

# **Council Auditor's Office**

## **Who We Are and What We Do**

### **Charter Authority of the City Council Auditor**

The position of the Council Auditor is established by Section 5.10 of the Charter of the Consolidated Government of the City of Jacksonville. The Council Auditor is appointed by the City Council and is the Director of the Council Auditor's Office, a department of the legislative branch of the consolidated government. The Council Auditor is responsible for conducting a continuous internal audit of the fiscal operations of the consolidated government and all independent agencies. Legislative review and other forms of research are conducted as Council Committees, the Council President or individual council members may request. The Council Auditor's Office provides reviews of financial reports including the annual budget review and the quarterly summary of the City and its Independent Agencies. The office is also tasked with developing specifications to be included in the request for proposal (RFP) for outside audit services and assisting in the selection of an outside audit firm for the City's annual independent audit.

### **OUR WORK PRODUCTS**

Our office performs three essential functions: audits, special projects, and legislative review, which includes budget review.

### **Audit Function**

#### **Overview**

The audit function of the office conducts performance audits in accordance with Generally Accepted Governmental Auditing Standards (GAGAS), attestations in accordance with the American Institute of Certified Public Accountants (AICPA) and/or GAGAS, and assists the external auditors with the City's Comprehensive Annual Financial Report (CAFR) and JEA's Annual Financial Report. The standards that we utilize require due professional care in conducting audits, professionally qualified staff, independence, adequate supervision and planning of audit work, reporting of audit results, and periodic review of the office by outside professionals. This enhances the quality of our work product which enables user agencies to place greater reliance on our work.

#### **Follow-Ups on Audits**

The Council Auditor's Office conducts follow-up reviews to determine the progress made in addressing findings and recommendations identified in previously issued audit reports. These reviews are performed periodically and are substantially less in scope than an audit conducted in accordance with GAGAS.

#### **Annual Independent Audit**

The Council Auditor's Office is tasked with engaging an outside audit firm to perform the City's annual independent audit. Pursuant to Section 102.116 of the Jacksonville Municipal Code, the Council Auditor's Office establishes the specifications to be included in the request for proposal (RFP) for the City's independent audit, assists in the ranking and selection of an outside audit

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firm and negotiates the formal fee and contract terms. The negotiated contract is then sent to City Council for final approval.

The Council Auditor's Office also provides staff time to assist with the audit work performed on both the City and JEA's annual financial audits. Our office provides a total of 600 hours to assist with the annual financial statement audit for the City and a total of 160 hours to assist with the financial audit of JEA.

### **Special Project Function**

#### **Overview**

The special project function involves a project substantially less in scope than an audit conducted in accordance with GAGAS, and is typically in response to a request by a Council Member.

#### **Special Reports**

The Council Auditor's Office performs some reviews to fulfill the City Charter and Ordinance Code requirements of providing the City Council with reports of financial analysis and information pertaining to the operations of the City and its Independent Agencies.

#### **Special Projects**

The Council Auditor's Office performs many special projects that do not result in a report. These are typically small requests initiated by a Council Member. The nature of these projects typically relates to the gathering of financial information, which also assists the office with gaining an understanding of all City operations and properly compiling a risk assessment of the City.

#### **City Grants**

Per Chapter 118 of the Jacksonville Municipal Code, the Council Auditor's Office is tasked with overseeing the proper submission of annual audits and financial reports by agencies which receive City of Jacksonville grant funding. In addition to verifying that the audits and financial reports are submitted by the required deadlines, the Council Auditor's Office also reviews the audits and financial reports. The Council Auditor's Office has the authority to remove entitlement of grant funding from an agency that does not follow the provisions of Chapter 118. The Council Auditor's Office maintains a "non-compliance list," which includes all agencies that are out of compliance with their grant contract or Chapter 118. Entitlement is re-instated upon correction of non-compliance or as directed by City Council legislation.

#### **Quarterly Summary Report**

In accordance with Section 106.421 of the Municipal Code, the Council Auditor compiles and reviews quarterly financial reports from the City and its Independent Agencies and presents reports thereon. These reports give a snapshot of the budgetary performance and financial position of City departments as well as the Independent Agencies.

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### **Legislative Function**

#### **Overview**

The legislative review function reviews all legislation for all of the Council Committees, with the exception of the Land Use and Zoning Committee, and attends all City Council meetings. It is the role of this team to provide transparency and accountability to each legislative bill that is reviewed. The following more specifically describes the scope of work performed.

