



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

M E M O R A N D U M

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

FROM: Charles Anderson, CPA
Commission Auditor

A handwritten signature in black ink, appearing to read "Charles Anderson", is written over the printed name.

DATE: February 28, 2014

SUBJECT: Fiscal Year 2012-13 End-of-Year Amendment and Supplemental Budget

In accordance with Resolution No. 195-05, we have reviewed the Mayor's Fiscal Year 2012-13 End-of-Year Amendment and Supplemental Budget report. In anticipation of the March 4, 2014, Board of County Commission meeting, Agenda Item 5(C), 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.

Attachment

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

Fiscal Year 2012-13 End-of-Year Amendment and Supplemental Budget

General Fund

The General Fund requires a supplemental budget of \$10.267 million. Of the total, \$9.013 million funded from the Countywide Emergency Contingency Reserve will be allocated to Fund SF 011, Subfund 111 of the Miami-Dade Fire Rescue Department to cover extraordinary losses of ad valorem and transport fee revenues. The remaining balance of \$1.254 million funded by higher than anticipated carryover will be allocated to the respective offices and/or divisions of the Board of County Commissioners.

Observation:

The County's financial system shows that the actual carryover into FY 2012-13 is \$85,977,626 or \$3.888 million more than budget. The additional carryover was appropriated in the FY 2013-14 adopted budget.

Animal Services

The Animal Services Department requires a supplemental budget in the amount of \$1.365 million in Fund GF 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 fees and fines revenue.

Observation:

The County's financial system displays additional revenue of \$1.365 million over budget (\$11.413 million - \$10.048 million), enough to cover the higher than anticipated expenditures.

Commission on Ethics and Public Trust

The Commission on Ethics and Public Trust requires a supplemental budget of \$7,000 in Fund SO 100, Subfund 108, Project 108001 to fund higher than anticipated ethics training expenditures provided to municipalities and other entities upon request. These expenses are funded by higher than anticipated training fees and charges.

Observation:

The County's financial system displays additional revenue of \$108,440 over budget (\$176,440 - \$68,000), enough to cover the higher than anticipated expenditures.

Cultural Affairs

The Department of Cultural Affairs requires a supplemental budget of \$21,000 (Fund SO 720, Subfund 721) associated with the South Florida Cultural Consortium's Regional Teaching Artists Certification Program - Phase 1 Fellowship program. Funding is provided by carryover revenues in the South Florida Cultural Consortium project (725001).

Observation:

The fund balance for the South Florida Cultural Consortium project is \$84,765, enough to cover the additional expenses.

County Public Hospital Sales Tax Fund - Public Health Trust

FY 2012-13 year-end County Health Care Sales tax receipts were \$10.616 million higher than budgeted. A supplemental budget is required to transfer these funds to the Public Health Trust (Fund SD 510 Subfund 510).

Observation:

The County's financial system shows revenues in excess of expenditure of \$10.124 million. However, per the Office of Management and Budget (OMB), there is a post audit adjustment for additional revenue (\$492,000) that is being accrued, which brings the total supplement to the amount reflected in the item.

Juvenile Services

The Juvenile Services Department requires a supplemental budget in Fund SO 110, Subfund 112 in the amount of \$18,000 to cover higher than budgeted security services. Funding is provided from prior year carryover.

Observation:

Review of the FY 2012-13 actual expenditures were verified to be higher than budgeted. In addition, a review of Project 112200 JSD/JAC Court Cost Trial Balance shows a fund balance of \$400,331, which is more than adequate to cover the \$18,000 supplement.

Additionally, a supplement budget is required in Fund SO 720, Subfund 720 in the amount of \$65,000, as a result of additional state and federal grant funds received and expended throughout the fiscal year to support the Juvenile Assessment Center intake functions.

Observation:

In the County's financial system, the total budgeted revenues are \$2.175 million, while the Adopted Budget Ordinance (Fund SO 720 Subfund 720) reflects \$2.239 million (a difference of \$64,000). According to the Department, the adopted ordinance amount of \$2.239 million anticipates receipt of \$65,000 as mentioned in the item.

Information Technology

The Information Technology Department (ITD) requires a supplemental budget in Fund GF 060 in the amount of \$17.814 million for expenses related to consolidation of countywide IT functions. This adjustment includes the transfer of 56 IT positions from the Regulatory and Economic Resources and Internal Services departments as part of the effort to centralize IT resources. In addition, ITD experienced a higher volume of IT pass-through purchases for County departments due to large County infrastructure projects such as implementation of Voice Over IP at Miami-Dade Police Headquarters and the Turner Guilford Knight Correctional Center and West Lot building and Children's Courthouse fit-up. These expenses are fully funded by charges to County departments and capital projects.

