

Memo

To: Mayor and Board of Trustees
Jeff O'Dell, Village Administrator

From: Tom Dahl, Finance Director

Date: March 26, 2018

Re: December 2017 Pre-Audit Financial Review

This report's main focus centers on the General Fund and the Water/Sewer Operating Fund. There are several charts reflecting the FY 2017 Amended Budget and the FY 2017 year-to-date revenues and expenditures. This report presents the final results prepared by the Finance Department and submitted to the auditors. The final audit report (CAFR) will be presented in June.

General Fund

This fund accounts for the general operations of the Village including public safety, streets and highways, and general administration. After year-end audit entries, the General Fund will end the year under budget. The FY 2018 budget process estimated that the General Fund would end with an \$860,310 surplus and the December Treasurer's Report reported a \$1,457,526 surplus. Based on the numbers presented below, the General Fund will end with a surplus of \$948,217. This differs from the preliminary results presented in January for several reasons.

- Revenues decreased \$225,894 from the preliminary report. Several revenue sources, such as Sales Tax, Local Use Tax and Fines continue to be received after January 1 and a journal entry accrues them in the proper fiscal year. Sales Tax received in March belongs in the previous fiscal year since it was collected for sales in December. The Village received 14 income tax payments from the State but only 12 are recognized as revenue in FY 2017. Therefore \$254,691 was removed from the Village's FY 2017 results.
- Expenditures increased \$283,415 from the preliminary report. There were two main reasons for this difference with the first being the accrual of the sales tax rebate of \$241,924 for BOS (aka Affordable Office Interiors). The second reason is the payment of invoices through March 12 for items and work performed prior to January 1, 2018.
- Overall, revenues are 101.4% of budget projections.
- State Shared Taxes – State Shared Taxes are Personal Property Replacement Tax, Sales Tax, Income Tax and Local Use Tax. Total receipts for FY 2017 were \$5,579,772 or 101.8% of the budgeted amount. Sales Tax collections totaled \$2,870,476 or 107.7% of budget, Income Tax collections totaled \$2,090,763 or 89% of budget and Local Use Tax collections totaled \$588,800 or 110.1% of budget.

- Local Taxes – Eating establishment, telephone tax and hotel/motel tax make up most of the revenues collected in this category. Total receipts for FY 2017 were \$735,090 or 98.4% of budget.

General Fund Revenue Overview

GENERAL FUND	2017 Amended Budget	2017 Actual	% of Budget
PROPERTY TAXES/ROAD/BRIDGE TAXES	\$5,529,025	\$5,523,277	99.9%
STATE SHARED TAXES	5,479,220	5,579,772	101.8%
SALES TAX	2,664,560	2,870,478	107.7%
INCOME TAX	2,350,000	2,090,763	89.0%
LOCAL TAXES	747,020	735,090	98.4%
PLACE OF EATING TAX	350,000	368,760	105.4%
VIDEO GAMING TAX	113,420	128,565	113.4%
FEES	244,200	286,304	117.2%
BUILDING FEES	200,000	241,000	120.5%
LICENSES	923,750	935,045	101.2%
VEHICLE STICKERS	700,000	686,059	98.0%
FINES	739,000	556,180	75.3%
COURT FINES	200,000	147,018	73.5%
TRAFFIC SIGNAL ENFORCEMENT	200,000	136,824	68.4%
TOW FINES	100,000	52,840	52.8%
LOCAL FINES	180,000	168,753	93.8%
COMMUNITY DEVEL. FINES	3,000	3,270	109.0%
CHARGES FOR SERVICES	1,481,980	1,655,961	111.7%
ROSELLE FIRE PROTECTION DIST	673,100	686,733	102.0%
AMBULANCE BILLING	500,000	615,446	123.1%
OTHER INCOME	528,405	590,445	111.7%
CABLE TV FRANCHISE	376,000	374,178	99.5%
GRANTS/DONATIONS/FUND RAISERS	64,375	57,126	88.7%
INVESTMENT INCOME	10,000	57,238	572.4%
INTERFUND TRANSFERS	300,000	300,000	100.0%
TOTAL REVENUE	\$16,046,975	\$16,276,438	101.43%

- Fees – The revenues reported in the Fees category are all related to building activity, with engineering fees, review fees, building permits and re-occupancy fees making up the majority of the budgeted fees. Total receipts for FY 2017 were \$286,304. Building Fees ended the year at 120.5% of budget or \$241,000.
- Licenses – Business licenses, alarm licenses, liquor licenses and vehicle stickers are the four revenues reported in this category. The Village collected \$935,045 in FY 2017 or 101.2% of budget.
- Charges for Services – The three largest revenues in this category are the Lake Park High School resource officers, Roselle Fire Protection District and ambulance fees. Ambulance fees ended FY 2017 at 123.1% of the budgeted amount.

