

November 25, 2003

TO: Audit and Finance Committee

FROM: Alan D. Ash, City Auditor

SUBJECT: Review of General Fund Forecasted Revenues and Other Sources of Funds for the Fiscal Year Ending September 30, 2004

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, 2004 (the forecast).

We reviewed the forecasted General Fund Revenues and Other Sources of Funds set forth in the Fiscal Year 2003-2004 Final General Operating and Financial Plan Budget adopted by the City Commission on September 22, 2003. 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 \$79,016,313 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 2003-2004 General Fund Revenues and Other Sources of Funds in the amount of \$79,016,313. Based on our review, we projected several revenue sources at a different level than the approved General Fund budget. The total estimated difference is approximately \$478,825 or .61% 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, 2004 and an accompanying Explanation of Differences.

CITY OF GAINESVILLE, FLORIDA
GENERAL FUND FORECASTED REVENUES AND OTHER SOURCES OF FUNDS
FISCAL YEAR ENDING SEPTEMBER 30, 2004

	REVENUE FORECAST PER BUDGET ORDINANCE	REVENUE FORECAST PER CITY AUDITOR	DIFFERENCE IN FORECASTS	EXPLANATION OF DIFFERENCES
<u>TAXES</u>				
Real Property, Net	\$16,751,152	\$16,751,152	\$ -	
Hazmat Gross Receipts Tax	103,023	103,023	-	
Local Option Gas Tax	544,146	544,146	-	
Utility Tax	6,800,125	6,800,125	-	
Simplified Communications Service Tax	6,095,737	6,095,737	-	
TOTAL TAXES	30,294,183	30,294,183	-	
<u>LICENSES AND PERMITS</u>				
Occupational Licenses	\$898,908	\$898,908	-	
Home Occupational Permits	28,904	28,904	-	
Building Permits	833,578	723,129	(110,449)	Note 1
Miscellaneous Permits	15,251	15,251	-	
Contractors Exam Fee	1,121	1,121	-	
Electric, Plumbing & Gas Permits	157,653	157,653	-	
Street Graphics Inspection Fee	6,665	6,665	-	
Landlord Licensing Fee	236,246	236,246	-	
Taxi Licenses	4,137	4,137	-	
Competency Renewal	21,635	21,635	-	
TOTAL LICENSES AND PERMITS	2,204,098	2,093,649	(110,449)	
<u>INTERGOVERNMENTAL REVENUE</u>				
State Revenue Sharing (Net)	2,099,255	2,099,255	-	
Mobile Home Licenses	33,763	33,763	-	
Beverage Licenses	68,304	68,304	-	
Half Cent Sales Tax	6,193,202	6,193,202	-	
Firefighters Supplemental Comp	24,150	24,150	-	
State Gas Tax Rebate	19,087	19,087	-	
Contribution to B/PAB	6,586	6,586	-	
FDOT Traffic Signal Maintenance	126,321	126,321	-	
FDOT Street Light Maintenance	271,624	271,624	-	
TOTAL INTERGOVERNMENTAL REVENUE	8,842,292	8,842,292	-	

CITY OF GAINESVILLE, FLORIDA
GENERAL FUND FORECASTED REVENUES AND OTHER SOURCES OF FUNDS
FISCAL YEAR ENDING SEPTEMBER 30, 2004

	REVENUE FORECAST PER BUDGET ORDINANCE	REVENUE FORECAST PER CITY AUDITOR	DIFFERENCE IN FORECASTS	EXPLANATION OF DIFFERENCES
<u>CHARGES FOR SERVICES</u>				
Airport Fire Services	399,228	399,228	-	
Airport Security Services	256,889	256,889	-	
SFCC Training Contract GPD - Recruitment	65,624	65,624	-	
Miscellaneous Fees - Police	26,010	26,010	-	
GPD Billable Overtime	471,803	471,803	-	
Zoning Fees	236,430	236,430	-	
Document Reproduction Fees	1,930	1,930	-	
Traffic Engineering - Small Cities Projects	43,813	43,813	-	
Traffic Signals - County	134,004	134,004	-	
Cemetery Fees	17,389	17,389	-	
Parking - Meters and Permits	225,000	173,758	(51,242)	Note 2
Street Division Cost Recovery	92,188	92,188	-	
Neighborhood Parking Decals	22,515	22,515	-	
Recreation - Membership/Youth Sports	27,449	27,449	-	
Swimming Pools	65,128	65,128	-	
Recreation Centers/Playgrounds	123,644	71,000	(52,644)	Note 3
Recreation Adult Sports	6,588	6,588	-	
Recreation Nature Programs	58,991	58,991	-	
Utility Indirect Services	1,351,415	1,351,415	-	
RTS Indirect Services	662,530	662,530	-	
Airport Indirect Services	0	0	-	
CDBG Indirect Services	133,145	133,145	-	
SMUF Indirect Services	398,538	398,538	-	
Solid Waste Indirect Services	107,488	107,488	-	
Ironwood Indirect Services	130,267	130,267	-	
Fleet Indirect Services	255,836	255,836	-	
Gen. Insurance Indirect Services	126,224	126,224	-	
EHAB Indirect Services	77,978	77,978	-	
CRA Indirect Services	72,475	72,475	-	
Special Events Processing Fees	7,370	7,370	-	
Cultural Affairs Accounts	104,438	104,438	-	
Direct Financial Services - RTS	99,960	99,960	-	
GPD/GHA/HUD Contract	55,000	55,000	-	
GPD - Court Restitution	44,824	44,824	-	
SRO Contract - School Board	138,374	138,374	-	
TOTAL CHARGES FOR SERVICES	6,040,485	5,936,599	(103,886)	

