



April 13, 2011

TO: Macon County Finance Committee

Re: HIGHLIGHTS OF MARCH 2011 PRELIMINARY FINANCIAL STATEMENT

At the end of March 33.3% of the fiscal year has passed.

General Fund (001)

Revenue minus expense is better than last year at this time. Revenue is slightly behind last year, while expenses are well behind last year. The positive trend has narrowed somewhat from last month. The following summarizes the comparison in both revenue and expense for February preliminary year to date:

February YTD	FY 2011	FY 2010	Change Fav/(UnFav)
Revenue	\$2,977.5	\$3,013.5	(\$36)
Expense	\$4,343.1	\$4,723.7	\$380.6
Rev – Exp	(\$1,365.7)	(\$1,710.2)	\$344.5

Versus budget, revenue received on a daily or monthly basis is ahead of last year in total. Last year, revenue was at 29.6% of budget versus this year at 33.7%. We continue to expect that FY 2011 performance will be better than budget (revenue minus expense).

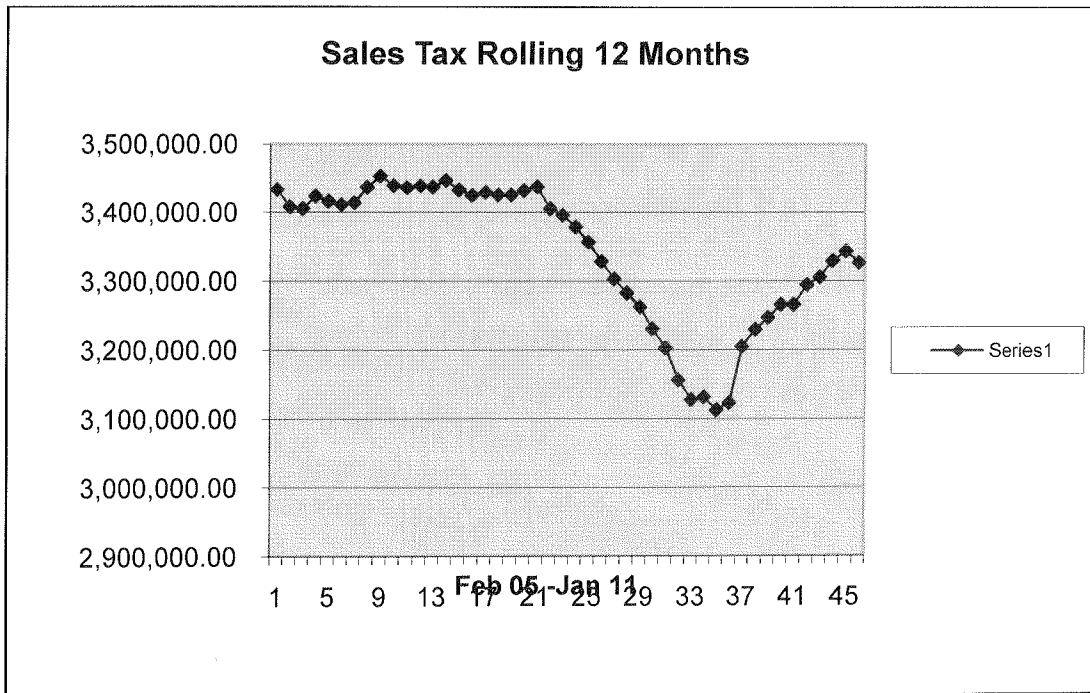
Fees received by the various office holders are above below budget trend in total. More conservative budgeting by all offices and a general improvement in the economy are contributing factors.

	Actual	Budget	%Budget
County Clerk	105,834	310,000	34.1%
Recorder	131,059	390,000	33.6%
Circuit Clerk	536,597	1,642,840	32.7%
Sheriff	76,651	177,000	43.3%
State's Attorney	155,791	406,214	38.4%
	1,005,931	2,926,054	34.4%