General Fund Expenditure Overview

GENERAL FUND	2017 Amended Budget	2017 Actual	% of Budget
REVENUE	\$16,046,975	\$16,276,438	101.43%
PERSONNEL SERVICES	\$11,018,660	\$10,481,660	95.13%
<i>SALARIES</i>	6,210,545	5,710,042	91.94%
<i>OVERTIME</i>	480,800	696,684	144.90%
<i>ALLOWANCES</i>	17,550	17,200	98.01%
<i>HOLIDAY PAY</i>	121,075	109,215	90.20%
<i>SICK BUYBACK</i>	85,420	120,853	141.48%
<i>COMM PD SERVICE</i>	16,500	0	0.00%
<i>PART-TIME</i>	658,700	545,857	82.87%
<i>HEALTH INSURANCE</i>	1,145,665	1,030,307	89.93%
<i>FICA/MCARE</i>	543,570	517,998	95.30%
<i>IMRF</i>	289,655	285,622	98.61%
<i>POLICE PENSION</i>	1,142,200	1,142,890	100.06%
<i>FIRE PENSION</i>	265,845	265,755	99.97%
<i>ICMA CONTRIBUTIONS</i>	16,465	16,533	100.41%
<i>RETIRE MEDICAL CONTRIB</i>	24,670	22,704	92.03%
CONTRACTUAL	3,136,629	3,134,179	99.92%
COMMODITIES	765,380	730,658	95.46%
OTHER CHARGES	529,205	554,168	104.72%
CAPITAL OUTLAY	68,610	50,812	74.06%
INTERFUND TRANSFERS	376,742	376,742	100.00%
TOTAL EXPENSE	\$15,895,226	\$15,328,221	96.43%
TOTAL SURPLUS/(DEFICIT)	\$151,749	\$948,217	

- Overall, General Fund expenditures ended at 96% of budget projections.
- General Fund FY 2017 personnel services are 95.1% of budget. Salaries should be at 100% at this time but due to vacancies in several departments throughout the year expenditures are \$500,503 lower than expected. The table below displays the most significant differences.

Department – Division	% of Budget	\$ Difference
Community Development – P&Z	86.5%	\$26,849
Police – Operations	87.0%	\$364,614
Police – Support Services	90.0%	\$28,888
Fire – Operations	95.1%	\$55,821
Public Works – Street Maintenance	90.0%	\$38,214
Total:		\$514,386

- Overtime costs are 144.9% of budget. This line item in the chart above is a combination of overtime and comp time payouts. Comp time can be received in lieu of overtime and can be paid out at the employee's request. The chart below breaks down overtime between Police, Fire and Public Works. As noted above, vacancies in several departments have decreased regular salaries but caused an increase in the need for overtime for remaining employees.

Department	Budget	Actual	% of Budget
Police	303,000	382,884	126%
Fire	130,000	291,201	224%
Public Works	46,500	21,690	47%

- Contractual service costs for FY 2017 are 99.9% of budget.
- Commodities are 95.5% of budget.
- Other Charges are 104.7% of budget, mainly due to BOS revenue sharing rebate.

Water and Sewer Operating Fund

The Water and Sewer Operating Fund is an Enterprise Fund supported by charges for water and sewer use.

