

2018

UNITED CITY OF YORKVILLE

QUARTERLY BUDGET REVIEW

4th Quarter Ended April 30, 2018



United City of Yorkville – 4th quarter ended April 30, 2018

General Fund Revenues (cash basis after 12 periods)

Revenue Source	FY 2018 Actual YTD	FY 2018 Budget	% of Budget	FYE 2017 Actual YTD	% Change
1 Property Taxes	\$ 3,093,892	\$ 3,090,510	100%	\$ 3,024,415	2%
2 Municipal Sales Tax	2,982,606	3,012,750	99%	2,919,327	2%
3 Non-Home Rule Sales Tax	2,310,172	2,332,950	99%	2,234,724	3%
4 Utility Taxes	950,226	915,000	104%	995,571	-5%
5 Excise Tax	348,044	369,300	94%	371,289	-6%
6 Cable Franchise Fees	292,187	285,000	103%	289,942	1%
7 Hotel Tax	78,260	85,000	92%	73,444	7%
8 Video Gaming Tax	117,192	90,000	130%	98,441	19%
9 Amusement Tax	199,431	200,000	100%	201,053	-1%
10 Admissions Tax	130,766	120,000	109%	122,007	7%
11 Business District Tax	406,067	387,300	105%	378,119	7%
12 Auto Rental Tax	14,087	11,250	125%	13,999	1%
13 Income Tax	1,860,898	1,739,021	107%	1,611,096	16%
14 Local Use Tax	459,580	436,101	105%	413,422	11%
15 Road & Bridge	131,612	150,000	88%	145,522	-10%
16 Other Intergovernmental	50,414	53,900	94%	64,524	-22%
17 Licenses & Permits	504,407	253,000	199%	356,227	42%
18 Fines & Forfeits	124,548	140,225	89%	139,232	-11%
19 Charges for Service	1,506,182	1,365,564	110%	1,463,371	3%
20 Investment Earnings	49,323	15,000	329%	21,143	133%
21 Reimbursements/Miscellaneous	104,051	78,750	132%	85,217	22%
22 Transfers In	-	7,000	0%	-	0%
23 Total Revenues	\$ 15,713,945	\$ 15,137,621	104%	\$ 15,022,085	5%

(1) Property Taxes consist of the Corporate and Police Pension tax levies which account for approximately 20% of total General Fund revenues. In Fiscal Year (FY) 2018 the City collected 99.8% of what was extended by the County, which is in line with historical collection patterns. Per the pension funding policy, the City fully funded its actuarial determined contribution (ADC) amount of \$966,211 from property taxes (\$963,908) and from other General Fund revenues (\$2,303).

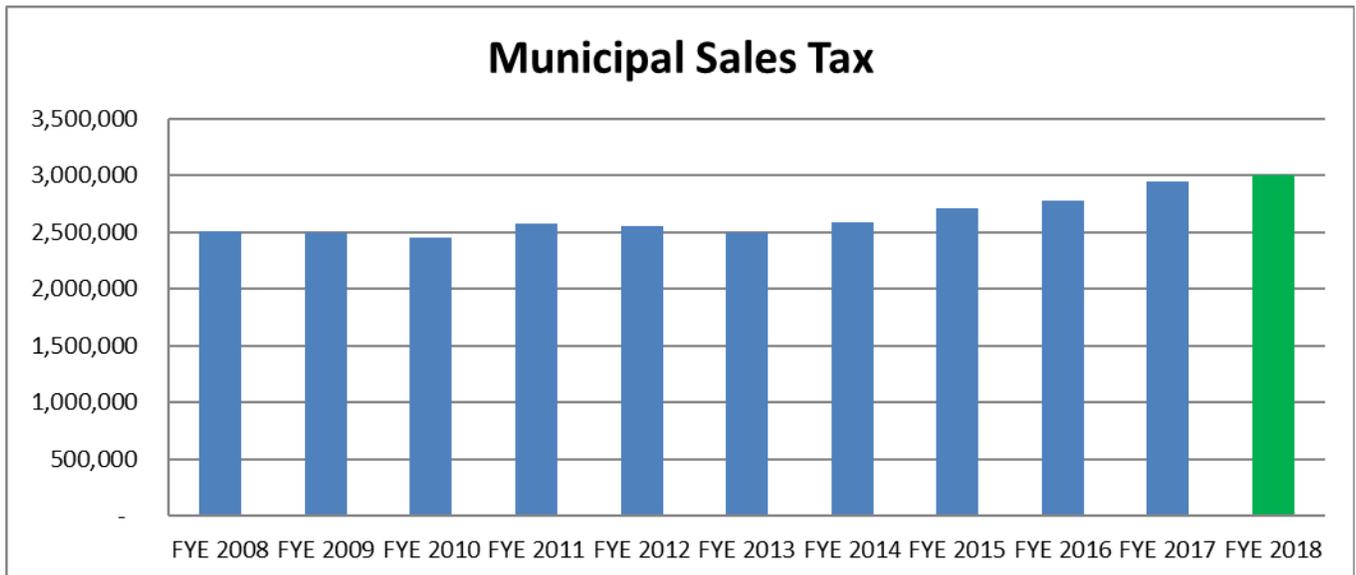
(2 & 3) Municipal & Non-Home Rule (NHR) Sales Taxes account for the majority (~ 35%) of aggregate General Fund revenues. Municipal sales tax consists of the 1% local share from the total 8.25% general merchandise tax rate and all of the sales tax associated with qualifying food, drug and medical appliances. In addition to the 1% local share for municipal sales tax, the City also passed (via referendum) a 1% non-home rule sales tax rate applicable only to general merchandise. After finishing FY 2017 with an increase of nearly 6% over FY 2016 amounts, municipal sales tax was initially projected to increase around 1% in FY 2018; as both February and March 2018 state receipts (which represent the November/December 2017 holiday season) were, on average, about 2% less in comparison to the 2016 holiday season. However, over April, May, and June 2018 state receipts exceeded prior year amounts by an average of 7%; thus, when accounting for audit accruals, staff is now projecting sales tax to finish slightly above \$3.0 million for the Fiscal Year Ended (FYE) 2018. This new high-water mark for sales tax represents about a 2% growth over FY 2017; however it still falls slightly short of the budgeted amount of \$3.013 million. Not surprisingly (as these two revenue streams tend to move in tandem) monthly non-home rule sales tax

