



**City of North Miami Beach
Quarterly Financial Analysis
Fiscal Year 2017
Three months ended December 31, 2016**

City of North Miami Beach
Quarterly Financial Analysis
First Quarter – FY 2017
Overview

The attached schedules represent the ***unaudited*** results of operations as compared to the expected results of operations through December 31, 2016 for all annually 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, four of the City's Debt Service Funds have been combined. The fifth has been appropriately combined with the Community Redevelopment Agency. The three proprietary Impact Fees Funds have also been combined into a single presentation. 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. For this reason, the term "budget" has been removed from the column headings in favor of the more descriptive "expected results".

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 \$17.7 million as compared to expected results at December 31, 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. All funds contributed to the favorable position except the Workers Compensation Fund.

**City of North Miami Beach
Expected to Actual Comparison Summary
Cash Basis
For the Quarter Ending December 31, 2016**

REVENUES

Governmental Funds:	First Quarter Expected Results	Actual	Over / (Under) Budget
General Fund	\$ 16,266,112	\$ 15,796,964	\$ (469,148)
Community Redevelopment Agency	707,563	602,408	(105,155)
Transit Surtax Fund	-	-	-
Governmental Impact Fee Fund	15,000	638,059	623,059
Alley Restoration Fund	-	-	-
Debt Service Funds	2,470,365	2,464,777	(5,588)
Liability Self Insurance	350,888	369,081	18,193
Worker's Comp Self Insurance	204,141	203,296	(845)
TOTAL GOVT'L FUNDS REVENUE	\$ 20,014,069	\$ 20,074,585	\$ 60,516

**City of North Miami Beach
 Expected to Actual Comparison Summary
 Cash Basis
 For the Quarter Ending December 31, 2016
 (continued)**

EXPENDITURES

Governmental Funds:	First Quarter Expected Results	Actual	(Over) / Under Budget
General Fund	\$ 16,964,102	\$ 14,078,505	\$ 2,885,597
Community Redevelopment Agency	489,575	101,207	388,368
Transit Surtax Fund	1,088,887	670,433	418,454
Governmental Impact Fee Fund	33,649	22,096	11,553
Alley Restoration Fund	68,750	-	68,750
Debt Service Funds	1,492,344	1,433,169	59,175
Liability Self Insurance	281,804	234,638	47,166
Worker's Comp Self Insurance	204,140	252,312	(48,172)
TOTAL GOVT'L FUNDS EXPENSE	\$ 20,623,251	\$ 16,792,360	\$ 3,830,891

**City of North Miami Beach
Expected to Actual Comparison Summary
Cash Basis
For the Quarter Ending December 31, 2016
(continued)**

Governmental Funds:	Revenue Variance	Expenditure Variance	Net Variance Favorable / (Unfavorable)
General Fund	\$ (469,148)	\$ 2,885,597	\$ 2,416,449
Community Redevelopment Agency	(105,155)	388,368	283,213
Transit Surtax Fund	-	418,454	418,454
Governmental Impact Fee Fund	623,059	11,553	634,612
Alley Restoration Fund	-	68,750	68,750
Debt Service Funds	(5,588)	59,175	53,587
Liability Self Insurance	18,193	47,166	65,359
Worker's Comp Self Insurance	(845)	(48,172)	(49,017)
TOTAL GOVERNMENTAL FUNDS	\$ 60,516	\$ 3,830,891	\$ 3,891,407

**City of North Miami Beach
 Expected to Actual Comparison Summary
 Cash Basis
 For the Quarter Ending December 31, 2016
 (continued)**

REVENUES

Enterprise Funds:	First Quarter Expected Results	Actual	Over / (Under) Budget
Stormwater Fund	\$ 217,884	\$ 237,426	\$ 19,542
Water Fund	5,552,175	5,592,235	40,060
Sewer Fund	1,192,848	1,481,252	288,404
Building Permit Fund	687,429	2,280,329	1,592,900
Solid Waste Fund	1,487,000	1,687,389	200,389
Impact Fees Funds	619,750	841,251	221,501
Information Technology Fund	705,751	705,751	-
TOTAL ENTERPRISE FUNDS REVENUE	<u>\$ 10,462,837</u>	<u>\$ 12,825,633</u>	<u>\$ 2,362,796</u>