Water and Sewer Operating Revenue Overview

W/S OPERATING	2017 Amended Budget	2016 Actual	% of Budget
OPERATING FEES	\$7,010,215	\$6,983,447	99.62%
<i>WATER REVENUE</i>	4,214,910	4,164,961	98.81%
<i>SEWER REVENUE</i>	2,795,305	2,818,486	100.83%
FINES	99,500	98,749	99.25%
<i>LATE FEES</i>	85,000	87,479	102.92%
<i>TURN ON FEES</i>	3,000	2,200	73.33%
<i>RED TAG DELIVERY FEES</i>	11,500	9,070	78.87%
CHARGES FOR SERVICES	6,000	9,155	152.58%
OTHER INCOME	600	9,745	1624.21%
INVESTMENT INCOME	5,000	14,040	280.80%
TOTAL REVENUE	\$7,121,315	\$7,115,137	99.91%

- Water and sewer operating fees ended FY 2017 at \$6,983,447 or 99.6% of budget.
- For the fiscal year, \$98,749 or 99.3% of the budget has been collected for Fines.
- Investment income is higher than budgeted due to the interest the Village is earning on the funds deposited at Associated Bank and the increase in investment holdings.

Water usage for FY 2017 was 1.4% lower compared to FY 2016, with only the Government and Utility Meter classes showing an increase. The Water and Sewer rate

study used an annual decline of 1% to determine the rate structure so this will be an area to watch as we assess the impact of the rates. The Village billed \$4,164,961 in revenue in FY 2017 for Water fees, an increase of \$168,429 or 4.2% over last year. A chart showing Gallons and \$ amounts billed by Service Class is presented below.

Service Class	FY 2016 Gallons	FY 2017 Gallons	FY 2016 Dollar	FY 2017 Dollar
Commercial	74,034,763	73,873,100	\$556,567	\$586,779
Government	12,291,035	12,841,513	75,946	87,727
Utility Meter	753,742	905,811	21,989	24,542
Residential	445,119,503	437,179,087	3,327,373	3,451,584
Village	339,920	298,915	3,649	3,322
Total:	532,538,963	525,098,426	\$3,985,524	\$4,153,954

Water and Sewer Operating Expense Overview

W/S OPERATING	2017 Amended Budget	2017 Actual	% of Budget
REVENUE	\$7,121,315	\$7,115,137	99.91%
PERSONNEL SERVICES	2,186,845	2,201,751	100.68%
<i>SALARIES</i>	1,397,120	1,388,256	99.37%
<i>OVERTIME</i>	60,000	65,345	108.91%
<i>ALLOWANCES</i>	7,500	6,000	80.00%
<i>SICK BUYBACK</i>	23,000	17,542	76.27%
<i>SICK ACCRUAL</i>	0	53,955	
<i>PART-TIME</i>	15,750	18,905	120.03%
<i>HEALTH INSURANCE</i>	369,990	325,579	88.00%
<i>FICA/MCARE</i>	108,205	113,222	104.64%
<i>IMRF</i>	193,060	202,856	105.07%
<i>RETIRE MEDICAL CONTRIB</i>	12,220	10,093	82.59%
CONTRACTUAL	3,685,655	3,635,947	98.65%
COMMODITIES	409,320	339,331	82.90%
OTHER CHARGES	227,050	172,301	75.89%
CAPITAL OUTLAY	54,740	20,848	38.08%
INTERFUND TRANSFERS	91,067	91,067	100.00%
CAPITAL IMPRVMT SANITARY	563,645	265,685	47.14%
TOTAL EXPENSE	\$7,218,322	\$6,726,930	93.19%
TOTAL SURPLUS/(DEFICIT)	(\$97,007)	\$388,206	

- The Water/Sewer Operating Fund ended FY 2017 with a \$388,206 surplus. The majority of the surplus is due to the Capital Improvement Sanitary category of expenses. Several projects related to the treatment plants and collection system were budgeted but not completed or started in FY 2017. These projects were rebudgeted in FY 2018.
- Both Water and Sewer Divisions are operating within target levels of the adopted FY 2016 budget. The Water Division ended the fiscal year at 96.5% of budget and

the Sewer Division at 88.2% of budget. Since the Water and Sewer Operating Fund is an enterprise fund (full accrual basis) there are still journal entries to be entered. The Village is awaiting the final report from IMRF to book pension expense and liability for the fund and the final report from our actuary for OPEB (Other post-employment expense other than pension) expense.