#### **Legislative Review**

The legislative review function is performed by staff members in order to provide Council Members with information regarding areas of potential improvement, full disclosure of financial impacts, errors requiring correction and other possible outcomes of pending legislation to assist Council Committees in their decision-making process. Some of the general categories of legislation reviewed are capital project approval and appropriation, grant contracts and appropriations of funds, lease agreements, appointments, and redevelopment agreements.

#### **Budget Review**

The Council Auditor's Office is also responsible for reviewing the proposed budgets for the City and its Independent Agencies. This review entails an extensive analysis of revenue and expenditures on a line item basis, along with statistical calculations and a review of material changes in funding for expenditures. Our staff interacts with the Budget Office, City Departments, Constitutional Offices and Independent Agencies to complete our analysis and obtain answers to questions regarding budget requests. Approximately 4,000 staff hours were spent from July through September 2018 reviewing the fiscal year 2018/19 budget proposal. Report #819 summarizes the Mayor's and Independent Agencies' proposed budgets and City Council actions regarding those budgets.

#### **Council Discretionary Funds Reports**

Each quarter, we provide the Council a report of discretionary funds by Council District as required by Section 106.315 of the Municipal Code. This report details balances available along with any activity that occurred in the prior quarter.

# **Council Auditor's Office**

## **Who We Are and What We Do**

### **STAFFING**

Pursuant to the FY 2018/19 budget, the office was authorized to fill 19 full-time positions. Positions include the Council Auditor, an Assistant Council Auditor, 16 auditors and one administrative assistant. All auditors have degrees in accounting, including several with graduate degrees. The Charter requires the Council Auditor to be a Certified Public Accountant (CPA). The audit staff members are CPAs or are in the process of preparing for or taking the CPA exam. We also have one staff member who is a Certified Internal Auditor (CIA).

#### Staff members as of May 15, 2019:

Kyle Billy, CPA, Council Auditor  
Kim Taylor, CPA, Assistant Council Auditor  
Phillip Peterson, CPA, Principal Auditor  
Brian Parks, CPA, Principal Auditor  
Heather Reber, CPA, Principal Auditor

Thomas Beaucham  
Rachel Bradford  
Chedly Broche, CPA  
Trista Carraher, CPA  
Thomas Carter, CPA  
Megan Evans  
Elena Korsakova, CPA  
Alexandria Lee  
Charles Lee  
Edward Linsky, CPA  
Carmen Martin, CPA  
Jeffrey Rodda  
Kyle Thorpe

#### Administrative Assistant

Mary Fletcher

**CITY OF JACKSONVILLE, FLORIDA  
GENERAL FUND/GENERAL SERVICES DISTRICT (011)  
SCHEDULE OF REVENUES**

	<b>FY 18/19 COUNCIL APPROVED</b>
<b>NON-DEPARTMENTAL REVENUES</b>	
AD VALOREM TAXES	\$ 674,796,752
DISTRIBUTIONS TO TAX INCREMENT DISTRICTS	(32,812,851)
	<b>\$ 641,983,901</b>
<b>NET AD VALOREM TAXES</b>	
STATE SHARED REVENUES	\$ 177,033,092
CONTRIBUTIONS FROM OTHER LOCAL UNITS	117,647,535
UTILITY SERVICE TAXES	93,835,091
FRANCHISE FEES	40,908,230
COMMUNICATIONS SERVICES TAX	31,715,776
OTHER CHARGES FOR SERVICES	14,123,777
NON OPERATING SOURCES	10,796,900
CONTRIBUTIONS FROM OTHER FUNDS	9,127,690
LOCAL BUSINESS TAX	7,025,691
OTHER MISCELLANEOUS REVENUE	5,582,050
INTEREST, INCL PROFITS ON INVESTMENTS	2,613,749
SALES AND USE TAXES	1,276,571
OTHER FINES AND/OR FORFEITS	772,470
FEDERAL GRANTS	252,018
DISPOSITION OF FIXED ASSETS	100,000
RENTS AND ROYALTIES	100,000
FEDERAL PAYMENTS IN LIEU OF TAXES	24,500
VIOLATIONS OF LOCAL ORDINANCES	200
	<b>\$ 1,154,919,241</b>
<b>TOTAL NON-DEPARTMENTAL REVENUES</b>	
FIRE AND RESCUE	\$ 32,524,096
OFFICE OF THE SHERIFF	11,282,598
PUBLIC WORKS	5,633,466
NEIGHBORHOODS	1,824,545
MEDICAL EXAMINER	1,784,378
PLANNING AND DEVELOPMENT	1,164,997
PARKS, RECREATION & COMMUNITY SERVICES	807,433
CITY COUNCIL	356,400
PUBLIC LIBRARIES	276,025
ADVISORY BOARDS AND COMMISSIONS	242,500
OFFICE OF INSPECTOR GENERAL	115,000
FINANCE AND ADMINISTRATION	90,982
MAYOR'S OFFICE	72,606
DOWNTOWN INVESTMENT AUTHORITY	40,600
HUMAN RIGHTS COMMISSION	39,250
OFFICE OF ETHICS, COMPLIANCE AND OVERSIGHT	22,000
EMPLOYEE SERVICES	1,500
MILITARY AFFAIRS AND VETERANS	150
OFFICE OF ECONOMIC DEVELOPMENT	120
SUPERVISOR OF ELECTIONS	1
	<b>\$ 56,278,647</b>
<b>TOTAL DEPARTMENTAL REVENUES</b>	
<b>TOTAL GENERAL FUND/GENERAL SERVICES DISTRICT (011) REVENUES</b>	<b>\$ 1,211,197,888</b>