Observation:

The County's financial system displays additional revenue of \$19.879 million over budget (\$148.339 million - \$128.460 million), enough to cover the higher than anticipated expenditures.

Internal Services Department

The Internal Services Department requires a supplemental budget of \$38,000 for the Caleb Center Trust (Fund SO 100, Subfund 107, Project 107032) to cover expenses associated with facility renovation and improvements at the Caleb Center. This schedule was inadvertently omitted from the adopted budget ordinance. Funding is provided from prior-year unallocated carryover and proprietary fees.

Observation:

The County's financial system reflects proprietary revenues of \$28,586 and additional carryover will cover this supplement.

Parks, Recreation and Open Spaces

Miami-Dade Parks, Recreation and Open Spaces Department requires a supplemental budget of \$6.07 million in Fund GF 040 (various subfunds) associated with repairs, renovations at various park projects such as fencing, infrastructure, and animal exhibits at the Zoo, beach maintenance equipment, and pump station repairs at the Palmetto Golf Course. 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 \$123.999 million or \$6.069 million more than budgeted. Fund GF 040 also reflects revenue receipts of \$123.549 million, \$450,000 less than expenses. The shortfall will be made up by carryover.

Police

Miami-Dade Police Department requires a budget supplement of \$441,000 (Fund GF 030, Subfund 045) for additional external services provided to Miami-Dade Aviation Department, Port of Miami, and the Diversion Program. Funding is provided by charges to County departments and user fees.

Observation:

The County's financial system displays additional revenue of \$621,096 over budget (\$47.307 million - \$46.686 million), enough to cover the additional external services provided by the Department and funded by the requesting departments.

Additionally, a supplemental budget of \$3.509 million (Fund SO 720, Subfund 720) is required as a result of additional JAG Recovery Grants, and other miscellaneous grant funds received and expended throughout the fiscal year to support various police activities such as educational events addressing violence (including gun violence), personal awareness and safety, and the purchase of mission critical investigative and safety equipment.

Observation:

The County's financial system also indicates that Fund SO 720, Subfund 720 received revenues of \$12.195 million, which is \$3.506 million over the previously approved budget amount of \$8.689 million. However, the financial system lists the revenue budget as \$6.809 million. According to OMB, the budget will be adjusted as part of the end of year supplement transactions, to reflect the grant award.

Public Works and Waste Management

The Public Works and Waste Management (PWWM) Department requires a budget supplement of \$2.434 million (Fund GF 030, Subfund 037, Project 037026) to transfer carryover revenue associated with the permitting function which was moved to Regulatory and Economic Resources Department as part of the County's reorganization. Funding is provided from prior year carryover.

Observation:

The County's financial system shows a transfer of \$2.434 million to the Department of Regulatory and Economic Resources (RER) associated with the permitting function that was moved to RER from PWWM. This will be covered by existing carryover (\$3.921 million) in Fund GF 030, Subfund 037, Project 037026.

In addition, during the FY 2012-13 budget process, the ordinance schedule for the Stormwater Utility Program (Fund SU 140, Subfund 143) was inadvertently omitted. As a result, a supplemental budget of \$24.506 million is required to properly reflect this appropriation.

Observation:

While the adopted ordinance schedule for Fund SU 140, Subfund 143 was omitted, the adopted ordinance did reflect a transfer of \$24.506 million from SU 140 Subfund 141.

Water and Sewer

The Water and Sewer Department requires a supplemental budget of \$11.695 million to reflect the transfer of \$10 million to the Water and Wastewater Renewal and Replacement Funds Reserve and \$1.695 million into the operating reserve fund. These transfers are funded from higher than anticipated operating revenues.

Observation:

The County's quarterly budget report indicates a higher than budgeted transfer to the Water and Wastewater Renewal and Replacement fund due to the increase in proprietary revenue realized in the fourth quarter. The report shows actual revenues of \$611.435 million and expenditures of \$554.052 million or \$57.383 million greater than operating expenses.

Tourist Taxes

A supplemental budget is required to authorize additional transfer revenues pursuant to governing ordinances and State Statutes of \$3.202 million for the Tourist Development Tax (Fund ST 150, Subfund 151), \$1.280 million for the Professional Sports Franchise Facility Tax (Fund ST 150, Subfund 154), and \$826,000 from the Tourist Development Surtax (Fund ST 150, Subfund 152). 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, Miami-Dade County for administrative costs, debt service, and the debt service shortfall reserve as required by Code and other legislation. In addition, pursuant to the 1996 Interlocal Agreement 2004 Amendment with the City of Miami Beach, a distribution of \$2.010 million to the City of Miami Beach to be paid in FY 2013-14.

