

FUND BALANCE REPORT

Second Quarter Ending June 30, 2020

This report itemizes all funds and their beginning and ending fund balances, revenues, expenses and net income or loss for the year-to-date. It also lists the cash balance in each fund. The beginning balance amounts have been revised, if necessary, to reflect adjustments as a result of the annual audit.

The cash balance in the General Fund is \$27.1 million. Through the second quarter, General Fund revenues came in 6% under budget. Telecommunications and Local Use taxes came in over budget, but all other taxes and fees came in under budget due to the Covid-19 pandemic. General Fund expenditures came in 1% under budget. We are currently projecting significant decreases in General Fund revenues throughout the balance of 2020. As of the date of this report, the Village still does not have definitive data on the extent of this financial downturn. Future quarterly reports will include actual sales, income, and food & beverage tax data from the start of this projected economic downturn.

Special Revenue Funds came in as expected. The CDBG Fund shows a deficit due to the timing of the receipt of grant revenues.

The Debt Service Fund is accumulating cash to pay debt service installments that are due on December 1st and June 1st every year.

There are four active capital project funds. The Capital Project Fund is an on-going fund for miscellaneous capital equipment and for capital projects not normally funded by a bond issue. This Fund has a fund balance of \$9.4 million, which is sufficient to pay for project costs budgeted over the next five years. The Storm Water Control Fund has a fund balance of \$7.3 million due to the recent bond issue for storm water infrastructure projects. The Public Building Fund has been used to account for the bond proceeds issued for the construction of the new Police Station. This fund currently has a cash balance of \$3.6 million.

The Water & Sewer Fund has a cash balance of \$(50,890); however, \$9 million in bond proceeds will be credited to this fund in September 2020. In October 2019, the Village Board approved rate increases over five years to ensure the long-term financial stability of this fund. Recent years have been wetter than normal which has caused less water to be sold. As a result, water and sewer revenues have previously not reached budget levels.

The SWANCC Fund has accumulated enough cash to make the monthly payments to SWANCC in advance. The waste hauler remits their payments to the Village after they have been billed and subsequently collected from the residents so there is a three-month lag in cash flow.

All of the Insurance Funds have money set aside to pay future claims. Based on current reserve requirements the General Liability and Workers' Compensation insurance funds are adequately funded. The Health and Retiree Insurance Funds carry a fund balance to help cover the difference between expected claims and the "worst case" scenario. The Village self-insures its PPO claims and also offers HMO insurance coverage.

The Fleet Fund has a cash balance of \$8.4 million, which represents funds being accumulated to replace vehicles and equipment as they reach the end of their useful lives.