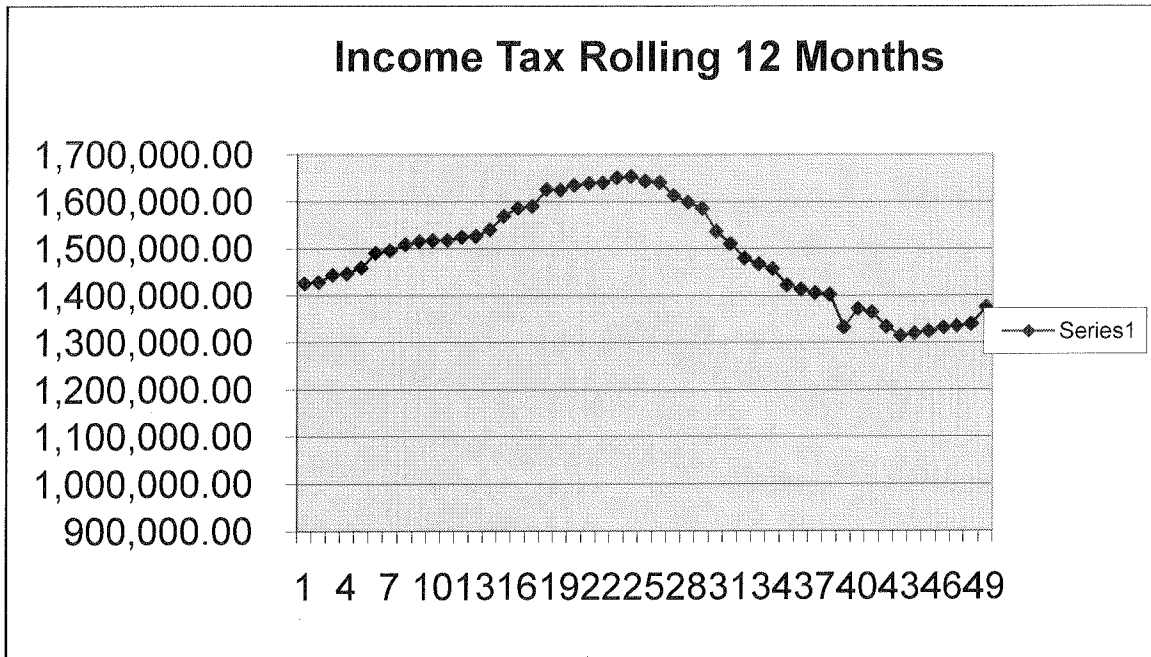
Building permits are running well below budget at 17.2% which is typical for the winter/early spring season.

Sales and Income Taxes remain a concern but both indicators are showing signs of growth and/or stability. There have now been five months of positive trends for income tax, and the 12 month rolling graph for sales taxes is clearly pointing up.

For sales taxes, the chart below summarizes receipts through March 31, 2011. We have definitely seen an upturn over the last several months. For the most recently received month of activity, January 2011, sales tax was down 5.4% after 10 positive months. Measured on a fiscal year to date basis, receipts are even. The 12 month rolling graph shows a clear positive trend with a slight hiccup in the most recent month.



The most recent month for which we have both portions of income taxes is November 2010, which is up considerably from the same month last year. For the full fiscal year 2010, income tax receipts are flat.



Expenditures in total in the general fund are below budget at 30.8% through the end of March and are less than last year at this time. Several departments are above the running rate of 33%: these include County Clerk (will be fixed by final transfer from County Clerk Automation), County Treasurer, County Recorder, Probation (will be fixed by final transfer from Probation Fees) and the Public Defender. This is not a concern this early in the year but we will examine each case in more detail.

Accounts Receivable in the general fund are down again this month, although they remain slightly higher than we would prefer.

Law Enforcement Safety Tax (002)

LEST revenues continue to up decisively ahead of last year. For the full year of FY 2010, receipts were up 6% over the prior year. The most recent two months received (December and January) were up 3.3% and 5.4% respectively. There are no Accounts Receivable issues as sales tax receipts are booked and received largely as expected. This is the same as our previous report.

LEST now is just the Sheriff/ Jail and EMA as all other departments have gone back to the General Fund. All departments were well below budget through the end of March: this fund expenditures were 26.7% of budget with revenue as booked at 34.7%. This fund ended last year with positive operations of \$22k; fund balance stands at \$782k currently. These results postpone the time in which LEST expenditure must equal only what comes in the current year.

Retirement and Social Security Funds (005, 006)

Regular retirement payments are behind budget at 27.69% ; this is typical because IMRF payments are made in the beginning of the month following the payroll liability. We did make the scheduled December payment of \$602,712 in principal toward our outstanding ERI liability. Social security payments are right at budget at 32.75% (payroll timing).

