

2020

UNITED CITY OF YORKVILLE

QUARTERLY BUDGET REVIEW

4th Quarter Ended April 30, 2020



United City of Yorkville – 4th quarter ended April 30, 2020

General Fund Revenues (cash basis after 12 periods)

Revenue Source	FY 2020 Actual YTD	FY 2020 Budget	% of Budget	FY 2019 Actual YTD	% Change
1 Property Taxes	\$ 3,231,926	\$ 3,225,250	100%	\$ 3,149,635	3%
2 Municipal Sales Tax	3,198,731	3,151,800	101%	3,067,752	4%
3 Non-Home Rule Sales Tax	2,421,227	2,432,700	100%	2,355,866	3%
4 Utility Taxes	980,684	960,000	102%	1,004,920	-2%
5 Excise Tax	285,898	321,965	89%	336,355	-15%
6 Cable Franchise Fees	303,536	290,000	105%	295,361	3%
7 Hotel Tax	77,715	80,000	97%	79,168	-2%
8 Video Gaming Tax	139,088	140,000	99%	143,627	-3%
9 Amusement Tax	201,362	205,000	98%	207,885	-3%
10 Admissions Tax	146,143	140,000	104%	148,133	-1%
11 Business District Tax	398,635	427,500	93%	414,649	-4%
12 Auto Rental Tax	18,087	14,500	125%	15,900	14%
13 Income Tax	2,061,687	1,916,366	108%	1,846,826	12%
14 Local Use Tax	656,367	602,966	109%	562,425	17%
15 Road & Bridge	131,199	130,000	101%	128,668	2%
16 Other Intergovernmental	51,364	53,900	95%	54,083	-5%
17 Licenses & Permits	498,322	413,500	121%	553,923	-10%
18 Fines & Forfeits	75,766	125,400	60%	101,733	-26%
19 Charges for Service	1,659,332	1,616,211	103%	1,586,233	5%
20 Investment Earnings	147,835	80,000	185%	90,321	64%
21 Reimbursements/Miscellaneous	107,767	95,000	113%	57,885	86%
22 Transfers In	-	47,180	0%	-	0%
23 Total Revenues	\$16,792,671	\$ 16,469,238	102%	\$ 16,201,348	4%

(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) 2020 the City collected 99.7% 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 \$1,111,484 from property taxes (\$1,108,182) and from other General Fund revenues (\$3,302).

(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 accounting for audit accruals, staff is currently projecting sales tax to finish around \$3.22 million for the Fiscal Year Ended (FYE) 2020, which includes \$4,830 in deferrals. This new high-water mark for sales tax represents about a 5% growth over FY 2019 and exceeds the current year budget amount by ~\$70,000. After modest growth of 3% in March (represents December 2019 Holiday sales), year-over-year monthly sales tax proceeds grew 12% in April (January 2020 consumer sales) and 10% in May (February consumer sales), ostensibly due to increased demand for food and other household goods resulting from the COVID-19 pandemic. June sales tax proceeds, which represented March consumer sales, were initially expected to decline by a third, based on information received from the Governor’s Office of Management & Budget (GOMB) in May. Fortunately,

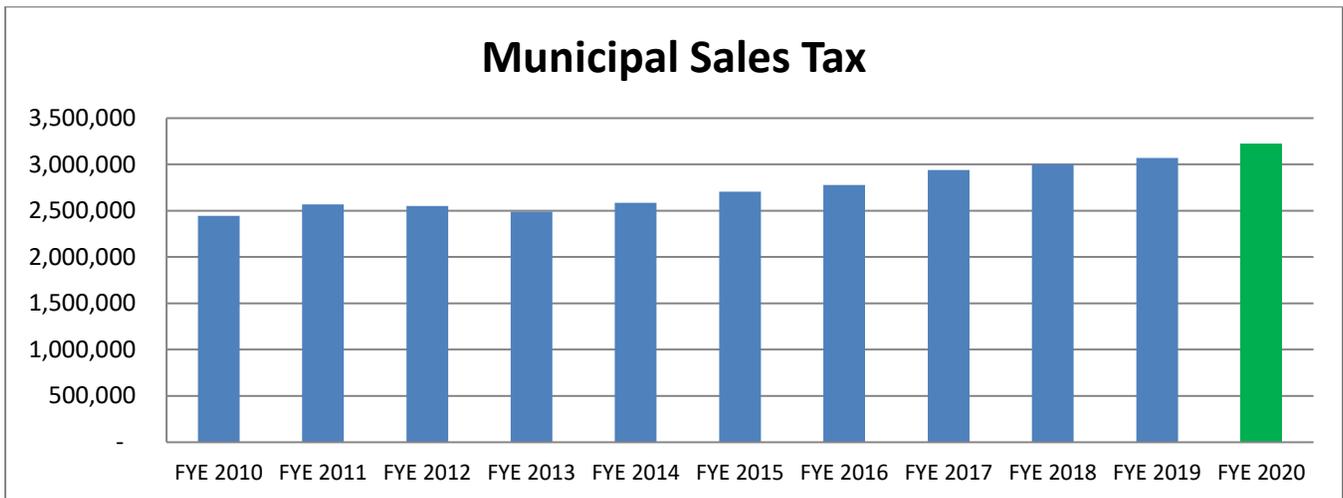
United City of Yorkville – 4th quarter ended April 30, 2020

General Fund Revenues – continued

this sharp decline in sales tax proceeds did not come to fruition, as June 2020 proceeds were virtually identical to the prior year amount of ~\$255,000.

