

PEORIA COUNTY, ILLINOIS

MONTHLY FINANCIAL REPORT

June 2012



Revenue information current as of: June 15, 2012

Year-to-date revenues, expenditures and cash flow as of: April 30, 2012

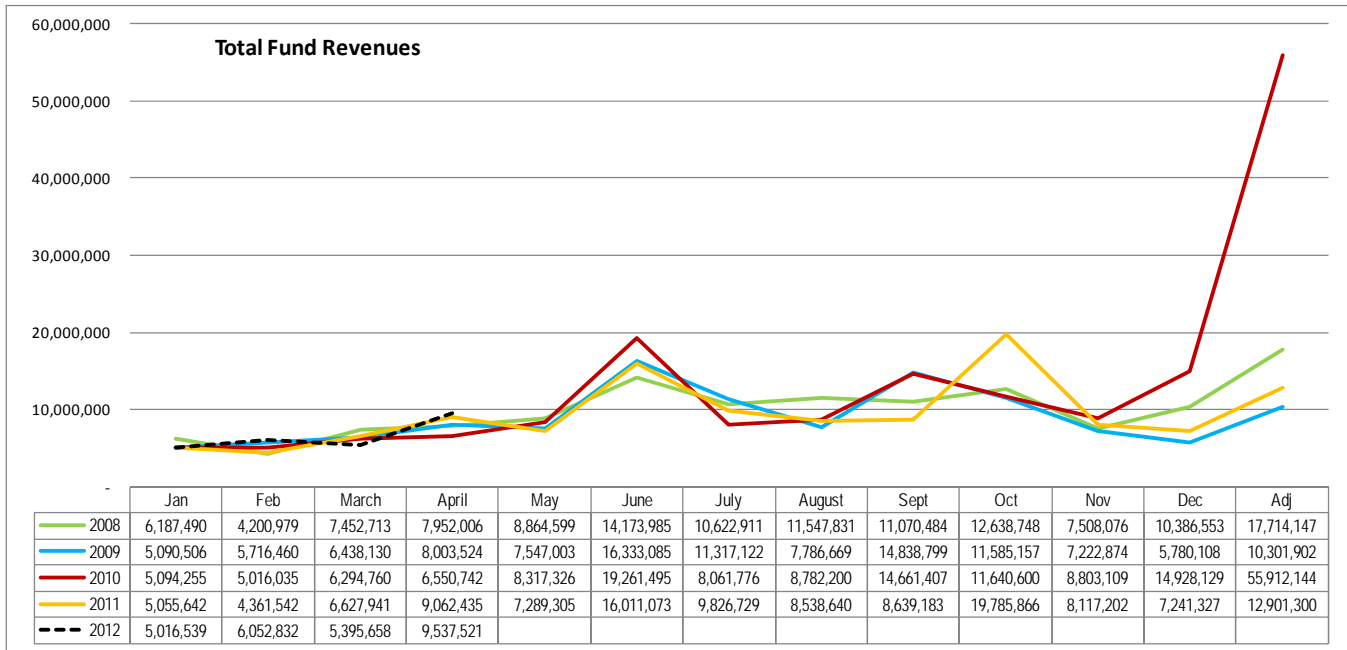
Overall Fund Revenues

As of April 30, 2012, overall fund revenues are \$26,002,550. This is an increase of \$894,990 (+3.6%) over the same time last year. The timing issues associated with the sales tax and state derived payments that occurred in February 2012 has resurfaced. Sales taxes came in later in 2012 than in 2011 (May as opposed to April).

Line items with notable increases include: expense reimbursement-other (+\$1,440,789;1,564.1%) which was related to a reimbursement from Lakeview Museum to the PRM fund, federal grants (+\$120,597; 783.9%), construction cost reimbursement (+\$285,799; 583.8%), state income tax (\$232,386; 21.8%), state reimbursement - salaries (+\$159,011; 29.1%), personal property replacement tax (+\$131,436, 8.8%), federal detention charges (+\$119,735;108.7%), animal protection contract (+\$115,807;417.9%), employer health fees (+\$105,388;6.6%), revenue stamps (+\$76,157;34.1%), misc. fees for services (+\$67,535;67.4%), taking of bond fee (+\$62,796;138.9%), clear-win grant (+\$62,747,n/a), health fees-employee (+\$53,459;10.4%), food licenses (+\$52,450;18.2%), and WIC grants (+\$51,165,27.7%).

The line items with notable decreases include: donations (-\$251,271;91.2%), contractual allowance medicare (-\$241,757;65.7%), patient income - public aid (-\$119,320;4%), contribution - public aid (-\$105,071;20.1%), property tax (-\$85,087;12.8%), medicare fees (-\$70,278;17.1%), services-third party (-\$57,393,14%). Also down per the books (but these are reflected in early May) are: supplementary sales tax (-\$434,365;34.8%), public safety sales tax (-\$369,403;35.4%), public facilities sales tax (-\$369,403;35.4%) and unincorporated sales tax (-\$114,195; -40.5%).

When examining all of the County's revenues, one of the areas of utmost concern are the Bel-Wood revenues. These revenues are linked closely to the patient census, as the census declines the revenues will decline. If expenditures keep in line with falling revenues, then this will not be a concern. However, if expenditures do not decline in a similar manner, this will have a huge impact on the overall fiscal health of the County.



Year End Totals	2008	2009	2010	2011	YTD 2012
	130,320,522	117,961,339	173,323,978	123,458,185	26,002,550

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

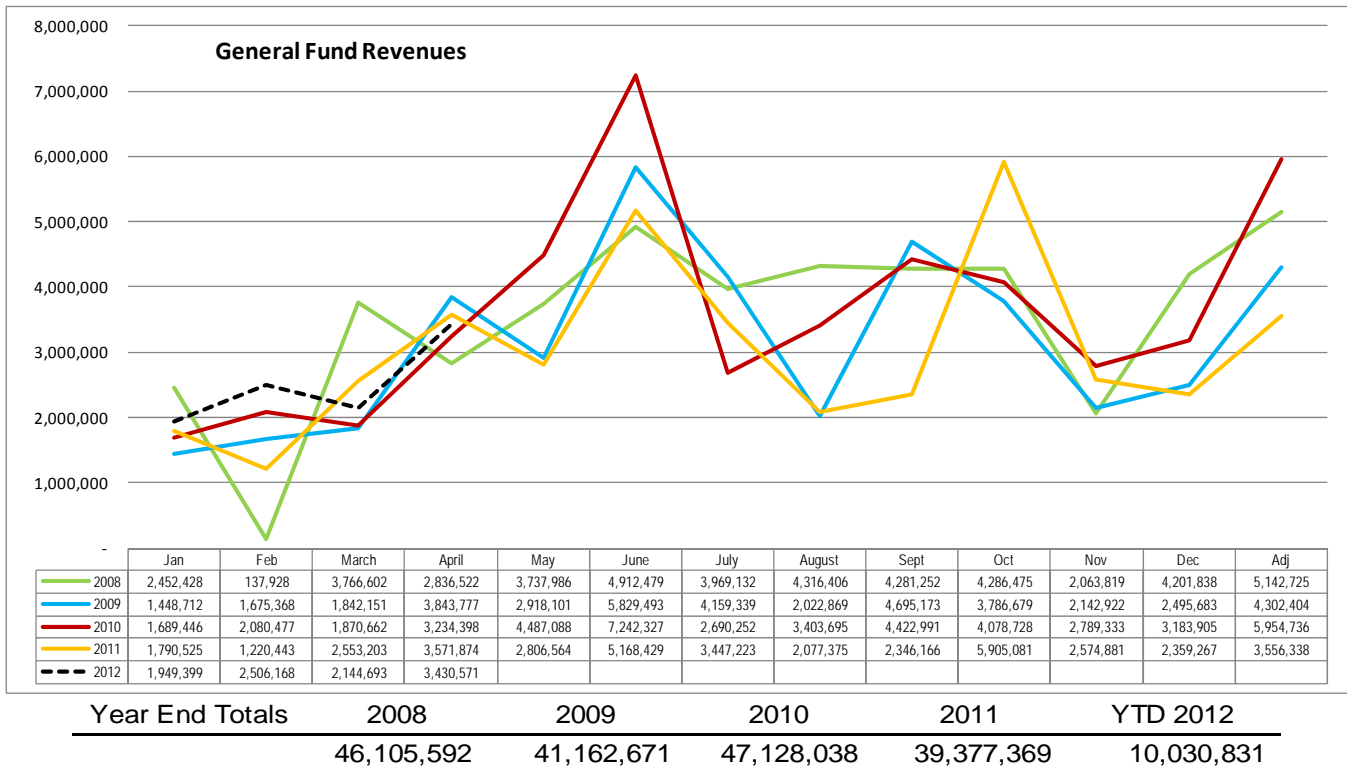
As of April 30, 2012, General Fund year to date revenues were at **\$10,030,831**, an increase of **\$894,786** (or 9.8%) when compared to April 30, 2011.

Much of this is due to the 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.

It should be noted that due to the timing of state sales taxes and the fact the cash flow reports are done on a **cash basis**, the **April sales tax revenues do not appear in the April financial reports**. Government entities like the County use a **modified accrual system of accounting** where revenues are recognized when they become available and measurable and expenditures are recognized when the liability is incurred.

Revenues experiencing significant growth over FY 2011 include: state income tax (+\$232,386, 22%), detention charge - federal (+\$119,735,109%), animal protection contract (+\$115,807,418%), personal property replacement tax (+\$115,120,10%), federal grants (+\$106,328,691%), revenue stamps (+\$76,157,34%), taking of bond fees (+\$62,796,139%), reimbursement of state salaries (+\$59,063,38%), misc. fees for services (+\$45,203,50%), unanticipated misc. (+\$37,521,2016%), inheritance tax (+\$37,480,n/a), building/zoning permits (+\$30,993,38%) and court fines (+\$24,430,19%)

Revenues experiencing some decline from FY 2011 include: restricted donations (-\$18,108,-100%), court security fees (-\$17,037,-8.6%) and automation fees (-\$11,923,-5.7%). Sales taxes and supplementary sales taxes are down on a cash basis since they were received in May, but on the revenues will be recognized in April when accrual adjusting entries are made. These amounts are currently (-\$114,195,-40.5%) and (-\$258,153,-24%), respectively.



