

SEMINOLE COUNTY

**AUDIT OF THE USE OF
TRANSPORTATION IMPACT FEES
PART 2**

REPORT NO. 102308

OCTOBER 2008

Prepared by:
Internal Audit Division
Clerk of the Circuit Court



MARYANNE MORSE
Clerk of the Circuit Court
Seminole County

October 23, 2008

The Honorable Brenda Carey
Chairman
The Board of County Commissioners
Seminole County, Florida
1101 East First Street
Sanford, FL 32771

Dear Madam Chairman:

I am very pleased to present you with the attached audit of the Use of Transportation Impact Fees. This is part two of our audit of Transportation Impact Fees. The first report was published on January 18, 2008 (#011808) and the objective was to determine if the assessment of transportation impact fees was in accordance with county ordinances. The attached audit was to determine if payments made to suppliers, contractors, and consultants, were properly authorized, and in compliance with county ordinances, Florida Statutes, and Seminole County policies and procedures.

The audit found that the county was in compliance with the county ordinances, Florida Statutes, and Seminole County policies and procedures.

I would like to personally acknowledge the assistance of Ms Pam Hastings and her staff for their assistance throughout the course of the audit. Their assistance was deeply appreciated. With warmest personal regards, I am

Most cordially,

Maryanne Morse
Clerk of the Circuit Court
Seminole County

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**Seminole County
Public Works**

**Audit of the Use of
Transportation Impact Fees**

The audit that follows was limited to a review of expenditures from the related trust funds.

Purpose

The purpose of this audit was: (1) to evaluate the effectiveness of the internal controls, records, and procedures with respect to transportation impact fees; 2) evaluate compliance with county ordinances, Florida Statutes and Seminole County Land Development Code; and (3) verify that expenditures are allocated in accordance with approved allocation schedules.

Background

The Transportation Impact Fee Fund is a special revenue fund that accounts for revenues derived from fees paid by developers. On January 22, 2008, the Internal Audit Division of the Clerk of the Circuit Court published audit report No.12208 entitled "Assessment of Transportation Impact Fees". The audit's focus was on how the county calculates the assessments of fees and compliance with applicable state county laws.

Use of these revenues is restricted to capital facilities that are attributable to new growth. At the end of fiscal year 2007, the Transportation Impact Fee Fund owes the Infrastructure Surtax Fund approximately \$65.5 million for funds advanced to construct needed infrastructure. This advance is scheduled to be fully repaid on December 31, 2021. This is the sunset date for the Arterial, South Collector and East Collector road accounts, per Seminole County Land Development Code Sections 120.15 and 120.25.

Of the \$65.5 million, the South Collector owes \$12.3 million, the West Collector owes \$.7 million and the Arterial owes \$52.5 million.

This audit evaluated whether the County's spending of these assessments was proper.

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Per the Seminole County Land Development Code Section 120.14, "Monies deposited into the arterial road impact fee trust account shall be used solely for the purpose of constructing or improving designated arterial roads. Funds in such trust account shall not be used for any expenditure that would be classified as a maintenance or repair expense."

Likewise, per Section 120.24, "Monies deposited into the four collector road impact fee trust accounts are used solely for the purpose of constructing or improving designated collector roads within that collector road district. Such funds shall not be used for any expenditure that would be classified as a maintenance or repair expense. Maintenance and/or repair expenses are paid out of general funds."

The results of the audit are included in the report that follows.

Scope

The review was limited to the expenditures from the related trust funds established for the four benefit areas.

We evaluated the system of internal controls, reviewed management's written procedures, evaluated compliance with those procedures, and verified that statutory and county codes are being met. We examined transportation impact fees assessed for all four collectors for the period October 1, 2003 through September 30, 2007.

The audit included:

- Review of supporting expenditure documentation and funding allocation documentation;
- Review of the Seminole County Land Development Code, Florida Building Code, Florida Statutes, and Seminole County ordinances and resolutions;
- Interview with County personnel; and,
- Any other procedures considered necessary under the circumstances.

The audit was performed by Gail Joubran and Bill Carroll.

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Overall Evaluation

Payments made to suppliers, contractors, and consultants were properly authorized and assigned to the proper account numbers and to the correct projects. It is our opinion the system of internal controls is adequate and operating as intended in compliance with county ordinances, Florida Statutes, and Seminole County policy and procedures.

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