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FY 2005
**QUARTERLY MONITORING
REPORT**
DECEMBER 31, 2004



**OFFICE OF
MANAGEMENT AND BUDGET**

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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 first 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 first quarter of the fiscal year. General Fund Sources came in at 33.4% of the budget; a lower rate of revenue recognition than the previous year. The major source of this decline is in tax revenues. Recognition of two of the three major tax revenues, Property and Simplified Telecommunications, are behind last year's pace. The third major tax revenue, Utility Tax, is being recognized ahead of the budgeted pace. Normally, a greater share of the budget for Utility Tax is recognized during the winter months. Other major revenue categories have remained relatively constant over the previous year. At the end of the first quarter, staff is projecting revenues will come in about 0.3% below budget by the end of the year.

Total first quarter uses are within budget parameters at 23.6% of budget and are projected to end the fiscal year at approximately 98.7% of budget.

If projections hold, the General Fund will end the year with a decrease in fund balance of close to \$1,283,000. However, this is less than 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. Also, this projection will be revised as additional appropriations from fund balance are made from already approved reservations.

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 first quarter, stormwater revenues are being recognized at approximately 1.0% behind the budgeted pace. Fiscal year-end projected sources, before grant and capital contributions revenues, are also expected to be slightly below budgeted forecast.

The total operating uses, before depreciation, decreased from the prior year and are within budget parameters at 18.5%.

First quarter sources exceed uses by approximately \$385,000. As planned, based on first quarter numbers, this Fund should end the fiscal year with a surplus, before depreciation, of approximately \$943,000, which will be used to finance Stormwater infrastructure improvements.

Ironwood Golf Course Fund

The Ironwood Golf Course Fund showed slight improvement compared to the first quarter of FY 04, despite early quarter closures due to Hurricane Jeane. However, the golf course operation is still experiencing losses beyond what was anticipated and several management actions have been taken in attempt to reduce the forecasted deficit. In the first quarter alone the fund ran a deficit of \$98,005 before depreciation.

First quarter revenues are at 18.1% of budget in FY 05 compared to 16.2% in FY 04. One area of concern is the amount of discounts offered throughout the year. Through discussions with management staff, a reevaluation of specials is currently being done with some changes in discounts offered during peak season to be implemented this year. The reduction of discounts is focused on bringing the green fee revenue to \$12 per round, as budgeted.

Expenditures have decreased from FY 04, mostly due to the change in concession operation. Total expenditures are at 25.6% of budget compared to 28.0% in FY 04. Gross operating expenditures have decreased by nearly \$80,000 from last fiscal year with about \$65,000 of the decrease relating to the change from full service restaurant to a snack bar environment in March of 2004. Based on activities to date, the Golf Course is projected to end the year with an operating deficit, before depreciation, of approximately \$203,000.

Solid Waste Fund

When controlled for encumbrances, this Fund finished the first quarter with a surplus. This condition is due to traditionally slower recognition of expenditures in the first quarter, which will eventually catch up before fiscal year end. Due primarily to the rate increase approved effective in January 2004, this Fund is expected to finish this year with a surplus of about \$406,000. This outcome is consistent with the strategy adopted to rebuild the fund balance for this Fund after keeping rates unchanged for the last five years.

The clean up cost associated with the "Old Landfill Project" continues to be an issue for this Fund.

Regional Transit System

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

For the first quarter in FY 05, this Fund had an operating loss before depreciation of about \$1,760,757, which can be attributed primarily to timing issues in the area of revenue collection and to recognition of encumbrances. When controlled for encumbrances, the first quarter loss is more reasonable at about \$488,000. The FDOT and FTA Grant revenues are examples of revenues that normally lag behind average budgeted pace. In addition, a portion of revenue received from the University of Florida is received on a semester basis, thus first quarter receipts from UF lag behind when compared to other quarters.

After controlling for timing issues mentioned previously, current projections for FY 05 anticipates a surplus of approximately \$50,000 (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 acting in accordance with budgeted dollars 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. When controlled for encumbrances, first quarter revenues exceeded expenditures by \$73,467 – about 2% of total budget. Current projections are for a modest loss of about \$8,000 for the year, again indicating the break-even philosophy of this fund.

Current trends indicate that there will be a small decrease in retained earnings at year-end. However, prior year retained earnings are more than enough to cover this projected deficit without negatively affecting this Fund's future operations.

General Insurance Fund

The General Insurance Fund is projected to finish the fiscal year with a surplus. Total revenues are down slightly from previous fiscal year, 24.8% compared to 26.3% respectively. This decrease is due to slower recognition of revenues for worker's compensation coverage, which will be caught up in the second quarter.

