



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

M E M O R A N D U M

TO: Honorable Chairman Jean Monestime
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: April 20, 2015

SUBJECT: Fiscal Year 2013-14 End-of-Year Supplemental Budget

In accordance with Resolution No. 195-05, we have reviewed the Mayor's Fiscal Year 2013-14 End-of-Year Supplemental Budget report. In anticipation of the April 21, 2015 Board of County Commission meeting, Agenda Item 5(A), we offer for your consideration general comments, as well as observations on specific items.

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

c: Honorable Carlos Gimenez, Mayor
R.A. Cuevas, County Attorney
Edward Marquez, Deputy Mayor
Jennifer Moon, Director, Office of Management and Budget
Christopher Agrippa, Director, Clerk of the Board

Fiscal Year 2013-14 End-of-Year Supplemental Budget

General Fund

The General Fund (Fund GF 010, Subfund 010) requires a supplemental budget of \$2.333 million associated with prior year unexpended Board of County Commission offices and/or divisions funds that will be allocated to the respective offices and/or divisions of the Board.

Observation:

The Office of Management and Budget provided a schedule that reflects the breakdown of the distribution of the prior year unexpended (carryover) funds for the respective offices and divisions of the Board (see Attachment I).

The General Fund also requires a budget adjustment of \$3.927 million to be allocated to the Corrections and Rehabilitation Department for higher than anticipated overtime costs associated with the actions taken to comply with the Settlement Agreement with the United States Department of Justice. As a result of departments being able to absorb separation and increased Florida Retirement System (FRS) expenditures, funding for this adjustment is provided from the Wage Adjustment, FRS, Separation, and Energy Reserve.

Observation:

The County's financial system reflects a deficit of \$3.927 million in Corrections and Rehabilitation Department's GF 010, Subfund 010 for the fiscal year ending FY 2013-14.

To support extraordinary non-departmental expenses associated with the Save Our Seniors program in the General Fund in FY 2013-14 and to reimburse the General Fund for such expenses in FY 2010-11 through FY 2012-13, the Public Works and Waste Management and the Water and Sewer Departments require an adjustment to reflect the transfer of excess revenue of \$2.525 million (Fund EF 470) and \$2.394 million from the Water Fund, respectively, funded from operating reserves.

Observation:

The County's financial system indicates expenses of \$2.525 million in Save Our Seniors Relief Fund (Index Code # PWECOSVOSRRF). The financials of the Water and Sewer Department does not reside in the County's financial system. Consequently, the Department provided supporting documentation to reflect the reimbursements to the General Fund of \$2.394 million.

Commission on Ethics and Public Trust

The Commission on Ethics and Public Trust requires a budget supplement of \$29,000 in Fund SO 100, Subfund 108 for expenditures related to higher than anticipated lobbyist training. Funding is provided from higher than anticipated lobbyist registration revenues

Observation:

The County's financial system indicates expenses of \$148,869 or \$28,869 more than budget and revenues of \$165,599 enough to offset the increase in expenses.

Cultural Affairs

A supplemental adjustment is also required in the amount of \$35,000 in Fund SO 720, Subfund 720 Grant CU2063 to record expenses and revenues associated with Florida Arts License Plates as directed by the State of Florida. In prior years, these funds had been recorded and expended through Fund SO 125, Subfund 127, and Project 127003.

Observation:

The County's financial system shows that for FY 2013-14, revenues were budgeted in Fund SO 125 Subfund 127, while the expenses were recorded in Fund SO 720 Subfund 720. The item aims to correct this.

Fire Rescue

The Fire Rescue Department Office of Emergency Management Division in Fund SO 100, Subfund 111 requires a supplemental budget of \$12,150 to cover higher than anticipated radiological emergency preparedness services provided through the Florida Power and Light Radiology contract. Funding is provided from prior-year grant carryover.

Observation:

The County's financial system (SO 100, Subfund 111) reflects sufficient prior year carryover of \$13,897 to cover the additional expenditures.

Information Technology

The Information Technology Department requires a supplemental budget in GF Fund 060 in the amount of \$28.14 million for expenses related to the consolidation of countywide information technology (IT) functions, which includes the transfer of 65 IT positions from the Animal Services Department, Public Works and Waste Management, Police and Community Information and Outreach (\$6.09 million); a higher volume of IT purchases for County departments procured through IT consolidated contracts (\$15.84 million); and other pass-through expenses for County projects (\$7.89 million) that were partially offset by savings in other operating expenditures within the department (\$1.68 million). These expenses are fully funded by chargeback revenues from County departments.

Observation:

The County's financial system reflects expenses of \$165.108 million or \$28.142 million more than budget in the Information Technology Department and the corresponding adjustment in the Department's ordinance schedule.

Internal Services/Regulatory and Economic Resources

As part of the continued organization efforts and to better align County services, the small business development function was transferred to the Internal Services Department from Regulatory and Economic Resources Department. As a result, the Internal Services Department requires a supplemental budget of \$3.226 million in Fund GF 030, Subfund 008 for expenditures related to the transfer that includes 32 positions (Attachment A). A corresponding adjustment will be reflected in Regulatory and Economic Resources Fund GF 030, Subfund 008.

