

PEORIA COUNTY, ILLINOIS

MONTHLY FINANCIAL REPORT

April 2012



Revenue information current as of: April 13, 2012

Year-to-date revenues, expenditures and cash flow as of: February 29, 2012

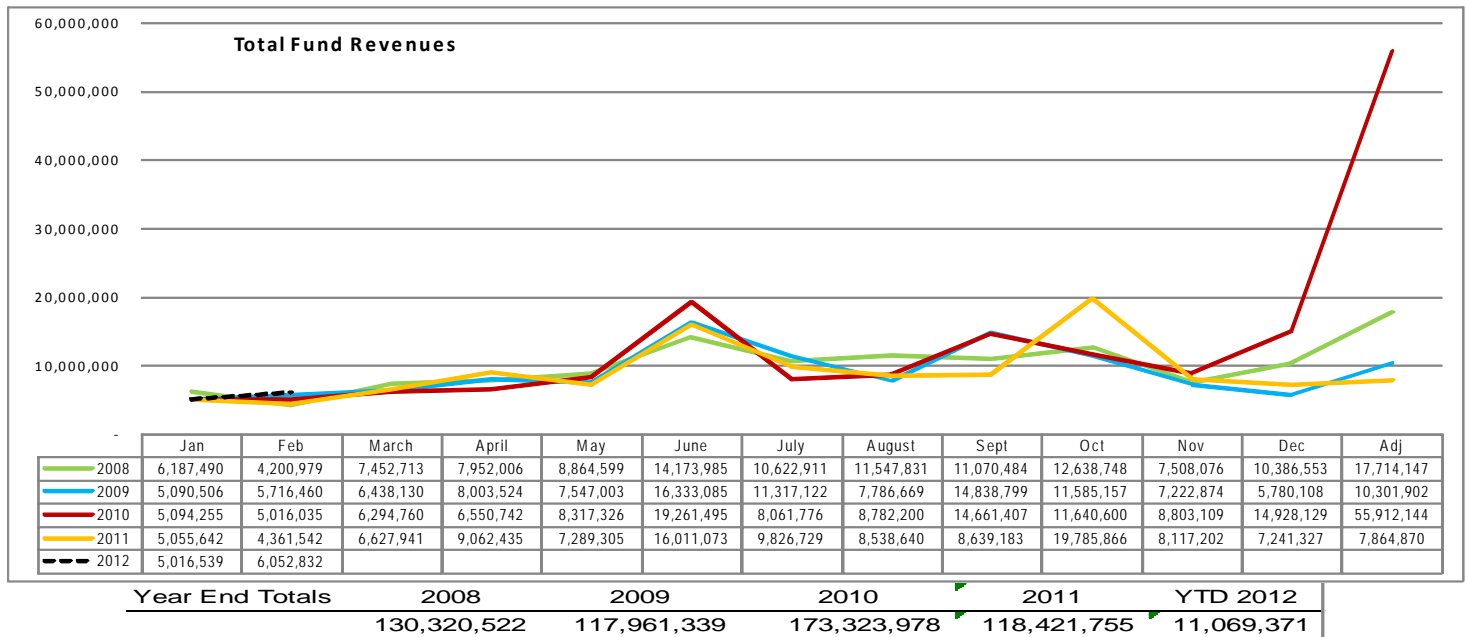
Overall Fund Revenues

As of February 29, 2012, overall fund revenues are at \$11,069,371. *Technically speaking*, this is an increase of \$1,652,187 (or 17.5%). However, while this number is accurate, in order to make an accurate comparison some revenues need to be removed from the equation. This is due to timing issues in booking the County's sales taxes and income taxes. The items were entered in February 2012 and March 2011. The timing of state payments and the time when they were received and booked into the financial system contributed to the delay. When these revenues were removed from the equation, the County still witnessed an increase of \$178,336 (2.1%) overall.

Line items with notable increases include: construction cost reimbursement (\$244,005; +583.8%), expense reimbursement - other (\$83,461; +448.8%), health fees-employer (\$59,992; +7.6%), animal protection contract (\$57,339; 424.7%), WIC grants (\$56,400; n/a), food licenses (\$53,350; +19.0%), revenue stamps (\$53,153; +57.8%), miscellaneous (unanticipated) (\$33,822; +1,227.7%) and building / zoning permits (\$30,671; +111.7%). These items do not include the aforementioned sales tax data since it is not comparing the full data set.

The line items with notable decreases include: donations / charitable contributions (\$247,467; -94.4%), contractual allowance - Medicaid (\$132,689; -74.9%), contractual allowance - private pay (\$82,361; -15.3%), property taxes (\$42,253; -12.6%), Medicare fees (\$41,478; -21.3%), detention charge-other (\$32,890; -100%), transfer from highway (\$32,000; -100%) and patient income-private pay (\$30,010; -8.5%). The decreasing census at Bel-Wood is an issue when comparing last year's totals to this year, as the census drops the amount of revenue received will be impacted negatively. Another area of concern regarding Bel-Wood revenue deals with any drops in the reimbursement rates for Medicare and Medicaid. The State reimbursement of salaries is another example of concern in regards to state derived revenues. Delays in payments will have a negative impact on the County's cash flow. This is discussed in greater detail in the Bel-Wood section of this report.

It should be noted that adjustments are still taking place in relation to the close of FY 2011.



Total fund revenues will vary each year and revenues are not always collected in the same exact time frame each year. These revenue figures must be analyzed in conjunction with total fund expenditures and total fund cash flow in order to get a clearer picture of the situation. Capital projects will skew the outlook on revenues for total funds. Other financing sources via debt issuance will show up as revenue in our financial software. This will lead to spikes in various months.

General Fund Revenues

As of February 29, 2012, General Fund year to date revenues were at \$4,455,567, an increase of \$1,444,599 (or 48.0%) when compared to February 28, 2011. However, nothing should be read into this at this time! The timing of revenues from the State of Illinois is one of the biggest wild cards the County must deal with in terms of forecasting and accounting.

These revenues are deposited as soon as they are received and are adjusted at the fiscal year end. The timing normally sorts itself out during the year, but there are instances where the numbers can be skewed in a year-to-year comparison. February 2011 vs. February 2012 State shared revenues are a perfect example. The following revenues were received in February in 2012, but were received in March in 2011: supplementary sales tax, public safety sales tax, state income tax, personal property replacement tax, unincorporated sales tax and auto rental tax. Removing these items from the comparison, the growth drops to 12.8%. However, 12.8% growth is noteworthy since this remainder accounts (as of February 2012) for 60% of the year to date general fund revenues. The County's main concern is not with this type of revenue source but the State shared revenues.

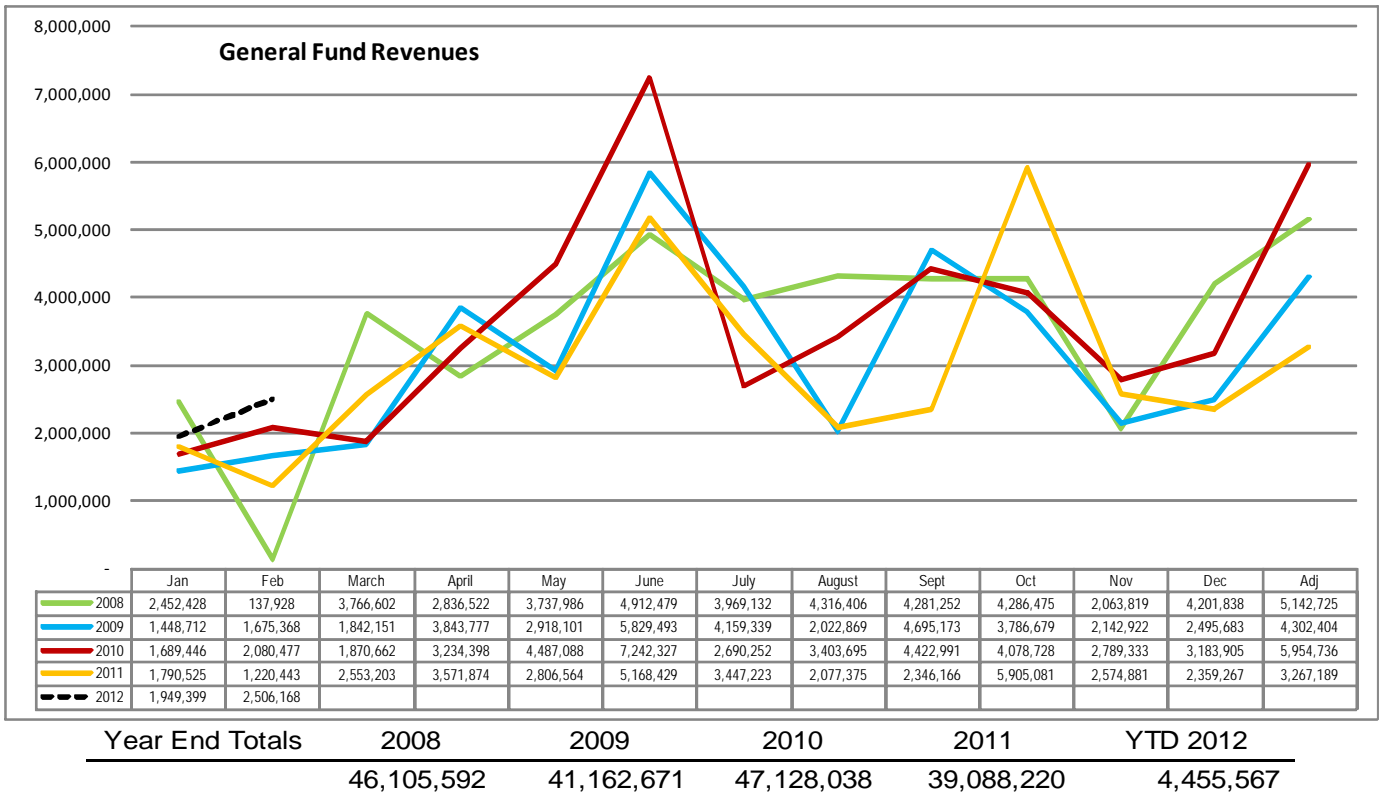
Another item to note is that there has been a change in the accounting for the supplemental and public safety sales taxes. This was discussed at the Finance Committee when preparing for the FY 2012 budget. These revenues often fund debt service or specific projects with expenditures in non-operating funds and involve predetermined dollar amounts. The past practice was to allocate the earmarked revenue streams over a percentage basis. The problem with this approach is that an excess of funds would often be sitting in a debt service reserve as opposed to being utilized for its original intent. The revenues are now going into the General Fund and when the payments are due, a transfer for the predetermined dollar amount will take place in order to allocate the exact amount needed to fund the expenditure. The remainder stays in the General Fund either for general purposes in the case of the supplemental sales tax or for public safety purposes in relation to the public safety tax. Additional monies can be transferred based on Board action.

Line items that have witnessed notable growth through February 2012 include: animal protection contracts at \$57,339; +424.7%, revenue stamps at \$53,153; +57.8%, miscellaneous (unanticipated) at \$32,467; +6,669%, building / zoning permits at \$30,671; +111.7%, fees and charges at \$30,018; 4.1%, detention charges at \$20,955; 28.4%, taking of bond fee at \$20,772; 93.1%, inheritance tax revenue sharing at \$18,588; n/a, misc. fees for services at \$12,486; 25.3%, rent-building at \$12,000; 75.6% and certification at \$10,939; 32.0%.

Line items that are significantly less than last year at this time include: telephone usage fees at (\$12,104; -99.5%) and state grants at (\$19,446; -64.2%).

It should be noted that adjustments are still taking place in relation to the close of FY 2011.

General Fund Revenues



The General Fund is the main operating fund within Peoria County. General Fund revenues will vary each year and revenues are not collected in the same exact time frame each year. General Fund expenditures and general fund cash flow need to be included in the analysis when discussing General Fund revenues in order to paint a clearer picture of the situation. Also, it must be noted that any transfers in, changes in accounting policies and changes in the way revenues are booked will influence the level of revenues in a given month during the fiscal year. However, trends should hold fairly consistent each year and this gives some idea as to the County's cash flow for a certain period of time.

