



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

MEMORANDUM

TO: Honorable Rebeca Sosa, Chairwoman
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: March 4, 2013

SUBJECT: Fiscal Year 2011-12 End-of-Year Supplemental Budget Report

In accordance with Resolution No. 195-05, we have reviewed the Mayor's Fiscal Year 2011-12 End-of-Year Supplemental Budget report. In anticipation of the March 5, 2013, Board of County Commission meeting, agenda item 5A, we offer for your consideration general comments, as well as observations on specific items.

Attachment

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

Fiscal Year 2011-12 End-of-Year Supplemental Budget Report

Animal Services

The Animal Services Department requires a supplemental budget in the amount of \$673,000 in Fund 030 Subfund 022 for the higher than anticipated expenses related to contracted veterinarians, drugs, and pet supplies. These expenditures are funded from higher than anticipated revenue from fees and fines.

Observation:

The County's financial system displays additional revenue of \$947,000 to cover for these higher than anticipated expenses.

Commission on Ethics and Public Trust

The Commission on Ethics and Public Trust requires a supplemental budget in the amount of \$140,000 due to unrealized revenue in Fund SO 100, Subfund 108, Project 108001 (\$24,000) and for lower than anticipated attrition in Fund GF 010, Subfund 010 (\$106,000) and in Fund SO 100, Subfund 108 (\$10,000) to fund lobbyist training activities. Funding is provided from higher than anticipated Countywide General Fund carryover.

Observation:

Total revenue in SO 100 Subfund 108 is \$71,000 or \$31,000 in excess of expenditures. In Fund 010, Subfund 010, personnel expenditures of \$1.683 million is reflective of costs associated with higher than budgeted personnel expenditures. This office had 0% attrition in fiscal year 2011-12. This item aims to provide adequate funding.

Cultural Affairs

Cultural Affairs (Fund SO 720, Subfund 721) requires a supplemental budget of \$20,000 as a result of a grant received from the National Endowment of the Arts (NEA) Chairman's Extraordinary Action grant from the Art Works category for Local Arts Agencies. This grant funding was awarded to Catalyst Media Training Lab., Inc., f/k/a Creative ED., Inc. as approved by the Board on December 6, 2011 through R-1033-11 to help local art journalists exhibit their work.

Observation:

This supplement makes reference to Fund SO 720, Subfund 721; however, the County's financial system reflects this budget in Fund SO 720, Subfund 720. In addition, the fiscal year 2011-12, Adopted Budget Ordinance for Cultural Affairs inadvertently did not include Fund SO 720, Subfund 720. OMB will correct this on the record.

Cultural Affairs (Fund 125, Subfund 127) requires a supplemental budget of \$1.5 million for enhanced grant allocations provided to not-for-profit cultural organizations. These organizations had already obtained funding in a competitive process managed by the Department of Cultural Affairs. Higher than budgeted carryover revenues dedicated to the arts are available to support these additional grant expenditures.

Observation:

The County's financial system reflects \$1.3 million in expenditures over budget for Fund SO 125, Subfund 127. Within this fund, grants for outside organizations was over expended by \$2.080 million, which includes enhanced grant allocations.

The beginning fund balance for fiscal year 2011-12 Fund SO 125, Subfund 127 was \$2,914,000; however, the actual carryover at the beginning of fiscal year 2011-12 was \$5,021,288. These higher than budgeted carryover revenues support this supplemental for enhanced grant allocations.

Cultural Affairs (Fund SO 125, Subfund 130) also requires a General Fund amendment of \$334,000 to fund higher than budgeted personnel and operating expenditures associated with the management and operations of the Miami-Dade County Auditorium, Joseph Caleb Auditorium and the African Heritage Cultural Arts centers.

Observation:

Expenditures were \$254,041 higher than previously budgeted and not \$334,000, as reflected in the item. OMB clarified that there are pending payables that have not been posted to account for the difference.

Fire Rescue

The Miami-Dade Fire Rescue Department requires a supplemental budget of \$4.481 million in the Fire Rescue District (Fund SF 011, Subfund 111) due to the delayed implementation of contractual bargaining agreements. The additional expenditures are fully covered by unbudgeted carryover in the district fund. Additionally, a supplement of \$510,000 is needed in Fund SF 011, Subfund 118 due to higher than anticipated health insurance costs for Lifeguards. These additional expenditures are fully covered by revenue available from savings in Air Rescue operations (Fund SF 011, Subfund 112).

In addition, the Emergency Management Fund (Fund SO 100, Subfund 111) requires a supplemental budget of \$75,000 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 (SF 011, Subfund 111) reflects expenditures over budget by \$2.734 million, not \$4.481 million as shown in the item. OMB clarified that there are pending payables that have not been posted to account for the difference. In the same fund, carryover at the beginning of fiscal year 2011-12 was \$22.552 million or \$14.065 million over budget, enough to cover the total additional anticipated expenses of \$4.481 million.

The County's financial system (Fund SF 011, Subfund 118) reflects expenditures over budget of \$350,000 for group health insurance, not \$510,000 as mentioned the supplemental budget. OMB clarified that there are pending payables that have not been posted to account for the difference. The Air Rescue subfund shows savings of \$550,000, which are sufficient to cover expenditures.

