

# GENERAL OPERATING FUND

## FINANCIAL ADMINISTRATION

ACCOUNT 001-1060-551

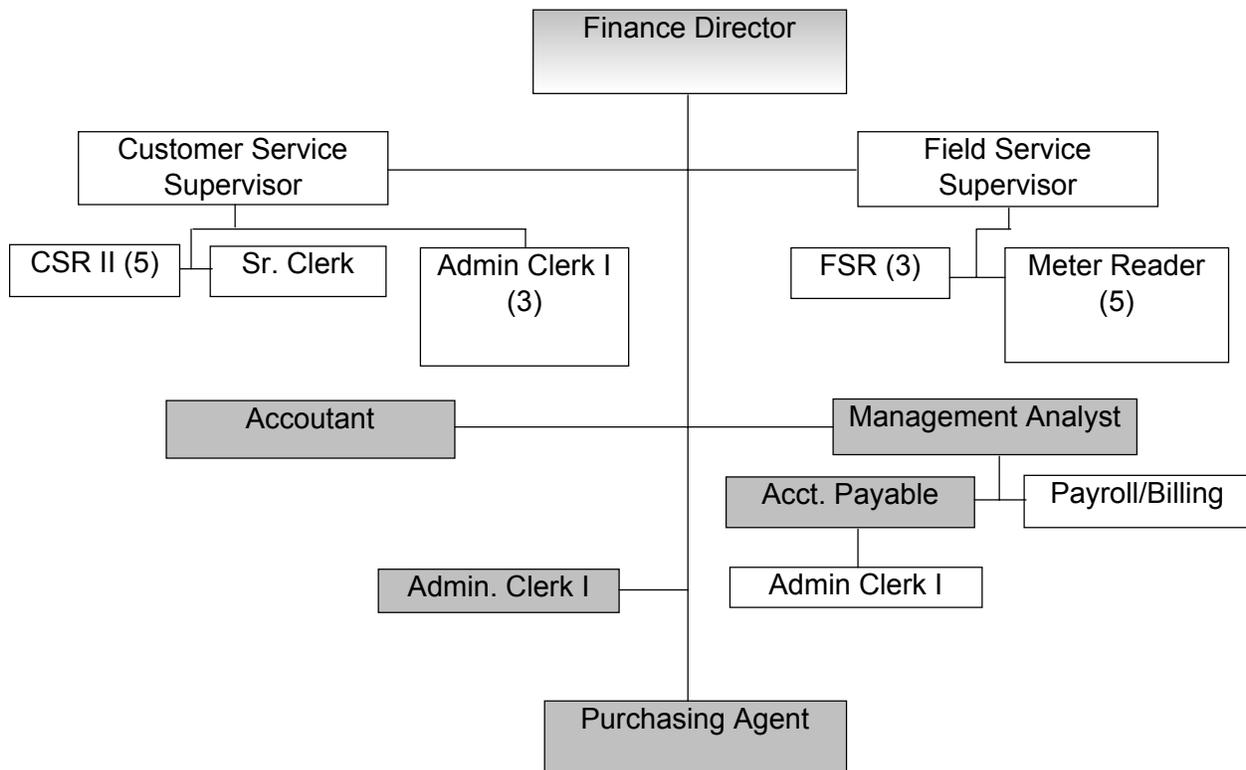
### 2005 DEPARTMENT / DIVISION SPENDING SUMMARY

EXPENDITURES	2003 Actual	2004 Adopted	2004 Estimate	2005 Budget
Personal Services	\$ 257,747	\$ 296,230	\$ 296,230	\$ 303,308
Contractual Services	7,142	19,900	19,900	17,900
Commodities	7,248	12,250	12,250	14,950
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
<b>Total</b>	<b>\$ 272,137</b>	<b>\$ 328,380</b>	<b>\$ 328,380</b>	<b>\$ 336,158</b>

### DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2003 Actual	2004 Adopted	2004 Estimate	2005 Budget
Authorized Positions	5.63	5.13	5.13	5.13

### DEPARTMENT / DIVISION ORGANIZATIONAL CHART



\*Shading included positions shaded from this account.

