

**REVIEW OF GENERAL FUND FORECASTED
REVENUES AND OTHER SOURCES OF FUNDS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2008**

NOVEMBER 2007




**CITY AUDITOR'S OFFICE
CITY OF GAINESVILLE, FLORIDA**

City of
Gainesville

Inter-Office Communication

November 29, 2007

TO: Audit, Finance and Legislative Committee
Mayor Pegeen Hanrahan, Chair
Mayor-Commissioner Pro Tem Rick Bryant, 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, 2008

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, 2008 (the forecast).

We reviewed the forecasted General Fund Revenues and Other Sources of Funds set forth in the Fiscal Year 2007-2008 Final General Operating and Financial Plan Budget adopted by the City Commission on September 24, 2007. 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 \$94,933,930 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 2007-2008 General Fund Revenues and Other Sources of Funds in the amount of \$94,933,930. However, we projected some revenue sources at a different level than the approved General Fund budget. The total estimated difference is approximately \$58,061 or less than 0.1% more 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, 2008 and an accompanying Explanation of Differences. Management should continue to monitor the City's financial position throughout the fiscal year and make adjustments as necessary especially with continuing concerns regarding the affects of property tax reform.

CITY OF GAINESVILLE, FLORIDA
GENERAL FUND FORECASTED REVENUES AND OTHER SOURCES OF FUNDS
FISCAL YEAR ENDING SEPTEMBER 30, 2008

	REVENUE FORECAST PER BUDGET ORDINANCE	REVENUE FORECAST PER CITY AUDITOR	DIFFERENCE IN FORECASTS	EXPLANATION OF DIFFERENCES
<u>TAXES</u>				
Real Property, Net	\$ 23,074,719	\$ 23,400,000	\$ 325,281	Note 1
Hazmat Gross Receipts Tax	275,137	235,000	(40,137)	Note 2
Local Option Gas Tax	929,226	929,226	-	
Utility Tax	8,238,843	8,238,843	-	
Local Business Tax (Occupational Licenses)	914,000	914,000	-	
Property Insurance Premium Tax	1,118,824	1,118,824	-	
Simplified Communications Service Tax	5,622,155	5,622,155	-	Note 3
TOTAL TAXES	40,172,904	40,458,048	285,144	
<u>LICENSES AND PERMITS</u>				
Home Occupational Permits	33,323	33,323	-	
Landlord Licensing Fee	590,000	590,000	-	
Taxi Licenses	7,050	7,050	-	
TOTAL LICENSES AND PERMITS	630,373	630,373	-	
<u>INTERGOVERNMENTAL REVENUE</u>				
State Revenue Sharing (Net)	3,530,487	3,388,000	(142,487)	Note 2
Mobile Home Licenses	33,438	33,438	-	
Beverage Licenses	72,143	72,143	-	
Half Cent Sales Tax	7,327,209	7,327,209	-	
Firefighters Supplemental Comp	51,000	51,000	-	
State Gas Tax Rebate	29,714	29,714	-	
County and MTPO Contribution to Bike Program	6,586	6,586	-	
FDOT Traffic Signal Maintenance	192,780	192,780	-	
FDOT Street Light Maintenance	369,830	369,830	-	
Payment in Lieu of Taxes- GHA Inc.	43,000	43,000	-	
TOTAL INTERGOVERNMENTAL REVENUE	11,656,187	11,513,700	(142,487)	