Internal Services Department

The Internal Services Department requires a supplemental budget of \$134,000 for the Caleb Center Trust (Fund SO 100, Subfund 107, and Project 107032) to cover additional expenses associated with facility renovation and improvements at the Caleb Center. Funding is provided from prior year unallocated carryover.

Observation:

No expenditures associated with this item are reflected in the County's financial system. OMB clarified that there are pending payables that have not been posted to account for the difference. In addition, there is a scrivener's error on page 16 of the item. The previously approved expenditures read \$195,000; however, it should read \$61,000. OMB clarified that a post audit entry causes this supplement request and that the scrivener's error in the ordinance schedule will be corrected.

Parks, Recreation and Open Spaces

The Parks, Recreation and Open Spaces Department requires a supplemental budget for intradepartmental transfers required to properly reflect the department's reorganization (\$8.825 million) and additional operating expenses of (\$1.732 million) in the Coastal Park Marinas division, the landscape maintenance fund, and the Coastal Park and Marina Improvement Trust Fund. These expenses are covered by additional revenues transferred from the marinas operations and capital fund and landscape special taxing districts. (GF 040, Subfund 001, 003, 005, 006 and SO 040, Subfund 004 and TF 600, Subfund 601 Project 608TPR).

Observation:

This \$8.825 million supplement includes intradepartmental transfers required to properly reflect the Department's reorganization and mainly references the transactions between subfunds to create the Coastal Park and Marinas Enterprise fund, as well as ensure that subfunds do not have a negative balance.

The additional operating expenditure of \$1.732 million includes:

- *In Fund GF 040, Subfund 003, Marinas MOU, there is \$1.712 million in additional operating expenditures.*
- *In Fund GF 040, Subfund 005, Special Taxing Districts Management, there is \$12,000 in additional operating expenditures.*
- *In Fund TF 600, Subfund 601, Project 608TPR, there is \$8,000 in additional operating expenditures.*

Public Housing and Community Development

The Public Housing and Community Development Department requires a supplemental budget of \$6.805 million to its Contract Administration Fund as a result of additional grant funding received from the United States Department of Housing and Urban Development for housing assistance payments.

Observation:

The Department verified that HUD pro-rated an additional grant funding of \$1.45 million (or approximately 4.86% more of its fiscal year 2011-12 annual allocation of \$140 million for the Section 8 Choice Housing Voucher program). According to the Department, HUD provides these funds annually and the pro-ration is determined at that time and can result in either an additional allocation or a reduction to the

initial apportionment. It was further observed that the fiscal year 2011-12 budgeted federal revenue shown in the Fourth Quarter Budget Report (January 18, 2013) was \$221.194 million and the actual federal revenue was \$234.063 million or \$12.869 million over budget.

Cultural Programs

An adjustment is required to reflect additional revenues (\$47,000) in Fund GF 030, Subfund 033, Project 0330004 (\$11,000) and Project 033002 (\$36,000) from History Miami and the Miami Art Museum, respectively, for County services received by the museums during FY 2011-12.

Observation:

Expenditures, not revenues, in Fund GF 030, Subfund 033 are over budget by \$56,674: Project 0330004 (\$21,147) and Project 033002 (\$35,527) from History Miami and the Miami Art Museum. The ordinance schedule (page 14) reflects carryover and admission fees of \$36,000 and \$11,000 respectively. However, the County's financial system displays a carryover of \$68,573 and indicates no revenue for admission fees. OMB clarified that there is a post audit entry that will create the receivable to reflect the additional carryover.

Capital Budget Adjustments

The Park, Recreation and Open Spaces Parking Technology Project 931080 was marked for completion in the FY 2011-12 Adopted Budget and Multi-Year Plan. However, the project was not completed in FY 2011-12 and requires expenditure authority of \$196,000. The project is expected to be completed in FY 2012-13.

Observation:

Project 931080 appears in the fiscal year 2010-11 Adopted Budget with completion shown in that fiscal year. However, this project was reflected in volume 1, page 280, of the fiscal year 2011-12 Ordinance Schedule (under Fund CB 362 Subfund 004 and 005) with zero dollars appropriated. In fiscal year 2011-12, \$196,000 was spent, therefore the request for expenditure authority is appropriate. There are sufficient funds in Capital Asset Series 2009A Bonds to pay this added expense. However, no funded project schedule was included with the item to show this amount.

“Capital Asset Acquisition Bond Series 2010 (CB 362, Subfunds 006, 007 and 006) requires a technical adjustment to reflect increased costs in Causeway Toll System Upgrade Project 605220 of \$1.832 million (\$141,000 in FY 2011-12 and \$1.619 million for future years) and the Venetian Bridge Design Project 607640 of \$25,000. These expenses were funded from savings in the Venetian Bridge Rehabilitation Project 605860 (\$1.237 million) and the Rickenbacker Causeway Shoreline and Roadway Protection Project 607970 (\$620,000).”

