

FY 2005
**QUARTERLY MONITORING
REPORT**
JUNE 30, 2005



**OFFICE OF
MANAGEMENT AND BUDGET**

OMB 05-003

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This quarterly monitoring report format was implemented in FY 2003. The intent is to provide a more concise overview of operating results in the General Fund and the Proprietary Funds. In addition we have offered a projection of year-end results for each fund. Please keep in mind that these projections are based on third quarter activity and historical trends. As the year progresses, these projections will offer a more reliable forecast barring unexpected events in subsequent months.

Executive Summary

General Fund

The General Fund performed within budget parameters for the third quarter of the fiscal year. General Fund Sources came in at 79.4% of the budget; a slightly higher rate of revenue recognition than the previous year. This increase is driven primarily by increases in three of the seven major categories of sources listed in this report. The FY 05 ratios improved for: Intergovernmental Revenues, Miscellaneous Revenues and Transfers. An increase in sales tax related revenues are responsible for the increase in Intergovernmental Revenues. The Miscellaneous Revenues are affected by proceeds from sale of several pieces of surplus property. These increases were somewhat offset by decreases in Taxes, Licenses and Permits, Charges for Services and Fines and Forfeitures. This year's Court Fines/Forfeitures and Parking Fines have declined from the previous year. At the end of the third quarter, staff is projecting revenues will come in about 0.4% below budget by the end of the year.

Total third quarter uses are within budget parameters at 72.1% of budget and are projected to end the fiscal year at approximately 97.0% of budget.

If projections hold, the General Fund will end the year with a decrease in fund balance of close to \$2,153,000. However, this is about half of the projected decrease due to planned use of fund balance. As an example, the adopted budget for FY 05 included \$1,636,910 in appropriation from fund balance for debt service related expenditures.

Staff will continue to monitor the progress of revenues and expenditures throughout the remainder of the fiscal year.

Enterprise Funds

Stormwater Management Utility Fund

At the end of the third quarter, stormwater revenues are being recognized at approximately 0.3% ahead of the budgeted pace mainly due to non-stormwater related revenues. Fiscal year-end projected sources, before grant and capital contributions revenues, are expected to be slightly below budgeted forecast.

The actual to budget ratios of 66.9% for the total operating uses, before depreciation, is well within budget parameters.

Third quarter sources exceed uses by approximately \$594,000. As planned, based on third quarter numbers, this Fund should end the fiscal year with a surplus, before depreciation, of approximately \$801,000, which will be used to finance Stormwater infrastructure improvements.

Ironwood Golf Course Fund

The Ironwood Golf Course Fund continues to show improvement compared to the prior year's activity through the third quarter, despite early first quarter closures due to Hurricane Jeanne. However, the golf course operation is still experiencing losses beyond what was anticipated and several management actions have been taken in an attempt to reduce the forecasted deficit. Through the third quarter, the fund ran a deficit of nearly \$153,000 thousand before depreciation, controlling for the encumbered maintenance contract and the debt service payment being recognized in full.

Third quarter revenues are at 63.1% of budget in FY 05 compared to 61.7% in FY 04. Though total rounds of golf are down almost 3,000 rounds from FY 04, the decision to limit available discounts offered during the year has had the desired effect and has caused green fee revenues to increase from FY 04.

Total expenditures have decreased about \$230,000 from FY 04, mostly due to the change in concession operation. Total expenditures are at 87.3% of budget compared to 93.0% in FY 04. Based on activities to date, the Golf Course is projected to end the year with an operating deficit, before depreciation, of approximately \$243,000.

Solid Waste Fund

Due primarily to the rate increase approved effective in January 2004, this Fund is expected to finish this year with revenues in excess of budget.

When controlled for encumbrances, this Fund finished the third quarter with a surplus. This condition is partly due to traditionally slower recognition of expenditures during the year, which will be caught up before fiscal year end. A contract to contain and stabilize the "Old Landfill" was awarded to CEM Enterprise, Inc. at the December 13, 2004 City Commission meeting. The cost of this contract is to be funded from prior year fund balance. Due to the cost of the "Old Landfill Project", this Fund is projected to finish this year with an operating deficit of about \$852,000. Even with this expected loss, this Fund is projected to end this year with a retained earnings balance of over \$500,000.

The year-end projection does not consider the potential impact of a breach of contract complaint filed in August by CEM Enterprise, Inc..