Village of Roselle
 General Fund Balance Sheet
 As of December 31, 2017

Classification	Current YTD Balance
ASSETS	
<i>Current Assets</i>	
Cash & Investments	6,743,650
<i>Current Assets Totals</i>	6,743,650
<i>Current Receivables</i>	
Property Tax Receivable	5,527,501
Other Receivables	310,372
Intergovernmental Receivables	959,264
Prepays	73,466
<i>Current Receivables Totals</i>	6,870,603
Due To/From Others	(217)
<i>Other Receivables Totals</i>	(217)
ASSETS TOTALS	13,614,036
LIABILITIES AND FUND EQUITY	
LIABILITIES	
<i>Current Liabilities</i>	
Payroll Liabilities	421,146
Deferred Revenue	5,578,858
Impact Fees	48,188
Due to Others	497,431
Accounts Payable	212,028
<i>Current Liabilities Totals</i>	6,757,651
LIABILITIES TOTALS	6,757,651
FUND EQUITY	
Fund Balance	5,908,167
DECEMBER 31, 2016 FUND BALANCE	5,908,167
Fund Revenues	(16,276,438)
Fund Expenditures	15,328,221
CURRENT FUND BALANCE	6,856,384
LIABILITIES AND FUND EQUITY	13,614,036

Village of Roselle
 General Fund Income Statement
 For the period ending December 31, 2017

Account Description	Annual Budget Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget
REVENUE				
<i>Taxes</i>				
Property Tax	5,352,025	5,358,856	(6,831)	100
Road & Bridge Tax	177,000	164,421	12,579	93
<i>Taxes Totals</i>	<u>5,529,025</u>	<u>5,523,277</u>	5,748	100%
<i>State Shared Taxes</i>				
Personal Property Replacement Tax	27,000	29,731	(2,731)	110
Sales Tax	2,664,560	2,870,478	(205,918)	108
Income Tax	2,252,725	2,090,763	161,962	93
Local Use Tax	534,935	588,800	(40,045)	108
<i>State Shared Taxes Totals</i>	<u>5,479,220</u>	<u>5,579,772</u>	(86,732)	102%
<i>Local Taxes</i>				
Pull Tab Tax	1,100	2,420	(1,320)	220
Auto Rental Tax	1,900	2,208	(308)	116
Utility Tax Telephone	128,000	109,397	13,179	90
Hotel/Motel Tax	105,000	86,975	18,025	83
Eating Establishment Tax	350,000	368,760	(18,760)	105
Amusement Tax	34,150	25,472	8,678	75
Video Rental Tax	13,450	11,293	2,157	84
Video Gaming Tax	113,420	128,565	(15,145)	113
<i>Local Taxes Totals</i>	<u>747,020</u>	<u>735,090</u>	6,506	98%
<i>Fees</i>				
Engineering Fees	10,000	14,308	(4,308)	143
Fire Dept Review Fees	9,000	10,484	(1,484)	117
Building Permits	200,000	241,000	(41,000)	121
Re-Occupancy Fees	10,000	4,550	5,450	46
Annexation Fees	6,000	3,600	2,400	60
Zoning Fees	2,500	5,415	(2,915)	217
Recording Fees	700	120	580	17
Processing Fees	6,000	6,828	(828)	114
<i>Fees Totals</i>	<u>244,200</u>	<u>286,304</u>	(42,104)	117%
<i>Licenses</i>				
Business Licenses	98,750	111,918	(13,168)	113
Alarm Licenses	40,000	45,514	(5,514)	114
Liquor Licenses	85,000	91,555	(6,555)	108
Vehicle Stickers	700,000	686,059	13,941	98
<i>Licenses Totals</i>	<u>923,750</u>	<u>935,045</u>	(11,295)	101%
<i>Fines</i>				
Local Fines	180,000	168,753	11,247	94
Compliance Fines	20,000	24,135	(4,135)	121
Tow Fines	100,000	52,840	47,160	53
Court Fines	200,000	147,018	52,982	74
DUI Tech Fines	20,000	13,968	6,032	70
Traffic Signal Enforcement	200,000	136,824	63,176	68

Village of Roselle
 General Fund Income Statement
 For the period ending December 31, 2017

