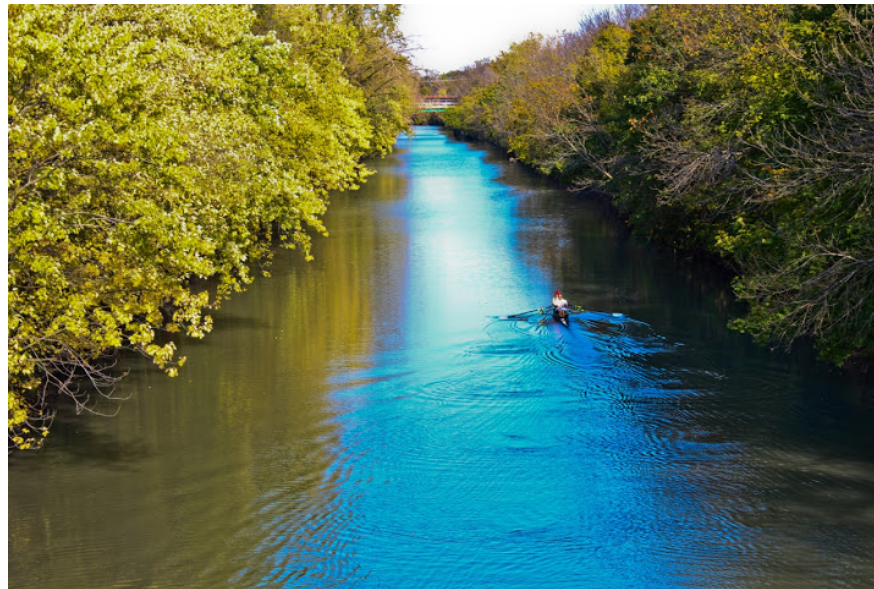


EVANSTON

2016 Fourth Quarter Financial Report



Martin Lyons
Assistant City Manager/CFO

March 13, 2017



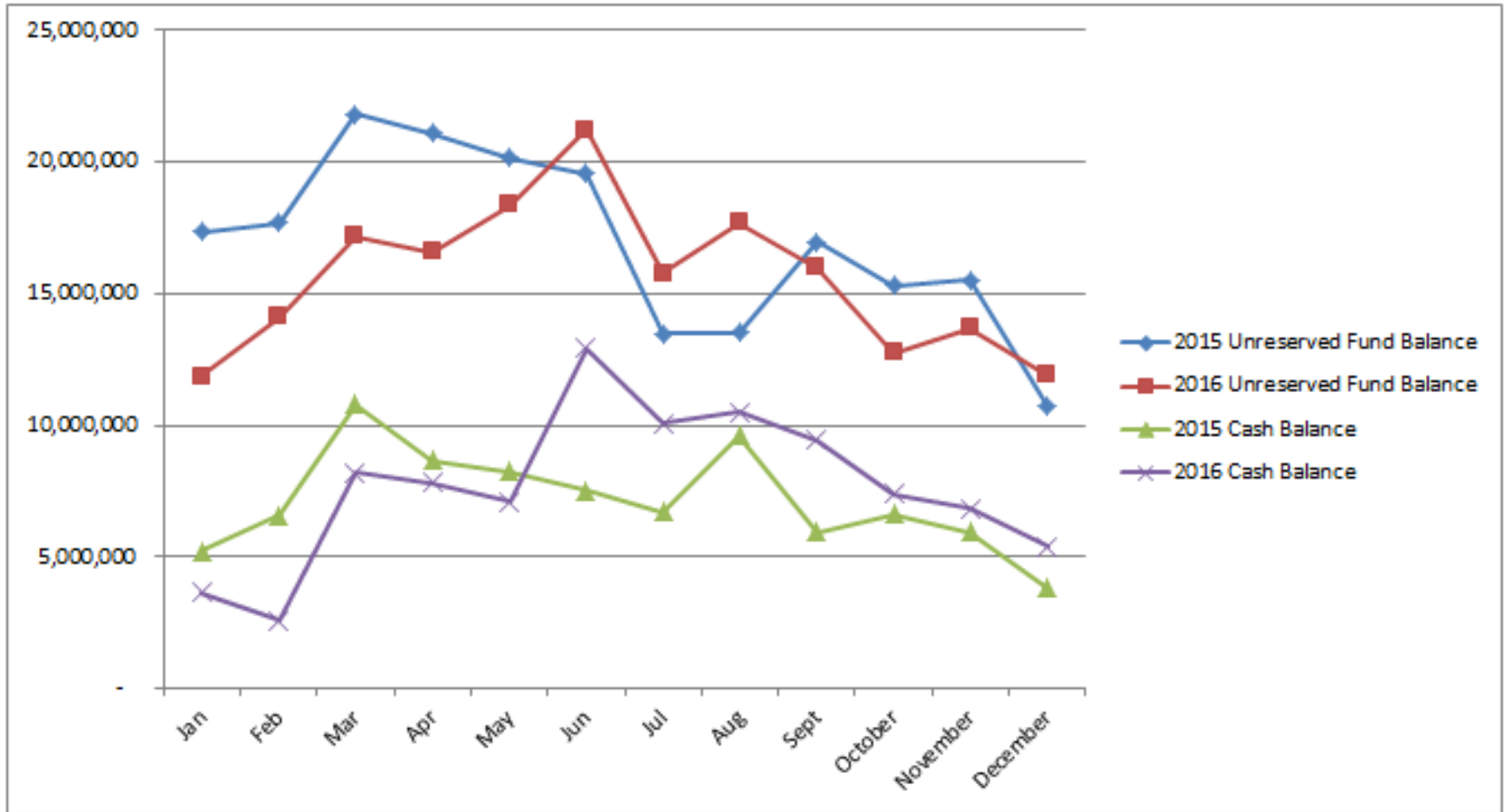
City of
Evanston™

City Manager's Office

2016 FOURTH QUARTER OVERVIEW

- General Fund revenues were \$112.4M or 100.2% of budget
- General Fund expenses were \$111.2M or 99.4% of budget
- Fourth Quarter net of \$1.2M
- General Fund 2016 Fourth Quarter ending unreserved fund balance was \$11,909,074 with a cash balance of \$5,370,342.

2016 FOURTH QUARTER OVERVIEW



GENERAL FUND REVENUE OVERVIEW

Classification	2016 Budget	December Actual	YTD Actual	% of %	2015 Actual
Property Taxes	27,417,407	156,456	27,302,687	99.6%	25,915,970
Other Taxes	45,986,550	5,377,364	44,946,338	97.7%	44,978,985
License	5,329,777	1,757,030	5,268,550	98.9%	5,324,137
Permit	9,276,550	322,687	11,012,646	118.7%	6,704,846
Fee	125,700	22,316	70,395	56.0%	155,619
Fines and Forfeitures	4,609,825	468,198	3,602,413	78.1%	3,548,230
Parking Charges for Services	640,000	53,334	646,695	101.0%	640,000
Parks and Recreation Charges for Services	5,374,751	357,842	5,724,759	106.5%	5,406,379
Other Charges for Services	2,433,216	285,433	2,687,947	110.5%	2,239,528
Interfund Transfers	8,842,365	1,399,916	8,709,861	98.5%	7,774,256
Intergovernmental Revenue	765,727	150,549	769,027	100.4%	670,245
Other Revenue	1,286,843	569,350	1,583,332	123.0%	956,932
Interest Income	50,000	3,751	30,285	60.6%	6,572
REVENUE TOTAL	112,138,711	10,924,226	112,354,936	100.2%	104,321,698

Permit Revenue and Charges for service were over 100% of budget for 2016, contributing to the year-end surplus.

GENERAL FUND REVENUE OVERVIEW

- Through December 31, 2016 property tax revenue was \$27,302,687 or 99.6% of budget.
- State income tax was recorded in the amount of \$8,022,920 through December 31, 2016, achieving 105% of the budget target for this revenue item.