Regional Transit System

Consistent with past performances, RTS is showing an operating loss in the third quarter. As an enterprise fund, RTS depends on generating revenue from various sources to cover its expenses. Because some of these sources are derived from reimbursable grants, there is usually a timing lag when it comes to recovering revenues to cover third quarter expenses.

For the third quarter of FY 05, this Fund had an operating loss before depreciation of about \$2,077,000, which can be attributed primarily to timing issues in the area of revenue collection and to recognition of \$613,636 in encumbrances. When controlled for encumbrances, the third quarter loss is less than the uncollected FTA Grant revenues. The FTA Grant revenue is an example of a revenue that normally lags behind average budgeted pace.

After controlling for timing issues mentioned previously, current projections for FY 05 anticipates a surplus of approximately \$153,000 (before depreciation). This projection anticipates an increase in FDOT Grant revenues from an Urban Capital Funds allocation for bus purchases encumbered in FY 04.

Internal Service Funds

Fleet Management Fund

Overall, the Fleet Management Services Fund is stable and performing in accordance with budget and internal service fund principles.

As an internal service fund, Fleet Management Services recovers its operating costs through charges for services to its customers (i.e., General Government and GRU departments) that require fleet services and repairs. For example, the increase in this year's fuel cost will be charged out to the customers. Third quarter sources exceed uses by about \$74,000. Current projections are for a modest surplus of about \$124,000 for the year, again indicating the break-even philosophy of this fund.

Current trends indicate that there will be a small increase in retained earnings at the end of this year which partially offsets the loss experienced in the previous year.

General Insurance Fund

The General Insurance Fund is projected to finish the fiscal year with a surplus. Total revenues are up from the previous fiscal year, 99.1% compared to 90.9% respectively, although this includes approximately \$1.3 million dollars in reimbursement for insurance overcharges. The fiscal year-end revenue projection for insurance premiums includes about \$500,000 of the \$1.3 million refund. This is that portion of the refund related to coverage provided by the General Insurance Fund. The balance of the reimbursement is related to those cases where direct payments for insurance coverage were made by the insured and are anticipated to be distributed to the appropriate payees. Based on the current calculation, the GRU share will be over \$785,000. Interest on the reimbursement has not been determined and is not included in the projection.

Total uses remain stable from FY 04 at 87.1% to FY 05 at 88.0%. Typically this fund obligates a large portion of their budget in the beginning of the fiscal year for payment of insurance premiums. A shifting of funds is occurring between the Risk Management and the Workers Compensation area of total uses. This is due to the decision to add a full time employee for physical therapy and eliminate an outside contract for the same services.

This fund is projected to end the fiscal year with a surplus of nearly \$400,000 after depreciation expense. Projections, however, are subject to a margin of error because of the nature of the fund, which includes worker's compensation and various liability accounts.

Employees Health & Accident Benefits Fund (EHAB)

Through the third quarter of the FY 05, the EHAB fund shows no significant deviations from budgeted parameters. As a percent of budget, revenues are down slightly compared to the previous year, 73.2% to 74.2% respectively. Revenues are projected to be within budgeted expectations at the end of the fiscal year.

Expenditures have increased from 74.5% in FY 04 to 79.3% in FY 05. Most of this increase can be attributed to the amount of insurance claims, up from 68.0% in FY 04 to 74.2% in FY 05, amounting to a nearly \$2.0 million increase. This increase is a result of an accounting change based on the consulting actuary's recommendation to reflect certain Retiree Health & Accident Benefits Fund charges in the EHAB Fund. This change will more accurately report in the REHAB Fund those liabilities intended to be covered by the City's contribution to the REHAB Fund. The EHAB Fund will recover this cost through an insurance premium charged to the REHAB Fund. At this point, staff projects a surplus of \$619,000 for FY 05. Building on the FY 04 surplus of over \$551,000, this would increase the retained earnings to just over \$1.1 million.

Retiree Health & Accident Benefits Fund (REHAB)

The performance of the REHAB fund through the third quarter of FY 05 improved from FY 04. Currently there is an operating surplus of about \$2.3 million, compared to about \$1.4 million in FY 04. Revenues are at 82.9% of the budget, compared to 79.4% the previous fiscal year. Expenditures are up with 65.7% of the budget expended compared to 52.8% in FY 04. Even though expenses as a percentage have increased from the previous year, expenditures are still within budgeted parameters. The increase in uses is due to recent accounting changes implemented to move retiree insurance claims and other expenses to the EHAB Fund based on actuarial consultant's recommendations. The insurance expenses moved to the EHAB Fund have been replaced with an insurance premium expense.