Monthly allotments for non-home rule (NHR) sales tax tended to follow a similar pattern to municipal sales over the course of FY 2020, although they did diverge a bit towards the end of the fiscal year. Monthly NHR sales tax amounts decreased by 1.5% in May (February consumer sales) and 5.3% in June (March consumer sales), presumably since most food related purchases are exempt from NHR sales tax. NHR sales are currently projected to finish FY 2020 at \$2.41 million (gross amount taking audit accruals into consideration). This would be a year-over-year increase of 2.3% but would fall short of the FY 2020 budgeted amount of \$2.43 million. Throughout FY 2020 the State continued to implement its 1.5% administrative fee (which is accounted for in the Administrative Services cost center in the General Fund) on all NHR sales tax proceeds. This administrative fee equates to about \$36,000 in the current fiscal year (net NHR sales tax proceeds equal ~\$2.37 million).

As illustrated by the graph below, municipal sales tax tends to reflect the movement of the aggregate economy over the last ten audited 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 2014, sales tax amounts have continued to escalate, increasing an average of 3.8% per annum.



(4) Utility Taxes consist of the City’s share of electric (ComEd) and natural gas (Nicor) taxes, which are heavily influenced by weather patterns over the summer and winter months. Due to the relatively mild winter temperatures experienced last winter, natural gas tax receipts are expected to finish at approximately \$270,000; a decrease of 2% in comparison to the year prior. Electric utility tax receipts are projected to decline by 4%, totaling just over \$700,000 at FYE 2020. Nonetheless, when taken in aggregate, utility taxes should exceed budgeted amounts by a little over \$10,000.

(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

United City of Yorkville – 4th quarter ended April 30, 2020

General Fund Revenues – continued

landlines become less prevalent. After only nominally decreasing last year by 1.5%, excise taxes have dropped sharply in the current fiscal year by nearly 20%. Excise tax should finish FY 2020 around \$263,000, which is ~\$50,000 less than initially budgeted (\$313,625).

(6) Cable Franchise Fees are projected to total around \$300,000, which is slight increase of 0.6% from the previous year. These fees are remitted from AT&T, Metronet and Comcast at a rate of 5% of gross revenues earned during the previous calendar quarter.

(7) Hotel Tax is generated from the five hotel/motels within City limits: Super 8; Hampton Inn; All Seasons; Sunset Motel; and the new Holiday Inn Express, which opened in December. Not surprisingly, hotel tax proceeds have been hard hit by the pandemic and corresponding shelter in place order from the Governor, declining by over 60% between March (\$3,348) and April (\$1,239). Currently, hotel taxes are expected to total around \$74,000 at the end of FY 2020, which is a ~5% decrease in comparison to FY 2019. 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 fourteen 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 increased more than five times over, going from \$26,047 in FY 2014 to \$145,734 at the end of FY 2019. This revenue stream has undoubtedly been impacted by the pandemic and is expected to decline by about 10% in the current fiscal year, to finish around ~\$130,000.

(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. Prior to the COVID-19 pandemic, 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 around \$197,000, which is 6% less than the year prior.

(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 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 for public improvements. Business district taxes within Kendall Marketplace appear to have trended in an opposite direction compared to municipal & non-home rule sales taxes over the course of the fiscal year; as they are currently estimated to decline by approximately 5% over the prior year, for a total of ~\$345,000. Meanwhile, tax proceeds in the Countryside Business District have been particularly robust, as they are expected to exceed prior year amounts by 39%, to finish around \$14,500. While analyzing sales tax streams within the City’s business districts provides certain insights, it should be noted that these revenue streams have no budgetary impact. As mentioned above, these taxes are rebated in full, less a 2% administrative fee deducted by the State of Illinois.

