



FY2018 First Quarter Budget Report

FY18 First Quarter Budget Report

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FY18 1ST Quarter - All Funds

1st Quarter Year-to-date Revenues and Expenditures

Fund Type	Amended Budget	To-date Revenues		To-date Expenditures	
		Actual	%	Actual	%
General	\$ 72,248,302	\$ 24,533,911	34%	\$ 24,547,753	34%
Enterprise	78,102,829	8,398,110	11%	10,384,523	13%
Special Revenue	23,478,849	2,279,241	10%	1,353,416	6%
Transportation	6,126,939	431,535	7%	1,236,270	20%
Internal Service	11,537,666	963,104	8%	1,888,838	16%
Debt Service	1,771,406	445,986	25%	(253,840)	-14%
Total	\$ 193,265,991	\$ 37,051,887	19%	\$ 39,156,961	20%



FY18 1ST Quarter – General Fund Expenditures by Department

DEPARTMENT	Amended Budget	Year-to-date Expenditures	FY18 % Used	FY17 % Used
Budget Office	367,284.00	118,839	32%	29%
Building Department	1,948,515.00	514,862	26%	16%
City Attorney	1,356,360.00	436,369	32%	28%
City Clerk	648,372.00	207,613	32%	25%
City Manager	2,464,695.00	762,019	31%	26%
Code Compliance	1,619,035.00	460,916	28%	33%
Community Planning & Dev.	1,744,225.41	618,498	35%	25%
Finance	3,416,092.00	1,109,412	32%	32%
Information Technology	1,956,454.00	865,864	44%	41%
Library	1,132,790.00	339,435	30%	32%
Mayor/Council	1,146,046.00	473,446	41%	28%
Museum of Contemporary Art	1,436,148.00	571,183	40%	32%
Non-Departmental	11,480,915.00	2,048,604	18%	1%
Parks & Recreation Department	7,748,031.18	2,754,158	36%	37%
Personnel	798,839.00	267,619	34%	37%
Police	27,233,882.34	9,802,897	36%	41%
Public Works	5,244,097.40	3,019,044	58%	48%
Purchasing	506,521.00	176,974	35%	15%
TOTAL - GENERAL FUND	72,248,302	24,547,753	34%	31%

Fy18 1st Quarter General Fund Revenues

REVENUES	BUDGET	ACTUAL	ACTUAL AS % OF BUDGET FY 2018	ACTUAL AS % OF BUDGET FY 2017
Property Taxes	\$ 20,233,882	\$ 14,818,676	73%	81%
Other Taxes	9,910,938	1,018,793	10%	10%
Licenses and Permits	4,029,604	846,162	21%	35%
Intergovernmental Revenue	7,549,406	1,767,871	23%	24%
Charges for Services	5,498,383	1,058,688	19%	27%
Fines & Forfeits	786,836	363,910	46%	36%
Miscellaneous Revenues	9,572,444	2,669,945	28%	59%
Non-Revenues	14,666,809	1,989,866	14%	-3%
Total Current Revenues	\$ 72,248,302	\$ 24,533,911	34%	33%

FY18 1ST Quarter – Enterprise Funds

1st Quarter Year-to-date Revenues and Expenditures

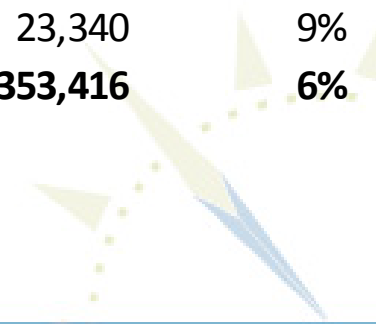
	Amended	To-date Revenues		To-date Expenditures	
		Budget	Actual	%	Actual
Enterprise					
Water & Sewer	\$ 72,720,278	\$ 7,740,151	11%	\$ 9,753,751	13%
Water Fire Flow Demand	921,010	3,061	0%	26,892	3%
Stormwater	4,461,541	654,898	15%	603,881	14%
Total	\$ 78,102,829	\$ 8,398,110	11%	\$ 10,384,523	13%



