

**REVIEW OF GENERAL FUND FORECASTED REVENUES
AND OTHER SOURCES OF FUNDS FOR THE
FISCAL YEAR ENDING SEPTEMBER 30, 2007**

NOVEMBER 2006



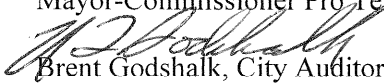
**CITY AUDITOR'S OFFICE
CITY OF GAINESVILLE, FLORIDA**

City of
Gainesville

Inter-Office Communication

November 28, 2006

TO: Audit, Finance and Legislative Committee
Mayor Pegeen Hanrahan, Chair
Mayor-Commissioner Pro Tem Craig Lowe, 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, 2007

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, 2007 (the forecast).

We reviewed the forecasted General Fund Revenues and Other Sources of Funds set forth in the Fiscal Year 2006-2007 Final General Operating and Financial Plan Budget adopted by the City Commission on September 25, 2006. 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 \$92,183,664 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 2006-2007 General Fund Revenues and Other Sources of Funds in the amount of \$92,183,664. However, we projected several revenue sources at a different level than the approved General Fund budget. The total estimated difference is approximately \$445,000 or 0.5% 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, 2007 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.

CITY OF GAINESVILLE, FLORIDA
GENERAL FUND FORECASTED REVENUES AND OTHER SOURCES OF FUNDS
FISCAL YEAR ENDING SEPTEMBER 30, 2007

	REVENUE FORECAST PER BUDGET ORDINANCE	REVENUE FORECAST PER CITY AUDITOR	DIFFERENCE IN FORECASTS	EXPLANATION OF DIFFERENCES
<u>TAXES</u>				
Real Property, Net	\$ 23,586,862	\$ 23,300,000	\$ (286,862)	Note 1
Hazmat Gross Receipts Tax	271,071	271,071	-	
Local Option Gas Tax	931,827	931,827	-	
Utility Tax	7,071,200	7,071,200	-	
Property Insurance Premium Tax	1,102,290	1,102,290	-	
Simplified Communications Service Tax	5,558,140	5,400,000	(158,140)	Note 2
TOTAL TAXES	38,521,390	38,076,388	(445,002)	
<u>LICENSES AND PERMITS</u>				
Occupational Licenses	949,867	949,867	-	
Home Occupational Permits	31,736	31,736	-	
Landlord Licensing Fee	576,000	576,000	-	
Taxi Licenses	6,714	6,714	-	
TOTAL LICENSES AND PERMITS	1,564,317	1,564,317	-	
<u>INTERGOVERNMENTAL REVENUE</u>				
State Revenue Sharing (Net)	3,503,796	3,503,796	-	
Mobile Home Licenses	32,944	32,944	-	
Beverage Licenses	70,728	70,728	-	
Half Cent Sales Tax	7,685,860	7,685,860	-	
Firefighters Supplemental Comp	51,000	51,000	-	
State Gas Tax Rebate	29,131	29,131	-	
County and MTPO Contribution to Bike Program	6,586	6,586	-	
FDOT Traffic Signal Maintenance	187,165	187,165	-	
FDOT Street Light Maintenance	359,058	359,058	-	
Payment in Lieu of Taxes- GHA Inc.	39,000	39,000	-	
TOTAL INTERGOVERNMENTAL REVENUE	11,965,268	11,965,268	-	

CITY OF GAINESVILLE, FLORIDA
GENERAL FUND FORECASTED REVENUES AND OTHER SOURCES OF FUNDS
FISCAL YEAR ENDING SEPTEMBER 30, 2007