(13) Income Tax is the City’s largest intergovernmental (i.e. disbursed on a per capita basis) revenue source, accounting for approximately 12% of all General Fund revenues. Prior to January 2011, 10% of total income tax collections were dedicated to the Local Government Distributive Fund (LGDF), which is distributed to municipalities and counties on a per capita basis. In January 2011, the LGDF percentage was decreased to 6% (with the enactment of the temporary income tax increase); and then increased to 8% in January 2015 after the temporary income tax increase expired. After the income tax was permanently increased in July 2017, the local government share was reduced to 5.45% and 6.16% of individual and corporate income tax collections, respectively. Currently local governments receive 5.757% of individual and 6.50% of corporate income tax

United City of Yorkville – 4th quarter ended April 30, 2020

General Fund Revenues – continued

proceeds. Income tax was initially budgeted at \$1.916 million for FY 2020, based on the Illinois Municipal League (IML) December 2018 per capita estimate of \$100.75. Income tax had been tracking strong over the first ten months of FY 2020 and was up by about 6% on average in comparison to the prior year. Subsequent IML projections reflected this as well, projecting \$106.30 per capita (\$2.02 million) in October 2019, before increasing further in December to \$107.25 per capita (\$2.04 million). Unfortunately, the onset of the pandemic and ensuing shelter in place order in the last quarter of the fiscal year negated this initial exuberance. In May of 2020 (March income tax allotment), income tax proceeds declined by 22% in comparison to historical norms for that month. Nonetheless, in spite of the fact that the state income tax filing deadline had been pushed to July 15th, the fiscal year did end on a positive note, as April income tax proceeds (received in June) were essentially flat in comparison to April of the prior year (\$118,79 in FY 2020 v. \$119,293 in FY 2019). Actual income tax receipts are expected to fall short of budgeted amounts by ~\$45,000, to finish around \$1.87 million (\$98 per capita).

(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. Local use tax has been particularly robust in recent years, increasing an average of 14% per annum from FY 2014 through FY 2019, due to the 2018 South Dakota v. Wayfair Supreme Court decision and the continued growth of online purchases. Due to the increased proclivity towards on-line sales, Fiscal Year 2020 is shaping up to be another strong year for this revenue stream, as management expects local use tax to increase by approximately 15%, ending FY 2020 at ~\$665,000 (\$35 per capita).

(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; a police academy training reimbursement from the State; and the annual allotment of pull tabs & jar games from the IDOR. This category also includes proceeds from the cannabis excise tax, which went into effect on January 1st, and is remitted to municipalities on a per capita basis. In its initial year of distribution, cannabis excise tax proceeds are estimated at ~\$4,000; and must be used to fund crime prevention programs, training and drug interdiction efforts.

(17) License & Permit revenue is comprised of liquor licenses, building and other permits. Throughout FY 2020, building permit revenues have dramatically exceeded initial expectations (budgeted amount was \$350,000) and are projected to reach an excess of \$425,000. Per the City’s past practice, most of this amount will be recognized in the General Fund to cover Building Department personnel and operating costs, with the remaining proceeds recognized in the City-Wide Capital Fund to finance current and future capital improvements. At the culmination of Fiscal Year 2020 – 2,247 permits had been issued and are comprised as follows: 113 commercial; 141 single-family detached homes; 34 single-family attached homes; and 1,959 miscellaneous residential and commercial permits. The total number of permits issued in FY 2020 more than doubled in comparison to the previous fiscal year’s amount of 980. New housing starts remained stable in FY 2020, with a total of 175; but were down in comparison to last year’s total of 222.

(18) Fines & Forfeits consist of circuit court, adjudication, offender registration and police tow fines. Due to the nature in which fines and forfeits are generated, this revenue stream was immediately impacted by the COVID-19 pandemic. Kendall County Circuit Court fines are expected to be under budget by at least \$10,000 and decline ~8% in comparison to FY 2019. Administrative adjudication fines are tracking around \$23,000, which is about 12% less than the prior year. Tow revenues are tracking at about half last year’s amount (~\$15,000) due to City code amendments and the pandemic. Tow revenues are anticipated to return to more of a historical range (~\$30,000 - \$50,000+) in the upcoming fiscal year, as the economy begins to reopen.

United City of Yorkville – 4th quarter ended April 30, 2020

General Fund Revenues – continued

(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 and Fox Metro for administering their billing and collection processes. Total garbage surcharge revenues (including late fees) are projected at \$1.27 million for FY 2020, which would yield a nominal surplus of about \$12,000 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 increase approximately 5% over last year, due to new residential development and increases to the contractual refuse rate from \$16.91 to \$17.34 (2.5%) per month for 65- & 95-gallon totes. Expenditures for the refuse subsidy, which reduces senior citizens’ monthly refuse charges by \$3.47 (\$8.67 for those seniors qualifying for circuit breaker), is estimated to finish around \$34,000, and has a little over 500 participants at fiscal year end. The City also offers 33-gallon totes at the reduced rate of \$16.76 per month (\$13.41 for seniors and \$8.38 for seniors qualifying for circuit breaker), in which about 115 residents participate.

