

TO: Mayor and Board of Trustees

FROM: Robert Fialkowski, Director of Finance

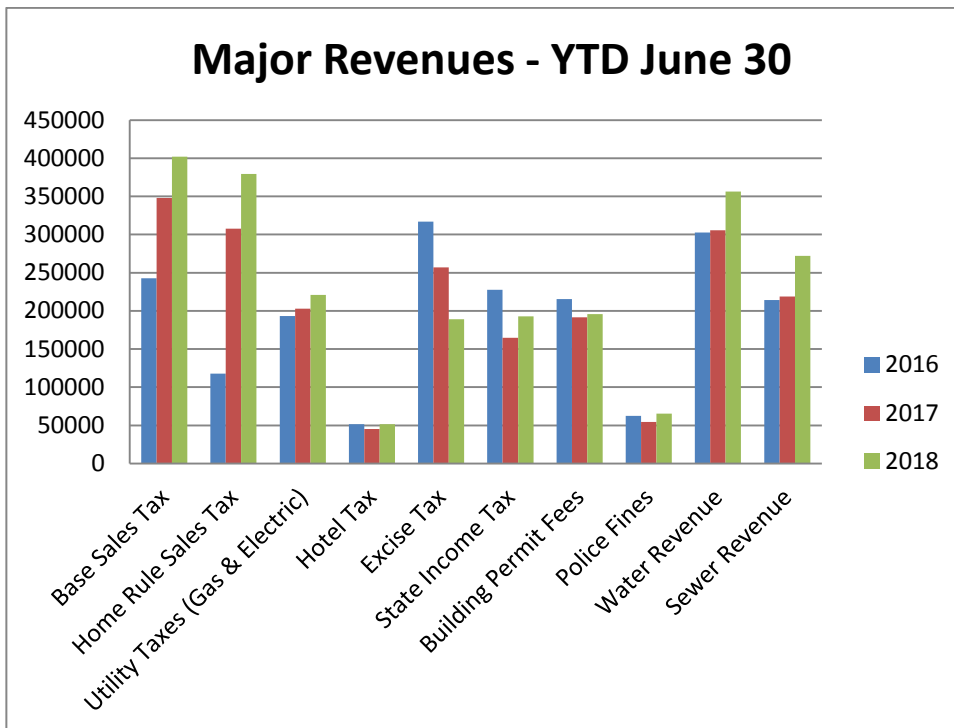
DATE: July 17, 2018

SUBJECT: Six Month Financial Report – June, 2018

I am pleased to present a review of the financial results for the first six months of the 2018 fiscal year through June 30. This report builds off the June 30 monthly report with an overview of the major financial items and an historical perspective. This report concentrates on the major funds. (The results presented below are adjusted for the effect of transfers in/out).

REVENUE

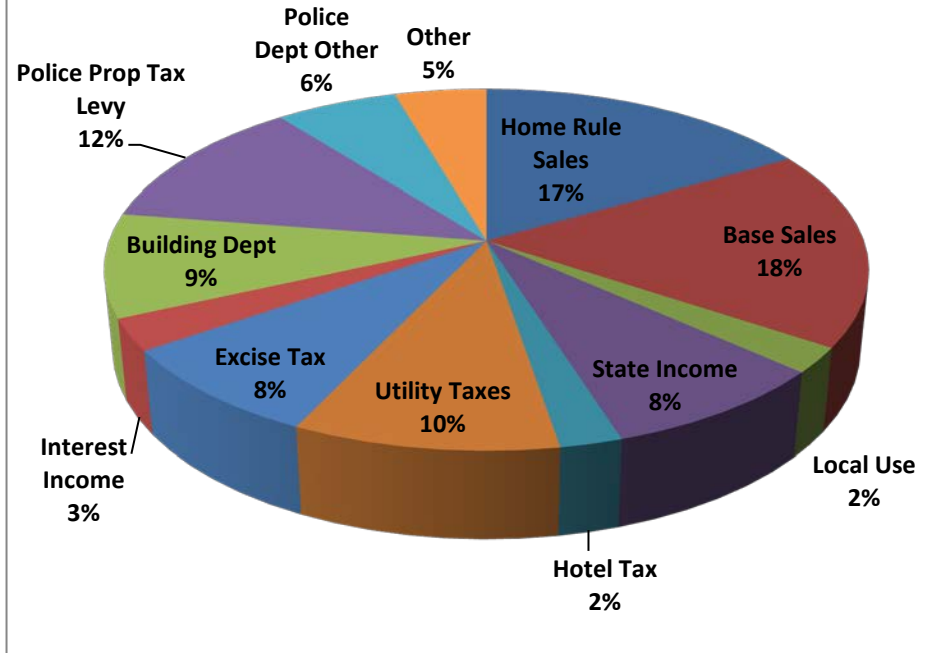
General Fund revenues continue to be strong especially in the economically sensitive items such as sales and state income taxes and building permit revenue. As indicated in the chart below, both home rule and base sales are ahead of the same period last year (note: the home rule rate was raised from 0.5% to 1.0% in mid 2016). Excise tax continues to decline due to lower phone bills. Building department revenues are also continuing the strong trend from the prior two years. Overall, total GF revenues are ahead of budget by nearly \$100,000.



Water use fees are higher due to the rate increase enacted this year to offset the increased wholesale cost of water.