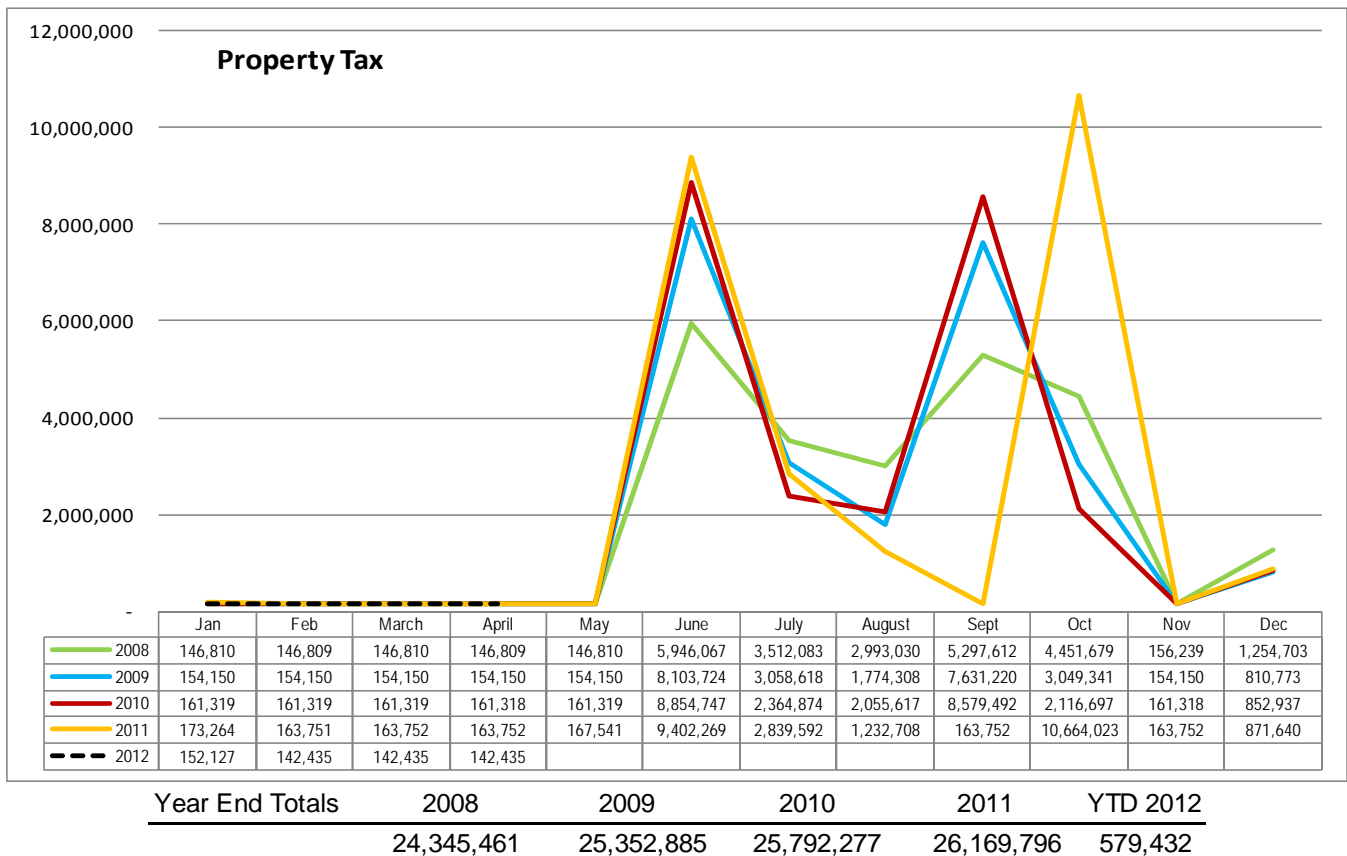
Property Taxes

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.

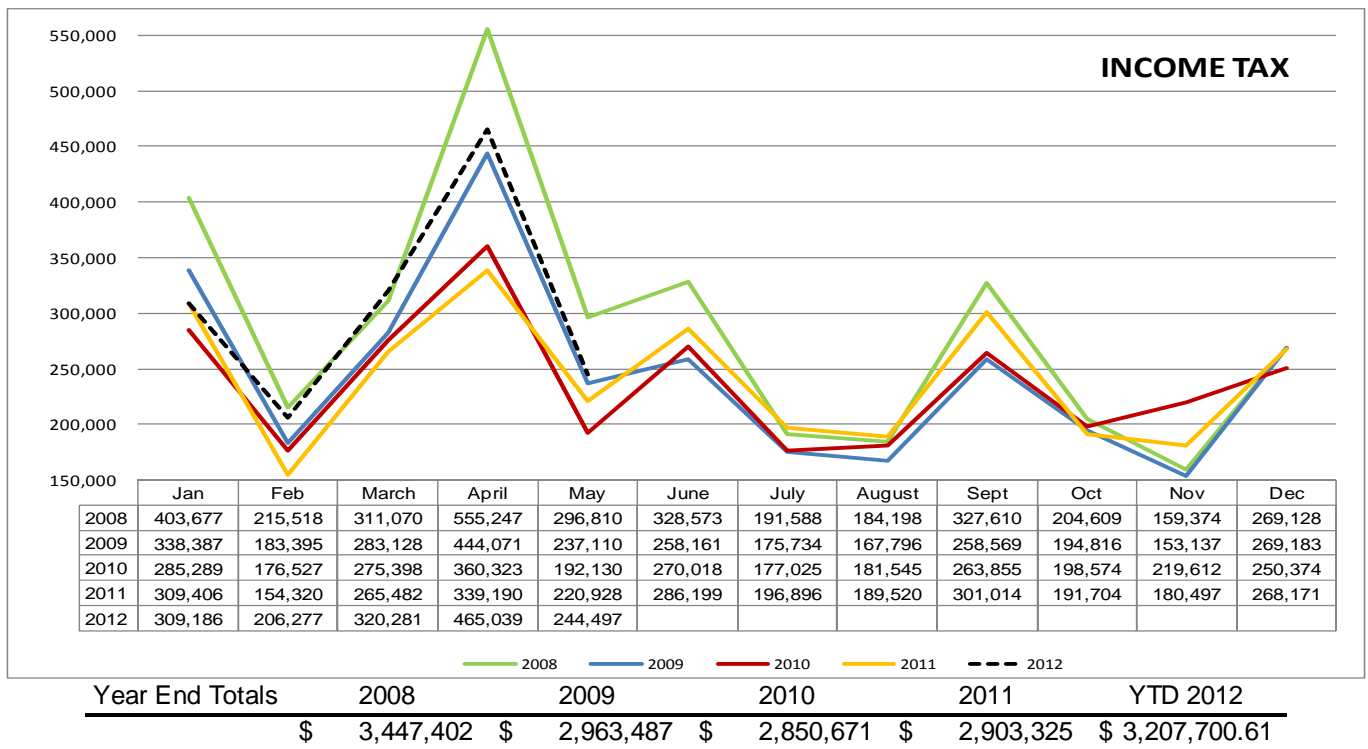
Property tax revenues are down \$85,087 (-12.8%) through April 30, 2012. The only item being booked is the monthly accrual for Bel-Wood property taxes. The reliability of property taxes as a revenue source means that this decrease is temporary and is not a major concern when comparing revenues to the 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.



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 tax 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

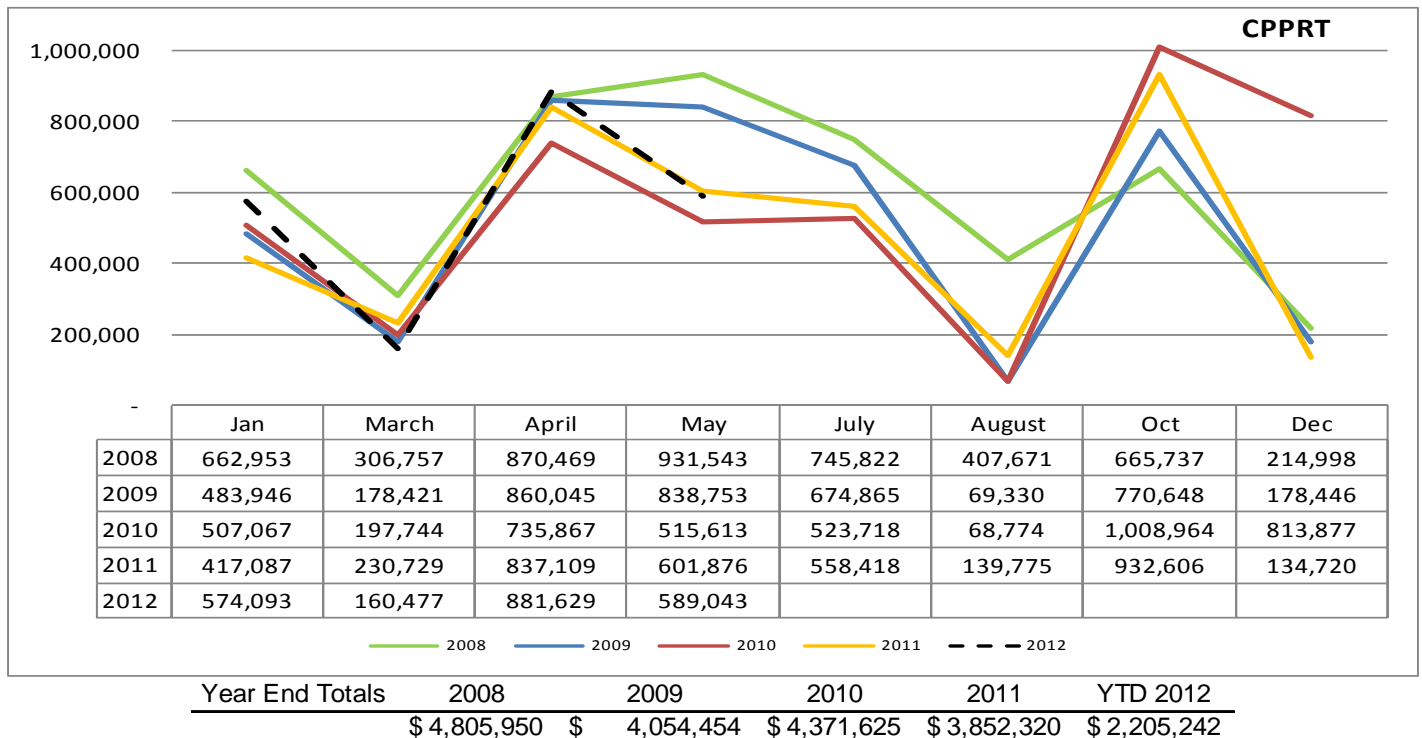
Income Tax revenues have a delayed response to the economy. Reductions in income taxes appear a few months into an economic recession. Reductions in income tax revenue took place from 2001-2003, yearly growth took place from 2004-2008 and another set of reductions began in 2009-2010. FY 2012 income tax 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 June 15, 2012, the amount of income tax received by Peoria County through five months is \$1,545,280. This amount is \$255,955 (or 19.9%) higher than the amount received at this time last year. Recent talks out of Springfield to freeze the income tax distributions to local governments have ceased, which is good news since this is one of the County's fastest growing revenue streams in 2012.