**CITY OF JACKSONVILLE, FLORIDA  
GENERAL FUND/GENERAL SERVICES DISTRICT (011)  
SCHEDULE OF EXPENDITURES**

**FY 18/19 COUNCIL  
APPROVED**

**DEPARTMENTAL EXPENSES**

OFFICE OF THE SHERIFF	\$	439,129,748
FIRE AND RESCUE		234,254,649
PUBLIC WORKS		47,423,945
PARKS, RECREATION & COMMUNITY SVCS		46,498,922
PUBLIC LIBRARIES		35,707,594
NEIGHBORHOODS		21,632,957
FINANCE AND ADMINISTRATION		13,068,725
CITY COUNCIL		11,044,353
EMPLOYEE SERVICES		10,812,967
SUPERVISOR OF ELECTIONS		8,989,075
MEDICAL EXAMINER		5,199,054
PLANNING AND DEVELOPMENT		4,499,838
MAYOR'S OFFICE		4,281,812
COURTS		3,680,911
OFFICE OF GENERAL COUNSEL		2,912,542
PUBLIC DEFENDER		2,183,686
STATE ATTORNEY		1,735,658
OFFICE OF ECONOMIC DEVELOPMENT		1,682,776
DOWNTOWN INVESTMENT AUTHORITY		1,670,204
MILITARY AFFAIRS AND VETERANS		1,277,916
PUBLIC HEALTH		1,016,806
OFFICE OF SPORTS & ENTERTAINMENT		1,005,056
OFFICE OF INSPECTOR GENERAL		992,604
HUMAN RIGHTS COMMISSION		958,554
ADVISORY BOARDS & COMMISSIONS		504,791
OFFICE OF ETHICS, COMPLIANCE & OVERSIGHT		373,072

<b>TOTAL DEPARTMENTAL EXPENSES</b>	<b>\$</b>	<b>902,538,215</b>
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**NON-DEPARTMENTAL EXPENSES**

TRANSFER OUT TO OTHER FUNDS	\$	121,554,691
CITYWIDE ACTIVITIES		108,663,268
DEBT SERVICE TRANSFERS - PRINCIPAL		31,183,986
CONTINGENCIES		20,933,719
DEBT SERVICE TRANSFERS - INTEREST		19,294,574
SUBFUND LEVEL ACTIVITIES		4,228,347
INTER-LOCAL AGREEMENTS		2,477,962
DEBT SERVICE TRANSFERS - FISCAL AGENT		263,951
DEBT FEES - BOND RELATED		59,175

<b>TOTAL NON-DEPARTMENTAL EXPENSES</b>	<b>\$</b>	<b>308,659,673</b>
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<b>TOTAL GENERAL FUND - GSD EXPENSES</b>	<b>\$</b>	<b>1,211,197,888</b>
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**CITY OF JACKSONVILLE  
SUMMARY OF BUDGETS**