- Regular sales tax revenue in FY 2016 was \$9,953,698 or 93% of budget. Home rule sales tax revenue in FY 2016 was \$6,128,279 or 94% of budget. Both of these amounts were significantly under the Illinois Municipal League forecasted amounts which is the basis for city projections.
- Real estate transfer tax through December 31, 2016 totaled \$3,527,714 or 18% over the budget target for this item. The budget for 2017 was increased to \$3,100,000 or \$100,000 over the 2016 budget.
- Through December 31, 2016, licenses, permits, and fees were approximately 12% over budget. Building permit revenue was \$8,485,571 or nearly \$1 million over budget.

GENERAL FUND EXPENSE OVERVIEW

Classification	2016 Budget	December Actual	YTD Actual	% of %	2015 Actual
City Council	424,958	48,548	424,171	99.8%	419,962
City Clerk	263,203	37,150	293,975	111.7%	283,764
City Manager's Office	6,989,746	1,549,141	6,871,876	98.3%	1,814,469
Law	1,130,000	130,863	1,046,582	92.6%	1,051,325
Administrative Services	9,634,173	1,304,624	9,161,332	95.1%	9,763,951
Community Development	2,782,897	328,358	2,505,921	90.0%	2,425,618
Police	37,696,278	3,677,663	37,802,175	100.3%	37,239,961
Fire	22,601,742	2,087,186	23,233,603	102.8%	21,331,507
Health & Human Services	3,610,779	347,261	3,093,815	85.7%	3,212,848
Parks, Recreation & Community Service	11,845,590	1,477,036	11,961,040	101.0%	11,180,116
Public Works Agency	14,861,248	2,114,581	14,756,209	99.3%	18,148,755
EXPENSE TOTAL	111,840,614	13,102,411	111,150,697	99.4%	106,872,275

- Clerk's budget is over by \$30,772 mainly in personnel costs. This is partially offset by Passport processing revenue over budget of \$14,238.
- Police is over budget by \$105,897.
- Fire is over budget by 3% or \$631,861 mainly in personnel expenses:
- Parks is over budget by \$115,450 but this is offset by a revenue increase of \$25,155.79. During the audit process, restricted revenue will be re-classified bringing the 2016 revenue to an increase of approximately \$125,000.

