

June 20, 2011

TO: Macon County Finance Committee

Re: HIGHLIGHTS OF MAY 2011 FINANCIAL STATEMENT

At the end of May, 50.0% of the fiscal year has passed.

General Fund (001)

Revenue minus expense is better than last year at this time, with both revenue and expense at a favorable comparison to the same time last year. The positive trend has expanded a hair from that observed two months ago. The following summarizes the comparison in both revenue and expense for May year to date:

May YTD	FY 2011	FY 2010	Change Fav/(UnFav)
Revenue	\$4,960.9	\$4,689.4	\$271.5
Expense	\$7,113.1	\$7,197.2	\$84.1
Rev – Exp	(\$2,152.2)	(\$2,507.7)	\$355.5

Versus budget, revenue received on a daily or monthly basis is ahead of budget at 51.1%. Based on these results, we continue to expect that FY 2011 performance will be better than budget (revenue minus expense).

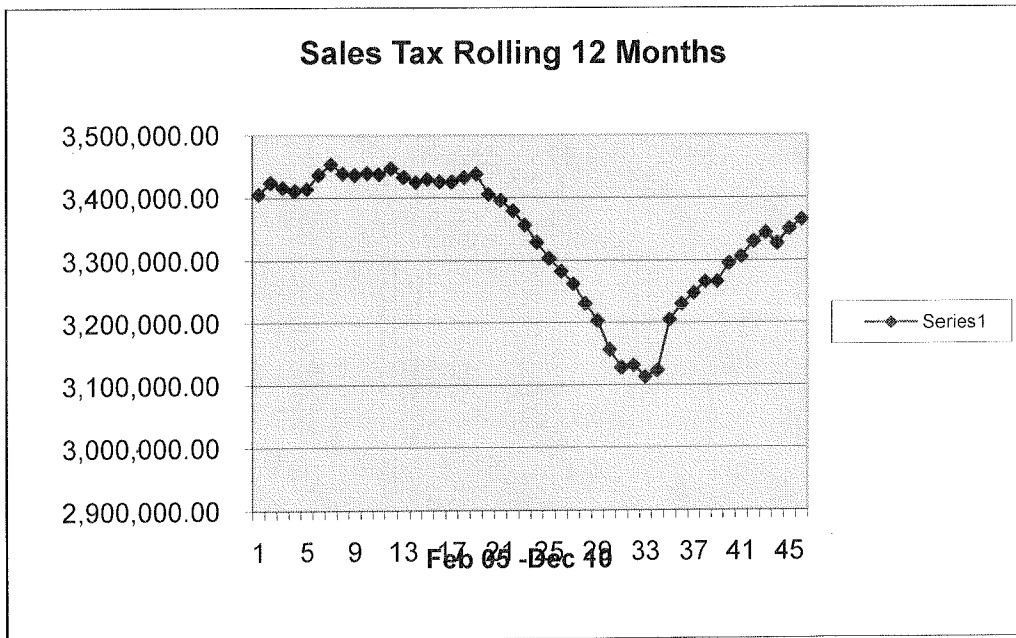
Fees received by the various office holders are above below budget trend in total. More conservative budgeting by all offices and a general improvement in the economy are contributing factors.

	Actual	Budget	%Budget
County Clerk	153,895	310,000	49.6%
Recorder	210,663	390,000	54.0%
Circuit Clerk	874,895	1,642,840	53.3%
Sheriff	127,103	177,000	71.8%
State's Attorney	<u>250,199</u>	<u>406,214</u>	61.6%
	1,616,755	2,926,054	55.3%

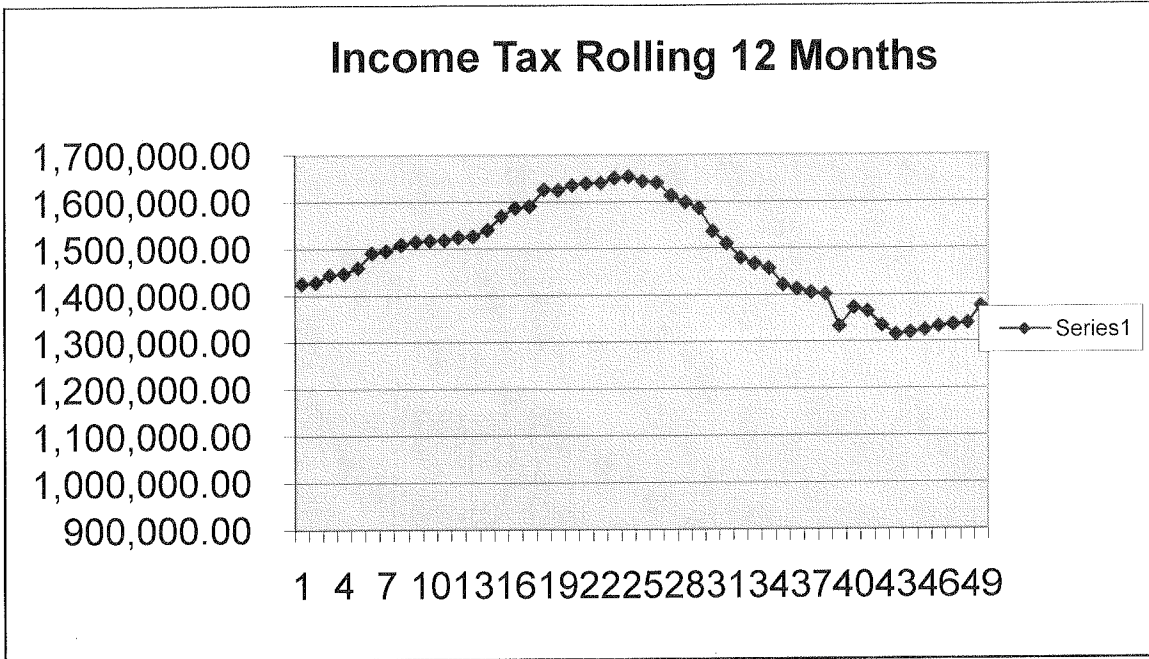
Building permits are running well below budget at 28.3% which is typical for the spring season.

