

TO: Village Council

FROM: Scot F. Lahrmer, Village Manager

DATE: February 7, 2014

RE: Finance Report for December, 2013

The Village has converted to its new accounting software, UAN, and closed 2013 in the new format. The year-end UAN report has been included in your packet. Some of the highlights from the General Fund have been summarized and described below:

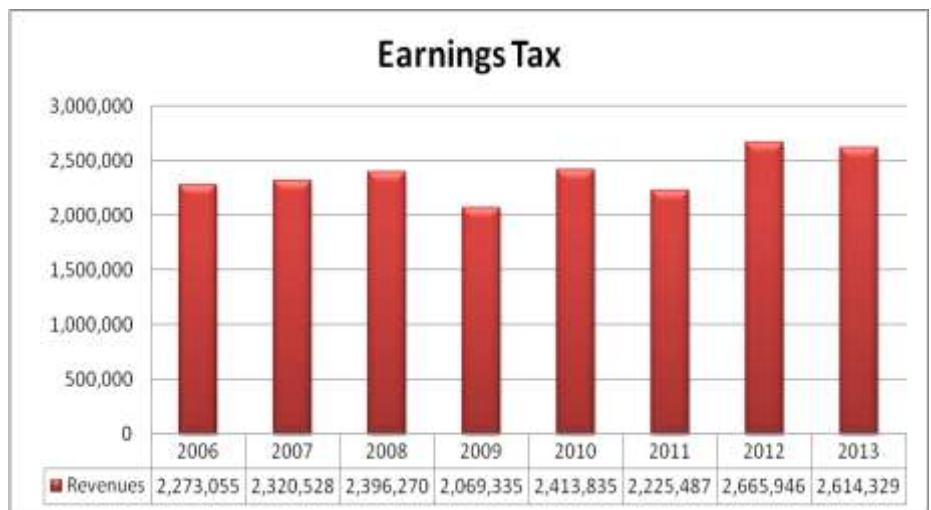
General Fund Revenue

Earnings Tax

Earnings Tax collections for the month of December totaled \$115,569. This is down 45% from December 2012's collection of \$210,402.

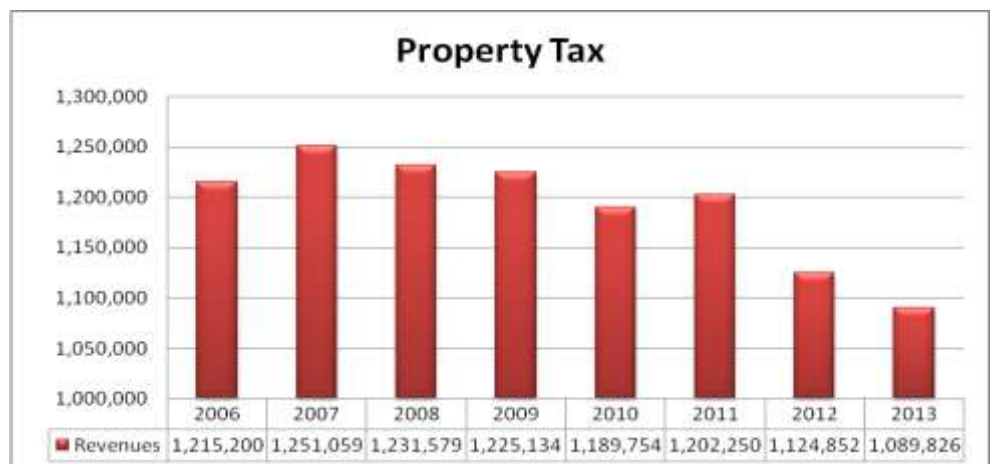
Our total collections year-to-date are \$2,614,329 compared to last year at this time of \$2,665,946.

Earnings tax continues to be the Village's primary revenue source. This chart shows how the earnings tax has tracked since 2006. 2013's original estimate for earnings tax was \$2,250,000. With 100% of the collections accounted for, the Village exceeded collection estimates by \$364,329. The estimate for 2014 is \$2,500,000.