Observation:

The County's financial system reflects revenue receipts of \$22.337 million or \$3.593 million more than the adopted ordinance for Fund ST 150, Subfund 151.

Capital Budget Technical Adjustment

The Safe Neighborhood Parks Bond Program, Park Series 2001 (Fund D1 201, Subfund 2A1, Project 201117) requires a supplemental budget of \$512,000 for principal and interest payments that was inadvertently omitted from the adopted ordinance appropriation schedule. Funding is provided by countywide debt ad valorem revenues.

Observation:

The FY 2012-13 adopted budget ordinance reflects approved expenditure authority of \$6.005 million for (Fund D1 201, Subfund 2A1, Project 201117) and the County's financial system displays actual expenditures of \$6.517 million, thus the supplemental budget of \$512,000 is required.

The Capital Asset Acquisition Bond Series 2007A (Fund CB 360, Subfund 015, Project 368043) requires a supplemental of \$604,000 to reflect expenditures associated with the Northeast Library. These expenses were budgeted however the ordinance did not accurately reflect the proper allocation for FY 2012-13. These expenses were funded with the Capital Asset Acquisition Bond Series 2007A funds. This adjustment does not change the total cost of the project.

Observation:

The amount of \$604,000 shown in this item are expenses initially budgeted in prior years that occurred in FY 2012-13.

Comments on Attachment B from Agenda Item 5(C)
FY 2012-13 End of Year Budget Transactions

Department Name	Fund Type	Spending Category	Total by Fund	Adjustment Amount	% of Fund	Transferred From	Comments
Administrative Offices of the Courts	SO (100)	Contractual Services		3,605		Other Operating	Higher than anticipated Credit Card Service Charges due to an increase in number of customers using credit cards
Subtotal			3,456,000	3,605	0.10%		

Observation:

At the time OCA obtained the information from the County's financial system, it indicated that in Fund SO 100, Contractual Services expenditures exceeded the line item spending category by \$2,311.

Department Name	Fund Type	Spending Category	Total by Fund	Adjustment Amount	% of Fund	Transferred From	Comments
Clerk of the Courts	GF (030)	Personnel Services		991,576		Contractual Services	A portion of the group health insurance costs were budgeted in a separate reserve, however, the Department was able to absorb the full cost without exceeding their total budget
		Capital		169,573		Other Operating Costs	Higher than anticipated software expenses
	Subtotal		15,603,000	1,161,149	7.44%		
	GF (050)	Personnel Services		3,187		Contractual Services	Higher than anticipated group health insurance
Subtotal			2,326,000	3,187	0.14%		

Observation:

In addition, the County's financial system indicates that in Fund GF 030, expenditures in Charges for County Services exceeded the line item spending category by \$1,250,469.

Department Name	Fund Type	Spending Category	Total by Fund	Adjustment Amount	% of Fund	Transferred From	Comments
Corrections and Rehabilitation	GF (010)	Personnel Services		5,824,075		Court Costs (\$23,545), Contractual Services (\$1,434,955), Other Operating (\$3,352,794), Charges for County Services (\$118,330), Debt Payments (\$502,886), Capital (\$391,565)	A portion of the group health insurance costs was budgeted in a separate reserve, however, the Department was able to absorb the full cost without exceeding the total budget
Subtotal			276,309,000	5,824,075	2.11%		

Observation:

The County's financial system indicates that in Fund GF 010, expenditures for Personnel Services exceeded the line item spending category by \$5,900,851. OMB

indicated that there is a post audit adjustment that will change the amount moving additional separation/termination payouts to the wage reserve which the County's financial system does not yet reflect.

Department Name	Fund Type	Spending Category	Total by Fund	Adjustment Amount	% of Fund	Transferred From	Comments
Cultural Affairs	SO (125)	Transfers Out		875,000		Contractual Services	Transfer for the administration of Art in Public Places
		Distribution of Funds in Trust		1,641			Expenses associated with payments to the tax collector for CUA facilities
Subtotal			29,245,000	876,641	3.00%		

Observation:

The Department indicated that in Fund SO 125, the transfer of \$875,000 occurred within this fund and this transfer moved revenues from one project to another.

