

July 21, 2011

TO: Macon County Finance Committee

Re: HIGHLIGHTS OF JUNE 2011 FINANCIAL STATEMENT

At the end of June, 58.3% 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 three months ago. The following summarizes the comparison in both revenue and expense for June year to date:

June YTD	FY 2011	FY 2010	Change Fav/(UnFav)
Revenue	\$7,874.5	\$7,580.3	\$294.2
Expense	\$8,203.1	\$8,284.9	\$81.8
Rev – Exp	(\$328.7)	(\$704.6)	\$375.9

Versus budget, revenue received on a daily or monthly basis is a tiny bit ahead of budget at 58.7%. Based on these results, we continue to expect that FY 2011 performance will meet budget (revenue minus expense).

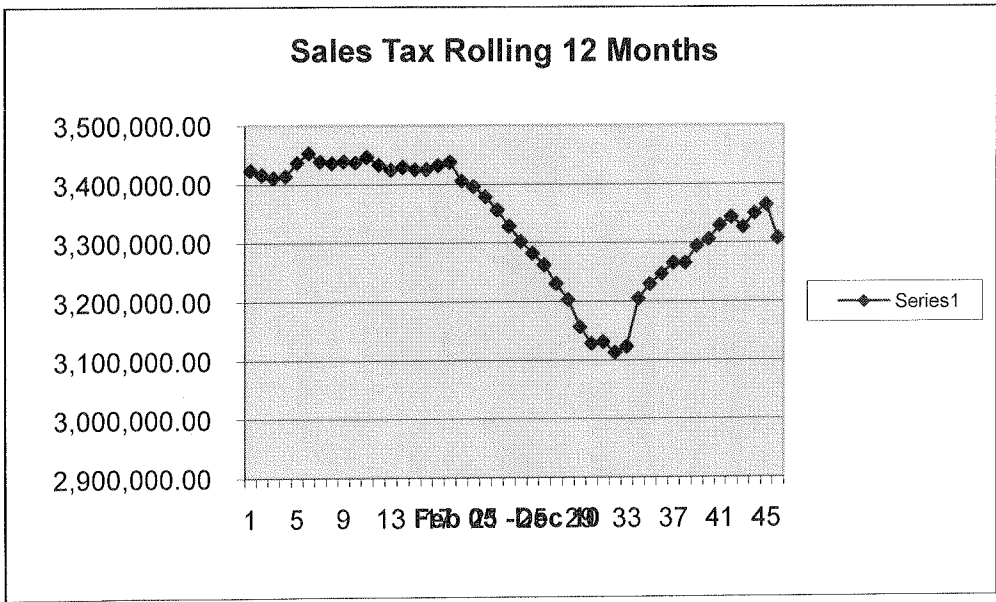
Fees received by the various office holders are above the budget trend in total. More conservative budgeting by all offices and a general improvement in the economy are contributing factors. The recorder does report a softening of the trend in recording activity.

	Actual	Budget	%Budget
County Clerk	177,384	310,000	57.2%
Recorder	252,595	390,000	64.8%
Circuit Clerk	1,025,964	1,642,840	62.5%
Sheriff	155,517	177,000	87.9%
State's Attorney	<u>279,093</u>	<u>406,214</u>	68.7%
	1,890,552	2,926,054	64.6%

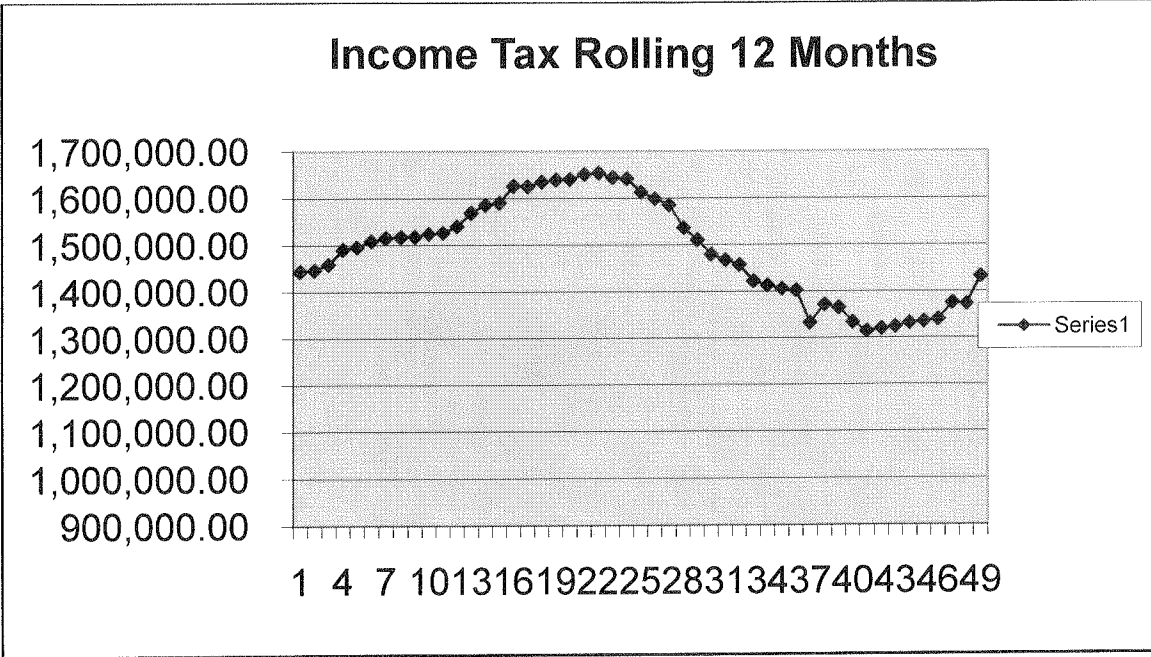
Building permits are running well below budget at 35.2% and also well below last year at this point (\$56.5k and 66.51% of budget).