Currently, staff projects a year-end surplus of approximately \$37.6 million, primarily due to recognition of proceeds from the Other Post Employment Benefit (OPEB) Obligation Bond of 2005. The Bond was issued to retire the Unfunded Actuarial Accrued Liability as of September 30, 2003.

City of Gainesville
General Fund

Schedule of Sources and Uses
For the Nine Months Ending June 30, 2005

	Prior Year		Current Modified Budget		Actual		FY05 Projected	
	Budget	%	Budget	%	Budget	%	Budget	%
SOURCES:								
Taxes	\$30,313,270	87.4%	\$31,876,399	86.6%	\$27,603,783	86.6%	\$31,462,413	98.7%
Licenses and Permits	2,204,098	94.9%	2,474,864	94.1%	2,327,812	94.1%	2,592,156	104.7%
Intergovernmental	8,828,205	68.9%	9,744,233	78.8%	7,681,532	78.8%	10,448,354	107.2%
Charges for Services	6,294,774	75.6%	6,909,227	66.9%	4,624,085	66.9%	6,393,533	92.5%
Fines & Forfeitures	1,533,981	57.0%	1,497,437	49.3%	738,766	49.3%	1,119,051	74.7%
Miscellaneous	990,614	73.2%	1,465,814	79.1%	1,159,346	79.1%	1,394,728	95.2%
Transfers In	27,682,059	74.2%	28,313,504	74.9%	21,197,212	74.9%	28,506,558	100.7%
TOTAL SOURCES	\$77,847,001	79.1%	\$82,281,478	79.4%	\$65,332,536	79.4%	\$81,916,793	99.6%
USES:								
Personal Services	47,877,652	73.6%	51,088,037	71.7%	36,644,859	71.7%	50,146,000	98.2%
Operating	19,500,387	77.0%	20,232,280	78.7%	15,917,161	78.7%	20,232,280	100.0%
Capital	477,304	86.9%	957,428	45.0%	431,267	45.0%	957,428	100.0%
Non-Departmental	4,320,234	66.5%	4,320,304	68.8%	2,973,756	68.8%	4,233,898	98.0%
Transfers Out	9,330,238	69.1%	10,048,508	64.5%	6,483,348	64.5%	8,500,000	84.6%
TOTAL USES	\$81,505,815	73.6%	\$86,646,557	72.1%	\$62,450,391	72.1%	\$84,069,606	97.0%
SURPLUS/(DEFICIT)	\$ (3,658,814)		\$ (4,365,079)		\$ 2,882,145		\$ (2,152,813)	

Beginning Fund Balance, October 1	13,264,280
Ending Fund Balance (projected), September 30	\$ 11,111,467

Note: The adopted and modified budgets include a use of fund balance - see pages 9 and 10.

Cl. esville
 General Fund
 Schedule of Sources - Budget to Actual
 For the Nine Months Ending June 30, 2005