(20) Investment Earnings is comprised of interest income earned from FDIC insured certificates of deposit (i.e. CD’s), IMET recovery proceeds and having cash on account with First National Bank, Illinois Funds, Associated Bank and Illinois Trust. Interest earnings, generated from CD’s and the other account listed above, are estimated to increase by almost 20% over prior year amounts, due to favorable interest rates for the majority of the fiscal year and more cash being available for investment within the General Fund, as a direct result of increased fund balance.

Regarding the ongoing IMET recovery, in November of 2019 the Overall Receiver (i.e. the law firm appointed by the Court who has custody of the assets recovered on behalf of investors stemming from the 2014 First Farmer’s Financial Repo Fraud) disbursed the bulk of its assets (\$72.9 million) to the various claimants, including the Illinois Metropolitan Investment Fund (IMET), who’s share was ~\$21 million. In turn, the following month IMET disbursed the City’s share of recovered proceeds totaling \$133,486; of which \$39,952 was directly attributable to the General Fund. The total amount recovered to date is \$177,925 (56%), with \$53,252 being allocated to the General Fund. Before winding down, the Overall Receiver will make one final distribution of receivership funds to participants over the Summer. As of April 30, 2020, the Overall Receiver had roughly \$2.3 million in cash, which will ultimately result in recovery proceeds for the City of approximately of \$4,100.

(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. Aggregate miscellaneous reimbursements are expected to finish the year around \$75,000 and are primarily comprised of quarterly rebates from the cable consortium (\$11,647), IPRF safety grant funds (\$7,237) and insurance reimbursements (\$19,494). The bulk of miscellaneous income (currently projected at ~\$18,000 for FY 2020) will consist of credit card rebate proceeds, of which \$16,550 will be accrued to the current fiscal year. The **Transfer In** amount (estimated at ~\$31,000 for FY 2020) 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. At the end of FY 2020, \$143,452 has been reimbursed to the General Fund, leaving a balance of \$392,863.

(23) Total General Fund Revenues & Transfers are projected (after considering audit accruals) to exceed budgetary amounts in excess of \$150,000 (~1%); due predominantly to better than expected building permits, intergovernmental revenues, charges for services revenue and investment earnings.

United City of Yorkville – 4th quarter ended April 30, 2020

General Fund Expenditures (cash basis after 12 periods)

		FY 2020 Actual YTD	FY 2020 Budget	% of Budget	FY 2019 Actual YTD	% Change
Total YTD Expenditures		\$ 15,166,425	\$ 16,783,649	90%	\$ 15,187,386	0%
Expenditures by Category						
50	Salaries	5,012,703	5,206,755	96%	4,707,608	6%
52	Benefits	3,072,109	3,273,617	94%	2,887,067	6%
54	Contractual Services	4,190,503	5,527,879	80%	4,310,752	-3%
56	Supplies	311,324	464,998	67%	238,731	30%
99	Transfers Out	2,579,785	2,580,400	100%	3,043,228	-15%
Expenditures by Department						
110	Administration	921,212	964,684	95%	922,490	0%
120	Finance	494,319	533,741	93%	474,577	4%
210	Police	5,583,173	5,935,224	94%	5,258,136	6%
220	Community Development	799,810	933,186	86%	814,863	-2%
410	PW - Streets & Sanitation	1,971,435	2,320,194	85%	1,857,186	6%
640	Administrative Services	5,396,474	6,096,620	89%	5,860,134	-8%

(50) Salaries – After twelve periods of activity, overall salary line items finished at 96% of budget, as most functional departments within the General Fund came in under their respective appropriations. Once audit accruals have been applied, aggregate Police Department salaries will finish ~\$60,000 over budget, due to a retirement payout. Administration Services will be over as well, by about \$5,100, due to overtime generated from special details in the Police Department (this is offset in full on the revenue side). Total General Fund salary expenditures should finish FY 2020 at ~\$5.21 million, which is only nominally over budget by about \$3,000. At the end of April 2020, salaries accounted for approximately 33% of total General Fund expenditures.

(52) Benefits – Aggregate expenditures for benefits (which include individual departmental line items for group life, health, dental and vision – as well as unemployment and liability expenditures in the Administrative Services cost center) are expected to finish under budget (~94%) across all departments in FY 2020. The overage on budgeted salaries for Police, will be more than offset by the budgeted savings in benefit related expenditures. The Police Department should finish approximately \$135,000 under budget in the benefit expenditure category, due to the aforementioned retirement, several current employees choosing to opt-out of the City’s health insurance program and lower than expected utilization rates regarding the City’s Health Reimbursement Account (HRA). 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 80% 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 the months of March and April, which totaled approximately \$220,000. The other significant expenditure will be the sales tax rebate amount covering the last four months of the fiscal year (January thru April). These amounts, which were paid out in June, increased total sales tax rebates for FY 2020 to ~\$872,000, which is \$31,000 under budget. Once these, and other audit related expenditures are recorded, total General Fund contractual services are projected to finish around \$4.84 million (~92% of budget), resulting in significant budgetary savings of approximately \$430,000. Much of these projected budgetary savings are derived from

United City of Yorkville – 4th quarter ended April 30, 2020

General Fund Expenditures – continued

outsourced inspection fees, which is expected to be under budget by ~\$86,000, in Community Development; and several line items within the Administrative Services cost center including: information technology (under budget by ~\$32,000), legal services (under budget by ~\$57,000) and engineering services (under budget by ~\$92,000). Contractual services accounted for 28% of total appropriations in the General Fund at the end of April 2020.