FY18 1ST Quarter – Special Revenue Funds

1st Quarter Year-to-date Revenues and Expenditures

Special Revenue	To-date Revenues			To-date Expenditures	
	Amended Budget	Actual	%	Actual	%
CDBG - Housing Grant	\$ 748,385	\$ 285,662	38%	\$ 140,558	19%
CRA	9,112,659	1,878,291	21%	587,838	6%
Federal Forfeiture	285,536	25,239	9%	70,441	25%
HIPP - Housing Grant	232,889	49,445	21%	63,579	27%
Impact Fees	-	2,095			
Landfill Closure Fund	12,177,578	5,599	0%	343,964	3%
Law Enforcement Trust	224,522	23,702	11%	6,368	3%
Library Special Revenue	28,000		0%	-	0%
Misc. Grants	356,128	8,511	2%	110,375	31%
NSP - Housing Grant	31,280		0%	5,326	17%
Police Training	8,880	697	8%	1,627	18%
SHIP - Housing Grant	272,992		0%	23,340	9%
Total	\$ 23,478,849	\$ 2,279,241	10%	\$ 1,353,416	6%



FY18 1ST Quarter – Transportation Funds

1st Quarter Year-to-date Revenues and Expenditures

	Amended Budget	To-date Revenues		To-date Expenditures	
		Actual	%	Actual	%
Transportation					
1/2 Cent Surtax	\$ 5,448,463	\$ 405,576	7%	\$ 1,226,876	23%
Gas Tax	678,476	25,959	4%	9,394	1%
Total	\$ 6,126,939	\$ 431,535	7%	\$ 1,236,270	20%



FY18 1ST Quarter – Internal Service Funds

1st Quarter Year-to-date Revenues and Expenditures

	Amended Budget	To-date Revenues		To-date Expenditures	
		Actual	%	Actual	%
Internal Service					
Fleet Management	\$ 6,622,384	\$ 679,245	10%	\$ 1,407,933	21%
Risk Management	4,915,282	283,859	6%	480,905	10%
Total	\$ 11,537,666	\$ 963,104	8%	\$ 1,888,838	16%



FY18 1ST Quarter – Debt Service Fund


1st Quarter Year-to-date Revenues and Expenditures

Debt	Amended Budget	To-date Revenues		To-date Expenditures	
		Actual	%	Actual	%
Pension Loan Repayment	\$ 1,771,406	\$ 445,986	25%	\$ (253,840)	-14%
Total	\$ 1,771,406	\$ 445,986	25%	\$ (253,840)	-14%



FY2018 First Quarter Budget Report

To: Mayor and Council

From: Terry Henley, Assistant Budget Director 

Date: 2-13-2018

RE: Fiscal Year 2017-2018 First Quarter Report

The purpose of this report is to provide the Mayor and City Council the status of the Fiscal Year 2018 Budget. This report covers the period of October 2017 through December 2017.

The City Council adopted a balanced budget for fiscal year 2017-2018 totaling \$166,561,156. The financial transactions of the City are budgeted and accounted for within six types of funds. Each fund type has a different source of revenue and/or certain restrictions on the use of the revenues.

The table below lists the current budget by fund type.

Fund Type	FY18 Adopted	FY18 Adjusted	Difference
General	\$ 70,666,273	\$ 72,248,302	\$ 1,582,029
Enterprise	56,365,435	78,102,829	21,737,394
Special Revenue	22,507,169	23,478,849	971,680
Transportation	4,396,559	6,126,939	1,730,380
Internal Service	10,854,314	11,537,666	683,352
Debt Service	1,771,406	1,771,406	-
Total	\$ 166,561,156	\$ 193,265,991	\$ 26,704,835

Budget amendments are adjustments to budgeted revenues and expenditures. The first quarter included budget amendments in the amount of \$22.5 million for re-appropriations and \$4.2 million in purchase order or encumbered funds that were rolled over into the FY18 fiscal year for prior year committed projects and grants.

The table below provides a summary of Revenues and Expenditures for all funds.

1st Quarter Year-to-date Revenues and Expenditures						
Fund Type	Amended Budget	To-date Revenues		To-date Expenditures		
		Actual	%	Actual	%	
General	\$ 72,248,302	\$ 24,533,911	34%	\$ 24,547,753	34%	
Enterprise	78,102,829	8,398,110	11%	10,384,523	13%	
Special Revenue	23,478,849	2,279,241	10%	1,353,416	6%	
Transportation	6,126,939	431,535	7%	1,236,270	20%	
Internal Service	11,537,666	963,104	8%	1,888,838	16%	
Debt Service	1,771,406	445,986	25%	(253,840)	-14%	
Total	\$ 193,265,991	\$ 37,051,887	19%	\$ 39,156,961	20%	

GENERAL FUND

The General Fund provides basic City services and operations such as police services, parks and recreation services, general government, general planning, zoning and code enforcement, and general maintenance. The primary revenue sources for the general fund are property taxes, franchise fees, licenses and permits, state-shared revenues, and charges for services.

