

City of
Gainesville

Inter-Office Communication

November 14, 2011

TO: Audit, Finance and Legislative Committee
Mayor Craig Lowe, Chair
Mayor-Commissioner Pro Tem Thomas Hawkins, Member

FROM: Brent Godshalk, City Auditor

SUBJECT: Review of General Fund Forecasted Revenues and Other Sources of Funds for the Fiscal Year Ending September 30, 2012

Recommendation

The Audit, Finance and Legislative Committee recommend that the City Commission accept the City Auditor's report.

Explanation

In accordance with Section 12(a), Budget Reviews, of Commission Resolution 970187 and our Annual Audit Plan, we have completed our review of General Fund revenue estimates as presented by the City Manager in the proposed General Government Budget for the fiscal year ending September 30, 2012.

We reviewed the forecasted General Fund Revenues and Other Sources of Funds set forth in the Fiscal Year 2011-2012 Final General Operating and Financial Plan Budget adopted by the City Commission on September 19, 2011. Our objective was to assess whether data, methods and assumptions used by the City Manager in preparing projected General Fund Revenues and Other Sources of Funds in the amount of \$103,074,320 provide a reliable and reasonable basis for the forecast.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our conclusion based on our audit objective.

Conclusion

Based on our review, we believe that management's assumptions provide a reliable and reasonable basis for presenting projected Fiscal Year 2011-2012 General Fund Revenues and Other Sources of Funds in the amount of \$103,074,320. However, we projected some revenue sources at a different level than the approved General Fund budget. The total estimated difference is approximately \$274,738 or 0.3% more than budgeted. The differences are reflected in the attached schedule of General Fund Forecasted Revenues and Other Sources of Funds for the Fiscal Year Ending September 30, 2012 and an accompanying Explanation of Differences. Management continues to monitor the City's financial position throughout the fiscal year and makes adjustments as necessary. Monitoring reports are provided to the City Commission through the Audit, Finance and Legislative Committee on a quarterly basis, with any significant changes from budgeted figures discussed in committee.

CITY OF GAINESVILLE, FLORIDA
GENERAL FUND FORECASTED REVENUES AND OTHER SOURCES OF FUNDS
FISCAL YEAR ENDING SEPTEMBER 30, 2012

	REVENUE FORECAST PER BUDGET ORDINANCE	REVENUE FORECAST PER CITY AUDITOR	DIFFERENCE IN FORECASTS	EXPLANATION OF DIFFERENCES
<u>TAXES</u>				
Real Property, Net	\$ 22,214,537	\$ 22,200,000	\$ (14,537)	Note 1
Hazmat Gross Receipts Tax	218,212	173,000	(45,212)	Note 2
Local Option Gas Tax	747,508	747,508	-	
Utility Tax	10,856,918	11,167,000	310,082	Note 2
Property Insurance Premium Tax	1,450,000	1,450,000	-	
Business Tax	923,230	923,230	-	
Simplified Telecommunications Service Tax	5,115,237	5,115,237	-	
TOTAL TAXES	41,525,642	41,775,975	250,333	
<u>LICENSES AND PERMITS</u>				
Home Occupational Permits	19,962	19,962	-	
Miscellaneous Permits	5,531	5,531	-	
Open Burn Permits	355	355	-	
Landlord Licensing Fee	742,801	742,801	-	
Taxi Licenses	8,497	8,497	-	
TOTAL LICENSES AND PERMITS	777,146	777,146	-	
<u>INTERGOVERNMENTAL REVENUE</u>				
State Revenue Sharing - Sales Tax (Net)	2,362,991	2,517,000	154,009	Note 3
Mobile Home Licenses	35,432	35,432	-	
Beverage Licenses	120,177	120,177	-	
Half Cent Sales Tax	6,037,038	6,037,038	-	
Firefighters Supplemental Comp	58,403	58,403	-	
State Gas Tax Rebate	26,267	26,267	-	
County/MTPO Contribution to B/PAB	8,000	8,000	-	
FDOT-Traffic Signal Maintenance Agreement	221,275	221,275	-	
FDOT-Street Light Maintenance Agreement	444,536	444,536	-	
Payment in Lieu of Taxes - GHA Inc.	60,010	60,010	-	
TOTAL INTERGOVERNMENTAL REVENUE	9,374,129	9,528,138	154,009	

CITY OF GAINESVILLE, FLORIDA
GENERAL FUND FORECASTED REVENUES AND OTHER SOURCES OF FUNDS
FISCAL YEAR ENDING SEPTEMBER 30, 2012

