

DUVAL COUNTY TOURIST DEVELOPMENT COUNCIL

BUDGET 2015-2016

	<u>2013/14 ORIGINAL BUDGET</u>	<u>2014/15 ORIGINAL BUDGET</u>	<u>2015/16 PROPOSED BUDGET</u>
<u>REVENUE</u>			
Tourist Development Taxes	5,334,415	5,650,000	6,300,000
Interest Earnings	41,333	42,656	45,509
Subtotal Revenue	<u>5,375,748</u>	<u>5,692,656</u>	<u>6,345,509</u>
Transfer from TDC Fund Balance	2,400,000	1,225,000	500,000
Total Estimated Revenue	<u><u>7,775,748</u></u>	<u><u>6,917,656</u></u>	<u><u>6,845,509</u></u>
<u>EXPENDITURES</u>			
Operations Account			
Grants			
Other Grants	460,000	360,000	296,411
Country Superfest	200,000	100,000	-0-
CVB Convention Grants	100,000	200,000	77,000
Navy-Notre Dame Football Game 2016	-0-	-0-	125,000
SEC Women's Basketball 2016	-0-	-0-	56,000
Gator Bowl Game	350,000	400,000	420,000
Gator Bowl Game Advertising 2011-2014	150,000	-0-	-0-
First Coast of Golf	135,000	141,750	148,838
Bid Fees	-0-	50,000	50,000
The Players Tourism Cooperative	-0-	250,000	-0-
UNF NCAA Track & Field East Prelim. 2016	-0-	-0-	175,000
Florida / Georgia Game	90,000	65,000	-0-
Total Grants	<u>1,485,000</u>	<u>1,566,750</u>	<u>1,348,249</u>
Visit Jacksonville			
Operating budget	3,626,701	3,888,393	4,431,649
Marketing Initiative	518,100	555,484	556,093
Total Visit Jacksonville	<u>4,144,801</u>	<u>4,443,877</u>	<u>4,987,742</u>
Operations Account	5,629,801	6,010,627	6,335,991
Festival Funding Account	75,000	75,000	75,000
Administration Account	124,255	132,524	138,108
Subtotal Expenditures	<u>5,829,056</u>	<u>6,218,151</u>	<u>6,549,099</u>
Contingency Account	1,946,692	699,505	296,410
Total Appropriations	<u><u>7,775,748</u></u>	<u><u>6,917,656</u></u>	<u><u>6,845,509</u></u>

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
TOURIST DEVELOPMENT COUNCIL(S/F 132)**

BACKGROUND:

The Duval County Tourist Development Council (TDC) is the governing body that oversees the collection and distribution of the local-option tourist development tax authorized to counties by Florida Statutes.

This fund accounts for the first two-cent tax levy on lodging within Duval County. The Tax Collector collects the Tourist Development Tax and remits it to the City for administration by the TDC.

NOTE:

For comparison purposes, the changes described below relate to the actions of the TDC and its proposed budget compared to the adopted budget for FY 2014/15.

REVENUE:

1. Tourist Development Taxes:

- This represents the anticipated two-cent tax levy on lodging for FY 2015/16.

2. Interest Earnings:

- This is the anticipated interest earnings for FY 2015/16.

3. Transfer from Fund Balance:

- Based on an estimated \$2,000,000 fund balance at fiscal year end, the TDC approved a Transfer from Fund Balance of \$500,000 with the intention of leaving \$1,500,000 in fund balance for future use should a need arise. This is a different approach from prior years where a large portion of the estimated fund balance was used to fund operations.

EXPENDITURES:

1. Operations Account:

a. Grants

- This is the list of grants that the TDC approved to fund out of the fiscal year 2015/16 revenues.

b. Visit Jacksonville

- The increase is a result of the increase in bed tax collections. Visit Jacksonville's contract is based on 70% of the bed tax collections from the prior May – April time period.
- The Marketing Initiative is an additional 10% of the bed tax collections that Visit Jacksonville requested. This amount was reduced by \$77,000 to fund the CVB Convention Grants line in the Operations account.

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2. Administration Account:

- The increase is primarily in employee benefits driven by the workers compensation allocation due to a change in allocation methodology as well as internal service charges due to increased legal costs, and indirect cost allocation as calculated by the City's independent consulting firm as part of the full cost allocation plan study.

3. Contingency Account:

- The decrease in funds available is a result of a higher level of expenditures.

EMPLOYEE CAP CHANGES:

There are no changes to the employee cap in this subfund.

SERVICE LEVEL CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARDS:

None.

RECOMMENDATIONS:

We recommend:

1. Reducing the budgeted Contingency account by \$403,095 from \$699,505 to \$296,410.
2. Increasing the budgeted Operations account by \$325,364 from \$6,010,627 to \$6,335,991.
3. Reducing the budgeted Transfer from Fund Balance by \$77,731 from \$577,731 to \$500,000.

All of these actions will reflect the proposed budget from the TDC and will have no impact on Special Council Contingency.