

PEORIA COUNTY, ILLINOIS

MONTHLY FINANCIAL REPORT

December 2012



Revenue information current as of: December 5, 2012

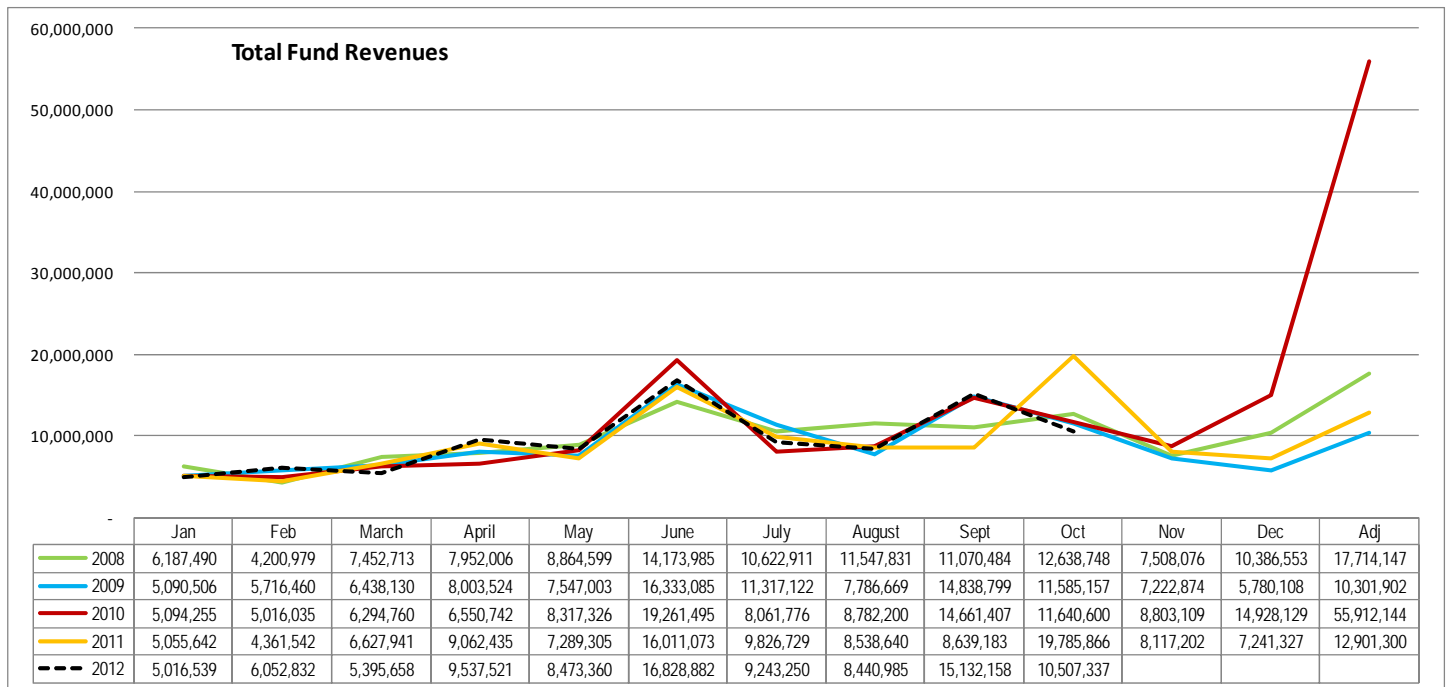
Year-to-date revenues, expenditures, and cash flow as of: October 31, 2012

Overall Fund Revenues

As of October 31, 2012, overall fund revenues are \$94,628,523. This is a decrease of (\$569,834) (-0.6%) from the same time last year.

Other expense reimbursements are significantly higher due to a reimbursement from Lakeview Museum for the Peoria Riverfront Museum project. In FY 2011, the State Income Tax was received late and the full amount was not captured. The books are not kept on an accrual basis, rather on a modified accrual basis with interim reports on a cash basis. This problem corrects itself in November 2011. However, State Income Tax is still doing well in FY 2012 (+13.7%). Supplementary sales taxes are up 9% due to a large one-time sales use transaction in April 2012. Federal grants are up \$641,093 which is notable since this revenues experienced a decline from last year for most of FY 2012. Sealcoating revenue is up \$1,290,079 (+316%) from this time last year. However, this is attributed to changes in accounting procedures that require less yearend adjustments. The employer portion of health fees is up \$252,043, the surcharge for CMS-wireless is up \$186,546, revenue stamp revenues are up \$174,833, and miscellaneous fees for services are up \$186,546. The clear-win grant brought in an additional \$171,827, and an additional \$313,500 in federal detention charges and an additional \$143,110 took place in connection to the taking of bond fees. The private pay portion of Bel-Wood revenues has also increased by \$136,057. Other notable increases in revenue are noted on the following page.

While the private pay portion of revenues are up for Bel-Wood Nursing Home, the public aid and Medicaid allowances, and Medicare fees, are down nearly \$1.8 million year to date. This continues to be an area of concern for the County's finances. The County issued \$2,000,000 in bonds for Wilhelm Bridge that appeared as revenue since it is in a governmental fund. This transaction did not take place in FY 2012 and has skewed the year-to-year comparison. The County's State grant revenues continue to be down from last year. Miscellaneous revenues are down in comparison to FY 2011 due to a large one-time transaction that took place last year. Donations / charitable contributions are down from FY 2011 due to a smaller amount received in connection to the PRM parking garage. Unincorporated sales taxes have not been booked for October 2012. This delay has caused a decrease of \$282,803 (-23.7%) from last year, but this is not a true reflection on the total. Other declines in revenue can be found on the following page.



Year End Totals	2008	2009	2010	2011	YTD 2012
	130,320,522	117,961,339	173,323,978	123,458,185	94,628,523

Total fund revenues will vary each year and revenues are not always collected in the same exact timeframe each year. These revenue figures must be analyzed in conjunction with total fund expenditures and total fund cash flow to get a clearer picture of the situation. Capital projects will

Overall Fund Revenues

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.