(56) Supplies & (99) Transfers Out – It appears that most operational departments will finish well below budgeted amounts in the supply expenditure category once all audit related accruals have been accounted for in the current fiscal year. The most recent projections for the General Fund supply expenditure category are at approximately \$343,000, which is ~\$110,000 under budgeted amounts. The Public Works – Street Department will account for the vast majority of the budgetary savings (~\$95,000), due to the MFT Fund budget being amended during the course of FY 2020 to help offset an unexpected increase in bulk rock salt prices.

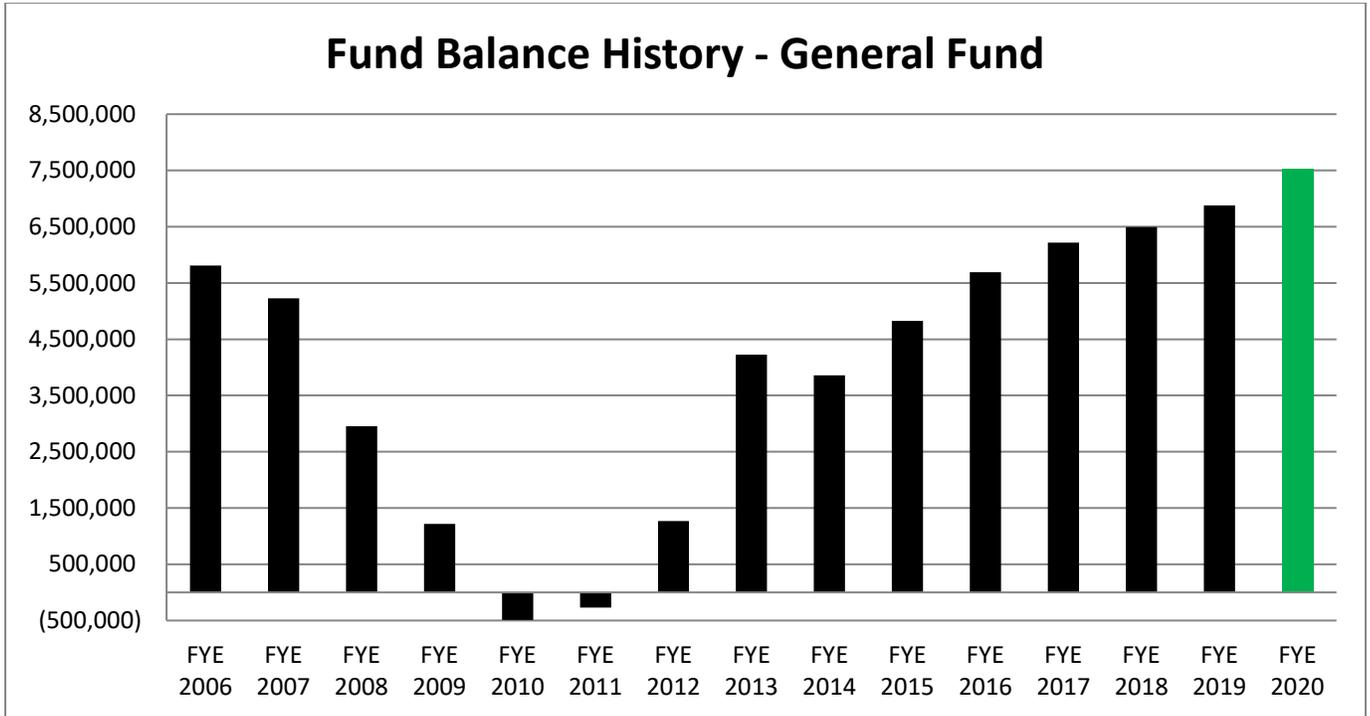
The General Fund makes several monthly **(99) Transfers Out** (i.e. other financing uses) to various City Funds for the following reasons: (42) Debt Service Fund – to pay the 2014B annual debt service amounts, which mature in FY 2023; (52) Sewer Fund – transfer a portion of non-home rule sales tax proceeds to pay debt service amounts on the 2011 refunding bonds; (79) Parks & Recreation Fund – annual transfer to subsidize that Fund’s operations; and (23) City-Wide Capital – to fund the demolition and subsequent reconstruction of a materials storage shed. 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 2020, supplies and transfers out accounted for 2% and 17%, respectively, of total General Fund expenditures.