**VILLAGE OF ARLINGTON HEIGHTS
FUND BALANCE REPORT CALENDAR YEAR 2020
For the 2nd Quarter ending June 30, 2020**

Fund	Beginning Balance	Revenue	Expenditures & Encumbrances	Net Income (LOSS)	Ending Balance	Cash and Investments
General Fund (101)	30,878,733	37,820,725	38,928,734	(1,108,009)	29,770,724	27,103,091
Special Revenue Funds						
Motor Fuel Tax (211)	2,905,807	2,265,352	2,418,197	(152,845)	2,752,962	4,824,409
CDBG (215)	0	81,420	383,875	(302,455)	(302,455)	(573)
Affordable Housing (217)	314,524	1,502	0	1,502	316,026	316,026
Zero Interest Loan (225)	409,390	26,804	20,084	6,720	416,110	416,110
Foreign Fire Ins Tax (227)	425,104	5,806	76,866	(71,060)	354,044	367,854
Criminal Invest (231)	1,703,274	18,276	203,871	(185,595)	1,517,679	1,540,790
Municipal Parking (235)	4,635,880	498,826	1,204,407	(705,581)	3,930,299	4,556,008
TIF IV (263)	2,821,419	342,700	31,568	311,132	3,132,551	3,137,015
TIF V (264)	2,162,842	411,317	11,207	400,110	2,562,952	2,573,421
Hickory/Kensington TIF (266)	1,677,432	280,831	20,900	259,931	1,937,363	1,943,262
TIF Tax Reserve Fund (271)	150,000	0	0	0	150,000	150,000
Debt Service Funds						
Debt Service (301)	2,182,035	3,956,003	988,091	2,967,912	5,149,947	5,137,109
Capital Project Funds						
Capital Imp/Replacement (401)	11,100,698	4,102,458	5,787,662	(1,685,204)	9,415,494	13,320,800
Storm water Control (426)	9,438,178	1,113,903	3,290,215	(2,176,312)	7,261,866	9,812,256
Public Building (431)	3,085,368	203,262	455,570	(252,308)	2,833,060	3,609,890
Other Funds						
Water & Sewer (505)	4,119,180	8,971,104	15,264,397	(6,293,293)	(2,174,113)	(50,890)
SWANCC (511)	3,898,974	978,601	972,920	5,681	3,904,655	3,620,956
Arts, Entertainment & Events 515	231,642	292,404	264,132	28,272	259,914	489,622
Health Insurance (605)	3,486,372	6,816,799	5,938,395	878,404	4,364,776	5,584,468
General Liability (611)	3,725,791	437,719	409,839	27,880	3,753,671	3,813,338
Workers Comp (615)	4,281,162	1,436,397	1,574,141	(137,744)	4,143,418	4,512,491
Fleet Operations (621)	7,614,521	1,883,027	3,028,818	(1,145,791)	6,468,730	8,368,409
Information Technology (625)	2,675,062	956,003	1,100,272	(144,269)	2,530,793	2,889,839
Police Pension (705)	148,346,308	(154,042)	4,539,213	(4,693,255)	143,653,053	143,363,504
Fire Pension (711)	123,883,697	1,026,281	3,887,393	(2,861,112)	121,022,585	120,782,602

RESULTS OF OPERATIONS

Through June 30, 2020

The Budget Comparison Reports as of June 30, 2020 for the Village's two key operating funds, the General Fund and the Water & Sewer Fund are attached. Year-to-date revenue in the General Fund is \$37,820,725, which is 6% under budget for the year-to-date.

Telecommunications tax is \$1,149,004 for the year-to-date, 7% over budget and even with last year. This revenue is collected by the State and remitted to municipalities. This revenue is projected to decrease in the future due to residents and business cutting their landlines.

Hotel tax is \$255,057 for the year-to-date, which is 53% under budget and 44% under last year.

Food and beverage tax is \$766,214 for the year-to-date, which is 28% under budget and 23% under last year.

Electric and natural gas utility taxes are \$2,992,879 for the year-to-date, which is 8% under budget and 8% under last year.

Regular sales tax is \$6,054,266 for the year-to-date, which is 1% under budget and 3% under last year.

Home rule sales tax is \$2,489,107 for the year-to-date, which is 9% under budget and 5% under last year.

Income tax is \$3,921,404 for the year-to-date, which is 2% under budget and 13% under last year.

Local Use Tax is \$1,416,657 for the year-to-date, which is 9% over budget and 14% over last year.

Total revenue from **permits** is \$534,302, which is 31% under budget for the year-to-date. **Fees and Fines** combined are \$2,539,471, which is 12% under budget for the year-to-date. These revenues are dependent on the local economy and construction activity.

Total General Fund expenditures are \$37,263,145, which is 7% under budget for the year-to-date.

Cash and investments in the General Fund as of June 30, 2020, were \$27,103,091.

Total revenue in the Water & Sewer Fund is \$8,971,104, which is 17% under budget.

Total Water & Sewer Fund expenditures are \$9,072,384, which is 26% under budget for the year-to-date.

Cash and investments in the Water & Sewer Fund as of June 30, 2020 total \$(50,890).