**FY 18/19 COUNCIL APPROVED**

<b>GENERAL FUND</b>	
011 GENERAL FUND - GSD	1,211,197,888
012 MOSQUITO CONTROL - STATE 1	53,122
015 PROPERTY APPRAISER	10,803,060
016 CLERK OF THE COURT	4,750,713
017 TAX COLLECTOR	18,494,102
018 EMERGENCY CONTINGENCY - SEC 106.107	61,868,714
01A SPECIAL EVENTS	7,243,379
<b>TOTAL GENERAL FUND</b>	<b>1,314,410,978</b>
<b>SPECIAL REVENUE FUNDS</b>	
110 PLANNING, ECONOMIC DEV. & CONCUR MNGT	2,380,322
120 AIR POLLUTION CONTROL & MONITORING	1,663,424
130 SPORTS, CONVENTION & TOURISM DEV	10,419,796
140 TRANSPORTATION	145,472,814
150 GENERAL GOVERNMENT	28,129,158
160 PUBLIC SAFETY	8,000,000
170 EMERGENCY 9-1-1	6,670,544
180 TAX INCREMENT DISTRICTS	35,642,153
190 KID'S HOPE ALLIANCE	32,344,548
1A0 COMMUNITY DEVELOPMENT BLOCK GRANT	203,404
1D0 MAINTENANCE, PARKS AND RECREATION	6,621,449
1H0 GENERAL GOVERNMENT	1,036,719
1I0 BETTER JACKSONVILLE	75,808,471
1L0 SPECIAL ASSESSMENT	-
1S0 GENERAL GOVERNMENT	1,321,974
<b>TOTAL SPECIAL REVENUE FUNDS</b>	<b>355,714,776</b>
<b>CAPITAL PROJECT FUNDS</b>	
310 BOND PROJECTS	-
320 GENERAL PROJECTS	124,231,857
330 GRANT CAPITAL PROJECTS	360,000
340 RIVER CITY RENAISSANCE PROJECT	-
360 BOND PROJECTS	116,695
<b>TOTAL CAPITAL PROJECT FUNDS</b>	<b>124,708,552</b>
<b>ENTERPRISE FUNDS</b>	
410 PUBLIC PARKING SYSTEM	4,931,229
430 MOTOR VEHICLE INSPECTION	502,876
440 SOLID WASTE DISPOSAL	90,968,080
460 STORMWATER SERVICES	36,849,928
4F0 EQUESTRIAN CNT/NEFL EQUESTRIAN SOCIETY	465,508
4G0 SPORTS COMPLEX CAPITAL MAINT	8,642,764
4K0 CITY VENUES	89,283,477
<b>TOTAL ENTERPRISE FUNDS</b>	<b>231,643,862</b>
<b>INTERNAL SERVICE FUNDS</b>	
510 FLEET MANAGEMENT	95,476,315
520 PURCHASING	2,631,067
530 INFORMATION TECHNOLOGIES	67,954,141
550 OFFICE OF GENERAL COUNSEL	12,118,298
560 SELF INSURANCE	44,353,968
570 GROUP HEALTH	100,767,209
580 INSURED PROGRAMS	8,932,139
590 DEBT MANAGEMENT FUNDS	184,636,934
5A0 PUBLIC WORKS	50,466,878
<b>TOTAL INTERNAL SERVICE FUNDS</b>	<b>567,336,949</b>
<b>TRUST AND AGENCY FUNDS</b>	
610 GENERAL EMPLOYEES PENSION TRUST	16,436,360
640 EXPENDABLE TRUST FUND	1,144,175
<b>TOTAL TRUST AND AGENCY FUNDS</b>	<b>17,580,535</b>
<b>COMPONENT UNITS</b>	
750 OFFICE OF ECONOMIC DEVELOPMENT	2,500,000
<b>TOTAL COMPONENT UNITS</b>	<b>2,500,000</b>
<b>TOTAL FOR ALL GENERAL GOVERNMENT FUNDS</b>	<b>2,613,895,652</b>

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
AND ITS INDEPENDENT AGENCIES  
BUDGET SUMMARY**

**2018/19  
COUNCIL APPROVED  
TOTAL AGENCY  
BUDGET**

Jacksonville Aviation Authority		
Operations		104,165,667
Capital		42,242,802
Total Jacksonville Aviation Authority	\$	146,408,469
Jacksonville Port Authority		
Operations		70,619,581
Capital		123,615,548
Total Jacksonville Port Authority	\$	194,235,129
Police and Fire Pension Fund	\$	13,020,513
Business Improvement District	\$	1,488,034
Jacksonville Housing Finance Authority	\$	320,000
Jacksonville Transportation Authority		
Operations		135,290,930
Capital		64,696,392
Total Jacksonville Transportation Authority	\$	199,987,322
J E A		
Electric Operations		1,286,303,790
Electric Capital		334,588,000
Water & Sewer Operations		528,378,645
Water & Sewer Capital		248,461,000
District Energy System Operations		9,256,655
District Energy System Capital		5,108,000
Total JEA	\$	2,412,096,090
<b>Total of City Independent Agencies</b>	<b>\$</b>	<b>2,967,555,557</b>
<b>Total of Jacksonville General Government Budget</b>	<b>\$</b>	<b>2,613,895,652</b>
<b>Total Budget, General Government and Independent Agencies</b>	<b>\$</b>	<b>5,581,451,209</b>



