



October 19, 2011

TO: Macon County Finance Committee

Re: HIGHLIGHTS OF SEPTEMBER 2011 FINANCIAL STATEMENT

At the end of September, 83.3% of the fiscal year has passed.

General Fund (001)

Revenue minus expense is once again better than last year at this time, with both revenue and expense at a favorable comparison to the same time last year. This is the same trend as observed last month, and the degree to which expenses are less than last year has widened slightly. The following summarizes the comparison in both revenue and expense for September year to date:

September YTD	FY 2011	FY 2010	Change Fav/(UnFav)
Revenue	\$12,255.5	\$12,059.4	\$196
Expense	\$11,133.7	\$11,884.9	\$751
Rev – Exp	\$1,121.7	\$ 174.6	\$947

Versus budget, revenue received on a daily or monthly basis is again ahead of budget at 85.3%. Based on these results, we continue to expect that FY 2011 performance will meet or slightly exceed budget (revenue minus expense).

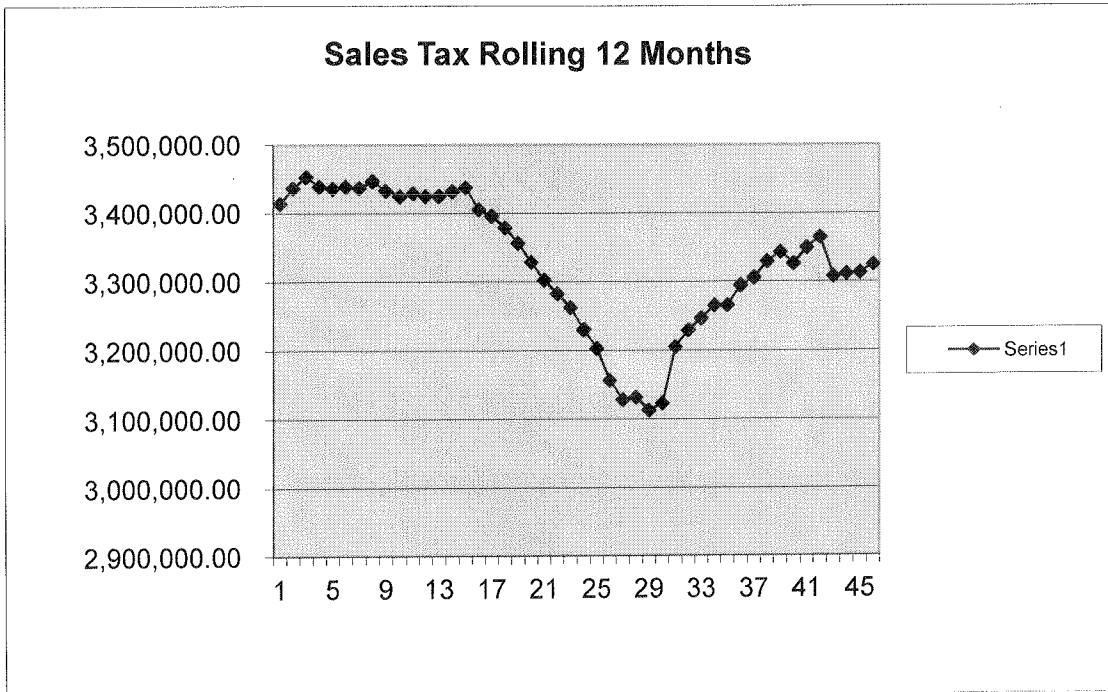
Fees received by the various office holders are above the budget trend in total. More conservative budgeting by all offices and a general improvement in the economy are contributing factors. Fees received by the County Clerk are the only office below budget trends.

	Actual	Budget	%Budget
County Clerk	247,375	310,000	79.8%
Recorder	375,613	390,000	96.3%
Circuit Clerk	1,476,861	1,642,840	89.9%
Sheriff	226,837	177,000	128.2%
State's Attorney	<u>386,105</u>	<u>406,214</u>	95.0%
	2,712,791	2,926,054	92.7%

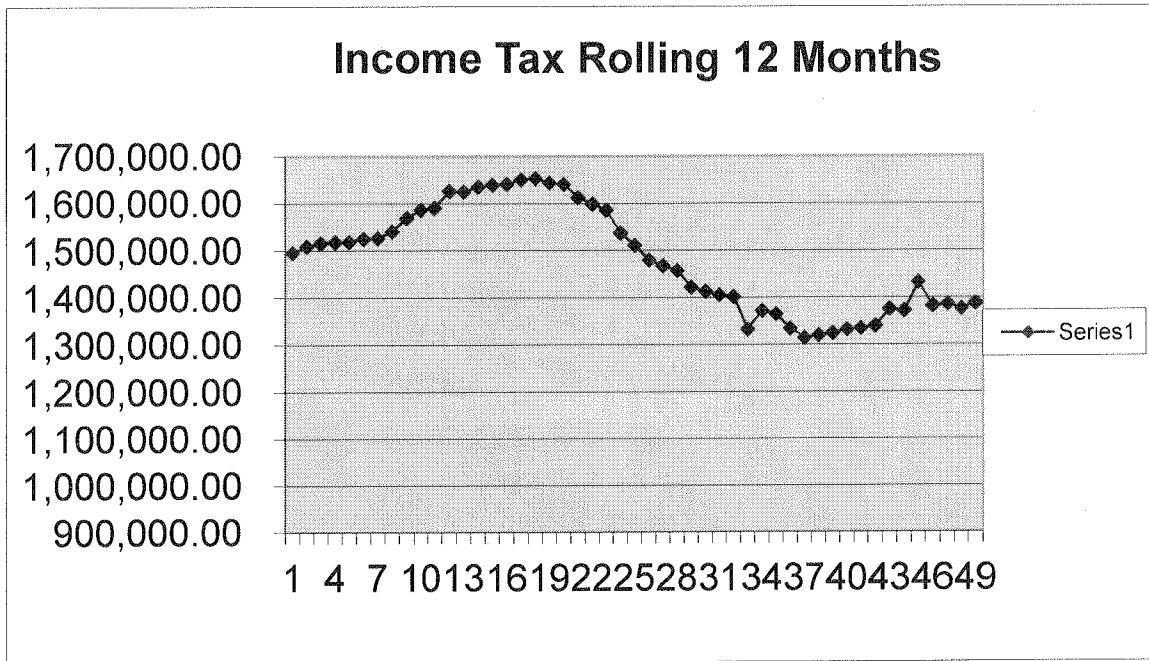
Building permits are running well below budget at 71.1% although up significantly from last month. We have observed this trend for several months.