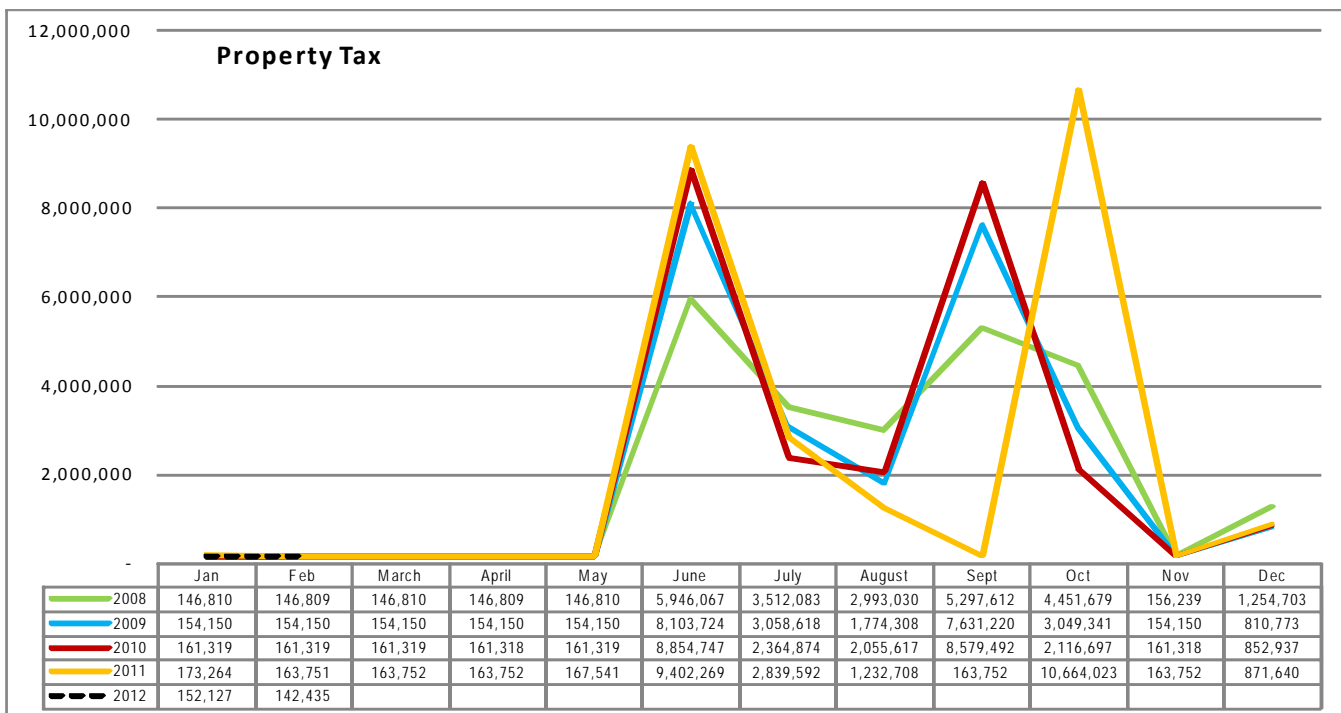
Property Taxes

The Peoria County Board has provided consistent direction to County staff over the years to keep the property tax rate in check. Generally, growth in the assessed valuation increases the County's property tax receipts without having to raise the property tax rates.

FY 2012 revenues stem from the 2011 tax levy. Property taxes are the most predictable source of tax revenue at the County's disposal. The revenue stream can be accurately predicted at the time of the levy through the combination of the tax rate, estimated equalized assessed value and anticipated growth within that tax base.

Property tax collections spike in connection with tax bill payments due in June and September of each year.

Property tax revenues are down \$42,453 (or 12.6%) through February 29, 2012. The reliability of property taxes as a revenue source means that this decrease is temporary and is not a major concern when comparing revenues to the budget. However, it should be noted that decreased assessments and a flat property tax rate will result in decreased property tax revenues in FY 2012.

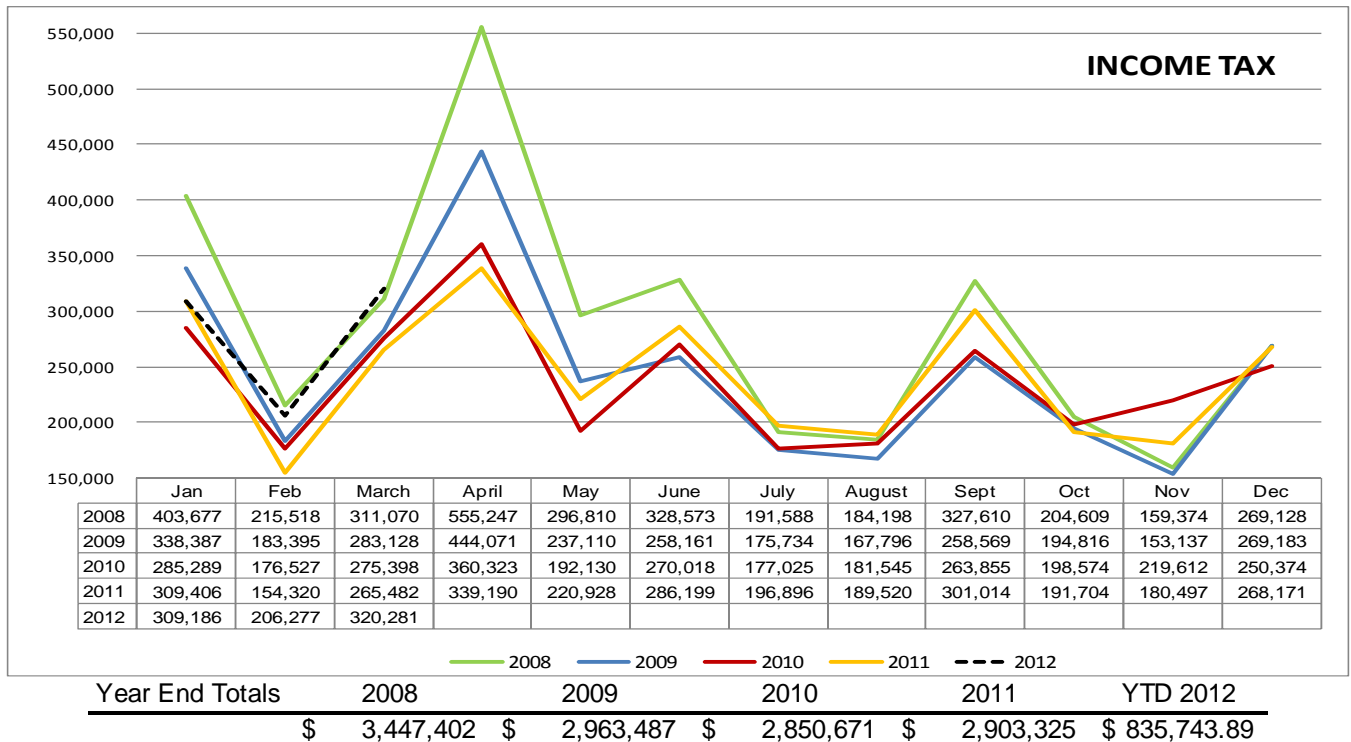


Year End Totals	2008	2009	2010	2011	YTD 2012
	24,345,461	25,352,885	25,792,277	26,169,796	294,562

Peoria County levies a property tax on all property within the County, including that within municipalities, for services provided throughout the County. These taxes are then deposited into various governmental and proprietary funds, according to the statutory limits of those funds. For example, the maximum tax rate in the General Fund is 25.00¢ per \$100 of assessed valuation, while the maximum rate in the County Highway fund is 10.00¢. Other jurisdictions within the County have the ability to levy property taxes, including library districts, school districts, and municipalities. Property taxes revenues are based on the assessed valuation of real and personal property. Exemptions are available for certain senior citizens, as well as government bodies in certain cases. Once a property is assessed, the Board of Review may adjust certain valuations.

Income Tax

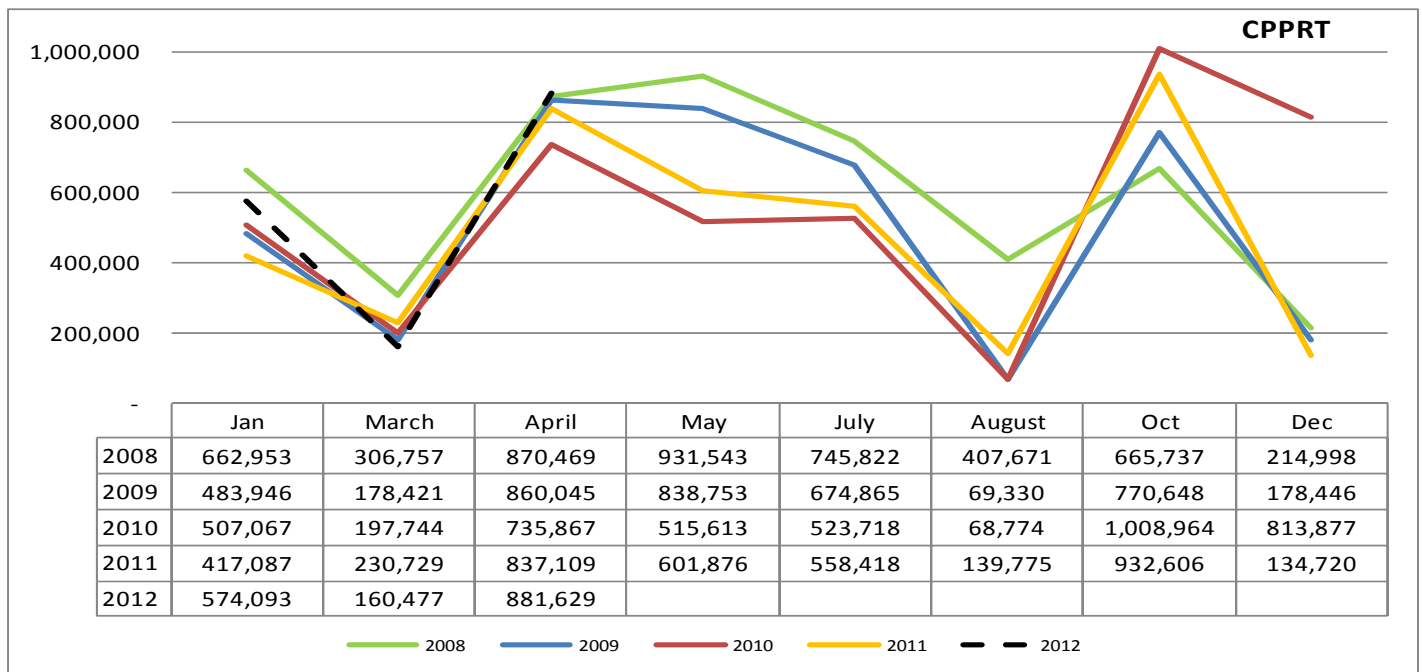
Income Tax revenues have a delayed response to the economy. Reductions in income taxes appear a few months into an economic recession. Reductions in income tax revenue took place from 2001-2003, yearly growth took place from 2004-2008 and another set of reductions began in 2009-2010. FY 2012 income tax revenue depends on not only the economy, but the impact that the changes in tax rates may have on local governments. A description of the tax rates can be found below. As of April 13, 2012, the amount of income tax received by Peoria County through three months is \$835,744. This amount is \$106,536 (or 14.6%) higher than the amount received at this time last year. While double-digit growth in income tax is unlikely to be sustained through FY 2012, this year should witness some growth in this revenue source and the question is to what extent. Positive growth in this area can help (in part) to offset flat revenues in other areas.



The Illinois Income Tax is imposed on every individual, corporation, trust, and estate earning or receiving income in Illinois. The tax is calculated by multiplying net income by a flat rate. Effective January 1, 2011, the current rate is 5% of net income on individuals and 7% on corporations. The local government distributive fund (LGDF), where Peoria County receives income tax revenue, is based on 6% of the net revenue from individuals and 6.86% of the net revenue from corporations. Prior to January 1, 2011, the tax rates were 3% on individuals, 4.8% on corporations and 10% of the proceeds went into the LGDF.

Corporate Personal Property Replacement Tax

As of April 13, 2012, Fiscal Year 2012 CPPRT revenues are at \$1,616,199. This is up \$131,274 (or 8.8%) over the amount received at this time in Fiscal Year 2011. The "corporate" aspect of the Corporate Personal Property Replacement Tax is the most likely source of the gains in revenue. Corporations pay a 2.5% tax on income, while partnerships, trusts and S-corporations pay a 1.5% tax on income. Increased revenues in these areas are leading to an increase in personal property replacement taxes that are shared (based on population) throughout the State of Illinois. However, as stated before, CPPRT needs to be monitored closely as the State of Illinois is continuing to make refund payments out of this pool. In addition, there have been talks in Springfield to utilize this pool of money as a resource to pay for other elected offices in a similar fashion as the Regional Office of Education.