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

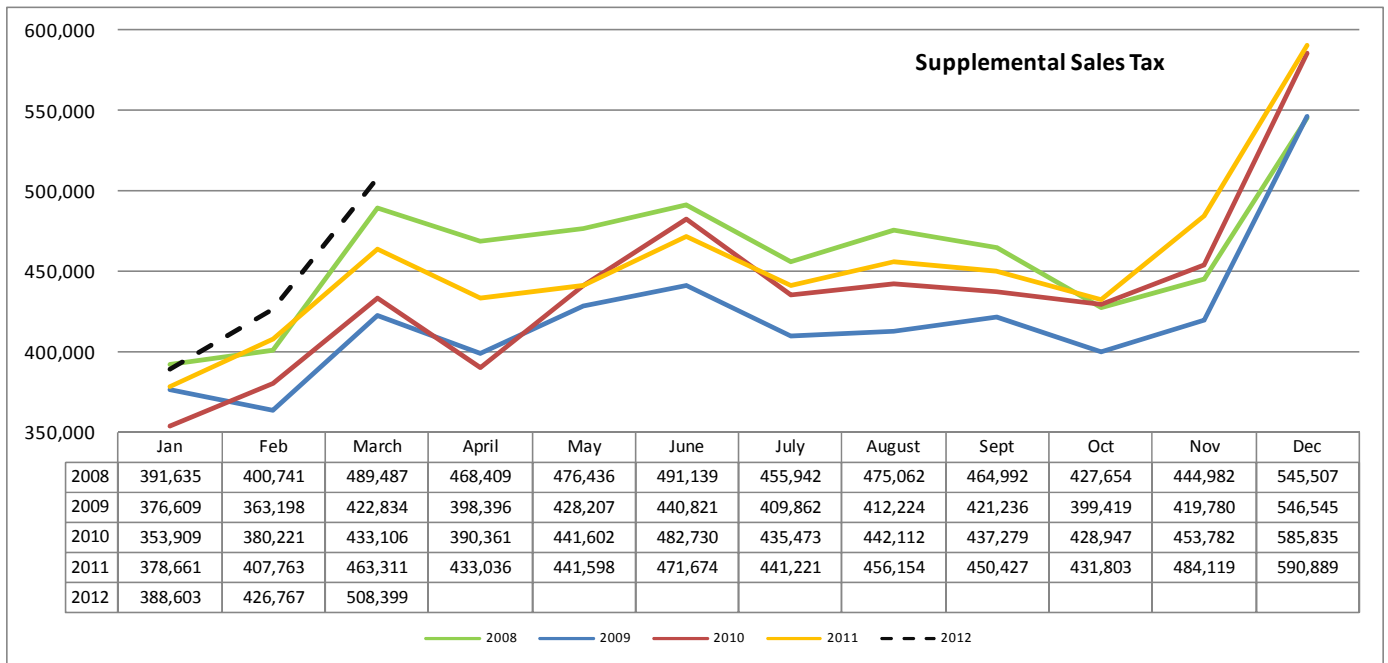
As of June 15, 2012, Fiscal Year 2012 CPPRT revenues are at \$2,205,242. No payment is due in June 2012. This is up \$118,441.05 (or 5.7%) over the amount received at this time in Fiscal Year 2011. The "corporate" aspect of the Corporate Personal Property Replacement Tax is the most likely source of 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.



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. Year to date supplemental sales tax revenues (through March 2012) are currently \$1,323,769. This is an increase of \$74,034 (or 5.9%) over this time in FY 2011. This is the ninth month in a row where the current monthly sales tax revenue was higher than the same month of the previous year. The last two months have seen strong increases in sales, which is very good news considering the miniscule increase in sales tax revenues through the holiday season.

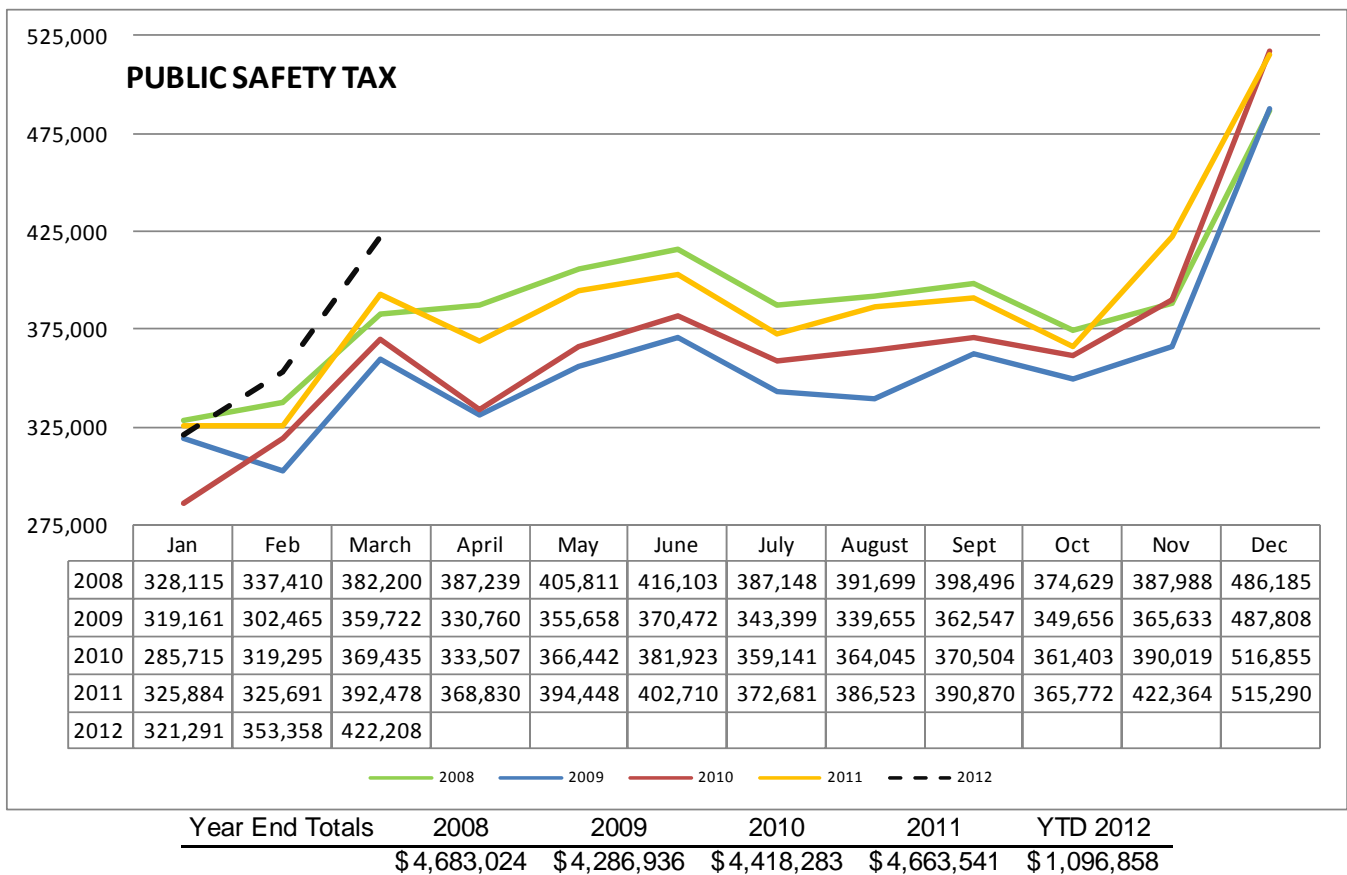


Year End Totals	2008	2009	2010	2011	2012 YTD
	\$ 5,531,986	\$ 5,039,130	\$ 5,265,357	\$ 5,450,655	\$ 1,323,769

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

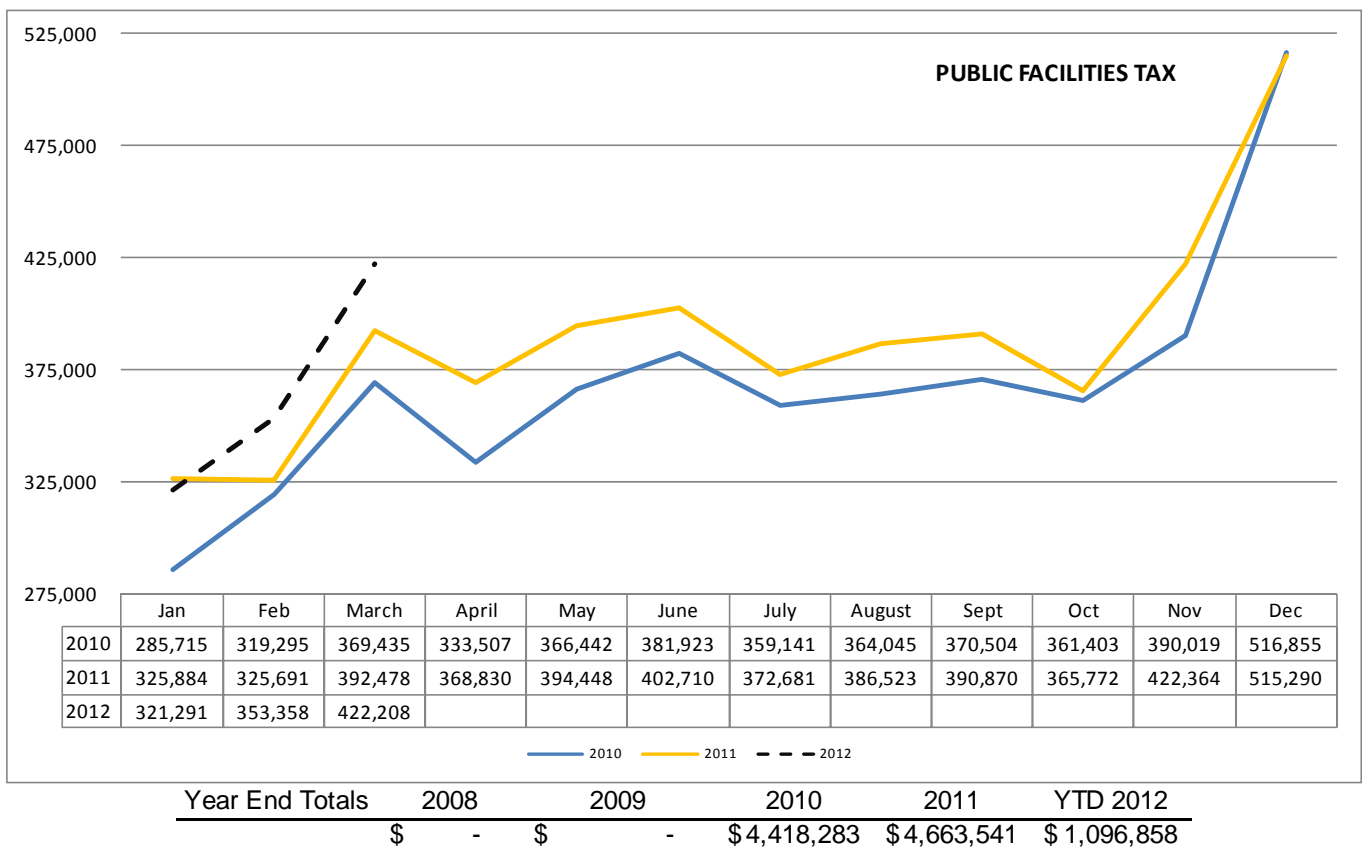
The public safety sales tax is a 0.25% tax on applicable goods purchased within Peoria County. Licensed and titled goods are exempt from this tax, so this revenue stream coincides with the sale of general merchandise. This sales tax has been recovering since the recession in 2008 first hit. Unlike other 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. There were concerns about this sales tax stream due to a weak holiday shopping season. However, the last two months have seen a strong turnaround in sales tax revenue and the trend is anticipated to continue in the coming months. The County has received \$1,096,858 through **March 2012**, which is a **5.1% increase** compared to this time in FY 2011.