	REVENUE FORECAST PER BUDGET ORDINANCE	REVENUE FORECAST PER CITY AUDITOR	DIFFERENCE IN FORECASTS	EXPLANATION OF DIFFERENCES
<u>CHARGES FOR SERVICES</u>				
Airport Fire Services	404,389	404,389	-	
Airport Security Services	281,570	281,570	-	
SFCC Training Contract GPD - Recruitment	65,624	65,624	-	
Miscellaneous Fees - Police	27,467	27,467	-	
GPD Billable Overtime	569,415	569,415	-	
Zoning Fees	204,015	204,015	-	
Document Reproduction Fees	2,639	2,639	-	
Traffic Engineering - Small Cities Projects	19,285	19,285	-	
Traffic Signals - County	145,050	145,050	-	
Cemetery Fees	56,840	56,840	-	
Parking - Meters and Permits	178,640	178,640	-	
Parking Garage	310,855	310,855	-	
Street Division Cost Recovery	55,000	55,000	-	
Neighborhood Parking Decals	33,280	33,280	-	
Recreation - Membership/Youth Sports	16,240	16,240	-	
Swimming Pools	86,275	86,275	-	
Recreation Centers/Playgrounds	259,840	259,840	-	
Recreation Adult Sports	4,568	4,568	-	
Utility Indirect Services	1,445,488	1,445,488	-	
RTS Indirect Services	703,082	703,082	-	
CDBG Indirect Services	141,294	141,294	-	
SMUF Indirect Services	422,932	422,932	-	
Solid Waste Indirect Services	114,068	114,068	-	
Ironwood Indirect Services	138,241	138,241	-	
Fleet Indirect Services	271,495	271,495	-	
Building Inspection Indirect Services	216,800	216,800	-	
Gen. Insurance Indirect Services	133,949	133,949	-	
EHAB Indirect Services	82,751	82,751	-	
CRA Indirect Services	76,911	76,911	-	
Special Events Processing Fees	2,000	2,000	-	
Registration - Thomas Center Rental	79,560	79,560	-	
Direct Financial Services - RTS	106,078	106,078	-	
GPD/GHA/HUD Contract	40,000	40,000	-	
GFR- Fire Protection County	132,500	132,500	-	
SRO Contract - School Board	203,006	203,006	-	
TOTAL CHARGES FOR SERVICES	7,031,147	7,031,147	-	

CITY OF GAINESVILLE, FLORIDA
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FISCAL YEAR ENDING SEPTEMBER 30, 2007

	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	894,040	894,040	-	
Parking Fines	300,000	300,000	-	
False Alarm Penalties	101,500	101,500	-	
Municipal Ordinance Fines	99,470	99,470	-	
Code Enforcement Penalties	25,430	25,430	-	
TOTAL FINES AND FORFEITURES	1,420,440	1,420,440	-	
<u>MISCELLANEOUS REVENUES</u>				
Interest on Investments	600,000	600,000	-	
Rental of City Property	104,040	104,040	-	
Porters Oaks Mortgages	4,000	4,000	-	
AFSS Agreement - Airport	55,600	55,600	-	
Recreation Nature Programs	36,540	36,540	-	
GPD Court Restitution	27,464	27,464	-	
Demolition/Lot Clearing/Bond & Seal	30,000	30,000	-	
Other Miscellaneous Revenues	133,591	133,591	-	
Sale of Surplus Equipment	40,800	40,800	-	
TOTAL MISCELLANEOUS REVENUES	1,032,035	1,032,035	-	
<u>TRANSFERS FROM OTHER FUNDS</u>				
Solid Waste Collection	300,000	300,000	-	
Crossing Guard Trust	35,000	35,000	-	
Cemetery Trust	46,012	46,012	-	
CRA	58,329	58,329	-	
Art in Public Places Trust	9,000	9,000	-	
Downtown Redevelopment Trust	83,444	83,444	-	
General Pension	34,922	34,922	-	
Water/Wastewater Connections Surcharge	510,000	510,000	-	
GRUCOMM	324,783	324,783	-	
Gas Utility	1,755,232	1,755,232	-	
Water	3,928,909	3,928,909	-	
Wastewater	4,806,059	4,806,059	-	
Electric	18,757,377	18,757,377	-	
TOTAL TRANSFERS	30,649,067	30,649,067	-	
TOTAL REVENUES, TRANSFERS AND APPROPRIATION OF FUND BALANCE	\$ 92,183,664	\$ 91,738,662	\$ (445,002)	

CITY OF GAINESVILLE, FLORIDA
GENERAL FUND FORECASTED REVENUES AND OTHER SOURCES OF FUNDS
FISCAL YEAR ENDING SEPTEMBER 30, 2007
EXPLANATION OF DIFFERENCES

Notes

- 1) The City Auditor's estimate for this revenue source is based on the latest information available from the Alachua County Property Appraiser's Office. 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 FY 2006 data. The City Manager's estimate was prepared using similar procedures applied to earlier projected financial data available. This is a relatively new revenue source that continues to be difficult to estimate accurately.