## DEPARTMENT / DIVISION PROFILE

The Administration Division of the Finance Department is responsible for the overall financial administration of the City of Lawrence. Major responsibilities include accounting, investing, purchasing, accounts payable, and debt management. The division strives to provide excellent service to citizens, contractors, suppliers, and employees. We treat customers with courtesy, respect and empathy. The division works with other departments to develop procedures to use funds properly and productively. The financial operations of the City are governed by many standards and statutes. Some standards, such as accounting and auditing, are developed by independent standard setting bodies. Governmental accounting standards are set by the Government Accounting Standards Board (GASB). State statutes and internal policies govern our investment practices, such as types of investments and length of maturities. We also operate under purchasing guidelines approved by the City Commission that specify when bids must be obtained and who may approve various purchases. Debt issuance is governed by State and Federal statutes. The legality of our debt issuance is reviewed by the Attorney General's Office. The underwriters who purchase our debt are governed by the Securities Exchange Commission. Because of these requirements, there are strict guidelines as to what the City must disclose about our financial position to properly inform our bondholders.

**Significant Issues for 2005** - The increase in Personal Services for 2005 can be attributed to merit increases for eligible employees, a 2% general wage adjustment, and implementation of the Primary Pay Plan. There is a reduction in funds for professional programming and an increase in the supply budget to update our scanning equipment.

## CURRENT YEAR ACCOMPLISHMENTS

- Received Certificate of Achievement from the GFOA for our 2003 financial report.
- Developed a financial policy on the balance in the General Fund that was adopted by the City Commission.
- Scanned all invoices and supporting documents within one week of approval.
- Developed Request for Proposal template to help departments comply with the City's purchasing policies and procedures.
- Continued Cooperative Purchasing to obtain lower prices on items including police cars, dump trucks, natural gas, and mail services.
- Maintained a Aa2 rating from Moody's on our general obligation debt.

## MAJOR GOALS AND OBJECTIVES FOR 2005

1. Prepare the 2003 financial report in accordance with the GASB 34 accounting standard.
2. Structure the investment portfolio to insure return of principal, while exceeding the rate of return of the 91 day Treasury Bill by 10 basis points.
3. Ensure payment in lieu of taxes are billed on a timely and accurate basis.
4. Monitor revenues to determine trends and alert City Commission to areas of concern.
5. Monitor efforts to collect delinquent revenues owed to the City.

## PERFORMANCE INDICATORS

	2003 Actual	2004 Estimated	2005 Projected	Standard
Number of basis points above 91 day Treasury	150	90	50	10
% of time vendors paid accurately within 30 days	94	95%	95%	95%
% of submitted delinquent amounts collected	N/A	15	20	25

**GENERAL OPERATING FUND****GENERAL OVERHEAD****ACCOUNT 001-1065-555****2005 DEPARTMENT / DIVISION SPENDING SUMMARY**

<b>EXPENDITURES</b>	<b>2003 Actual</b>	<b>2004 Adopted</b>	<b>2004 Estimate</b>	<b>2005 Budget</b>
<b>Personal Services</b>	\$ 1,953,784	\$ 2,144,168	\$ 2,144,168	\$ 2,286,711
<b>Contractual Services</b>	28,033	15,000	15,000	28,000
<b>Commodities</b>	-	-	-	-
<b>Refunds</b>	-	-	-	-
<b>Debt Service</b>	19,276	-	-	19,276
<b>Transfers</b>	-	-	-	-
<b>Contingency</b>	-	100,000	100,000	200,000
<b>Total</b>	\$ 2,001,093	\$ 2,259,168	\$ 2,259,168	\$ 2,533,987