CITY OF GAINESVILLE, FLORIDA
GENERAL FUND FORECASTED REVENUES AND OTHER SOURCES OF FUNDS
FISCAL YEAR ENDING SEPTEMBER 30, 2004

	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	984,344	984,344	-	
Parking Fines	319,000	319,000	-	
False Alarm Penalties	206,318	152,000	(54,318)	Note 4
Code Enforcement Penalties	24,319	24,319	-	
TOTAL FINES AND FORFEITURES	1,533,981	1,479,663	(54,318)	
<u>MISCELLANEOUS REVENUES</u>				
Interest on Investments	600,000	600,000	-	
Rental of City Property	111,427	111,427	-	
Porters Oaks Mortgages	4,000	4,000	-	
AFSS Agreement - Airport	55,600	55,600	-	
CRA Promissory Note Repayment	122,650	10,000	(112,650)	Note 5
Other Miscellaneous Revenues	112,863	112,863	-	
Sale of Surplus Equipment	17,441	17,441	-	
TOTAL MISCELLANEOUS REVENUES	1,023,981	911,331	(112,650)	
<u>TRANSFERS FROM OTHER FUNDS</u>				
Solid Waste Collection	300,000	300,000	-	
Crossing Guard Trust	80,000	80,000	-	
Cemetery Trust	43,358	43,358	-	
U.D.A.G.	0	0	-	
Art in Public Places Trust	9,000	9,000	-	
Water/Wastewater Connections Surcharge	498,172	400,650	(97,522)	Note 1
GRUCOMM	100,310	100,310	-	
Gas Utility	1,120,157	1,120,157	-	
Trunk Radio System	196,912	196,912	-	
Water	3,558,770	3,558,770	-	
Wastewater	4,598,047	4,598,047	-	
Electric	17,165,657	17,165,657	-	
TOTAL TRANSFERS	27,670,383	27,572,861	(97,522)	
Appropriation of Fund Balance	1,406,910	1,406,910	-	
TOTAL REVENUES, TRANSFERS AND APPROPRIATION OF FUND BALANCE	\$ 79,016,313	\$ 78,537,488	\$ (478,825)	

CITY OF GAINESVILLE, FLORIDA
GENERAL FUND FORECASTED REVENUES AND OTHER SOURCES OF FUNDS
FISCAL YEAR ENDING SEPTEMBER 30, 2004
EXPLANATION OF DIFFERENCES

Notes:

- 1) The City Auditor's estimate for this revenue source is based on the historical growth pattern applied to actual FY 2003 data. The City Manager's estimate was prepared using similar procedures applied to earlier projected financial data available.
- 2) The City Auditor's estimates for this revenue source is based on historical growth patterns applied to actual FY 2003 data. The City Manager's estimate was prepared using similar procedures applied to projected financial data available based on the completion of the parking garage.
- 3) The City Auditor's estimate for this revenue source is based on historical growth patterns applied to actual FY 2003 data. The City Manager's estimate was prepared based on the fees presented to, but later not approved by the City Commission.
- 4) The City Auditor's estimate for this revenue source is based on historical growth patterns applied to actual FY 2003 data. Expenses are equally divided between the County and City and are anticipated to be less than in the previous two years. Additionally, commercial owners are cognizant of the consequences of false alarms resulting in limited future growth.
- 5) The City Auditor's estimate for this revenue source is based on the revenue received in FY 2003. The City Manager's estimate was based on the prepared amortization repayment schedule for the Commerce Building, Stringfellows and Arlington Apartments which assumes the tax increment to include full occupancy.