**City of North Miami Beach
 Expected to Actual Comparison Summary
 Cash Basis
 For the Quarter Ending December 31, 2016
 (continued)**

EXPENDITURES

	First Quarter Expected Results	Actual	(Over) / Under Budget
Enterprise Funds:			
Stormwater Fund	\$ 357,863	\$ 151,967	\$ 205,896
Water Fund	10,186,692	4,080,307	6,106,385
Sewer Fund	3,146,759	662,380	2,484,379
Building Permit Fund	735,678	564,019	171,659
Solid Waste Fund	2,498,898	1,517,136	981,762
Impact Fees Funds	1,341,001	22,041	1,318,960
Information Technology Fund	866,453	692,575	173,878
TOTAL ENTERPRISE FUNDS EXPENSE	\$ 19,133,344	\$ 7,690,425	\$ 11,442,919

**City of North Miami Beach
Expected to Actual Comparison Summary
Cash Basis
For the Quarter Ending December 31, 2016
(continued)**

	Revenue Variance	Expenditure Variance	Net Variance Favorable / (Unfavorable)
Enterprise Funds:			
Stormwater Fund	\$ 19,542	\$ 205,896	\$ 225,438
Water Fund	40,060	6,106,385	6,146,445
Sewer Fund	288,404	2,484,379	2,772,783
Building Permit Fund	1,592,900	171,659	1,764,559
Solid Waste Fund	200,389	981,762	1,182,151
Impact Fees Funds	221,501	1,318,960	1,540,461
Information Technology Fund	-	173,878	173,878
TOTAL ENTERPRISE FUNDS	<u>\$ 2,362,796</u>	<u>\$ 11,442,919</u>	<u>\$ 13,805,715</u>
TOTAL ALL FUNDS	<u>\$ 2,423,312</u>	<u>\$ 15,273,810</u>	<u>\$ 17,697,122</u>

**City of North Miami Beach
General Fund Revenues
Expected to Actual Comparison Schedule
For the Quarter Ending December 31, 2016**

	First Quarter Expected Results	Actual	Favorable / (Unfavorable) Variance	Percentage Collected
Revenues				
Property taxes	\$ 11,238,854	\$ 10,896,840	\$ (342,014)	97%
Franchise fees	159,030	193,247	34,217	122%
Utility taxes	537,925	599,250	61,325	111%
Communication service tax	141,667	161,917	20,250	114%
Other taxes	69,167	-	(69,167)	0%
Licenses and permits	719,338	772,878	53,540	107%
Intergovernmental	589,114	513,739	(75,375)	87%
Charges for services	308,921	215,211	(93,710)	70%
Fines and forfeitures	256,250	269,029	12,779	105%
Interest	51,125	-	(51,125)	0%
Other Miscellaneous	118,200	98,332	(19,868)	83%
Transfers in	2,076,521	2,076,521	-	100%
Total revenues	\$ 16,266,112	\$ 15,796,964	\$ (469,148)	97%

**City of North Miami Beach
General Fund Expenditures
Expected to Actual Comparison Schedule
For the Quarter Ending December 31, 2016**

	First Quarter Expected Results	Actual	Favorable / (Unfavorable) Variance	Percentage Spent
Expenditures by Function				
Administrative	\$ 429,892	\$ 361,819	\$ 68,073	84%
Legislative	1,362,702	669,305	693,397	49%
Executive	998,435	840,370	158,065	84%
Human Resources	367,117	323,033	44,084	88%
Finance	339,555	345,103	(5,548)	102%
Police Services	9,248,525	9,078,155	170,370	98%
Parks & R.E.C.	1,135,066	883,863	251,203	78%
Public Works	1,196,098	683,525	512,573	57%
Capital outlay	1,123,241	145,227	978,014	13%
Debt service	17,925	8,147	9,778	45%
Transfers out	745,546	739,958	5,588	99%
Total expenditures	\$ 16,964,102	\$ 14,078,505	\$ 2,885,597	83%
Expenditures by Class				
Salaries & related costs	\$ 6,194,417	\$ 5,967,480	\$ 226,937	96%
Pension	6,699,077	6,209,123	489,954	93%
Operating expenses	2,146,645	1,008,570	1,138,075	47%
Capital outlay	1,123,241	145,227	978,014	13%
Non-operating expenses	800,722	748,105	52,617	93%
Total expenditures	\$ 16,964,102	\$ 14,078,505	\$ 2,885,597	83%

