u>\$ 12,912,839</u>	<u>\$ 13,925,777</u>
TOTAL ALL FUNDS	<u>\$ 2,547,829</u>	<u>\$ 19,976,537</u>	<u>\$ 22,524,366</u>

**City of North Miami Beach
General Fund Revenues
Budgetary Comparison Schedule
For the Quarter Ending June 30, 2016**

	Current Year Budget	Third Quarter's Budget	Actual	Favorable / (Unfavorable) Variance	Percentage of Budget Collected
Revenues <small>(Note A)</small>					
Property taxes <small>(Note 1)</small>	\$ 12,550,521	\$ 11,586,641	\$ 12,195,410	\$ 608,769	97%
Franchise fees	1,907,726	1,125,611	1,126,944	1,333	59%
Utility taxes	2,937,810	2,008,098	2,115,463	107,365	72%
Communication service tax	1,793,241	1,046,057	1,099,412	53,355	61%
Other taxes	650,000	-	-	-	0%
Licenses and permits	869,400	843,800	814,748	(29,052)	94%
Intergovernmental	5,734,527	3,619,654	3,721,113	101,459	65%
Charges for services	8,439,602	6,322,205	6,430,074	107,869	76%
Fines and forfeitures	608,000	456,000	953,182	497,182	157%
Interest	203,500	152,625	97,661	(54,964)	48%
Other Miscellaneous	913,300	809,975	902,495	92,520	99%
Transfers in	7,423,396	5,587,771	5,587,771	-	75%
Total revenues	<u>\$ 44,031,023</u>	<u>\$ 33,558,437</u>	<u>\$ 35,044,273</u>	<u>\$ 1,485,836</u>	<u>80%</u>

(1) 92.3% of budgeted amount expected to be collected as of June 30th based on historical collection patterns.

(A) Certain exceptions have been made to this formula when cash flows can reasonably be expected to occur at a particular time.

**City of North Miami Beach
General Fund Expenditures
Budgetary Comparison Schedule
For the Quarter Ending June 30, 2016**

	Current Year Budget	Third Quarter's Budget(1)	Actual	Favorable / (Unfavorable) Variance	Percentage of Budget Spent
Expenditures by Function					
Administrative	\$ 1,525,654	\$ 1,163,840	\$ 1,082,873	\$ 80,967	71%
Legislative	4,010,318	2,889,653	2,438,693	450,960	61%
Executive	2,955,820	2,257,904	2,023,171	234,733	68%
Human Resources	613,079	469,938	454,220	15,718	74%
Finance	1,206,609	926,902	918,310	8,592	76%
Police Services	20,422,680	16,792,519	16,040,871	751,648	79%
Parks & R.E.C.	4,944,673	3,746,141	3,100,651	645,490	63%
Public Works	4,356,453	3,313,016	2,634,950	678,066	60%
Capital outlay	3,058,175	2,293,634	329,908	1,963,726	11%
Debt service	421,522	410,217	410,217	-	97%
Transfers out	1,583,316	1,398,854	1,032,966	365,888	65%
Total expenditures	\$ 45,098,299	\$ 35,662,618	\$ 30,466,830	\$ 5,195,788	68%
Expenditures by Class					
Salaries & related costs	\$ 22,760,346	\$ 17,200,135	\$ 16,222,665	\$ 977,470	71%
Pension	9,039,524	8,183,191	7,870,628	312,563	87%
Operating expenses	8,235,416	6,176,587	4,600,446	1,576,141	56%
Capital outlay	3,058,175	2,293,634	329,908	1,963,726	11%
Non-operating expenses	2,004,838	1,809,071	1,443,183	365,888	72%
Total expenditures	\$ 45,098,299	\$ 35,662,618	\$ 30,466,830	\$ 5,195,788	68%

(1) Budget includes 100% of pension payments paid in beginning of year which resulted in interest savings.

