



AGENDA MEMORANDUM

To: Mayor Bruce Adams and the Board of Trustees

From: Mark A. Pries, Finance Director/Treasurer

Date: July 9, 2015

RE: April, 2015 Treasurer's Report Analysis - Pre-Audit Results

The twelve-month budget comparison report shows a deficit in the General Fund in the amount of \$4.3 million. **It is important to mention all results in this month's Treasurer's Report are all pre-audit results and will change during the process of closing the fiscal year.** The month of April saw General Fund expenditures exceed revenues by almost \$1.3 million; however, \$1.2 million was due to transfers to the Capital Improvement and Retiree Health Insurance Funds. The Village received all State-shared revenues in April but Income Taxes remain at a 4-month lag when it should be a 2-month lag.

Comparing last year to this year, General Fund revenues are lower (\$9.44 million this year versus \$9.91 million last year) but last year there was \$333,000 in revenues from the grant that paid for the new fire truck so revenues are about the same as this time last year. General Fund operating expenditures are less this year through April (\$11.28 million this year versus \$11.78 million last year). However, last year there was \$452,000 spent for the new fire truck that brings last year's expenditures down to \$11.33 million. Altogether, after removing grant revenues and expenditures related to the new fire truck, current year revenues are running about \$140,000 lower than last year and current year expenditures are about \$50,000 less than last year. So, the General Fund is operating \$90,000 worse (-\$140,000 + \$50,000) in FY 2015 than FY 2014 through April.

Costs are running lower than budget in the General Fund due to position vacancies. Building Standards has a position that has been vacant for about 7 months that was filled in January and another that has been vacant for over a year; Public Works has a position that has been vacant all fiscal year and another that has been vacant for 2 years; Police has seen its sworn force with 2 vacancies for a part of this year but it currently has 1 vacancy and dispatch has several vacancies this year that were filled for most of last fiscal year. This means that current year expenditures would be considerably higher had these vacancies been filled. This, in turn, would have pushed the current deficit in the General Fund even deeper.

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For FY 14-15, the General Fund was budgeted with a deficit of almost \$2.9 million, so we are operating as expected. However, this budgeted deficit is due to \$3 million in one-time expenditures (\$2 million for retiree health insurance and \$1 million for facility improvements). However, the majority of the \$1 million facility improvements were not done in FY 14-15 and only a much smaller amount was carried over into FY 15-16, meaning the General Fund may not be spending those funds as originally planned.

On the expenditure side, most departments in the General Fund are running at or below budget (100%). Village Administrator - at 100.86% - is higher due to higher than expected vacation time payout was incurred. Information Technology - at 101.78% - is higher due to higher than budgeted costs for internet service. All other funds are under budget through April, 2015.

On the revenue side, April saw General Fund revenues climb by \$778,556. The Village did receive an Income Tax payment from the State in April so we remain at a 4-month lag in receipts (the lag should be at 2 months). Five of the departmental revenue centers in the General Fund are under budget. Some are due to timing (Village President and General Administration), others were impacted by changes after the adoption of the FY 14-15 budget, some are out of the Village's control (fines waived/not enforced at the County courts) and others (ambulance receipts) are running lower than what was expected. Other funds' revenues are running as expected. The Capital Projects Fund is running low due to activities not yet started. The pension funds continue to perform better than budget, seeing minimal impact from the market volatility of early 2015. The Sewer Fund's revenues are under budget due to the KRMA construction project being delayed and not starting in FY 15 (this impacted Sewer Fund expenses, as well).

The Sewer Fund has switched from operating at a surplus to a deficit. However, this was expected because the second semi-annual depreciation expense of \$187,500 was recognized in April. The Sewer Fund was budgeted with an annual deficit of \$411,190 but it is currently at a deficit of \$121,076 so it's operations performed better than expected. For the month of April, expenses exceeded revenues by \$175,857. All debt payments for the fiscal year have been made. Operating revenues are above budget by almost 4%. The fund's cash on hand was \$526,578, an increase of \$4,842 from the March cash balance of \$521,736. The reason why expenses exceeded revenues but cash increase in April was due to the last portion of depreciation - \$187,500 - booked in April is a non-cash expense. Staff will continue to closely 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 '14/'15 Budget