**City of North Miami Beach
Enterprise Funds
Expected to Actual Comparison Schedule
For the Quarter Ending December 31, 2016**

First Quarter Expected Results	Actual	Favorable / (Unfavorable) Variance	% of Expected Results
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Stormwater Fund

Revenue:

Operating revenue	\$ 210,834	\$ 237,435	\$ 26,601	113%
Non-operating revenue	<u>7,050</u>	<u>(9)</u>	<u>(7,059)</u>	0%
Total Revenues:	217,884	237,426	19,542	109%

Expenses:

Salaries & related costs	58,069	41,801	16,268	72%
Pension	15,410	-	15,410	0%
Operating costs	155,264	24,092	131,172	16%
Capital outlay	7,071	3,780	3,291	53%
Non-operating expenses	<u>122,049</u>	<u>82,294</u>	<u>39,755</u>	67%
Total Expenses:	357,863	151,967	205,896	42%

Change in net assets	<u>\$ (139,979)</u>	<u>\$ 85,459</u>	<u>\$ 225,438</u>
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**City of North Miami Beach
Enterprise Funds
Expected to Actual Comparison Schedule
For the Quarter Ending December 31, 2016
(continued)**

	First Quarter Expected Results	Actual	Favorable / (Unfavorable) Variance	% of Expected Results
Water Fund				
Revenue:				
Operating revenue	\$ 5,510,425	\$ 5,653,037	\$ 142,612	103%
Non-operating revenue	41,750	(60,802)	(102,552)	-146%
Total Revenues:	5,552,175	5,592,235	40,060	101%
Expenses:				
Salaries & related costs	1,849,067	1,501,268	347,799	81%
Pension	425,037	163,855	261,182	39%
Operating costs	3,242,070	852,066	2,390,004	26%
Capital outlay	1,085,321	99,993	985,328	9%
Non-operating expenses	3,585,197	1,463,125	2,122,072	41%
Total Expenses:	10,186,692	4,080,307	6,106,385	40%
Change in net assets	\$ (4,634,517)	\$ 1,511,928	\$ 6,146,445	

**City of North Miami Beach
Enterprise Funds
Expected to Actual Comparison Schedule
For the Quarter Ending December 31, 2016
(continued)**

	First Quarter Expected Results	Actual	Favorable / (Unfavorable) Variance	% of Expected Results
Sewer Fund				
Revenue:				
Operating revenue	\$ 1,192,148	\$ 1,481,348	\$ 289,200	124%
Non-operating revenue	700	(96)	(796)	-14%
Total Revenues:	1,192,848	1,481,252	288,404	124%
Expenses:				
Salaries & related costs	180,671	131,397	49,274	73%
Pension	33,237	-	33,237	0%
Operating costs	1,464,615	188,511	1,276,104	13%
Capital outlay	997,465	22,763	974,702	2%
Non-operating expenses	470,771	319,709	151,062	68%
Total Expenses:	3,146,759	662,380	2,484,379	21%
Change in net assets	\$ (1,953,911)	\$ 818,872	\$ 2,772,783	

**City of North Miami Beach
Enterprise Funds
Expected to Actual Comparison Schedule
For the Quarter Ending December 31, 2016
(continued)**

	First Quarter Expected Results	Actual	Favorable / (Unfavorable) Variance	% of Expected Results
Building Permit Fund				
Revenue:				
Operating revenue	\$ 617,875	\$ 2,036,294	\$ 1,418,419	330%
Non-operating revenue	69,554	244,035	174,481	351%
Total Revenues:	687,429	2,280,329	1,592,900	332%
Expenses:				
Salaries & related costs	330,872	304,529	26,343	92%
Pension	116,728	95,387	21,341	82%
Operating costs	150,173	32,450	117,723	22%
Capital outlay	6,250	-	6,250	0%
Non-operating expenses	131,655	131,653	2	100%
Total Expenses:	735,678	564,019	171,659	77%
Change in net assets	\$ (48,249)	\$ 1,716,310	\$ 1,764,559	

**City of North Miami Beach
Enterprise Funds
Expected to Actual Comparison Schedule
For the Quarter Ending December 31, 2016
(continued)**