United City of Yorkville – 4th quarter ended April 30, 2018

General Fund Revenues – continued

allotments followed a similar pattern to municipal sales in final quarter of FY 2018, to finish the year at an estimated \$2.32 million (gross amount – again taking audit accruals into consideration); which would be a year-over-year increase of ~3% and nominally below budgeted amounts by about \$5,000. Beginning with the June 2017 allotment, the State implemented a 2% administrative fee (which is accounted for in the Administrative Services cost center) for all NHR sales tax proceeds, which equated to about \$43,000 in the current fiscal year (thus net NHR sales tax proceeds equal ~\$2.282 million).

As illustrated by the graph below, municipal sales tax has tended to reflect the movement of the aggregate economy over the last eleven fiscal years. After reaching its lowest point (\$2.45M) during the height of the recession in FY 2010, sales tax increased by approximately 5% in FY 2011 (\$2.57M), before declining again in FY 2012 (\$2.55M) and FY 2013 (\$2.49M). After increasing by 4% in FY 2014, sales tax eclipsed its pre-recessionary high of \$2.68M (FY 2007) in FY 2015, as revenues exceeded \$2.7M for the first time in the City’s history. Since FY 2015, sales tax amounts have continued to escalate, increasing an average of 4.3% over the last two fiscal years.



(4) Utility Taxes consist of City’s share of electric (ComEd) and natural gas (Nicor) taxes and are heavily influenced by weather patterns over the summer and winter months. Natural gas tax receipts are expected to finish the fiscal year at approximately \$250,000, which is about \$10,000 higher than last year. Electric utility receipts are projected to end the current year around \$705,000, which is similar to last year’s amount of \$710,892.

(5) Excise (formerly Telecommunications) Taxes are comprised of the State’s excise tax and the telephone utility tax received from AT&T. In recent years this revenue stream has declined precipitously in municipalities across the State, as landlines become less prevalent. Last year’s excise tax amount (\$359,947) was down 9% in comparison to FY 2016; and unfortunately it’s the same story this year, as tax proceeds are expected to decline another 7% (~\$335,000).

(6) Cable Franchise Fees are projected to finish around \$290,000, which is about a 1% reduction in comparison to last year’s all-time high of \$294,275. These fees are remitted to the City from AT&T and Comcast at a rate of 5% of gross revenues earned during the previous calendar quarter.

United City of Yorkville – 4th quarter ended April 30, 2018

General Fund Revenues – continued

(7) Hotel Tax is generated from the four hotel/motels within City limits: Super 8; Hampton Inn; All Seasons; and the Sunset Motel. On a percentage basis, hotel tax was one of the fastest growing revenues in the General Fund, increasing an average of 14.4% from FY 2014 through FY 2016; before declining by about 10% (\$72,407) in FY 2017. In the current fiscal year hotel taxes are estimated to increase by about 10%, to finish around \$80,000; which is similar to FYE 2016 amounts. This tax is rebated to the Aurora Area Convention & Visitors Bureau (AACVB) at a rate of 90% and is an expenditure of the Administrative Services cost center in the General Fund.

(8) Video Gaming Tax has increased substantially since the City first began receiving this revenue stream in FY 2013, as there are currently fifteen locations across the City that offer video gaming terminals. The tax is applied to net terminal income (gross revenue less prizes paid) at a rate of 30%, of which the City receives one sixth (17%). Since its inception, video gaming tax receipts have nearly quadrupled, going from \$26,047 in FY 2014 to \$100,457 at the end of FY 2017. Currently this revenue stream is estimated to continue to grow; exceeding prior year amounts by \$20,000, to finish FY 2018 at \$120,000.