Revenues that have seen notable growth when examining all County Funds this year include:

Revenue Source		FY 2011	FY 2012	Increase	% Growth
33550	EXPENSEREIMB-OTHER	394,003	1,850,563	1,456,559	370%
34210	SEAL COATING	407,810	1,697,889	1,290,079	316%
34622	CONTRACTUAL ALLOW - PA	-3,074,696	-2,263,792	810,904	-26%
33120	FEDERALGRANT	596,106	1,237,199	641,093	108%
33510	STATE INCOME TAX	2,153,644	2,791,919	638,275	30%
33950	SUPPLEMENTARY SALES TAX	3,493,417	3,809,609	316,192	9%
34191	DETENTION CHARGE-FEDERAL	381,040	694,540	313,500	82%
34839	CONSTRUCTION COST REIMBR	131,470	441,671	310,201	236%
34311	HEALTH FEES-EMPLOYER	3,974,560	4,226,604	252,043	6%
34978	SURCHARGE-CMS WIRELESS	459,320	686,778	227,458	50%
34655	MISC. FEES FOR SERVICES	268,468	455,014	186,546	69%
34151	REVENUESTAMPS	601,964	776,798	174,833	29%
33416	CLEAR-WIN GRANT	0	171,827	171,827	-
34111	FEES ANDCHARGES	6,097,225	6,254,740	157,516	3%
34742	TAKING OF BOND FEE	117,596	260,706	143,110	122%
34631	PATIENTINC-PRIVATE PAY	1,932,737	2,068,794	136,057	7%
34301	HEALTH FEES-EMPLOYEE	1,287,162	1,418,499	131,337	10%
33401	MED MATCH	0	122,133	122,133	-

Overall Fund Revenues

Revenues that have seen notable decline when examining all County Funds this year include:

Revenue Source		FY 2011	FY 2012	Decrease	% Decline
37601	DEBT ISSUANCE	2,000,000	0	(2,000,000)	-100%
33400	STATE GRANT	2,548,233	1,736,906	(811,328)	-32%
34623	CONTRIBUTION-PUBLIC AID	1,077,764	306,770	(770,994)	-72%
34644	CONTRACTUAL ALLOW - MC	883,800	214,406	(669,393)	-76%
34665	SERVICEFEES-THIRD PARTY	1,038,734	745,639	(293,096)	-28%
33949	SALES TAX	1,193,176	910,373	(282,803)	-24%
36300	MISCELLANEOUS (UNANTICIP	341,293	75,322	(265,971)	-78%
34641	MEDICAREFEES	1,056,388	800,310	(256,078)	-24%
36850	DONATIONS/CHARITABL CNTR	559,084	368,016	(191,068)	-34%
34832	SALE OFMAINTENANCE SUPP	173,574	0	(173,574)	-100%
34621	PATIENTINC-PUBLIC AID	7,530,789	7,396,271	(134,518)	-2%
36090	PHONE CARDS	142,940	8,860	(134,080)	-94%

General Fund Revenues

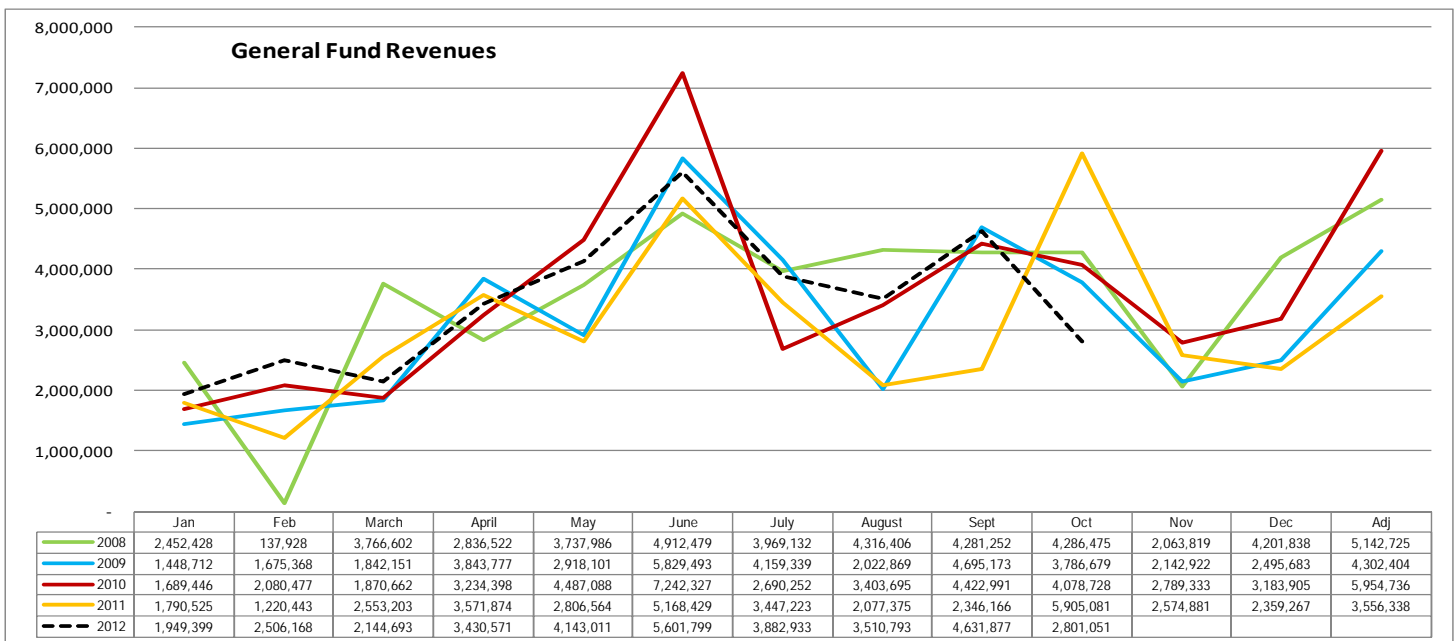
As of October 31, 2012, General Fund year to date revenues were at \$34,602,296, an increase of \$3,715,413 (+12.0%) when compared to October 31, 2011.

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. 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 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.

In FY 2011, the State Income Tax was received late and the full amount was not captured. The books are not kept on an accrual basis, rather on a modified accrual basis with interim reports on a cash basis. This problem corrects itself in November 2011. However, State Income Tax is still doing well in FY 2012 (+13.7%).

Federal Detention charges are up \$313,500 (+82.3%) and the taking of the bond fees are up \$143,100 (+121.7%), this is due to increases in fees / charges associated with these programs. Fees and charges up for the first time in several months (+5.9%, \$206,807) and miscellaneous fees for services are up \$133,552 (+61.1%). This has been an area of steady decline for quite some time, but it has rebounded in recent months. Revenue stamp revenue continues to be strong and it is up \$174,833 (+29.0%). Other significant revenue increases are shown on the next page.

Unincorporated sales taxes have not been booked for October 2012. This delay has caused a decrease of \$282,803 (-23.7%) from last year, but this is not a true reflection on the total. State grants are down \$108,439 (-26.3%) and Federal grants are down \$28,503 (-15.8%). Other notable decreases in revenue are shown on the next page.