Account Description	Annual Budget Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget
Forfeited Assets	500	1,697	(1,197)	339
False Alarm	15,000	7,425	7,575	50
Liquor Violations	500	250	250	50
Community Development Fines	3,000	3,270	(270)	109
<i>Fines Totals</i>	<u>739,000</u>	<u>556,180</u>	<u>182,820</u>	<u>75%</u>
<i>Charges For Services</i>				
Newsletter Advertising	6,600	6,560	40	99
Recycling Income	5,000	5,729	(729)	115
Community Police Services	20,000	12,139	7,861	61
Other Services	3,000	0	3,000	0
LPHS Liaison	219,030	219,306	(276)	100
PD/FD Reports	5,500	3,958	1,542	72
PD/FD Devl. Oblig	1,500	0	1,500	0
Misc Reimb - General	5,000	50,999	(45,999)	1,020
Misc Reimb - Police/Fire	13,000	18,630	(5,630)	143
Misc Reimb - Public Works	7,500	29,174	(21,674)	389
Hazmat Reimbursement	100	0	100	0
Roselle Fire District	673,100	686,733	(13,633)	102
Ambulance Fees	500,000	615,446	(115,446)	123
Tollway Emergency Fees	0	1,600	(1,600)	100
CPR Training	13,000	0	13,000	0
Sidewalk Program	1,250	1,137	113	91
Tree Program	8,400	4,550	3,850	54
<i>Charges For Services Totals</i>	<u>1,481,980</u>	<u>1,655,961</u>	<u>(173,981)</u>	<u>112%</u>
<i>Other Charges</i>				
Sale of Assets - General	100	480	(380)	480
Sale of Assets - Public Safety	100	1,034	(934)	1,034
Maps, Codes, Bids	500	400	100	80
Cable Franchise	376,000	374,178	1,822	100
Natural Gas Franchise	35,980	33,836	2,144	94
Retail Sales	2,125	804	1,321	38
Misc Income	3,000	4,449	(1,449)	148
Misc Over/Short	0	5	(5)	100
Rental Income - Tower	87,100	53,929	33,171	62
Rental Income - Gun Range	4,000	4,000	0	100
Rental Income - Property Lease	9,000	9,000	0	100
Recaptures	0	13,413	(13,413)	100
Workers Comp	10,000	91,804	(81,804)	918
IRMA - General	500	0	500	0
IRMA - Police/Fire	0	3,283	(3,283)	100
IRMA - Public Works	0	(170)	170	100
<i>Other Charges Totals</i>	<u>528,405</u>	<u>590,445</u>	<u>(62,040)</u>	<u>112%</u>
<i>Grants</i>				
Police Training Grant	0	2,117	(2,117)	100

Village of Roselle
 General Fund Income Statement
 For the period ending December 31, 2017

Account Description	Annual Budget Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget
Bulletproof Vest Program	900	206	694	23
Roadside Safety	30,000	16,474	13,526	55
Tobacco Enforcement	2,200	0	2,200	0
Community Grant	5,000	5,000	0	100
State/Local Grants	18,775	20,306	(1,531)	108
<i>Grants Totals</i>	<u>56,875</u>	<u>44,103</u>	<u>12,772</u>	<u>78%</u>
<i>Donations</i>				
Miscellaneous Donations	0	3,386	(3,386)	100
Fireworks Donation	6,500	8,045	(1,545)	124
Police Explorers Donation	1,000	1,592	(592)	159
<i>Donations Totals</i>	<u>7,500</u>	<u>13,023</u>	<u>(5,523)</u>	<u>174%</u>
<i>Investment Income</i>				
Interest Income	10,000	58,558	(48,558)	586
Net Change in Fair Value	0	(1,320)	1,320	100
<i>Investment Income Totals</i>	<u>10,000</u>	<u>57,238</u>	<u>(47,238)</u>	<u>572%</u>
<i>Interfund Transfers</i>				
Transfer from MFT	300,000	300,000	0	100
<i>Interfund Transfers Totals</i>	<u>300,000</u>	<u>300,000</u>	<u>0</u>	<u>100%</u>
REVENUE TOTALS	<u>16,046,975</u>	<u>16,276,438</u>	<u>(221,067)</u>	<u>101%</u>
 EXPENDITURES				
Elected Officials	\$179,225	\$180,205	(\$980)	101%
Administration	1,532,751	1,665,387	(132,636)	109%
Finance	460,775	411,558	49,217	89%
Community Development	505,754	596,905	(91,151)	118%
Police	6,843,444	6,330,496	512,948	93%
Fire	4,038,492	4,014,773	23,719	99%
Fire & Police Commission	22,610	41,561	(18,951)	184%
Public Works	2,312,175	2,087,336	224,839	90%
EXPENDITURES TOTALS	<u>15,895,226</u>	<u>15,328,221</u>	<u>567,005</u>	<u>96%</u>
 Fund 10 - General Fund Totals				
REVENUE TOTALS	16,046,975	16,276,438	(221,067)	101%
EXPENDITURES TOTALS	<u>15,895,226</u>	<u>15,328,221</u>	<u>567,005</u>	<u>96%</u>
Fund 10 - General Fund Net Gain (Loss)	151,749	948,217	788,073	