(9) Amusement Tax was created by ordinance in 2010 and is collected as a result of an admission to any facility providing an amusement at a rate of 3% of gross revenue. This revenue stream has remained resilient due to the sustained success of local businesses, including Raging Waves, and has been further enhanced in recent years by the opening of NCG Cinemas. Current projections for amusement tax are \$200,000, which is similar to prior year amounts.

(11) Business District Taxes are generated from the additional general merchandise sales tax rates applied to the City’s three business district areas: Kendall Marketplace (0.5%); Countryside (1%); and the Downtown (1%). The business district sales tax rate was implemented as a mechanism to finance public improvements in these areas, as amounts generated from this tax are rebated in full to either pay debt service (Kendall Marketplace) or reimburse developers. Thus far in FY 2018 overall business district tax receipts are slightly above budgeted amounts, due to better than expected tax proceeds from the Downtown business district area (\$24,000 projected v. \$4,000 budgeted) and Kendall Marketplace. Kendall Marketplace business district taxes seemed to have trended a little better than aggregate municipal & non-home rule sales taxes over the course of the fiscal year; as they are currently estimated to post gains of approximately 4% over the prior year, for a total of ~\$375,000.

(13) Income Tax is the City’s largest per capita intergovernmental revenue source, accounting for approximately 12% of all General Fund revenues. Due to the uncertainty surrounding this particular revenue stream during the development of the FY 2018 budget, income tax was budgeted at the Illinois Municipal League (IML) estimate of \$101 per capita (\$1.71 million), plus an additional \$30,000 expected to be received from the results of the special census, for a grand total of \$1,739,021. However, as the year unfolded, the State made the decision to cut the Local Government Distributive Fund (LGDF) by 10% and offset this reduction by accelerating their lagging disbursement window of two months; resulting in 14 (instead of 12) income tax allotments for the current fiscal year. Because the City follows the accrual basis (revenues recognized when earned, not when cash is actually received) of accounting, this reduction to the LGDF would have resulted in income tax declining by approximately \$55,000 in comparison to the preceding year’s amount of \$1.6 million. However, this reduction to the LGDF was more than offset by the results of the special census, which reported an increase in Yorkville’s population of 2,101 residents. The additional per capita generated from the special census results, which went into effect beginning with the January 2018 allotment, generated an additional ~\$95,000 in the current fiscal year; bringing total estimated income tax to \$1.64 million.

(14) Local Use Tax - is a form of sales tax that is imposed on the privilege of using, in Illinois, any tangible personal property purchased out-of-state. If the seller does not collect at least 6.25% on general merchandise or 1% on qualifying food, drug and medical appliance sales, the purchaser is responsible for the difference. Prior to the South Dakota v. Wayfair decision, the United States Supreme Court prohibited state and local governments from requiring out-of-state (i.e. remote) sellers to collect sales taxes unless they had a physical presence in the state where the purchaser lived. On June 21, 2018 the Court reversed this

United City of Yorkville – 4th quarter ended April 30, 2018

General Fund Revenues – continued

decision, thus allowing state and local governments to collect use tax generated from sales over the internet. In anticipation of the Supreme Court’s decision, the General Assembly has enacted legislation that mirrors the South Dakota law; whereby any remote seller with 200 or more annual transactions or \$100,000 or more in annual gross receipts is now required to collect use taxes on purchases made out of state for consumption or use in Illinois. According to the IML, this new law is estimated to bring in an additional \$207 million for the State of Illinois and local governments. Local use tax has been particularly robust in recent years, increasing an average of 12% per annum from FY 2014 through FY 2017. Based on current projections, management expects local use tax to increase approximately 14% in the current fiscal year, to finish around \$475,000 (~\$26.40 per capita – plus an additional ~\$28,000 from the special census results).

(16) Other Intergovernmental Revenue consists of federal monies for overtime reimbursement in conjunction with the City’s participation in Chicago’s High Intensity Drug Trafficking Area (HIDTA) program; personal property replacement tax proceeds; vest grant proceeds from the United States Department of Justice; State grant proceeds for traffic signal maintenance and tobacco prevention; and the annual allotment of pull tabs & jar games from the IDOR.

(17) License & Permit revenue is comprised of liquor licenses, building and other permits. To date building permit revenues have dramatically exceeded initial expectations (budgeted amount was \$200,000), and are projected to finish the current fiscal year in excess of \$435,000. Per the City’s past practice, approximately \$300,000 will be recognized in the General Fund to cover Building Department personnel costs, with the remaining proceeds recognized in the City-Wide Capital Fund to finance current and future one-time capital improvements. At the culmination of Fiscal Year 2018 - 1,003 permits have been issued, which is an increase of 132 (16%) permits in comparison to the previous fiscal year.