Year End Totals	2008	2009	2010	2011	YTD 2012
	46,105,592	41,162,671	47,128,038	39,377,369	34,602,296

General Fund Revenues

Revenues that have seen notable growth in the General Fund this year include:

Revenue Source		FY 2011	FY 2012	Increase	% Growth
33944	1/4% PUBLIC SAFETY TAX	1,615,269	3,057,965	1,442,696	89.3%
33950	SUPPLEMENTARY SALES TAX	3,000,845	3,809,609	808,764	27.0%
33510	STATE INCOME TAX	2,153,644	2,791,919	638,275	29.6%
34191	DETENTION CHARGE-FEDERAL	381,040	694,540	313,500	82.3%
34111	FEES ANDCHARGES	3,498,908	3,705,715	206,807	5.9%
34151	REVENUESTAMPS	601,964	776,798	174,833	29.0%
34742	TAKING OF BOND FEE	117,596	260,706	143,110	121.7%
34655	MISC. FEES FOR SERVICES	218,751	352,303	133,552	61.1%
32210	BUILDING/ZONING PERMITS	287,592	373,238	85,646	29.8%
34958	TELEPHONE USAGE FEES	49,390	130,310	80,920	163.8%
34061	ANIMAL PROTECT CONTRACT	225,456	291,213	65,757	29.2%
34710	CERTIFICATE	202,439	245,559	43,120	21.3%
34680	GIS SURCHARGE	250,885	286,136	35,251	14.1%
33357	INHERITANCE TAX REV SHAR	25,635	59,284	33,649	131.3%
33358	AUTO RENTAL TAX	33,879	66,748	32,869	97.0%

Revenues that have seen notable decline in the General Fund this year include:

Revenue Source		FY 2011	FY 2012	Decrease	% Decline
33949	SALES TAX	1,193,176	910,373	(282,803)	-23.7%
33400	STATE GRANT	412,289	303,850	(108,439)	-26.3%
36300	MISCELLANEOUS (UNANTICIP	124,626	55,821	(68,805)	-55.2%
33520	PERSNL PROPERTY REPLC TA	2,805,302	2,740,310	(64,992)	-2.3%
37501	ASSET DISPOSAL PROCEEDS	75,450	30,706	(44,744)	-59.3%
34695	CHILDREN'S WAITING RM FE	39,635	-	(39,635)	-100.0%
34241	COURT SECURITY FEES	459,435	429,212	(30,223)	-6.6%
33120	FEDERALGRANT	180,604	152,101	(28,503)	-15.8%

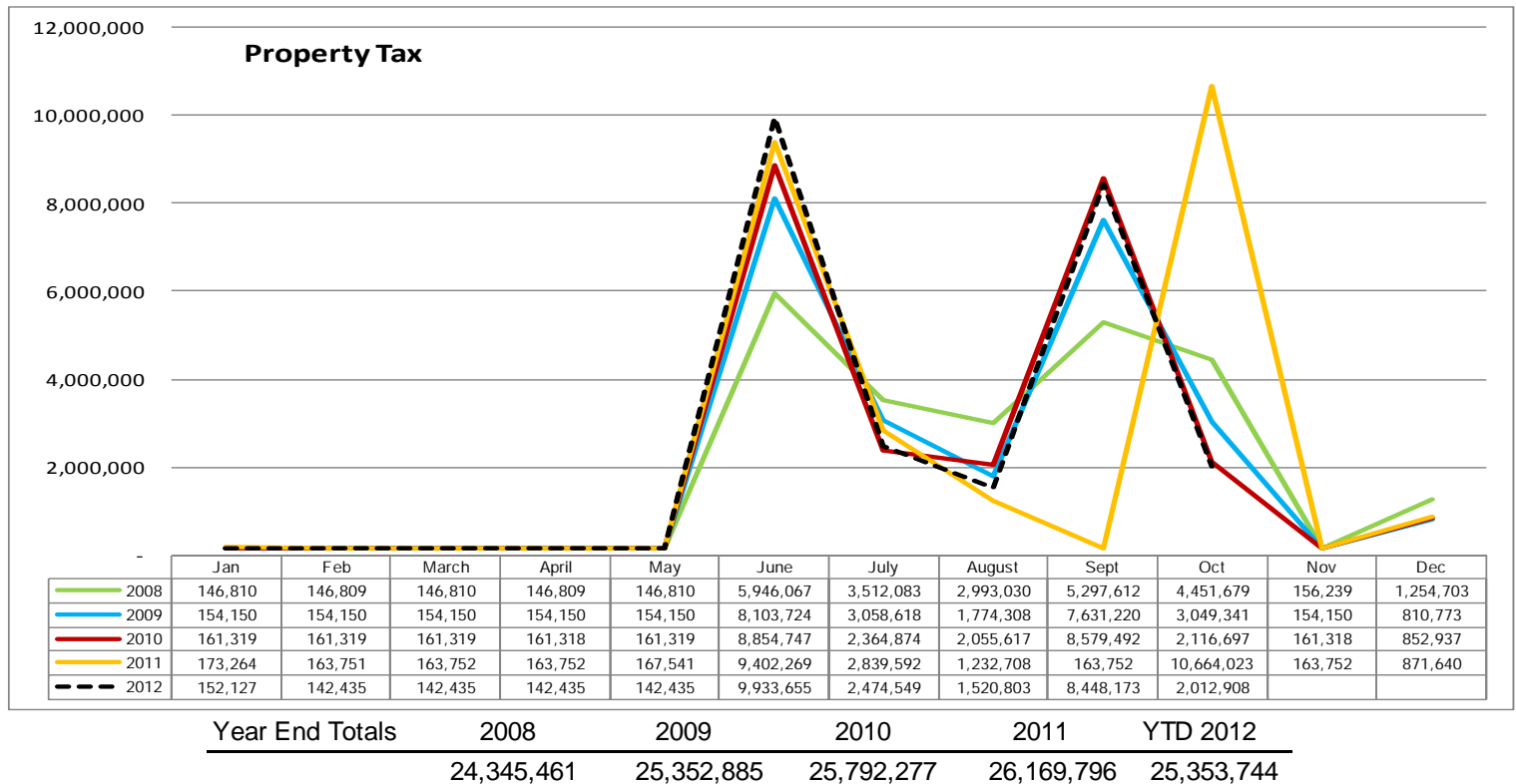
Property Taxes

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.

The property tax receipts collected through October 2012 total \$25,111,956. This is \$22,448 (-0.1%) less than the amount collected through October 2011. The combination of a flat property tax rate and an overall declining equalized assessed valuation and new construction seemed to have an offsetting effect in 2012.