**City of North Miami Beach
Enterprise Funds
Budgetary Comparison Schedule
For the Quarter Ending June 30, 2016**

	Current Year Budget	Third Quarter's Budget	Actual	Favorable / (Unfavorable) Variance	% of Current Year Budget
Stormwater Fund					
Revenue:					
Operating revenue	\$ 1,273,000	\$ 954,750	\$ 954,759	\$ 9	75%
Non-operating revenue	36,200	27,150	22,232	(4,918)	61%
Total Revenues:	1,309,200	981,900	976,991	(4,909)	75%
Expenses:					
Salaries & related costs	231,222	173,417	159,262	14,155	69%
Pension	61,138	61,138	58,911	2,227	96%
Operating costs	449,137	336,853	98,400	238,453	22%
Capital outlay	211,413	158,560	-	158,560	0%
Non-operating expenses	470,745	402,707	421,199	(18,492)	89%
Total Expenses:	1,423,655	1,132,675	737,772	394,903	52%
Change in net assets	\$ (114,455)	\$ (150,775)	\$ 239,219	\$ 389,994	

**City of North Miami Beach
Enterprise Funds
Budgetary Comparison Schedule
For the Quarter Ending June 30, 2016
(continued)**

	Current Year Budget	Third Quarter's Budget	Actual	Favorable / (Unfavorable) Variance	% of Current Year Budget
Water Fund					
Revenue:					
Operating revenue	\$ 30,463,026	\$ 22,847,270	\$ 23,121,980	\$ 274,710	76%
Non-operating revenue	676,300	507,225	545,633	38,408	81%
Total Revenues:	31,139,326	23,354,495	23,667,613	313,118	76%
Expenses:					
Salaries & related costs	6,175,466	4,680,810	4,154,675	526,135	67%
Pension	1,223,370	1,223,370	1,178,461	44,909	96%
Operating costs	11,200,250	8,400,193	7,259,707	1,140,486	65%
Capital outlay	4,076,772	3,057,580	363,334	2,694,246	9%
Non-operating expenses	10,163,468	8,332,110	8,210,188	121,922	81%
Total Expenses:	32,839,326	25,694,063	21,166,365	4,527,698	64%
Change in net assets	\$ (1,700,000)	\$ (2,339,568)	\$ 2,501,248	\$ 4,840,816	

**City of North Miami Beach
Enterprise Funds
Budgetary Comparison Schedule
For the Quarter Ending June 30, 2016
(continued)**

	Current Year Budget	Third Quarter's Budget	Actual	Favorable / (Unfavorable) Variance	% of Current Year Budget
Sewer Fund					
Revenue:					
Operating revenue	\$ 6,786,232	\$ 5,089,673	\$ 5,267,376	\$ 177,703	78%
Non-operating revenue	63,000	47,250	83,603	36,353	133%
Total Revenues:	6,849,232	5,136,923	5,350,979	214,056	78%
Expenses:					
Salaries & related costs	757,876	572,816	451,552	121,264	60%
Pension	144,534	144,534	139,336	5,198	96%
Operating costs	3,427,025	2,570,270	2,373,006	197,264	69%
Capital outlay	930,882	698,161	145,275	552,886	16%
Non-operating expenses	1,588,915	1,357,874	1,358,529	(655)	86%
Total Expenses:	6,849,232	5,343,655	4,467,698	875,957	65%
Change in net assets	\$ -	\$ (206,732)	\$ 883,281	\$ 1,090,013	

**City of North Miami Beach
Enterprise Funds
Budgetary Comparison Schedule
For the Quarter Ending June 30, 2016
(continued)**

	Current Year Budget	Third Quarter's Budget	Actual	Favorable / (Unfavorable) Variance	% of Current Year Budget
Building Permit Fund					
Revenue:					
Operating revenue	\$ 2,126,061	1,594,546	\$ 2,463,737	\$ 869,191	116%
Non-operating revenue	263,700	197,775	229,338	31,563	87%
Total Revenues:	2,389,761	1,792,321	2,693,075	900,754	113%
Expenses:					
Salaries & related costs	1,240,681	933,411	860,646	72,765	69%
Pension	144,029	144,029	138,407	5,622	96%
Operating costs	389,295	291,971	154,790	137,181	40%
Capital outlay	110,750	83,063	-	83,063	0%
Non-operating expenses	521,021	430,631	430,631	-	83%
Total Expenses:	2,405,776	1,883,105	1,584,474	298,631	66%
Change in net assets	\$ (16,015)	\$ (90,784)	\$ 1,108,601	\$ 1,199,385	

**City of North Miami Beach
Enterprise Funds
Budgetary Comparison Schedule
For the Quarter Ending June 30, 2016
(continued)**