Total uses have increased from 38.3% in FY 04 to 44.3% in FY 05. Significant portion of this increase is due to an increase in the cost of worker's compensation insurance. Some of this increase can also be explained by comparing the amount encumbered between fiscal years. In FY 04 at this time, about \$66,000 had been encumbered compared to over \$187,000 through the first quarter of FY 05. Typically, this fund encumbers a large portion of their budget in the beginning of the fiscal year.

This fund is projected to end the fiscal year with a surplus of over \$395,000 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 first quarter of the FY 05, the EHAB fund shows no significant deviations from budgeted parameters. As a percent of budget, revenues are up modestly compared to the previous year, 20.8% to 22.1% respectively. Revenues are projected to slightly exceed budgeted expectations at the end of the fiscal year.

Expenditures have increased from 22.8% in FY 04 to 29.2% in FY 05. Most of this increase can be attributed to the amount of insurance claims, up from 23.8% in FY 04 to 31.9% in FY 05, amounting to a nearly \$445,000 increase. This increase is a result of an administrative decision to charge (based on actuarial consultant's recommendation) expenses that were previously charged to the Retiree Health & Accident Benefits Fund to the EHAB 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 \$551,000 for FY 05. Building on the FY 04 surplus of over \$551,000, this would increase the retained earnings to about \$1.1 million.

Retiree Health & Accident Benefits Fund (REHAB)

The performance of the REHAB fund through the first quarter of FY 05 improved from FY 04. Currently there is an operating surplus of about \$1.3 million, compared to about \$544,000 in FY 04. Revenues are at 24.9% of the budget, compared to 23.1% the previous fiscal year. Expenditures are down with only 0.5% of the budget expended compared to 12.8% in FY 04. This 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 will be replaced with an insurance premium expense. All of the necessary budgetary and accounting changes per the consultant's recommendation should be completed by the second quarter.

Currently, staff projects a year-end surplus of approximately \$2.4 million. This would increase the FY 04 surplus of almost \$14 million and further the goal of building up retained earnings in preparation for anticipated future increases in obligations.

Given the volatility of expenditures for claims it is difficult to develop firm projections in the EHAB and REHAB funds based on first quarter activity. The new plan design implemented at the beginning of calendar year 2004 included a lower-cost base plan option, which has improved the performance of both funds. As we move further into 2005, claims activity will give us a better indication of the impacts of this change. Staff will continue to monitor activities and revise projections as appropriate on a quarterly basis.

City of Gainesville
General Fund
Schedule of Sources and Uses
For the Three Months Ending December 31, 2004

	Prior Year		Current Modified Budget		Actual		%
	Budget	Actual	Budget	Actual	Budget	Actual	
SOURCES:							
Taxes	\$30,313,270	\$17,000,607	\$31,876,399	\$15,141,535			47.5%
Licenses and Permits	2,204,098	533,530	2,443,830	1,208,242			49.4%
Intergovernmental	8,828,205	1,591,727	9,680,638	1,640,748			16.9%
Charges for Services	6,096,085	1,423,683	6,881,737	1,341,855			19.5%
Fines & Forfeitures	1,533,981	296,658	1,474,715	250,836			17.0%
Miscellaneous	993,614	179,797	1,145,890	364,474			31.8%
Transfers In	27,682,059	6,785,519	28,313,504	7,349,229			26.0%
TOTAL SOURCES	\$77,651,312	\$27,811,521	\$81,816,713	\$27,296,919			33.4%
USES:							
Personal Services	47,677,832	10,294,767	51,128,838	10,787,193			21.1%
Operating	19,762,575	5,778,147	20,210,381	5,807,151			28.7%
Capital	424,265	192,293	813,639	96,220			11.8%
Non-Departmental	4,626,589	848,118	4,392,717	977,777			22.3%
Transfers Out	7,299,751	1,673,025	7,415,351	2,145,294			28.9%
TOTAL USES	\$79,791,012	\$18,786,350	\$83,960,926	\$19,813,635			23.6%
SURPLUS/(DEFICIT)	\$ (2,139,700)	\$ 9,025,171	\$ (2,144,213)	\$ 7,483,284			
					\$ 82,875,596	\$ (1,282,587)	98.7%

Beginning Fund Balance, October 1	13,264,280
Ending Fund Balance (projected), September 30	\$ 11,981,693

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

City of Asheville
 General Fund
 Schedule of Sources - Budget to Actual
 For the Three Months Ending December 31, 2004

