



Clerk of the Circuit Court
Board of County Commissioners
Marion County
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Internal Audit Division

David R. Ellspermann

Clerk of the Circuit Court

Wallace K. Watford

Internal Auditor

Post Office Box 1030, Ocala, Florida 34478-1030

110 NW First Avenue, Ocala, Florida 34475

Telephone: (352) 620-3904

Facsimile: (352) 620-3300

Suncom: 667-3904

MEMORANDUM

TO: Patrick G. Howard, County Administrator
Janet Y. Tutt, Deputy County Administrator

FROM: David R. Ellspermann, Clerk of the Circuit Court

DATE: November 21, 2003

RE: SECOND ANNUAL REVIEW AND AUDIT OF COUNTY AGREEMENT WITH THE VILLAGES FOR TRANSPORTATION IMPACT FEE CREDITS

Marion County and The Villages of Lake-Sumter, Inc. (Developer) entered into an Impact Fee Credit Agreement for Development of County Road 42, dated November 7, 2000. In accordance with the Section 3.F of the Agreement "Annual Review and Audit," the Internal Audit Division has performed the second annual review. This section states that "the County shall conduct an annual review and audit of performance under this agreement to determine whether or not there has been demonstrated good faith compliance with the terms of this agreement and to report the credit applied toward payment of transportation impact fees and the balance of available and unused credit."

In addition to the first review (Audit Report No. 2002-02), Internal Audit had performed additional activities to assist the County to determine the total construction costs of the first two phases (Audit Report No. 2002-04).

This review was conducted by Wallace Watford, Internal Auditor, and Sachiko Leon, Staff Auditor. We met with Mr. John Wise, Vice President of Finance, of the Developer to discuss the construction costs to date. Phase III of CR 42 is in a preliminary stage. The construction contract has not been awarded and some rights of way have not been acquired. The information obtained from Mr. Wise indicates total construction costs of \$329,657.03 for Phase III at August 26, 2003. The Developer has not submitted any of the costs for reimbursement from transportation impact fees. The County records at October 31, 2003 show that the balance of available and unused credits to Developer is \$3,139,927.86.

Conclusion

Based on the review performed, we have concluded that the Developer has demonstrated good faith compliance with the terms of this Agreement. We shall perform a more detailed audit of construction costs under this Agreement after Phase III has commenced and the Developer submits costs for reimbursement.

- c: Mike May, Growth Management Bureau Chief
- Dwight D. Gano, Planning Director
- John W. Garri, Finance Director
- John F. Wise, Vice President Finance, The Villages of Lake-Sumter, Inc.