

AGENDA MEMORANDUM

To: Mayor Bruce Adams and the Board of Trustees

From: Mark A. Pries, Finance Director/Treasurer

Date: June 4, 2013

RE: March, 2013 Treasurer's Report Analysis

The eleven month budget comparison report shows that Village operations are running under budget at 90.55% in the General Fund departments, with the entire Fund under budget at 83.51%. The report reflects that budget amendments that were approved by the Board. Even though the General Fund is running under budget, there are a few departments that are over budget but there are reasons for this. First, General Administration is at 104.51% spent but this will change in April due to fiscal year-end adjustments that need to be made. General Liability Insurance is the reason why this department is over spent but once the year-end adjustment is made, General Administration should be within budget. Second, the Benefits section is over spent due to health insurance, IMRF, FICA and Medicare costs being incorrectly booked here. This was corrected in April and the Benefits department will be within budget. Next, the Village Clerk's department is over spent because codification costs were higher than anticipated in FY 12-13. However, the General Fund was able to absorb this overage. Finally, Public Benefit is over budget but this is due to the timing of police and fire pension costs – all of which were incurred in the first half of FY 12-13.

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 March Treasurer's Report is for the first 11 months of FY 12/13 but there are only 6 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 revenues that have been vouchered for FY 12-13 but not yet paid to the Village along with historical trends to determine the current status of the General Fund, these taxes total \$2,282,809. Adding this amount into the current FY 12/13 General Fund deficit of \$1,664,975 brings FY 12/13 to a surplus of \$617,834. This is why staff is confident in the financial condition of the Village at this point in time. However, the Board

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must remember that there is \$935,800 in the FY 12/13 budget for transfers to other funds and none of these transfers 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 March, the deficit in the Sewer Fund was reduced to \$270,939 from \$312,950 in February. However, the fund's cash is only at a deficit of \$32,313.50 which is improved from January's deficit of \$74,325. 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 should have an operational loss that the cash balance will cover. 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

ELEVEN MONTH BUDGET COMPARISON REPORT

<u>REVENUES</u>	<u>FY 12/13 ELEVEN MONTH ACTUAL</u>	<u>FY 12/13 BUDGET</u>	<u>PERCENT COLLECTED</u>
General Corporate Fund			
General Administration	7,357,352	9,981,781	73.71%
Village President	14,440	55,000	26.25%
Village Clerk	25,255	22,400	112.74%
Public Benefit	65,557	30,700	213.54%
Police Department	474,291	413,950	114.58%
Code Enforcement	21,215	3,500	606.14%
Fire Department	289,020	275,200	105.02%
Public Property	1,151	1,150	100.09%
Public Works	6,603	2,800	235.83%
Building Standards	<u>137,194</u>	<u>99,000</u>	138.58%
Totals	8,392,079	10,885,481	77.09%
Capital Projects Funds	634	1,527,000	0.04%
Retirement Separation Fund	0	500,000	0.00%
Revolving Loan Fund	18,735	38,500	48.66%
Rt. 50 TIF	822,150	747,000	110.06%
Motor Fuel Tax Fund	397,906	433,270	91.84%
Police Pension Fund	1,809,337	1,175,198	153.96%
Fire Pension Fund	100,956	100,343	100.61%
Sewer Fund	1,882,127	2,324,365	80.97%
Bond Fund	<u>19</u>	<u>64,550</u>	0.03%
Total Fund Revenues	13,423,942	17,795,707	75.43%

VILLAGE OF BRADLEY
Fiscal Year '12/'13 Budget

ELEVEN MONTH BUDGET COMPARISON REPORT

<u>EXPENDITURES</u>	FY 12/13 ELEVEN MONTH <u>ACTUAL</u>	FY 12/13 <u>BUDGET</u>	PERCENT EXPENDED
General Corporate Fund			
General Administration	885,210	846,995	104.51%
Benefits	591,887	402,955	146.89%
Board of Trustees	31,091	39,110	79.50%
Village President	16,229	22,761	71.30%
Village Administrator	139,805	151,786	92.11%
Village Clerk	20,750	19,705	105.31%
Village Treasurer	147,331	161,897	91.00%
Public Benefit	940,598	950,362	98.97%
Police Department	4,153,249	4,573,542	90.81%
Code Enforcement	64,964	81,149	80.05%
Fire and Police Commission	22,368	29,455	75.94%
Fire Department	1,122,614	1,239,988	90.53%
Public Property	163,933	299,250	54.78%
Public Works	1,268,388	1,632,981	77.67%
Building Standards	281,330	354,255	79.41%
Economic Incentive/Development	109,006	181,700	59.99%
Information Technology	<u>98,301</u>	<u>118,585</u>	82.89%
Department Totals	10,057,053	11,106,476	90.55%
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%
Total General Fund	10,057,053	12,042,276	83.51%
<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>			
Capital Projects Funds	161,512	1,679,756	9.62%
Retirement Separation Fund	0	120,000	0.00%
Revolving Loan Fund	39	0	100.00%
Rt. 50 TIF	600,457	1,381,840	43.45%
Motor Fuel Tax Fund	428,988	445,500	96.29%
Police Pension Fund	715,718	802,120	89.23%
Fire Pension Fund	2,320	2,175	106.64%
Sewer Fund	2,153,066	2,546,084	84.56%
Bond Fund	<u>25</u>	<u>0</u>	100.00%
Total Fund Expenditures	14,119,177	19,019,751	74.23%

VILLAGE OF BRADLEY
Fiscal Year '12/'13 Budget

ELEVEN MONTH FUND BALANCE ANALYSIS

<u>FUND BALANCE</u>	<u>Beginning Fund Balance</u>	<u>Fiscal Year Activity</u>	<u>Ending Fund Balance</u>
General Corporate Fund	9,416,330		
Revenues		8,392,079	
Expenditures		<u>10,057,053</u>	
Net Activity		(1,664,975)	7,751,355
Capital Projects Funds	223,521		
Revenues		634	
Expenditures		<u>161,512</u>	
Net Activity		(160,877)	62,644
Retirement Separation Fund	0		
Revenues		0	
Expenditures		<u>0</u>	
Net Activity		0	0
Revolving Loan Fund	1,807,808		
Revenues		18,735	
Expenditures		<u>39</u>	
Net Activity		18,696	1,826,504
Rt. 50 TIF	1,345,766		
Revenues		822,150	
Expenditures		<u>600,457</u>	
Net Activity		221,694	1,567,460
Motor Fuel Tax Fund	373,129		
Revenues		397,906	
Expenditures		<u>428,988</u>	
Net Activity		(31,082)	342,047
Police Pension Fund	10,839,663		
Revenues		1,809,337	
Expenditures		<u>715,718</u>	
Net Activity		1,093,619	11,933,282
Fire Pension Fund	340,616		
Revenues		100,956	
Expenditures		<u>2,320</u>	
Net Activity		98,636	439,252
Sewer Fund	1,967,414		
Revenues		1,882,127	
Expenditures		<u>2,153,066</u>	
Net Activity		(270,939)	1,696,475
Bond Fund	2,734		
Revenues		19	
Expenditures		<u>25</u>	
Net Activity		(6)	2,728