	Prior Year Budget	Prior Year Actual	%	Current Modified Budget	Actual	%	FY05 Projected Revenues	%
TAXES:								
Property Taxes, Net	\$16,751,152	\$16,865,876	100.7%	\$18,204,817	\$18,142,488	99.7%	\$ 18,145,697	99.7%
Local Option Gas Tax	544,146	475,586	87.4%	665,387	754,368	113.4%	768,364	115.5%
Utility Taxes	6,757,469	4,951,526	73.3%	6,792,667	4,519,551	66.5%	6,473,109	95.3%
Simplified Telecommunications Tax	6,095,737	4,173,611	68.5%	5,947,000	4,168,417	70.1%	5,750,000	96.7%
Other Taxes	164,766	17,436	10.6%	266,528	18,959	7.1%	325,243	122.0%
TOTAL TAXES	\$30,313,270	\$26,484,035	87.4%	\$31,876,399	\$27,603,783	86.6%	\$31,462,413	98.7%
LICENSES AND PERMITS:								
Occupational Licenses	898,908	885,109	98.5%	903,350	907,586	100.5%	920,000	101.8%
Building Permits	833,578	698,657	83.8%	921,189	907,361	98.5%	1,063,000	115.4%
Electric, Plumbing & Gas Permits	157,653	214,489	136.1%	315,665	195,653	62.0%	245,409	77.7%
Landlord Licensing Fees	236,246	246,450	104.3%	255,780	229,046	89.5%	233,000	91.1%
Other Licenses & Permits	77,713	46,609	60.0%	78,880	58,166	73.8%	130,747	165.8%
TOTAL LICENSES AND PERMITS	\$2,204,098	\$2,091,313	94.9%	\$2,474,964	\$2,327,812	94.1%	\$2,592,156	104.7%
INTERGOVERNMENTAL:								
State Revenue Sharing	2,099,255	822,705	39.2%	2,984,555	1,948,770	65.1%	2,976,938	99.4%
Half Cent Sales Tax	6,193,202	4,989,968	80.6%	6,042,282	5,093,184	84.3%	6,764,000	111.9%
Other	535,748	270,044	50.4%	707,416	639,578	90.4%	707,416	100.0%
TOTAL INTERGOVERNMENTAL	\$ 8,828,205	\$ 6,082,717	68.9%	\$ 9,744,233	\$ 7,681,532	78.8%	\$ 10,448,354	107.2%
CHARGES FOR SERVICES:								
Airport Security Services	256,889	137,216	53.4%	270,637	141,131	52.1%	270,637	100.0%
Airport Fire Services	399,228	248,204	62.2%	384,913	268,655	69.8%	384,913	100.0%
GPD Billable Overtime	651,000	591,131	90.8%	500,000	373,904	74.8%	457,000	91.4%
Other GPD Fees and Contracts	329,832	241,159	73.1%	362,407	224,175	61.9%	362,407	100.0%
County Fire Protection	-	125,473	0.0%	127,982	95,988	75.0%	127,982	100.0%
Zoning and Planning Fees	236,430	200,900	85.0%	312,355	164,758	52.7%	169,030	54.1%
Parking Fees	247,515	138,997	56.2%	605,425	221,741	36.6%	370,270	61.2%
Recreation Fees	301,292	185,577	61.6%	357,698	230,037	64.3%	368,877	103.1%
Cultural Affairs Fees	111,808	76,598	68.5%	114,044	56,205	49.3%	85,956	75.4%
Traffic Signal Contracts	177,817	128,564	72.3%	181,154	123,124	68.0%	181,154	100.0%
Indirect Services	3,415,856	2,556,198	74.8%	3,495,307	2,617,413	74.9%	3,495,307	100.0%
Other Charges for Services	167,107	128,090	76.7%	197,305	106,954	54.2%	120,000	60.8%
TOTAL CHARGES FOR SERVICES	\$ 6,294,774	\$ 4,758,107	75.6%	\$ 6,909,227	\$ 4,624,065	66.9%	\$ 6,393,533	92.5%
FINES AND FORFEITURES:								
Court Fines & Forfeitures	984,344	665,922	67.7%	985,000	594,352	54.2%	766,000	77.8%
Code Enforcement Penalties	24,319	8,663	35.6%	24,684	17,843	71.5%	24,684	100.0%
Parking Fines	319,000	200,250	62.8%	325,222	161,487	49.7%	200,385	61.6%
Municipal Ordinance	-	-	0.0%	22,500	25,284	112.4%	30,000	133.3%
False Alarm Penalties	206,318	-	0.0%	140,031	-	0.0%	97,982	70.0%
TOTAL FINES AND FORFEITURES	\$ 1,533,981	\$ 874,835	57.0%	\$ 1,497,437	\$ 738,766	49.3%	\$ 1,119,051	74.7%
MISCELLANEOUS REVENUES:								
Investment Income	600,000	514,120	85.7%	675,000	326,685	48.4%	419,451	62.1%
Rental of City Property	111,427	60,563	54.4%	113,656	59,159	52.1%	181,000	159.3%
Surplus Equipment Sales Proceeds	17,441	38,789	222.4%	17,780	44,277	249.9%	44,277	248.9%
Other Miscellaneous	261,746	111,856	42.7%	659,368	729,225	110.6%	750,000	113.7%
TOTAL MISCELLANEOUS REVENUES	\$ 990,614	\$ 725,328	73.2%	\$ 1,465,814	\$ 1,159,346	79.1%	\$ 1,394,728	95.2%
TRANSFERS FROM OTHER FUNDS:								
GRU Transfers	27,238,025	20,217,404	74.2%	27,210,060	20,369,629	74.9%	27,210,060	100.0%
Transfers from Other Funds	444,034	329,789	74.3%	1,103,444	827,583	75.0%	1,296,498	117.5%
TOTAL TRANSFERS	\$ 27,682,059	\$ 20,547,193	74.2%	\$ 28,313,504	\$ 21,197,212	74.9%	\$ 28,506,558	100.7%
TOTAL SOURCES	\$ 77,847,001	\$ 61,563,528	79.1%	\$ 82,281,478	\$ 65,332,536	79.4%	\$ 81,916,793	99.6%