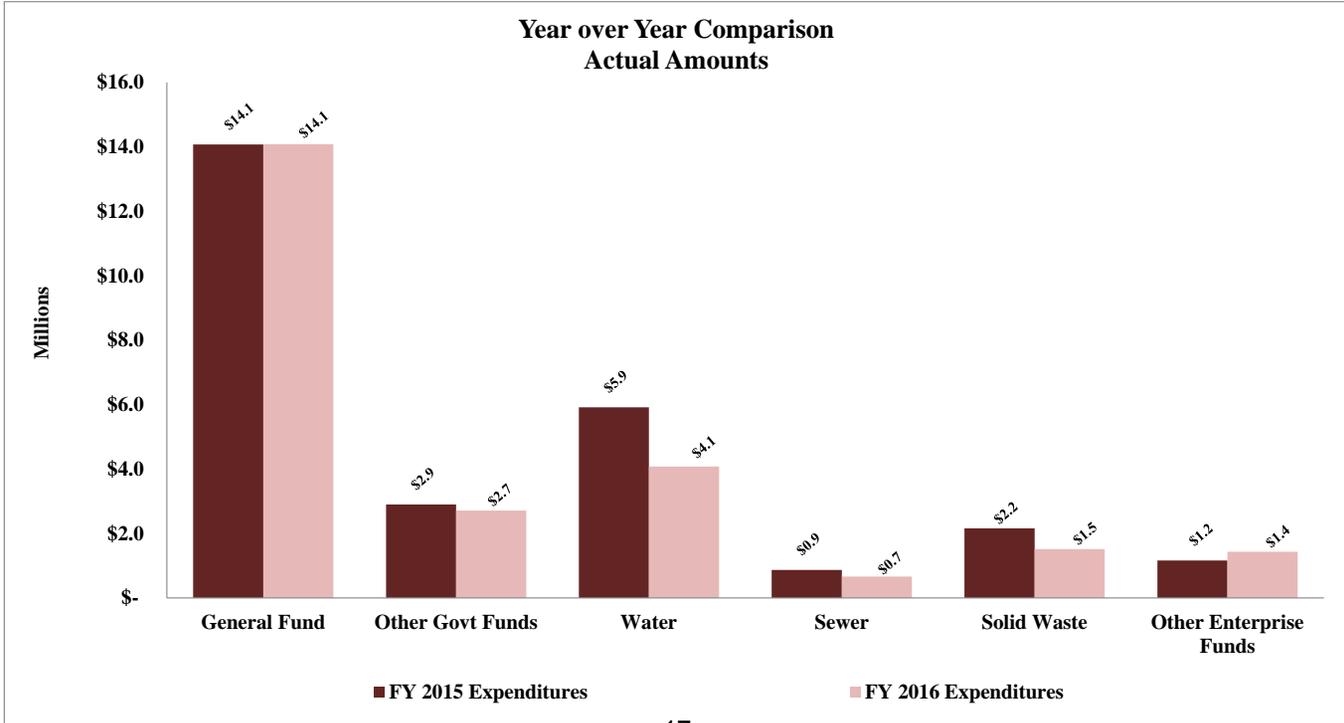
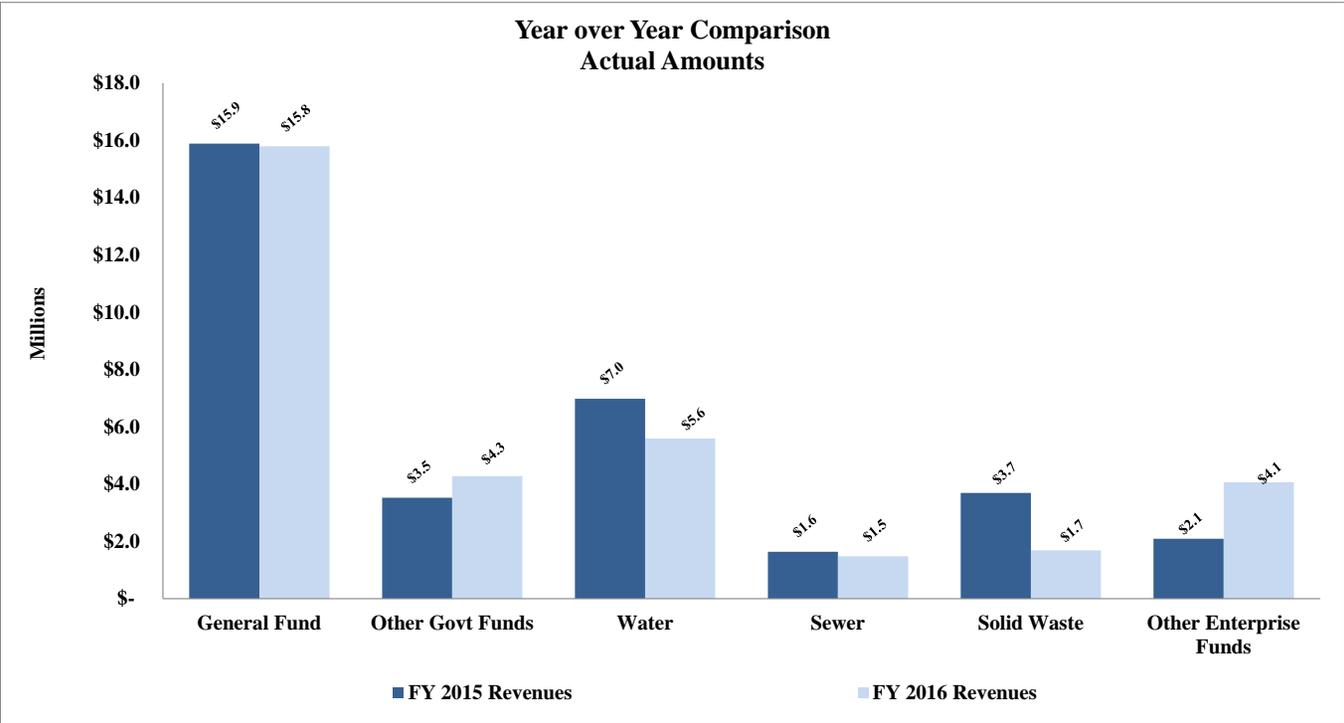
	First Quarter Expected Results	Actual	Favorable / (Unfavorable) Variance	% of Expected Results
Solid Waste Fund				
Revenue:				
Operating revenue	\$ 1,486,500	\$ 1,687,254	\$ 200,754	114%
Non-operating revenue	500	135	(365)	27%
Total Revenues:	1,487,000	1,687,389	200,389	113%
Expenses:				
Salaries & related costs	213,420	195,558	17,862	92%
Pension	69,025	23,563	45,462	34%
Operating costs	1,786,158	837,670	948,488	47%
Capital outlay	10,294	-	10,294	0%
Non-operating expenses	420,001	460,345	(40,344)	110%
Total Expenses:	2,498,898	1,517,136	981,762	61%
Change in net assets	\$ (1,011,898)	\$ 170,253	\$ 1,182,151	