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

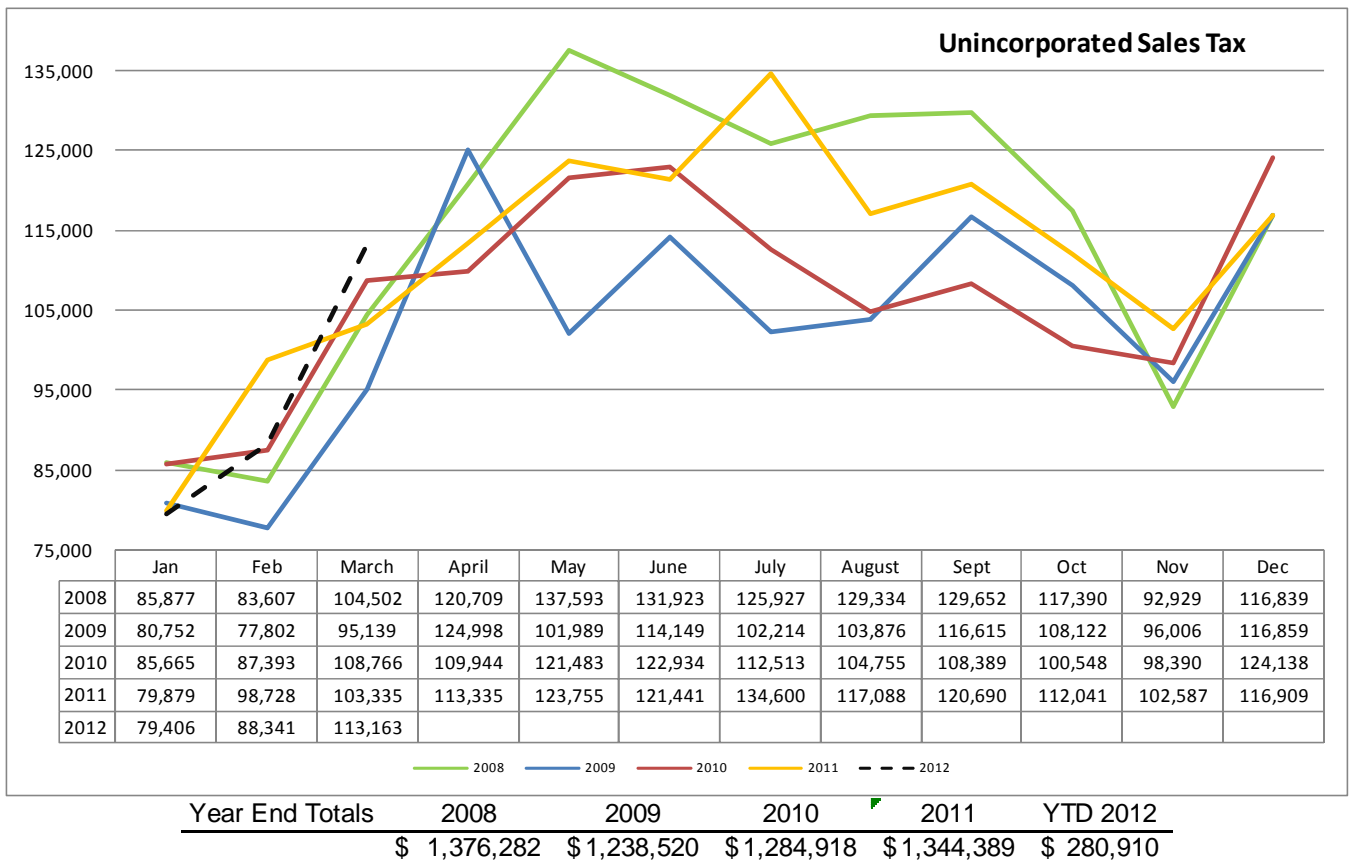
The public facilities sales tax is a 0.25% tax on applicable goods purchased within Peoria County. Licensed and titled goods are exempt from this tax, so this revenue stream coincides with the sale of general merchandise. While this tax stream is relatively new, first collected on January 1, 2010, it is at the same rate and applicable on the same goods as the public facilities 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. The declining revenues witnessed in the last two months turned around in February 2012 and the trend continued in March 2012. The County has received \$1,096,858 through March 2012, which is a 5.1% increase compared to this time in FY 2011.



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

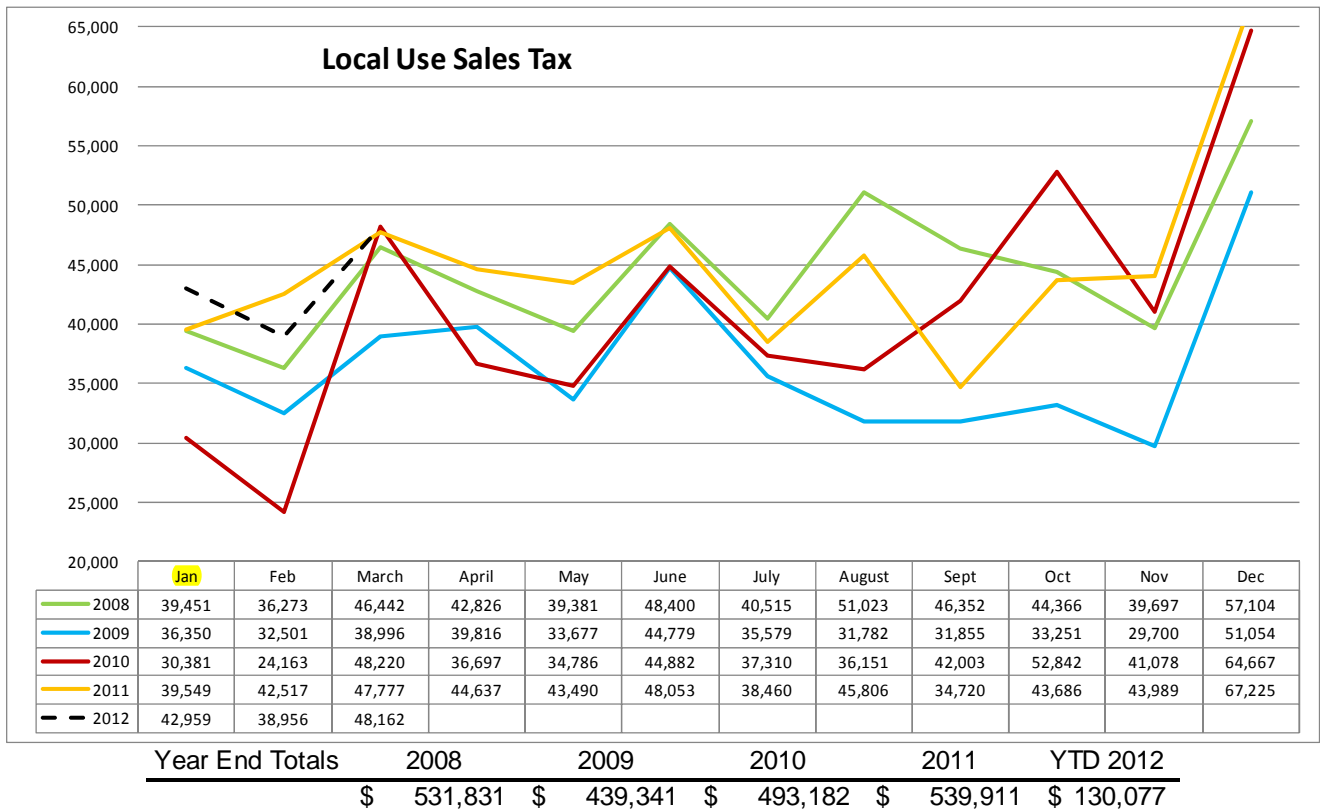
Unincorporated sales tax is collected at a rate of 1.25% on goods purchased in unincorporated areas of Peoria County. This sales tax revenue is similar to all other sales taxes in the economy in that it has been on the rebound since late 2008 when the economy was hit by recession. March 2012 tax receipts were \$9,828 more (+9.5%) than March 2011 receipts. The year to date total received is \$280,910, which is \$1,032 (-0.4%) less than last year at this time. However, as of last month this revenue stream was down 5%, so it is good news to see the numbers so return to where they were last year.



The Unincorporated Sales Tax, also known as the County Sales Tax is a 1.25% 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 Tax

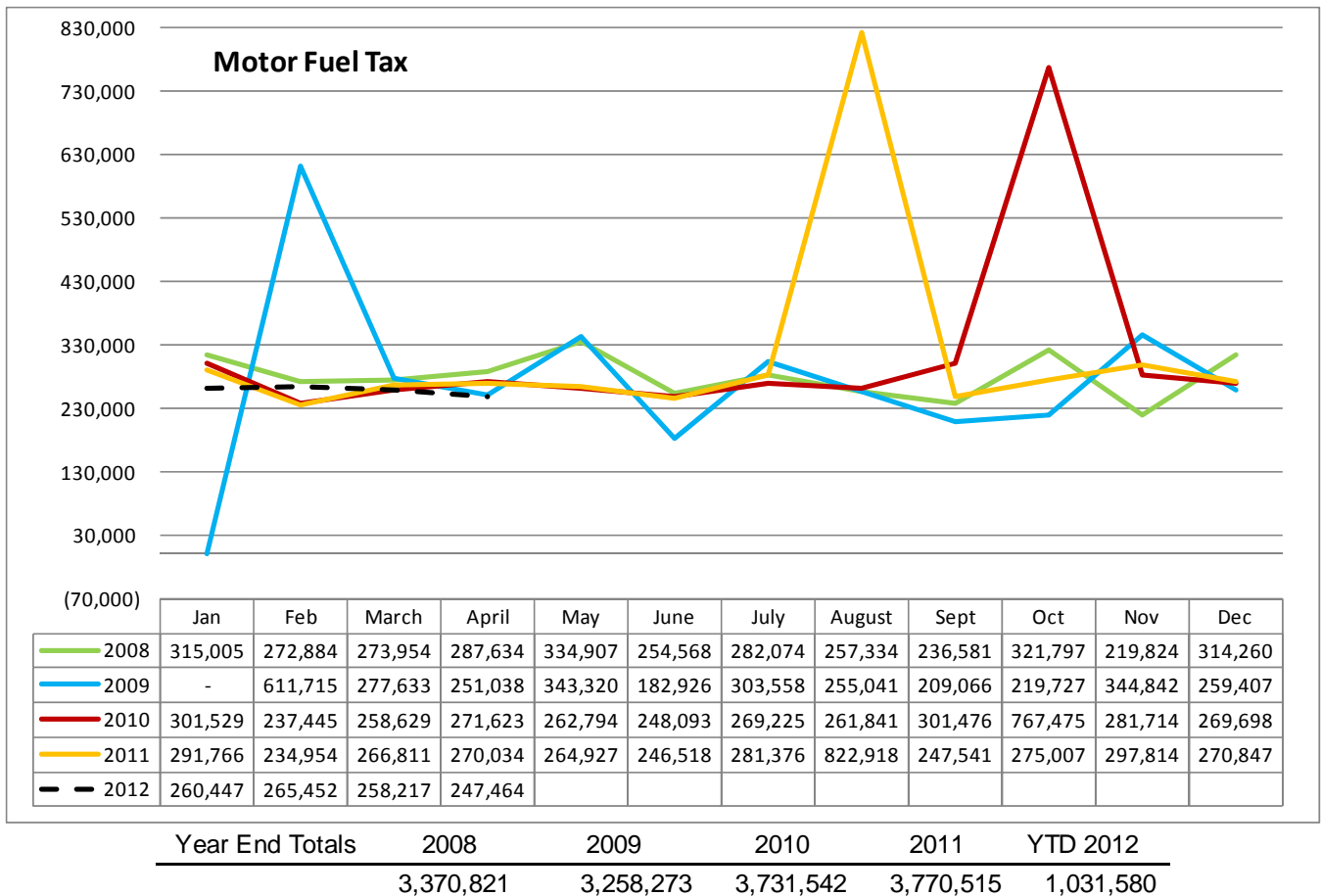
The local sales use tax has been growing steadily since late 2008 when the first effects of the recent recession took place. This growth rate is significantly higher than the County's other sales taxes. As of June 15, 2012, tax figures through March 2012 have been released. Year to date the County has collected \$130,077, a **increase of \$233 (0.2%)** over the figures through March 2011. Local sales use taxes are most often associated with online purchases. The local use tax calculations **are flat in 2012**, where as the supplemental sales tax has been growing slightly over last year, this may be indicative that the **local economy is seeing a stronger recovery that the statewide economy.**



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 four months of FY 2012 brought in \$1,031,580 in Motor Fuel Taxes. This is \$31,986 (or -3.0%) less than this time in FY 2011. Early estimates will see motor fuel taxes staying flat throughout most of the year. This is not a cause for alarm, but it would be wise to reduce spending where applicable in order to make up for any lost revenue.