An analysis of current year revenues and expenditures indicates revenues are comparable to prior years' performance. Revenues are within the target budgets estimated for the fiscal year.

Prior Years' Comparison

The table below provides an analysis of the year-to-date General Fund revenues and expenditures as a proportion of the budget with a comparison to the performance over the last three fiscal years.

1st Quarter Year-to-date Comparison - General Fund					
Fiscal Year	Budget	To-date Revenues		To-date Expenditures	
		Actual	%	Actual	%
2018	\$ 72,248,302	\$ 24,533,911	34%	\$ 24,547,753	34%
2017	67,811,736	24,109,727	36%	21,013,811	31%
2016	60,147,894	28,979,109	48%	22,470,027	37%
Average			39%		34%

General fund expenditures are at 34%, which as a percentage of budget, is consistent with the prior years' average. However, revenue actuals through the first quarter are less than the average of 39% due to the unbudgeted collection for \$4.4 Million from a major developer in 2016 that heightened the average percent.

Revenue

The table below provides a summary of the major revenue sources of the general fund.

REVENUES	BUDGET	ACTUAL	ACTUAL AS %	ACTUAL AS %
			OF BUDGET	OF BUDGET
			FY 2018	FY 2017
Property Taxes	\$ 20,233,882	\$ 14,818,676	73%	81%
Other Taxes	9,910,938	1,018,793	10%	10%
Licenses and Permits	4,029,604	846,162	21%	35%
Intergovernmental Revenue	7,549,406	1,767,871	23%	24%
Charges for Services	5,498,383	1,058,688	19%	27%
Fines & Forfeits	786,836	363,910	46%	36%
Miscellaneous Revenues	9,572,444	2,669,945	28%	59%
Non-Revenues	14,666,809	1,989,866	14%	-3%
Total Current Revenues	\$ 72,248,302	\$ 24,533,911	34%	33%

Property Taxes and Other Taxes

- Property tax is the single largest revenue source in the general fund and represents 28% of budgeted revenue. Property tax revenue is managed by the Miami-Dade County Property Appraiser with periodic distribution being made to the various taxing authorities. Per Truth in Millage (TRIM) requirements, the City budgets at 95% to allow for discounts and quarterly payments. Tax bills are sent to property owners in late October/early November with unpaid taxes becoming delinquent on April 1 of each year. As of December 31, 2017, the City has received 73% of budgeted property taxes.
- Other taxes, which are at 10%, include revenues collected from state and local agencies and these typically are received later in the year. Other Taxes include general sales and use taxes or the local option gas tax; franchise fees, which include FP&L, City Gas, Natural Gas, WastePro and Bus Bench Revenue; Utility Service Taxes, which include revenue from FP&L, Natural Gas, Fuel Oil taxes and Propane taxes; and communications taxes; this includes telecommunication, videos, direct to home satellite and related services.

Licenses and Permits

- Overall, Licenses and Permits are at 21% for the quarter, which is less than the mark of 35% last year. The major reason for the variance is due to building permits revenue collection at 13%. This revenue source is expected to come in later the following quarters. In particular, more than \$1 Million is anticipated in the second quarter after County fire and DERM approval for Warren Henry, Costco, and the County wastewater Plant. This would bring the revenue collection closer to 50% for the year.
- Occupational licenses are at 78%. This collection percentage is high because users are to pay this at the start of the fiscal year.
- Other Licenses, Fees and Permits are at 23%. This includes the revenue collected from MediaNet and Billboards.

Intergovernmental Revenue

- Intergovernmental revenue, which is at 24% overall, is revenue received from other government agencies. The source is comprised by almost 90% from state revenue and 10% from local agencies.
- Half Cent Sales Tax, which is distributed from the state, is at 24% and on target.

- Shared Revenue from Local Units is the occupational licenses from Dade County and Occupational Licenses from Dade County Contractors. This source, which is at 6%, is collected later in the year.