**City of North Miami Beach
Enterprise Funds
Expected to Actual Comparison Schedule
For the Quarter Ending December 31, 2016
(continued)**

	First Quarter Expected Results	Actual	Favorable / (Unfavorable) Variance	% of Expected Results
Impact Fees Funds				
Revenue:				
Operating revenue	\$ 619,750	\$ 841,251	\$ 221,501	136%
Total Revenues:	619,750	841,251	221,501	136%
Expenses:				
Capital outlay	1,341,001	22,041	1,318,960	2%
Total Expenses:	1,341,001	22,041	1,318,960	2%
Change in net assets	\$ (721,251)	\$ 819,210	\$ 1,540,461	

**City of North Miami Beach
Enterprise Funds
Expected to Actual Comparison Schedule
For the Quarter Ending December 31, 2016
(continued)**

	First Quarter Expected Results	Actual	Favorable / (Unfavorable) Variance	% of Expected Results
Information Technology Fund				
Revenue:				
Operating revenue	\$ 705,751	\$ 705,751	\$ -	100%
<i>Total Revenues:</i>	705,751	705,751	-	100%
Expenses:				
Salaries & related costs	210,260	133,613	76,647	64%
Pension	50,166	23,583	26,583	47%
Operating costs	229,608	360,816	(131,208)	157%
Capital outlay	161,500	-	161,500	100%
Non-operating expenses	214,919	174,563	40,356	81%
<i>Total Expenses:</i>	866,453	692,575	173,878	80%
<i>Change in net assets</i>	\$ (160,702)	\$ 13,176	\$ 173,878	



**City of North Miami Beach
Quarterly Financial Analysis
First Quarter – FY 2017
Review and Analysis**

The General Fund favorable variance of approximately \$2.4 million consists of a revenue shortfall of \$0.5 million and about \$2.9 million in lower than expected expenditures. The revenue shortfall results from lower than expected property tax revenue. The expenditure variance can be attributed to lower than expected operating and capital outlay expenditures.

