



August 16, 2011, 2011

TO: Macon County Finance Committee

Re: HIGHLIGHTS OF JULY 2011 FINANCIAL STATEMENT

At the end of July, 66.7% 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 narrowed on the revenue side from last month, but greatly widened on the expenditure side. The following summarizes the comparison in both revenue and expense for July year to date:

July YTD	FY 2011	FY 2010	Change Fav/(UnFav)
Revenue	\$8,761.8	\$8,591.5	\$170.3
Expense	\$9,083.5	\$9,887.0	\$803.5
Rev – Exp	(\$321.7)	(\$1,295.5)	\$973.8

Versus budget, revenue received on a daily or monthly basis is a tiny bit ahead of budget at 67.7%. Based on these results, we continue to expect that FY 2011 performance will meet budget (revenue minus expense).

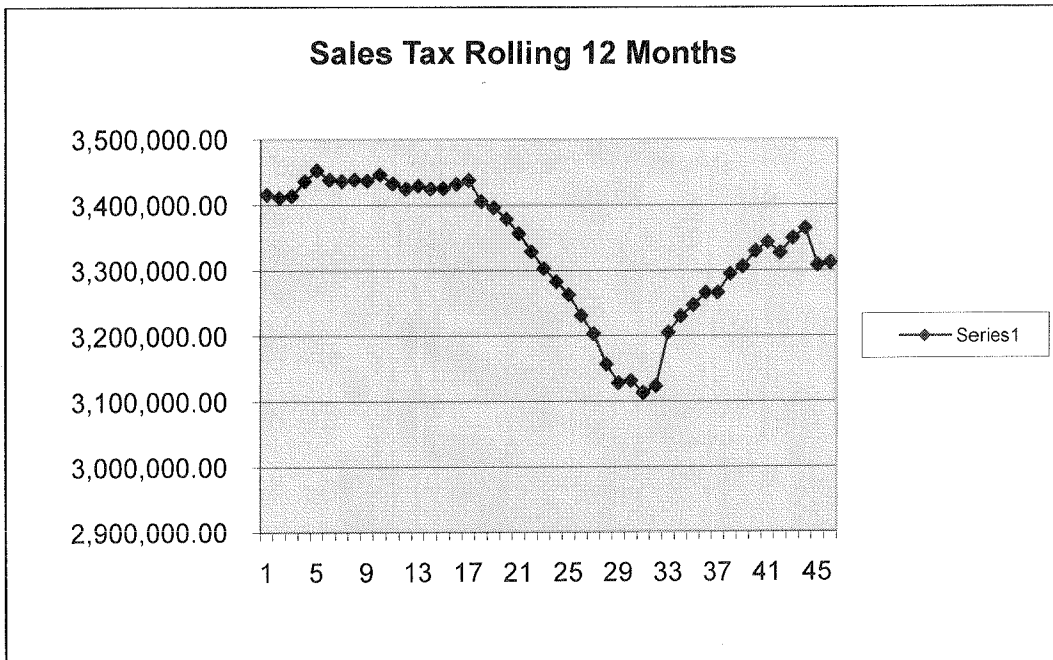
Fees received by the various office holders are above the budget trend in total. More conservative budgeting by all offices and a general improvement in the economy are contributing factors. Fees received by the County Clerk are the only office below budget trends.

	Actual	Budget	%Budget
County Clerk	200,838	310,000	64.8%
Recorder	289,739	390,000	74.3%
Circuit Clerk	1,179,997	1,642,840	71.8%
Sheriff	176,508	177,000	99.7%
State's Attorney	312,284	406,214	76.9%
	2,159,364	2,926,054	73.8%

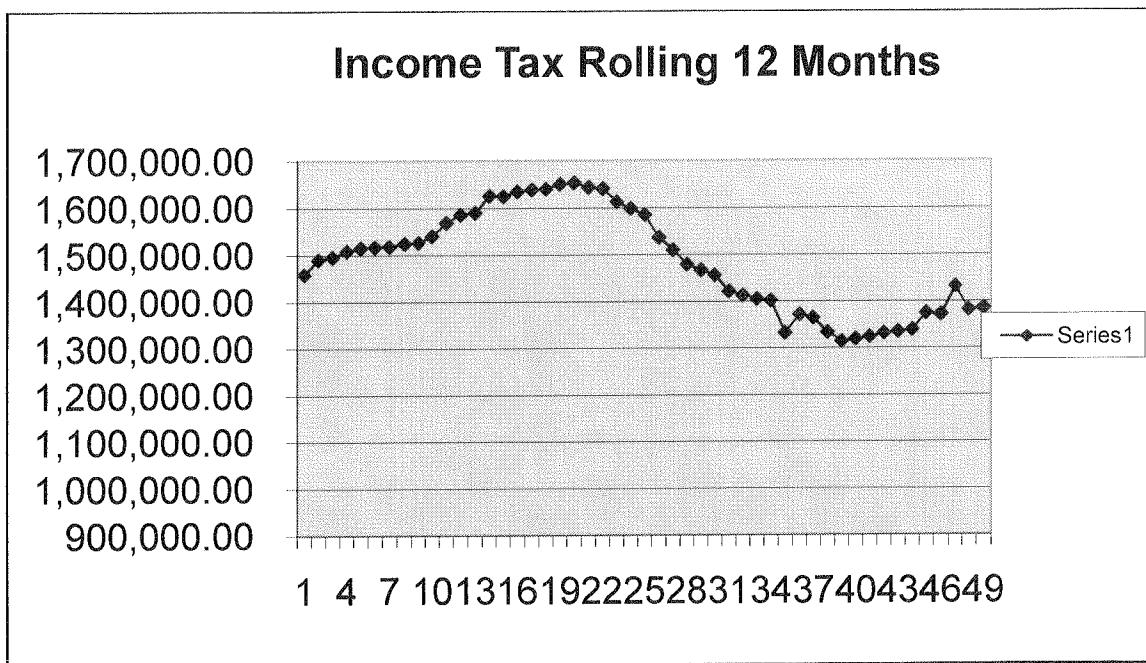
Building permits are running well below budget at 46.1% and also well below last year at this point. We have observed this trend for several months.

