



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

M E M O R A N D U M

TO: Honorable Chairman Joe A. Martinez
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 printed name.

DATE: January 23, 2012

**SUBJECT: FY 2010-11 Year-End Budget Amendments – Additional Expenditure
Authority – 2nd Revision**

In accordance with Resolution No. 195-05, we have reviewed the Mayor's FY 2010-11 Year-End Budget Amendments report. In anticipation of the January 24, 2012, Board of County Commission meeting, agenda item 8(G)5, we offer for your consideration, general comments as well as observations on specific items.

Community Action Agency

The Community Action Agency requires a budget amendment of \$1.697 million (Fund SC 630) to support the Head Start/Early Head Start (HS/EHS) program expenditures in FY 2010-11. The Information for Second Hearing memorandum dated September 23, 2010 included recommendations to implement cost saving initiatives as prescribed by the Western Kentucky University (WKU). However, the implementation of these savings initiatives included personnel and salary adjustments under the provision of collective bargaining agreements. Due to timing issues, most of these savings were not realized. In addition, the Head Start Policy Council has not approved other initiatives which included further delegation of Head Start slots. Through the Mayor's School Readiness Task Force established October 11, 2011, further recommendations will be presented to the Board as it relates to the development of a transition plan for the full delegation of the HS/EHS slots for the 2012-13 program year.

Observation:

In addition, the Information for Second Budget Hearing memorandum dated September 23, 2010, also included a commitment by the Head Start Regional Office in Atlanta to cover any shortfalls, should the initiatives not materialize the savings objective. No funding was received to cover the gap of \$1.697 million.

Capital Improvements

The Office of Capital Improvements requires a general fund subsidy of \$390,000 due to revenue shortfalls associated with budgeted project and contract monitoring fees that were not realized and the reversal of prior year receivables which were deemed uncollectable.

Observation:

The fees were budgeted as revenue from the Capital Working Fund through Aviation. However, due to FAA regulations the payments were never made and the ones that were, are being reversed.

Elections Department

The Elections Department requires a budget amendment of \$10.068 million to cover additional costs associated with three unbudgeted countywide elections held on March 15, 2011, May 24, 2011, and June 28, 2011 respectively.

Observation:

This amount has been verified in FAMIS. Below is a summary of where the additional costs were incurred.

CATEGORY	BUDGET	ACTUAL	VARIANCE
CAPITAL	968,100	352,557	615,543
CHARGES FOR COUNTY SERVICES	2,670,300	6,038,618.34	-3,368,318.34
CONTRACTUAL SERVICES	954,700	1,025,126.16	-70,426.16
COURT COSTS	50,000	50,000	0
OTHER OPERATING COSTS	2,274,100	5,366,107.75	-3,092,007.75
PERSONNEL SERVICES	10,346,800	14,466,835.4	-4,120,035.4
TRANSFERS OUT	0	33,162.04	-33,162.04
TOTAL	17,264,000	27,332,406.69	-10,068,406.69

Capital Budget

The Capital Outlay Reserve (COR) Fund CB 310 Subfund 313 requires a budget amendment of \$250,000 to reflect the addition of Project 385480 (Elevator Refurbishment) to provide for the refurbishing of various elevators throughout the Corrections and Rehabilitation Department facilities. This refurbishing initiative was not included as part of the FY 2010-11 Adopted Budget. However, corresponding savings of \$250,000 were realized in the planned replacement of Retherm Units (Project 382340).

Observation:

The Retherm Units project had \$300,000 allocated in FY 2010-11 of COR funding but only used \$50,000. The project does not show any future funding. The Elevator Refurbishment project will use the remaining \$250,000 from the Retherm Units to begin refurbishing 13 elevators throughout three (3) correctional facilities. This will initiate the \$1.5 million project.

Fire Rescue Department

Fund CB 362, Subfund 002 required an amendment of \$58,000 for the Village of Sunny Isles Fire Rescue Station, Station 10 (Project 3729990). Expenditure authority is transferred from legally eligible close out costs. The overall expenditure for the project did not increase due to a corresponding decrease in expenditure previously appropriated in Fund CB 362, Subfund 001.

Observation:

The Village of Sunny Isles Fire Rescue Station (Project) transferred expenditures of \$110,000 in FY 2010-11. Prior Year revenues of \$52,000 were available in CB362, Subfund 002, to offset part of this expense leaving a balance of \$58,000. The balance was paid from available funds for the Project in CB362, Subfund 001.

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

- c: Honorable Carlos Gimenez, Mayor
- Ed Marquez, Deputy Mayor
- R. A. Cuevas, Jr., County Attorney
- Jennifer Moon, Director, OMB
- Christopher Agrippa, Division Chief, Clerk of the Board