Sales and Income Taxes remain a concern but both indicators are showing signs of growth and/or stability. There have now been seven months of positive trends for income tax, but the most recent month of sales taxes are down.

For sales taxes, the chart below summarizes receipts through June 30, 2011. While there have been several positive months, April was down by 16.7% over the same month last year. This performance takes fiscal year to date down by 2% and also tips the 12 month graph. The 12 month rolling graph continues to show a generally positive trend although we are still below the levels seen before the start of the economic downturn. The most recent month makes this more uncertain.



The most recent month for which we have both portions of income taxes is January 2011, 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 58.3% through the end of June and are a hair less than last year at this time. A number of departments are above the running rate of 58%. These departments spending at a slightly faster rate than budget include County Clerk Elections, Treasurer, and Probation. Probation will be handled with the year end transfer of Probation fees. 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 of adjustments to expected revenue for the State's Attorney IVD program.

Law Enforcement Safety Tax (002)

LEST revenues have now turned down from last year. The first four months of this year were up comfortably; the most recent month (April) was down over 21% from the same month last year. While one month does not make a trend, the five month total is down 1.6% and this indicator will need to be watched closely. 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 June: this fund expenditures were 46.3 of budget with revenue as booked at 48.4%. This fund ended last year

with positive operations of \$22k; fund balance stands at \$745.3k 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 50.5% ; 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 58.84% (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 62.1% . In the Self Insurance fund, total spend is at below budget at 51.0% .

In the Judgment fund, expenditures to date stand at 28.7% of budget: this includes 56.7% on payroll items, and 81.9% on fringes. 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 and involve them in the budget process. For the fund in total, revenue is below budget at 41.6% and expenditure also slightly below budget at 52.3%.

All categories of spending are below budget for the fund in total. Salaries and benefits are at 56.8% of budget, while discretionary spending is 45.6% in the 7xxx accounts, 27.6% in the 8xxx accounts and 55.7% in the capital account. We are working with the department on a project to finance needed repairs before the coming winter.

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

For the group in total, revenues are above the budgeted rate at 63.2% while expenditures continue below budget at 35.7%. 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 above budget in total (64.3%). Automation is slightly below budget (54.2) while Document Storage and Restricted Cash are above budget. The

Operations and Administration Fund revenue is well over budget at \$19.4k versus full year budget of \$15k. Expenditures stand at 42.8% 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 (54.3%) ; GIS revenues are well ahead of budget (70.4% including the recent 3D mapping project). Recorder automation receipts are slightly above budget at 60.6% while Treasurer Automation revenue is received at the very end of the fiscal year and thus no trend information is available. Spending for all these 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 by a fraction of a percent, but down significantly in transactions over the counter at animal control. We continue to see the impacts of the poor economy on both adoptions and owner surrender. While "specials" have increased adoptions, revenue continues to lag.

	<u>6/30/2011</u>	<u>Budget 11</u>		<u>6/30/2010</u>	<u>% Change</u>
Tags	\$ 243,907	\$ 380,000	64.19%	\$ 241,914	0.8%
Interest	\$ 40	\$ 1,500	2.69%	\$ 510	-92.1%
Donations	\$ 9,940	\$ 50,000	19.88%	\$ 11,496	-13.5%
City Cont	\$ 220,981	\$ 378,824	58.33%	\$ 219,837	0.5%
Municipal	\$ 462	\$ 5,000	9.24%	\$ -	
Subtotal	\$ 475,331	\$ 815,324	58.30%	\$ 462,261	2.8%
Over the Counter	\$ 57,041	\$ 197,700	28.85%	\$ 65,740	-13.2%
Total	\$ 532,372	\$ 963,024	55.28%	\$ 528,001	0.8%

Expenditures are running favorably to budget at 52.6%.

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 \$1,353k.

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