Observation:

The County's financial system indicates that Fund GF 030, Subfund 008 received \$3.226 million, from Regulatory & Economic Resources, Fund GF 030, Subfund 061, in the amount of \$3.226 million for expenditures related to the transfer of the Small Business Development function.

Juvenile Services

The Juvenile Services Department requires a budget supplement of \$51,000 in Fund SO 720, Subfund 720 as a result of state and federal grant funds received and expended that are not aligned with the County's fiscal year.

Observation:

The County's financial system for Fund SO 720 Subfund 720 shows \$2.166 million in total budgeted revenues, while the Adopted Budget Ordinance schedule reflects \$2.173 million, which is \$51,000 less than actual net revenues received (\$2.224 million).

Parks, Recreation and Open Spaces

The Parks, Recreation and Open Spaces Department requires a supplemental budget of \$4.560 million in Fund GF 040 (various subfunds) associated with repairs, renovations of various park projects such as ball field lighting, infrastructure, and miscellaneous operating costs such as for Zoo Miami's Florida Exhibit project. Funding for these adjustments is provided by higher than budgeted earned revenues distributed across various subfunds.

Observation:

The County's financial system reflects expenses of \$4.551 million more than budget. However, there are additional revenues of \$4.732 million, enough to offset the increase in expenses.

Police

The Miami-Dade Police Department requires a budget supplement of \$361,000 in Fund GF 030, Subfund 045 for additional external services provided to Port Miami and Jackson Memorial Hospital. Funding is provided by charges to County departments and the Public Health Trust.

Observation:

The County's financial system reflects sufficient revenues (in GF030, Subfund 045) to cover these additional expenditures.

The Special Revenues Operation Fund SO 110, Subfund 112 requires a budget supplement of \$17,100 for expenses related to higher than anticipated educational and training programs funded by Law Enforcement First Dollar unallocated carryover.

Observation:

The Law Enforcement First Dollar project had sufficient prior year carryover to cover the additional educational and training programs expenditures.

Additionally, a supplemental budget of \$785,000 in Fund SO 720, Subfund 720 is required as a result of additional Community Awareness Grants, and other miscellaneous grant funds received and expended throughout the fiscal year to support various police activities such as educational events addressing violence, and personal awareness and safety.

Observation:

The Adopted Budget Ordinance reflects \$9.179 million for grant funds in SO 720, Subfund 720, and actual expenditures of \$9.959 million.

Public Housing and Community Development

The Public Housing and Community Development Department requires a supplemental budget in the Contract Administration fund in the amount of \$7.869 million for expenses related to additional Housing Assistance payments funded with additional revenues from U.S. HUD (\$5.882 million) and prior year carryover (\$1.987 million).

Observation:

The Public Housing and Community Development Department's financials do not reside in the County's financial system. Consequently, the Department provided a schedule to reflect the additional expenditures of \$7.869 million and actual revenues of \$5.882 million above budget and indicated that the remaining expenditure of \$1.987 million will be offset by prior year's carryover of \$1.731 million, thus reflecting a revised fund balance of (\$256K).

Public Works and Waste Management

The Public Works and Waste Management Department requires a budget supplement of \$74,000 in Fund SO 720 for additional expenditures associated with various capital projects such as road resurfacing and side walk repairs funded by Community Development Block Grant revenues.

Observation:

The adopted ordinance schedule indicates expenditure authority of \$669,000, while the County's financial system shows actual expenditure to be \$742,114 or \$73,114 greater than budget.

County Public Hospital Sales Tax Fund – Public Health Trust

FY 2013-14 year-end County Health Care Sales tax receipts were \$16.2 million higher than budgeted. A supplemental budget is required to transfer these funds to the Public Health Trust in Fund SD 510, Subfund 510.

Observation:

The County's financial system reflects Health Care Sales tax receipts of \$228.041 million or \$16.2 million more than budget.

Voluntary Donations Trust Fund

At the direction of the Board during the September 2013 budget hearings, the Tax Collector included a voluntary donation envelope as part of the tax bill for property owners to have the opportunity to donate funds to County departments in support of County services. As a result, the County collected a total of \$34,906. By way of this item, the Board is authorizing the distribution of this revenue to the following departments/funds: Animal Services (\$12,821), Library (\$7,845), Fire Rescue (\$6,027), Police (\$5,098), Community Action and Human Services (\$486), Parks, Recreation and Open Spaces (\$75) and the General Fund (\$2,554).

Observation:

The County's financial system reflects collections of \$34,910 in Fund TF 600 Subfund 601.

Tourist Taxes

A supplemental budget is required to authorize additional transfer of revenues pursuant to governing ordinances and State Statutes of \$1.942 million for the Tourist Development Tax (TDT) in Fund ST 150, Subfund 151; \$309,000 for the Tourist Development Surtax (TDS) in Fund ST 150, Subfund 152; and \$721,000 for the Professional Sports Franchise Facility Tax (PSFFT) in Fund ST 150, Subfund 154, Per State Statute, revenues from tourist taxes are budgeted at 95 percent. This supplemental budget distributes any additional revenues collected to the Greater Miami Convention and Visitors Bureau, the Department of Cultural Affairs, the County for administrative costs, debt service, and the debt service shortfall reserve as required by the Code and other legislation.