	Prior Year Budget	Prior Year Actual	%	Current Modified Budget	Actual	%	FY05 Projected Revenues	%
TAXES:								
Property Taxes, Net	\$16,751,152	\$13,690,112	81.7%	\$18,204,817	\$11,890,677	65.3%	\$ 18,145,697	99.7%
Local Option Gas Tax	544,146	138,933	25.5%	665,387	199,003	29.9%	768,364	115.5%
Utility Taxes	6,757,489	1,650,355	24.4%	6,792,667	2,077,014	30.6%	6,536,909	96.2%
Simplified Telecommunications Tax	6,095,737	1,517,474	24.9%	5,947,000	972,632	16.4%	5,758,000	96.8%
Other Taxes	164,766	3,733	2.3%	266,528	2,209	0.8%	266,528	100.0%
TOTAL TAXES	\$30,313,270	\$17,000,607	56.1%	\$31,876,399	\$15,141,535	47.5%	\$31,475,498	98.7%
LICENSES AND PERMITS:								
Occupational Licenses	898,908	186,494	20.7%	903,350	767,211	84.9%	892,000	98.7%
Building Permits	833,578	225,781	27.1%	890,155	326,019	36.6%	1,199,110	134.7%
Electric, Plumbing & Gas Permits	157,653	71,780	45.5%	315,665	64,382	20.4%	281,038	89.0%
Landlord Licensing Fees	236,246	30,305	12.8%	255,780	30,180	11.8%	249,023	97.4%
Other Licenses & Permits	77,713	19,170	24.7%	78,880	20,472	26.0%	78,880	100.0%
TOTAL LICENSES AND PERMITS	\$2,204,098	\$533,530	24.2%	\$2,443,830	\$1,208,242	49.4%	\$2,700,049	110.5%
INTERGOVERNMENTAL:								
State Revenue Sharing	2,089,255	-	0.0%	2,994,555	1,568,069	52.4%	2,976,938	99.4%
Half Cent Sales Tax	6,193,202	1,530,300	24.7%	6,042,262	1,568,069	26.0%	6,143,251	101.7%
Other	535,748	61,427	11.5%	643,821	72,679	11.3%	643,821	100.0%
TOTAL INTERGOVERNMENTAL	\$ 8,828,205	\$ 1,591,727	18.0%	\$ 9,680,638	\$ 1,640,748	16.9%	\$ 9,764,010	100.9%
CHARGES FOR SERVICES:								
Airport Security Services	256,869	16,180	6.3%	270,637	16,463	6.1%	270,637	100.0%
Airport Fire Services	399,228	82,735	20.7%	384,913	81,804	21.3%	384,913	100.0%
GPD Billable Overtime	471,803	271,638	57.8%	500,000	216,583	43.3%	500,000	100.0%
Other GPD Fees and Contracts	329,832	41,271	12.5%	362,407	33,662	9.3%	362,407	100.0%
County Fire Protection	-	-	0.0%	127,982	-	-	83,353	65.1%
Zoning and Planning Fees	236,430	46,168	19.5%	312,355	18,199	5.8%	312,355	100.0%
Parking Fees	247,515	52,073	21.0%	805,423	45,575	5.7%	605,425	75.2%
Recreation Fees	281,800	20,490	7.3%	330,208	2,869	0.9%	330,208	100.0%
Cultural Affairs Fees	111,808	22,603	20.2%	114,044	19,330	16.9%	114,044	100.0%
Traffic Signal Contracts	177,817	9,109	5.1%	181,154	3,282	1.8%	181,154	100.0%
Indirect Services	3,415,656	828,080	24.2%	3,495,307	872,471	25.0%	3,495,307	100.0%
Other Charges for Services	167,107	33,336	19.9%	197,305	31,607	16.0%	197,305	100.0%
TOTAL CHARGES FOR SERVICES	\$ 6,096,085	\$ 1,423,683	23.4%	\$ 6,861,737	\$ 1,341,855	19.5%	\$ 6,837,108	99.4%
FINES AND FORFEITURES:								
Court Fines & Forfeitures	984,344	212,069	21.5%	985,000	181,333	18.4%	766,000	77.8%
Code Enforcement Penalties	24,319	1,170	4.8%	24,684	7,317	29.6%	24,684	100.0%
Parking Fines	319,000	83,419	26.2%	325,000	62,186	19.1%	238,284	73.3%
False Alarm Penalties	206,318	-	0.0%	140,031	-	0.0%	97,982	70.0%
TOTAL FINES AND FORFEITURES	\$ 1,533,981	\$ 296,658	19.3%	\$ 1,474,715	\$ 250,836	17.0%	\$ 1,126,950	76.4%
MISCELLANEOUS REVENUES:								
Investment Income	600,000	139,451	23.2%	675,000	54,027	8.0%	675,000	100.0%
Rental of City Property	111,427	10,210	9.2%	113,656	25,427	22.4%	113,656	100.0%
Surplus Sales Proceeds	17,441	-	0.0%	17,790	-	0.0%	17,790	100.0%
Other Miscellaneous	264,746	30,136	11.4%	339,444	285,020	84.0%	569,444	167.8%
TOTAL MISCELLANEOUS REVENUES	\$ 983,614	\$ 179,797	18.1%	\$ 1,145,890	\$ 364,474	31.8%	\$ 1,375,890	120.1%
TRANSFERS FROM OTHER FUNDS:								
GRU Transfers	27,238,025	6,677,839	24.5%	27,210,060	7,349,229	27.0%	27,210,060	100.0%
Transfers from Other Funds	444,034	107,680	24.3%	1,103,444	-	0.0%	1,103,444	100.0%
TOTAL TRANSFERS	\$ 27,682,059	\$ 6,785,519	24.5%	\$ 28,313,504	\$ 7,349,229	26.0%	\$ 28,313,504	100.0%
TOTAL SOURCES	\$ 77,651,312	\$ 27,811,521	35.8%	\$ 81,816,713	\$ 27,296,919	33.4%	\$ 81,583,009	99.7%