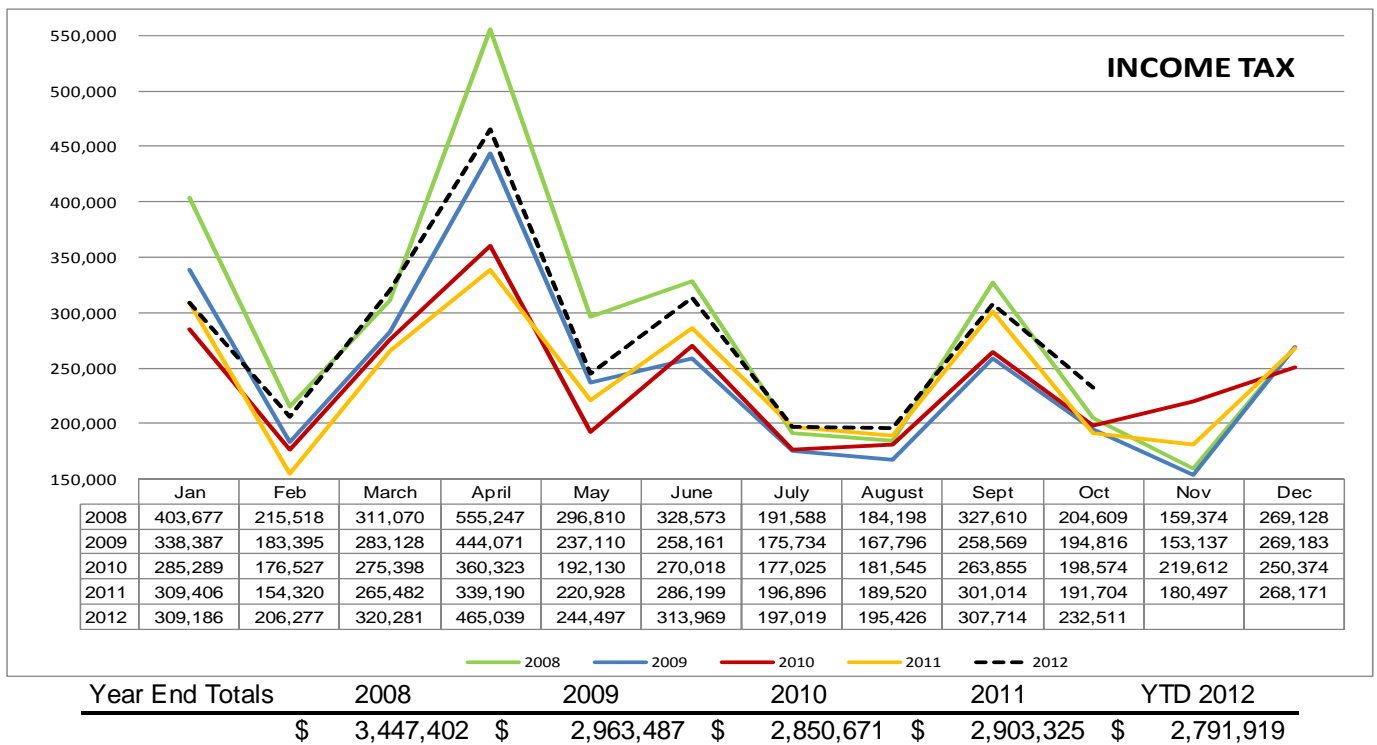


Peoria County levies a property tax on all property within the County, including that within municipalities, for services provided throughout the County. These taxes are then deposited into various governmental and proprietary funds, according to the statutory limits of those funds. For example, the 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.

The amount of income tax received by Peoria County through October 2012 is \$2,791,919. This amount is \$337,261 (or 13.7%) higher than the amount received at this time last year. The County witnessed strong growth in income tax revenue from February to June 2012, but the growth was somewhat flat from July to September 2012. October 2012 experienced a \$40,807 (21.3%) increase over the income taxes received in October 2011. Income taxes have been one of the areas of notable revenue growth during 2012.



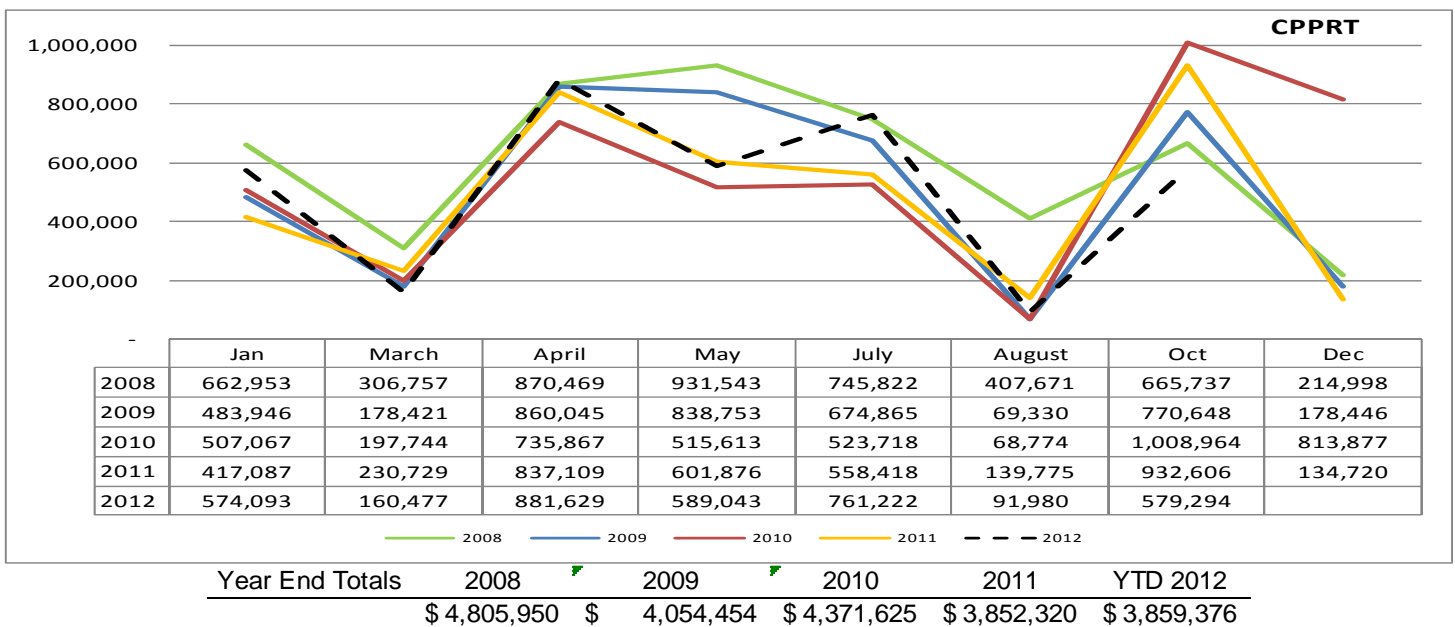
The Illinois Income Tax is imposed on every individual, corporation, trust, and estate earning or receiving income in Illinois. The tax is calculated by multiplying net income by a flat rate. Effective January 1, 2011, the current rate is 5% of net income on individuals and 7% on corporations. The local 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

Fiscal Year 2012 CPPRT revenues are at \$3,717,599 through October 2012. This is down \$79,863 (-2.1%) from last year at this time. This is due to the October 2012 payment which is the lowest that it has been in several years. The County only received \$579,294 in October, which is a \$353,315 (-37.9%) reduction from October 2011. This is notable because as of August 2012, the CPPRT revenues were up \$273,449 (+9.8%) over the amount received at that time in Fiscal Year 2011. There was significant growth in this revenue source for the majority of the year due to increased corporate income taxes.