Observation:

There is a scrivener's error on Page 4 of the Supplemental Budget. "...\$1.619 million for future years..." should be \$1.691 million to agree with the ordinance schedule. OMB will correct the scrivener's error on the record.

“Supplemental budgets are required in the following debt service projects (Fund 292 Subfunds 2L6 and 2L8) Project 298501 for \$498,000, Project 298503 for \$141,000, and Project 292600 for

\$9,000 due to a miscalculation of principal and interest during the 2011 restructure of the Sunshine State loans. Funding is provided from the Capital Outlay Reserve and Parks, Recreation and Open Spaces Project 367030.”

Observation:

Project 298503, requiring a supplement of \$141,000, has the following revenue sources: capital outlay reserves, convention development tax, 2007 Sunshine State loan and transfer from marinas.

Attachment A

Department Name	Fund Type	Spending Category	Total Dept. Budget	Adjustment Amount	% of Fund	Transferred From	Comments
Corrections & Rehabilitation	SO (720)	Personnel Svcs.		183,755.00		Other Operating Costs	Substance Abuse Grant allocation reflected in year of award (FY 2010-11); programmed expenses cover multiple years
		Contractual Svcs.		11,565.00			
		Charges for County Services		4,200.00			
		Capital		1,180.00			
Subtotal			563,000.00	200,700.00	35.65%		

Observation:

The fiscal year 2011-12 Adopted Ordinance indicates a budget of \$813,000 for SO720, not \$563,000 as noted in the Supplemental Budget. The County's financial system (table below) shows that the total actual expenditures are different from the Supplemental Budget. The Supplemental Budget shows that savings will be taken from Other Operating Costs, however those savings, \$193,121, are not sufficient to cover the \$200,700 additional expenditures that are reflected. OMB will clarify discrepancy regarding this multi-year grant on the record.

SO (720)	BUDGET 2011-12	ACTUAL 2011-12	DIFFERENCE	SUPPLEMENTAL BUDGET
PERSONNEL SERVICES	0	660,746	<i>(660,746)</i>	183,755
CONTRACTUAL SERVICES	0	121,253	<i>(121,253)</i>	11,565
OTHER OPERATING COSTS	563,000	369,879	193,121	
CHARGES FOR COUNTY SERVICES	0	4,200	<i>(4,200)</i>	4,200
CAPITAL	0	1,180	<i>(1,180)</i>	1,180
TOTAL	563,000	1,157,258	<i>(594,258)</i>	200,700

Attachment B

Department Name	Fund Type	Spending Category	Total Dept. Budget	Adjustment Amount	% of Fund	Transferred From	Comments
Police	GF (010)	Personnel Svcs.		484,166.31		Other Operating Costs	Additional expenses related to the delayed implementation of personnel adjustments
		Charges for County Services		1,688,981.18		Other Operating Costs	Higher than anticipated fleet related expenses
Subtotal			433,489,000.00	2,173,147.49	0.50%		

Observation:

The County's financial system (table below) shows actual expenditures different from the Supplemental Budget in Personnel Services and Charges for County Services. OMB indicated that there are pending transactions that have not been posted; in particular termination payments to be transferred out of the department.

GF (010)	BUDGET 2011-12	ACTUAL 2011-12	DIFFERENCE	SUPPLEMENTAL BUDGET
PERSONNEL SERVICES	366,503,200	374,862,841	(8,359,641)	484,166
COURT COSTS	366,300	207,081	159,219	
CONTRACTUAL SERVICES	6,619,900	5,400,529	1,219,371	
OTHER OPERATING COSTS	31,497,200	21,764,190	9,733,010	
CHARGES FOR COUNTY SERVICES	27,608,400	25,815,152	1,793,248	1,688,981
GRANTS TO OUTSIDE ORGANIZATIONS	0	5,348	(5,348)	
CAPITAL	657,000	3,432,901	(2,775,901)	
DEBT PAYMENTS	247,000	245,941	1,059	
TOTAL	433,499,000	431,733,984	1,765,016	2,173,147

Department Name	Fund Type	Spending Category	Total Dept. Budget	Adjustment Amount	% of Fund	Transferred From	Comments
Vizcaya Museum and Gardens	EV (450)	Capital		14,154.00		Other Operating	Additional expenses associated with Capital equipment
Subtotal			5,363,000.00	14,154.00	0.26%		

Observation:

At the fund level, personnel expenditures exceed the budget by \$132,395. This will be covered by remaining revenues in contractual services. OMB clarified that the schedule reflected in the item will be corrected on the record.

FDTP/FUND Code: EV (450)				
Fund Title: VIZCAYA				
Object	Description	Budget	Expense	Difference
01	PERSONNEL SERVICES	3,531,000	3,663,395	(132,395)
10	COURT COSTS	4,000	252	3,748
20	CONTRACTUAL SERVICES	2,034,500	1,712,368	322,131
30	OTHER OPERATING COSTS	825,000	763,626	61,373
35	CHARGES FOR COUNTY SERVICES	303,500	248,536	54,963
90	CAPITAL	68,000	3,427,170	(3,359,170)
TOTAL		6,766,000	9,815,348	(3,049,348)