	Current Year Budget	Third Quarter's Budget	Actual	Favorable / (Unfavorable) Variance	% of Current Year Budget
Solid Waste Fund					
Revenue:					
Operating revenue	\$ 8,879,383	\$ 6,659,537	\$ 6,616,562	\$ (42,975)	75%
Non-operating revenue	<u>2,269,292</u>	<u>2,004,663</u>	<u>2,154,341</u>	<u>149,678</u>	95%
Total Revenues:	11,148,675	8,664,200	8,770,903	106,703	79%
Expenses:					
Salaries & related costs	1,246,536	949,173	1,017,986	(68,813)	82%
Pension	364,403	364,403	351,207	13,196	96%
Operating costs	6,941,415	5,206,063	4,085,250	1,120,813	59%
Capital outlay	330,200	247,650	77,481	170,169	23%
Non-operating expenses	<u>2,566,121</u>	<u>2,072,421</u>	<u>2,072,421</u>	<u>-</u>	81%
Total Expenses:	11,448,675	8,839,710	7,604,345	1,235,365	66%
Change in net assets	<u>\$ (300,000)</u>	<u>\$ (175,510)</u>	<u>\$ 1,166,558</u>	<u>\$ 1,342,068</u>	

**City of North Miami Beach
Enterprise Funds
Budgetary Comparison Schedule
For the Quarter Ending June 30, 2016
(continued)**

	Current Year Budget	Third Quarter's Budget	Actual	Favorable / (Unfavorable) Variance	% of Current Year Budget
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Impact Fees Funds

Revenue:

Operating revenue	\$ 3,510,000	\$ 2,632,500	\$ 2,117,971	\$ (514,529)	60%
Total Revenues:	3,510,000	2,632,500	2,117,971	(514,529)	60%

Expenses:

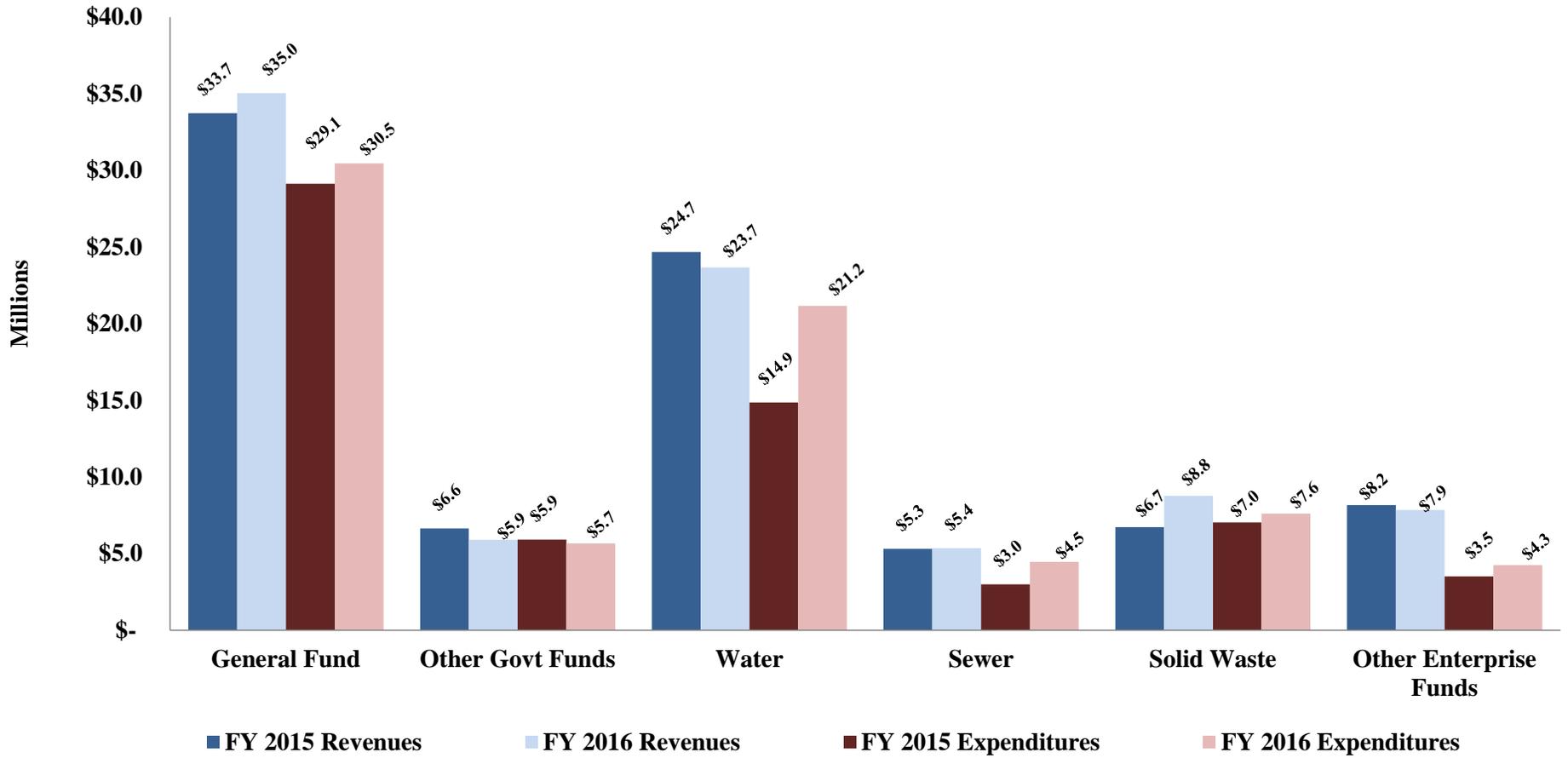
Capital outlay	7,310,000	5,482,500	-	5,482,500	0%
Total Expenses:	7,310,000	5,482,500	-	5,482,500	0%