City of Gainesville
General Fund
Schedule of Uses - Budget to Actual
For the Nine Months Ending June 30, 2005

	Prior Year Budget	Actual Obligations	%	Current Modified Budget	Actual Obligations	%
Economic Development	\$ 208,107	\$ 142,521	68.5%	\$ 309,136	\$ 175,112	56.6%
Administrative Services	192,123	140,057	72.9%	192,636	131,594	68.3%
City Commission	213,566	182,783	85.6%	234,576	191,867	81.8%
Clerk of the Commission	698,280	490,283	70.2%	670,020	502,107	74.9%
City Manager	584,706	443,898	75.9%	635,823	452,311	71.1%
City Auditor	414,945	286,600	69.1%	420,100	235,288	56.0%
City Attorney	1,107,529	762,279	68.8%	1,281,693	854,692	66.7%
Computer Services	2,107,906	1,657,863	78.6%	2,116,673	1,518,577	71.7%
Finance	2,380,077	1,677,098	70.5%	2,501,508	1,716,168	68.6%
Equal Opportunity	522,954	313,182	59.9%	434,856	258,479	59.4%
Community Development	2,428,433	1,695,066	69.8%	2,522,977	1,714,717	68.0%
Public Works	6,860,172	5,012,579	73.1%	7,413,831	5,377,423	72.5%
Police	24,391,150	18,367,846	75.3%	25,896,389	19,530,187	75.4%
Fire	11,470,643	8,696,941	75.8%	12,163,047	9,102,519	74.8%
Combined Communications Center	2,574,109	2,373,467	92.2%	2,574,109	2,483,111	96.5%
Recreation and Parks	5,301,490	3,833,035	72.3%	6,289,888	4,120,319	65.5%
Building Inspections	1,223,569	889,180	72.7%	1,286,051	892,286	69.4%
Cultural Affairs	1,208,250	947,172	78.4%	1,149,235	885,180	77.0%
Human Resources	1,268,703	871,442	68.7%	1,321,952	887,670	67.1%
Facilities Management	2,052,117	1,471,489	71.7%	2,111,521	1,431,117	67.8%
Office of Management & Budget	512,832	328,847	64.1%	517,399	383,616	74.1%
Small Business Development	102,382	74,733	73.0%	-	-	0.0%
Public Information Office	-	-	0.0%	306,889	149,345	48.7%
TOTAL DEPARTMENTAL EXPENSES	\$ 67,824,043	\$ 50,658,361	74.7%	\$ 72,350,309	\$ 52,993,685	73.2%
NON-DEPARTMENTAL:						
County Street Lights	599,938	446,330	74.4%	612,264	498,144	81.4%
County Fire Hydrants	430,622	335,442	77.9%	452,811	345,376	76.3%
Retiree Health Insurance	2,375,570	1,720,366	72.4%	2,352,377	1,828,245	77.7%
City Commission & Other Contingencies	363,938	21,022	5.8%	332,109	-	0.0%
Transfers to Other Funds	9,330,238	6,444,506	69.1%	9,647,975	6,483,348	67.2%
Other Non-Departmental	581,466	370,036	63.6%	898,712	301,593	33.6%
TOTAL NON-DEPARTMENTAL EXPENSES	\$ 13,681,772	\$ 9,337,702	68.2%	\$ 14,296,248	\$ 9,456,706	66.1%
TOTAL USES	\$ 81,505,815	\$ 59,996,063	73.6%	\$ 86,646,557	\$ 62,450,391	72.1%