(18) Fines & Forfeits consist of circuit court, adjudication, offender registration and police tow fines. Kendall County Circuit Court fines are slightly up in comparison with prior year amounts and should finish near the budgeted amount of \$45,000. Police tow revenues are trailing preceding year amounts by ~20% and are currently expected to around \$50,000 in FY 2018.

(19) Charges for Services primarily consist of the refuse charges included on residents utility bills and the administrative fees paid to the City from the YBSD for administering their billing and collection processes. Total garbage surcharge revenues (including late fees) are projected at \$1.3 million for FY 2018, which would yield a nominal surplus of about \$18,000 when netted against the costs of providing this service (paid out of the PW - Health & Sanitation cost center in the General Fund). Overall refuse surcharge revenue is estimated to be down approximately 14% in comparison to FY 2017 amounts, as a direct result of the residential contract rate being reduced from \$19.25 to \$16.50 (17%) per month for 65 & 95 gallon totes. Expenditures for the refuse subsidy, which reduces senior citizens monthly refuse charges by \$3.30 (\$8.25 for those seniors qualifying for circuit breaker), is expected to finish around \$31,000. In addition, the City now offers 33 gallon totes at the reduced rate of \$15.95 per month (\$12.76 for seniors and \$7.98 for seniors qualifying for circuit breaker), in which about 50 residents participate.

(20) Investment Earnings consist of interest income earned from FDIC insured certificates of deposit (i.e. CD’s), in addition to having cash on account with the Illinois Funds and Associated Bank. Investment earnings have almost doubled (~\$40,000) from this time last year due to gradually rising interest rates and more cash being available for investment within the General Fund, as a direct result of increased fund balance. The remainder of investment earnings (~\$8,500) consists of recovery proceeds which were remitted to the City from IMET.

At the end of FY 2018 the City’s total restricted amount at the Illinois Metropolitan Investment Fund (IMET) as a result of the First Farmer’s Financial Repo Fraud was \$275,365 (of which \$82,415 is attributable to the General Fund); with a total of \$28,530 recovered over the course of the current fiscal year. Regarding ongoing recovery efforts, as of April 25, 2018 the Overall Receiver (i.e. law firm appointed by the Court who has custody of the assets recovered on behalf of investors) reported

United City of Yorkville – 4th quarter ended April 30, 2018

General Fund Revenues – continued

total recovered assets of \$80,231,518. Of this amount, the City’s estimated share is \$146,812, which would put total recovered amounts at \$191,251 (\$44,439 has been actually recovered to date). However, the distribution of these recovered funds cannot take place until the claims of the Internal Revenue Service (IRS) and the United States Department of Agriculture (USDA) has been resolved, which continue to be litigated in the federal courts.

(21 & 22) Reimbursements/Miscellaneous Income & Transfers In is comprised of various reimbursements for engineering, legal, liability insurance, etc., as well as rental and other miscellaneous income. Miscellaneous reimbursements are expected to finish the year around \$35,000 and are primarily comprised of refund proceeds from the special census (\$13,921) and IPRF safety grant funds (\$6,815). The bulk of miscellaneous income (currently projected at ~\$12,000) will consist of credit card rebate proceeds, which totaled \$9,897 in the current fiscal year. The **Transfer In** amount (estimated at \$90,000 for FY 2018) is composed of building development fees, which are transferred out of the City-Wide Capital Fund in order to reimburse the General Fund for the transfer it made in FY 2014 to close out the (16) Municipal Building Fund in the amount of \$571,615. Municipal building development fees were particularly robust in FY 2018, exceeding FY 2017 amounts tenfold.

(23) Total General Fund Revenues & Transfers are projected (after taking into account audit accruals) to exceed budgetary amounts in excess of \$350,000 (2.4%); due predominantly to better than expected building permits, garbage surcharge revenues and the development fee transfer.

General Fund Expenditures *(cash basis after 12 periods)*

		FY 2018 Actual YTD	FY 2018 YTD Budget	% of Budget		FY 2017 Actual YTD	% Change
Total YTD Expenditures		\$ 14,704,145	\$ 15,762,920	93%		\$ 13,695,924	7%
Expenditures by Category							
50	Salaries	4,481,656	4,618,075	97%		4,203,915	7%
52	Benefits	2,904,105	3,086,500	94%		2,632,848	10%
54	Contractual Services	4,148,289	4,835,782	86%		4,052,527	2%
56	Supplies	225,346	274,353	82%		178,473	26%
99	Transfers Out	2,944,749	2,948,210	100%		2,628,161	12%
Expenditures by Department							
110	Administration	834,810	877,275	95%		759,246	10%
120	Finance	436,577	466,157	94%		396,300	10%
210	Police	5,274,182	5,558,217	95%		4,933,907	7%
220	Community Dvlpmnt	619,447	700,647	88%		711,460	-13%
410	PW - Streets & Sanitation	1,706,576	1,946,258	88%		1,825,106	-6%
640	Administrative Services	5,832,553	6,214,366	94%		5,069,905	15%

(50) Salaries – After twelve periods of activity, overall salary line items finished at 97% of budget, as most functional departments within the General Fund came in under their respective appropriations. The Street Department is projected to

United City of Yorkville – 4th quarter ended April 30, 2018

General Fund Expenditures – continued

finish about 3% higher than aggregate budgeted salary amounts, due to retro pay (back to May 1st) issued to public works union employees after their contract was approved in January 2018. Furthermore, overtime costs (totaling \$26,152) in the Streets department have almost doubled in comparison to the previous year, as a direct result of increased snow plowing activity in the current fiscal year. At the end of April, salaries accounted for 30% of total General Fund expenditures. At the end of April 2018, salaries accounted for 30% of total General Fund expenditures.