Observation:

The County's financial system shows revenues of \$1.596 million for the Tourist Development Tax (TDT) in Fund ST 150, Subfund 151; \$223,531 for the Tourist Development Surtax (TDS) in Fund ST 150, Subfund 152; and \$720,817 for the Professional Sports Franchise Facility Tax (PSFFT) in Fund ST 150, Subfund 154. According to the Office of Management and Budget, the difference between what is reflected in the County's financial system and the supplemental for TDT and TDS is due to the accruals in September and October 2014 for TDT and September 2014 accruals for TDS.

In addition, pursuant to the 2004 Amendment to the 1996 Interlocal Agreement with the City of Miami Beach, a distribution of \$3.144 million to the City of Miami Beach will be reflected in the FY 2014-15 mid-year supplemental to account for the additional Convention Development Tax revenues collected in FY2013-14.

Observation:

The net Convention Development Tax receipts for FY 2013-14 are \$69.406 million or \$6.289 million above the minimum amount established by the agreement for the purpose of determining the amount to be distributed. This amount is 50% of the amount above the minimum or \$3.144 million.

Capital Budget

To properly reflect capital projects funded by the Building Better Communities General Obligation Bond (BBC GOB) Program, Vizcaya Museum and Gardens requires a supplemental budget of \$233,000 in Fund EV 450, Subfund 002. These capital expenses were originally budgeted in BBC GOB Fund CB 320; however, the expenditures were incurred in Fund EV 450, Subfund 002.

Observation:

The County's financial system shows the added expenditures in Fund EV 450 Subfund 002 with sufficient revenues.

The 2008 Sunshine State Loan in Fund CB 360, Subfund 104 requires a supplemental of \$194,000 to cover additional capital costs associated with various planned Public Housing Safety/Security Projects and Marinas not budgeted in FY 2013-14. Funding is provided by loan proceeds.

Observation:

In FY 2013-14, the County's financial system has expenditures totaling \$372,767 in Fund CB 360 Subfund 104 or \$194,000 above the expenditure authority.

The Capital Asset Acquisition Bond Series 2004B in Fund CB 362, Subfund 003 requires a supplemental of \$1.176 million to cover capital costs associated with the Dade County Courthouse Repairs, ADA building improvements and Golf Club of Miami renovations that were not budgeted in FY 2013-14. Funding is provided by bond proceeds.

Observation:

Actual expenditures in the financial system total \$6.536 million for Capital Asset Acquisition Bond Series 2004B Fund CB 362, Subfund 003 or \$1.174 million above the expenditure authority.

The Capital Asset Acquisition Bond Series 2009A and 2009B in Fund CB 362, Subfunds 004 and 005 requires a supplemental of \$2.290 million to cover capital costs associated with the West Lot Multi-Purpose Facility, 911 Answer Center, and Cyber Security projects not budgeted in FY 2013-14. Funding is provided by bond proceeds.

Observation:

The Capital Asset Acquisition Bond Series 2009A and 2009B in Fund CB 362, Subfunds 004 and 005, in the County's financial system reflects net total expenditures of \$3.265 million or \$2.29 million more than budget.

Comments Related to Agenda Item No. 5(A)
Attachment C – Department Line Item Appropriations

Department Name	Fund Type	Spending Category	Total Department Budget	Adjustment Amount	Percent of the Fund	Transferred From	Comments
Finance	GF (050)	Transfer Out		439,000		Other Operating Costs	Transfer out included additional transfer to CORF to meet savings targets.
Subtotal			41,270,000	439,000	1.06%		

Observation:

The County’s financial system reflects line item expenditures that have exceeded budgeted allocation for the Finance Department as shown in the table below. The Office of Management and Budget indicated that the correction will be read into the record.

Department Name	Fund Type	Spending Category	Total Department Budget	Adjustment Amount	Percent of the Fund
Finance	GF (030)	Transfers Out		260,240	
		Subtotal	35,441,000	260,240	0.73%
	GF (050)	Other Operating Costs		141,442	
		Transfers Out		179,000	
		Capital		174,092	
	Subtotal			5,829,000	494,535

Attachment I

BCC Carryover FY 2012-13		
District	Amount	EOY Balance
1	42,970	\$ 43,000
2	-	-
3	3,083	3,000
4	84,216	84,000
5	201,235	201,000
6	196,034	196,000
7	40,836	41,000
8	43,149	43,000
9	15,247	15,000
10	24,851	25,000
11	235,905	236,000
12	-	-
13	438,755	<u>439,000</u>
Subtotal	1,326,281	\$ 1,326,000
Chair's Office	280,020	280,000
BCC Sprt Staff Commission	110,044	110,000
Auditor	395,125	395,000
OIA	165,255	165,000
Agenda	<u>57,366</u>	<u>57,000</u>
Subtotal	1,007,810	1,007,000
Grand Total	2,334,091	\$ <u>2,333,000</u>
Savings GF	1,091	0