Department Name	Fund Type	Spending Category	Total by Fund	Adjustment Amount	% of Fund	Transferred From	Comments
Police	GF (010)	Personnel Services		1,783,235		Contractual Services (\$1,204,975), Other Operating Costs (\$532,517), Charges for County Services (\$45,743)	A portion of the group health insurance costs were budgeted in a separate reserve, however, the Department was able to absorb the full cost without exceeding the total budget
		Court Costs		117,955		Debt Payments (\$101,000), Grants to Outside Organizations (\$16,759), Charges for County Services (\$196)	Unbudgeted costs for Psychological Testing and Polygraph reports necessary to fulfill added PO Academy Classes and Police Complaint/Dispatcher Classes
		Capital		4,286,476		Charges for County Services	Approved purchases of semi-ruggedized laptops required for the newly implemented A-form project and a portion of the vehicle purchase replacement plan
		Subtotal	426,202,000	6,187,666	1.45%		
	GF (030)	Personnel		2,284,429		Other Operating Costs	Additional expenses related to the increase cost of group health insurance
		Contractual Services		187,411		Other Operating Costs	Cost of two E-911 Quality Assurance Technicians transferred from the Fire Department
		Capital		78,425		Other Operating Costs	Additional expense related to the replacement of outdated servers, covered by E-911 capital carryover funds
	Subtotal	85,292,000	2,550,265	2.99%			
	SO (110)	Debt Services		1,415		Other Operating Costs	Additional expenses related to payments of conservation program
		Capital		2,318		Other Operating Costs	Additional expenses related to the purchase of a projector for training purposes
	Subtotal	13,092,000	3,733	0.03%			
	TF (600)	Contractual Services		2,318		Other Operating Costs	Expenses associated with Crime Prevention projects approved during fiscal year by BCC
	Subtotal	12,073,000	2,318	0.02%			

Observation:

The County's financial system reflects that in Fund TF 600 expenditures for Contractual Services exceeded the line item spending category by \$39,987. OMB will read the correction into the record.

Department Name	Fund Type	Spending Category	Total by Fund	Adjustment Amount	% of Fund	Transferred From	Comments
Public Defender	GF (010)	Court Costs		13,403		Contractual Services	Higher than anticipated process server fees and courier services expenses
		Other Operating Costs		135,444		Contractual Services	Higher than anticipated information technology charges and payments to lessors due to a restructure of lease agreement
Subtotal			3,025,000	148,847	4.92%		

Observation:

In addition, the County's financial system indicates that in Fund GF 010, Capital expenditures exceeded the line item spending category by \$18,444.

Department Name	Fund Type	Spending Category	Total Dept. Budget	Adjustment Amount	% of Fund	Transferred From	Comments	
Public Works and Waste Management	GF (010)	Court Costs		83		Other Operating Costs	Unanticipated courier services expenditures	
		Subtotal		21,840,000	83	0.00%		
	ER (430)	Personnel Services			112,249		Other Operating Costs	Additional expenses related to the increased cost of group health insurance
		Court Costs			1,190			Higher than anticipated security service charges
	Subtotal		14,986,000	113,439	0.76%			
	EW (490)	Personnel Services			577,735		Other Operating Costs	Additional expenses related to the increased cost of group health insurance and termination payments
		Grants to Outside Organizations			4,307,761			Expenditures related to a Land Fill Closure Grant budgeted in Capital but charged in Grants to Outside organization
	Subtotal		279,903,000	4,885,496	1.75%			

Observation:

In addition, expenditures for Fund ER 430, Capital, exceeded the line item spending category by \$24,410.

Department Name	Fund Type	Spending Category	Total by Fund	Adjustment Amount	% of Fund	Transferred From	Comments
State Attorney	GF (010)	Court Costs		3,437		Other Operating Costs	Higher than anticipated witness transportation charges
Subtotal			6,117,000	3,437	0.06%		

Observation:

At the time OCA obtained the information from the County's financial system, it indicated \$-2,471 in Fund GF 010, Court Costs. In addition, Capital expenditures exceeded the line item spending category by \$383,715.

Department Name	Fund Type	Spending Category	Total Dept. Budget	Adjustment Amount	% of Fund	Transferred From	Comments
Vizcaya Museum and Gardens	EV (450)	Personnel Services		240,910		Other Operating Costs and Contractual Services	Additional expenses associated with termination and annual leave payouts
Subtotal			5,495,000	240,910	4.38%		

Observation:

In Fund EV 450, Personnel Services expenditures exceeded the line item category by \$240,910. However, EV 450 has two subfunds in which transactions occurred during FY 2012-13. These are EV 450 Subfund 001, which reflects the department's operational budget and EV 450 Subfund 002, which is the Capital Improvement Fund. The County's financial system indicates that in EV 450 Subfund 001 and EV 450 Subfund 002, Personnel Services' expenditures exceeded the line item category by \$54,003 and \$186,906, respectively. Additionally, in EV 450 Subfund 001, Charges for County Services and Capital exceeded the line item spending category by \$62,739 and \$68,622, respectively.