Sales and Income Taxes remain a concern but both indicators are showing signs of growth and/or stability. There have now been six 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 May 31, 2011. We have definitely seen an upturn over the last several months. For the most recently received month of activity, March 2011, sales tax was up 10% over the prior year. Measured on a fiscal year to date basis, receipts are even. The 12 month rolling graph shows a clear positive trend although we are still below the levels seen before the start of the economic downturn.



The most recent month for which we have both portions of income taxes is December 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 right at budget at 50.5% through the end of May and are slightly less than last year at this time. A number of departments are above the running rate of 50%. These departments spending at a slightly faster rate than budget include County Clerk, Treasurer, Board of Review, and Auditor. We will be looking at each in more detail.

Accounts Receivable in the general fund are down again this month, although they remain higher than we would prefer. Part of the reduction in total balance was because we received information that previously booked probation reimbursement would not be received: we do not expect any problems for this department because probation fees have been used to bring total net appropriation to budgeted levels.

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 four months received were up a total of 4.9% over last year. There are no Accounts Receivable issues as sales tax receipts are booked and received largely as expected.

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 May: this fund expenditures were 38.5% of budget with revenue as booked at 48.0%. This fund ended last year with positive operations of \$22k; fund balance stands at \$56.6k 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 slightly behind budget at 43.0% ; 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 47.67% (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 57.6% . In the Self Insurance fund, total spend is at budget at 49.9% . The workers comp line is just over budget at 54.3%. while the general claims line is slightly under budget at 49.1%.

In the Judgment fund, expenditures to date stand at 24.6% of budget: this includes 44.9% on payroll items, 72.4% on fringes, 21.6% on contractual fees and 12.2% on claims/judgements 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 in FY 2011, 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 For the fund in total, revenue is below budget at 24.7% and expenditure also below budget at 44.8%. When removing property taxes from the equation, revenue from all other sources is at 34.5% of budget. We are working with the Health Department to understand revenue trends.

All categories of spending are below budget for the fund in total. Salaries and benefits are at 48% of budget, while discretionary spending is 34%.

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

For the group in total, both revenues and expenditures are below the budgeted rate which is partially due to the fact that we are before the first distribution of property taxes. For the group in total, revenue is at 37.7% of budget with Highway (A030), MFT (A032) and County Bridge (A034) below budget. Revenues in Matching Fund (A031), and State Township Bridge (A035) are ahead of budget. Expenditures for all these funds are well below budget in advance of the construction season. 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 right at budget in total (50.6%). Automation is slightly below budget (44.6%) while Document Storage and Restricted Cash are right at budget. The

Operations and Administration Fund revenue is well over budget at \$16.2k versus full year budget of \$15k. Expenditures stand at 36.3% 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.k 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 (45.7%) ; GIS revenues are well ahead of budget (60% including the recent 3D mapping project). Recorder automation receipts are also slightly below budget at 48% 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; the full year's transfer to General from County Clerk Automation has been recorded although cash transfers are awaiting receipt of funds.

Animal Control Fund (080)

Revenue in total is ahead of last year, but down in transactions over the counter at animal control. We continue to see the impacts of the poor economy on both adoptions and owner surrender.

	<u>5/31/2011</u>	<u>Budget 11</u>		<u>5/31/2010</u>	<u>% Change</u>
Tags	\$ 210,507	\$ 380,000	55.40%	\$ 206,556	1.9%
Interest	\$ 40	\$ 1,500	2.64%	\$ 403	-90.2%
Donations	\$ 9,273	\$ 50,000	18.55%	\$ 9,566	-3.1%
City Cont	\$ 220,981	\$ 378,824	58.33%	\$ 219,837	0.5%
Municipal	\$ 462	\$ 5,000	9.24%	\$ -	
Subtotal	\$ 441,262	\$ 815,324	54.12%	\$ 426,796	3.4%
Over the Counter	\$ 49,292	\$ 197,700	24.93%	\$ 57,263	-13.9%
Total	<u>\$ 490,555</u>	<u>\$ 963,024</u>	<u>50.94%</u>	<u>\$ 484,059</u>	<u>1.3%</u>

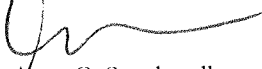
Expenditures are running very favorably to budget at 45.44%.

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 six months of the fiscal year put fund balance at \$1,315k.

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