Property Tax

With the County's allocation of real estate dollars, our year-to-date real estate, rollback and homestead tax receipts totaled \$1,089,826. This amount is \$35,026 less than what was received in 2012. This amount is expected to decrease to \$1,057,729 due to lower property values, which translates into less property tax.

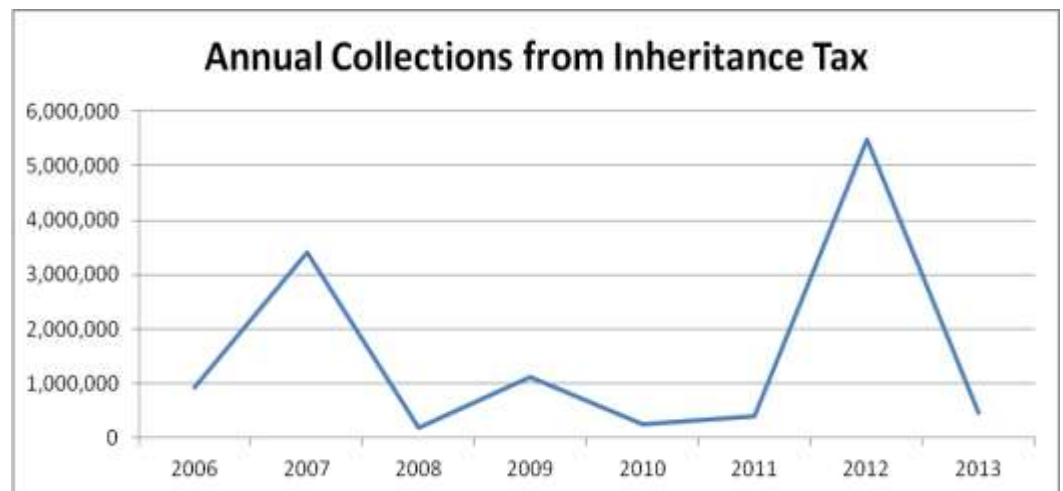


Inheritance Tax

The State legislature has eliminated this source of funding effective January 1, 2013. Revenue to the Village has been significant over the years as shown below. Over \$14 million has been generated over the last decade for the Village.

Years	Inheritance Tax Received
2001-2004	\$ 1,180,333
2005-2008	5,198,153
2009-2011	1,771,494
2012	5,478,462
2013	461,460
Total Received:	\$14,089,902

From the graph, you can see the fluctuation in annual collections from Inheritance Tax 2006-2012. The inheritance tax collection year-to-date for 2012 was \$5,478,462. The State eliminated this revenue source at the end of 2012.



Local Government Fund

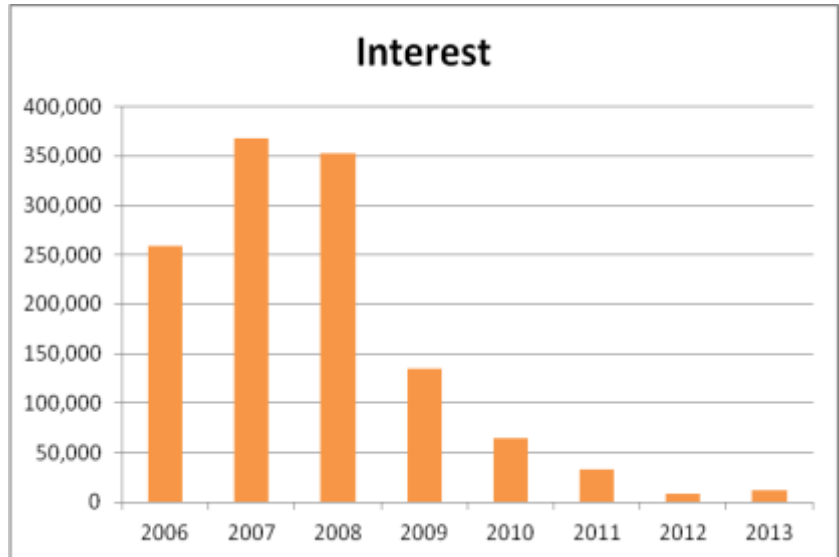
The Local Government Fund has netted \$54,551 for 2013. This fund was also greatly affected by the State Budget. The graph highlights the LGF Revenue for the years 2006-2013 and shows the projection for 2014 of \$52,605.