	REVENUE FORECAST PER BUDGET ORDINANCE	REVENUE FORECAST PER CITY AUDITOR	DIFFERENCE IN FORECASTS	EXPLANATION OF DIFFERENCES
<u>CHARGES FOR SERVICES</u>				
Airport Fire Services	472,592	472,592	-	
Airport Security Services	325,036	325,036	-	
S.F.C.C. Training Contract GPD - Recruitment	42,492	42,492	-	
Miscellaneous Fees Police	19,636	19,636	-	
GFR Billable Overtime	28,570	28,570	-	
Zoning Fees (Land Development Code Fees)	140,131	140,131	-	
Football Game Day Services-UAA	12,000	12,000	-	
Trespass Towing Application Fees	27,791	27,791	-	
Domestic Partnership Registration Fee	55	55	-	
Document Reproduction Fees	51,155	51,155	-	
Traffic Engineering Small Cities Projects	68,864	68,864	-	
Traffic Signals - County	181,728	181,728	-	
Cemetery Fees	49,661	49,661	-	
Parking - Meters and Permits	212,933	212,933	-	
Parking Garage Revenues	188,725	188,725	-	
Street Division Cost Recovery	66,333	66,333	-	
Recreation - Membership/Sports	16,896	16,896	-	
Swimming Pools	215,250	215,250	-	
Recreation Centers/Playgrounds	291,444	212,000	(79,444)	Note 2
Asst City Attorney - GRU Share	202,666	202,666	-	
Utility Indirect Services	1,844,850	1,844,850	-	
RTS Indirect Services	955,218	955,218	-	
C.D.B.G. Indirect Services	73,030	73,030	-	
S.M.U.F. Indirect Services	320,866	320,866	-	
Solid Waste Indirect Services	145,583	145,583	-	
Ironwood Indirect Services	176,434	176,434	-	
Fleet Indirect Services	346,505	346,505	-	
Gen. Insurance Indirect Services	170,956	170,956	-	
E.H.A.B. Indirect Services	75,604	75,604	-	
C.R.A. Indirect Services	98,161	98,161	-	
Building Inspections Indirect Services	248,822	248,822	-	
General Pension Indirect Services	122,075	122,075	-	
Police Pension Indirect Services	22,353	22,353	-	
Fire Pension Indirect Services	14,902	14,902	-	
Special Events Processing Fees	365	365	-	
Cultural Affairs Accounts	136,570	136,570	-	
G.P.D./G.H.A./H.U.D. Contract	102,000	102,000	-	
S.R.O. Contract - S.B.A.C.	182,725	182,725	-	
Development Review Fees	10,000	10,000	-	
Environmental Review Fees	14,537	14,537	-	
Traffic Impact Review Fees	9,919	9,919	-	
GPD Towing Rotation Application Program	20,000	20,000	-	
Fire Inspection Fees	67,962	67,962	-	
TOTAL CHARGES FOR SERVICES	7,773,395	7,693,951	(79,444)	

CITY OF GAINESVILLE, FLORIDA
GENERAL FUND FORECASTED REVENUES AND OTHER SOURCES OF FUNDS
FISCAL YEAR ENDING SEPTEMBER 30, 2012

	REVENUE FORECAST PER BUDGET ORDINANCE	REVENUE FORECAST PER CITY AUDITOR	DIFFERENCE IN FORECASTS	EXPLANATION OF DIFFERENCES
<u>FINES & FORFEITURES</u>				
Court Fines and Forfeitures	528,329	528,329	-	
Parking Fines	405,683	405,683	-	
Municipal Ordinance Fines	91,874	91,874	-	
False Alarm Penalties	288,146	288,146	-	
Code Enforcement Penalties	39,917	39,917	-	
TOTAL FINES AND FORFEITURES	1,353,949	1,353,949	-	
<u>MISCELLANEOUS REVENUES</u>				
Interest on Investments	351,160	301,000	(50,160)	Note 2
Interest on CRA loans	142,506	142,506	-	
Rental of City Property	46,914	46,914	-	
Porter Oaks Mortgages	1,000	1,000	-	
Demolition/Lot Clearing/Bond & Seal	22,759	22,759	-	
G.P.D. - Court Restitution	10,000	10,000	-	
Recreation Nature Programs	12,485	12,485	-	
Other Misc Revenues	71,860	71,860	-	
Sale of Surplus Equipment	3,512	3,512	-	
TOTAL MISCELLANEOUS REVENUES	662,196	612,036	(50,160)	
<u>TRANSFERS FROM OTHER FUNDS</u>				
Solid Waste Collection	300,000	300,000	-	
Crossing Guard Trust	22,717	22,717	-	
Cemetery Trust	108,351	108,351	-	
RTS	57,306	57,306	-	
Fire Assessment Special Revenue Fund	4,887,500	4,887,500	-	
Art in Public Places Trust	9,000	9,000	-	
Water/Wastewater Connections Surcharge	402,466	402,466	-	
GRUCOMM	376,509	376,509	-	
Water	6,549,148	6,549,148	-	
Gas Utility	2,143,596	2,143,596	-	
Wastewater	7,550,744	7,550,744	-	
Electric	19,200,526	19,200,526	-	
TOTAL TRANSFERS	41,607,863	41,607,863	-	
TOTAL REVENUES, TRANSFERS AND APPROPRIATION OF FUND BALANCE	\$ 103,074,320	\$ 103,349,058	\$ 274,738	

CITY OF GAINESVILLE, FLORIDA
GENERAL FUND FORECASTED REVENUES AND OTHER SOURCES OF FUNDS
FISCAL YEAR ENDING SEPTEMBER 30, 2012
EXPLANATION OF DIFFERENCES

Notes

- 1) The City Auditor's estimate for this revenue source is based on the certification of final taxable value provided by the Alachua County Property Appraiser's Office, adjusted for historical discounts taken. The City Manager's estimate was prepared using similar procedures applied to earlier projected financial data available.
- 2) The City Auditor's estimate for this revenue source is based on historical growth patterns applied to actual fiscal year 2011 data. The City Manager's estimate was prepared using similar procedures applied to earlier projected financial data available.
- 3) The City Auditor's estimate for this revenue source is based on updated projections from the State Department of Revenue, adjusted for historical results. The City Manager's estimate was prepared using similar procedures applied to earlier projected financial data available.