General Fund – Fund Balance

Management is currently estimating the General Fund (once all revenue and expenditure accruals have been accounted for) to finish the year with a surplus of approximately \$630,000, which is ~\$950,000 better than the original budget deficit amount of \$314,000. This estimated surplus would result in an ending fund balance in excess of \$7.5 million, which equates to a fund balance percentage of ~47% (fund balance divided by total expenditures & transfers out); which is equivalent to a five to six-month reserve. Total revenues and transfers in are estimated to finish around \$16.61 million, which is ~\$150,000 better than originally budgeted; whereas total expenditures are currently projected to finish under budget by ~\$800,000, totaling \$15.98 million. All departments within the General Fund are expected to finish below budgeted amounts. Cash and investments in the General Fund as of April 30, 2020 totaled \$6.74 million and \$495,769, respectively.

United City of Yorkville – 4th quarter ended April 30, 2020

General Fund – Fund Balance - continued



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 significantly 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 non-home rule sales tax. Fund balance declined by \$363,000 in FY 2014, due to interfund transfers closing 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. Since FY 2016, fund balance has continued to rise by an average of 6.5% per annum, reaching \$6.88 million at the end of FY 2019. As mentioned on the previous page, current projections for the General Fund show a budget surplus of ~\$630,000, which would yield a resulting fund balance of \$7.51 million. Nevertheless, it should be noted that when netted against the three TIF Funds (which are currently estimated to finish FY 2020 with a combined negative fund balance of \$2.44 million), net fund balance for the General Fund is reduced to ~\$5.07 million, which equates to a 32% fund balance percentage (roughly 4 months of reserve).

United City of Yorkville – 4th quarter ended April 30, 2020

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

Revenue Source	FY 2020 Actual YTD	FY 2020 Budget	% of Budget	FYE 2019 Actual YTD	% Change
24 Charges for Service	\$ 4,415,135	\$ 4,401,300	100%	\$ 4,515,184	-2%
25 BUILD Program	-	-	0%	27,465	-100%
26 Investment Earnings	27,874	23,851	117%	19,100	46%
27 Reimb/Misc/Transfers	283,292	274,780	103%	219,029	29%
28 Total Revenues	\$ 4,726,301	\$ 4,699,931	101%	\$ 4,780,778	-1%

(24) Charges for Service primarily consist of water sales, infrastructure and connection fees, which currently account for 94% of total Water Fund revenues. The overall volume of water billed in FY 2020 is down about 5% in comparison to the previous fiscal year, most notably in the summer months of June through September. As a result, water sales are projected to finish the year a little over \$3.04 million (after accounting for audit accruals), which is \$190,000 below the budgeted amount of \$3.23 million. On a positive note, water infrastructure, meter and connection fees are currently estimated to exceed budgetary amounts by a total of approximately \$194,000; as building activity in Yorkville remained stable throughout the current fiscal year.

(26) Investment Earnings consist of interest income earned from having cash on account with Associated and First National Banks, and IMET recovery proceeds which totaled \$6,693 in the current fiscal year. Bank generated interest earnings are targeted to finish around \$21,000, which is in-line with budgeted amounts. **(27) Reimb/Misc/Transfers** are made up of reimbursements, rental income, and interfund transfers. Rental income was enhanced in the current fiscal year as a result of the City entering into a second cell tower lease agreement with Verizon in late FY 2019. The new cell tower, located at 610 Tower Lane, generated an additional \$34,800, which will result in annual rental income exceeding \$100,000 for the first time in FY 2020 (after accounting for audit accruals). The “transfers in” from the Sewer and City-Wide Capital Funds will total around \$180,000 and pay for a portion of the annual debt service on the 2014B (which refunded the 2005C bonds) and 2015A (used to finance water improvements in Countryside subdivision) bonds, respectively.

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

	FY 2020 Actual YTD	FY 2020 Budget	% of Budget	FY 2019 Actual YTD	% Change
Total YTD Expenditures	\$ 4,824,877	\$ 5,779,725	83%	\$ 3,753,546	29%
Expenses by Category					
50 Salaries	397,074	519,935	76%	393,134	1%
52 Benefits	193,548	263,064	74%	202,029	-4%
54 Contractual Services	785,750	813,799	97%	738,644	6%
56 Supplies	364,057	393,281	93%	317,866	15%
60 Capital Outlay	722,950	1,428,146	51%	569,029	27%
77-94 Debt Service	2,361,500	2,361,500	100%	1,532,844	54%

As shown above, the **(50) Salary and (52) Benefit** cost categories are expected to finish below budgeted amounts in the current fiscal year, due to water department vacancies (that were later filled) and the decision not to hire a water & sewer

United City of Yorkville – 4th quarter ended April 30, 2020

Water Fund Expenses - continued

superintendent, as originally conceived in the FY 2020 budget. After audit accruals have been applied, salary and benefit amounts are estimated to be approximately \$180,000 below budgeted amounts.

