



### AGENDA MEMORANDUM

To: Mayor Bruce Adams and the Board of Trustees

From: Mark A. Pries, Finance Director/Treasurer

Date: June 21, 2016

RE: April, 2016 Treasurer's Report Analysis - Pre-Audit

#### General Fund Summary

The pre-audit twelve month budget comparison report shows the deficit in the General Fund had increased by \$333,937. In February it was \$1.834 million, in March it was \$1.381 million and in April it was \$1.705 million. The reasons why the deficit increased in April were due to the Village booking the remaining transfer to the Retiree Health Insurance Fund of \$212,500 and the purchase of new squad cars totaling \$169,168. The lag in income tax allotments from the State of Illinois remains at 4 months; the lag should only be at 2 months. The receipts for Sales, Local Use and Income Taxes as well as other miscellaneous revenues realized in May, June and July of 2015 applied to the prior fiscal year totaled \$2,181,211. Applying these receipts against the twelve month deficit in the General Fund of \$1,705,149 yields a surplus of \$476,062 so it is important to remember the lag in receiving revenues in the General Fund has the largest impact at the start of each fiscal year. As the fiscal year progresses, the deficit in the General Fund will transition into a surplus as long as all unforeseen financial challenges remain manageable.

#### Expenditures

At the twelve month time period, expenditures are expected to be completely spent except in those areas where the expenditure either occurred after the end of the fiscal year or will not happen at all. The General Fund, in total, was at a 93.35% expended level at 4-30-2016. However, there will be accrual charges booked during the audit process so this percentage will increase. The FY 15-16 budget amendments adopted by the Board are reflected in this month's treasurer's report. All areas in the General Fund are under budget with only the Village Treasurer being slightly over budget due to training costs being recognized in FY 15-16 rather than FY 16-17.

Seven of the remaining eight funds are under budget. Only the Fire Pension Fund is over budget, by \$235, but this is an immaterial amount and will not impact the Village's annual audit. Some of these eight funds will have accrued charges book to it during the audit process but staff is confident none of these funds will go over budget.

#### **BOARD OF TRUSTEES**

## Revenues

On the revenue side, since all Income, Sales and Local Use taxes through July, 2015 applied to FY 14-15, the General Administration area of the General Fund budget is low. However, as adjustments are made during the audit process, this area will increase significantly and will be very close to 100% collected. Other General Fund departments - Village Clerk, Police Department, Public Works and Building Standards - are better than budget. The other areas of the General Fund are below 100% collected, with the Village President's liquor license revenues coming in just \$375 under budget. Public Benefit is low due to less than expected service charges being realized. The Fire department is low because the grant for a new truck was not received. Public Property is low at this time but receipts came in after the end of the fiscal year that will bring it to 100% collected.

Most other funds are running as expected with their revenues. The Capital Projects Fund did not have all projects proceed as planned so not only are revenues lower than budget, expenditures are, as well. The Retirement Separation Fund only has bank interest in its budget this year and due to a slight decline in interest rates, its revenue is lower than expected. The MFT Fund is lower than budget for two reasons. First, there is a one-month lag in receiving our monthly allotment from the State. Second, since the State has not yet passed its budget, any moneys from the Capital Bill will not be received. The Police Pension Fund's financial snapshot at the end of April improved again as the roller-coaster market volatility stabilized. The Police Pension Fund is over 60% funded and is right at the average funding level for Police Pension funds in the State. It is important to remember that the pension funds' activity should be viewed as a marathon and not a sprint. Over the long-term, the portfolio has performed well and the financial market volatility of 2015/2016 is a small impact when the funds are viewed in their entirety.

## Sewer Fund Summary

As of the end of April, the Sewer Fund ran a deficit of \$525,650, up significantly from March's deficit of \$333,980. The reason why the deficit increased was due to the remaining depreciation expense for the year being booked in April. The fund's cash on hand was \$345,686 at the end of April, down from \$371,957 at the end of March. Revenues for sewer service were lower than expected through April by \$258,647 with expenses being under budget by 22.9% or \$774,809. However, the reason why expenses are so low is due to the KRMA project not starting; it has a budget of \$465,000. Staff will continue to monitor the fund's activity and report it to the Board.

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 15/16 Budget**

**TWELVE MONTH BUDGET COMPARISON PRE-AUDIT**

<u>REVENUES</u>	FY 15/16 TWELVE MONTH <u>ACTUAL</u>	FY 15/16 <u>BUDGET</u>	PERCENT COLLECTED
<b>General Corporate Fund</b>			
General Administration	8,854,866	11,353,213	77.99%
Village President	60,450	60,825	99.38%
Village Clerk	33,651	21,650	155.43%
Public Benefit	12,966	19,000	68.24%
Police Department	388,184	386,850	100.34%
Fire Department	391,256	475,250	82.33%
Public Property	13,201	15,550	84.89%
Public Works	9,599	6,250	153.58%
Building Standards	<u>201,360</u>	<u>196,500</u>	102.47%
<b>Totals</b>	<b>9,965,532</b>	<b>12,535,088</b>	<b>79.50%</b>
<b>Capital Projects Fund</b>	155,453	367,170	42.34%
<b>Retirement Separation Fund</b>	123	250	49.40%
<b>Retirement Insurance Fund</b>	426,228	425,700	100.12%
<b>Revolving Loan Fund</b>	20,046	10,591	189.27%
<b>Rt. 50 TIF</b>	1,088,845	1,001,100	108.76%
<b>Motor Fuel Tax Fund</b>	389,640	459,449	84.81%
<b>Police Pension Fund</b>	1,040,793	1,568,875	66.34%
<b>Fire Pension Fund</b>	128,469	124,717	103.01%
<b>Sewer Fund</b>	<u>2,090,630</u>	<u>2,784,149</u>	75.09%
<b>Total Fund Revenues</b>	<b>15,305,759</b>	<b>19,277,089</b>	<b>79.40%</b>

