

November 1, 2004

TO: Audit and Finance Committee
Mayor Pegeen Hanrahan, Chair
Mayor-Commissioner Pro Tem Tony Domenech, Member

FROM: Brent Godshalk, Interim City Auditor

SUBJECT: Review of General Fund Forecasted Revenues and Other Sources of Funds for the Fiscal Year Ending September 30, 2005

RECOMMENDATION

The Audit and Finance 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, 2005 (the forecast).

We reviewed the forecasted General Fund Revenues and Other Sources of Funds set forth in the Fiscal Year 2004-2005 Final General Operating and Financial Plan Budget adopted by the City Commission on September 27, 2004. Our objective was to determine 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 \$82,775,647 provide a reasonable basis for the forecast. Our review was conducted in accordance with Government Auditing Standards issued by the Comptroller General of the United States and included procedures we considered necessary in the circumstances to evaluate the assumptions used by management in preparing and presenting the forecast.

CONCLUSION

Based on our review, we believe that management's assumptions provide a reasonable basis for presenting projected Fiscal Year 2004-2005 General Fund Revenues and Other Sources of Funds in the amount of \$82,775,647. However, we projected several revenue sources at a different level than the approved General Fund budget. The total estimated difference is approximately \$878,407 or approximately 1.1% less than budgeted. The differences are reflected in the attached schedule of General Fund Forecasted Revenues and Other Sources of Funds for Fiscal Year Ending September 30, 2005 and an accompanying Explanation of Differences. Management should monitor the City's financial position throughout the fiscal year and make adjustments as necessary.

CITY OF GAINESVILLE, FLORIDA
GENERAL FUND FORECASTED REVENUES AND OTHER SOURCES OF FUNDS
FISCAL YEAR ENDING SEPTEMBER 30, 2005
EXPLANATION OF DIFFERENCES

Notes:

- 1) The City Auditor's estimate for this revenue source is based on the estimate provided by Gainesville Regional Utilities and is supported by historical growth patterns applied to actual FY 2004 data. 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 the estimate provided by the State Department of Revenue and is supported by historical growth patterns applied to actual FY 2004 data. The City Manager's estimate assumes that the Department of Revenue will increase collections based on audit findings and possible new rulings regarding digital subscriber lines (DSL) and broadband revenues.
- 3) Since the SW Downtown Parking Garage is a new source of revenue for FY 2005, no historical operating data is available. We will accept the City Manager's estimate as prepared based on a November 2004 opening.
- 4) The City Auditor's estimate for this revenue source is based on historical growth patterns applied to actual FY 2004 data. The City Manager's estimate was prepared using similar procedures applied to earlier projected financial data available.
- 5) The City Auditor's estimate for this revenue source is based on historical growth patterns applied to actual FY 2004 data. Expenses are equally divided between the County and City. As expected, false alarm revenues have decreased over the past 3 years as alarm owners become more cognizant of the consequences of false alarms.

CITY OF GAINESVILLE, FLORIDA
GENERAL FUND FORECASTED REVENUES AND OTHER SOURCES OF FUNDS
FISCAL YEAR ENDING SEPTEMBER 30, 2005

	REVENUE FORECAST PER BUDGET ORDINANCE	REVENUE FORECAST PER CITY AUDITOR	DIFFERENCE IN FORECASTS	EXPLANATION OF DIFFERENCES
<u>TAXES</u>				
Real Property, Net	\$ 18,204,817	\$ 18,204,817	\$ -	
Hazmat Gross Receipts Tax	204,403	204,403	-	
Local Option Gas Tax	665,387	665,387	-	
Utility Tax	6,792,667	6,708,000	(84,667)	Note 1
Simplified Communications Service Tax	5,947,000	5,251,291	(695,709)	Note 2
TOTAL TAXES	31,814,274	31,033,898	(780,376)	
<u>LICENSES AND PERMITS</u>				
Occupational Licenses	903,350	903,350	-	
Home Occupational Permits	29,338	29,338	-	
Building Permits	890,155	890,155	-	
Miscellaneous Permits	15,480	15,480	-	
Contractors Exam Fee	1,138	1,138	-	
Electric, Plumbing & Gas Permits	315,665	315,665	-	
Street Graphics Inspection Fee	6,765	6,765	-	
Landlord Licensing Fee	255,780	255,780	-	
Taxi Licenses	4,199	4,199	-	
Competency Renewal	21,960	21,960	-	
TOTAL LICENSES AND PERMITS	2,443,830	2,443,830	-	
<u>INTERGOVERNMENTAL REVENUE</u>				
State Revenue Sharing (Net)	2,994,555	2,994,555	-	
Mobile Home Licenses	39,748	39,748	-	
Beverage Licenses	74,535	74,535	-	
Half Cent Sales Tax	6,042,262	6,042,262	-	
Firefighters Supplemental Comp	24,000	24,000	-	
State Gas Tax Rebate	19,469	19,469	-	
Contribuiton to B/PAB	6,586	6,586	-	
FDOT Traffic Signal Maintenance	173,484	173,484	-	
FDOT Street Light Maintenance	325,468	325,468	-	
Payment in Lieu of Taxes- GHA Inc	42,656	42,656	-	
TOTAL INTERGOVERNMENTAL REVENUE	9,742,763	9,742,763	-	