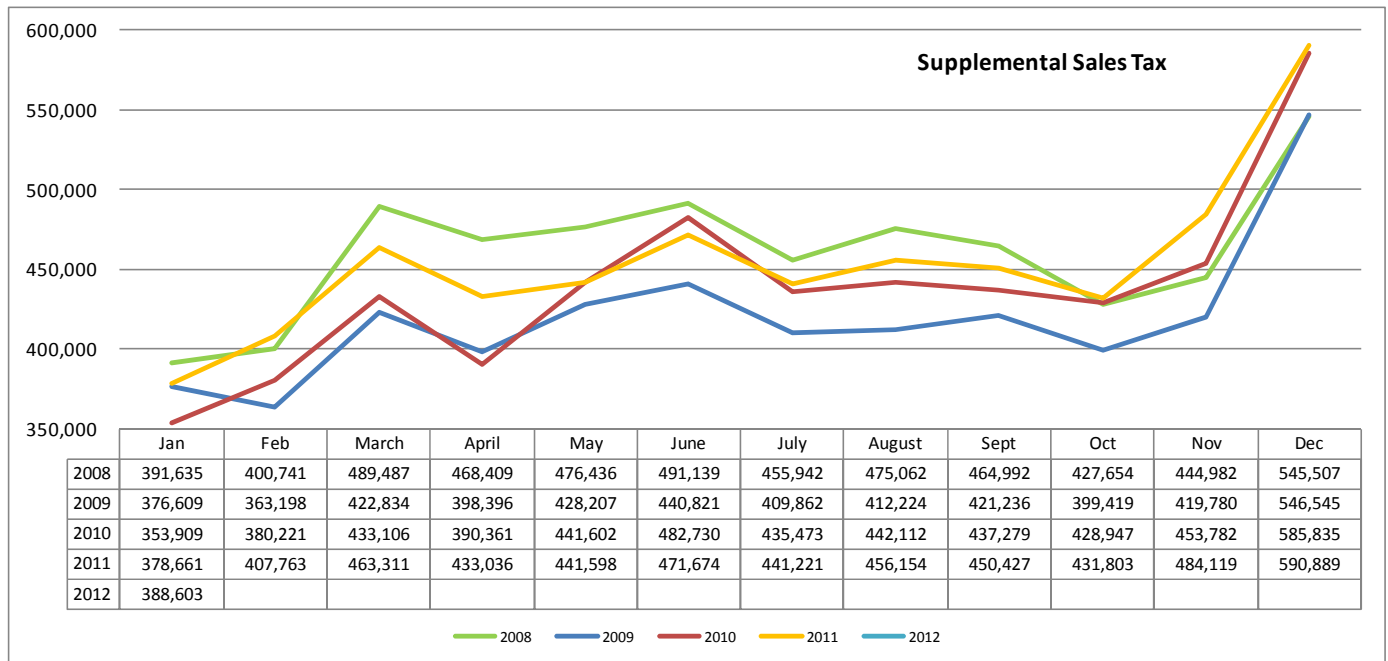


Year End Totals	2008	2009	2010	2011	YTD 2012
	\$ 4,805,950	\$ 4,054,454	\$ 4,371,625	\$ 3,852,320	\$ 1,616,199

Replacement taxes are revenues collected by the state of Illinois and paid to local governments to replace money that was lost by local governments when their powers to impose personal property taxes on corporations, partnerships, and other business entities were taken away. These taxes resulted when the new Illinois Constitution directed the legislature to abolish business personal property taxes and replace the revenue lost by local government units and school districts. In 1979, a law was enacted to provide for statewide taxes to replace the monies lost to local governments. Corporations pay a 2.5 percent tax on income; partnerships, trusts, and S corporations pay a 1.5 percent tax on income; public utilities pay a 0.8 percent tax on invested capital. The State of Illinois collects the whole sum received. 51.65% goes to Cook County, while 48.35% does to "downstate" counties. The downstate portion multiplied by the rate allocated to Peoria County (currently 0.6644568) is divided by 100 in order to derive the amount due to the County. This payment is made 8 times a year: Jul, Aug, Oct, Dec, Jan, Mar, Apr and May.

Supplemental Sales Tax

Supplemental sales taxes reflect general merchandise sales across Peoria County. While these taxes are not applicable to groceries and pharmaceuticals, they are applicable to licensed and titled goods such as automobiles. January 2012 supplemental sales taxes witnessed slight growth over January 2011 figures. \$388,603 was collected from January 2012 sales, an increase of \$9,942 (or 2.6%) over the amount from January 2011. While this number shows some growth, it was not as large as one would have hoped. This trend continues out of a weaker than expected holiday shopping season.

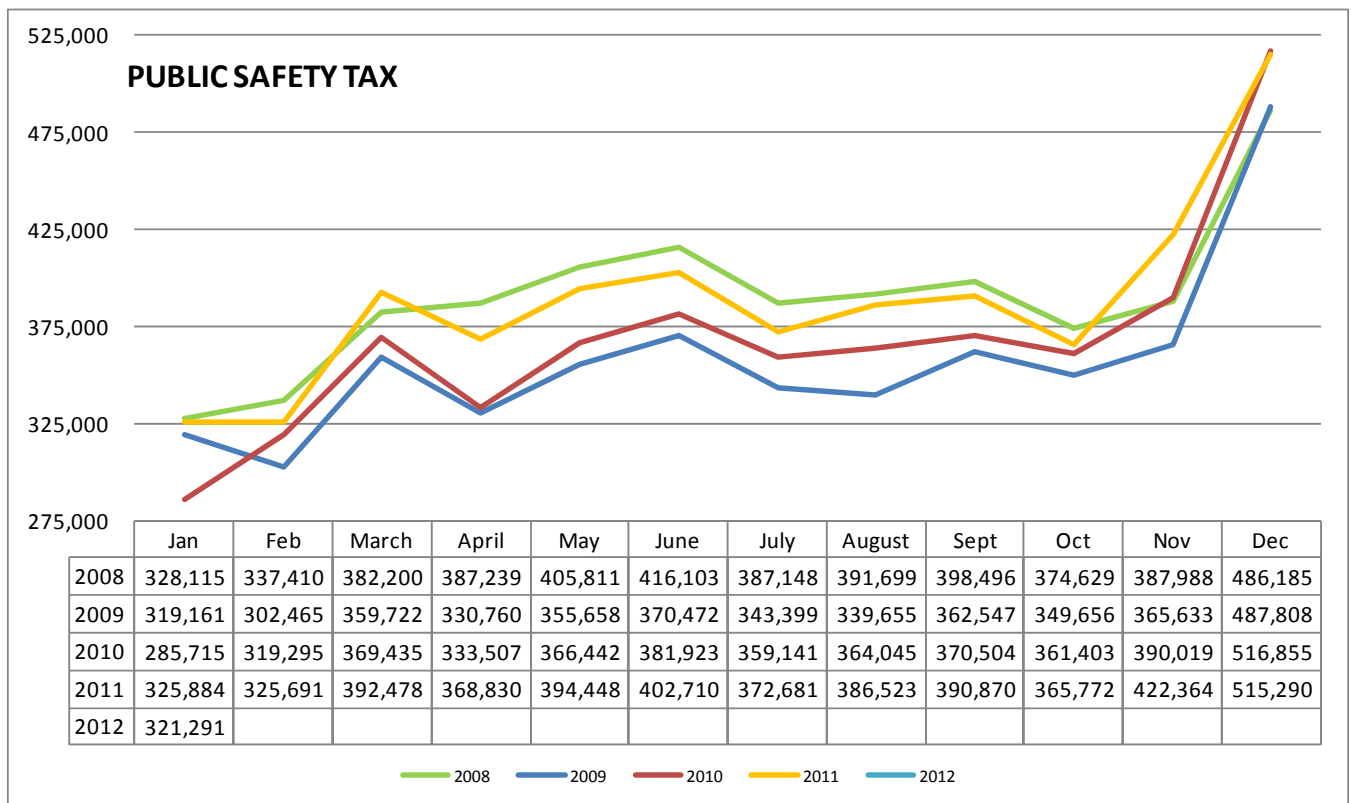


Year End Totals	2008	2009	2010	2011	2012 YTD
	\$ 5,531,986	\$ 5,039,130	\$ 5,265,357	\$ 5,450,655	\$ 388,603

The Supplemental Sales Tax, also known as the Countywide Sales Tax is a 0.25% tax on goods purchase throughout Peoria County. These revenues are administered and distributed by the State of Illinois Department of Revenue. There is generally a lag of a few months in this revenue stream from the date of purchase, to the time it is reported, collected and ultimately distributed back to the jurisdiction where the sale was conducted.

Public Safety Sales Tax

The public safety sales tax is a 0.25% tax on applicable goods purchased within Peoria County. Licensed and titled goods are exempt from this tax, so this revenue stream coincides with the sale of general merchandise. This sales tax has been recovering since the recession in 2008 first hit. Unlike other tax streams such as income or property tax, sales tax is very elastic with the local economy. Luckily, things have been improving steadily from that point in late 2008. Public Facilities sales tax fell in January 2012 from \$325,884 to \$321,291, a decrease of \$4,593 (or -1.4%). This is an area of concern heading out of a weaker than anticipated holiday season. However, it should be noted that January is traditionally one of the weakest months in terms of sales tax generation. This revenue is currently flat and this needs to be noted as FY 2012 progresses.

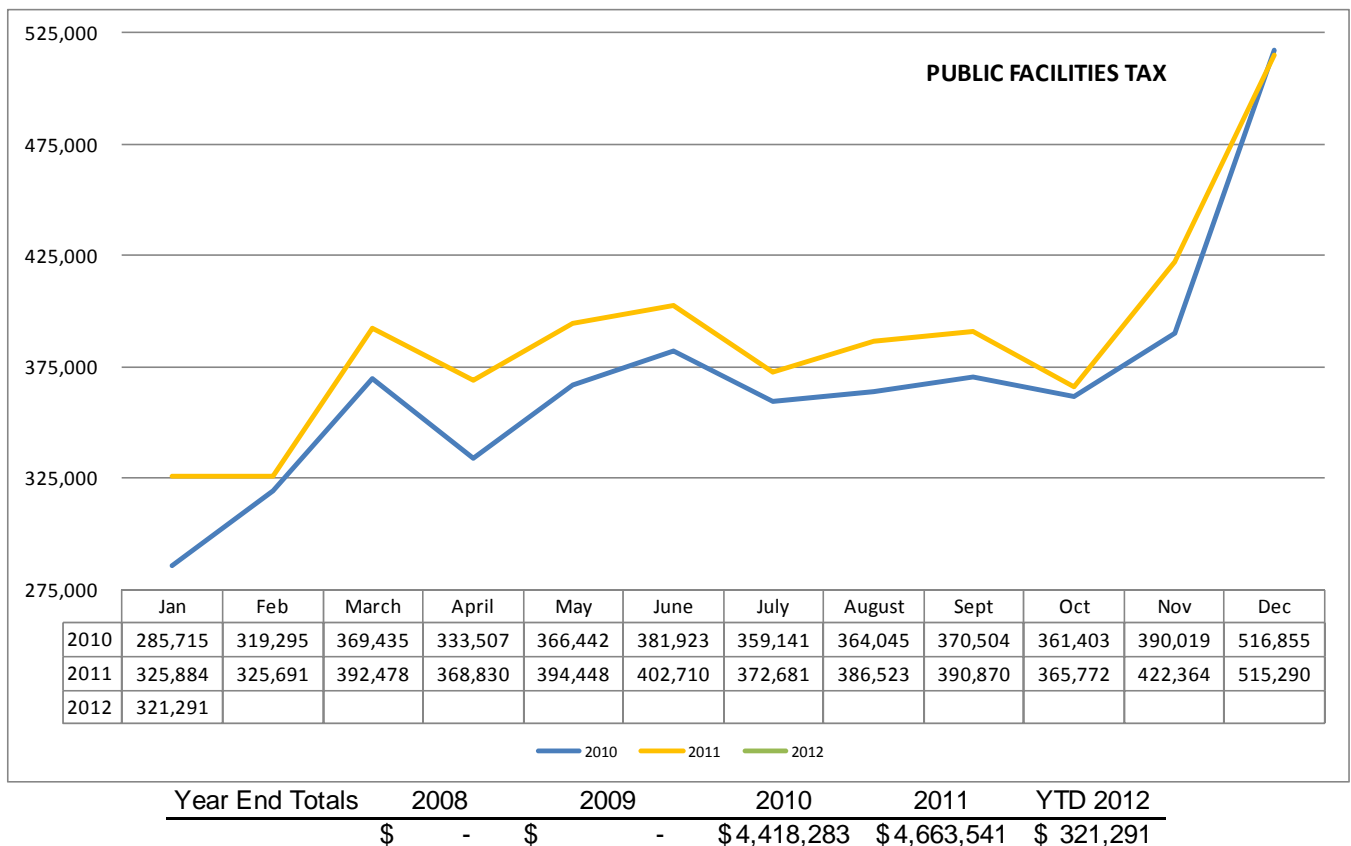


Year End Totals	2008	2009	2010	2011	YTD 2012
	\$4,683,024	\$4,286,936	\$4,418,283	\$4,663,541	\$ 321,291

In November 1996, Peoria County voters passed a Public Safety Sales Tax of 0.25% on all tangible personal property sold for retail in the County. Illinois state statute grants permission for counties to impose this tax in 0.25% increments. The tax was originally instituted to help cover the cost of the jail expansion, the construction of a new juvenile detention center, and an outdoor warning system for areas of the county outside of Peoria City's warning system. Once these expenses were covered, the County could use the remaining tax revenue on public safety related expenditures. Public safety expenditures in Peoria County are limited to the Sheriff, Emergency Management Agency, Coroner, and Juvenile Detention.