The CRA has a favorable variance of about \$390,000 because of lower than expected operating and capital outlay expenditures.

The Transit Surtax Fund has a favorable variance of approximately \$420,000 primarily resulting from lower than expected operating and capital outlay expenditures.

The favorable variance of \$634,000 in the Governmental Impact Fees Fund is primarily the result of unexpected revenue of \$623,000 from Moss & Associates/Blue Palm Holdings.

There has been no activity in the Alley Restoration Fund.

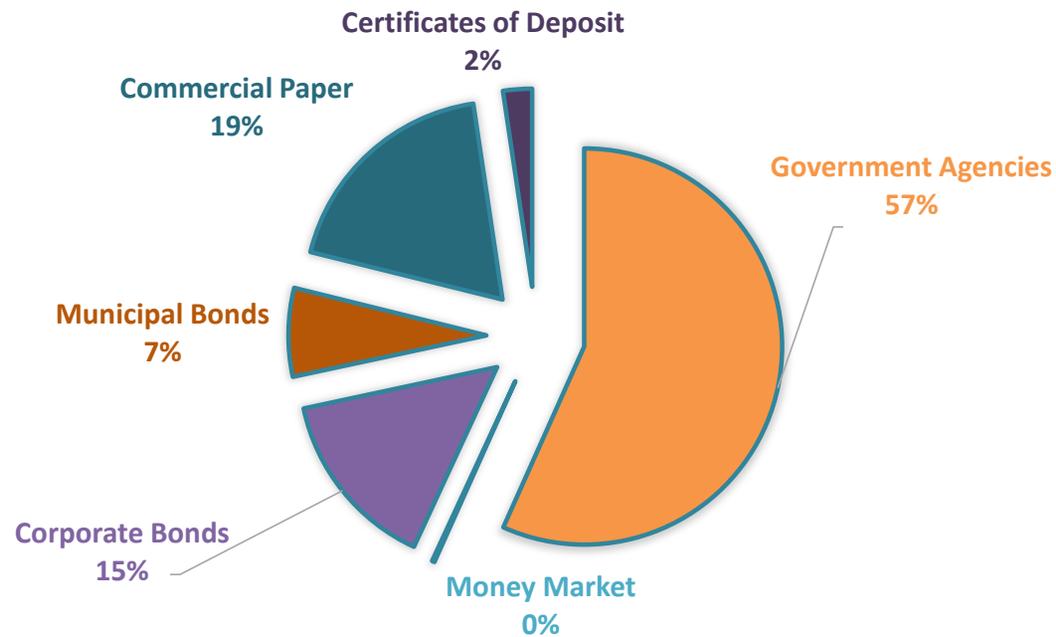
The favorable variance in the Liability Self-Insurance Fund is the result of lower than expected expenditures for outside legal advice and higher than expected reimbursements for take home vehicles.

The Worker's Compensation Fund has the only unfavorable variance primarily because of claims experience. Should this trend continue, the budget will need to be supplemented prior to fiscal year end 2017.

All of the enterprise funds are experiencing favorable variances because expenditures across the board are lower than expected. Significant revenue variances can be found in the Building Permit Fund where permit revenues are exceeding expectations by almost \$1.6 million.

The Information Technology Fund has a favorable variance because of lower than expected expenses primarily in salaries and capital outlay.

INVESTMENT PORTFOLIO MARKET VALUE AT DECEMBER 31, 2016



December 31:	<u>Market Value</u>	
	<u>2015</u>	<u>2016</u>
Government Agencies	\$ 23,565,125	\$ 42,024,650
Money Market	8,919,555	152,846
Corporate Bonds	5,952,880	10,922,100
Municipal Bonds	1,302,431	5,346,856
Commercial Paper	7,099,218	13,918,353
Certificates of Deposit	1,749,668	1,750,240
Total	<u>\$ 48,588,877</u>	<u>\$ 74,115,045</u>