ENTERPRISE FUND OVERVIEW

	BUDGET	ACTUAL	%
Parking Fund			
Revenues	\$ 10,322,856	\$ 10,436,695	101.10%
Expenses	\$ 16,938,042	\$ 9,727,700	57.43%
Water Fund			
Revenues	\$ 37,718,000	\$ 24,473,950	64.89%
Expenses	\$ 41,125,255	\$ 28,405,731	69.07%
Sewer Fund			
Revenues	\$ 13,873,815	\$ 13,056,297	94.11%
Expenses	\$ 15,481,301	\$ 4,842,356	31.28%
Solid Waste Fund			
Revenues	\$ 5,201,361	\$ 5,042,632	96.95%
Expenses	\$ 5,140,517	\$ 4,740,573	92.22%

- For the year-end report, the Sewer Fund IEPA expense of \$7,155,559 has been reclassified as a payable, bringing down actual year-end expenses.

ALL FUNDS REVENUE OVERVIEW

- All funds are grouped by category/type
- Capital funds include Bond Proceeds
- Police/Fire Pension revenues are over-budget due to investment income exceeding expectations

Fund Category	Budgeted Revenue	Actual Revenue	%
Capital	20,560,615	15,675,519	76.24%
CDBG and Housing	7,899,841	7,541,956	95.47%
Debt Service Funds	14,402,393	22,831,218	158.52%
Enterprise	67,116,032	53,009,575	78.98%
General	112,138,711	112,354,935	100.19%
Internal Service Funds	22,819,545	21,975,986	96.30%
Library	7,017,157	7,008,429	99.88%
Pension	29,891,805	31,450,328	105.21%
Special Revenue	3,730,000	3,793,120	101.69%
TIF Funds	8,775,050	8,932,858	101.80%
TOTAL	294,351,149	284,573,924	96.68%

ALL FUNDS EXPENSE OVERVIEW

- All funds are grouped by category/type
- Capital funds do not include expenses for Water/Sewer, etc.
- Police/Fire Pension Expenses are for benefits paid
- Special Revenue includes Econ Dev, SSA, 911 and G.A.

Fund Category	Budgeted Expenses	Actual Expenses	%
Capital	22,769,615	11,558,743	50.76%
CDBG and Housing	8,515,779	6,723,333	78.95%
Debt Service Funds	17,055,111	24,103,357	141.33%
Enterprise	78,685,115	47,716,360	60.64%
General	111,706,196	111,150,697	99.50%
Internal Service Funds	22,352,201	21,836,785	97.69%
Library	6,997,142	6,667,696	95.29%
Pension	19,210,000	19,915,133	103.67%
Special Revenue	4,705,643	4,749,249	100.93%
TIF Funds	12,498,004	10,039,795	80.33%
TOTAL	304,494,806	264,461,147	86.85%

END OF YEAR OVERVIEW

- Staff will continue to make adjustments to the 2016 year throughout the audit process; a final statement of financials will be presented in July.
- The 2016 General Fund surplus should remain to assist with Fund Balance.
- Effective 1/1/2017, the Economic Development Fund balance of \$2,887,918 will bring the General Fund balance to nearly \$15 million (policy is \$18M).

CONCLUSION

- The City of Evanston ended the fiscal year in improving but not good financial condition. Good financial condition would mean the City was at minimum fund reserves in the General Fund.
- The City has received building permits well over budget from Northwestern and private development. This revenue improved the City's cash and fund balance position. Building Growth is anticipated to continue into 2017.
- The State of Illinois continues to operate without a budget.
- The City has not been notified of any changes to federal funding under the new administration.

CONCLUSION

- Non-permit revenues such as sales tax and utility taxes were below budget and may remain that way based on forecasts from the Illinois Municipal League and based on the mild winter.
- Revenues for the First Quarter of 2017 will be monitored and if below budget expense adjustments may be recommended including:
 - Hiring Freeze
 - Freeze on new Programming
- The State of Illinois continues to operate without a budget. The “Grand Bargain” included provisions for a property tax freeze, and discussions of home rule powers.

QUESTIONS?