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 September 30, 2011. While there have been several positive months, April was down by 16.7% over the same month last year. The most recent month, July, is up 4% over the same month last year but fiscal year to date remains exactly even from last year at this time. The rolling 12 month graph tipped down four months ago, but then has been on a slight positive trend although it continues to be below levels seen before the start of the economic downturn.



Income taxes remain somewhat volatile. The most recent month for which we have both portions of income taxes is May 2011, which is up significantly from the same month last year (12.5%). For the full fiscal year 2011 (six months received), income tax receipts are up very slightly by 1.8% but the trend is concerning.



Expenditures in total in the general fund are slightly below budget at 79.0% through the end of September and are below last year at this time. Two departments are above the running rate of 83.3% on net expenditures. These departments spending at a slightly faster rate than budget include the Public Defender and Probation. Probation will be handled with the year end transfer of Probation fees.

Accounts Receivable in the general fund were up slightly again this month, and remains higher than we would prefer. We are receiving income from our federal prisoners on a regular basis.

Law Enforcement Safety Tax (002)

We have now had three good months of LEST receipts after a very low April. The most recent month received, July 2011, was up 7.9% over the same month last year. These results put fiscal year to date receipts a hair above last year at plus 1.6%. 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 September: this fund expenditures were 68.5% of budget with revenue as booked at 82.2% of budget. This fund ended last year with positive operations of \$22k; this year's operations have added to that slightly through the end of September. 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 80.3% ; 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 also slightly behind budget at 80.67 because of 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 75.6% . In the Self Insurance fund, total spend is at below budget at 64.4% . 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 44.64% of budget: this includes 80% on payroll items, and 115.6% on fringes. After extensive discussions with the department, the Display Budget includes the correct calculation of fringes for next year. The display budget includes increased levies for both judgment and insurance, as a result of prudent long term forecasting and these funds will be in good shape going forward.

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 77.3% and expenditure also below budget at 69.5%. The fund has a positive revenue minus expense with the second tax distribution versus a budgeted reduction in reserves.

All categories of spending are below budget for the fund in total Salaries are at 80% of budget, fringes are at 80%, and discretionary spending is 67.2% in the 7xxx accounts, 45.0% in the 8xxx accounts and 17.4% in the capital account. The department is on track to begin their multi year building repair and maintenance project with roof replacement this fall.

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

For the group in total, revenues are well above the budget at 165.22% while expenditures continue below budget at 64.2%. 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 (96.3%). Automation is slightly below budget (81.2%) while Document Storage and Restricted Cash are above budget. The Operations

and Administration Fund revenue is well over budget at \$23.9k versus full year budget of \$15k. Expenditures stand at 59.9% 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 \$17.7k 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 (78.8%) ; GIS revenues are well ahead of budget (98.3% including the recent 3D mapping project). Recorder automation receipts are above budget at 93.4% 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 approximately equal to last year at this time. Transactions over the counter are down significantly from last year.

	<u>9/30/2011</u>	<u>Budget 11</u>		<u>9/30/2010</u>	<u>% Change</u>
Tags	\$ 324,386	\$ 380,000	85.36%	\$ 332,280	-2.4%
Interest	\$ 42	\$ 1,500	2.83%	\$ 612	-93.1%
Donations	\$ 11,669	\$ 50,000	23.34%	\$ 14,103	-17.3%
City Cont	\$ 318,640	\$ 378,824	84.11%	\$ 314,543	1.3%
Municipal	<u>\$ 515</u>	<u>\$ 5,000</u>	10.29%	<u>\$ 62</u>	<u>730.0%</u>
Subtotal	\$ 655,252	\$ 815,324	80.37%	\$ 647,497	1.2%
Over the Counter	<u>\$ 86,510</u>	<u>\$ 197,700</u>	43.76%	<u>\$ 92,898</u>	<u>-6.9%</u>
Total	<u>\$ 741,762</u>	<u>\$ 963,024</u>	<u>77.02%</u>	<u>\$ 740,395</u>	<u>0.2%</u>

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. Expenditures are running favorably to budget at 74.3%. However, this fund is in a deficit situation. There has been a successful conclusion to a lengthy process of negotiation and three additional sources of funding have been developed. Tag fees are being increased, the county is making a contribution from the general fund and the City of Decatur has agreed to a revised contract. Finances in this fund will be

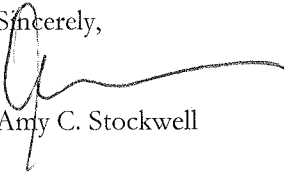
closely watched; there is substantial uncertainty as to how much the increase in tag fees will actually bring in and the intergovernmental agreement may have to be reassessed next year. Until this revenue materializes, we are coping with the existing deficit by delaying cash transfers for benefits to other Macon County funds; these benefit charges are being expensed as incurred but the cash transfers are lagging.

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 nine months of the fiscal year put fund balance at \$1,467k.

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