



## **Memo from the City Administrator**

**To: Mayor, BOA, and Management**

**From: Jeana Woods, City Administrator**

**Date: 07/10/2018**

**Re: 2<sup>nd</sup> Quarter 2018 Budget Reconciliation**

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FY2018 Budget Reconciliation by Fund as of June 30, 2018:

Enclosed you will find the FY2018 Budget Reconciliation for the 2<sup>nd</sup> Quarter ending June 30, 2018. The City's audit has been completed for FY2017 and the opening balances for FY2018 have been reconciled per the FY2017 CAFR (Comprehensive Annual Financial Report).

During the FY2018 budget process, in September 2017, the FY2018 budget and its beginning cash and investment balances were calculated by using the FY2016 year end audited balances, the 2017 revenue and expenditure actuals through August 2017, and each department's estimates up to the end of the year.

The following is a summary of the FY2018 beginning cash and investments available per the above stated audit and revenue and expenditure activity through 06/30/2018. Refer to the Budget Reconciliations per fund on the following pages for individual fund activity to date. Please note both the Lee C Fine Fund and Grand Glaize Fund show estimated year-end negative cash balances. This is due to timing of airport grant projects and payments. As the year progresses if the negative balances are not eliminated by grant receivable activity, an addition transfer from the General Fund will be required by year end to balance cash flow.

### **General Fund – 10:**

- Beginning balances for 2018 were 13% (\$206,385) more than estimated due to the 2017 expenditures coming in lower than estimated during the 2018 budget process.
- **Through June 2018, 44% of budgeted revenues and 41% of budgeted expenditures have been realized.**

### **Capital Improvement Fund – 19 :**

- Beginning balances for 2018 were -1% (\$4,881) less than estimated due to the 2017 revenues coming in slightly lower than estimated during the 2018 budget process.
- **Through June 2018, 39% of budgeted revenues and 49% of budgeted expenditures have been realized.**

**Transportation Fund – 20:**

- Beginning balances for 2018 were <1% (\$6,210) less than estimated due to the 2017 expenditures coming in slightly higher than estimated during the 2018 budget process.
- **Through June 2018, 36% of budgeted revenues and 29% of budgeted expenditures have been realized.**

**Water Fund – 30:**

- Beginning balances for 2018 were 10% (\$292,188) more than estimated due to the 2017 revenue coming in higher and expenditures coming in lower than estimated during the 2018 budget process.
- **Through June 2018, 50% of budgeted revenues and 35% of budgeted expenditures have been realized.**

**Sewer Fund – 35:**

- Beginning balances for 2018 were 9% (\$394,239) more than estimated due to the 2017 expenditures coming in lower than estimated during the 2018 budget process.
- **Through June 2018, 48% of budgeted revenues and 41% of budgeted expenditures have been realized.**

**Ambulance Fund – 40:**

- Beginning balances for 2018 were 30% (\$25,551) more than estimated due to the 2017 revenue coming in higher and expenditures coming in lower than estimated during the 2018 budget process.
- **Through June 2018, 50% of budgeted revenues and 41% of budgeted expenditures have been realized.**

**Lee C Fine Airport Fund – 45:**

- Beginning balances for 2018 were -71% (\$87,610) less than estimated due to the 2017 revenues (grant funding activity) coming in lower than estimated during the 2018 budget process.
- **Through June 2018, 23% of budgeted revenues and 20% of budgeted expenditures have been realized.**

**Grand Glaize Airport Fund – 47:**

- Beginning balances for 2018 were -245% (\$6,876) less than estimated due to the 2017 revenues coming in lower than estimated during the 2018 budget process.
- **Through June 2018, 23% of budgeted revenues and 20% of budgeted expenditures have been realized.**

**T.I.F – Prewitt's Point Fund – 60:**

- Beginning balances for 2018 were 5% (\$128,508) more than estimated due to the 2017 revenues coming in higher than estimated during the 2018 budget process.
- **Through June 2018, 54% of budgeted revenues and 77% of budgeted expenditures have been realized.**

**T.I.F – Dierbergs Fund – 61:**

- Beginning balances for 2018 were as estimated during the 2018 budget process.
- **Through June 2018, 53% of budgeted revenues and 53% of budgeted expenditures have been realized.**

**Fund Reserves**

In 2017, the Board of Aldermen adopted the City's first Reserve Policy establishing fund reserves and specific target levels of reserves based on O&M averages and capital expenditures calculations for the General Fund, Transportation Fund, Water Fund, Sewer Fund, Lee C Fine Fund, and the Grand Glaize Fund.

Based on the FY2018 Operating Budget the Transportation Fund, the Water Fund, and the Sewer Fund Reserves are budgeted to be fully funded per the targeted calculations set in the policy. The General Fund, the Lee C Fine Fund, and the Grand Glaize Fund are budgeted incrementally to be funded by year-end FY2023 as set out in the policy.