Public Facilities Sales Tax

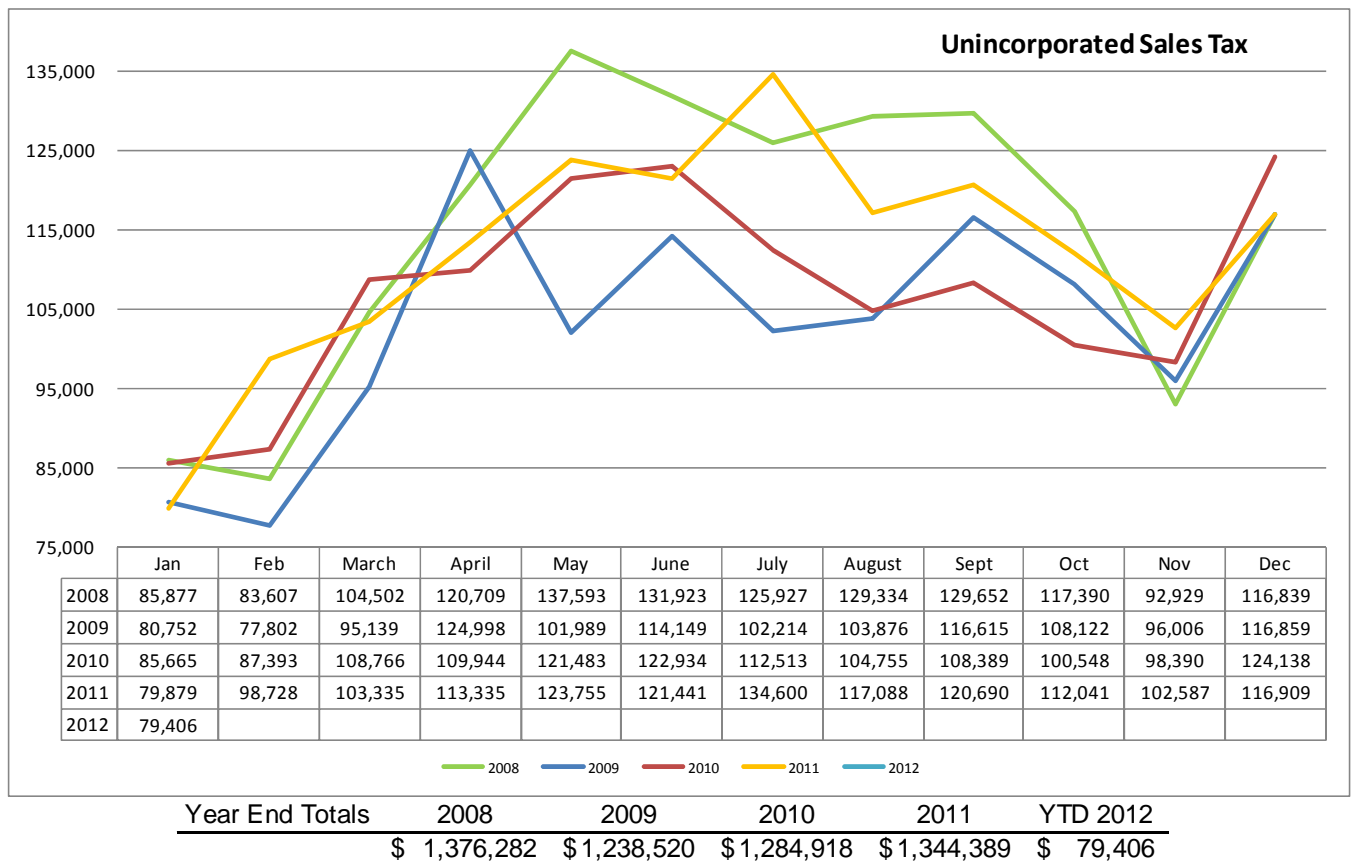
The public facilities sales tax is a 0.25% tax on applicable goods purchased within Peoria County. Licensed and titled goods are exempt from this tax, so this revenue stream coincides with the sale of general merchandise. While this tax stream is relatively new, first collected on January 1, 2010, it is at the same rate and applicable on the same goods as the public safety sales tax which can provide a further historical perspective on collections. Unlike other tax streams such as income or property tax, sales tax is very elastic with the local economy. January 2012 tax collections came in at \$321,291 (1.4% less than FY 2011). This is the second month in a row where a slight drop has taken place. A significant concern for FY 2012 is a prolonged period of flat sales tax revenues. This needs to be monitored as the year progresses. Adjustments can be made, if needed, as more data becomes available.



In April 2009, Peoria County voters approved through a referendum a 1/4¢ Public Facilities Sales Tax in Peoria County as a funding mechanism to build the Peoria Riverfront Museum. The bulk of the revenue generated by this sales tax will be used to pay the debt service on the bonds issued to fund construction of the museum. Any revenues in excess of the debt service are available to fund other capital projects at Peoria County or could possibly be granted to other local governments for their capital projects in an effort to lessen their borrowing requirements.

Unincorporated Sales Tax

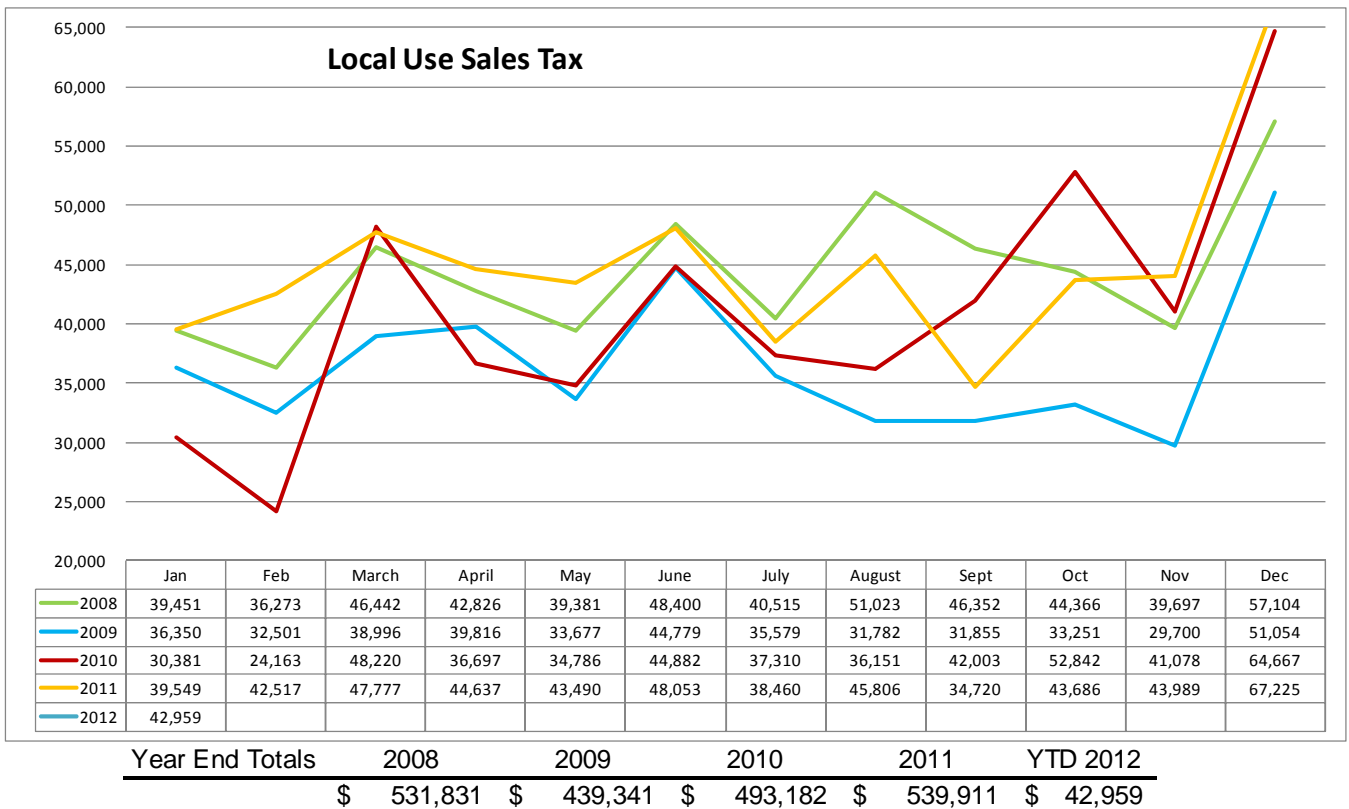
Unincorporated sales tax is collected at a rate of 1% on goods purchased in unincorporated areas of Peoria County. This sales tax revenue is similar to all other sales taxes in the economy in that it has been on the rebound since late 2008 when the economy was hit by recession. January 2012 unincorporated sales tax revenue is \$79,406, a \$473 (or -0.6%) decrease from January 2011. Once again, tax revenues are flat and this is an area of concern. January is typically a slow month for sales tax, but as the year progresses the County may need to adjust its expenditures in order to accommodate for a prolonged level of flat sales tax revenues. This mindset must continue heading into the FY 2013 budget process.



The Unincorporated Sales Tax, also known as the County Sales Tax is a 1.0% tax on goods purchase throughout unincorporated Peoria County. These revenues are administered and distributed by the State of Illinois Department of Revenue. There is generally a lag of a few months in this revenue stream from the date of purchase, to the time it is reported, collected and ultimately distributed back to the jurisdiction where the sale was conducted.

Local Use Sales Tax

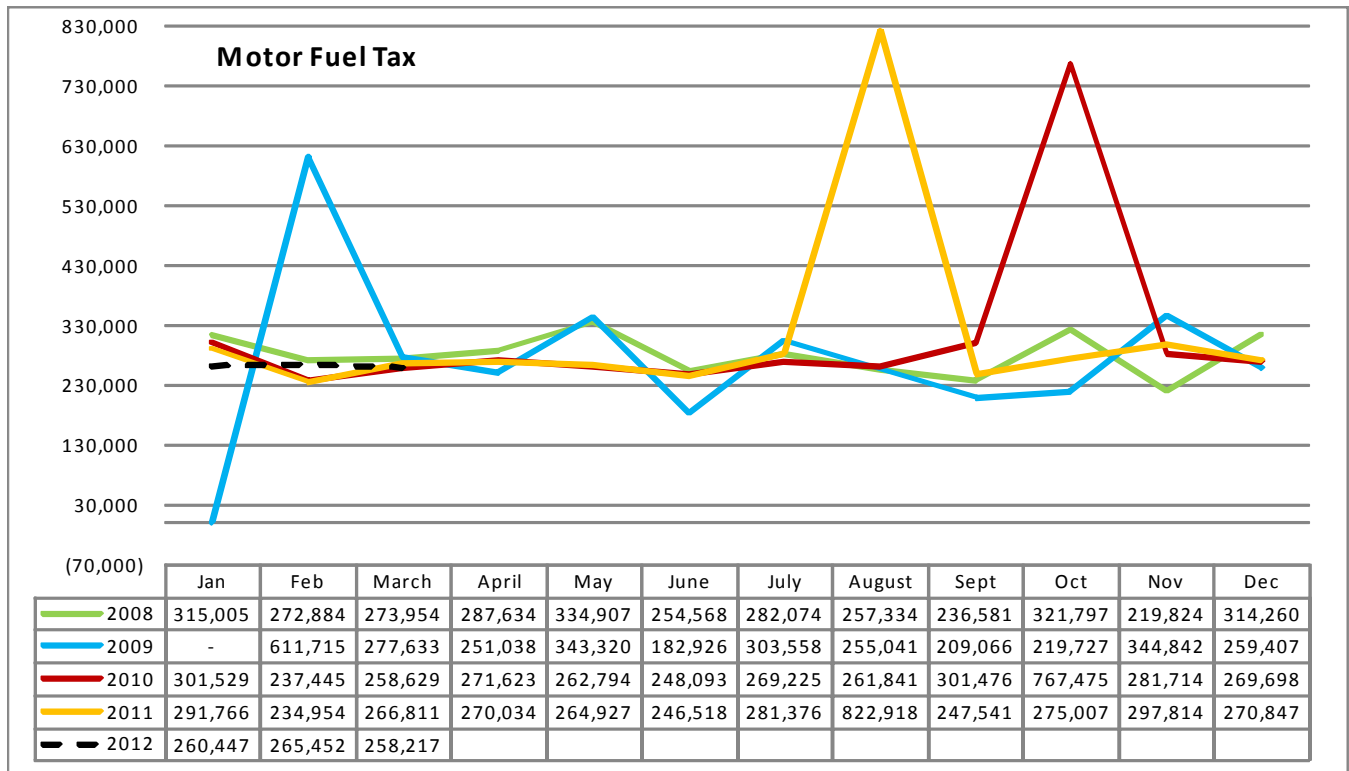
The local sales use tax has been growing steadily since late 2008 when the first effects of the recent recession took place. This growth rate is significantly higher than the County's other sales taxes. As of April 13, 2012, tax figures for December 2011 and January 2012 have been released. FY 2011 saw a \$46,729 (or 9.5%) increase over local use taxes collected in FY 2010. January 2012 tax figures are \$42,959, an increase of \$3,410 (or 8.6%) over the figures from January 2011. Local sales use taxes are most often associated with online purchases. While local supplemental sales taxes in Peoria County are up only 2.6% in January 2012 and the other sales tax sources are actually down from one year ago, online sales taxes have grown 8.6%. However, it is important to note that these online taxes are collected on a statewide basis and are allocated based upon population. This does not mean that online sales taxes grew 8.6% in Peoria County; rather transactions in other parts of the State may be inflating that number significantly. Nonetheless, it is important to note the role online transactions play in reducing the sales tax revenue generated by traditional Peoria County based brick and mortar businesses.



The use tax is a tax imposed on the privilege of using, in Illinois, any item of tangible personal property that is purchased anywhere at retail. This can occur when out-of-state vendors make retail sales to Illinois businesses or consumers, Illinois consumers purchase tangible personal property at retail from out-of-state, unregistered retailers for use in Illinois without paying tax to the retailer or when Illinois businesses withdraw tangible personal property from their sales inventories for their own use. In this instance, at the time the item was purchased, the business did not pay tax to the vendor because it purchased the item for resale purposes. The use tax rate is 6.25 percent on purchases of general merchandise including automobiles and other items that must be titled or registered. The use tax rate is 1 percent on purchases of qualifying food, drugs, and medical appliances. Twenty percent of the collections for general merchandise and 100 percent of the collections on qualifying food, drugs, and medical appliances are returned to local governments.

Motor Fuel Taxes

Motor fuel tax (MFT) revenue is an important source of funding for building and maintaining County and Township roads. Distributions are not as consistent with motor fuel taxes as with other revenue sources (such as sales taxes which are attributed to a specific month when a transaction took place). Often times there are "catch up months," which was the case in October 2010 and August 2011. These items are anomalies when making comparisons between fiscal years. However, the same bottom line can be analyzed at the fiscal year end. Motor fuel tax revenue is tied to a flat rate, so the price of fuel has no direct bearing on this revenue source. However, price levels influence fuel consumption levels, which are directly linked to the level of motor fuel tax revenue received by the County. The first three months of FY 2012 brought in \$784,116 in Motor Fuel Taxes. This is \$9,416 (or -1.2%) less than this time in FY 2011. Early estimates will see motor fuel taxes staying flat throughout most of the year.