CITY OF GAINESVILLE, FLORIDA
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FISCAL YEAR ENDING SEPTEMBER 30, 2008

	REVENUE FORECAST PER BUDGET ORDINANCE	REVENUE FORECAST PER CITY AUDITOR	DIFFERENCE IN FORECASTS	EXPLANATION OF DIFFERENCES
<u>CHARGES FOR SERVICES</u>				
Airport Fire Services	412,477	412,477	-	
Airport Security Services	287,201	287,201	-	
SFCC Training Contract GPD - Recruitment	42,000	42,000	-	
Miscellaneous Fees - Police	27,879	27,879	-	
GFR- Fire Inspection Fees	219,596	135,000	(84,596)	Note 4
Document Reproduction Fees	2,679	2,679	-	
Zoning Fees	287,775	287,775	-	
Traffic Engineering - Small Cities Projects	28,674	28,674	-	
Traffic Signals - County	147,951	147,951	-	
Cemetery Fees	57,693	57,693	-	
Parking - Meters and Permits	181,320	181,320	-	
Parking Garage	315,518	315,518	-	
Street Division Cost Recovery	55,000	55,000	-	
Neighborhood Parking Decals	34,611	34,611	-	
Recreation - Membership/Youth Sports	19,000	19,000	-	
Swimming Pools	97,000	97,000	-	
Recreation Centers/Playgrounds	308,560	308,560	-	
Recreation Adult Sports	15,000	15,000	-	
Recreation Nature Programs	44,000	44,000	-	
Recreation Fees/Center	97,151	97,151	-	
Utility Indirect Services	1,517,762	1,517,762	-	
RTS Indirect Services	738,236	738,236	-	
CDBG Indirect Services	123,528	123,528	-	
SMUF Indirect Services	316,058	316,058	-	
Solid Waste Indirect Services	119,771	119,771	-	
Ironwood Indirect Services	145,153	145,153	-	
Fleet Indirect Services	285,070	285,070	-	
Building Inspection Indirect Services	311,999	311,999	-	
Gen. Insurance Indirect Services	140,646	140,646	-	
EHAB Indirect Services	86,889	86,889	-	
CRA Indirect Services	80,757	80,757	-	
Special Events Processing Fees	2,000	2,000	-	
General Pension Indirect Services	100,432	100,432	-	
Police Pension Indirect Services	18,390	18,390	-	
Fire Pension Indirect Services	12,260	12,260	-	
Broadcast Services	5,000	5,000	-	
Development Review Fees	45,000	45,000	-	
Environmental Review Fees	45,000	45,000	-	
Traffic Study Review Fees	20,000	20,000	-	
PRCA-Long Term Rental/Reservation Fees	18,260	18,260	-	
Direct Financial Services - RTS	132,750	132,750	-	
GPD/GHA/HUD Contract	40,000	40,000	-	
GFR- Fire Protection County	134,488	134,488	-	
GPD Doc Reproduction/Background Check	120,000	120,000	-	
GPD - Court Restitution	27,876	27,876	-	
SRO Contract - School Board	207,066	207,066	-	
TOTAL CHARGES FOR SERVICES	7,475,476	7,390,880	(84,596)	

CITY OF GAINESVILLE, FLORIDA
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FISCAL YEAR ENDING SEPTEMBER 30, 2008

	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	893,200	893,200	-	
Parking Fines	301,615	301,615	-	
False Alarm Penalties	325,000	325,000	-	
Municipal Ordinance Fines	100,962	100,962	-	
Code Enforcement Penalties	52,000	52,000	-	
TOTAL FINES AND FORFEITURES	1,672,777	1,672,777	-	
<u>MISCELLANEOUS REVENUES</u>				
Interest on Investments	600,000	600,000	-	
Rental of City Property	130,560	130,560	-	
Porters Oaks Mortgages	4,000	4,000	-	
AFSS Agreement - Airport	55,600	55,600	-	
Demolition/Lot Clearing/Bond & Seal	30,000	30,000	-	
Other Miscellaneous Revenues	135,595	135,595	-	
Sale of Surplus Equipment	41,616	41,616	-	
TOTAL MISCELLANEOUS REVENUES	997,371	997,371	-	
<u>TRANSFERS FROM OTHER FUNDS</u>				
Solid Waste Collection	300,000	300,000	-	
Crossing Guard Trust	35,525	35,525	-	
Cemetery Trust	45,110	45,110	-	
Art in Public Places Trust	9,000	9,000	-	
Downtown Redevelopment Trust	8,444	8,444	-	
General Pension	34,254	34,254	-	
Water/Wastewater Connections Surcharge	280,600	280,600	-	
GRUCOMM	334,526	334,526	-	
Gas Utility	1,567,672	1,567,672	-	
Water	4,845,066	4,845,066	-	
Wastewater	5,219,667	5,219,667	-	
Electric	19,320,099	19,320,099	-	
TOTAL TRANSFERS	31,999,963	31,999,963	-	
TOTAL NON RECURRING TRANSFERS/REV	328,878	328,878	-	
Rounding Difference	1	1	-	
TOTAL REVENUES, TRANSFERS AND APPROPRIATION OF FUND BALANCE	\$ 94,933,930	\$ 94,991,991	\$ 58,061	

CITY OF GAINESVILLE, FLORIDA
GENERAL FUND FORECASTED REVENUES AND OTHER SOURCES OF FUNDS
FISCAL YEAR ENDING SEPTEMBER 30, 2008
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 2007 data. The City Manager's estimate was prepared using similar procedures applied to earlier projected financial data available.
- 3) This revenue source does not reflect the estimated impact of the one year adjustment in the communications service tax rate from 5.32% to 7%, effective September 2007. Additional revenues associated with this increase are expected to exceed \$1 million. However, a contingent liability related to possible overpayments to the City in previous years may offset this increase. As a result, we are accepting the City Manager's current estimate as reasonable.
- 4) The City Auditor's estimate for this revenue source is based on data applied to actual fiscal year 2007 data. The City Manager's estimate was prepared using similar procedures applied to earlier projected financial data available. This is a new revenue source for fiscal year 2008 that is difficult to estimate accurately.