(52) Benefits – Aggregate expenditures for benefits (which include individual departmental line items for group life, group health, group dental and vision – as well as unemployment and liability expenditures in the Administrative Services cost center) are expected to finish under budget across all departments in FY 2018. To date, benefits account for 20% of total General Fund expenditures.

(54) Contractual Services – At first glance it appears that the General Fund is considerably below budgeted amounts for this cost category, tracking at only 86% at the end of April; however, there are two material expenditures that still need to be accounted for as part of the audit accrual process. The first of these costs is for refuse service for March and April, which total approximately \$190,000. The other significant expenditure is the sales tax rebate amount covering the last four months of the fiscal year (January thru April). Currently sales tax rebates total \$588,577, which is comprised of eight months covering the period of May thru December 2017. January thru April 2018 sales tax information will be provided to the City by the Illinois Department of Revenue (IDOR) in early July; at which time this line item is expected to finish around budget at approximately \$900,000. Despite these two remaining expenditures, total contractual services are projected to finish around \$4.78 million (~99% of budget) after audit accruals have been recorded. On a positive note, contractual service expenditures in the form of police and street department vehicle and equipment chargebacks are expected to be approximately \$110,000 less than initially budgeted; as enhanced permit fees for police and street vehicles have rendered the full budgeted chargeback amount unnecessary. Contractual services accounted for 28% of total appropriations in the General Fund at the end of the April 2018.

(56) Supplies & (99) Transfers Out – Based on the results at the end of period 12 (April 2018), all operational departments are expected to finish under budget in the supply expenditure category. The lone exception will be the Administrative Services (non-operating) department – which is expected to go over on its supply budget; however, these expenditures will be offset by liability insurance reimbursements on the revenue side, and thus have no budgetary impact. The General Fund makes several monthly **(99) Transfers Out** (i.e. other financing uses) to various City Funds for the following reasons: (42) Debt Service Fund – to pay the 2014B annual debt service amounts (property taxes for this bond issue have been fully abated in FY 2018 for the first time since FY 2011); (52) Sewer Fund – transfer non-home rule sales tax proceeds to pay debt service amounts on the 2011 refunding bonds; (79) Parks & Recreation Fund – annual transfer to subsidize that Funds operations. Furthermore, the budgeted FY 2018 transfer to the (23) City-Wide Capital Fund can be deferred, as better than expected permit revenues and the timing of expenditures has made this transfer unnecessary (FY 2018 ending fund balance in the City-Wide Capital Fund is currently estimated at \$390,000 – which is roughly \$245,000 better than initially budgeted). The transfer to the (82) Library Operations Fund is for reimbursement of liability and unemployment insurance, which is reimbursed to the Library as those expenditures are incurred. At the end of April 2018, supplies and transfers out accounted for 2% and 20%, respectively, of total General Fund appropriations.