Interest

The graph below shows interest revenue from 2006 through 2013. The peak of revenue generated through interest was in 2007, with revenue declining in the years following.

2013's interest was \$12,226 compared to 2007's interest which totaled \$367,549. With historic low interest rates and the Village's investment portfolio decreasing, the Village is generating even less revenue via interest.



General Fund Summary

Total revenue for the month of December totaled \$173,888 for a year-to-date total of \$4,851,772:

2013 Earnings Tax Estimate:	\$2,250,000	
Earnings Tax Collected (as of 12/31/13)	\$2,614,329	16%

2013 Revenue Estimate:	\$3,871,016	
Revenue Collected (as of 12/31/13)	\$4,851,772	75%

Expenses for December totaled:	\$360,139	Year-to-date total: \$3,914,868
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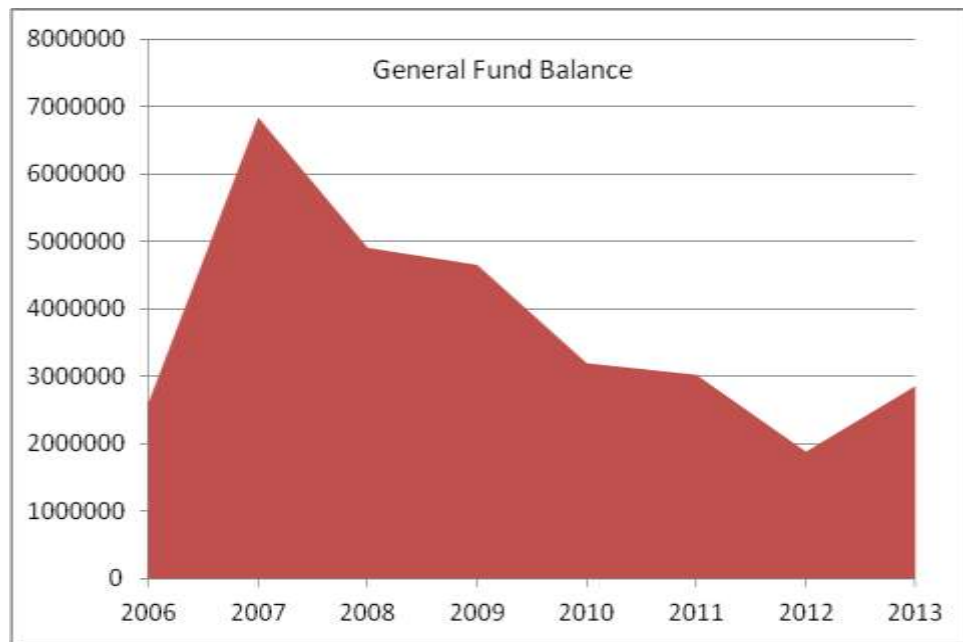
2013 Revised Budget:	\$4,002,851	
Expenditures (as of 12/31/13)	\$3,914,868	97.8% spent

General Fund Balance

While the Village has relied on its fund balance or carry over each year, the General Fund balance has continued to decline, however, with 63% of the police expenses being paid by the police levy, the general fund balance is being restored:

<u>Year</u>	<u>General Fund Balance</u>
2006	\$2,616,939
2007	6,849,286
2008	4,910,762
2009	4,656,641
2010	3,195,750
2011	3,024,748
2012	1,881,984
2013	2,857,828

The graph below illustrates the declining fund balance:



At the end of December 2013, the unencumbered General Fund balance as of the end of December is \$2,857,828.

If you have any questions, please let me know.