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 2011 is audited and FY 2012 provides year to date information derived from the Health Committee financial reports on a cash basis).

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 chart 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 known as Heddington Oaks) 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 issued 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 April 30, 2012						
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>YTD 2012</u>
Operating Revenues	\$ 18,887,304	\$ 18,314,156	\$ 17,936,890	\$ 13,979,879	\$ 13,880,082	\$ 3,785,630
Operating Expenditures	18,366,581	17,705,266	16,729,506	12,710,114	12,447,852	4,033,646
Operating Income	520,723	608,890	1,207,384	1,269,765	1,432,230	(248,016)
 Non Operating Revenues						
Taxes	1,659,262	1,750,609	1,838,312	1,916,856	1,947,681	569,740
Other Income (Including Interest)	(71,471)	16,812	20,642	46,641	26,875	14,671
Misc. nonoperating expenses	-	-	-	-	(57,121)	-
Loss on Disposal of Capital Assets	(5,611)	(13,743)	(6,575)	(139)	(392)	-
Total nonoperating revenues	1,582,180	1,753,678	1,852,379	1,963,358	1,917,043	584,411
 Transfers In	 13,423	 -	 -	 -	 -	 -
 Change in Net Assets	 2,116,326	 2,362,568	 3,059,763	 3,233,123	 3,349,273	 336,395

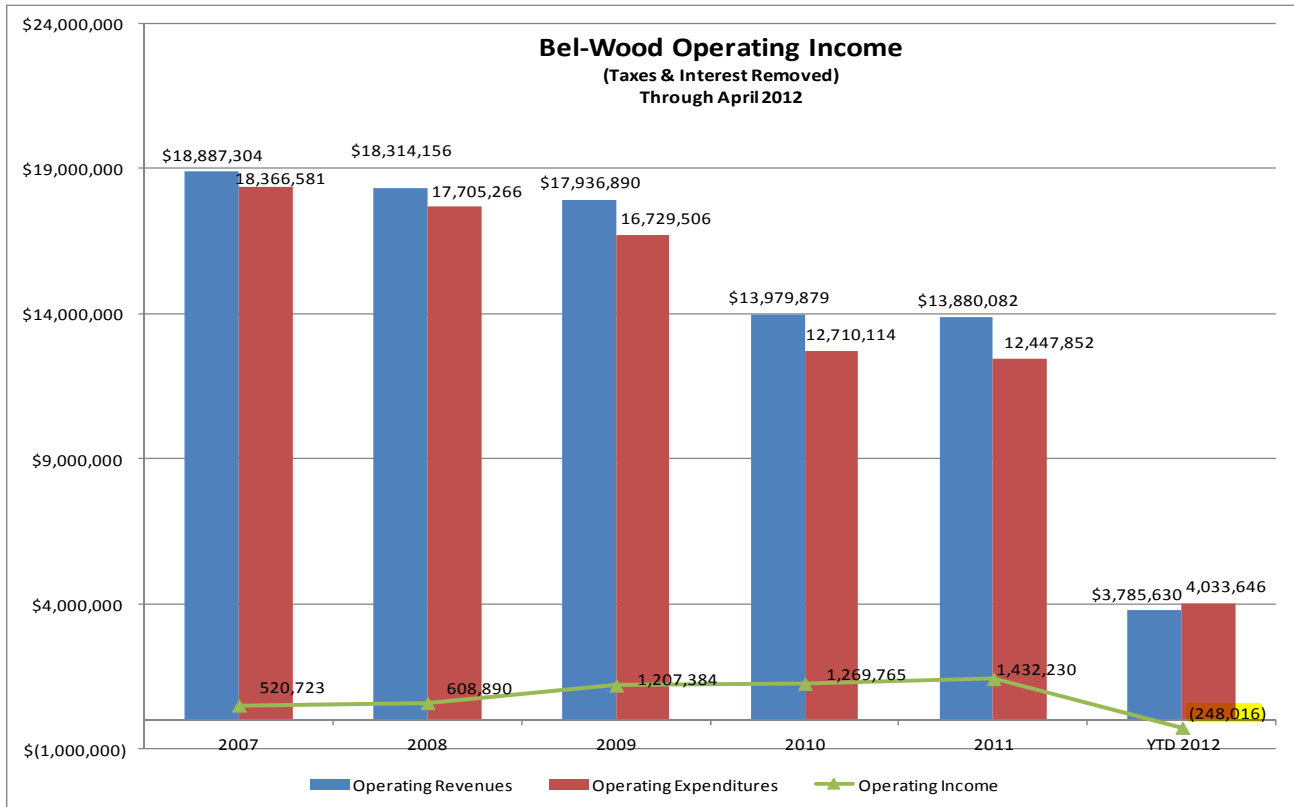
<http://www.peoriacounty.org/countyboard/avcommittee/>

Bel-Wood Financials

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 2011 are derived from audited figures and FY 2012 is based on the latest financial reports distributed to the County's Health Committee. Current year to date totals are accurate as of April 30, 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.

The closure of a wing in the Bel-Wood facility and new strategy related to staffing has been implemented in order help in adjusting the negative trend. There is still a negative cash flow, but it is getting smaller each month (i.e. - \$60,045 in March 2012, \$36,722 in April 2012). This is due to corrective measures trying to keep expenses in check while preparing for the move to the new facility. The year to date cash burn is (\$248,016). While much of the issue is related to a reduction in revenues due to the reduced patient census (due to the preparation for the transition to the new elder care facility), the expenditures need to be kept in line in order to reduce the negative cash flow the facility is currently experiencing. An item of note for this month is the audited figures for FY 2011 came in to the County's benefit. Net operating income grew \$437,381 when all adjustments were booked and finalized. Again, much of this was due to accounts receivable / payable with the State of Illinois.

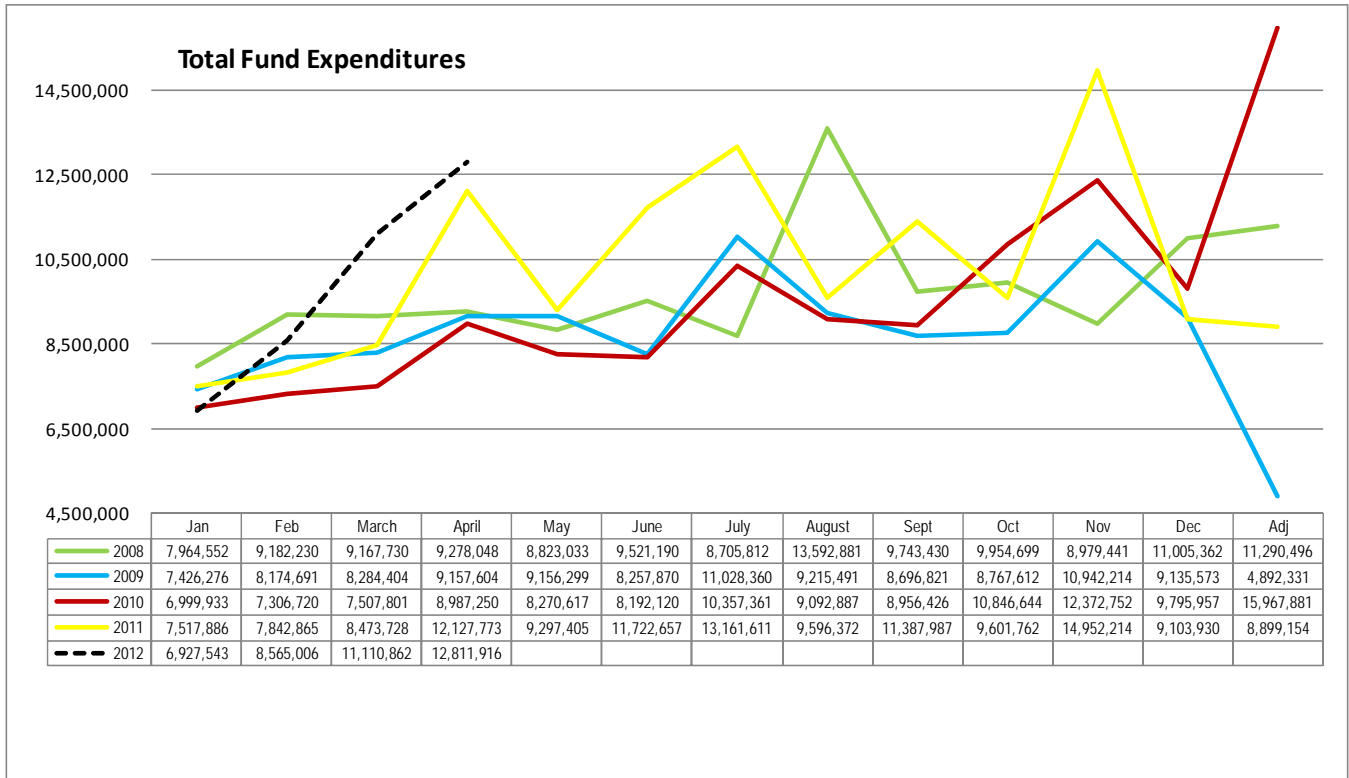


Overall Fund Expenditures

April 30, 2012 year to date expenditures for all funds are currently \$39,415,327, up \$3,453,075 (+9.6%) from April 2011 year to date expenditures. Not surprisingly, building construction is by far the largest expense at \$6,620,518 spent to date. This is \$3,816,993 (136.1%) 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.

Other line items where spending has significantly increased include: contributions & grants (+\$1,035,232;4,136.5%) related to the transfer of some building reserve fund monies to the PRM, liability claims (+\$184,597;1,266%), medical claims (+\$184,533, 14%), prescription drug claims (+\$132,769;36.1%), medical health benefits (+\$101,593;6.4%), bridge repair (+\$92,623;7,586.7%), capital-non depreciable (+\$85,739;221%), vehicles (+\$84,080;59.7%), radio repair /maintenance (+\$80,044;274.1%), program development/coordination (+\$76,960;62.4%), consultant services (+\$64,402;15.6%), software maintenance/lease (+\$55,296;15.1%), bridges & culverts (+\$53,841;n/a), and temporary employees (+\$52,496;26.4%).

Other line items where spending has decreased significantly include: other equipment (-\$466,666;93.5%), operational supplies (-\$422,587;47.4%), worker's compensation claims (-\$407,921;92.4%), mechanical equipment repair (-\$182,783;77.5%), radio & telephone equipment (-\$180,194;58%), building improvements (-\$136,371;20.6%), overtime premium (-\$92,996;19.6%), construction (-\$80,006,100%), and engineering /architecture (-\$51,745;46.8%).