The following are the budgeted FY2018 and year-end target reserve levels post FY2017 audit completion.

Restricted-Fund Reserves			
<i>Governmental Funds</i>	<i>FY2018 Budget</i>	<i>FY2018 Est 12/31/2018</i>	
General Fund	\$1,127,094	\$1,287,794	14%
CIT Fund	\$0	\$0	0%
Transportation Fund	\$2,710,056	\$2,710,056	0%
<i>Enterprise Funds</i>			
Water Fund	\$1,145,849	\$1,149,396	0%
Sewer Fund	\$1,381,462	\$1,595,030	15%
Ambulance Fund	\$0	\$0	0%
Lee C Fine Fund	\$38,657	\$0	-100%
Grand Glaize Fund	\$125	\$0	-100%
<i>Component Units</i>			
Prewitt's Point TIF Fund	\$0	\$0	0%
Dierbergs TIF Fund	\$0	\$0	0%
<b>Total Budgeted Reserves</b>	<b>\$6,403,243</b>	<b>\$6,742,276</b>	<b>5%</b>

## Governmental Funds - Budget Reconciliation - FY2018 2nd Quarter

General Fund - 10				
Opening Balance 01/01/18 - AUDITED	2018 Budget w/ Amendments		2018 Estimated	
Cash & Investments		\$ 1,602,672	\$ 2,116,101	
Restricted - Fund Reserve	\$ 1,141,764		\$ 1,141,764	
Restricted - Other	\$ 17,300		\$ 32,976	
Unrestricted	\$ 443,608		\$ 941,361	
Less: Prior Year Payables			(308,044)	
Add: Prior Year Due From Other Funds			1,000	
Net Cash & Investments			\$ 1,809,057	13%
Revenue FY 2018		\$ 6,908,400	\$ 6,908,400	
2nd Quarter Actuals			\$ 3,018,102	44%
July - Dec Estimates			\$ 3,890,298	56%
Expenditures FY 2018		\$ (7,366,678) *	\$ (7,366,678) **	
2nd Quarter Actuals			\$ (3,022,712)	41%
July - Dec Estimates			\$ (4,343,966)	59%
Ending Balance 12/31/18 - Unaudited				
Cash & Investments		\$ 1,144,394	\$ 1,350,779	18%
Restricted - Fund Reserve	\$ 1,127,094		\$ 1,287,794	
Restricted - Other	\$ 17,300		\$ 17,300	
Unrestricted	\$ -		\$ 45,685	
*FY2018 Budget Amendments:				
\$11,155 IT Prof Srv (decr FdRsv)				

Capital Improvement Fund - 19				
Opening Balance 01/01/18 - AUDITED	2018 Budget w/ Amendments		2018 Estimated	
Cash & Investments		\$ 755,571	\$ 796,095	
Restricted - Other	\$ 675,027		\$ 663,101	
Unrestricted	\$ 80,544		\$ 132,994	
Less: Prior Year Payables			(45,405)	
Add: Prior Year Due From Other Funds			-	
Net Cash & Investments			\$ 750,690	-1%
Revenue FY 2018		\$ 2,454,100	\$ 2,454,100	
2nd Quarter Actuals			\$ 968,120	39%
July - Dec Estimates			\$ 1,485,980	61%
Expenditures FY 2018		\$ (2,521,000) *	\$ (2,521,000)	
2nd Quarter Actuals			\$ (1,241,199)	49%
July - Dec Estimates			\$ (1,279,801)	51%
Ending Balance 12/31/18 - Unaudited		\$ 688,671	\$ 683,790	-1%
Cash & Investments				
Restricted - Other	\$ 688,671		\$ 682,994	
Unrestricted	\$ -		\$ 796	
*FY2018 Budget Amendments:				
\$0				

Transportation Fund - 20				
Opening Balance 01/01/18 - AUDITED	<u>2018 Budget w/ Amendments</u>		<u>2018 Estimated</u>	
Cash & Investments		\$ 5,528,168		\$ 5,676,660
Restricted - Fund Reserve	\$ 3,546,405		\$ 3,547,721	
Restricted - Other	\$ -		\$ -	
Unrestricted	\$ 1,981,763		\$ 2,128,939	
Add: Accounts Receivable - Grants/OBSRD				10,533
Less: Prior Year Payables				(165,235)
Net Cash & Investments			\$ 5,521,958	0%
Revenue FY 2018		\$ 3,054,660		\$ 3,054,660
2nd Quarter Actuals			\$ 1,107,324	36%
July - Dec Estimates			\$ 1,947,336	64%
Expenditures FY 2018		(\$5,559,315) *		\$ (5,559,315)
2nd Quarter Actuals			\$ (1,624,756)	29%
July - Dec Estimates			\$ (3,934,559)	71%
Ending Balance 12/31/18 - Unaudited				
Cash & Investments		\$3,023,513		\$ 3,017,303 0%
Restricted - Fund Reserve	\$ 2,710,056		\$ 2,710,056	
Restricted - Other	\$ -		\$ -	
Unrestricted	\$ 313,457		\$ 307,247	
<u>*FY2018 Budget Amendments:</u>				
\$0				