**VILLAGE OF BRADLEY**  
**Fiscal Year 15/16 Budget**

**TWELVE MONTH BUDGET COMPARISON PRE-AUDIT**

<u>EXPENDITURES</u>	<u>FY 15/16 TWELVE MONTH ACTUAL</u>	<u>FY 15/16 BUDGET</u>	<u>PERCENT EXPENDED</u>
<b>General Corporate Fund</b>			
General Administration	524,612	666,800	78.68%
Benefits	192,331	277,861	69.22%
Board of Trustees	34,619	37,048	93.44%
Village President	20,350	26,542	76.67%
Village Administrator	112,283	119,314	94.11%
Legal	276,716	291,509	94.93%
Village Clerk	12,319	21,753	56.63%
Village Treasurer	187,910	183,475	102.42%
Public Benefit	999,395	1,066,855	93.68%
Police Department	5,228,931	5,305,555	98.56%
Fire and Police Commission	13,872	16,767	82.73%
Fire Department	1,112,627	1,192,324	93.32%
Public Works	1,711,797	1,967,605	87.00%
Building Standards	647,761	706,650	91.67%
Economic Incentive/Development	19,093	25,000	76.37%
Information Technology	151,064	172,473	87.59%
<b>Department Totals</b>	<b>11,245,681</b>	<b>12,077,531</b>	<b>93.11%</b>
Transfer - Retirement Insurance Fund	<u>425,000</u>	<u>425,000</u>	100.00%
<b>Total General Fund</b>	<b>11,670,681</b>	<b>12,502,531</b>	<b>93.35%</b>
<b>Capital Projects Fund</b>	186,256	450,170	41.37%
<b>Retirement Separation Fund</b>	190,258	199,830	95.21%
<b>Retirement Insurance Fund</b>	287,074	298,414	96.20%
<b>Rt. 50 TIF</b>	924,424	1,439,880	64.20%
<b>Motor Fuel Tax Fund</b>	388,444	414,000	93.83%
<b>Police Pension Fund</b>	985,642	1,010,933	97.50%
<b>Fire Pension Fund</b>	43,454	43,219	100.54%
<b>Sewer Fund</b>	<u>2,616,280</u>	<u>3,391,089</u>	77.15%
<b>Total Fund Expenditures</b>	<b>17,292,512</b>	<b>19,750,066</b>	<b>87.56%</b>

**VILLAGE OF BRADLEY**  
**Fiscal Year 15/16 Budget**

**FUND BALANCE ANALYSIS AT 4/30/2016 PRE-AUDIT**

FUND BALANCE	Beginning Fund Balance	Fiscal Year Activity	Ending Fund Balance
<b>General Corporate Fund</b>	7,248,993		
Revenues		9,965,532	
Expenditures		<u>11,670,681</u>	
Net Activity		(1,705,149)	5,543,844
<b>Capital Projects Fund</b>	143,602		
Revenues		155,453	
Expenditures		<u>186,256</u>	
Net Activity		(30,803)	112,800
<b>Retirement Separation Fund</b>	346,916		
Revenues		123	
Expenditures		<u>190,258</u>	
Net Activity		(190,135)	156,781
<b>Retirement Insurance Fund</b>	2,075,354		
Revenues		426,228	
Expenditures		<u>287,074</u>	
Net Activity		139,155	2,214,509
<b>Revolving Loan Fund</b>	1,926,497		
Revenues		20,046	
Expenditures		<u>0</u>	
Net Activity		20,046	1,946,543
<b>Rt. 50 TIF</b>	1,558,651		
Revenues		1,088,845	
Expenditures		<u>924,424</u>	
Net Activity		164,421	1,723,072
<b>Motor Fuel Tax Fund</b>	564,084		
Revenues		389,640	
Expenditures		<u>388,444</u>	
Net Activity		1,196	565,281
<b>Police Pension Fund</b>	14,440,511		
Revenues		1,040,793	
Expenditures		<u>985,642</u>	
Net Activity		55,151	14,495,662
<b>Fire Pension Fund</b>	638,258		
Revenues		128,469	
Expenditures		<u>43,454</u>	
Net Activity		85,015	723,274
<b>Sewer Fund</b>	2,080,869		
Revenues		2,090,630	
Expenses		<u>2,616,280</u>	
Net Activity		(525,650)	1,555,219