Sales and Income Taxes remain a concern but both indicators are showing signs of growth and/or stability. Both key indicators are volatile, with pluses and minuses.

For sales taxes, the chart below summarizes receipts through July 31, 2011. While there have been several positive months, April was down by 16.7% over the same month last year. The most recent month, May, is up a hair over the same month last year (1.4%) but fiscal year to date remains down at -1.0%. The rolling 12 month graph tipped down last month and has now stabilized with the most recent results. The 12 month rolling graph continues to be below the levels seen before the start of the economic downturn.



Income taxes are volatile. The most recent month for which we have both portions of income taxes is March 2011, which is up slightly from the same month last year. For the full fiscal year 2011 (four months received), income tax receipts are up very slightly by 2.3%.



Expenditures in total in the general fund are slightly below at 64.4% through the end of July and are well below last year at this time. Two departments are above the running rate of 67% on net expenditures. These departments spending at a slightly faster rate than budget include the Public Defenders 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. We received a significant amount of state support for the Probation officers this month totally \$237k.

Law Enforcement Safety Tax (002)

LEST revenues have turned down from last year because of a very low April. This month, we saw May receipts be in positive territory again at plus 3.6% over the same month last year. This result puts fiscal year to date receipts only slightly below last year at 0.8%. The first four months of this year were up comfortably; April was down over 21% from the same month last year., and now May has turned up modestly at 3.6%. Weakness in the overall economy (unemployment and underemployment) will continue to make consumer spending weak. 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 July: this fund expenditures were 55.3 of budget with revenue as booked at 62.1% of budget. This fund ended last year with positive

operations of \$22k; this year's operations have reduced that slightly although much less than the budgeted reduction in fund balance. 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 63.81% ; 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 65.9% (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 65% . In the Self Insurance fund, total spend is at below budget at 57.9% . Spending in this fund is typically on a lag from events as claims take time to be processed through our third party administrators and insurance companies.

In the Judgment fund, expenditures to date stand at 33.4% of budget: this includes 64.4% on payroll items, and 96.5% 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 56.4% and expenditure also below budget at 61.1%.

All categories of spending are below budget for the fund in total except for fringes which are slightly above budget . Salaries are at 64.5% of budget, fringes are at 68.8%, and discretionary spending is 53.2% in the 7xxx accounts, 33.1% in the 8xxx accounts and 63.75% in the capital account. The department has developed a multi year capital plan for needed building repairs and maintenance and will be presenting it to the Board during the budget process.

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

For the group in total, revenues are slightly above the budgeted rate at 68.8% while expenditures continue below budget at 41.2%. Expenditures for all these funds are well below budget; now that the construction season is in full swing we are watching to see if expenditures advance or if budgeted levels are unrealistically high. 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 (74.1%). Automation is slightly below budget (63.5%) while Document Storage and Restricted Cash are above budget. The Operations and Administration Fund revenue is well over budget at \$23.5k versus full year budget of \$15k. Expenditures stand at 48.56% 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 (61.4%) ; GIS revenues are well ahead of budget (73.7% including the recent 3D mapping project). Recorder automation receipts are above budget at 70.9% 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 now below last year at this time. Transactions over the counter are down significantly from last year. 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.

	7/31/2011	Budget 11		7/31/2010	% Change
		\$		\$	
Tags	\$ 274,616	380,000	72.27%	272,120	0.9%
Interest	\$ 41	\$ 1,500	2.72%	\$ 543	-92.5%
		\$			
Donations	\$ 10,274	50,000	20.55%	\$ -	#DIV/0!
		\$			
City Cont	\$ 220,981	378,824	58.33%	219,837	0.5%
Municipal	<u>\$ 462</u>	<u>\$ 5,000</u>	9.24%	<u>\$ 62</u>	<u>645.2%</u>
		\$			
Subtotal	\$ 506,373	815,324	62.11%	492,563	2.8%
		\$			
Over the Counter	<u>\$ 65,398</u>	<u>197,700</u>	33.08%	<u>\$ 88,165</u>	<u>-25.8%</u>
		\$			
Total	<u>\$ 571,772</u>	<u>963,024</u>	<u>59.37%</u>	<u>\$ 580,728</u>	<u>-1.5%</u>

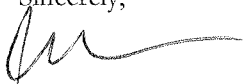
Expenditures are running favorably to budget at 59.8%. However, this fund is in a deficit situation and the current negotiations with the City of Decatur are essential to addressing this situation.

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 seven months of the fiscal year put fund balance at \$1,391k.

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