## Enterprise Funds - Budget Reconciliation - FY2018 2nd Quarter

Water Fund - 30				
Opening Balance 01/01/18 - AUDITED	<u>2018 Budget w/ Amendments</u>		<u>2018 Estimated</u>	
Cash & Investments		\$ 3,004,789		\$ 3,358,252
Restricted - Fund Reserve	\$ 1,505,063		\$ 1,236,396	
Restricted - Other	\$ 1,409,079		\$ 1,862,331	
Unrestricted	\$ 90,647		\$ 259,525	
Less: Prior Year Payables				(61,275)
Net Cash & Investments			\$ 3,296,977	10%
Revenue FY 2018		\$ 4,374,860		\$ 4,374,860
2nd Quarter Actuals			\$ 2,203,211	50%
July - Dec Estimates			\$ 2,171,649	50%
Expenditures FY 2018		(\$4,740,161) *		\$ (4,740,161)
2nd Quarter Actuals			\$ (1,680,566)	35%
July - Dec Estimates			\$ (3,059,595)	65%
Ending Balance 12/31/18 - Unaudited				
Projected Year-End		\$ 2,639,488		\$ 2,931,676 11%
Restricted - Fund Reserve	\$ 1,145,849		\$ 1,149,396	
Restricted - Other	\$ 1,409,079		\$ 1,587,066	
Unrestricted	\$ 84,560		\$ 195,214	
<u>*FY2018 Budget Amendments:</u>				
\$0				

### Sewer Fund - 35

Opening Balance 01/01/18 - AUDITED	<u>2018 Budget w/ Amendments</u>	<u>2018 Estimated</u>	
Cash & Investments	\$ 4,586,038	\$ 5,116,812	
Restricted - Fund Reserve	\$ 1,402,462	\$ 1,616,030	
Restricted - Other	\$ 2,580,290	\$ 2,318,163	
Unrestricted	\$ 603,286	\$ 1,182,619	
Less: Prior Year Payables		(136,535)	
Net Cash & Investments		\$ 4,980,277	9%
Revenue FY 2018	\$ 2,806,960	\$ 2,806,960	
2nd Quarter Actuals		\$ 1,353,629	48%
July - Dec Estimates		\$ 1,453,331	52%
Expenditures FY 2018	(\$3,395,759) *	\$ (3,395,759)	
2nd Quarter Actuals		\$ (1,384,387)	41%
July - Dec Estimates		\$ (2,011,372)	59%
<b>Ending Balance 12/31/18 - Unaudited</b>			
Cash & Investments	\$ 3,997,239	\$ 4,391,478	10%
Restricted - Fund Reserve	\$ 1,381,462	\$ 1,595,030	
Restricted - Other	\$ 2,555,597	\$ 2,296,406	
Unrestricted	\$ 60,180	\$ 500,042	

\*FY2018 Budget Amendments:

\$115,000 Pending-LS Improv FY2017 c/o

### Ambulance Fund - 40

Opening Balance 01/01/18 - AUDITED	<u>2018 Budget w/ Amendments</u>	<u>2018 Estimated</u>	
Cash & Investments	\$ 85,186	\$ 113,951	
Restricted-Other	\$ -	\$ -	
Unrestricted	\$ 85,186	\$ 113,951	
Less: Prior Year Payables		(3,214)	
Net Cash & Investments		\$ 110,737	30%
Revenue FY 2018	\$ 540,160	\$ 540,160	
2nd Quarter Actuals		\$ 270,784	50%
July - Dec Estimates		\$ 269,376	50%
Expenditures FY 2018	\$ (623,465) *	\$ (623,465)	
2nd Quarter Actuals		\$ (253,027)	41%
July - Dec Estimates		\$ (370,439)	59%
<b>Ending Balance 12/31/18 - Unaudited</b>			
Cash & Investments	\$ 1,881	\$ 27,432	1358%
Restricted-Other	\$ -	\$ -	
Unrestricted	\$ 1,881	\$ 27,432	

\*FY2018 Budget Amendments:

