

**AGENDA MEMORANDUM**

To: Mayor Bruce Adams and the Board of Trustees

From: Mark A. Pries, Finance Director/Treasurer

Date: May 22, 2013

RE: February, 2013 Treasurer's Report Analysis

The ten month budget comparison report shows that Village operations are running just over budget at 84.42% in the General Fund departments, with the entire Fund under budget at 77.86%. The report reflects that budget amendments that were approved by the Board. The reasons for the departments running slightly over budget (84.42% instead of 83.33%) are due to the timing of payroll as well as the timing of certain annual expenditures. Employees are paid every two weeks so there are 26 pay periods every fiscal year. In each fiscal year, there are 10 months that have 2 payrolls and 2 months that have 3 payrolls. For FY 12/13, those months that had 3 payrolls were June and November. So through February, 22 of the 26 annual payrolls, or 84.62%, have occurred and explains why several departments are slightly over budget. Also, due to the timing of certain expenditures (i.e. audit costs and transfers to pension funds), some departments look considerably over budget but most of their annual expenditures have already occurred.

On the revenue side, the General Fund gets the vast majority of its support from sales and income taxes. There are lags in receiving these two revenues from the State of Illinois. Sales taxes have a 3 month lag which means sales taxes earned in May are not distributed to the Village until August. This lag for sales taxes has been the normal routine for well over 40 years. However, income taxes are a very different story. Much like sales taxes, income taxes had a lag of 2 months so income taxes for May were received by the village in July. But for several years, due to the State of Illinois' financial condition, the lag for income taxes has grown to either 5 or 6 months. Currently, the lag is 5 months so the February Treasurer's report is for the first 10 months of FY 12/13 but there are only 5 months of income taxes received so far. Staff is confident the State will make all payments owed to the Village – all vouchers have been processed by the State so this is a strong indication the State will honor these payments. Therefore, if we use the sales and income tax revenue from one year ago to “plug the holes” in the current fiscal year's budget to try to determine the current status of the General Fund, these taxes total \$2,111,092. Adding this amount into the current FY 12/13 General Fund deficit of \$1,955,932 brings FY 12/13 to a surplus of \$155,160. This is why staff is confident in the financial condition of the Village at this point in time. However, the Board must remember that there is \$935,800 in the FY 12/13 budget for transfers to other funds and none of these transfers

**BOARD OF TRUSTEES**

**MAYOR**  
BRUCE ADAMS

**CLERK**  
MICHAEL J. LAGESSE

JERRY BALTHAZOR  
ROBERT REDMOND  
LORI GADBOIS

GEORGE GOLWITZER  
MICHAEL A. STUMP  
ERIC CYR

have been made, yet, so there is a very real possibility the General Fund will finish this fiscal year having spent more than it brought in – but this was planned.

As of the end of February, the deficit in the Sewer Fund was reduced to \$312,950 from \$327,194 in January. However, the fund's cash is only at a deficit of \$74,325 which is improved from January's deficit of \$88,567. These two indicators show the fund is improving financially and staff is confident the Sewer Fund will finish FY 12/13 with a positive cash balance and will come close to breaking even on an operational basis. The corrective actions the Board has taken over the last two fiscal years to improve the Sewer Fund's financial status is now visible and the fund is getting closer to being self-sustaining.

If any members of the Board have any questions about this or any other fiscal matter for the Village, please contact me at your convenience. Thank you.

**VILLAGE OF BRADLEY**  
**Fiscal Year '12/'13 Budget**

**TEN MONTH BUDGET COMPARISON REPORT**

<u>REVENUES</u>	<u>FY 12/13 TEN MONTH ACTUAL</u>	<u>FY 12/13 BUDGET</u>	<u>PERCENT COLLECTED</u>
<b>General Corporate Fund</b>			
General Administration	6,457,011	9,981,781	64.69%
Village President	8,440	55,000	15.35%
Village Clerk	24,857	22,400	110.97%
Public Benefit	61,187	30,700	199.31%
Police Department	435,733	413,950	105.26%
Code Enforcement	20,615	3,500	589.00%
Fire Department	243,060	275,200	88.32%
Public Property	1,151	1,150	100.09%
Public Works	5,749	2,800	205.30%
Building Standards	<u>162,674</u>	<u>99,000</u>	164.32%
<b>Totals</b>	<b>7,420,477</b>	<b>10,885,481</b>	<b>68.17%</b>
<b>Capital Projects Funds</b>	627	1,527,000	0.04%
<b>Retirement Separation Fund</b>	0	500,000	0.00%
<b>Revolving Loan Fund</b>	16,985	38,500	44.12%
<b>Rt. 50 TIF</b>	822,058	747,000	110.05%
<b>Motor Fuel Tax Fund</b>	370,754	433,270	85.57%
<b>Police Pension Fund</b>	1,554,228	1,175,198	132.25%
<b>Fire Pension Fund</b>	95,471	100,343	95.14%
<b>Sewer Fund</b>	1,692,004	2,324,365	72.79%
<b>Bond Fund</b>	<u>19</u>	<u>64,550</u>	0.03%
<b>Total Fund Revenues</b>	<b>11,972,621</b>	<b>17,795,707</b>	<b>67.28%</b>