Insurance, Self Insurance and Judgment Funds (011, 012, 013)

Annual insurance premiums have been paid, except for unemployment which we pay quarterly and for which the liability lags. In the insurance fund, total spend is at 52.8% . In the Self Insurance fund, total spend is slightly below budget at 31.5% . The workers comp line is just under budget at 32.9%.

In the Judgment fund, expenditures to date stand at 15.74% of budget: this includes 29.8% on payroll items, 53.5% on fringes and 6.6% on claims expenses. We are attempting to work with the department on fringe expenses as they were not correctly budgeted for the payroll in this fund. As a long term concern, we need to begin levying for the Judgment fund to prevent an off the cliff situation. Since no recommendation on increasing the levy was made for Judgment, we will attempt to address this again next year. We don't want to go from \$0 levy to millions in one year and the levy should be eased up gradually over a several year period starting as soon as possible.

Health Funds (020, 021, 025)

We have now begun the second full fiscal year using the new accounting system. The new administration at the Health Department is moving decisively to make their operating managers responsible for finances. A budget amendment is currently in process which fine tunes all departments. For the fund in total, revenue is below budget at 22.4% and expenditure also below budget at 28.5%. We are very encouraged by the health departments process and have a number of projects underway to improve reporting and budgeting, and provide more information on receivables in this fund. These major efforts will take several years to accomplish.

The major issue in the health fund right now is the future of state and federal funding. The administration of the Health Department is on top of this issue, and is working with the Legislative Committee.

Highway Funds (030,031,032,034,035,036)

Expenditures for these funds are below budget in advance of the construction season. Highway (22%) and Matching (24%) are below 25%; the rest of the funds are well below 10% of budget. We continue to track by Section number; typically highway department projects stretch over many years and we are continuing to improve our tracking of projects over the life of the project.

Circuit Clerk (050, 051, 052, 053)

Fees revenue for this group of funds are behind budget, with the group as a whole standing at 29%. Expenditures stand at 24% for this group of funds in total.

State's Attorney Drug Funds, Sheriff Drug Fund, Sheriff Commissary Fund (060, 061, 071, 072).

There is no significant activity in these funds yet this year.: about \$17.8k has been spent from the SA drug funds. We are now booking the Sheriff Resident and the Sheriff commissary activity monthly based on reconciled bank statements received from the Sheriff.

Automation and GIS Funds (065, 066, 067, 085)

Fee revenue is slightly below budget for Clerk Automation (32%) ; GIS revenues are well ahead of budget (44%% including the recent 3D mapping project). Recorder automation receipts are above budget at 34.8% while Treasurer Automation revenue is received at the very end of the fiscal year and thus no trend information is available. Spending for all funds is favorable to budget.

Animal Control Fund (080)

Revenue in total is ahead of last year. This is due to a slight increase in tags, an increase in payments from the city, and a generous private donation from an estate.

	<u>3/31/2011</u>	<u>Budget 11</u>		<u>3/31/2010</u>	<u>% Change</u>
Tags	\$ 144,236	\$ 380,000	37.96%	\$ 143,607	0.4%
Interest	\$ 39	\$ 1,500	2.58%	\$ 224	-82.8%
Donations	\$ 33,017	\$ -			
City Cont	\$ 126,275	\$ 378,824	33.33%	\$ 93,912	34.5%
Municipal	<u>\$ 462</u>	<u>\$ 5,000</u>	9.24%	<u>\$ -</u>	
Subtotal	\$ 304,028	\$ 765,324	39.73%	\$ 237,743	27.9%
Over the Counter	<u>\$ 33,963</u>	<u>\$ 197,700</u>	17.18%	<u>\$ 45,830</u>	-25.9%
Total	<u>\$ 337,991</u>	<u>\$ 963,024</u>	<u>35.10%</u>	<u>\$ 283,573</u>	<u>19.2%</u>

Expenditures are running very favorably to budget at 28%.

Probation Fees Fund (084)

Probation fees continue strong, and restrained spending by the probation department has left this fund with a substantial ending fund balance. Contributions to general were less than budgeted because of spending restraint, leaving this fund with an ending fund balance of just over \$1 million. Fees received in the first three months of the fiscal year put fund balance at \$1,214k.

Please read the entire Board financial report and call me if you have any questions.

Sincerely,



Amy C. Stockwell

Xc: Jay Dunn, Chair, Macon County Board