Year End Totals	2008	2009	2010	2011	YTD 2012
	3,370,821	3,258,273	3,731,542	3,770,515	784,116

Since October 1, 1977, Illinois has imposed a motor fuel use tax on fuel used by interstate commercial motor vehicles. Revenues collected from this tax help, in part, to build and maintain roads and highways. Peoria County receives an allotment for both County and Township roads, which are accounted for in separate funds. However, for the purposes of this analysis the two amounts have been combined. Currently, \$0.19/gallon of gasoline and \$0.215 / gallon of diesel purchased goes into the State MFT fund which is later distributed to Peoria County.

Bel-Wood Financials

The Bel-Wood Nursing Home is a large scale business-like operation that warrants additional analysis due to its size. A set of financial documents related to this facility is a discussion topic that appears before the Health Committee on a monthly basis. Those financial documents include financial statements such as a detailed balance sheet, income statement and other pertinent financial information. This document can be obtained by downloading the Health Committee Board packets at the url listed at the bottom of this page.

This page gives a snapshot view of the Bel-Wood operations in the form of a Statement of Revenues, Expenses and Changes in Fund Net Assets. This information provides a five year history (FY 2007 - FY 2010 is audited, FY 2011 is unaudited and FY 2012 provides year to date information derived from the Health Committee financial reports).

Bel-wood Revenues should be examined in two separate categories, operating income and non-operating revenues. The operating income is in the top section of the following table and is accompanied by a chart on the next page. This removes property taxes, other non-operating income such as interest and any losses on the disposal of capital assets from the financial statement to provide a true reflection of how the facility is running on its own. There are some concerning trends taking place in terms of operating income and they are discussed in greater detail on the next page.

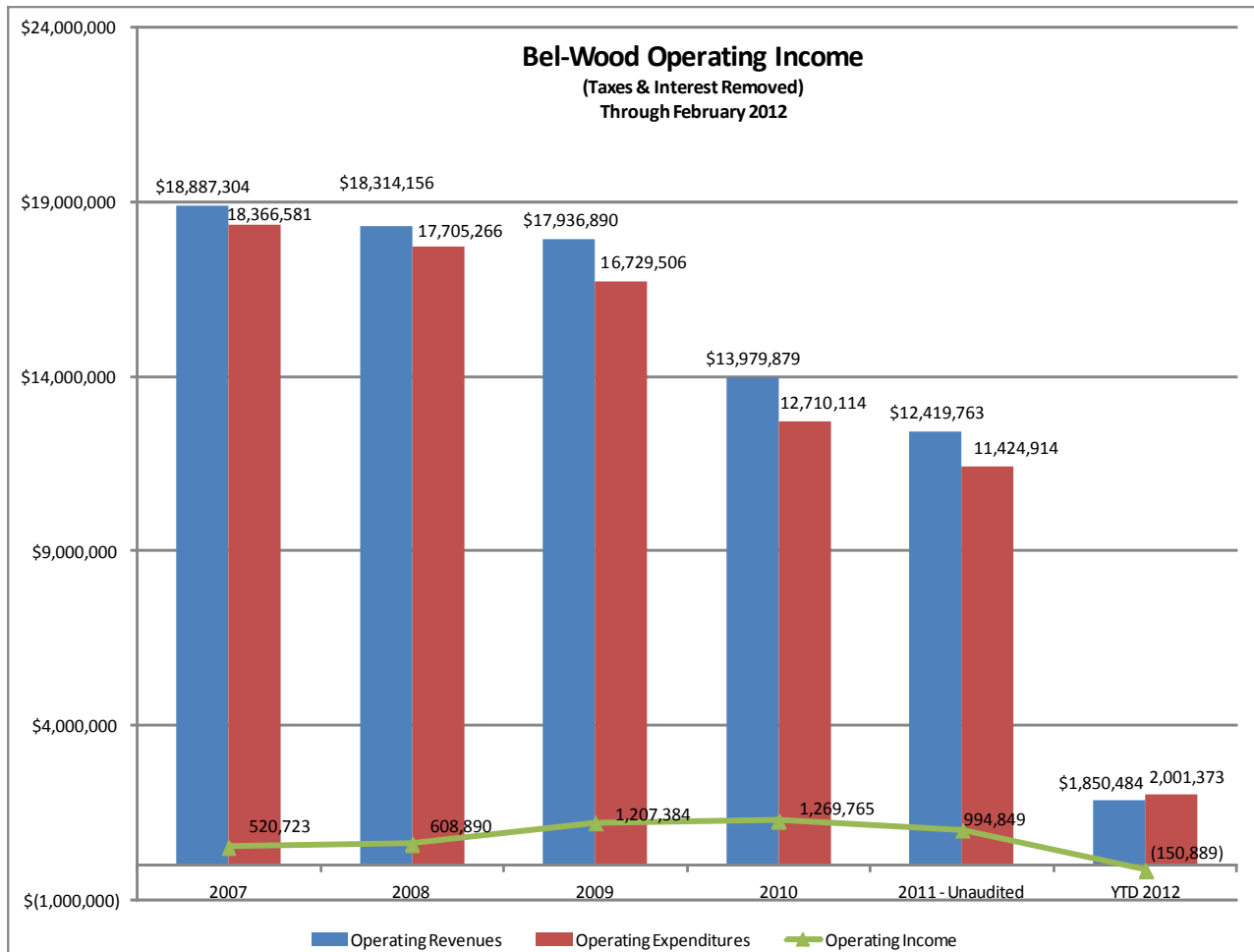
The non-operating revenues provide the additional funding for the facility (or more accurately for the new Elder Care facility) in the form of property taxes and other non-operating income. This money should be excluded from discussions involving Bel-Wood operations as it is set aside to make debt service payments on the bonds in FY 2011. However, these monies do contribute to the overall net assets of the Bel-Wood Facility and while they are a component of the total, they need to be shown separately as it is in the table below.

Peoria County						
Bel-Wood Nursing Home						
Statement of Revenues, Expenses and Changes in Fund Net Assets						
For the Month Ending February 29, 2012						
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 - Unaudited</u>	<u>YTD 2012</u>
Operating Revenues	\$ 18,887,304	\$ 18,314,156	\$ 17,936,890	\$ 13,979,879	\$ 12,419,763	\$ 1,850,484
Operating Expenditures	<u>18,366,581</u>	<u>17,705,266</u>	<u>16,729,506</u>	<u>12,710,114</u>	<u>11,424,914</u>	<u>2,001,373</u>
Operating Income	520,723	608,890	1,207,384	1,269,765	994,849	(150,889)
Non Operating Revenues						
Taxes	1,659,262	1,750,609	1,838,312	1,916,856	1,947,681	284,870
Other Income (Including Interest)	(71,471)	16,812	20,642	46,641	26,876	5,268
Loss on Disposal of Capital Assets	<u>(5,611)</u>	<u>(13,743)</u>	<u>(6,575)</u>	<u>(139)</u>	-	-
Total nonoperating revenues	1,582,180	1,753,678	1,852,379	1,963,358	1,974,557	290,138
Transfers In	13,423	-	-	-	-	-
Change in Net Assets	2,116,326	2,362,568	3,059,763	3,233,123	2,969,406	139,249
Ending Net Assets	2,903,148	5,265,716	8,325,479	11,558,602	14,528,008	14,667,257

<http://www.peoriacounty.org/countyboard/avcommittee/>

The following chart depicts the operating income of the Bel-Wood Nursing Home with a five year history and the current year to date amount. These totals remove property taxes and interest from the revenues in order to provide more accurate data on how the facility functions on its own. Totals from FY 2007 to 2010 are derived from audited figures, FY 2011 is unaudited and FY 2012 is based off of the latest financial reports distributed to the County's Health Committee. Current year to date totals are accurate as of February 29, 2012.

Revenues and expenditures have been decreasing in tandem over the last several years, but recently they are not dropping at the same rate. The previous trend was having expenditures dropping at a faster rate than revenues in a given year, resulting in greater operating income. In FY 2011, expenditures outpaced revenues and the level of operating income received began to decline. This trend began in FY 2011, but it was aided in large part by one time adjustments related to both accounts receivable and payable from the State of Illinois. The trends heading into FY 2012 are a cause for concern at this point and adjustments will need to take place. Staff has met on the topic and plans to reduce expenditures are in the process of being implemented in order to address this issue.



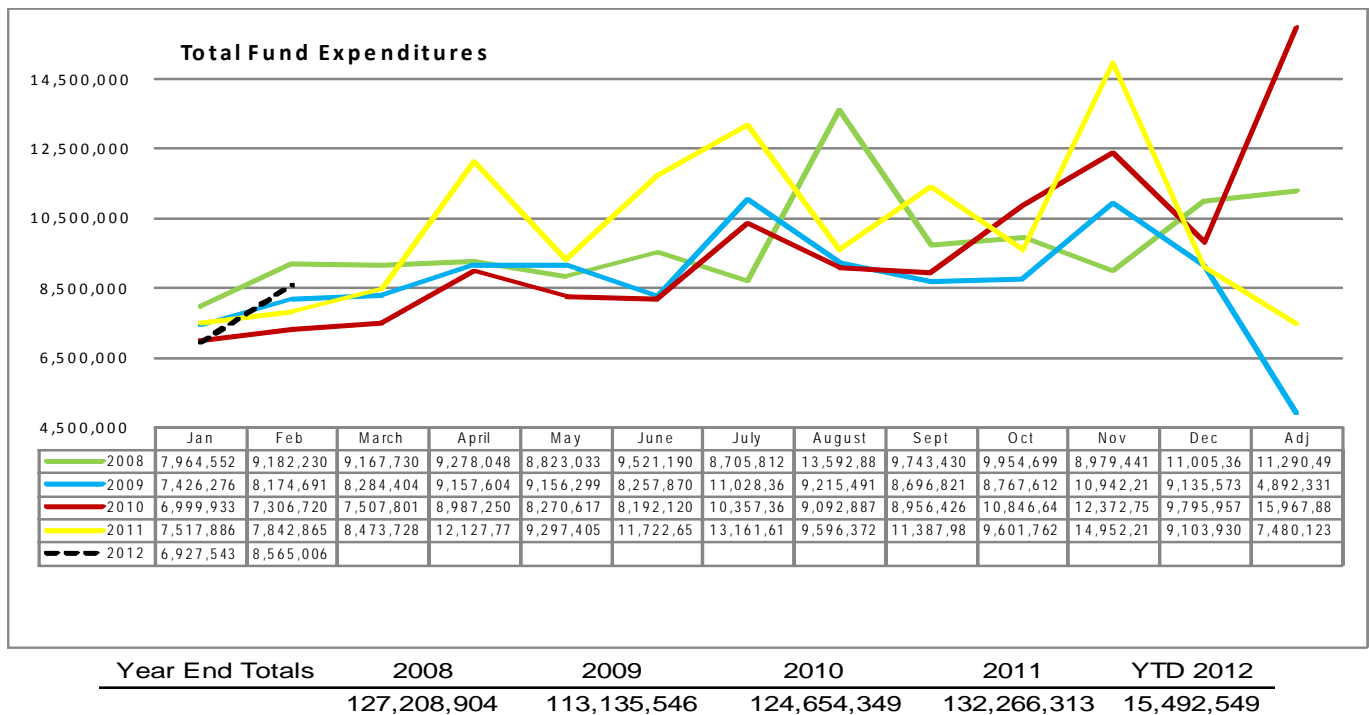
Total Fund Expenditures

FY 2012 year to date expenditures for all funds are currently \$15,492,549, up \$131,798 (0.9%) from FY 2011 year to date expenditures as of February 29, 2012. Not surprisingly, building construction is by far the largest expense at \$1,418,239 spent to date. This is \$1,256,423 (776.5%) more than this time last year. Conversely, land improvements related to those construction project is only at \$61,907, a decrease of \$541,420 (-89.7%) from this time last year.

Line items where spending has significantly increased include: building construction (\$1,256,426; +776.5%), loss fund administration costs (\$160,700; 684.1%), prescription drug claims (\$90,367; 50.9%), subcontractor services (\$78,624; 378.3%), full time employees (\$69,883; 1.3%), capital non-depreciation (\$62,234; 237.4%), medical health benefits (\$56,197; 7.1%), bridge repair (\$55,488; 4,545%).

Line items where spending has decreased significantly include: land improvements (\$541,420; -89.7%), operational supplies (\$219,862; -73.6%), mechanical equipment replacement (\$178,821; -91.9%), radio and telephone equipment (\$150,115; -83.6%), building improvements (\$144,925; -3,354%), software maintenance / lease (\$124,805; -41.6%), worker's comp claims (\$123,851; -68.2%), public defender services (\$118,046; -50.1%), overtime premium (\$56,767, -22.6%) and employee benefits (\$52,934; -83.2%).

It should be noted that adjustments are still taking place in relation to the close of FY 2011.