Charges for Services

- Overall, Charges for Services revenue is at 19% in FY18 when it was 27% at this time last year. The major difference is public safety.
- Public Safety includes Burglary alarm fees, reimbursement for off-duty policing, and miscellaneous police revenues. Public safety revenue is at 11%, which is a 53% decrease from FY17. This decrease is mainly due to a decreased demand for off-duty policing. This source is a pass-through for the corresponding expenditure.
- Physical Environment revenue is where sanitation and lot clearing fees are posted. This source is at 22%, which is the same percentage as FY17.
- Culture and Recreation fees are at 18%. This includes fees from the swimming pool, tennis revenues and summer camp, stadium and facility rentals fees which are seasonal.
- Other charges for service include passport application fees, zoning compliance and minimum housing review fees, which are at 24% for the quarter.

Fines and Forfeits

- Overall, fines and forfeits revenue has increased from 36% in FY17 to 46% in the FY18 first quarter.
- The increase is mainly attributed to Judgment and Fines in particular. This source includes code liens and amnesty program and settlements and is at 53%, which is an 8% increase from FY17.
- Library Fines, Violation of Local Ordinances or code fines, and other Fines and Forfeits make up the rest of the revenue category and, combined, are at 22% which is on target.

Miscellaneous Revenue

- Miscellaneous revenue includes interest yielded, rents and royalties, donations, disposition of fixed assets and insurance refunds. Overall, miscellaneous revenue is at \$2.6 million in FY18 just as it was for the quarter in FY17. The only difference is that the collection is 28% of the budget this year where it was 59% last year. The variance is attributed to the growth of the budgeted revenue for disposition of fixed assets and rents and royalties, which is expected to increase.

Non-Revenues

- Non-revenues are journal entries of interfund transfers between funds. Overall, non-revenues is at 14% compared to -3% last year. The difference is due to the timing of the city contribution to the CRA. This year the wire-transfer executed in the first quarter will be posted and reflected in the second quarter.
- Non-revenues also includes contribution from the Enterprise Funds to the City General Fund. This represents what the Water, Sewer, and Stormwater Funds pay into the general fund for services like legal, IT, and fleet. This is at 25% just like the prior year.
- Lastly, Non-revenues includes non-Operating Sources. This is the carryover funds from reserves and unfinished projects moved to the new fiscal year.

Expenditures

The table below provides information on first quarter expenditures for the General Fund by department.

DEPARTMENT	Amended Budget	Year-to-date Expenditures	FY18 % Used	FY17 % Used
Budget Office	367,284.00	118,839	32%	29%
Building Department	1,948,515.00	514,862	26%	16%
City Attorney	1,356,360.00	436,369	32%	28%
City Clerk	648,372.00	207,613	32%	25%
City Manager	2,464,695.00	762,019	31%	26%
Code Compliance	1,619,035.00	460,916	28%	33%
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Library	1,132,790.00	339,435	30%	32%
Mayor/Council	1,146,046.00	473,446	41%	28%
Museum of Contemporary Art	1,436,148.00	571,183	40%	32%
Non-Departmental	11,480,915.00	2,048,604	18%	1%
Parks & Recreation Department	7,748,031.18	2,754,158	36%	37%
Personnel	798,839.00	267,619	34%	37%
Police	27,233,882.34	9,802,897	36%	41%
Public Works	5,244,097.40	3,019,044	58%	48%
Purchasing	506,521.00	176,974	35%	15%
TOTAL - GENERAL FUND	72,248,302	24,547,753	34%	31%

This report reflects one-fourth of the fiscal year, October 1, 2017 to December 31, 2017, a baseline mark for comparison is 25%. Overall expenditures for the first quarter from the general fund are at 34% this fiscal year which is 3% or \$3.8M more than FY17. The increase is due to more planned reimbursable expenses from hurricane Irma and increased pension costs, which are paid at the start of the year. Further, out of the \$24.5 Million expended in the first quarter, the general fund had \$7.7 million out of \$9 Million in pension costs under the closed pension plans, which is almost \$500 thousand more than last year. The new pension plans under FRS will cost \$94 thousand for the quarter and is estimated to have an annual cost of close to \$400 thousand. Also, the new FRS pension plans are done weekly through payroll, which is not an upfront cost like the former plans. Lastly, encumbrances or committed funds shown as expenditures in the first quarter account for \$4 million out of the \$24.5 million expended in the first quarter, which is \$1.9 Million for than last year. Together, pension and encumbrances account for \$11.7 million or 48% of the first quarter expenditures. Considering the up-front expenditures are at the start at the fiscal year, it is usual for department budgets to be above the 25% threshold after the first quarter.