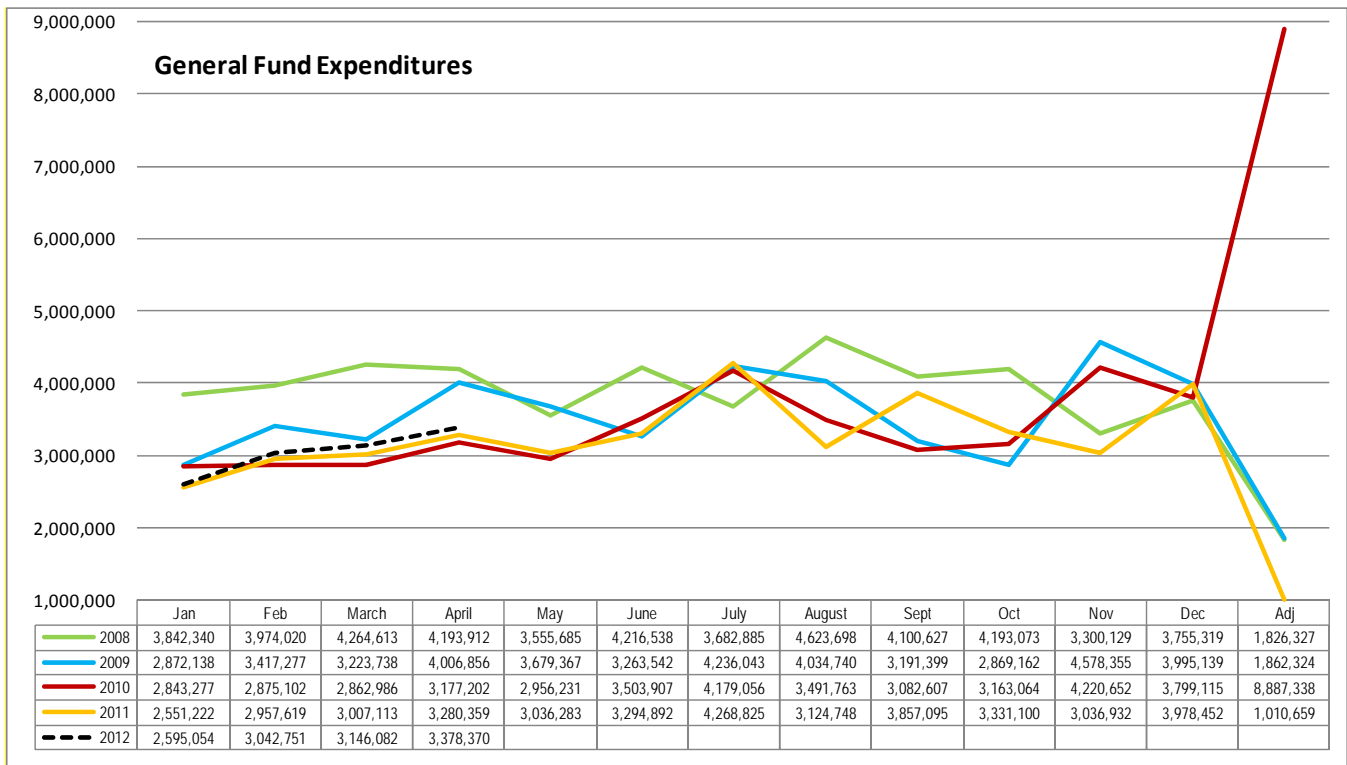
Year End Totals	2008	2009	2010	2011	YTD 2012
	127,208,904	113,135,546	124,654,349	133,685,344	39,415,327

General Fund Expenditures

As of April 30, 2012, FY 2012 General Fund expenditures are at \$12,162,257, an increase of \$365,944 (+3.1%) when compared to FY 2011.

Areas that experienced notable growth include: full time employee salaries and wages at \$155,303 (+3%), medical health benefits at \$100,367 (+12%), medical services at \$89,229 (+30%), holiday pay at \$42,476 (+67%), radio repair maintenance at \$38,341 (+190%), fleet maintenance expense at \$+33,333 (+24%), annual maintenance contracts at \$23,545 (n/a) and election judges salaries at \$22,357 (+78%). The salaries and wages include step increases and other adjustments.

Line items that have decreased more than \$20,000 year to date from this point last year include: consultant services (-\$56,960,-21%), other equipment (-\$37,675, -85%) and counseling services (-\$22,540,-37%).

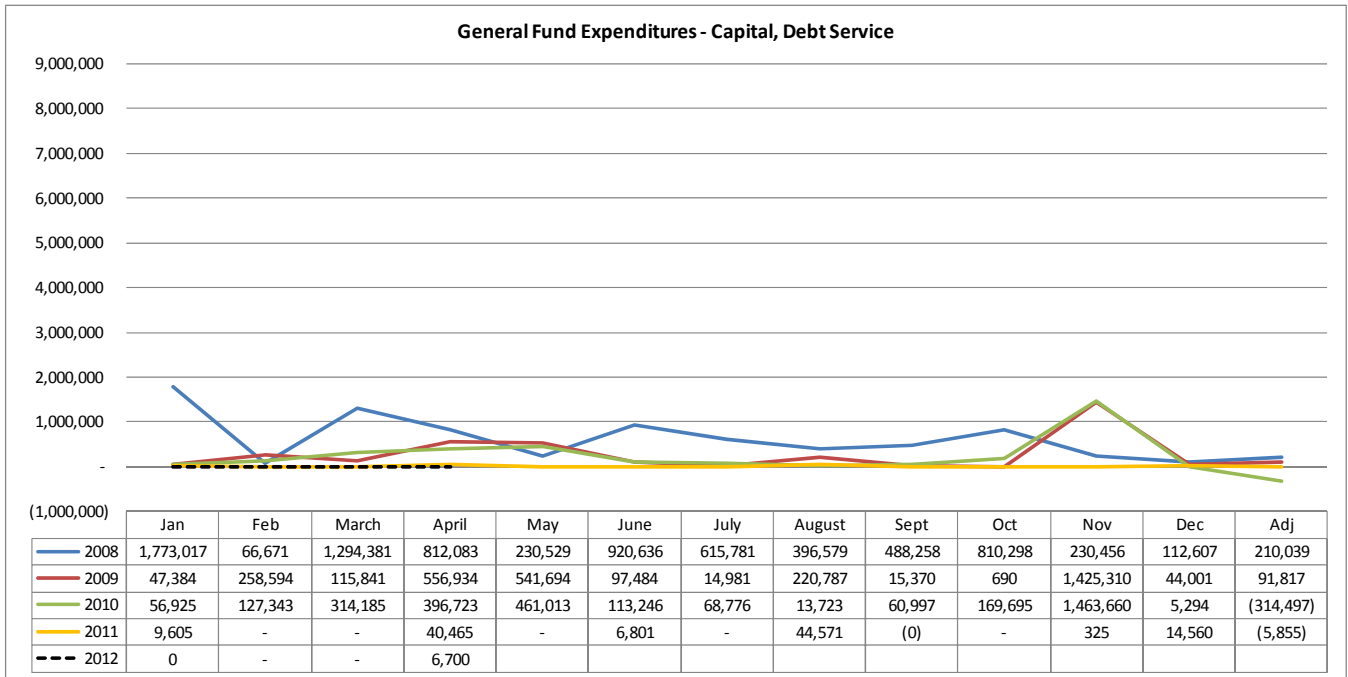
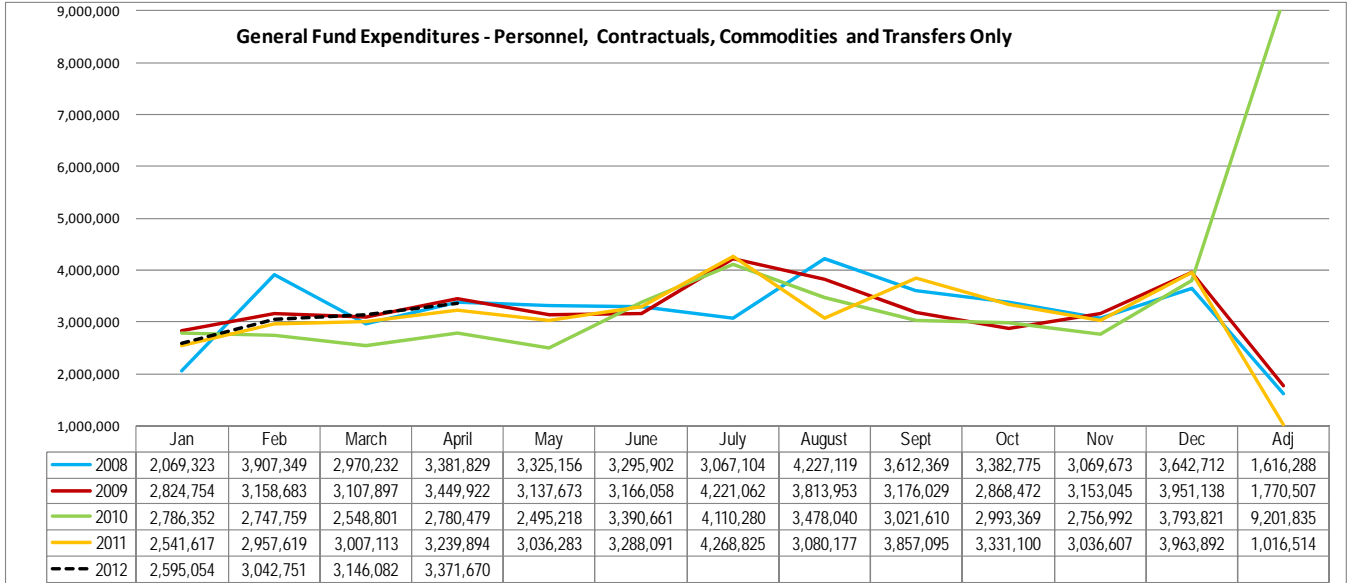


Year End Totals	2008	2009	2010	2011	YTD 2012
	49,529,166	45,230,080	49,042,300	40,735,299	12,162,257

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, contractual services, commodities and transfers) and non-operating (capital, debt service). 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 April 2012, this total is \$12,155,557, an increase of \$409,314 (+3.5%) over April 2011.