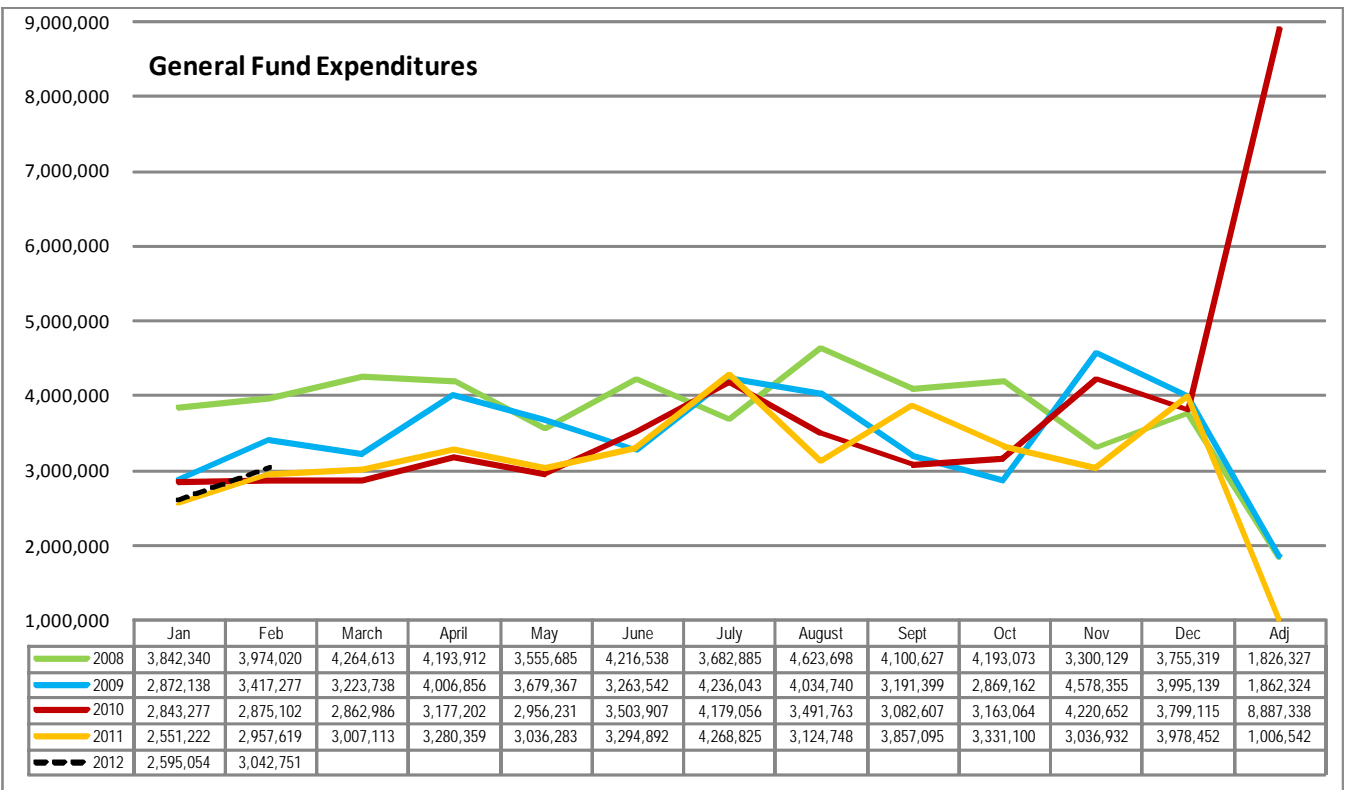
Total fund expenditures will vary each year and revenues are not collected in the same exact time frame annually. Total fund revenues and total fund cash flow need to be added in the analysis when discussing total fund expenditures. Material spending on capital projects will skew the outlook on total fund expenditures. Transfers that took place between the general fund and capital projects fund will skew the numbers up slightly. The consistency in the booking of bond proceeds is a difficulty in a conducting a multi year comparison. At this point the proceeds are going into the correct capital projects fund. Adjustments were made for both of these situations in FY 2010 (leading to a spike at the fiscal year end). Additionally, the spending down of bond proceeds for several bond issues including the Peoria Riverfront Museum, Elder Care Facility and other projects will lead to increased levels of expenditures in coming years.

General Fund Expenditures

As of February 29, 2012, FY 2012 General Fund expenditures are at \$5,637,805, an increase of \$128,964 (or 2.3%) when compared to FY 2011. Areas that experienced notable growth include: full time employee salaries and wages at \$98,638 (+3.6%), medical health benefits at \$52,235 (+12.1%), medical services at \$50,834 (+32.5%), revenue stamps purchased at \$38,508 (+34.5%) and utilities (gas and electric) at \$24,779 (53.7%). The salaries and wages include step increases and other adjustments and revenue stamps purchased are offset 1.5 times by revenue stamp revenue.

Line items that have decreased from this point last year include: public defender services at \$118,046 (-50.1%), transfer to juvenile detention at \$25,009 (-15.3%), building repairs at \$24,258 (-95.5%), attorney fees at \$20,915 (-68.5%), and consultant services at \$19,571 (-12.2%). Some of these items are down due to the timing of billing and/or purchasing.

It should be noted that adjustments are still taking place in relation to the close of FY 2011.

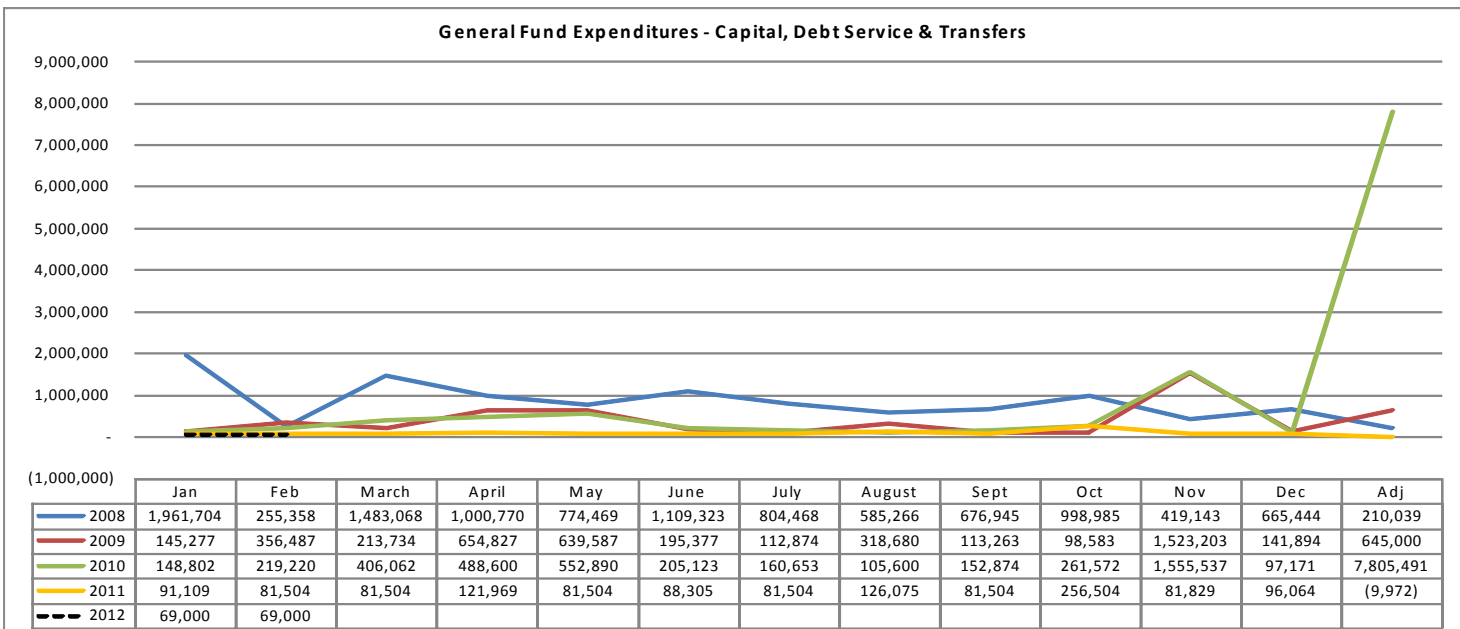
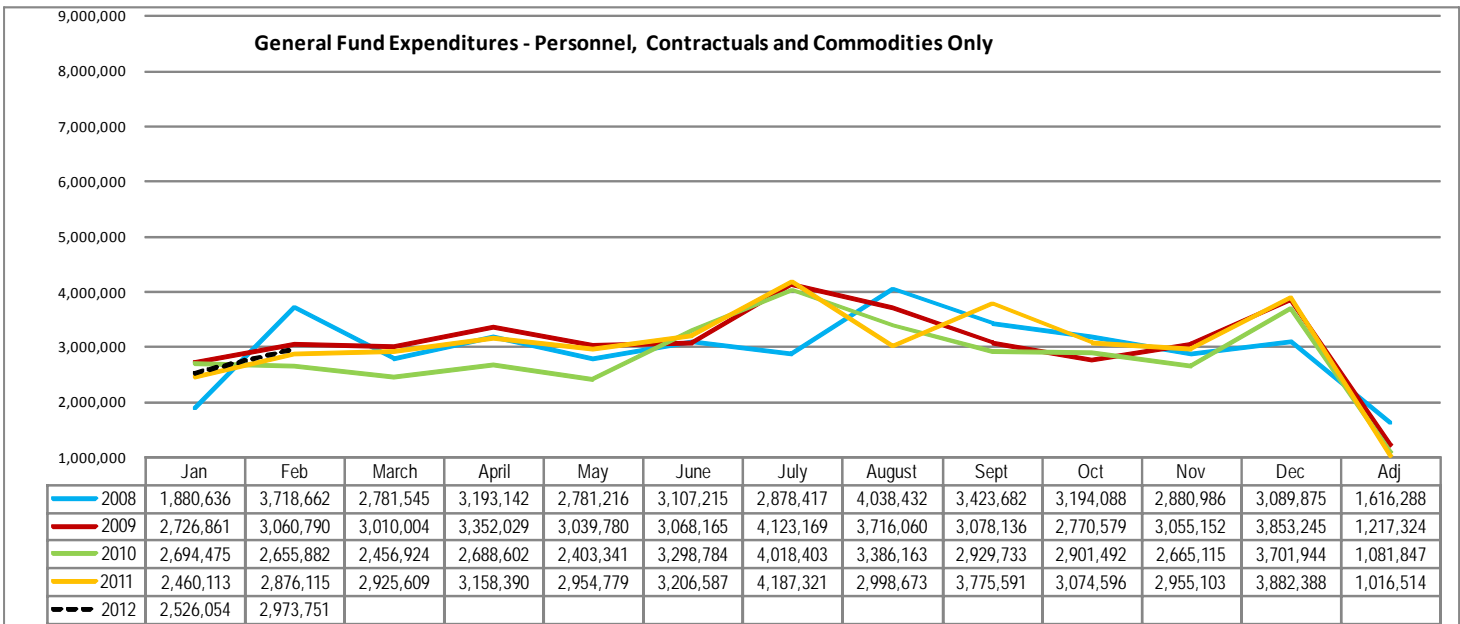


Year End Totals	2008	2009	2010	2011	YTD 2012
	49,529,166	45,230,080	49,042,300	40,731,182	5,637,805

The General Fund is the main operating fund within Peoria County. General Fund expenditures will vary each year and the same expenditures do not place in the same exact time frame each year. These figures must be analyzed in conjunction with General Fund revenues and General Fund cash flow to gain a better appreciation of the information.

General Fund Expenditures (Adjusted)

The following charts represent the General Fund expenditures divided into operating (personnel, contractals and commodities) and non-operating (capital, debt service and transfers). The utilization of the General Fund as the source of a capital funding and debt service was common prior to the creation of segregated funds to allow for those functions. Some transfers still take place from this fund as its revenues may be earmarked as funding sources for debt service or various constructions projects. Through February 2012, this total is \$5,499,805, an increase of \$165,577 (+3.1%) over February 2011. This increase in expenditures is reasonable, but if revenues do not increase as budgeted, steps will need to be taken to reduce spending.