Fund Summary

UAN v2014.1

December 2013

Fund #	Fund Name	Starting Fund Balance	Month To Date Revenue	Year To Date Revenue	Month To Date Expenditures	Year To Date Expenditures	Ending Fund Balance	Current Reserve for Encumbrance	Unencumbered Fund Balance
1000	General	\$3,162,779.17	\$173,888.34	\$4,851,772.32	\$360,139.08	\$3,914,868.56	\$2,976,528.43	\$118,700.08	\$2,857,828.35
2011	Street Construction, Maint. and Repair	\$388,953.90	\$23,156.93	\$209,498.64	\$42,616.08	\$473,230.28	\$369,494.75	\$21,000.00	\$348,494.75
2051	Federal Grant	\$206.00	\$0.00	\$0.00	\$0.00	\$0.00	\$206.00	\$0.00	\$206.00
2091	Law Enforcement Trust	\$18,840.58	\$111.00	\$964.00	\$0.00	\$2,950.61	\$18,951.58	\$0.00	\$18,951.58
2131	Police Disability and Pension	\$51,283.93	\$355.70	\$50,226.63	\$0.00	\$60,920.19	\$51,639.63	\$0.00	\$51,639.63
2901	MAYOR'S COURT COMPUTER FUND	\$5,911.26	\$400.00	\$4,810.00	\$0.00	\$11,600.00	\$6,311.26	\$0.00	\$6,311.26
2902	POLICE LEVY FUND	\$198,248.12	\$36.11	\$1,627,550.12	\$166,270.66	\$1,595,536.55	\$32,013.57	\$12,812.92	\$19,200.65
2903	PSAP 911 FUND	\$56,937.45	\$3,287.67	\$22,929.68	\$1,000.00	\$11,986.00	\$59,225.12	\$46,500.00	\$12,725.12
2904	EMPLOYEE SEVERANCE FUND	\$2,372.55	\$0.00	\$38,000.00	\$0.00	\$37,039.66	\$2,372.55	\$0.00	\$2,372.55
2905	WE THRIVE GRANT FUND	\$4,841.85	\$0.00	\$0.00	\$0.00	\$0.00	\$4,841.85	\$0.00	\$4,841.85
2906	NATURE WORKS GRANT	\$85.59	\$0.00	\$0.00	\$0.00	\$190.00	\$85.59	\$0.00	\$85.59
3101	Bond Retirement	\$0.00	\$0.00	\$0.00	\$0.00	\$214.62	\$0.00	\$0.00	\$0.00
4901	CAPITAL PROJECTS	\$556,100.57	\$0.00	\$461,460.00	\$0.00	\$42,621.00	\$556,100.57	\$122,379.00	\$433,721.57
4902	Capital Projects-PUBLIC FACILITIES	\$24,103.73	\$0.00	\$0.00	\$0.00	\$0.00	\$24,103.73	\$0.00	\$24,103.73
4903	Capital Projects-VILLAGE LAND	\$1,204.12	\$0.00	\$0.00	\$0.00	\$0.00	\$1,204.12	\$0.00	\$1,204.12
5901	STORM WATER UTILITY	\$666,331.74	\$14,082.00	\$524,101.64	\$18,650.64	\$362,804.71	\$661,763.10	\$57,686.55	\$604,076.55
9101	Unclaimed Monies	\$1,449.13	\$0.00	\$1,449.13	\$0.00	\$0.00	\$1,449.13	\$0.00	\$1,449.13
9901	MAYOR'S COURT Agency	\$3,643.51	\$5,140.00	\$69,500.00	\$5,415.00	\$71,860.00	\$3,368.51	\$0.00	\$3,368.51
9902	EMPLOYEES HEALTH INSURANCE Agency	\$0.00	\$3,645.76	\$49,240.27	\$0.00	\$45,594.51	\$3,645.76	\$3,645.76	\$0.00
9903	VALLEY BAND ESCROW	\$28,728.52	\$0.00	\$7.44	\$0.00	\$1,084.28	\$28,728.52	\$0.00	\$28,728.52
9904	Kenwood SWJEDZ Agency	\$0.00	\$5,834.33	\$5,834.33	\$0.00	\$0.00	\$5,834.33	\$0.00	\$5,834.33
9905	Kenwood SWJEDZ Escrow Agency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9906	Kenwood SWJEDZ Long-Term Maint. Agency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Report Total:		\$5,172,021.72	\$229,937.84	\$7,917,344.20	\$594,091.46	\$6,632,500.97	\$4,807,868.10	\$382,724.31	\$4,425,143.79