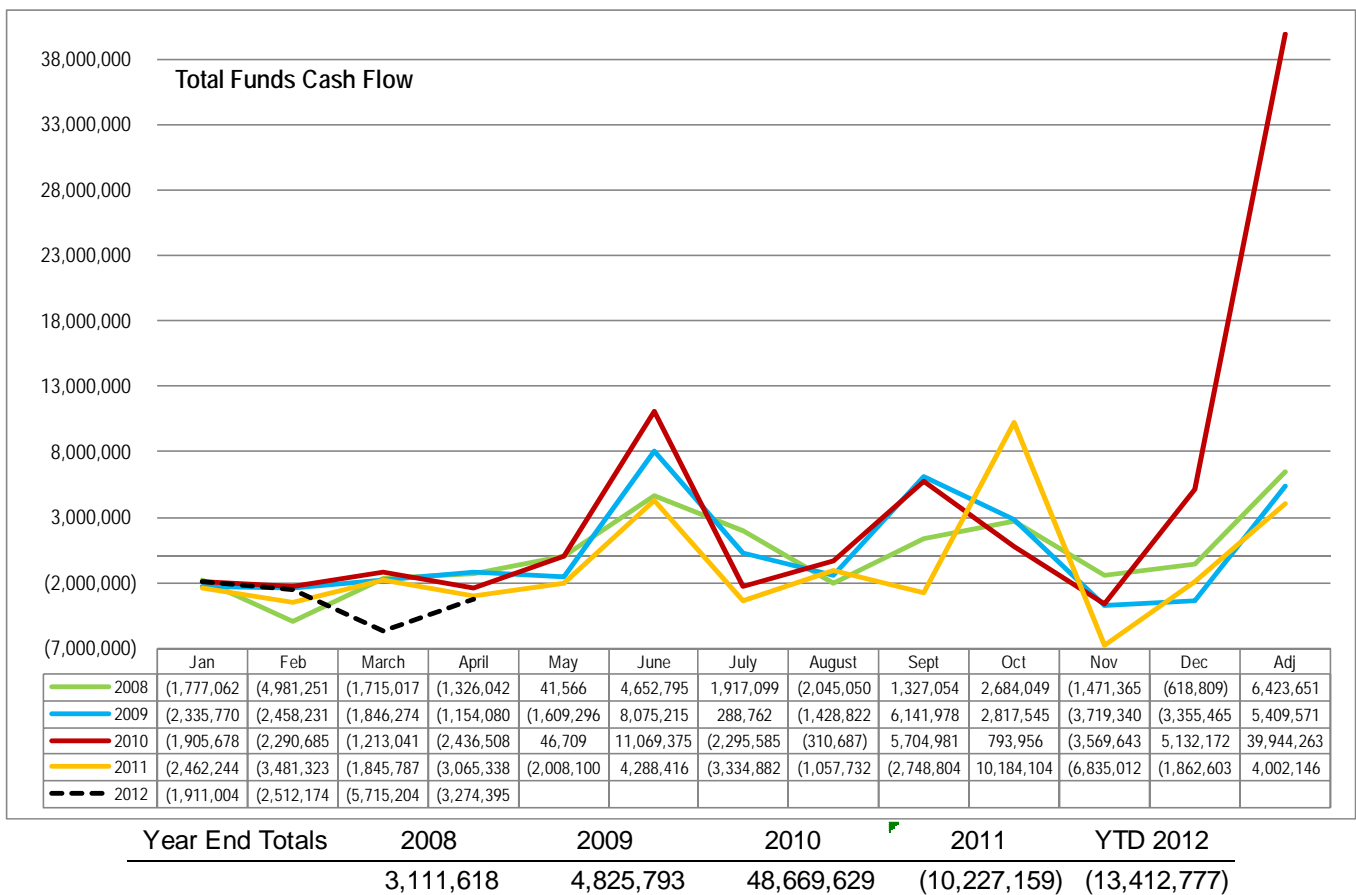


Total Fund Cash Flow

FY 2012 cash burn for all funds is (\$13,412,777) for the year to date as of April 30, 2012. This is \$2,558,085 more 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.

Year to date expenses related to building construction are \$6,620,518, which is \$3,816,993 (+136.1%) higher than this time last year. These are the primary causes of the negative cash flow.

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.



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.

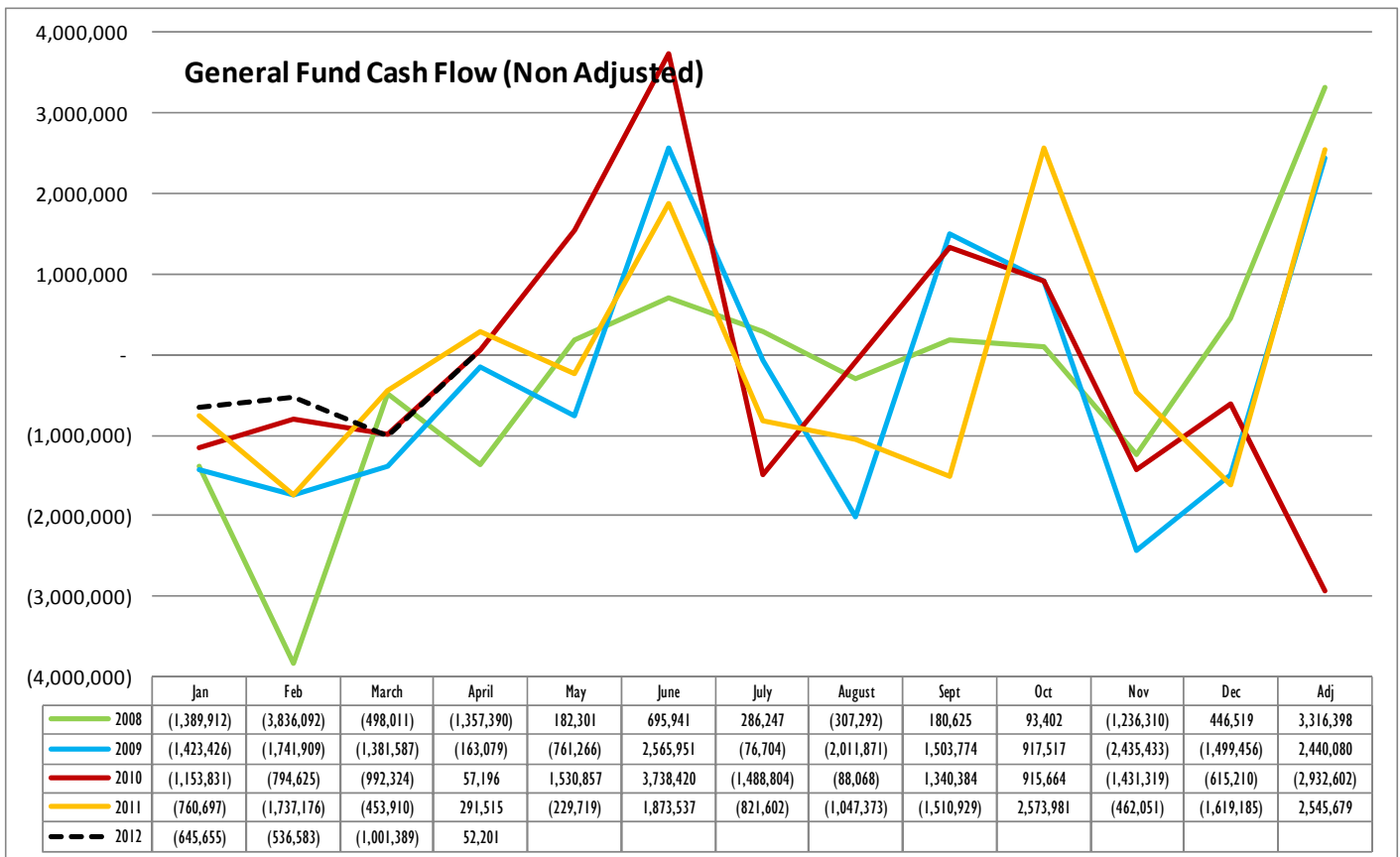
General Fund Cash Flow

As of April 2012, FY 2012 General Fund cash flow is down (\$2,131,426). Last year at this time it was down (\$2,660,268). This is \$528,842 (or 19.9%) 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 part of the General Fund budget in past years, 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 is 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, contractual service and transfers are examined.



Year End Totals	2008	2009	2010	2011	YTD 2012
	(3,423,574)	(4,067,409)	(1,914,262)	(1,357,930)	(2,131,426)

General Fund Cash Flow

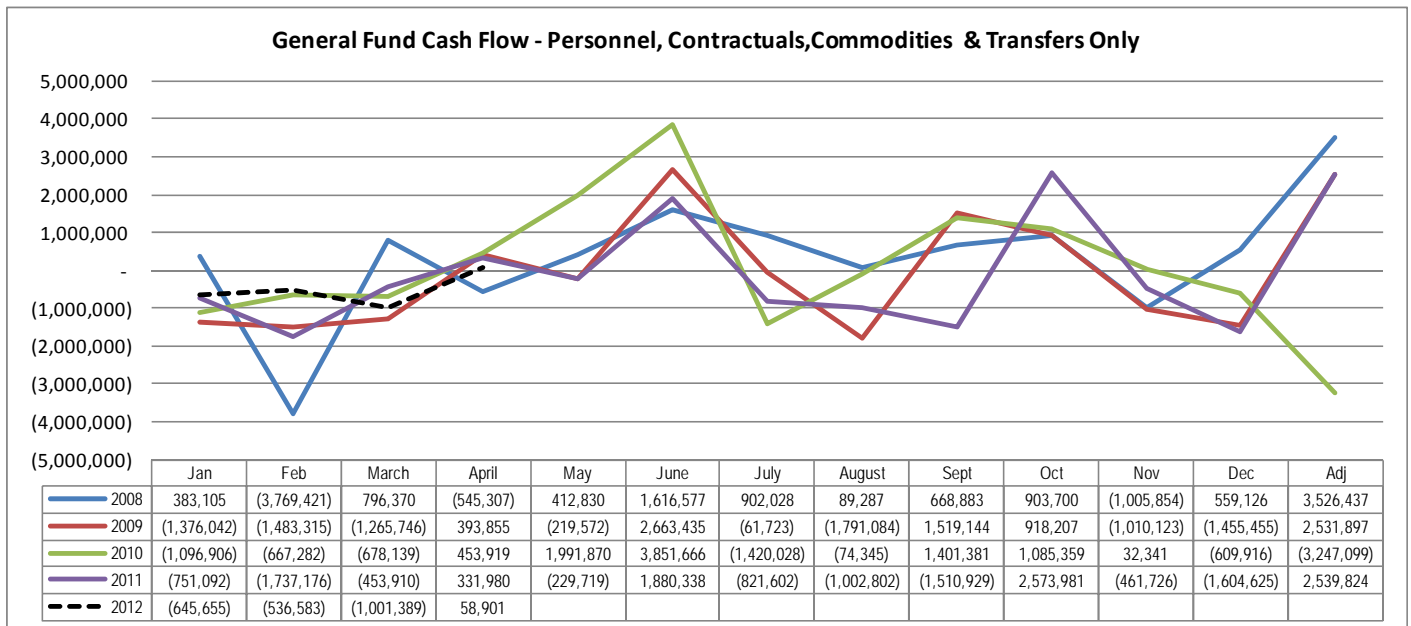
The following chart shows the General Fund cash flow when only the personnel, contractual services commodities and transfers are examined in conjunction with General Fund revenues for each month from January 2008 to April 2012.

With the **removal of the capital expenditures and debt service**, the cash flow through April 2012 is (\$2,124,726). This amount was (\$2,610,198) at this time last year. The FY 2012 figure represents **\$485,472** (18.6%) 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 been moved to other funds, 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 that will also reduce cash flow.

Thus far in FY 2012, **there is over a \$2.1 million negative cash flow, but it must be kept in mind that only \$2,852 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.