Change in net assets	\$ (3,800,000)	\$ (2,850,000)	\$ 2,117,971	\$ 4,967,971	
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**City of North Miami Beach
Enterprise Funds
Budgetary Comparison Schedule
For the Quarter Ending June 30, 2016
(continued)**

	Current Year Budget	Third Quarter's Budget	Actual	Favorable / (Unfavorable) Variance	% of Current Year Budget
Customer Service Fund					
Revenue:					
Operating revenue	\$ 2,723,547	\$ 2,042,660	\$ 2,042,660	\$ -	75%
Non-operating revenue	30,000	22,500	20,245	(2,255)	67%
Total Revenues:	2,753,547	2,065,160	2,062,905	(2,255)	75%
Expenses:					
Salaries & related costs	1,677,470	1,264,386	1,113,351	151,035	66%
Pension	240,113	240,113	231,315	8,798	96%
Operating costs	625,511	469,134	371,637	97,497	59%
Capital outlay	-	-	2,995	(2,995)	100%
Non-operating expenses	210,453	52,613	209,163	(156,550)	99%
Total Expenses:	2,753,547	2,026,246	1,928,461	97,785	70%
Change in net assets	\$ -	\$ 38,914	\$ 134,444	\$ 95,530	

Year over Year Comparison



**City of North Miami Beach
Quarterly Financial Analysis
Third Quarter – FY 2016
Review and Analysis**

The General Fund favorable variance of approximately \$6.7 million consists of an increase in property taxes, red light camera fines, and code enforcement fine revenue of \$1.5 million and about \$5.2 million in lower than expected expenditures. Salary expenses are almost \$1 million less than budget. Operating expenses are \$1.6 million less than budget. Capital outlay is almost \$2.0 million less than budget. The expenditure variances can be attributed to fewer than expected operating expenditures mostly in Legislative, Police, Parks and Public Works departments and savings in salary and related costs in the Executive, Police, Parks and Public Works departments.

The favorable variance in the CRA is due to lower than expected operating expenses and capital outlay.

The Transit Surtax Fund has a favorable variance of approximately \$835,000 primarily resulting from lower than budgeted operating expenses in the NMB Bus Line and lower than budgeted capital outlay in the Special Projects and the NMB Bus Line Departments.

The Governmental Impact Fees revenues are under budget in the Parks and Police Departments by \$172,777. The shortfall in revenues is partially offset by lower than expected capital outlays in the Parks and Beautification Departments,

The Alley Restoration Fund has a positive variance of \$61,107 because of fewer than expected capital outlays.

The favorable variance in the Liability Self-Insurance Fund is the result of lower than expected expenditures for claims, premiums and outside legal advice.

The Worker's Compensation Fund has a negative variance because claims expenditures are higher than budgeted.

All of the enterprise funds are experiencing favorable variances because expenditures are lower than expected. The only significant revenue variance is in the Building Permit Fund where permit revenues are exceeding expectations by about \$900,000.