(54) Contractual Services are projected to exceed budgeted amounts by approximately \$40,000; as a temporary consultant (paid out of professional services) was needed to fulfil the operational duties of a certified water operator for a portion of the fiscal year, and due to unanticipated costs relating to the maintenance of the City’s various water treatment plants.

Total **(60) Capital Outlay** expenses are expected to finish significantly below budget (~60%), as the Well #7 rehabilitation and standby generator projects (the Well #7 standby generator has since been moved to Beaver Street) were deferred to the subsequent fiscal year. In addition, IDOT’s Route 71 and US Route 34 west watermain replacement projects are expected to come in under budget as well, due to timing issues with the State. Capital projects that were substantially completed as of April 30th includes replacement of the East Orange Street watermain and design engineering work related to the Elizabeth Street watermain.

Presently, the Water Fund pays **(77-94) Debt Service** on four issuances: the 2015A Bond (matures FY 2035); the 2016 Refunding Bond (matures FY 2023); the 2014C Refunding Bond (matures FY 2025); and an IEPA Loan (matures FY 2027).

Water Fund – Fund Balance Equivalent

Once all audit accruals have been booked, the Water Fund is projected to finish the year with a deficit of ~\$290,000, which is approximately \$790,000 better than originally budgeted. Currently the Fiscal Year 2020 ending fund balance equivalent is predicted to be around \$3.24 million, which is roughly 64% of total expenses & transfers out. Equivalency percentages in the Water Fund are expected to return to more normal levels (30%-40%) in the upcoming fiscal year, as the capital projects mentioned above progress towards completion. Cash balances in the Water Fund as of April 30, 2020 totaled \$2.505 million.

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

Revenue Source	FY 2020 Actual YTD	FY 2020 Budget	% of Budget	FY 2019 Actual YTD	% Change
29 Charges for Service	\$ 1,601,721	\$ 1,567,500	102%	\$ 1,530,862	5%
30 BUILD Program	-	-	0%	18,000	-100%
31 Investment Earnings	38,751	7,149	542%	9,679	300%
32 Reimb/Misc/Transfers	579,410	575,030	101%	858,048	-32%
33 Total Revenues	\$ 2,219,882	\$ 2,149,679	103%	\$ 2,416,589	-8%

(29) Charges for Services account for 73% of total Fund revenues, consisting primarily of sewer maintenance and infrastructure fees. At the end of FY 2020, both maintenance and infrastructure fees are expected to exceed budgeted amounts, for a combined surplus of ~\$37,000. Aggregate sewer connection fees are projected to finish slightly below budgeted amounts by ~\$4,600 but will exceed prior year amounts by over \$25,000.

United City of Yorkville – 4th quarter ended April 30, 2020

Sewer Fund Revenues - continued

(31) Investment Earnings consist of interest income earned from having cash on account with Associated and First National Banks, and IMET recovery proceeds which totaled \$31,459 in the current fiscal year. Bank generated interest earnings are targeted to finish around \$15,000, which is in-line with budget targets.

(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 a portion of the debt service on the 2011 Refunding Bonds.

Sewer Fund Expenses (cash basis after 12 periods)

	FY 2020 Actual YTD	FY 2020 Budget	% of Budget		FY 2019 Actual YTD	% Change
Total YTD Expenditures	\$ 2,046,986	\$ 2,546,355	80%		\$ 2,702,138	-24%
Expenses by Category						
50 Salaries	197,946	270,946	73%		196,299	1%
52 Benefits	118,820	164,060	72%		96,424	23%
54 Contractual Services	126,001	240,935	52%		137,240	-8%
56 Supplies	45,754	62,650	73%		55,618	-18%
60 Capital Outlay	132,283	350,861	38%		222,679	-41%
75 Developer Commitments	-	30,721	0%		35,938	0%
84-96 Debt Service	1,352,307	1,352,307	100%		1,880,265	0%
99 Transfer Out	73,875	73,875	100%		77,675	-5%

Similar to the Water Fund, the **(50) Salaries and (52) Benefits** cost categories in the Sewer Fund are expected to finish below budgeted amounts in the current fiscal year by approximately \$110,000, due to partial year vacancies and the decision not to hire a water & sewer superintendent.

(54) Contractual Services should finish ~ \$100,000 under budget, as the Countryside and Blackberry lift station projects were deferred to the subsequent fiscal year. After accounting for audit accruals, **(60) Capital Outlay** for the Sewer Fund is expected to finish considerably below budget (~47%), as most construction costs related to IDOT’s Route 71 Sanitary Sewer Replacement Project were deferred into the ensuing fiscal year. The Sewer Fund’s 2019 Road to Better Roads Program focused on sanitary improvements on Church Street, which were substantially complete at the end of the fiscal year.