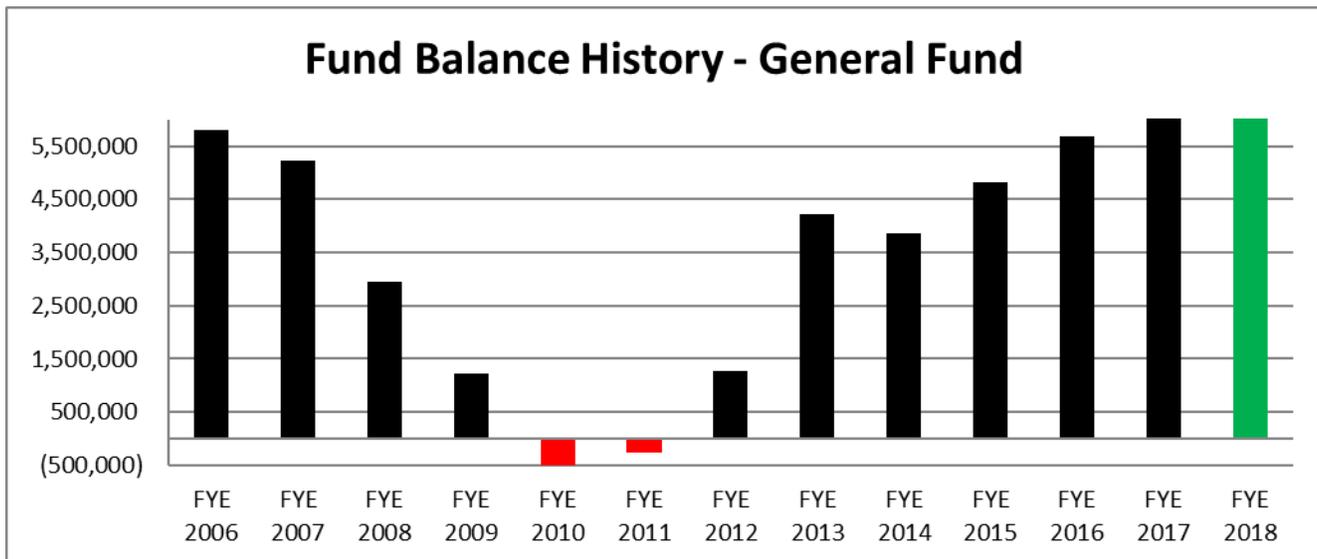
General Fund – Fund Balance

Management is currently estimating the General Fund (once all revenue and expenditure audit accruals have been accounted for) to finish the year with a surplus of approximately \$250,000, which is \$875,000 better than the initially budgeted amount of negative \$625,000. This estimated surplus would result in an ending fund balance in the neighborhood of \$6.48 million, which

United City of Yorkville – 4th quarter ended April 30, 2018

General Fund – Fund Balance - continued

equates to a fund balance percentage of ~43% (fund balance divided by total expenditures & transfers out); which is equivalent to a four to five-month reserve. Total revenues and transfer in are estimated to finish around \$15.5 million, which is \$362,000 better than originally budgeted; whereas total expenditures are currently projected to finish under budget by ~\$500,000, totaling \$15.26 million. All departments within the General Fund (with the exception of the Health and Sanitation cost center) are expected to finish below budgeted amounts. Cash and investments in the General Fund as of April 30, 2018 totaled \$4.6 million and \$746,162, respectively.



As illustrated above, fund balance in the General Fund declined precipitously in FY 2008 and FY 2009, as building activity in the City began to slow down due to the recession. Fund balance reached its lowest point in FY 2010 due to a one-time bad debt write off of approximately \$1 million, before rebounding in fiscal years 2011 thru 2013, due to staff and other budgetary reductions as well as the implementation of the non-home rule sales tax. Fund balance declined by \$363,000 in FY 2014, due to one-time interfund transfers to close out the (16) Municipal Building & (80) Recreation Center Funds. Fund balance continued to increase over the next two fiscal years, returning to its pre-recessionary high of over \$5.5 million at the conclusion of FY 2016. Current projections for the General Fund put FYE 2018 Fund Balance at \$6.48 million, which eclipses last year's previous all-time high of \$6.2 million. Nevertheless, it should be noted that when netted against the TIF Funds (which are currently estimated to finish FY 2018 with a combined negative fund balance of \$1.14 million), net fund balance for the General Fund is reduced to ~\$5.34 million, which equates to a 35% fund balance percentage (approximately 4 months of reserve).

United City of Yorkville – 4th quarter ended April 30, 2018

Water Fund Revenues *(cash basis after 12 periods)*

Revenue Source	FY 2018 Actual YTD	FY 2018 Budget	% of Budget	FYE 2017 Actual YTD	% Change
24 Charges for Service	\$ 4,484,162	\$ 4,088,800	110%	\$ 3,963,336	13%
25 BUILD Program	165,755	-	0%	166,180	0%
26 Investment Earnings	11,726	5,000	235%	9,729	21%
27 Reimb/Misc/Transfers	136,707	203,967	67%	6,414,099	-98%
28 Total Revenues	\$ 4,798,350	\$ 4,297,767	112%	\$ 10,553,344	-55%

(24) Charges for Service primarily consist of water sales, infrastructure and connection fees, which currently account for 95% of total Water Fund revenues. Water sales are projected to finish the year just shy of \$3.1 million (after accounting for audit accruals), which would exceed budgetary amounts by approximately \$130,000 (5%); as year-over-year billed water volume has increased by 6.7%. Water connection fees are currently estimated to exceed budgetary amounts by ~\$150,000; due to the construction of Anthony’s Place and increased building activity throughout the City. Connection fees are predicted to finish FY 2018 around \$400,000, which is over three times last year’s amount of \$93,363.

(26) Investment Earnings were mostly comprised of interest income derived from the remaining 2015A bond proceeds. At the end of April, remaining bond proceeds totaled \$607,864.

(27) Reimb/Misc/Transfers are made up of reimbursements, rental income, and interfund transfers. In October 2016 the City issued \$5.8 million in bonds, for the purposes of refunding the 2006A debt certificates and the 2007A bonds, which explains the large variance (98%) in year-over-year miscellaneous income and transfers. The “transfers in” from the Sewer and City-Wide Capital Funds pay for a portion of the annual debt service on the 2014B (refunded the 2005C bonds) and 2015A bonds, respectively.

