



**BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**

MEMORANDUM

TO: Honorable Dennis C. Moss
And Members, Board of County Commissioners

FROM: Charles Anderson
Commission Auditor

A handwritten signature in black ink, appearing to read "Charles Anderson", is written over the name and title in the "FROM" field.

DATE: January 12, 2010

SUBJECT: FY 08-09 Year-End Budget Amendments

In accordance with Resolution No. 195-05, we have reviewed the County Manager's FY 08-09 Year-End Budget Amendments report. We offer general comments on Non-Departmental revenue in addition to specific Departmental observations for your consideration concerning the January 12, 2010, BPSC agenda item 3K.

Reserves

These budget amendments are funded by various reserves in the General Fund. As has been past practice, certain operational reserves, such as those for anticipated energy, separation, and Florida Retirement System costs, potential tax equalization, and prior year encumbrances are budgeted separately from departmental allocations with the intent to distribute these revenues as necessary through the budget amendments process. When the budget is structured, efforts are made to estimate and match the size of the operational reserve to potential needs based on historical experiences. Unforeseen events such as the unbudgeted election held in December 2008, may require the use of capacity available from operational reserves. Each of these reserves has been fully re-appropriated in the FY 2009-10 Adopted Budget. Furthermore, even with the amendments included in this item, carryover into FY 2009-10 exceeds the budget by \$12.6 million due to cost savings.

Observation: The use of unallocated Non-Departmental reserves is an acceptable budgetary practice. Non-Departmental expenditure authority is being utilized in this amendment totaling \$16.112 million to offset over expenditures in the stated departments. As stated in the item, certain reserves, such as those for energy, separation, and Florida Retirement System costs, potential tax equalization, and prior year encumbrances are budgeted separately from departmental allocations with the intent to distribute these revenues through the budget amendment process, if needed.

The stated cost savings of \$12.6 million is calculated as follows:

FY 07-08 Year End Balance into FY 08-09	\$ 86.560 million
FY 08-09 Transit payment to General Fund	<u>\$ 18.120 million</u>
Carryover	\$104.680 million
FY 08-09 Expenditures exceed revenue	<u>(\$ 56.380)million</u>
FAMIS Total	\$ 48.300 million
FY 08-09 Amendment	<u>(\$ 20.357)million</u>
Pending FY 08-09 CAFR adjustments	<u>\$ 6.000 million</u>
Carryover	\$ 33.943 million
FY 09-10 Budgeted Carryover	<u>(\$ 21.313)million</u>
Savings	\$ 12.630 million

Board of County Commissioners

The budgets for the Board of County Commissioners (BCC) and its divisions will be amended by \$4.245 million for the allocation of unexpended FY 2007-08 year-end office balances. Funding will be provided by prior year unallocated cash carryover. A related item on this agenda provides supplemental expenditure authority for the general fund to recognize this carryover. BCC carryover balances as of the end of FY 2008-09 total \$4.728 million.

Observation: A breakdown, by district offices and the BCC divisions, of both fiscal years' allocations (Attachment 1) is provided for your purview.

Public Works

The Public Works Department requires a budget amendment in the amount of \$903,000 due to a Florida Power and Light (FP&L) rate increase of eight percent that took effect in August 2008 and to cover electrical charges incurred in prior years that were not paid in the appropriate accounting cycle. The lag in payments was identified as part of a routine departmental audit reconciliation which links county properties to the appropriate billable charges.

Observation: The FPL invoices had not been reconciled for two years and totaled approximately \$2 million. The Department was able to absorb \$1.1 million and is requiring an amendment for the remaining \$900,000.

Honorable Chairman Dennis C. Moss
And Members, Board of County Commissioners
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Attachment 4 (Background)

Technical adjustments also require a year-end General Fund budget amendment. Pursuant to Ordinance 07-45, also included in this item are the budget line item transfers that require the Board's review and approval. Attachment 3 requires Board approval; attachment 4 is for informational purposes.

Observation: Administration had an opportunity to review and discuss our report prior to its release. Based on the review and subsequent discussions, OSBM entered a substitute agenda item to correct the four other Departments that have exceeded the 10% reallocation threshold as required by Ordinance 07-45. The four Departments are EMHS in Fund SO100, GSA in Fund GF030, MDEAT (formerly MMAP) in GF010, and Sustainability in Fund GF010 (Attachment 2) and the transfers require BCC approval.

Special thanks to the Office of Strategic Budget Management for all their cooperation and assistance.