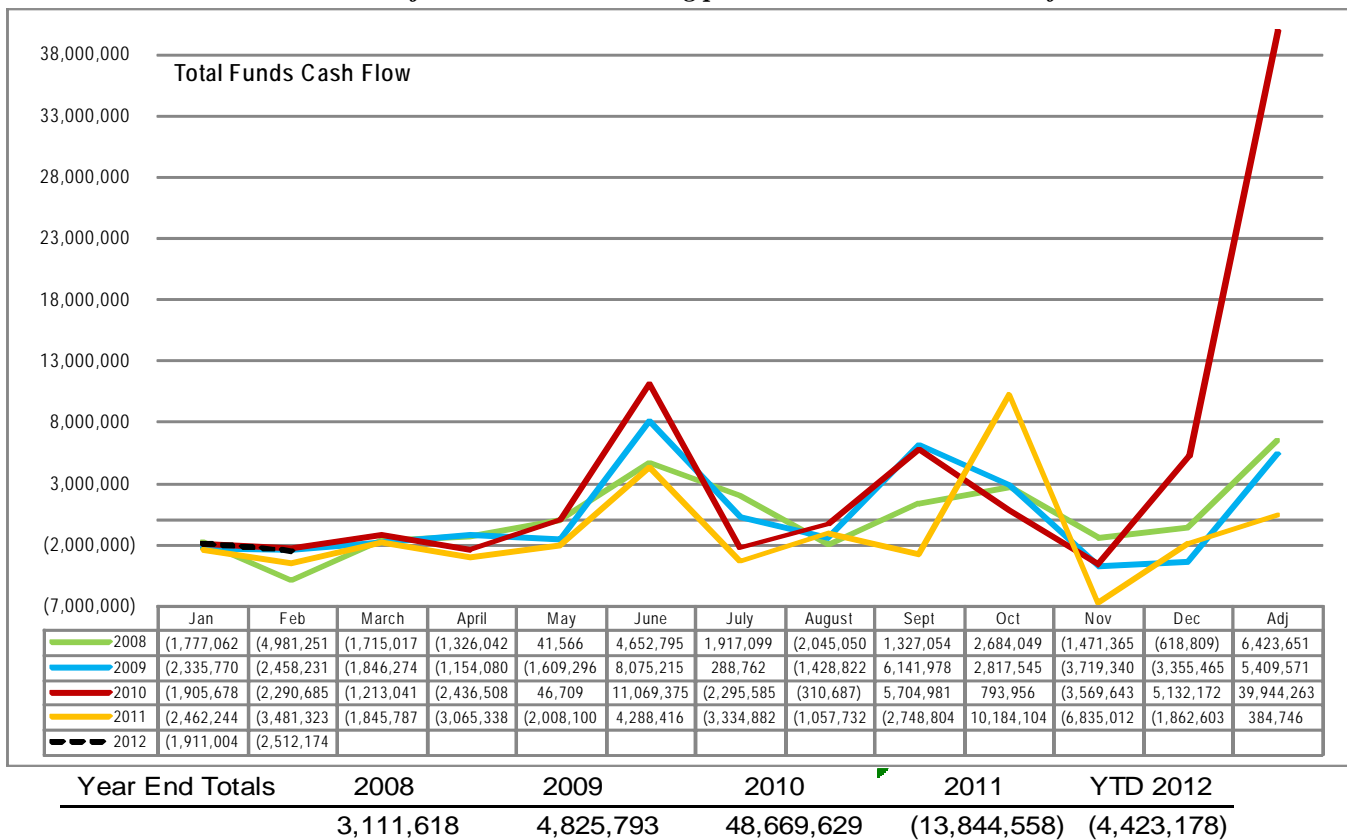


Total Fund Cash Flow

FY 2012 cash burn for all funds is (\$4,423,178) for the year to date as of February 29, 2012. This is \$1,520,389 less than the burn at this time in FY 2011. While negative cash flow is occurring, this is expected for a couple of reasons. The construction of large-scale capital projects that were funded through bond proceeds in FY 2010 and FY 2011 are drawing down on the County's assets. These bond issues accounted for the \$48,669,629 in positive cash flow in FY 2010. This large influx of revenue (other financing source) was attributed to the issuance of debt relating to the Riverfront Museum, Criminal Justice Software and the Guaranteed Energy Savings projects.

Additionally, cash flow tends to be negative on an operating basis for most of the County's fiscal year. The months of June and September / October tend to have a sizable positive cash flow due to the collection of property taxes.

It should be noted that adjustments are still taking place in relation to the close of FY 2011.



Total fund cash flow will vary each year. Total fund revenues and total fund expenditures need to be added in the analysis when discussing total fund cash flow. Capital projects will impact the outlook on total funds. Other financing sources from the issuance of debt, spending down these proceeds over subsequent years and transfers / adjustments related to capital projects that took place in previous fiscal years can distort the information in this analysis. However, it is still important to know the "big picture" in terms of the County's overall use of funding (including proceeds from previous bond issues). This chart is able to give a snapshot of this information.

General Fund Cash Flow

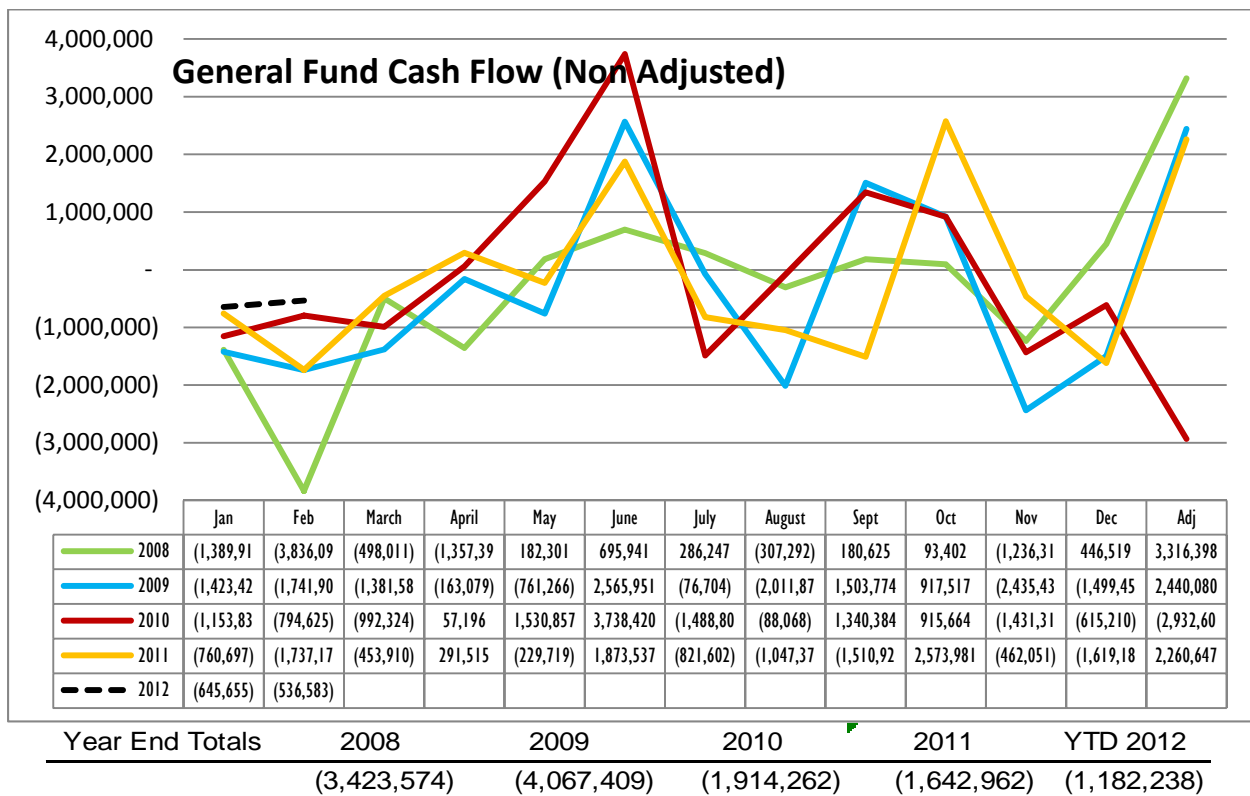
As of February 2012, FY 2012 General Fund cash flow is down (\$1,182,238). Last year at this time it was down (\$2,497,873). This is \$1,315,635 (or 52.7%) less than last year. Cash flow tends to be negative in most months and spike in the months when property taxes are collected (June, September / October).

The following chart presents all General Fund revenue less all General Fund expenditures. This includes operating expenditures like personnel costs, commodities and contractual services. However, it also includes capital expenditures, transfers and debt service. These items were often part of the General Fund budget in years past, but have all but disappeared in since FY 2011 due to the creation of debt service and capital project funds.

A breakout of the spending trends of both operating and non-operating expenditures can be found in the General Fund-Expenditures section of this report.

The next page demonstrates the history of the General Fund cash flow when only operating expenses, namely personnel costs, commodities and contractual service expenditures are examined.

It should be noted that adjustments are still taking place in relation to the close of FY 2011.



The General Fund is the main operating fund within Peoria County. Cash flow will vary each year and the same variance does not occur in exactly the same month each year. General Fund revenues and General Fund expenditures need to be added in the analysis when discussing general fund cash flow. It must be noted that any transfers in / out, changes in accounting policies, changes when revenues are booked or where expenditures occur (i.e. - capital project expenditures spent out of a capital line item in the General Fund vs. capital project expenditures spent out of a capital projects fund) will influence the level of revenues or expenditures in a given month during the fiscal year. However, trends should hold pretty consistent each year and this gives some idea as to the County's cash flow over a certain period of time.

General Fund Cash Flow

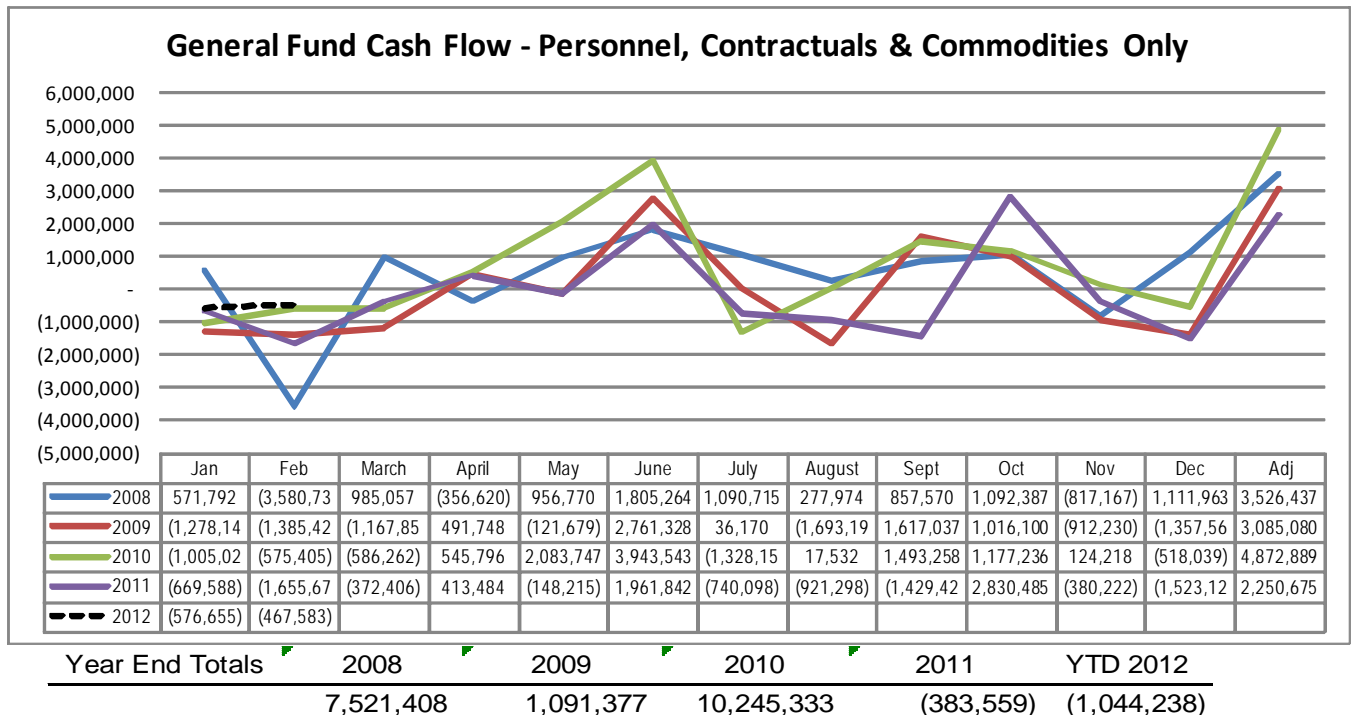
The following chart shows the General Fund cash flow when only the personnel, contractual services and commodities are examined in conjunction with General Fund revenues for each month from January 2008 to February 2012.

With the removal of the capital expenditures, debt service and transfers, the cash flow through February 2012 is (\$1,044,238). This amount was (\$3,325,260) at this time last year. The FY 2012 figure represents \$1,281,022 (55%) less than the cash burn as of this time last year.

Changes in accounting procedures, timing of payments received, timing of invoices paid and other issues can skew month to month comparisons when comparing fiscal years. While any differences often balance out over a period of months, this data should be analyzed cumulatively throughout the year as opposed to fixate on any particular month.

Looking at past years, it is obvious that the source of funding for capital projects in particular was the General Fund. Now that these have rightfully been removed, the cash flow should be \$0 under normal circumstances unless it was specifically planned to draw on the fund balance (as was in the case in the FY 2011 budget). The use of shared savings out of the General Fund is an unbudgeted expenditure which will also reduce cash flow.