City of Gainesville
General Fund

Schedule of Uses - Budget to Actual
For the Three Months Ending December 31, 2004

	Prior Year Budget	Actual Obligations	%	Current Modified Budget	Actual Obligations	%
Economic Development	\$ 193,107	\$ 29,412	15.2%	\$ 294,136	\$ 31,222	10.6%
Administrative Services	192,123	46,522	24.2%	188,636	38,164	20.2%
City Commission	213,566	56,279	26.4%	234,576	56,411	24.0%
Clerk of the Commission	699,280	158,708	22.7%	670,020	179,898	26.8%
City Manager	587,706	183,712	31.3%	655,823	215,399	32.8%
City Auditor	408,622	85,640	21.0%	420,100	63,165	15.0%
City Attorney	1,107,529	242,890	21.9%	1,277,443	241,893	18.9%
Computer Services	2,107,906	503,193	23.9%	2,116,673	407,796	19.3%
Finance	2,370,077	643,765	27.2%	2,509,208	635,505	25.3%
Equal Opportunity	522,954	122,241	23.4%	434,856	81,270	18.7%
Community Development	2,388,467	558,173	23.4%	2,472,977	546,807	22.1%
Public Works	6,860,172	1,517,628	22.1%	7,417,998	1,647,382	22.2%
Police	24,212,953	5,564,536	23.0%	25,887,997	6,201,860	24.0%
Fire	11,835,792	2,668,374	22.5%	12,096,252	2,758,248	22.8%
Combined Communications Center	2,574,109	1,190,731	46.3%	2,574,109	806,017	31.3%
Recreation and Parks	5,237,456	1,168,125	22.3%	6,152,707	1,217,609	19.8%
Building Inspections	1,223,569	255,262	20.9%	1,286,051	246,363	19.2%
Cultural Affairs	1,193,250	391,131	32.8%	1,129,235	415,192	36.8%
Human Resources	1,268,703	251,010	19.8%	1,321,952	261,241	19.8%
Facilities Management	2,052,117	493,365	24.0%	2,211,521	495,984	22.4%
Office of Management & Budget	512,832	112,458	21.9%	513,699	120,503	23.5%
Small Business Development	102,382	22,052	21.5%	-	-	0.0%
Public Information Office	-	-	0.0%	286,889	22,695	7.9%
TOTAL DEPARTMENTAL EXPENSES	\$ 67,864,672	\$ 16,265,207	24.0%	\$ 72,162,858	\$ 16,690,564	23.1%
NON-DEPARTMENTAL:						
County Street Lights	599,938	146,314	24.4%	612,264	160,235	26.2%
County Fire Hydrants	430,622	110,064	25.6%	452,811	114,193	25.2%
Retiree Health Insurance	2,375,570	534,245	22.5%	2,352,377	577,922	24.6%
City Commission & Other Contingencies	376,050	17,416	4.6%	310,425	-	0.0%
Transfers to Other Funds	7,299,751	1,673,025	22.9%	7,415,351	2,145,294	28.9%
Other Non-Departmental	844,409	40,079	4.7%	664,840	125,427	18.9%
TOTAL NON-DEPARTMENTAL EXPENSES	\$ 11,926,340	\$ 2,521,143	21.1%	\$ 11,808,068	\$ 3,123,071	26.4%
TOTAL USES	\$ 79,791,012	\$ 18,786,350	23.5%	\$ 83,960,926	\$ 19,813,635	23.6%