Water Fund Expenses *(cash basis after 12 periods)*

	FY 2018 Actual YTD	FY 2018 YTD Budget	% of Budget	FY 2017 Actual YTD	% Change
Total YTD Expenditures	\$ 4,054,780	\$ 5,158,503	79%	\$ 12,668,149	-68%
Expenditures by Category					
50 Salaries	409,801	430,549	95%	390,219	5%
52 Benefits	246,030	266,965	92%	234,723	5%
54 Contractual Services	799,909	886,366	90%	764,783	5%
56 Supplies	293,606	323,013	91%	305,981	-4%
60 Capital Outlay	962,184	807,937	119%	3,329,545	-71%
77-94 Debt Service	1,343,251	1,344,749	100%	1,449,607	-7%
99 Transfers Out	-	1,098,924	0%	6,193,291	0%

As shown above, the first four cost categories **(50-56)** are all currently expected to finish below budgeted amounts in the current fiscal year. Aggregate **(60) Capital Outlay** expenses are expected to finish over budget by about 12%, due to the

United City of Yorkville – 4th quarter ended April 30, 2018

Water Fund Expenses - continued

timing of expenses regarding the Fox Highlands Watermain Improvement project, the Road to Better Roads program and the emergency repairs to Well #9. In addition to the completion of infrastructure enhancements in Countryside subdivision and West Washington Street over the course of FY 2018; other ongoing capital projects in the Water Fund include design engineering for the East Orange Street water main replacement project and the City’s share of construction expenses for the US Route 34 (IL Route 47 to Orchard Rd) project pursuant to a joint agreement with the State of Illinois.

Presently, the Water Fund pays **(77-94) Debt Service** on five issuances: 2015A Bond (matures FY 2035); 2003 Debt Certificates (matures FY 2019); 2016 Refunding Bond (matures FY 2023); 2014C Refunding Bond (matures FY 2025); and an IEPA Loan (matures FY 2027). Pursuant to the FY 2018 Budget, **(99) Transfers Out** will be comprised of remaining 2015A bond proceeds transferred to the City-Wide Capital Fund to finance the Countryside and Center roadway project in the amount of \$1.02 million.

Water Fund – Fund Balance Equivalent

The Water Fund is projected to finished the year with a deficit of \$255,000 (as the Fund completes the spend down of bond proceeds), which is ~\$600,000 better than originally budgeted. Presently Fiscal Year 2018 ending fund balance equivalent is predicted to be around \$2.57 million, which is equal to approximately 50% of total expenses & transfers out. Cash balances in the Water Fund as of April 30, 2018 totaled \$2.89 million.

Sewer Fund Revenues *(cash basis after 12 periods)*

Revenue Source	FY 2018 Actual YTD	FY 2018 Budget	% of Budget	FYE 2017 Actual YTD	% Change
29 Charges for Service	\$ 1,600,302	\$ 1,266,026	126%	\$ 1,283,149	25%
30 BUILD/RENEW Program	93,000	-	0%	103,392	-10%
31 Investment Earnings	27,755	1,250	2220%	3,899	612%
32 Reimb/Misc/Transfers	1,137,166	1,337,166	85%	1,142,102	0%
33 Total Revenues	\$ 2,858,223	\$ 2,604,442	110%	\$ 2,532,542	13%

(29) Charges for Services account for 49% of total Sewer Fund revenues and consist primarily of maintenance and infrastructure fees. At the end of April 2018, both maintenance and infrastructure fees exceeded budgeted amounts, for a combined surplus of ~\$43,000. Aggregate sewer connection fees will be in excess of \$300,000 at fiscal year end, which is an increase of over \$250,000 in comparison to the prior year. Similar to connection fees in the Water Fund, sewer connection fees have been particularly robust in the current fiscal year due to the construction of Anthony’s Place and increased building activity throughout the City.

(31) Investment Earnings consist of interest income earned from deposits on account at Associated Bank. Investment earnings in the Sewer Fund continue to yield better than expected results due to gradually rising interest rates and the stable cash position of the Fund.

United City of Yorkville – 4th quarter ended April 30, 2018

Sewer Fund Revenues - continued

(32) Reimbursements/Miscellaneous/Transfers In primarily consists of an interfund transfer from the General Fund comprised on non-home rule sales tax proceeds, for the purposes of paying debt service on the 2011 Refunding Bonds.

Sewer Fund Expenses (cash basis after 12 periods)

	FY 2018 Actual YTD	FY 2018 YTD Budget	% of Budget	FY 2017 Actual YTD	% Change
Total YTD Expenditures	\$ 2,788,285	\$ 3,005,500	93%	\$ 2,716,345	3%
Expenditures by Category					
50 Salaries	222,060	223,555	99%	212,304	5%
52 Benefits	111,426	115,847	96%	105,651	5%
54 Contractual Services	204,390	152,882	134%	163,751	25%
56 Supplies	43,101	54,908	78%	35,264	22%
60 Capital Outlay	221,436	472,435	47%	224,570	-1%
75 Developer Commitments	34,888	34,888	100%	33,872	0%
84-96 Debt Service	1,877,109	1,877,110	100%	1,865,858	1%
99 Transfer Out	73,875	73,875	100%	75,075	-2%

(54) Contractual Services currently exceed aggregate budgetary amounts due to the BUILD Program, which totaled \$93,000 at fiscal year end. **(60) Capital Outlay** for the Sewer Fund consisted mostly of sanitary sewer lining, in conjunction with the City’s Road to Better Roads Program, which has been completed for the current fiscal year (2017 RTBR program); along with design work for the 2018 sanitary sewer lining program.