The **(75) Developer Commitment** cost center represents the annual payment to Lennar Chicago, pursuant to the reimbursement agreement entered into in December 2002. This agreement expired in the current fiscal year, and a final payment of \$30,948 was paid out in May (will be accrued back to FY 2020).

Currently, the Sewer Fund pays **(84-96) Debt Service** on two issuances: the 2003 IRBB Debt Certificates (matures FY 2023); and the 2011 Refunding Bond (matures FY 2026). The IEPA Loan matured in the current fiscal year – final debt service amounts totaled \$53,525. 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 bond’s initial proceeds were used for sewer infrastructure improvements.

United City of Yorkville – 4th quarter ended April 30, 2020

Sewer Fund – Fund Balance Equivalent

The Sewer Fund is expected to finish the year with a surplus of ~ \$62,000, due to projected expenses coming in better than initially budgeted. Once all audit accruals have been booked, the Sewer Fund will be expected to exceed its original budget deficit of \$396,676 by approximately \$460,000. Fund Balance Equivalency for the Sewer Fund is currently estimated to be ~\$1.17 million at the end of FY 2020, which equates to around 54% of total expenses (including transfers out). Cash amounts in the Sewer Fund as of April 30, 2020 totaled \$1.04 million.

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

Revenue Source	FY 2020 Actual YTD	FY 2020 Budget	% of Budget	FY 2019 Actual YTD	% Change
34 Charges for Service	608,408	632,000	96%	582,920	4%
35 Investment Earnings	1,333	1,500	89%	1,534	-13%
36 Reimb/Misc/Transfers	1,646,548	1,611,488	102%	1,503,839	9%
37 Total Revenues	\$ 2,256,289	\$ 2,244,988	101%	\$ 2,088,293	8%

To date, the Parks & Recreation Fund has been most negatively impacted by the pandemic, due to the very social nature of most recreational revenue generating activities.

Aggregate **(34) Charges for Service** are a bit skewed when looking at them from the cash basis as of April 30th, as they do not account for the various refunds issued for recreational activities in the new fiscal year due to COVID-19. To date, refunds and household credits issued in FY 2021, but attributable to FY 2020, total ~\$80,000. Once these figures are adjusted as part of the audit accrual process, charges for service revenues (includes special events, athletics & fitness & child development) are currently projected to finish FY 2020 at approximately \$100,000 under budget.

Proceeds from Hometown Days, which is included in the **(37) Reimb/Misc/Transfers** revenue center, increased by 5% in comparison with the previous fiscal year (the festival essentially broke-even in the current fiscal year, generating ~\$124,000 in both revenues and expenditures). Total revenues for the Parks & Recreation Fund are expected to come in around \$2.1 million, which is ~\$130,000 below budget.

United City of Yorkville – 4th quarter ended April 30, 2020

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

	FY 2020 Actual YTD	FY 2020 Budget	% of Budget		FY 2019 Actual YTD	% Change
Total YTD Expenditures	\$ 2,168,696	\$ 2,349,081	92%		\$ 2,035,620	7%
Expenditures by Category						
50 Salaries	1,217,194	1,287,858	95%		962,216	26%
52 Benefits	462,405	484,055	96%		392,316	18%
54 Contractual Services	187,310	187,538	100%		307,650	-39%
56 Supplies	153,307	190,630	80%		262,452	-42%
56 Hometown Days	148,481	199,000	75%		110,986	34%
Expenditures by Department						
790 Parks	1,070,083	1,151,262	93%		1,057,416	1%
795 Recreation	1,098,613	1,197,819	92%		978,204	12%

As shown on the table above, all Parks & Recreation Fund cost categories are anticipated to remain under budgeted amounts, even after the application of audit accruals. Total expenditures for the Parks Department is currently estimated around \$1.09 million, which is ~\$60,000 under budget. Aggregate Recreation Department expenditures are projected at \$1.13 million, which is ~\$70,000 under budget. Assuming these projections hold, aggregate Fund expenditures would total \$2.22 million, which is ~\$130,000 under the budgeted amount of \$2.35 million.

Parks & Recreation Fund – Fund Balance

Despite the decline in Recreation revenues brought on by the pandemic, the Fund is still anticipated to finish right around its budgeted deficit amount of \$104,000. Ending fund balance for the year is projected to be ~\$350,000, which is equal to about 16% of total expenditures. This will be the last fiscal year in which the Parks & Recreation Fund will maintain a sizeable fund balance. Starting in FY 2021, the General Fund operational transfer will be adjusted accordingly to ensure that the Parks & Recreation Fund budget maintains a break-even position (i.e. zero fund balance). Cash on hand in the Parks & Recreation Fund as of April 30, 2020 totaled \$634,613.