TWELVE MONTH BUDGET COMPARISON - PRE-AUDIT

<u>REVENUES</u>	FY 14/15 <u>TWELVE MONTH ACTUAL</u>	FY 14/15 <u>BUDGET</u>	PERCENT COLLECTED
General Corporate Fund			
General Administration	8,360,589	11,264,078	74.22%
Village President	55,800	57,000	97.89%
Village Clerk	22,717	21,900	103.73%
Public Benefit	24,983	43,040	58.05%
Police Department	419,670	659,991	63.59%
Fire Department	340,191	409,500	83.07%
Public Property	15,551	15,500	100.33%
Public Works	5,864	5,000	117.28%
Building Standards	<u>189,183</u>	<u>159,500</u>	118.61%
Totals	9,434,548	12,635,509	74.67%
Capital Projects Fund	252,425	1,408,170	17.93%
Retirement Separation Fund	303	150	201.90%
Retirement Insurance Fund	2,300,631	2,300,000	100.03%
Revolving Loan Fund	11,060	13,337	82.93%
Rt. 50 TIF	1,024,631	900,300	113.81%
Motor Fuel Tax Fund	434,357	466,422	93.13%
Police Pension Fund	1,939,758	1,424,123	136.21%
Fire Pension Fund	124,779	130,564	95.57%
Sewer Fund	<u>2,413,912</u>	<u>2,793,767</u>	86.40%
Total Fund Revenues	17,936,402	22,072,342	81.26%

VILLAGE OF BRADLEY
Fiscal Year '14/'15 Budget

TWELVE MONTH BUDGET COMPARISON - PRE-AUDIT

<u>EXPENDITURES</u>	FY 14/15 <u>TWELVE MONTH ACTUAL</u>	FY 14/15 <u>BUDGET</u>	PERCENT EXPENDED
General Corporate Fund			
General Administration	535,842	555,619	96.44%
Benefits	176,130	269,768	65.29%
Board of Trustees	40,506	42,156	96.09%
Village President	23,551	26,634	88.42%
Village Administrator	174,931	173,444	100.86%
Legal	313,919	342,199	91.74%
Village Clerk	16,090	23,893	67.34%
Village Treasurer	177,549	203,827	87.11%
Public Benefit	991,917	1,095,790	90.52%
Police Department	5,069,826	5,348,500	94.79%
Fire and Police Commission	18,794	19,205	97.86%
Fire Department	1,113,959	1,315,170	84.70%
Public Property	210,094	887,750	23.67%
Public Works	1,526,436	1,668,980	91.46%
Building Standards	571,582	690,675	82.76%
Economic Incentive/Development	161,760	170,128	95.08%
Information Technology	<u>152,126</u>	<u>149,463</u>	101.78%
Department Totals	11,275,012	12,983,201	86.84%
Transfer - Capital Improvement Fund	166,511	235,000	70.86%
Transfer - Retirement Insurance Fund	<u>2,300,000</u>	<u>2,300,000</u>	100.00%
Total General Fund	13,741,522	15,518,201	88.55%
Capital Projects Fund	277,954	1,432,713	19.40%
Retirement Separation Fund	9,453	15,000	63.02%
Retirement Insurance Fund	229,633	250,740	91.58%
Rt. 50 TIF	880,302	1,350,740	65.17%
Motor Fuel Tax Fund	429,231	430,000	99.82%
Police Pension Fund	848,974	887,569	95.65%
Fire Pension Fund	5,638	6,775	83.22%
Sewer Fund	<u>2,534,988</u>	<u>3,204,957</u>	79.10%
TOTALS:	18,957,696	23,096,695	82.08%

VILLAGE OF BRADLEY
Fiscal Year '14/'15 Budget

TWELVE MONTH FUND BALANCE ANALYSIS

FUND BALANCE	Beginning Fund Balance	Fiscal Year Activity	Ending Fund Balance
General Corporate Fund	9,369,275		
Revenues		9,434,548	
Expenditures		<u>13,741,522</u>	
Net Activity		(4,306,974)	5,062,301
Capital Projects Fund	175,231		
Revenues		252,425	
Expenditures		<u>277,954</u>	
Net Activity		(25,529)	149,702
Retirement Separation Fund	356,956		
Revenues		303	
Expenditures		<u>9,453</u>	
Net Activity		(9,150)	347,806
Retirement Insurance Fund	0		
Revenues		2,300,631	
Expenditures		<u>229,633</u>	
Net Activity		2,070,997	2,070,997
Revolving Loan Fund	1,915,437		
Revenues		11,060	
Expenditures		<u>0</u>	
Net Activity		11,060	1,926,497
Rt. 50 TIF	1,414,322		
Revenues		1,024,631	
Expenditures		<u>880,302</u>	
Net Activity		144,329	1,558,651
Motor Fuel Tax Fund	521,989		
Revenues		434,357	
Expenditures		<u>429,231</u>	
Net Activity		5,126	527,115
Police Pension Fund	13,337,267		
Revenues		1,939,758	
Expenditures		<u>848,974</u>	
Net Activity		1,090,783	14,428,050
Fire Pension Fund	521,141		
Revenues		124,779	
Expenditures		<u>5,638</u>	
Net Activity		119,141	640,281
Sewer Fund	2,058,376		
Revenues		2,413,912	
Expenses		<u>2,534,988</u>	
Net Activity		(121,076)	1,937,300