

**AGENDA MEMORANDUM**

To: Mayor Bruce Adams and the Board of Trustees

From: Mark A. Pries, Finance Director/Treasurer

Date: April 15, 2013

RE: January, 2012 Treasurer's Report Analysis

The nine month budget comparison report shows that Village operations are running just over budget at 76.08% in the General Fund departments, with the entire Fund under budget at 70.17%. The report reflects that budget amendments that are up for approval by the Board. The reasons for the departments running slightly over budget (68.58% instead of 66.7%) 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 January, 20 of the 26 annual payrolls, or 76.9%, 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 January Treasurer's report is for the first 9 months of FY 12/13 but there are only 4 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 \$2,115,675. Adding this amount into the current FY 12/13 General Fund deficit of \$1,796,039 brings FY 12/13 to a surplus of \$319,636. 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

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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.

The Sewer Fund made its annual bond payment in November so the picture looks somewhat distorted for this fund. The bond payment in November was \$306,700 and took the overall operations of the Sewer Fund to a deficit of \$334,353 at the end of November. As of the end of January, the deficit in the Sewer Fund was reduced to \$327,194. However, the fund's cash is only at a deficit of \$88,567, which is almost the same level it was at in December. 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**

**NINE MONTH BUDGET COMPARISON REPORT**

<u>REVENUES</u>	<u>FY 12/13 NINE MONTH ACTUAL</u>	<u>FY 12/13 BUDGET</u>	<u>PERCENT COLLECTED</u>
<b>General Corporate Fund</b>			
General Administration	5,786,150	9,981,781	57.97%
Village President	6,750	55,000	12.27%
Village Clerk	23,185	22,400	103.50%
Public Benefit	54,970	30,700	179.05%
Police Department	377,607	413,950	91.22%
Code Enforcement	20,350	3,500	581.43%
Fire Department	221,185	275,200	80.37%
Public Property	1,150	1,150	100.00%
Public Works	5,673	2,800	202.59%
Building Standards	<u>156,426</u>	<u>99,000</u>	158.01%
<b>Totals</b>	<b>6,653,445</b>	<b>10,885,481</b>	<b>61.12%</b>
<b>Capital Projects Funds</b>			
	615	1,527,000	0.04%
<b>Retirement Separation Fund</b>			
	0	500,000	0.00%
<b>Revolving Loan Fund</b>			
	15,643	38,500	40.63%
<b>Rt. 50 TIF</b>			
	821,969	747,000	110.04%
<b>Motor Fuel Tax Fund</b>			
	338,807	383,270	88.40%
<b>Police Pension Fund</b>			
	1,415,933	1,175,198	120.48%
<b>Fire Pension Fund</b>			
	94,221	100,343	93.90%
<b>Sewer Fund</b>			
	1,533,818	2,324,365	65.99%
<b>Bond Fund</b>			
	<u>18</u>	<u>64,550</u>	0.03%
<b>Total Fund Revenues</b>	<b>10,874,469</b>	<b>17,745,707</b>	<b>61.28%</b>

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

**NINE MONTH BUDGET COMPARISON REPORT**

<u>EXPENDITURES</u>	FY 12/13 <u>NINE MONTH ACTUAL</u>	FY 12/13 <u>BUDGET</u>	PERCENT <u>EXPENDED</u>
<b>General Corporate Fund</b>			
General Administration	584,354	846,995	68.99%
Benefits	473,325	402,955	117.46%
Board of Trustees	26,291	39,110	67.22%
Village President	13,249	22,761	58.21%
Village Administrator	118,924	151,786	78.35%
Village Clerk	19,114	19,705	97.00%
Village Treasurer	127,146	161,897	78.53%
Public Benefit	922,030	950,362	97.02%
Police Department	3,525,296	4,573,542	77.08%
Code Enforcement	55,451	81,149	68.33%
Fire and Police Commission	20,472	29,455	69.50%
Fire Department	966,446	1,239,988	77.94%
Public Property	148,305	299,250	49.56%
Public Works	1,053,130	1,632,981	64.49%
Building Standards	238,564	354,255	67.34%
Economic Incentive/Development	75,189	181,700	41.38%
Information Technology	<u>82,198</u>	<u>118,585</u>	69.32%
<b>Department Totals</b>	<b>8,449,484</b>	<b>11,106,476</b>	<b>76.08%</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>8,449,484</b>	<b>12,042,276</b>	<b>70.17%</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>	159,363	1,679,756	9.49%
<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>	602,489	802,120	75.11%
<b>Fire Pension Fund</b>	1,490	2,175	68.48%
<b>Sewer Fund</b>	1,861,012	2,546,084	73.09%
<b>Bond Fund</b>	<u>25</u>	<u>0</u>	100.00%
<b>Total Fund Expenditures</b>	<b>12,095,830</b>	<b>18,899,751</b>	<b>64.00%</b>

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

**NINE 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		6,653,445	
Expenditures		<u>8,449,484</u>	
Net Activity		(1,796,039)	<b>7,620,291</b>
<b>Capital Projects Funds</b>	<b>223,521</b>		
Revenues		615	
Expenditures		<u>159,363</u>	
Net Activity		(158,748)	<b>64,773</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		15,643	
Expenditures		<u>0</u>	
Net Activity		15,643	<b>1,823,451</b>
<b>Rt. 50 TIF</b>	<b>1,345,766</b>		
Revenues		821,969	
Expenditures		<u>600,457</u>	
Net Activity		221,512	<b>1,567,278</b>
<b>Motor Fuel Tax Fund</b>	<b>373,129</b>		
Revenues		338,807	
Expenditures		<u>421,511</u>	
Net Activity		(82,704)	<b>290,425</b>
<b>Police Pension Fund</b>	<b>10,839,663</b>		
Revenues		1,415,933	
Expenditures		<u>602,489</u>	
Net Activity		813,444	<b>11,653,107</b>
<b>Fire Pension Fund</b>	<b>340,616</b>		
Revenues		94,221	
Expenditures		<u>1,490</u>	
Net Activity		92,731	<b>433,347</b>
<b>Sewer Fund</b>	<b>1,967,414</b>		
Revenues		1,533,818	
Expenditures		<u>1,861,012</u>	
Net Activity		(327,194)	<b>1,640,220</b>
<b>Bond Fund</b>	<b>2,734</b>		
Revenues		18	
Expenditures		<u>25</u>	
Net Activity		(7)	<b>2,727</b>