However, as noted in the past, there is a significant reduction soon to occur in CPPRT pool. This last payment appears to be evidence of the effect of this reduction.

The following is a recap the situation regarding the reduction in the CPPRT pool. The FY 2013 allocations are estimated at \$1.054 billion. This is a decrease of 14.7% or \$182 million from the FY 12 allocations. The primary reason for the decrease is due to statutory requirements. The FY 2012 allocation was increased by \$90.5 million because the state is statutorily required every fiscal year to transfer any unpaid Replacement Tax refund monies from the refund fund to the Personal Property Tax Replacement fund. Since the State did not pay Replacement Tax refunds during FY 2010 and FY 2011, the transfer amounts during FY 2011 and FY 2012 were an increase to the Personal Property Tax Replacement fund. In FY 2012, the State paid all required Replacement Tax refunds to the business taxpayers by June 30, 2012. This resulted in a deficit in the Replacement Tax refund fund that must now be transferred out of the Personal Property Tax Replacement fund. This amount is \$91.2 million. In short, local governments received monies in prior years that now must be repaid pursuant to state statute.

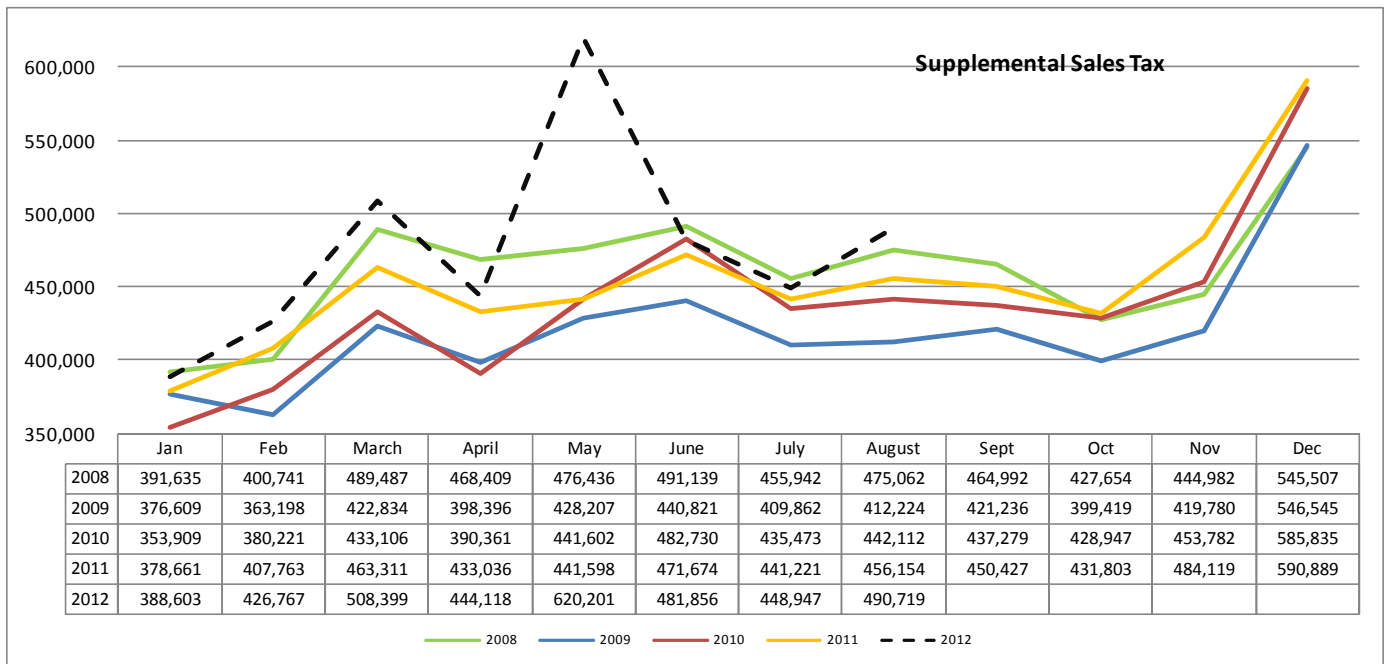


Replacement taxes are revenues collected by the State of Illinois and paid to local governments to replace money that was lost by local governments when their powers to impose personal property taxes on corporations, partnerships, and other business entities were taken away. These taxes resulted when 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; and 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% goes 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 eight 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 August 2012) are 3,809,609. This is an increase of \$316,192 (+9.1%) over this time in FY 2011. Sales taxes returned to normal levels after the spike that occurred due to a one-time transaction in April 2012 (reflected in May's receipts). June and July 2012 witnessed small gains over the previous year. The August payment saw an upswing in revenues, reminiscent of the receipts from earlier this year. Overall, the sales tax trends have been favorable through FY 2012.



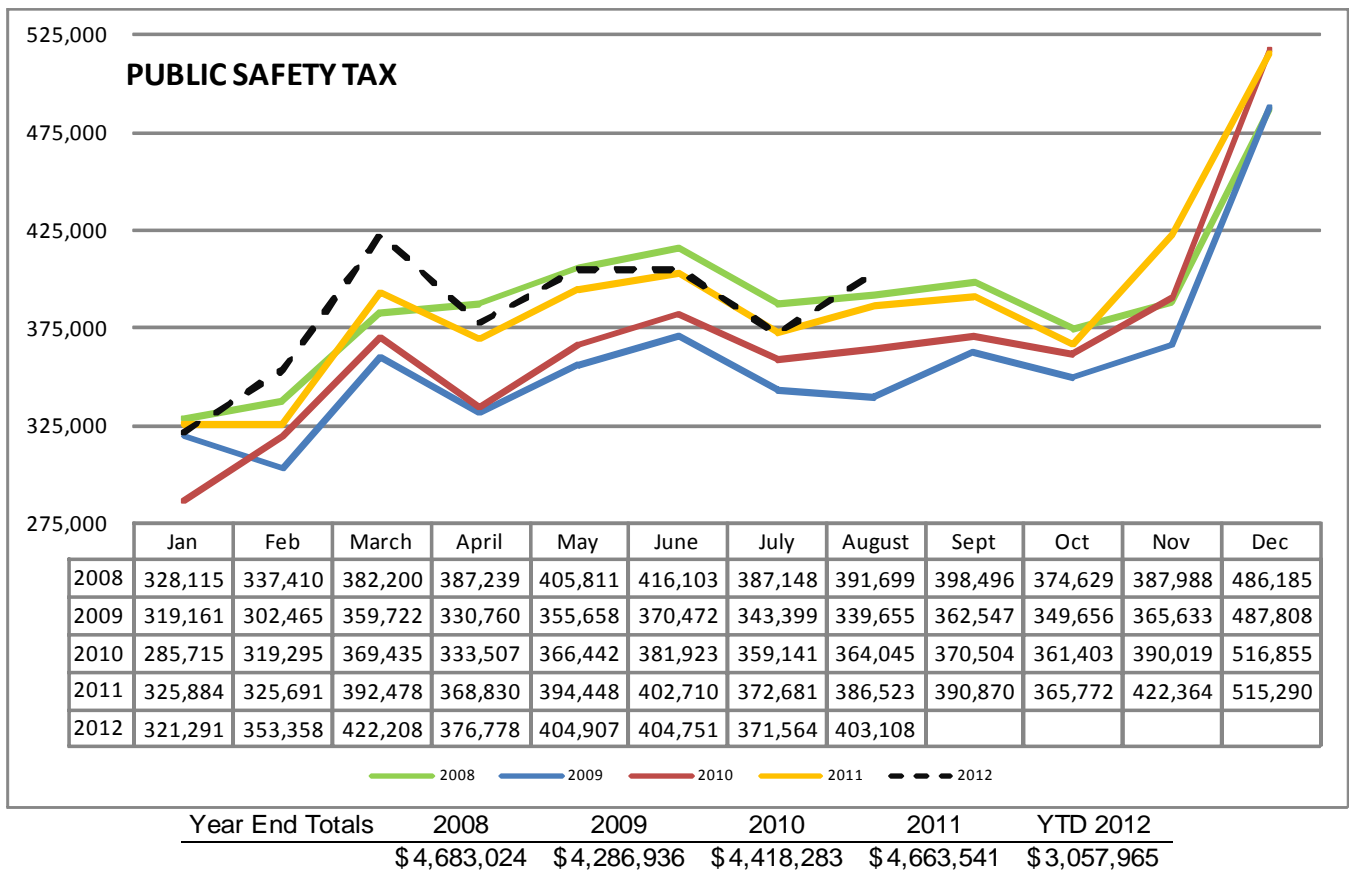
Year End Totals	2008	2009	2010	2011	2012 YTD
	\$ 5,531,986	\$ 5,039,130	\$ 5,265,357	\$ 5,450,655	\$ 3,809,609