**DEPARTMENT / DIVISION PERSONNEL SUMMARY**

<b>PERSONNEL</b>	<b>2003 Actual</b>	<b>2004 Adopted</b>	<b>2004 Estimate</b>	<b>2005 Budget</b>
<b>Authorized Positions</b>	N/A	N/A	N/A	N/A

**DEPARTMENT / DIVISION ORGANIZATIONAL CHART**

The General Overhead Division is used to account for expenses common to several departments such as auditing, postage, dispatching, and office leases. **Significant Issues for 2005** include an increase of 11.4% over 2004 for outside agencies due to increased funding for previously funded agencies as well as the addition of new agencies in the outside agency funding program. The following agencies will receive grants from this budget:

Lawrence Humane Society	\$250,000
Chamber of Commerce	116,569
Douglas County CASA	13,300
Douglas County Legal Aid	37,500
Van Go Mobile Arts	30,000
WTCS	6,000
Downtown Lawrence	47,500
Douglas County Visitation Center	7,500
Health Care Access	17,000
Housing and Credit Counseling	8,367
Lawrence Arts Center	105,000
Ballard Community Center	6,000
Partnership for Children/Youth	50,000
Salvation Army	30,000
Jayhawk Area Agency on Aging	7,750
Boys & Girls Club of Lawrence	82,000
Ecumenical Minister's Fellowship	5,000
Warm Hearts	6,000
The Shelter	33,725
<b>TOTAL</b>	<b>859,211</b>

**GENERAL OPERATING FUND****TRANSFER****ACCOUNT 001-1068-558****2005 DEPARTMENT / DIVISION SPENDING SUMMARY**

<b>EXPENDITURES</b>	<b>2003 Actual</b>	<b>2004 Adopted</b>	<b>2004 Estimate</b>	<b>2005 Budget</b>
<b>Personal Services</b>	\$ 2,434,101	\$ 2,913,805	\$ 2,913,805	\$ 3,155,766
<b>Contractual Services</b>	-	-	-	-
<b>Commodities</b>	-	-	-	-
<b>Capital Outlay</b>	-	-	-	-
<b>Debt Service</b>	-	-	-	-
<b>Transfers</b>	3,707,000	3,636,000	3,636,000	4,474,000
<b>Contingency</b>	-	-	-	-
<b>Total</b>	\$ 6,141,101	\$ 6,549,805	\$ 6,549,805	\$ 7,629,766

**DEPARTMENT / DIVISION PERSONNEL SUMMARY**

<b>PERSONNEL</b>	<b>2003 Actual</b>	<b>2004 Adopted</b>	<b>2004 Estimate</b>	<b>2005 Budget</b>
<b>Authorized Positions</b>	N/A	N/A	N/A	N/A

**DEPARTMENT / DIVISION ORGANIZATIONAL CHART**

The Transfer Division is used to account for employer contributions to the City health care program and to account for transfers to other funds from the General Fund. Significant Issues for 2005 include an increase in health care plan costs for existing employees and retirees in the General Fund. Two new positions were added to the General Fund in 2005, increasing health care costs. The following transfers are budgeted for 2005:

<u>Health Insurance Fund</u> - This fund is used for the city's contribution to annual health insurance costs for employees and their families.	\$ 3,155,766
<u>Equipment Reserve Fund</u> - This fund is reserved to cover the cost of repair and purchase of equipment as necessary.	200,000
<u>Capital Improvement Reserve Fund</u> - This fund is reserved for capital improvement projects throughout the year.	200,000
<u>Sales Tax Reserve Fund</u> - This fund is reserved to make up for shortfalls in sales tax revenues.	2,760,000
<u>Recreation Fund</u> - Part of the sales tax collected each year is transferred into the Recreation Fund (see pages F-1 through F-5) to pay for recreation projects and operations.	1,304,000
<u>Housing Trust Fund</u> - The City Commission established a Housing Trust Fund in 1999 in order to provide affordable housing in the city.	10,000
<b>TOTAL</b>	<b>\$ 7,629,766</b>