

**REVIEW OF GENERAL FUND FORECASTED REVENUES
AND OTHER SOURCES OF FUNDS FOR THE
FISCAL YEAR ENDING SEPTEMBER 30, 2006**

NOVEMBER 2005



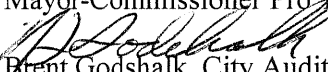
**CITY AUDITOR'S OFFICE
CITY OF GAINESVILLE, FLORIDA**

City of
Gainesville

Inter-Office Communication

November 21, 2005

TO: Audit and Finance Committee
Mayor Pegeen Hanrahan, Chair
Mayor-Commissioner Pro Tem Chuck Chestnut, 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, 2006

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, 2006 (the forecast).

We reviewed the forecasted General Fund Revenues and Other Sources of Funds set forth in the Fiscal Year 2005-2006 Final General Operating and Financial Plan Budget adopted by the City Commission on September 26, 2005. 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 \$85,940,405 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 2005-2006 General Fund Revenues and Other Sources of Funds in the amount of \$85,940,405. However, we projected several revenue sources at a different level than the approved General Fund budget. The total estimated difference is approximately \$337,111 or approximately 0.4% 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, 2006 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, 2006

	REVENUE FORECAST PER BUDGET ORDINANCE	REVENUE FORECAST PER CITY AUDITOR	DIFFERENCE IN FORECASTS	EXPLANATION OF DIFFERENCES
<u>TAXES</u>				
Real Property, Net	\$ 20,368,908	\$ 20,701,000	\$ 332,092	Note 1
Hazmat Gross Receipts Tax	267,065	267,065	-	
Local Option Gas Tax	898,253	898,253	-	
Utility Tax	6,525,528	6,637,800	112,272	Note 2
Simplified Communications Service Tax	5,767,000	5,580,105	(186,895)	Note 3
TOTAL TAXES	33,826,754	34,084,223	257,469	
<u>LICENSES AND PERMITS</u>				
Occupational Licenses	935,830	935,830	-	
Home Occupational Permits	31,267	31,267	-	
Building Permits	1,116,150	1,116,150	-	
Miscellaneous Permits	16,498	16,498	-	
Contractors Exam Fee	1,213	1,213	-	
Electric, Plumbing & Gas Permits	285,252	285,252	-	
Street Graphics Inspection Fee	7,210	7,210	-	
Landlord Licensing Fee	247,800	247,800	-	
Taxi Licenses	4,475	4,475	-	
Competency Renewal	23,403	23,403	-	
TOTAL LICENSES AND PERMITS	2,669,098	2,669,098	-	
<u>INTERGOVERNMENTAL REVENUE</u>				
State Revenue Sharing (Net)	3,160,284	3,160,284	-	
Mobile Home Licenses	42,285	42,285	-	
Beverage Licenses	74,183	74,183	-	
Half Cent Sales Tax	6,712,867	6,712,867	-	
Firefighters Supplemental Comp	40,000	40,000	-	
State Gas Tax Rebate	28,560	28,560	-	
County and MTPO Contribution to Bike Program	6,586	6,586	-	
FDOT Traffic Signal Maintenance	181,714	181,714	-	
FDOT Street Light Maintenance	348,600	348,600	-	
Payment in Lieu of Taxes- GHA Inc.	42,656	42,656	-	
TOTAL INTERGOVERNMENTAL REVENUE	10,637,735	10,637,735	-	

CITY OF GAINESVILLE, FLORIDA
GENERAL FUND FORECASTED REVENUES AND OTHER SOURCES OF FUNDS
FISCAL YEAR ENDING SEPTEMBER 30, 2006