## **2019/2020 BUDGET TIMELINE OVERVIEW**

### **2019**

- January 1 This is the effective date of property valuation.
- If a home under construction is not complete on this date, it is not taxed.
  - Taxpayer must reside in home on this date to be eligible for homestead exemption.
- June 1 On or before June 1, the Property Appraiser submits their budget to the Department of Revenue (DOR) for the ensuing fiscal year beginning October 1.
- July 1 Property Appraiser certifies to taxing authorities the preliminary valuation totals, via the top portion of forms DR-420 Certification of Taxable Value, for computation of the proposed budget.
- July 15 On or before July 15, the DOR shall notify the Property Appraiser and the Board of County Commissioners of its tentative budget amendments and changes to the Property Appraiser's budget.
- July 15 Ordinance Code Section 106.201 requires the Mayor to submit the annual budget proposal no later than July 15.
- August 4 Within 35 days of the Property Appraiser certification, City completes and files form DR-420 (Certification of Taxable Value) with the following information:
- Proposed millage rate
  - Current year rolled-back rate pursuant to Florida Statute (F.S.) 200.065
  - Date, time and place of the tentative budget hearing
- August 8-9 Approximate first week of budget hearings based on prior years' schedules.
- August 15 Prior to August 15, the Property Appraiser and the Board of County Commissioners may submit additional information to the DOR regarding the Property Appraiser Budget.
- On or before August 15, the DOR shall make its final budget amendments to the Property Appraiser budget and shall provide notice thereof to the Property Appraiser and the Board of County Commissioners.
- August 15-16 Approximate second week of budget hearings based on prior years' schedules.
- August 21-23 Approximate third week of budget hearings based on prior years' schedules.
- August 24 Within 55 days of the Property Appraiser certification, the Notice of Proposed Property Taxes (TRIM Notice) is mailed out pursuant to F.S. 200.065.

## 2019/2020 BUDGET TIMELINE OVERVIEW

- September 10 Within 65 to 80 days of the Property Appraiser certification, usually the first Council meeting in September, hold a public hearing and adopt a tentative millage and tentative budget.
- September 21 Within 15 days of the tentative budget hearing, advertise the intent to adopt a final millage and budget pursuant to F.S. 200.065.
- September 24 Within 2 to 5 days of the advertisement, usually the second Council meeting in September, hold a public hearing and adopt the final millage and budget.
- September 27 Within 3 days after the final hearing, the City sends the ordinance adopting the final millage to the Property Appraiser, the Tax Collector and the DOR.
- October 1 Fiscal year that is funded by this ad valorem tax cycle begins.
- October Property Appraiser informs taxing authority of final adjusted tax roll via top portion of forms DR-422 Certification of Final Taxable Value.
- October Within 30 days of passage, the City/Finance Department sends certified copies of the Millage Levy Ordinance and the Annual Budget Ordinance and other required documents and forms to the DOR, Tax Collector and the Property Appraiser.
- October Within 30 days of passage, the City sends TRIM compliance package to the DOR including form DR-487, Certification of Compliance. The following is included in the package:
- Certification of Taxable Value, Forms DR-420
  - Legislation adopting the millage and the budget
  - Entire newspaper pages for all advertisements
  - Proof of publication from the newspaper for all advertisements
  - Certification of Final Taxable Value, Forms DR-422
- November Tax bills are sent out. Pursuant to Statutes, discounts for early payment are:
- |                      |                      |
|----------------------|----------------------|
| 4 percent - November | 3 percent - December |
| 2 percent - January  | 1 percent - February |
- December Council Auditor staff calculates the required tax increment contributions based on the Property Appraiser's final certification. Contributions must be made by January 1.

## **2019/2020 BUDGET TIMELINE OVERVIEW**

### **2020**

March 31      Taxes are due without any discount or penalty.

August        Errors and Insolvencies for the 2018 tax roll are certified, including the total discounts granted. The Tax Collector sends a recapitulation (form 502) to the DOR.

### **When Complete**

Notice of Tax Impact of the Value Adjustment Board is published in the Times-Union. The Council Secretary sends an affidavit from the Times-Union and newspaper clippings to DOR.