**VILLAGE OF ARLINGTON HEIGHTS
BUDGET COMPARISON REPORT CALENDAR YEAR 2020**

June 30, 2020

GENERAL FUND

50% of the Fiscal Year

REVENUES	2020 BUDGET	MTD BUDGET	MTD ACTUAL	YTD BUDGET	YTD ACTUAL	UNREALIZED DOLLARS	PERCENT RECEIVED
Real Estate Tax - IMRF	1,819,000	0	0	927,700	760,762	1,058,238	42%
Real Estate Tax - FICA	1,480,000	0	0	754,800	789,339	690,661	53%
Real Estate Tax - Police Pen	4,209,000	0	0	2,357,000	2,141,942	2,067,058	51%
Real Estate Tax - Fire Pen	5,130,000	0	0	2,872,800	2,635,692	2,494,308	51%
Real Estate Tax - Police Prot	6,047,800	0	0	3,084,400	3,225,524	2,822,276	53%
Real Estate Tax - Fire Prot	6,047,800	0	0	3,084,400	3,434,905	2,612,895	57%
Hotel Tax	1,075,000	89,583	28,914	537,498	255,057	819,943	24%
Food/Beverage Tax	2,116,000	176,333	123,838	1,057,998	766,214	1,349,786	36%
Electric Utility Tax	3,100,000	204,800	183,806	1,517,000	1,340,486	1,759,514	43%
Natural Gas Utility Tax	2,200,000	123,000	153,057	1,740,700	1,652,393	547,607	75%
Sales Tax - Home Rule	5,487,000	457,250	338,588	2,743,500	2,489,107	2,997,893	45%
Other Taxes	270,000	2,500	283	142,200	137,470	132,530	51%
Auto Rental Tax	28,000	2,333	9	13,998	11,162	16,838	40%
Sales Tax	12,693,000	1,121,600	856,827	6,109,200	6,054,266	6,638,734	48%
Telecommunications Tax	2,156,000	179,666	161,272	1,077,996	1,149,094	1,006,906	53%
State Income Tax	7,974,800	664,566	469,000	3,987,396	3,921,404	4,053,396	49%
Replacement Tax	450,000	0	0	288,000	269,885	180,115	60%
Other Intergov't Rev	243,000	18,332	25,836	109,992	228,951	14,049	94%
Local Use Tax	2,600,000	216,666	237,476	1,299,996	1,416,657	1,183,343	54%
Licenses	2,708,000	43,416	9,584	1,092,796	637,269	2,070,731	24%
Permits	1,554,500	129,538	153,037	777,228	534,302	1,020,198	34%
Fees and Fines	5,797,900	358,151	241,075	2,898,906	2,539,471	3,258,429	44%
Service Charges	2,145,700	178,806	178,666	1,072,836	1,087,082	1,058,618	51%
Interest	411,000	34,249	9,327	205,494	116,647	294,353	28%
Property Damage	53,000	4,416	0	26,496	25,003	27,997	47%
Sales and Rents	90,000	7,497	10,719	44,982	44,404	45,596	49%
Special Operations	310,000	25,831	125	154,986	38,228	271,772	12%
Other Income	40,000	3,333	2,191	19,998	18,009	21,991	45%
Operating Transfers-In	200,000	16,666	16,667	99,996	100,000	100,000	50%
TOTAL	78,436,500	4,058,532	3,200,296	40,100,292	37,820,725	40,615,775	48%