The annual **(75) Developer Commitment** is an annual payment to Lennar Chicago (expires in FY 2020), pursuant to the reimbursement agreement entered into in December 2002. Currently, the Sewer Fund pays **(84-96) Debt Service** on four debt issuances: 2004B Bond (matures FY 2019); 2003 IRBB Debt Certificates (matures FY 2023); 2011 Refunding Bond (matures FY 2026); and an IEPA Loan (matures FY 2020). The **(99) Transfer Out** represents one half of the annual debt service payment on the 2014C (refunded 2005C) bonds in the Water Fund, as a portion of that bonds initial proceeds were used for sanitary sewer improvements.

Sewer Fund – Fund Balance Equivalent

The Sewer Fund is expected to finish the year with a nominal surplus of ~ \$30,000. This surpasses the original budget deficit (\$401,058) by approximately \$430,000, as a direct result of higher than anticipated connection fees. Fund Balance Equivalency is currently projected to be ~\$1.4 million at the end of FY 2018, which equates to around 50% of total expenses & transfers out. Cash in the Sewer Fund as of April 30, 2018 totaled \$1.25 million.

United City of Yorkville – 4th quarter ended April 30, 2018

Parks & Recreation Fund Revenues *(cash basis after 12 periods)*

Revenue Source	FY 2018 Actual YTD	FY 2018 Budget	% of Budget	FYE 2017 Actual YTD	% Change
34 Charges for Service	\$ 456,963	\$ 446,186	102%	\$ 458,376	0%
35 Investment Earnings	800	500	160%	328	144%
36 Reimb/Misc/Transfers	1,542,625	1,541,076	100%	1,330,533	16%
37 Total Revenues	\$ 2,000,388	\$ 1,987,762	101%	\$ 1,789,237	12%

Aggregate **(34) Charges for Service** have remained steady over the last two fiscal years and are expected to exceed FY 2018 budgeted amounts by ~\$10,000. The primary drivers of this revenue type include child development (i.e. preschool program) as well as athletics & fitness; both of which are posting year-over-year gains of approximately 5%. Charges for services are the largest source of revenue (excluding General Fund transfer) for the Parks & Recreation Fund, presently accounting for over 22% of total revenues. Proceeds from Hometown Days, which is included in the **(37) Reimb/Misc/Transfers** revenue center, increased 9% in comparison with the previous fiscal year. In FY 2018 Hometown Days netted a positive \$19,979, which is similar to last year’s surplus of \$21,067.

Parks & Recreation Fund Expenditures *(cash basis after 12 periods)*

	FY 2018 Actual YTD	FY 2018 YTD Budget	% of Budget	FY 2017 Actual YTD	% Change
Total YTD Expenditures	\$ 1,863,535	\$ 2,023,877	92%	\$ 1,744,277	7%
Expenditures by Category					
50 Salaries	1,018,791	1,046,697	97%	803,768	27%
52 Benefits	401,161	446,044	90%	364,488	10%
54 Contractual Services	216,300	230,895	94%	263,216	-18%
56 Supplies	106,445	115,741	92%	216,518	-51%
56 Hometown Days	120,838	184,500	65%	96,287	25%
Expenditures by Department					
790 Parks	939,537	983,590	96%	864,159	9%
795 Recreation	923,999	1,040,287	89%	880,118	5%

As you may recall, the original FY 2018 Parks and Recreation budget was approved at a deficit in the amount of \$77,378. Last February this budget was amended to reflect updated revenue and expenditure projections, resulting in a revised deficit of \$35,315; which included a transfer of \$70,000 to the Parks & Recreation Capital cost center of the Vehicle & Equipment Fund for the purposes of installing a new playground at Purcell Park (included in FY 2019 budget), in addition to purchasing a new lawn mower and vehicle lift system.

Parks & Recreation Fund – Fund Balance

As FY 2018 comes to a close, it is currently projected that the Parks & Recreation Fund will run an approximate surplus of \$25,000 (after accounting for audit accruals), which is ~ \$60,000 better than the amended budget deficit of \$35,315. Ending

United City of Yorkville – 4th quarter ended April 30, 2018

Parks & Recreation Fund – Fund Balance - continued

Fund Balance for the year is projected to be around \$472,000, which is equal to 24% of total expenditures. Cash on hand in the Parks & Recreation Fund as of April 30, 2018 totaled \$695,329.