The following chart indicates the relative portion of the General Fund revenue by type for the current fiscal year. Sales taxes represent a higher portion of revenue this year, 35% total versus 30% last year. Excise taxes dropped from 12% to 8% while the others are within 1% of their ratio of last year.

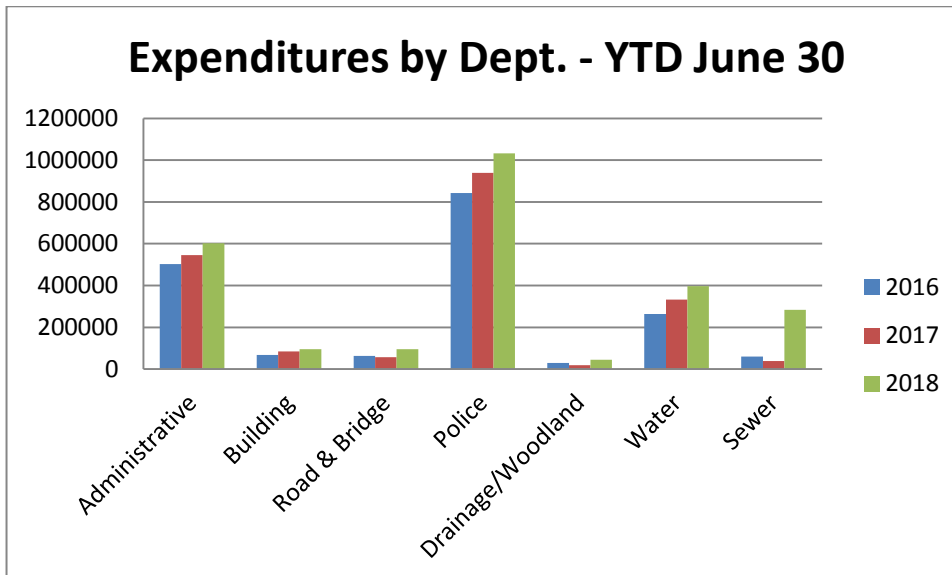
GF Revenue by Source - YTD 6/30/18



EXPENDITURES

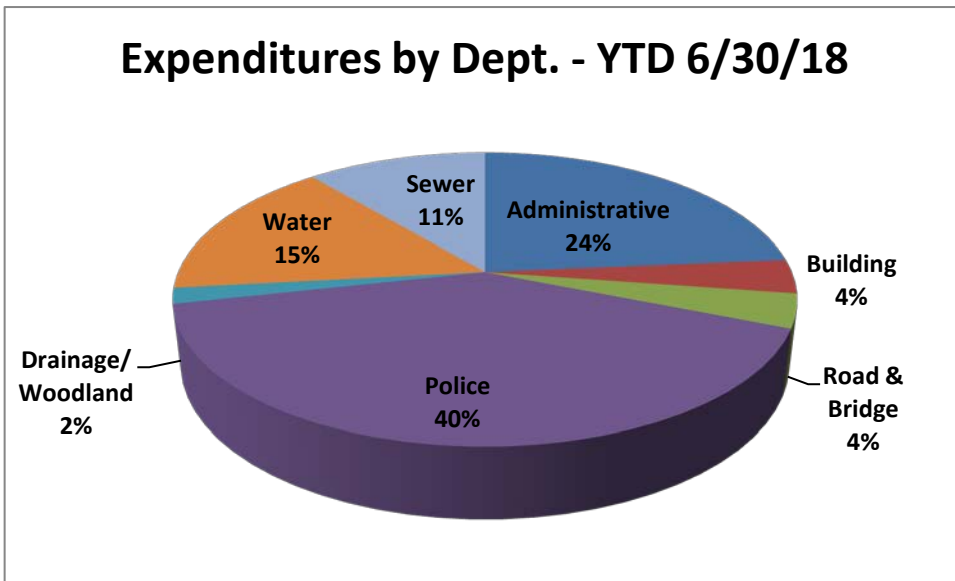
The General, Water and Sewer are the major operating funds of the Village. For the six months year to date 2018 there are no major anomalies in these funds. The General Fund is slightly above budget, primarily due to retro payments. Water expenses are under budget and Sewer is over due to construction related costs charged. An historical perspective is provided in the following chart. 2018 expenses for all departments are generally higher due to personnel related expenditures.

Expenditures by Dept. - YTD June 30



As indicated above, the increase in Water expenses is primarily due to the increased cost of water, while the Sewer fund increase is due to construction charges.

A breakdown of the use of funds by operating function is graphically illustrated in the following. Note that for purposes of this presentation the General, Sewer and Water Funds are included and the percent by function is shown for this combined amount.



CAPITAL PROJECT FUNDS

For the six months year to date, the capital project activity was generally limited to engineering expenses preliminary to the MFT and Village funded road program which was just awarded and the sewer construction costs.

INVESTED ASSETS REPORT

During the six month period, the Village had an average invested amount of approximately \$6,900,000 at J.P. Morgan Securities (does not include the operating checking or savings accounts) in which it received approximately \$71,560 in income for an approximate annualized return of 2.1%. During the first six months of 2018, the 6-month T-bill rate rose from 1.61% to 2.14% while the Illinois Funds rate rose from 1.26% to 1.96%.