CITY OF GAINESVILLE, FLORIDA
GENERAL FUND FORECASTED REVENUES AND OTHER SOURCES OF FUNDS
FISCAL YEAR ENDING SEPTEMBER 30, 2005

	REVENUE FORECAST PER BUDGET ORDINANCE	REVENUE FORECAST PER CITY AUDITOR	DIFFERENCE IN FORECASTS	EXPLANATION OF DIFFERENCES
<u>CHARGES FOR SERVICES</u>				
Airport Fire Services	384,913	384,913	-	
Airport Security Services	270,637	270,637	-	
SFCC Training Contract GPD - Recruitment	65,624	65,624	-	
Miscellaneous Fees - Police	26,530	26,530	-	
GPD Billable Overtime	500,000	500,000	-	
Zoning Fees	312,355	312,355	-	
Document Reproduction Fees	1,969	1,969	-	
Traffic Engineering - Small Cities Projects	44,470	44,470	-	
Traffic Signals - County	136,684	136,684	-	
Cemetery Fees	43,860	43,860	-	
Parking - Meters and Permits	287,200	287,200	-	
Parking Garage	295,372	295,372	-	Note 3
Street Division Cost Recovery	95,876	95,876	-	
Neighborhood Parking Decals	22,853	22,853	-	
Recreation - Membership/Youth Sports	27,861	27,861	-	
Swimming Pools	66,105	66,105	-	
Recreation Centers/Playgrounds	62,500	62,500	-	
Recreation Adult Sports	6,687	6,687	-	
Utility Indirect Services	1,389,576	1,389,576	-	
RTS Indirect Services	675,781	675,781	-	
CDBG Indirect Services	135,808	135,808	-	
SMUF Indirect Services	406,509	406,509	-	
Solid Waste Indirect Services	109,638	109,638	-	
Ironwood Indirect Services	132,872	132,872	-	
Fleet Indirect Services	260,953	260,953	-	
Gen. Insurance Indirect Services	128,748	128,748	-	
EHAB Indirect Services	79,538	79,538	-	
CRA Indirect Services	73,925	73,925	-	
Special Events Processing Fees	7,515	7,515	-	
Cultural Affairs Accounts	106,527	106,527	-	
Direct Financial Services - RTS	101,959	101,959	-	
GPD/GHA/HUD Contract	55,000	55,000	-	
GFR- Fire Protection County	127,982	127,982	-	
SRO Contract - School Board	188,725	188,725	-	
TOTAL CHARGES FOR SERVICES	6,632,552	6,632,552	-	

CITY OF GAINESVILLE, FLORIDA
GENERAL FUND FORECASTED REVENUES AND OTHER SOURCES OF FUNDS
FISCAL YEAR ENDING SEPTEMBER 30, 2005

	REVENUE FORECAST PER BUDGET ORDINANCE	REVENUE FORECAST PER CITY AUDITOR	DIFFERENCE IN FORECASTS	EXPLANATION OF DIFFERENCES
<u>FINES AND FORFEITURES</u>				
Court Fines and Forfeitures	985,000	931,000	(54,000)	Note 4
Parking Fines	325,000	325,000	-	
False Alarm Penalties	140,031	96,000	(44,031)	Note 5
Code Enforcement Penalties	24,684	24,684	-	
TOTAL FINES AND FORFEITURES	1,474,715	1,376,684	(98,031)	
<u>MISCELLANEOUS REVENUES</u>				
Interest on Investments	675,000	675,000	-	
Rental of City Property	113,656	113,656	-	
Porters Oaks Mortgages	4,000	4,000	-	
AFSS Agreement - Airport	55,600	55,600	-	
CRA Promissory Note Repayment	115,525	115,525	-	
Demoliton/Lot Clearing/Bond & Seal	30,000	30,000	-	
Recreation Nature Programs	60,171	60,171	-	
GPD - Court Restitution	26,528	26,528	-	
Other Miscellaneous Revenues	114,750	114,750	-	
Sale of Surplus Equipment	17,790	17,790	-	
TOTAL MISCELLANEOUS REVENUES	1,213,020	1,213,020	-	
<u>TRANSFERS FROM OTHER FUNDS</u>				
Solid Waste Collection	300,000	300,000	-	
Crossing Guard Trust	100,000	100,000	-	
Cemetery Trust	44,225	44,225	-	
U.D.A.G.	133,380	133,380	-	
Art in Public Places Trust	9,000	9,000	-	
Downtown Redevelopment Trust	20,918	20,918	-	
Water/Wastewater Connections Surcharge	257,040	257,040	-	
GRUCOMM	105,288	105,288	-	
Gas Utility	1,280,405	1,280,405	-	
Trunk Radio System	200,850	200,850	-	
Water	3,372,828	3,372,828	-	
Wastewater	4,313,022	4,313,022	-	
Electric	17,680,627	17,680,627	-	
TOTAL TRANSFERS	27,817,583	27,817,583	-	

Appropriation of Fund Balance

1,636,910 1,636,910

**TOTAL REVENUES, TRANSFERS AND
APPROPRIATION OF FUND BALANCE**

\$ 82,775,647 \$ 81,897,240 \$ (878,407)