\$0

### Lee C Fine Airport Fund - 45

Opening Balance 01/01/18 - AUDITED	<u>2018 Budget w/ Amendments</u>		<u>2018 Estimated</u>	
Cash & Investments		\$ 124,243		\$ 38,134
Restricted - Fund Reserve	\$ 30,657		\$ 30,657	
Restricted - Other	\$ -		\$ -	
Unrestricted	\$ 93,586		\$ 7,477	
Add: Accounts Receivable - Grants				101,429
Less: Prior Year Payables				(102,930)
Net Cash & Investments			\$ 36,633	-71%
Revenue FY 2018		\$ 1,120,694	\$ 1,120,694	
2nd Quarter Actuals			\$ 625,311	56%
July - Dec Estimates			\$ 495,383	44%
Expenditures FY 2018		\$ (1,169,462)	\$ (1,169,462)	
2nd Quarter Actuals			\$ (622,863)	53%
July - Dec Estimates			\$ (546,599)	47%
<b>Ending Balance 12/31/18 - Unaudited</b>				
Cash & Investments		\$ 75,475	\$ (12,135)	-116%
Restricted - Fund Reserve	\$ 38,657		\$ -	
Restricted - Other	\$ -		\$ -	
Unrestricted	\$ 36,818		\$ (12,135)	

\*FY2018 Budget Amendments:

\$250,000 Pending-Taxiway FY2017 c/o (90/10 Grant)

### Grand Glaize Airport Fund - 47

Opening Balance 01/01/18 - AUDITED	<u>2018 Budget w/ Amendments</u>		<u>2018 Estimated</u>	
Cash & Investments		\$ 2,810		\$ 532
Restricted - Fund Reserve	\$ 2,540		\$ 532	
Restricted - Other	\$ -		\$ -	
Unrestricted	\$ 270		\$ -	
Add: Accounts Receivable - Grants				-
Less: Prior Year Payables				(4,598)
Net Cash & Investments			\$ (4,066)	-245%
Revenue FY 2018		\$ 552,810	\$ 552,810	
2nd Quarter Actuals			\$ 126,492	23%
July - Dec Estimates			\$ 426,318	77%
Expenditures FY 2018		\$ (555,495)	\$ (555,495)	
2nd Quarter Actuals			\$ (111,032)	20%
July - Dec Estimates			\$ (444,463)	80%
<b>Ending Balance 12/31/18 - Unaudited</b>				
Cash & Investments		\$ 125	\$ (6,751)	-5501%
Restricted - Fund Reserve	\$ 125		\$ -	
Restricted - Other	\$ -		\$ -	
Unrestricted	\$ -		\$ (6,751)	

\*FY2018 Budget Amendments:

\$0

## Component Units - Budget Reconciliation - FY2018 2nd Quarter

### T.I.F. - Prewitt's Point Fund - 60

Opening Balance 01/01/18 - AUDITED	2018 Budget w/ Amendments	2018 Estimated	
Cash & Investments	\$ 2,745,295	\$ 2,902,937	
Restricted - Other	\$ 2,745,295	\$ 2,902,019	
Unrestricted	\$ -	\$ 918	
Less: Prior Year Payables		(29,134)	
Net Cash & Investments		\$ 2,873,803	5%
Revenue FY 2018	\$ 2,311,750	\$ 2,311,750	
2nd Quarter Actuals		\$ 1,259,172	54%
July - Dec Estimates		\$ 1,052,578	46%
Expenditures FY 2018	\$ (2,309,000) *	\$ (2,309,000)	
2nd Quarter Actuals		\$ (1,782,986)	77%
July - Dec Estimates		\$ (526,014)	23%
Ending Balance 12/31/18 - Unaudited			
Cash & Investments	\$ 2,748,045	\$ 2,876,553	5%
Restricted - Other	\$ 2,748,045	\$ 2,876,553	
Unrestricted	\$ -	\$ -	
*FY2018 Budget Amendments:			
\$0			

### T.I.F. - Dierbergs Fund - 61

Opening Balance 01/01/18 - AUDITED	2018 Budget w/ Amendments	2018 Estimated	
Cash & Investments	\$ -	\$ -	
Restricted	\$ -	\$ -	
Unrestricted	\$ -	\$ -	
Less: Prior Year Payables		-	
Net Cash & Investments		\$ -	0%
Revenue FY 2018	\$ 707,000	\$ 707,000	
2nd Quarter Actuals		\$ 373,111	53%
July - Dec Estimates		\$ 333,889	47%
Expenditures FY 2018	\$ (707,000) *	\$ (707,000)	
2nd Quarter Actuals		\$ (373,111)	53%
July - Dec Estimates		\$ (333,889)	47%
Ending Balance 12/31/18 - Unaudited			
Cash & Investments	\$ -	\$ -	0%
Restricted - Other	\$ -	\$ -	
Unrestricted	\$ -	\$ -	
*FY2018 Budget Amendments:			
\$0			