A few the departments were significantly (more than 10%) above the one quarter measure and/or differ from last year's budget percent for a number of reasons.

- Building department is at 26% of its annual budget in FY18, which is on target. It was at 16% last year at this time. The variance from this year to last fiscal year is due to the number of vacancies associated with the reorganization and move to insource the department. The building department is fully staffed now.
- Community Planning & Development is at 35% in FY18 compared to 25% at the end of the first quarter in FY17 primarily due to the balance of project funds for tree mitigation (\$100k), a vacancy for a housing coordinator (\$70,000) and funding for the comprehensive plan (\$50,000) which was

unspent at this time last year. The department is at 35% to date because of pension costs (165,000), the expected reimbursement for a landscaping grant project (\$30,000), and encumbrances (\$70,000).

- Information Technology is at 41% because of encumbrances, pension, and an upcoming reclassification that will charge City Manager Public Information accounts for four full-time employees moved to that office from IT.
- Mayor and Council is at 40% due to civic grants where budget transfers will cover overages.
- Museum of Contemporary Art is at 40% through the first quarter primarily due to encumbrances for the quarter's exhibition that will be reconciled prior to the second quarter report.
- Non-departmental is at 18% in FY18 compared to 1% in FY17. This difference is due to the expenditures associated with reimbursable hurricane Irma expenses.
- Parks has expended \$2.7 million or 36% of their \$7.7 Million annual budget in the first quarter. Pension (\$700 thousand) and encumbrances (\$300 thousand) account for \$1million of \$2.7 million to date.
- Police is at 36% due to \$4.5 million expended for the department's share for pension costs.
- Public Works is at 58% or \$3 Million out of the \$5.2 Million budgeted. The encumbrance for the solid waste contract accounts for \$2.2 Million expended to date.
- The Purchasing department is fully staffed in the FY18 first quarter, whereas during this time last year there were vacancies and salary savings.

The table below provides a summary of general fund expenditures by category.

Expenditure Category	Budgeted Expenditure	1st Qtr Expenditure	Percent of Budget Used
Personnel Services	40,767,826	14,923,379	37%
Operating	14,413,755	7,576,615	53%
Internal Services	2,608,050	655,340	25%
Capital	1,767,830	396,427	22%
Debt *			
Grants	1,206,437	621,142	51%
Reserves	11,484,404	374,851	3%
Total	72,248,302	24,547,753	34%

* \$1.7 M for Pension Loan Repayment budgeted in reserves and later transferred to Debt Expenditure.

DEBT SERVICE FUNDS

The debt service fund is used to account for long-term debt obligations by general obligation and revenue bonds.

1st Quarter Year-to-date Revenues and Expenditures

	Amended	To-date Revenues		To-date Expenditures	
		Budget	Actual	%	Actual
Debt					
Pension Loan Repayment	\$ 1,771,406	\$ 445,986	25%	\$ (253,840)	-14%
Total	\$ 1,771,406	\$ 445,986	25%	\$ (253,840)	-14%

The primary revenue sources for the debt service funds are interfund transfers from the general fund revenue. The cost allocation basis for the interfund transfer amounts is prior year salaries by department/division. The interfund transfers are done quarterly from department reserve accounts to the pension debt repayment fund. The pension loan repayment fund is on target at 25% of revenue. The note requires two interest expense payments in January 2018 and July 2018 of \$507,681 as well as a principal payment of \$770,000 in July 2018. The current expenditure status shows a balance of -\$253,840 or -14%. This negative balance is a result of the reversal of the portion of the interest payment that will be paid in January 2018 that pertains to the fiscal year ended September 30, 2017. Since interest is payable every six months, and three months of that six-month period relates to fiscal year 2017, that half of the interest was accrued at 9/30/2017. The accrual was properly reversed in October 2017 so that when the January 2018 interest payment is made, it will be partially offset by the negative amount.

TRANSPORTATION FUNDS

The Half-Cent Transportation Surtax and Three-Cent Gas Tax are the two revenue sources that comprise the City of North Miami Transportation Funds. In 2002, Miami-Dade County voters approved a Half-Cent tax for transportation. The Half-Cent Transportation Surtax Fund was created to account for the City's prorated share of the Charter County Transit System Surtax proceeds. Allocations to local municipalities are based on population and the monies received must be used for transportation related projects and programs. The Three-Cent Local Option Gas Tax established in 1994 also provides funding for transportation related capital projects.