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 occurred.

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 since late 2008.

The County has received \$3,057,965 through August 2012, which is a 3.0% increase compared to this time in FY 2011. This coincides with sluggish supplemental sales tax figures mentioned in the previous section. It was estimated that the County would see sales tax growth from 3% to 4% in 2012. However, given the growth witnessed in the first quarter, this is a bit disappointing in comparison.

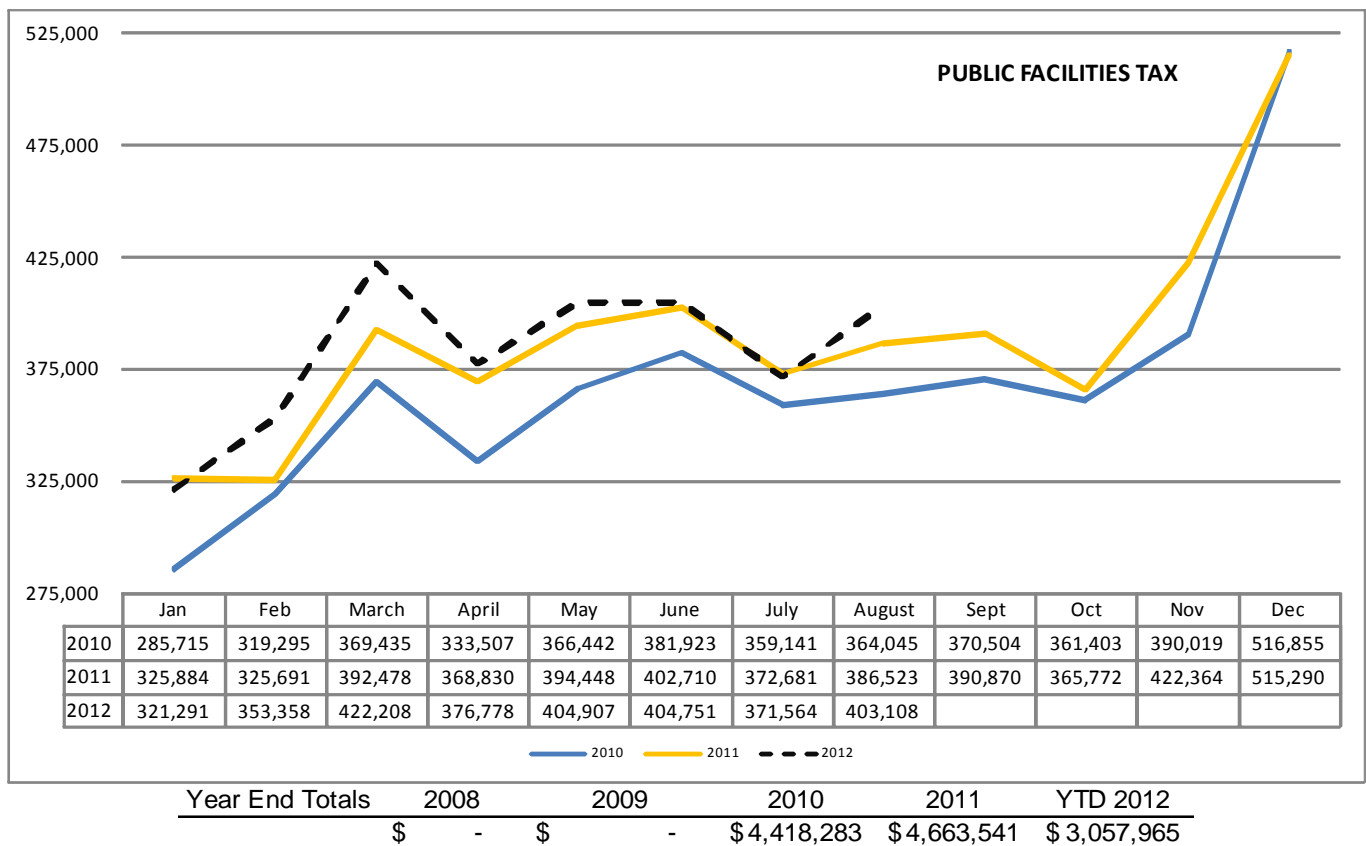


In November 1996, Peoria County voters passed a Public Safety Sales Tax of 0.25% on all tangible personal property sold for retail in the County. Illinois state statute grants permission for counties to impose this tax in 0.25% increments. The tax was originally instituted to help cover the cost of the 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.