	REVENUE FORECAST PER BUDGET ORDINANCE	REVENUE FORECAST PER CITY AUDITOR	DIFFERENCE IN FORECASTS	EXPLANATION OF DIFFERENCES
<u>CHARGES FOR SERVICES</u>				
Airport Fire Services	396,460	396,460	-	
Airport Security Services	276,049	276,049	-	
SFCC Training Contract GPD - Recruitment	65,624	65,624	-	
Miscellaneous Fees - Police	27,061	27,061	-	
GPD Billable Overtime	515,113	515,113	-	
Zoning Fees	334,532	261,000	(73,532)	Note 4
Document Reproduction Fees	2,048	2,048	-	
Traffic Engineering - Small Cities Projects	45,814	45,814	-	
Traffic Signals - County	142,206	142,206	-	
Cemetery Fees	46,974	46,974	-	
Parking - Meters and Permits	304,851	170,000	(134,851)	Note 4
Parking Garage	335,784	215,000	(120,784)	Note 5
Street Division Cost Recovery	99,711	55,000	(44,711)	Note 4
Neighborhood Parking Decals	24,355	24,355	-	
Recreation - Membership/Youth Sports	29,693	29,693	-	
Swimming Pools	105,251	105,251	-	
Recreation Centers/Playgrounds	223,827	142,000	(81,827)	Note 4
Recreation Adult Sports	7,126	7,126	-	
Recreation Nature Programs	61,374	61,374	-	
Utility Indirect Services	1,417,145	1,417,145	-	
RTS Indirect Services	689,296	689,296	-	
CDBG Indirect Services	138,524	138,524	-	
SMUF Indirect Services	414,639	414,639	-	
Solid Waste Indirect Services	111,831	111,831	-	
Ironwood Indirect Services	135,530	135,530	-	
Fleet Indirect Services	266,172	266,172	-	
Airport Indirect Services	1,200	1,200	-	
Gen. Insurance Indirect Services	131,323	131,323	-	
EHAB Indirect Services	81,128	81,128	-	
CRA Indirect Services	75,403	75,403	-	
Special Events Processing Fees	8,051	8,051	-	
Cultural Affairs Accounts	114,090	114,090	-	
Direct Financial Services - RTS	103,998	103,998	-	
GPD/GHA/HUD Contract	55,000	55,000	-	
GPD - Court Restitution	27,058	27,058	-	
GFR- Fire Protection County	130,542	130,542	-	
SRO Contract - School Board	199,025	199,025	-	
TOTAL CHARGES FOR SERVICES	7,143,808	6,688,103	(455,705)	

CITY OF GAINESVILLE, FLORIDA
GENERAL FUND FORECASTED REVENUES AND OTHER SOURCES OF FUNDS
FISCAL YEAR ENDING SEPTEMBER 30, 2006

	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	900,000	806,000	(94,000)	Note 4
Parking Fines	329,875	285,000	(44,875)	Note 4
False Alarm Penalties	100,000	100,000	-	
Municipal Ordinance Fines	40,000	40,000	-	
Code Enforcement Penalties	25,054	25,054	-	
TOTAL FINES AND FORFEITURES	1,394,929	1,256,054	(138,875)	
<u>MISCELLANEOUS REVENUES</u>				
Interest on Investments	550,000	550,000	-	
Rental of City Property	121,725	121,725	-	
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	131,617	131,617	-	
Sale of Surplus Equipment	18,146	18,146	-	
TOTAL MISCELLANEOUS REVENUES	911,088	911,088	-	
<u>TRANSFERS FROM OTHER FUNDS</u>				
Solid Waste Collection	300,000	300,000	-	
Crossing Guard Trust	100,000	100,000	-	
Cemetery Trust	45,110	45,110	-	
Art in Public Places Trust	9,000	9,000	-	
Downtown Redevelopment Trust	52,828	52,828	-	
Water/Wastewater Connections Surcharge	380,000	380,000	-	
GRUCOMM	315,323	315,323	-	
Gas Utility	1,543,987	1,543,987	-	
Water	3,563,000	3,563,000	-	
Wastewater	4,372,000	4,372,000	-	
Electric	18,211,046	18,211,046	-	
TOTAL TRANSFERS	28,892,294	28,892,294	-	
Appropriation of Fund Balance	464,701	464,701	-	
Rounding Difference	(2)	(2)	-	
TOTAL REVENUES, TRANSFERS AND APPROPRIATION OF FUND BALANCE	\$ 85,940,405	\$ 85,603,294	\$ (337,111)	

CITY OF GAINESVILLE, FLORIDA
GENERAL FUND FORECASTED REVENUES AND OTHER SOURCES OF FUNDS
FISCAL YEAR ENDING SEPTEMBER 30, 2006
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 the estimate provided by Gainesville Regional Utilities and is supported by historical growth patterns applied to actual FY 2005 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 the estimate provided by the State Department of Revenue and is supported by historical growth patterns applied to actual FY 2005 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.
- 4) The City Auditor's estimates for these revenue sources are based on historical growth patterns applied to actual FY 2005 data. The City Manager's estimates were prepared using similar procedures applied to earlier projected financial data available.
- 5) The SW Downtown Parking Garage opened in January 2005. Since this is a new revenue source, it is difficult to establish a forecast without the benefit of historical growth patterns. The City Auditor's estimate for this revenue source is based on nine months of operating data for FY 2005 and discussions with the Transportation Services Manager on the outlook for FY 2006. The City Manager's estimate was prepared using similar procedures applied to earlier projected financial data available.