EXPENDITURES	2020 BUDGET	MTD BUDGET	MTD ACTUAL	YTD BUDGET	YTD ACTUAL	AVAILABLE DOLLARS	PERCENT SPENT
Board of Trustees	173,300	14,438	8,880	86,628	75,550	97,751	44%
Village Manager	1,039,000	86,578	77,625	519,468	506,465	532,535	49%
Human Resources	426,300	35,533	29,985	212,998	194,612	231,688	46%
Legal	779,500	64,951	54,532	389,706	353,371	426,129	45%
Finance	1,781,100	148,415	128,008	890,490	862,740	918,360	48%
Boards & Commissions	210,500	10,330	11,434	148,280	135,007	75,493	64%
Police	27,258,405	1,920,772	1,701,983	13,881,632	12,814,811	14,443,594	47%
Fire	23,940,388	1,573,472	1,407,701	12,242,202	11,701,844	12,238,544	49%
Planning/Com Dev	1,926,406	160,525	133,957	963,150	843,674	1,082,732	44%
Building	2,844,700	237,050	210,789	1,422,300	1,359,262	1,485,438	48%
Health Services	1,789,600	149,122	139,515	894,732	886,534	903,066	50%
Senior Services	621,760	51,807	41,405	310,842	302,653	319,107	49%
Public Works	15,367,319	1,280,596	1,215,162	7,683,576	6,941,494	8,425,825	45%
Other Non-Operating	540,200	1,547	0	530,912	285,129	255,071	53%
TOTAL	78,698,478	5,735,136	5,160,976	40,176,916	37,263,145	41,435,333	47%

**EXCESS/(DEFICIENCY)
OF REVENUES
OVER EXPENDITURES**

(261,978)	(1,676,604)	(1,960,679)	(76,624)	557,580	N/A	N/A
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**ENDING
CASH BALANCE**

27,103,091

**VILLAGE OF ARLINGTON HEIGHTS
BUDGET COMPARISON REPORT CALENDAR YEAR 2020**

June 30, 2020

WATER FUND

50% of the Fiscal Year

REVENUES	2020 BUDGET	MTD BUDGET	MTD ACTUAL	YTD BUDGET	YTD ACTUAL	UNREALIZED DOLLARS	PERCENT RECEIVED
Taxes	0	0	0	0	0	0	N/A
EE&C Block Grant	0	0	0	0	0	0	N/A
Water Sales	16,119,600	1,343,300	1,353,176	8,059,800	6,711,611	9,407,989	42%
Sewer Charge	4,162,400	346,866	359,950	2,081,196	1,747,200	2,415,200	42%
Service Charge	780,000	65,000	80,707	390,000	393,393	386,608	50%
Water Connection Fees	100,000	8,333	1,605	49,998	24,782	75,218	25%
Sewer Connection Fees	3,200	266	100	1,596	600	2,600	19%
Water Capital Fees	40,000	3,333	320	19,998	5,760	34,240	14%
Testing Fees	90,000	7,500	7,320	45,000	41,893	48,107	47%
Penalties	110,000	9,166	(52)	54,996	22,054	87,946	20%
Interest	20,000	1,666	0	9,996	1,619	18,381	8%
Other Income	118,000	9,831	660	58,986	22,193	95,807	19%
Operating Transfer	0	0	0	0	0	0	N/A
Bond Proceeds	8,500,000	0	0	0	0	8,500,000	0%
TOTAL	30,043,200	1,795,261	1,803,786	10,771,566	8,971,104	21,072,096	30%

EXPENDITURES By Department	2020 BUDGET	MTD BUDGET	MTD ACTUAL	YTD BUDGET	YTD ACTUAL	AVAILABLE DOLLARS	PERCENT SPENT
Finance Department	1,088,100	90,670	97,726	544,020	544,653	543,447	50%
Water Department	16,468,132	1,040,396	2,227,954	8,213,448	7,305,305	9,162,827	44%
Capital	6,392,657	531,555	54,608	3,203,320	972,425	5,420,232	15%
Other Expenditures	595,000	45,972	41,667	319,164	250,000	345,000	42%
TOTAL	24,543,889	1,708,593	2,421,955	12,279,952	9,072,384	15,471,505	37%

**EXCESS/(DEFICIENCY)
OF REVENUES**

OVER EXPENDITURES	5,499,311	86,668	(618,169)	(1,508,386)	(101,280)	5,600,591	0
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**ENDING
CASH BALANCE**

(50,890)