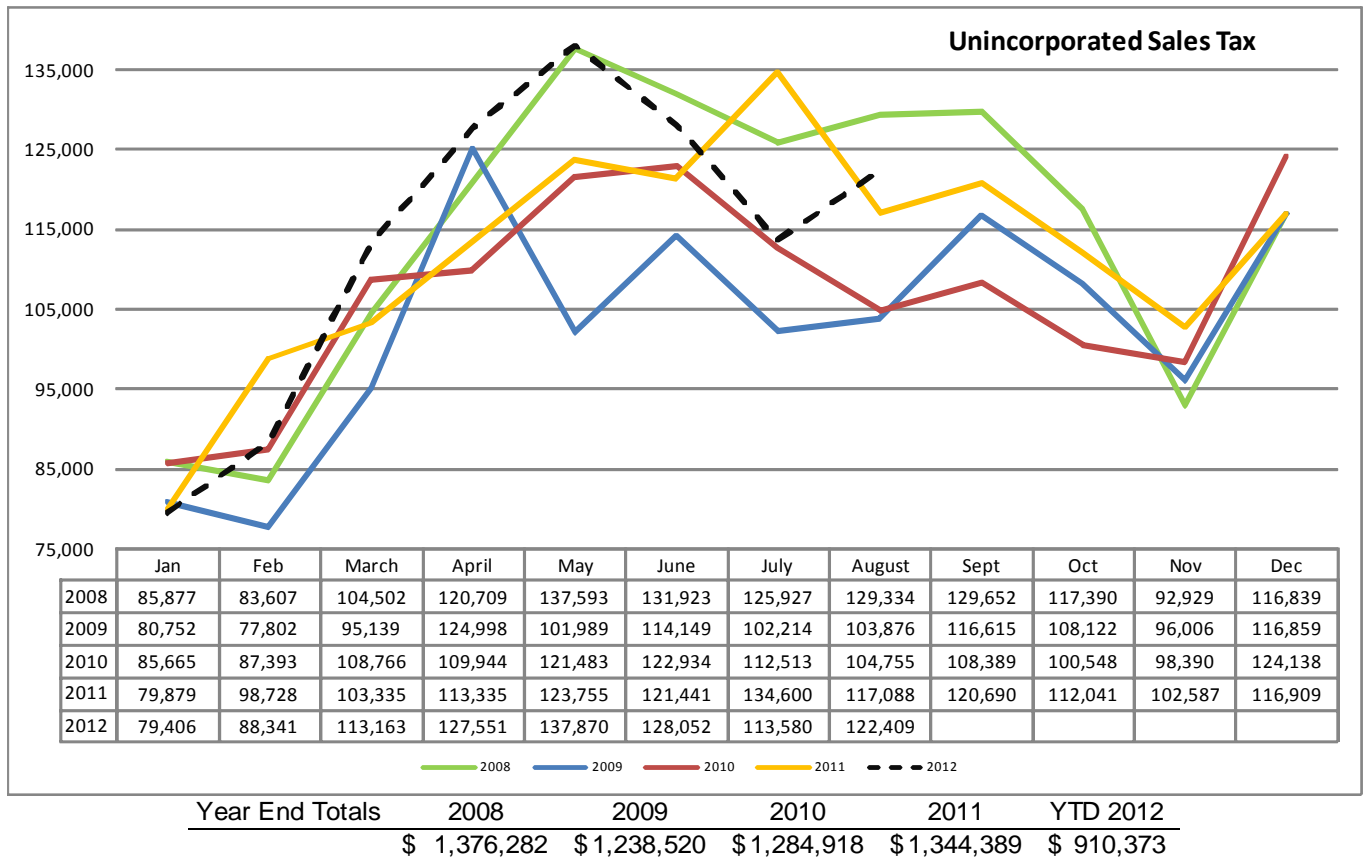
The County has received \$3,057,965 through August 2012, which is a 3.0% increase compared to this time in FY 2011. Public facilities tax revenues continue to cool down from the growth witnessed earlier in the year, but it is still above FY 2011 totals through the month of August 2012. It was estimated that the County would see 3% to 4% growth in sales tax in 2012.



In April 2009, Peoria County voters approved through a referendum to use 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

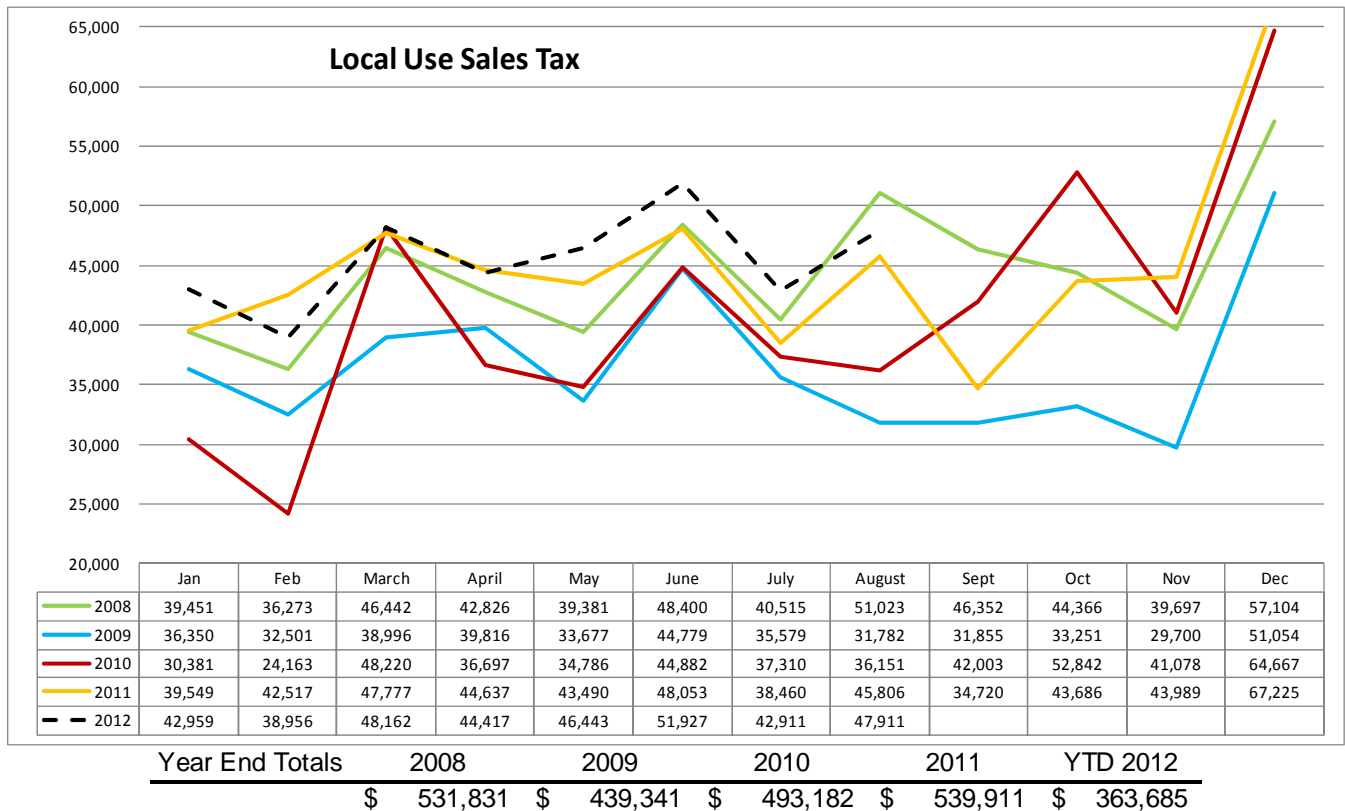
Unincorporated sales tax is collected at a rate of 1.25% on goods purchased in unincorporated areas of Peoria County. This sales tax revenue is similar to all other sales taxes in the economy in that it has been on the rebound since late 2008 when the economy was hit by a recession. The year to date total received is \$910,373, which is \$18,211 (+2.0%) more than last year at this time. Some sales growth in sales tax took place in August 2012, which is notable given the \$21,020 decline in revenue that took place in July 2012.