**VILLAGE OF BRADLEY**  
**Fiscal Year '12/'13 Budget**

**TEN MONTH BUDGET COMPARISON REPORT**

<u>EXPENDITURES</u>	<u>FY 12/13 TEN MONTH ACTUAL</u>	<u>FY 12/13 BUDGET</u>	<u>PERCENT EXPENDED</u>
<b>General Corporate Fund</b>			
General Administration	843,241	846,995	99.56%
Benefits	541,325	402,955	134.34%
Board of Trustees	28,691	39,110	73.36%
Village President	14,698	22,761	64.58%
Village Administrator	129,949	151,786	85.61%
Village Clerk	19,739	19,705	100.17%
Village Treasurer	137,019	161,897	84.63%
Public Benefit	934,282	950,362	98.31%
Police Department	3,850,515	4,573,542	84.19%
Code Enforcement	60,317	81,149	74.33%
Fire and Police Commission	22,178	29,455	75.29%
Fire Department	1,041,612	1,239,988	84.00%
Public Property	157,404	299,250	52.60%
Public Works	1,167,516	1,632,981	71.50%
Building Standards	261,009	354,255	73.68%
Economic Incentive/Development	75,189	181,700	41.38%
Information Technology	<u>91,725</u>	<u>118,585</u>	77.35%
<b>Department Totals</b>	<b>9,376,409</b>	<b>11,106,476</b>	<b>84.42%</b>
Transfer - Capital Improvement Fund	0	186,800	0.00%
Transfer - Retirement Separation Fund	0	500,000	0.00%
Transfer - Support for Sewer Fund	<u>0</u>	<u>249,000</u>	0.00%
<b>Total General Fund</b>	<b>9,376,409</b>	<b>12,042,276</b>	<b>77.86%</b>
<p>Note - The General Fund is using \$1,309,713 of its reserves to fund the \$500,000 transfer to the Retirement Separation Fund and \$861,713 in capital expenditures for various departments.</p>			
<b>Capital Projects Funds</b>	161,512	1,679,756	9.62%
<b>Retirement Separation Fund</b>	0	0	0.00%
<b>Revolving Loan Fund</b>	0	0	0.00%
<b>Rt. 50 TIF</b>	600,457	1,381,840	43.45%
<b>Motor Fuel Tax Fund</b>	421,511	445,500	94.62%
<b>Police Pension Fund</b>	658,366	802,120	82.08%
<b>Fire Pension Fund</b>	2,320	2,175	106.64%
<b>Sewer Fund</b>	2,004,954	2,546,084	78.75%
<b>Bond Fund</b>	<u>25</u>	<u>0</u>	100.00%
<b>Total Fund Expenditures</b>	<b>13,225,553</b>	<b>18,899,751</b>	<b>69.98%</b>

**VILLAGE OF BRADLEY**  
**Fiscal Year '12/'13 Budget**

**TEN MONTH FUND BALANCE ANALYSIS**

<u>FUND BALANCE</u>	<u>Beginning Fund Balance</u>	<u>Fiscal Year Activity</u>	<u>Ending Fund Balance</u>
<b>General Corporate Fund</b>	<b>9,416,330</b>		
Revenues		7,420,477	
Expenditures		<u>9,376,409</u>	
Net Activity		(1,955,932)	<b>7,460,398</b>
<b>Capital Projects Funds</b>	<b>223,521</b>		
Revenues		627	
Expenditures		<u>161,512</u>	
Net Activity		(160,885)	<b>62,636</b>
<b>Retirement Separation Fund</b>	<b>0</b>		
Revenues		0	
Expenditures		<u>0</u>	
Net Activity		0	<b>0</b>
<b>Revolving Loan Fund</b>	<b>1,807,808</b>		
Revenues		16,985	
Expenditures		<u>0</u>	
Net Activity		16,985	<b>1,824,793</b>
<b>Rt. 50 TIF</b>	<b>1,345,766</b>		
Revenues		822,058	
Expenditures		<u>600,457</u>	
Net Activity		221,601	<b>1,567,367</b>
<b>Motor Fuel Tax Fund</b>	<b>373,129</b>		
Revenues		370,754	
Expenditures		<u>421,511</u>	
Net Activity		(50,757)	<b>322,372</b>
<b>Police Pension Fund</b>	<b>10,839,663</b>		
Revenues		1,554,228	
Expenditures		<u>658,366</u>	
Net Activity		895,862	<b>11,735,525</b>
<b>Fire Pension Fund</b>	<b>340,616</b>		
Revenues		95,471	
Expenditures		<u>2,320</u>	
Net Activity		93,151	<b>433,767</b>
<b>Sewer Fund</b>	<b>1,967,414</b>		
Revenues		1,692,004	
Expenditures		<u>2,004,954</u>	
Net Activity		(312,950)	<b>1,654,464</b>
<b>Bond Fund</b>	<b>2,734</b>		
Revenues		19	
Expenditures		<u>25</u>	
Net Activity		(6)	<b>2,728</b>