1st Quarter Year-to-date Revenues and Expenditures

	Amended	To-date Revenues		To-date Expenditures	
		Budget	Actual	%	Actual
Transportation					
1/2 Cent Surtax	\$ 5,448,463	\$ 405,576	7%	\$ 1,226,876	23%
Gas Tax	678,476	25,959	4%	9,394	1%
Total	\$ 6,126,939	\$ 431,535	7%	\$ 1,236,270	20%

Transportation Revenue

Surtax	Amended Budget	1st Qtr	% received
Cap Improvement Surtax Rev	2,385,518	397,613	17%
Bus Pass Rev	50,000	7,963	16%
Prior Year Surplus (Deficit)	3,012,944	0	0%
Totals	5,448,462	405,576	7%

Gas Tax	Amended Budget	1st Qtr	% received
Cap Improvement Gas Tax rev	294,500	25,959	9%
Prior Year Surplus (Deficit)	383,976	0	0%
Total	678,476	25,959	4%

Transportation Total Funds	Amended Budget	1st Qtr	% received
Total	6,126,938	431,535	7%

The Surtax budget of \$5.4 million includes an annual allocation of \$2.4 million, bus pass revenue of \$50,000 and prior year surplus of a little more than \$3 million. The total revenue received is 7% and is low for the quarter due to the surplus revenue not being recorded as new revenue. Expenses for the fund are on target and near the 25% mark. The Gas Tax budget of \$678 thousand includes an annual allocation of \$294k and carryover revenue from FY15-16 in the amount of \$38,976. Through the first quarter, 9% or a little more than \$25 thousand has been collected in FY8 surtax revenue. This is expected to increase later in the year. The carryover revenue is not recorded as new revenue and impacts the 4% of total revenue received. Gas tax expenditures are below the quarter mark and should be expended as the planned capital projects in street repair are executed in the year.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used for specific purposes and the associated revenue is dedicated for a single purpose only. The funds in this category include Federal Housing grants (CDBG, HIPP, SHIP, NSP), Police grants (and special revenue (Federal Forfeiture, Law Enforcement Trust fund, Police Training), CRA, Library grants, Miscellaneous grants, Impact Fees, and the Landfill Closure Fund.

In addition to the current budgeted revenues that are anticipated during the fiscal year, existing cash balances (reserves and surplus) are also budgeted before the year and through re-appropriation during the year in support of the expenditures that are planned during the fiscal year.

The table below provides a summary of the receipts through the end of the first quarter in the various funds.

1st Quarter Year-to-date Revenues and Expenditures

Special Revenue	Amended Budget	To-date Revenues		To-date Expenditures	
		Actual	%	Actual	%
CDBG - Housing Grant	\$ 748,385	\$ 285,662	38%	\$ 140,558	19%
CRA	9,112,659	1,878,291	21%	587,838	6%
Federal Forfeiture	285,536	25,239	9%	70,441	25%
HIPP - Housing Grant	232,889	49,445	21%	63,579	27%
Impact Fees	-	2,095			
Landfill Closure Fund	12,177,578	5,599	0%	343,964	3%
Law Enforcement Trust	224,522	23,702	11%	6,368	3%
Library Special Revenue	28,000		0%	-	0%
Misc. Grants	356,128	8,511	2%	110,375	31%
NSP - Housing Grant	31,280		0%	5,326	17%
Police Training	8,880	697	8%	1,627	18%
SHIP - Housing Grant	272,992		0%	23,340	9%
Total	\$ 23,478,849	\$ 2,279,241	10%	\$ 1,353,416	6%

ENTERPRISE FUNDS

Enterprise funds are used to account for services provided to specific users or segments of the community. The funds are operated similar to a private business. The primary funding source for an enterprise fund is user fees.

The table below provides a summary of the revenue budget for these funds.

1st Quarter Year-to-date Revenues and Expenditures

Enterprise	Amended Budget	To-date Revenues		To-date Expenditures	
		Actual	%	Actual	%
Water & Sewer	\$ 72,720,278	\$ 7,740,151	11%	\$ 9,753,751	13%
Water Fire Flow Demand	921,010	3,061	0%	26,892	3%
Stormwater	4,461,541	654,898	15%	603,881	14%
Total	\$ 78,102,829	\$ 8,398,110	11%	\$ 10,384,523	13%

The below chart represents a more detailed view of the enterprise revenue sources.