Cc: Honorable Carlos Alvarez, Mayor
George M. Burgess, County Manager
R.A. Cuevas, Jr. County Attorney
Jennifer Glazer-Moon, Special Assistant/OSBM Director
Diane Collins, Assistant Director, Clerk of the Board Division

Attachments

BOARD OF COUNTY COMMISSION (BCC)

BCC Carryover FY 2006-07

BCC Carryover FY 2007-08

BCC Carryover FY 2008-09

District	EOY Balance	District	Cumulative EOY Balance	District	Cumulative EOY Balance
1	0	1	0	1	0
2	86,000	2	87,000	2	58,000
3	147,000	3	279,000	3	111,000
4	961,000	4	925,000	4	864,000
5	514,000	5	563,000	5	479,000
6	473,000	6	393,000	6	336,000
7	232,000	7	207,000	7	135,000
8	241,000	8	260,000	8	354,000
9	30,000	9		9	148,000
10	22,000	10	100,000	10	96,000
11	328,000	11	248,000	11	222,000
12	261,000	12	469,000	12	638,000
13	284,000	13	285,000	13	434,000
Subtotal	3,579,000	Subtotal	3,816,000	Subtotal	3,875,000
Chair's Office	284,000	Chair's Office	208,000	Chair's Office	483,000
Subtotal	3,863,000	Subtotal	4,024,000	Subtotal	4,358,000
BCC Sprt Staff	263,000	BCC Sprt Staff	48,000	BCC Sprt Staff	48,000
Commission Auditor	0	Commission Auditor	141,000	Commission Auditor	269,000
OIA	235,000	OIA	32,000	OIA	53,000
Grand Total	\$ 4,361,000	Grand Total	\$ 4,245,000	Grand Total	\$ 4,728,000

FY 08-09 FUND ANALYSIS (BUDGET VS. ACTUAL)

Animal Services

GF 030			
<u>Line Items</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenue	10,075,000	9,890,868	(184,132)
Personnel	7,632,000	7,261,823	370,177
Other	2,434,000	2,680,756	(246,756)
Capital	<u>9,000</u>	<u>6,994</u>	<u>2,006</u>
Total	10,075,000	9,949,573	125,427
Rev-Exp	0	(58,705)	(58,705)

<u>Ordinance 07-45 Review</u>	
10% Fund	OSBM
<u>Transfer Allowed</u>	<u>Att #4</u>
763,200	262,276
243,400	0
<u>900</u>	<u>0</u>
1,007,500	262,276
Transfer not in excess of 10%; however, reported for personnel use	

EMHS

SO 100			
<u>Line Items</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenue	309,000	310,189	1,189
Personnel	134,490	169,576	(35,086)
Other	156,000	60,625	95,375
Capital	<u>18,510</u>	<u>(3,384)</u>	<u>21,894</u>
Total	309,000	226,817	82,183
Rev-Exp	0	83,372	83,372

<u>Ordinance 07-45 Review</u>	
10% Fund	OSBM
<u>Transfer Allowed</u>	<u>Att #4</u>
13,449	35,086
15,600	41,581
<u>1,851</u>	<u>3,384</u>
30,900	80,051
This transfer is excess of 10%; reporting needed under Att 3	

GSA

GF 030			
<u>Line Items</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenue	44,631,000	23,043,416	(21,587,584)
Personnel	2,240,000	2,152,141	87,859
Other	20,766,500	14,477,953	6,288,547
Capital	<u>21,624,500</u>	<u>6,345,418</u>	<u>15,279,082</u>
Total	44,631,000	22,975,512	21,655,488
Rev-Exp	0	67,904	67,904

<u>Ordinance 07-45 Review</u>	
10% Fund	OSBM
<u>Transfer Allowed</u>	<u>Att #4</u>
224,000	0
2,076,650	7,828,127
<u>2,162,450</u>	<u>0</u>
4,463,100	7,828,127
This transfer is excess of 10%; reporting needed under Att 3	

FY 08-09 FUND ANALYSIS (BUDGET VS. ACTUAL)

MMAP

GF 010			
<u>Line Items</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenue	0	0	0
Personnel	304,900	430,172	(125,272)
Other	685,100	256,372	428,728
Capital	<u>7,000</u>	<u>0</u>	<u>7,000</u>
Total	997,000	686,544	310,456

<u>Ordinance 07-45 Review</u>	
10% Fund	OSBM
<u>Transfer Allowed</u>	<u>Att #4</u>
30,490	125,272
68,510	0
<u>700</u>	<u>0</u>
99,700	125,272

This transfer is excess of 10%;
reporting needed under Att 3

Sustainability

GF 010			
<u>Line Items</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenue	0	0	0
Personnel	283,000	372,537	(89,537)
Other	255,000	142,646	112,354
Capital	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total	543,000	515,183	27,817

<u>Ordinance 07-45 Review</u>	
10% Fund	OSBM
<u>Transfer Allowed</u>	<u>Att #4</u>
28,300	0
25,500	83,113
<u>500</u>	<u>0</u>
54,300	83,113

This transfer is excess of 10%;
reporting needed under Att 3