Village of Roselle
 Water/Sewer Operating Fund Balance Sheet
 As of December 31, 2017

Classification	Current YTD Balance
ASSETS	
<i>Current Assets</i>	
Cash & Investments	2,982,477
<i>Current Assets Totals</i>	2,982,477
<i>Current Receivables</i>	
Interest Receivable	7,718
A/R Utilities	1,035,203
Prepays	555,046
<i>Current Receivables Totals</i>	1,597,967
Capital Assets	20,229,829
ASSETS TOTALS	24,810,274
LIABILITIES AND FUND EQUITY	
LIABILITIES	
<i>Current Liabilities</i>	
Salaries Payable	91,077
Accounts Payable	315,061
Due to Others	36,000
<i>Current Liabilities Totals</i>	442,138
Non-Current Liabilities	2,073,344
LIABILITIES TOTALS	2,515,482
FUND EQUITY	
Fund Balance	21,906,585
DECEMBER 31, 2016 NET POSITION	21,906,585
Fund Revenues	(7,115,137)
Fund Expenses	6,726,930
CURRENT NET POSITION	22,294,792
LIABILITIES AND FUND EQUITY	24,810,274

Village of Roselle
 Water/Sewer Operating
 For the period ending December 31, 2017

Account Description	Annual Budget Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget
REVENUE				
<i>Fees</i>				
Water Sales	4,214,910	4,164,961	49,949	99
Sewer Sales	2,795,305	2,818,486	(23,181)	101
<i>Fees Totals</i>	<u>7,010,215</u>	<u>6,983,447</u>	26,768	100%
<i>Fines</i>				
Utility Billing Late Fees	85,000	87,479	(2,479)	103
Turn On Fees	3,000	2,200	800	73
Red Tag Fees	11,500	9,070	2,430	79
<i>Fines Totals</i>	<u>99,500</u>	<u>98,749</u>	751	99%
<i>Charges For Service</i>				
Misc Reimbursement	1,000	0	1,000	0
Meter Sales	5,000	9,155	(4,155)	183
<i>Charges For Service Totals</i>	<u>6,000</u>	<u>9,155</u>	(3,155)	153%
<i>Other Income</i>				
Sale of Assets	500	2,005	(1,505)	401
Miscellaneous Income	0	265	(265)	100
IRMA - Other	100	7,475	(7,375)	7,475
<i>Other Income Totals</i>	<u>600</u>	<u>9,745</u>	(9,145)	1,624%
<i>Investment Income</i>				
Interest Income	5,000	25,992	(20,992)	520
Net Change in Fair Value	0	(11,953)	11,953	100
<i>Investment Income Totals</i>	<u>5,000</u>	<u>14,040</u>	(9,040)	281%
REVENUE TOTALS	<u>7,121,315</u>	<u>7,115,137</u>	6,178	100%
EXPENSE				
Water	4,344,796	4,191,985	152,811	96%
Sewer	2,873,526	2,534,945	338,581	88%
EXPENSE TOTALS	<u>7,218,322</u>	<u>6,726,930</u>	491,392	93%
Fund 51 - Water/Sewer Operating Totals				
REVENUE TOTALS	7,121,315	7,115,137	6,178	100%
EXPENSE TOTALS	7,218,322	6,726,930	491,392	93%
Fund 51 - Water/Sewer Operating Net Gain (Loss)	(97,007)	388,206	485,213	