Water & Sewer	Amended Budget	1st Qtr	% received
Physical Environment	26,619,213	7,721,498	29%
Interest and Other Earnings	27,000	12,489	46%
Miscellaneous Revenues	1	6,164	0%
Non-operating Sources	46,074,064	0	0%
Totals	72,720,278	7,740,151	11%

Water & Sewer Fire Flow Demand	Amended Budget	1st Qtr	% received
Physical Environment	899,371	3061	0%
Prior Year Surplus/Deficit	21,639	0	0%
Total	921,010	3,061	0%

Stormwater	Amended Budget	1st Qtr	% received
Physical Environment	2,639,082	654,898	25%
Prior Year Surplus/Deficit	1,822,459	0	0%
Total	4,461,541	654,898	15%

Enterprise Funds	Amended Budget	1st Qtr	% received
Total	78,102,829	8,398,110	11%

Utilities - Water & Sewer and Water Fire Flow Funds

Revenues are recognized when customers are billed. Customers are billed for Water & Sewer usage monthly or quarterly and charges for this are expected to generate about \$26.6 million this year. The first quarter saw 29% of this revenue recognized under Water & Sewer Physical Environment. Interest and Other Earnings as well as Miscellaneous revenue account for approximately \$18,000 or 69% of a little more than \$27,000 expected for the year. The Non-Operating Sources, which are also called prior year surplus or carryover funds, are budgeted at approximately \$46 million. These carryover funds from the financial statement ending in 2016 and re-appropriations from 2017 make up the remainder of the total funds budgeted revenue and this is at 0% for the quarter because existing revenue is not recorded as new. As a result, total Water & Sewer revenue is at 11%. Expenditures are below the 25% mark at 13%. As projects are completed from prior year funding, the gap between budgeted revenue and expenditures to date will narrow as expenditure totals increase and budgeted revenue decreases. The Water & Sewer Fire Flow Demand fund is a separate fund because it acts like an impact fee for development that occurs and requires sprinkler lines. Only revenue that is generated here is an allowable expense for the fund. As a result, the budgeted revenue not making a 25% mark is not concerning as long as the expenses do not exceed the revenue generated. Expenses are at 0% for the quarter.

Stormwater Fund

Revenues are recognized when customers are billed. Customers are billed for Stormwater monthly or quarterly and charges for this are expected to generate about \$2.6 million this year. The first quarter saw 25% of this revenue recognized under Stormwater Physical Environment. The prior year Surplus of \$1.8 Million makes up the remainder of the budgeted revenue and this is at 0% for the quarter because existing revenue is not recorded as new. As a result, total Stormwater revenue is at 15%. Expenditures are below the 25% mark at 14%.

INTERNAL SERVICE FUNDS

The costs of insurance programs are budgeted and accounted for in Internal Service Funds. An Internal Service Fund is a type of Proprietary Fund – a fund used to account for a government’s business-type activities. Internal Service Funds are expressly designed to function on a cost-reimbursement basis. The Internal Service Fund receives revenue (charges for services) from the operating funds to cover the cost of premiums, administrative charges of third party administrator, and claims. For property/casualty, quarterly transfers of funds are made from the general, water and sewer, and stormwater funds, and are based on prior year salaries as a percentage value of personnel in each fund. The risk management fund includes workers’ compensation and general liability insurance. Fleet management services are charged to departments for their use of the motor pool and are also based on the maintenance cost schedule for the vehicles assigned to the respective departments.

The table below provides a summary of the revenues and expenditures for Internal Service Funds.

1st Quarter Year-to-date Revenues and Expenditures						
	Amended	To-date Revenues			To-date Expenditures	
		Budget	Actual	%	Actual	%
Internal Service						
Fleet Management	\$ 6,622,384	\$ 679,245	10%	\$ 1,407,933	21%	
Risk Management	4,915,282	283,859	6%	480,905	10%	
Total	\$ 11,537,666	\$ 963,104	8%	\$ 1,888,838	16%	

The interfund contributions are done quarterly and are all at 25%. However, the total budgeted revenue marks fall below the 25% target because rolled over revenue for planned expenses like vehicle acquisition and possible claims payments or reserves are not recorded as new revenue when they are carried over to the new fiscal year. The expenditures for both funds are below 25% and are expected to increase if claims are made and certainly as vehicles are purchased.