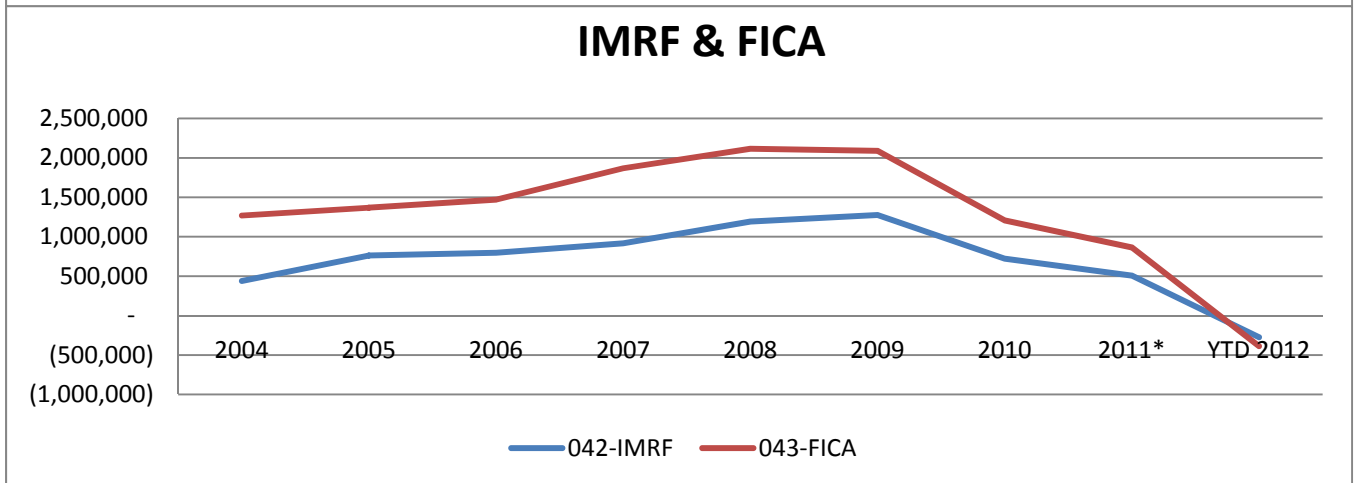
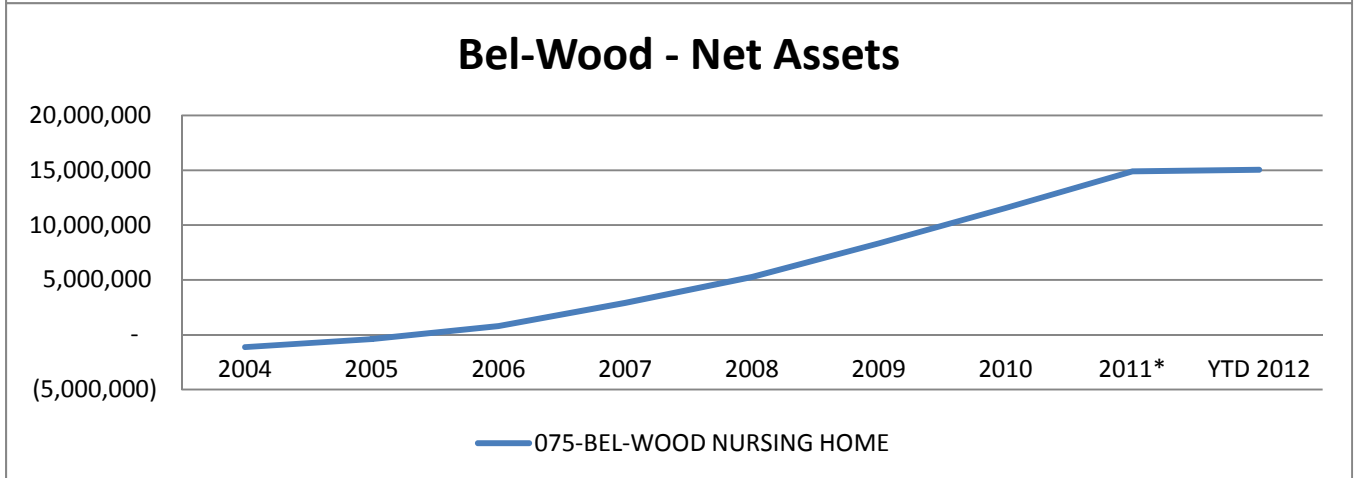
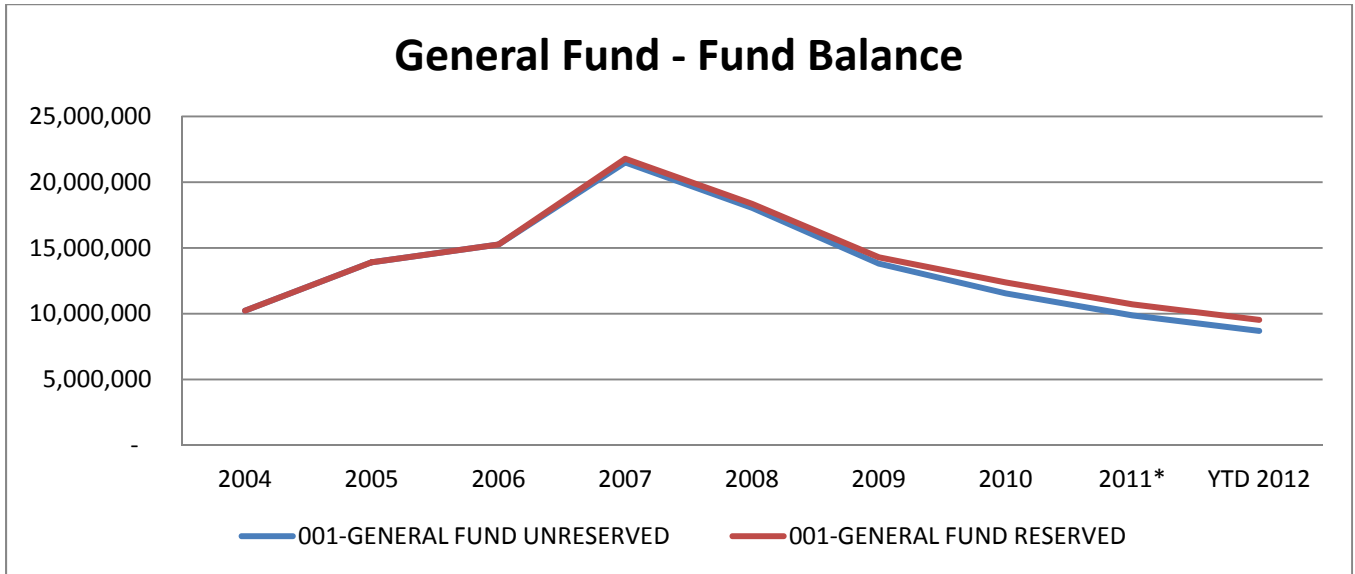
Thus far in FY 2012, there is over a \$1 million negative cash flow, but it must be kept in mind that only \$2,640 of property tax has been received thus far. This cash flow will continue to decline until the month of June when it will climb back up to a more palatable number. The cash flow will not turn positive until either the second installment of property tax payments or during the adjustment phase. The year end adjustments allow the County to account for any delayed payments / accruals associated with State shared revenues.



Fund Balances (Through February 29, 2012)

FUND #	FUND NAME	2004	2005	2006	2007	2008	2009	2010	2011*	YTD 2012
001	001-GENERAL FUND UNRESERVED	10,233,307	13,916,333	15,260,917	21,508,115	18,045,681	13,803,765	11,541,174	9,874,059	8,691,821
001	001-GENERAL FUND RESERVED	-	-	-	275,365	314,223	488,733	837,059	837,059	837,059
003	003-EMERGENCY TELEPHONE	5,080,431	5,922,001	6,955,791	13,138,828	14,236,196	14,685,394	13,320,096	13,083,701	12,983,466
030	030-PEORIA CITY/COUNTY HEALTH DEPT	3,143,026	2,919,074	2,922,690	3,091,579	3,160,781	3,603,278	3,439,648	2,951,441	2,718,544
031	031-CARE & TREATMENT	149,662	185,954	193,193	167,374	187,133	189,912	93,438	128,479	57,782
033	033-COUNTY HIGHWAY	827,328	628,377	549,626	517,341	579,076	624,303	680,962	555,045	268,075
034	034-COUNTY BRIDGE	252,971	272,554	844,971	1,098,477	677,168	682,547	1,151,781	1,436,770	1,279,784
035	035-TOWNSHIP BRIDGE	38,121	39,634	184,704	338,892	631,321	632,172	632,270	632,333	918,143
036	036-COUNTY MOTOR FUEL TAX	4,575,624	4,857,430	5,071,076	3,766,317	2,133,012	3,073,691	1,732,801	1,896,646	2,237,321
037	037-TOWNSHIP MOTOR FUEL TAX	409,742	711,863	413,999	679,381	532,911	795,462	1,093,978	2,271,779	2,412,198
038	038-MATCHING TAX	760,532	720,675	1,245,631	1,119,078	1,204,901	1,126,116	987,085	1,174,389	897,340
039	039-HAZARD MITIGATION ASS'T	-	-	-	-	-	-	-	-	-
040	040-COMMUNITY DEV ASSISTANCE PROGRAM	1,251,317	1,294,070	1,301,270	1,229,492	1,143,661	1,068,310	1,087,938	1,096,255	1,098,889
041	041-SOLID WASTE MANAGEMENT	518,668	488,960	536,680	702,046	746,181	748,939	743,937	1,218,486	1,220,039
042	042-IMRF	438,761	762,284	796,385	916,005	1,192,678	1,275,914	722,819	507,654	(275,265)
043	043-FICA	830,481	606,019	675,190	951,766	922,635	813,711	484,790	355,476	(112,391)
044	044-VETERANS ASS'T COMMISSION	34,911	41,919	43,272	75,568	79,903	70,679	55,905	49,936	26,130
045	045-PEORIA COUNTY LAW LIBRARY	108,818	110,507	110,362	102,641	80,289	62,800	48,656	32,189	38,318
046	046-PEORIA COUNTY FORFEITURE	25,700	39,402	114,516	223,975	324,358	376,270	345,386	383,847	392,897
047	047-RABIES CONTROL	1,859	1,859	1,859	1,859	1,859	1,859	1,859	1,859	1,859
048	048-JUVENILE DETENTION CENTER	457,601	233,361	562,711	243,222	462,902	561,611	715,162	1,034,256	1,073,642
049	049-PROBATION SERVICES	844,037	979,682	649,951	441,477	470,659	767,526	1,031,059	1,093,819	1,174,208
051	051-DRUG FORFEITURE-SHERIFF	96,118	123,725	121,932	95,584	81,697	60,974	44,722	42,701	46,138
052	052-NEUTRAL SITE EXCHANGE	276,048	343,817	422,356	494,677	527,922	513,769	500,567	467,663	466,276
054	054-MORTGAGE FORECLOSURE	-	-	-	-	-	-	-	-	-
057	057-INMATE BENEFIT	300,990	357,713	453,332	576,449	682,565	787,157	478,186	189,051	150,049
058	058-RESTRICTED DONATIONS SHERIFF	45,977	48,687	52,604	47,598	45,233	45,459	41,603	48,585	48,633
059	059-RESTRICTED DONATIONS BEL-WOOD	-	-	-	-	-	-	-	-	-
060	060-UNIV OF ILLINOIS EXTENSION	-	-	-	-	-	-	1	1	45
061	061-PUBLIC FACILITIES SALES TAX	-	-	-	-	-	-	2,195,024	1,127,663	1,448,954
062	062-CAPITAL PROJECTS	-	-	-	-	-	-	5,293,696	4,197,096	4,332,491
063	063-PLANNING AND ZONING GRANT	-	-	-	-	(145,000)	-	-	(46)	(46)
064	064-CRIMINAL JUSTICE SYSTEM	16,646	17,234	-	-	-	-	5,817,095	5,817,095	5,817,095
065	065-PEORIA RIVERFRONT MUSEUM	-	-	-	-	-	-	31,587,672	18,497,398	17,023,616
066	066-ALLIED AGENCIES-DEBT SERVICE	11,561	11,561	11,561	20,911	-	-	-	-	-
067	067-GEN OBLIGATION DEBT CERTIFICATE	-	-	-	-	-	-	1,624,974	3,261,733	3,260,133
068	068-JAIL/JDC BOND DEBT	1,112	752	753	753	753	-	-	-	-
069	069-BERKSHIRE SPECIAL ASSESSMENT	(27,106)	(26,324)	-	-	-	-	-	-	-
070	070-CRIMINAL JUSTICE SYSTEM	-	-	-	-	-	-	-	(541,550)	(580,394)
075	075-BEL-WOOD NURSING HOME	(1,142,066)	(404,960)	786,822	2,903,148	5,265,716	8,325,479	11,558,602	14,907,876	15,040,275
076	076-PEORIA COUNTY PARKING FACILITY	2,862,834	2,891,039	2,973,363	3,081,111	3,197,649	3,266,526	3,352,396	3,413,378	3,448,174
080	080-PEORIA COUNTY IT SERVICES	1,759,173	2,218,875	2,817,223	3,144,836	3,016,478	3,382,081	3,356,109	3,138,596	3,076,409
081	081-PEORIA COUNTY EMPLOYEE HEALTH	271,910	1,820,136	5,394,447	8,817,999	11,686,817	12,825,837	12,768,200	12,936,913	13,076,556
082	082-PEORIA COUNTY RISK MANAGEMENT	424,746	339,713	765,539	822,741	425,662	285,719	352,535	10,363	(877,440)
085	085-PEORIA COUNTY JUDGES MARRIAGE	5,684	7,658	-	-	-	-	-	-	-
087	087-PUBLIC TRANSPORTATION	-	-	-	-	-	-	-	(75,891)	(83,814)
088	088-SPRINGDALE CEMETARY	-	-	-	-	-	-	-	-	-
090	090-VICTIM ADVOCATE	1,699	2,395	2,941	3,318	3,441	3,455	-	-	-
091	091-C.O.P.S.	12,342	12,904	6,408	14,160	7,192	7,186	7,192	7,192	7,192
092	092-WW MEM CAPITAL PROJECT	-	-	619,522	-	-	-	-	-	-
093	093-EDUC TRANSITION / VISIT	9,785	8,329	8,216	7,515	9,956	13,281	14,635	15,198	16,866
094	094-FAMILY VIOLENCE COORD COUNCIL	(321)	(5)	149	307	399	411	418	13,978	9,928
095	095-WORLD WAR II VET MEMORIAL	-	-	-	-	-	-	-	-	-
097	097-COUNTY/ST CAPITAL IMPROVE GRANT	4,510	4,669	4,918	2,930,474	4,727,983	6,517,462	10,415,984	10,256,537	10,256,832
	TOTAL	34,914,539	42,509,876	52,876,880	73,550,379	76,661,991	81,487,788	130,157,414	118,347,010	113,923,829

Fund Balances (Through February 29, 2012)



Fund Balances (Through February 29, 2012)

