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AGENDA MEMORANDUM

To: Mayor Bruce Adams and the Board of Trustees

From: Mark A. Pries, Finance Director/Treasurer

Date: February 5, 2013

RE: November, 2012 Treasurer's Report Analysis

The seven month budget comparison report shows that Village operations are running slightly over budget at 60.45% in the General Fund departments, with the entire Fund under budget at 55.73%. The major reason for departments running slightly over budget (60.45% instead of 58.5%) is due to the timing of payroll. 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 November, 16 of the 26 annual payrolls, or 61.6%, 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 November Treasurer's report is for the first 7 months of FY 12/13 but there are only 2 months of income taxes received so far. Staff is confident the State will make all payments owed to the Village. 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 where the General Fund currently is at, these taxes total \$1,954,436. Adding this amount into the current FY 12/13 General Fund deficit of \$1,575,451 brings FY 12/13 to a surplus of \$378,985. 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 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. However, the fund's cash is only at a deficit of \$97,338 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.

MAYOR
BRUCE ADAMS

CLERK
MICHAEL J. LAGASSE

BOARD OF TRUSTEES

JERRY BALTHAZOR
ROBERT REDMOND
LORI GADBOIS

GEORGE GOLWITZER
MICHAEL A. STUMP
ERIC CYR

VILLAGE OF BRADLEY
Fiscal Year '12/'13 Budget

SEVEN MONTH BUDGET COMPARISON REPORT

<u>REVENUES</u>	<u>FY 12/13 SEVEN MONTH ACTUAL</u>	<u>FY 12/13 BUDGET</u>	<u>PERCENT COLLECTED</u>
General Corporate Fund			
General Administration	4,430,323	9,881,781	44.83%
Village President	3,250	55,000	5.91%
Village Clerk	20,895	22,400	93.28%
Public Benefit	45,777	30,700	149.11%
Police Department	286,365	413,950	69.18%
Code Enforcement	18,230	3,500	520.86%
Fire Department	149,328	275,200	54.26%
Public Property	1,150	1,150	100.00%
Public Works	4,649	2,800	166.02%
Building Standards	<u>141,125</u>	<u>99,000</u>	142.55%
Totals	5,101,091	10,785,481	47.30%
Capital Projects Funds			
	429	1,527,000	0.03%
Retirement Separation Fund			
	0	500,000	0.00%
Revolving Loan Fund			
	11,717	38,500	30.43%
Rt. 50 TIF			
	821,911	747,000	110.03%
Motor Fuel Tax Fund			
	271,524	383,270	70.84%
Police Pension Fund			
	1,010,129	1,175,198	85.95%
Fire Pension Fund			
	89,735	100,343	89.43%
Sewer Fund			
	1,248,926	2,324,365	53.73%
Bond Fund			
	<u>7</u>	<u>64,550</u>	0.01%
Total Fund Revenues	8,555,468	17,645,707	48.48%

VILLAGE OF BRADLEY
Fiscal Year '12/'13 Budget

SEVEN MONTH BUDGET COMPARISON REPORT

<u>EXPENDITURES</u>	<u>FY 12/13 SEVEN MONTH ACTUAL</u>	<u>FY 12/13 BUDGET</u>	<u>PERCENT EXPENDED</u>
General Corporate Fund			
General Administration	244,674	846,995	28.89%
Benefits	383,152	402,955	95.09%
Board of Trustees	21,491	39,110	54.95%
Village President	10,279	22,761	45.16%
Village Administrator	95,540	151,786	62.94%
Village Clerk	16,169	19,705	82.05%
Village Treasurer	102,126	143,747	71.05%
Public Benefit	910,504	950,362	95.81%
Police Department	2,798,336	4,573,542	61.19%
Code Enforcement	45,190	81,149	55.69%
Fire and Police Commission	10,693	29,455	36.30%
Fire Department	786,476	1,196,288	65.74%
Public Property	100,238	299,250	33.50%
Public Works	856,137	1,632,981	52.43%
Building Standards	187,105	354,255	52.82%
Economic Incentive/Development	39,500	181,700	21.74%
Information Technology	<u>68,933</u>	<u>118,585</u>	58.13%
Department Totals	6,676,542	11,044,626	60.45%
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	6,676,542	11,980,426	55.73%
<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	159,363	1,559,756	10.22%
Retirement Separation Fund	0	0	0.00%
Revolving Loan Fund	0	0	0.00%
Rt. 50 TIF	695,899	1,381,840	50.36%
Motor Fuel Tax Fund	421,193	415,000	101.49%
Police Pension Fund	451,211	802,120	56.25%
Fire Pension Fund	115	2,175	5.27%
Sewer Fund	1,583,278	2,546,084	62.18%
Bond Fund	<u>25</u>	<u>0</u>	100.00%
Total Fund Expenditures	9,987,626	18,687,401	53.45%

VILLAGE OF BRADLEY
Fiscal Year '12/'13 Budget

SEVEN 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		5,101,091	
Expenditures		<u>6,676,542</u>	
Net Activity		(1,575,451)	7,840,879
Capital Projects Funds	223,521		
Revenues		429	
Expenditures		<u>159,363</u>	
Net Activity		(158,934)	64,587
Retirement Separation Fund	0		
Revenues		0	
Expenditures		<u>0</u>	
Net Activity		0	0
Revolving Loan Fund	1,807,808		
Revenues		11,717	
Expenditures		<u>0</u>	
Net Activity		11,717	1,819,525
Rt. 50 TIF	1,345,766		
Revenues		821,911	
Expenditures		<u>695,899</u>	
Net Activity		126,012	1,471,778
Motor Fuel Tax Fund	373,129		
Revenues		271,524	
Expenditures		<u>421,193</u>	
Net Activity		(149,669)	223,460
Police Pension Fund	10,839,663		
Revenues		1,010,129	
Expenditures		<u>451,211</u>	
Net Activity		558,918	11,398,581
Fire Pension Fund	340,616		
Revenues		89,735	
Expenditures		<u>115</u>	
Net Activity		89,621	430,237
Sewer Fund	1,967,414		
Revenues		1,248,926	
Expenditures		<u>1,583,278</u>	
Net Activity		(334,353)	1,633,061
Bond Fund	2,734		
Revenues		7	
Expenditures		<u>25</u>	
Net Activity		(18)	2,716