

AGENDA MEMORANDUM

To: Mayor Bruce Adams and the Board of Trustees

From: Mark A. Pries, Finance Director/Treasurer

Date: March 19, 2013

RE: December, 2012 Treasurer's Report Analysis

The eight month budget comparison report shows that Village operations are running slightly over budget at 68.58% in the General Fund departments, with the entire Fund under budget at 63.22%. The major reason for departments running slightly over budget (68.58% instead of 66.7%) 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 December, 16 of the 26 annual payrolls, or 69.3%, 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 December Treasurer's report is for the first 8 months of FY 12/13 but there are only 3 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 the current status of the General Fund, these taxes total \$2,207,875. Adding this amount into the current FY 12/13 General Fund deficit of \$1,748,019 brings FY 12/13 to a surplus of \$459,856. 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.

MAYOR
BRUCE ADAMS

CLERK
MICHAEL J. LAGESSE

BOARD OF TRUSTEES

JERRY BALTHAZOR
ROBERT REDMOND
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GEORGE GOLWITZER
MICHAEL A. STUMP
ERIC CYR

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 December, the deficit in the Sewer Fund was reduced to \$323,534. However, the fund's cash is only at a deficit of \$84,907.62, an improvement for November where the cash deficit was \$97,338. 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

EIGHT MONTH BUDGET COMPARISON REPORT

<u>REVENUES</u>	<u>FY 12/13 EIGHT MONTH ACTUAL</u>	<u>FY 12/13 BUDGET</u>	<u>PERCENT COLLECTED</u>
General Corporate Fund			
General Administration	5,059,753	9,881,781	51.20%
Village President	6,750	55,000	12.27%
Village Clerk	21,191	22,400	94.60%
Public Benefit	50,298	30,700	163.84%
Police Department	333,447	413,950	80.55%
Code Enforcement	20,175	3,500	576.43%
Fire Department	178,106	275,200	64.72%
Public Property	1,150	1,150	100.00%
Public Works	4,720	2,800	168.57%
Building Standards	<u>150,806</u>	<u>99,000</u>	152.33%
Totals	5,826,396	10,785,481	54.02%
Capital Projects Funds	544	1,527,000	0.04%
Retirement Separation Fund	0	500,000	0.00%
Revolving Loan Fund	13,974	38,500	36.30%
Rt. 50 TIF	821,911	747,000	110.03%
Motor Fuel Tax Fund	305,893	383,270	79.81%
Police Pension Fund	1,106,793	1,175,198	94.18%
Fire Pension Fund	90,345	100,343	90.04%
Sewer Fund	1,389,320	2,324,365	59.77%
Bond Fund	<u>9</u>	<u>64,550</u>	0.01%
Total Fund Revenues	9,555,185	17,645,707	54.15%

VILLAGE OF BRADLEY
Fiscal Year '12/'13 Budget

EIGHT MONTH BUDGET COMPARISON REPORT

<u>EXPENDITURES</u>	FY 12/13 EIGHT MONTH <u>ACTUAL</u>	FY 12/13 <u>BUDGET</u>	PERCENT <u>EXPENDED</u>
General Corporate Fund			
General Administration	524,686	846,995	61.95%
Benefits	402,130	402,955	99.80%
Board of Trustees	23,891	39,110	61.09%
Village President	11,582	22,761	50.89%
Village Administrator	107,009	151,786	70.50%
Village Clerk	17,397	19,705	88.29%
Village Treasurer	110,415	143,747	76.81%
Public Benefit	913,667	950,362	96.14%
Police Department	3,105,718	4,573,542	67.91%
Code Enforcement	50,592	81,149	62.34%
Fire and Police Commission	10,941	29,455	37.14%
Fire Department	864,630	1,196,288	72.28%
Public Property	129,245	299,250	43.19%
Public Works	937,635	1,632,981	57.42%
Building Standards	212,525	354,255	59.99%
Economic Incentive/Development	75,189	181,700	41.38%
Information Technology	<u>77,163</u>	<u>118,585</u>	65.07%
Department Totals	7,574,415	11,044,626	68.58%
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	7,574,415	11,980,426	63.22%
<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	600,457	1,381,840	43.45%
Motor Fuel Tax Fund	421,511	415,000	101.57%
Police Pension Fund	508,209	802,120	63.36%
Fire Pension Fund	115	2,175	5.27%
Sewer Fund	1,712,853	2,546,084	67.27%
Bond Fund	<u>25</u>	<u>0</u>	100.00%
Total Fund Expenditures	10,976,947	18,687,401	58.74%

VILLAGE OF BRADLEY
Fiscal Year '12/'13 Budget

EIGHT 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		5,826,396	
Expenditures		<u>7,574,415</u>	
Net Activity		(1,748,019)	7,668,311
Capital Projects Funds	223,521		
Revenues		544	
Expenditures		<u>159,363</u>	
Net Activity		(158,819)	64,702
Retirement Separation Fund	0		
Revenues		0	
Expenditures		<u>0</u>	
Net Activity		0	0
Revolving Loan Fund	1,807,808		
Revenues		13,974	
Expenditures		<u>0</u>	
Net Activity		13,974	1,821,782
Rt. 50 TIF	1,345,766		
Revenues		821,911	
Expenditures		<u>600,457</u>	
Net Activity		221,455	1,567,221
Motor Fuel Tax Fund	373,129		
Revenues		305,893	
Expenditures		<u>421,511</u>	
Net Activity		(115,618)	257,511
Police Pension Fund	10,839,663		
Revenues		1,106,793	
Expenditures		<u>508,209</u>	
Net Activity		598,584	11,438,247
Fire Pension Fund	340,616		
Revenues		90,345	
Expenditures		<u>115</u>	
Net Activity		90,230	430,846
Sewer Fund	1,967,414		
Revenues		1,389,320	
Expenditures		<u>1,712,853</u>	
Net Activity		(323,534)	1,643,880
Bond Fund	2,734		
Revenues		9	
Expenditures		<u>25</u>	
Net Activity		(16)	2,718