



Fiscal Year 2010-2011 Year-End Financial Review

July 18, 2011



Executive Summary

- All figures in this report have been updated, but are unaudited. Annual audited report distribution date is anticipated in early September.
- General Fund revenues finished above budget (favorable variance) by approximately \$1.65M or 1.9%.
- General Fund expenditures finished above budget (unfavorable variance) by approximately \$393K or 0.5%.
- The result is a General Fund net surplus of approximately \$1.6M
- Unreserved fund balance increased from \$13.1M to \$14.7M.



General Fund Revenues

- Property Taxes came in at \$16.1M compared to \$16.5M budgeted, or about \$400K under budget.
- The \$1.6M General Fund surplus was primarily due to revenue from the City's sale of the Chiarvalle School property, totaling \$1.9M.
- Real Estate Transfer Taxes came in at approximately \$1.8M or about \$200K above budget.
- Income Taxes came in at approximately \$5.8M or about \$100K above budget.



General Fund Revenues

- Building Permits came in at approximately \$2.7M or about \$500K above budget.
- Utility Taxes (electric, natural gas, telecommunications) came in at approximately \$7.9M or \$600K under budget. This was primarily due to the Natural Gas Distribution Tax.
- Interest income came in at approximately \$11K or 11% of budget due to extremely low interest rates.
- Sales Tax came in close to budget at \$14.5M or about \$80K above budget.
- Total revenue came in at approximately \$88.5M or about \$1.6M above budget.



General Fund Expenditures

- Total expenditures came in at approximately \$86.9M or 0.5% over budget.
- City Administration, Law, Parks/Recreation/Community Services, Health and Public Works came in under budget by a combined \$1.3M.
- Police, Fire and Administrative Services came in over budget by a combined \$1.6M.
- All other departmental spending came in very close to budgeted expenditures.



2/28/11 Fund Balance Estimate

	General Fund
Audited unrestricted, undesignated fund balance @ 2/28/10	13,175,781
Unaudited General Fund revenues FY10-11	88,525,680
Unaudited General Fund expenditures FY10-11	(86,971,938)
Unaudited net surplus (deficit) FY10-11	1,553,742
Estimated unrestricted, undesignated fund balance @ 2/28/11	14,729,523

General Fund Revenues and Expenditures do not include the \$6.9 million portion of the IMRF 2010A bond proceeds which were immediately paid out to IMRF.



Other Funds



Other Fund Revenue – Major Variances

- The unfavorable variance of \$250K in the Economic Development Fund revenues were primarily due to low hotel and amusement tax revenue.
- The unfavorable variances in the following TIF Funds were primarily due to lower than anticipated property tax increment revenue:
 - Washington National TIF (\$129K, -2.72% variance)
 - Howard-Hartrey TIF (\$226K, -17.87% variance)
 - Southwest TIF (\$218K, -33.32% variance)
 - Howard-Ridge TIF (\$265K, -38.38% variance)
- The favorable variance of \$1.3M in the Fleet Fund was primarily due to revenues from Northwestern University (\$539K), the Federal Government (\$600K) and the CIP Fund (\$358K).



Other Fund Revenues – Major Variances

- The unfavorable revenue variance of approximately \$5.3M in the Capital Improvement Fund was primarily due to a reduction in bond proceeds, grants and private contribution funding. Please note, projects that did not receive anticipated grant funding were not started.
- The unfavorable variance of \$2.7M (-22.31% variance) in the Parking Fund was due to lower than expected collections from City garages, lots and meters.
- The unfavorable variance of \$3.7M in the Water Fund was entirely due to deferral of debt proceeds budgeted at \$4.0M until FY 2011.
- The Unfavorable variance of \$900K in the Sewer Fund was primarily due to lower than anticipated sewer charge revenues due to lower volume.



Other Fund Expenditures

- The favorable (actual expenses less than budget) \$606K variance in the Motor Fuel Tax Fund was due to favorable bids for street resurfacing.
- The favorable \$790K variance in the E911 Fund was due to lower than expected spending on capital projects and deferral of a portion of the E911 Center project until 2011.
- The favorable \$620K variance in the Economic Development Fund was due to lower than anticipated spending on development projects.
- The unfavorable \$500K variance in the Howard-Ridge TIF was due to additional expenses for property acquisition.



Other Fund Expenditures

- The favorable expenditure variance of \$8.5M in the Capital Improvement Fund is due to low bid pricing and delayed start of several projects.
- The favorable variance of \$288K in the Special Assessment Fund was due to lower than anticipated spending on alley paving projects.
- The favorable \$2.9M variance in the Parking Fund expenses is the result of lower than anticipated spending on projects associated with City garages, meters and parking lots.
- The favorable expenditure variance of \$5.3M in the Water Fund was due to lower than anticipated capital project spending related to the deferral of the SCADA and the 1965 filter project. Both projects were awarded in 2011.



Other Fund Expenditures

- The favorable \$8.7M variance in the Sewer Fund was primarily due to deferral of debt service payments which will be addressed through a bond issuance in FY11.
- The favorable \$640K variance in the Fleet Fund was due to lower than anticipated vehicle maintenance costs and deferral of equipment purchases.
- The unfavorable \$930K variance in the Insurance Fund is due primarily to increased settlement activity in several cases and higher than anticipated workers compensation expense payouts and premiums



2010-11 Summary

- General Fund Revenues and Expenditures were close to budget resulting in a stable ongoing fund balance.
- Capital related expenditures were nearly all below budget due to project deferrals.
- Enterprise funds continue to reflect lower utilization due to weather, technology and the economy.
- Pension funding remains our largest financial concern.
- Moody's and Fitch rating services have affirmed the City's Aaa and AAA ratings respectively.



Questions?