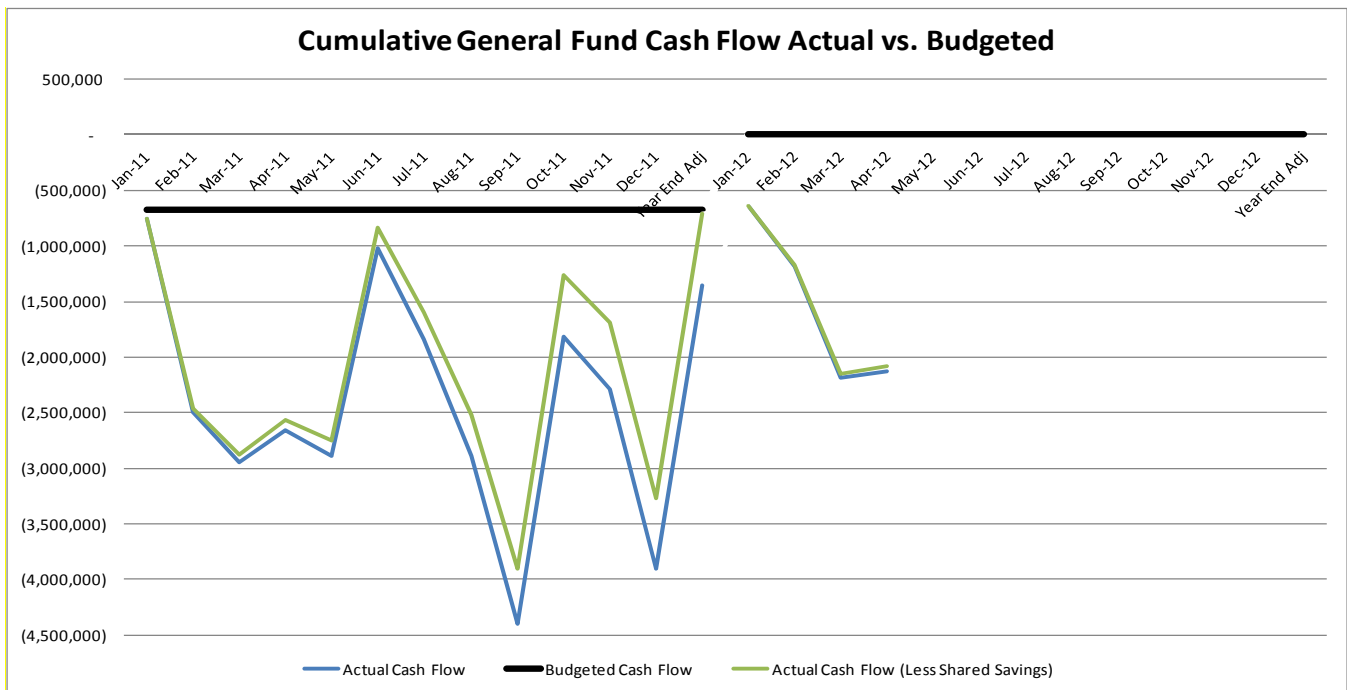


General Fund Cash Flow

The following chart illustrates the cumulative General Fund cash flow between actual values and the budgeted General Fund cash flow.

January 2011 is the the starting point because it is the first fiscal year where both debt service and capital expenditures are removed from the General Fund. The FY 2011 budget had planned to use \$678,907 of reserves in order to be in compliance with the County's reserve policies. At the end of FY 2011, there was a total cash burn of \$1,357,930 in the General Fund. The amount was \$679,023 more than what was planned in the budget process. However, it should be noted that \$651, 247 of this amount (96%) is attributed to shared savings expenditures. Shared savings expenditures are not part of the adopted budget. The amount of negative cash flow beyond the budgeted amount and excluding shared savings is only (\$27,776).

Through the first four months of FY 2012, the negative cash flow is (\$2,131,426). However, this is normal for this time of year as property tax receipts have not been received. For comparison purposes, the cumulative cash burn for the first four months of FY 2011 was (\$2,660,268). The cash burn in FY 2012 is \$528,842 less (-19.9%) than this time last year. However, this item must be monitored closely throughout the year to see how closely it comes to the budgeted deficit (\$0 in FY 2012) that is indicated by the black line. It must be noted that the use of shared savings will reduce the cash flow and prevent the County from reaching this target.

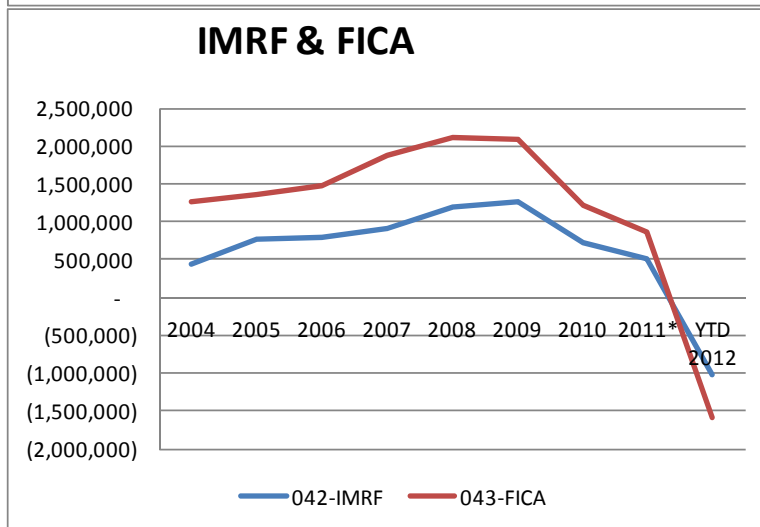
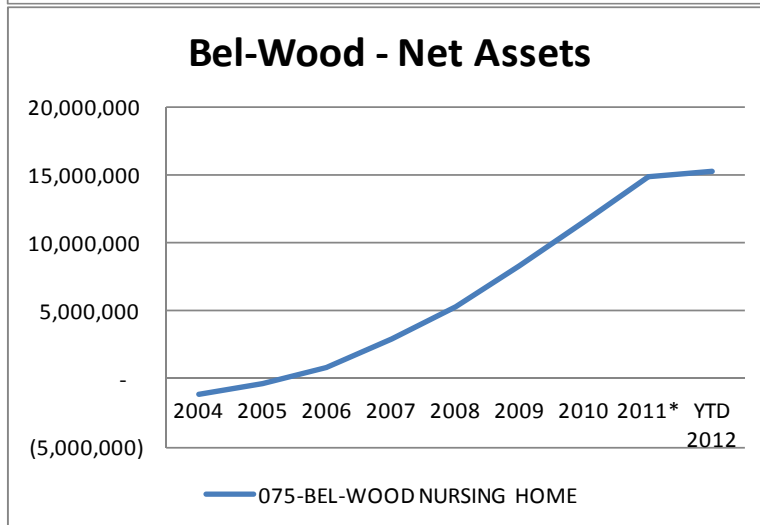
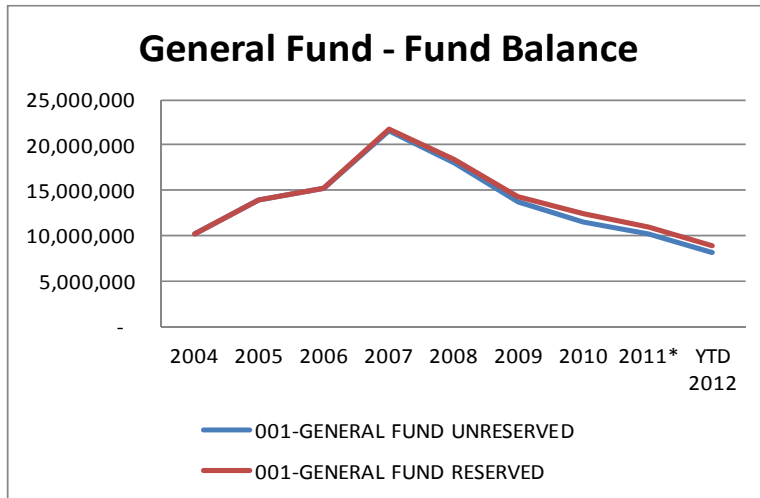


	<u>FY 2011</u>	<u>YTD 2012</u>		<u>FY 2011</u>	<u>YTD 2012</u>
Budgeted Cash Flow	(678,907)	-			
Actual Cash Flow	(1,357,930)	(2,131,426)	Shared Savings Expense	651,247	50,429
Deficit Beyond Budgeted Amount	(679,023)	(2,131,426)	Deficit Less Shared Savings Expense	(27,776)	(2,080,997)

Fund Balances (Through April 30, 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	10,183,244	8,051,818
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	13,164,011	12,972,972
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	2,950,901	2,434,769
031	031-CARE & TREATMENT	149,662	185,954	193,193	167,374	187,133	189,912	93,438	128,479	(64,869)
033	033-COUNTY HIGHWAY	827,328	628,377	549,626	517,341	579,076	624,303	680,962	1,035,656	418,275
034	034-COUNTY BRIDGE	252,971	272,554	844,971	1,098,477	677,168	682,547	1,151,781	2,006,945	1,681,330
035	035-TOWNSHIP BRIDGE	38,121	39,634	184,704	338,892	631,321	632,172	632,270	62,158	347,983
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	3,488,045	3,882,108
037	037-TOWNSHIP MOTOR FUEL TAX	409,742	711,863	413,999	679,381	532,911	795,462	1,093,978	705,186	1,010,146
038	038-MATCHING TAX	760,532	720,675	1,245,631	1,119,078	1,204,901	1,126,116	987,085	668,974	83,871
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	1,096,241	1,102,601
041	041-SOLID WASTE MANAGEMENT	518,668	488,960	536,680	702,046	746,181	748,939	743,937	1,215,799	1,210,821
042	042-IMRF	438,761	762,284	796,385	916,005	1,192,678	1,275,914	722,819	507,654	(1,029,399)
043	043-FICA	830,481	606,019	675,190	951,766	922,635	813,711	484,790	355,476	(556,317)
044	044-VETERANS ASS'T COMMISSION	34,911	41,919	43,272	75,568	79,903	70,679	55,905	49,936	8,935
045	045-PEORIA COUNTY LAW LIBRARY	108,818	110,507	110,362	102,641	80,289	62,800	48,656	32,189	35,216
046	046-PEORIA COUNTY FORFEITURE	25,700	39,402	114,516	223,975	324,358	376,270	345,386	383,847	406,075
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	1,033,138
049	049-PROBATION SERVICES	844,037	979,682	649,951	441,477	470,659	767,526	1,031,059	1,093,819	1,199,494
051	051-DRUG FORFEITURE-SHERIFF	96,118	123,725	121,932	95,584	81,697	60,974	44,722	42,701	47,970
052	052-NEUTRAL SITE EXCHANGE	276,048	343,817	422,356	494,677	527,922	513,769	500,567	467,663	452,411
054	054-MORTGAGE FORECLOSURE	-	-	-	-	-	-	-	-	-
057	057-INMATE BENEFIT	300,990	357,713	453,332	576,449	682,565	787,157	478,186	189,051	151,906
058	058-RESTRICTED DONATIONS SHERIFF	45,977	48,687	52,604	47,598	45,233	45,459	41,603	48,585	48,767
059	059-RESTRICTED DONATIONS BEL-WOOD	-	-	-	-	-	-	-	-	-
060	060-UNIV OF ILLINOIS EXTENSION	-	-	-	-	-	-	1	1	46
061	061-PUBLIC FACILITIES SALES TAX	-	-	-	-	-	-	2,195,024	1,198,633	873,283
062	062-CAPITAL PROJECTS	-	-	-	-	-	-	5,293,696	4,242,183	3,452,973
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	19,632,457	14,308,917
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	3,258,950
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	-	-	-	-	-	-	-	(542,256)	(665,027)
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	15,229,679
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	3,480,260	3,540,072
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	2,901,463	2,715,674
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	12,938,813	12,947,216
082	082-PEORIA COUNTY RISK MANAGEMENT	424,746	339,713	765,539	822,741	425,662	285,719	352,535	(165,804)	(1,276,652)
085	085-PEORIA COUNTY JUDGES MARRIAGE	5,684	7,658	-	-	-	-	-	-	-
087	087-PUBLIC TRANSPORTATION	-	-	-	-	-	-	-	193,370	304,573
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	19,365
094	094-FAMILY VIOLENCE COORD COUNCIL	(321)	(5)	149	307	399	411	418	13,978	10,694
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	10,278,374	10,204,535
	TOTAL	34,914,539	42,509,876	52,876,880	73,550,379	76,661,991	81,487,788	130,157,414	119,930,254	106,517,478

Fund Balances (Through April 30, 2012)



Fund Balances (Through April 30, 2012)