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 were felt. As of October 2012, the County has collected \$363,685, an increase of \$13,395 (+3.8%) over figures through October 2012. Local sales use taxes are most often associated with online purchases. Their growth rate seems in line with most other sales tax revenues.

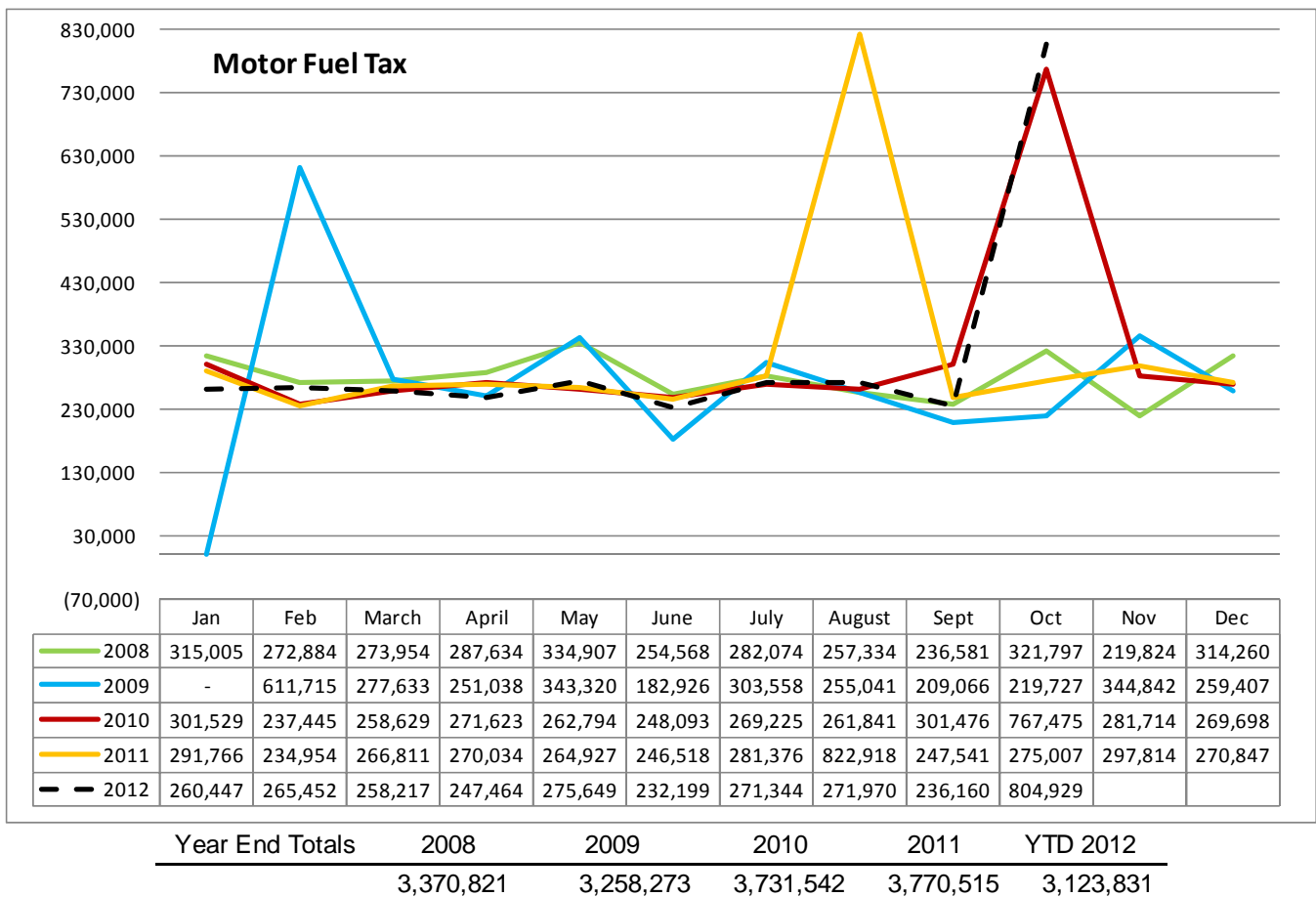


The Use Tax is a tax imposed on the privilege of using, in Illinois, any item of tangible personal property that is purchased anywhere at retail. This can occur when out-of-state vendors make retail sales to Illinois businesses or consumers, Illinois consumers purchase tangible personal property at retail 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). Oftentimes 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 County received \$13,123,831 in motor fuel taxes through October 2012. This is \$78,023 (-2.4%) less than this time in FY 2011. All throughout FY 2012, motor fuel tax revenues have been down consistently between 2% to 3% in comparison to the FY 2011.



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

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 history of Bel-Wood's financials from 2007 to the current month in 2012.

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 occurring in terms of operating income and those 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 in the table below.

Peoria County						
Bel-Wood Nursing Home						
Statement of Revenues, Expenses and Changes in Fund Net Assets						
For the Month Ending October 31, 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	\$ 9,441,285
Operating Expenditures	<u>18,366,581</u>	<u>17,705,266</u>	<u>16,729,506</u>	<u>12,710,114</u>	<u>12,447,852</u>	<u>10,264,347</u>
Operating Income	520,723	608,890	1,207,384	1,269,765	1,432,230	(823,062)
 Non Operating Revenues						
Taxes	1,659,262	1,750,609	1,838,312	1,916,856	1,947,681	1,424,350
Other Income (Including Interest)	(71,471)	16,812	20,642	46,641	26,875	19,291
Misc. nonoperating expenses	-	-	-	-	(57,121)	-
Loss on Disposal of Capital Assets	<u>(5,611)</u>	<u>(13,743)</u>	<u>(6,575)</u>	<u>(139)</u>	<u>(392)</u>	<u>-</u>
Total nonoperating revenues	1,582,180	1,753,678	1,852,379	1,963,358	1,917,043	1,443,641
Transfers In	13,423	-	-	-	-	-
Change in Net Assets	2,116,326	2,362,568	3,059,763	3,233,123	3,349,273	620,579
Ending Net Assets	2,903,148	5,265,716	8,325,479	11,558,602	14,907,875	15,528,454

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

The following chart depicts the operating income of 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 FY 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 October 31, 2012.

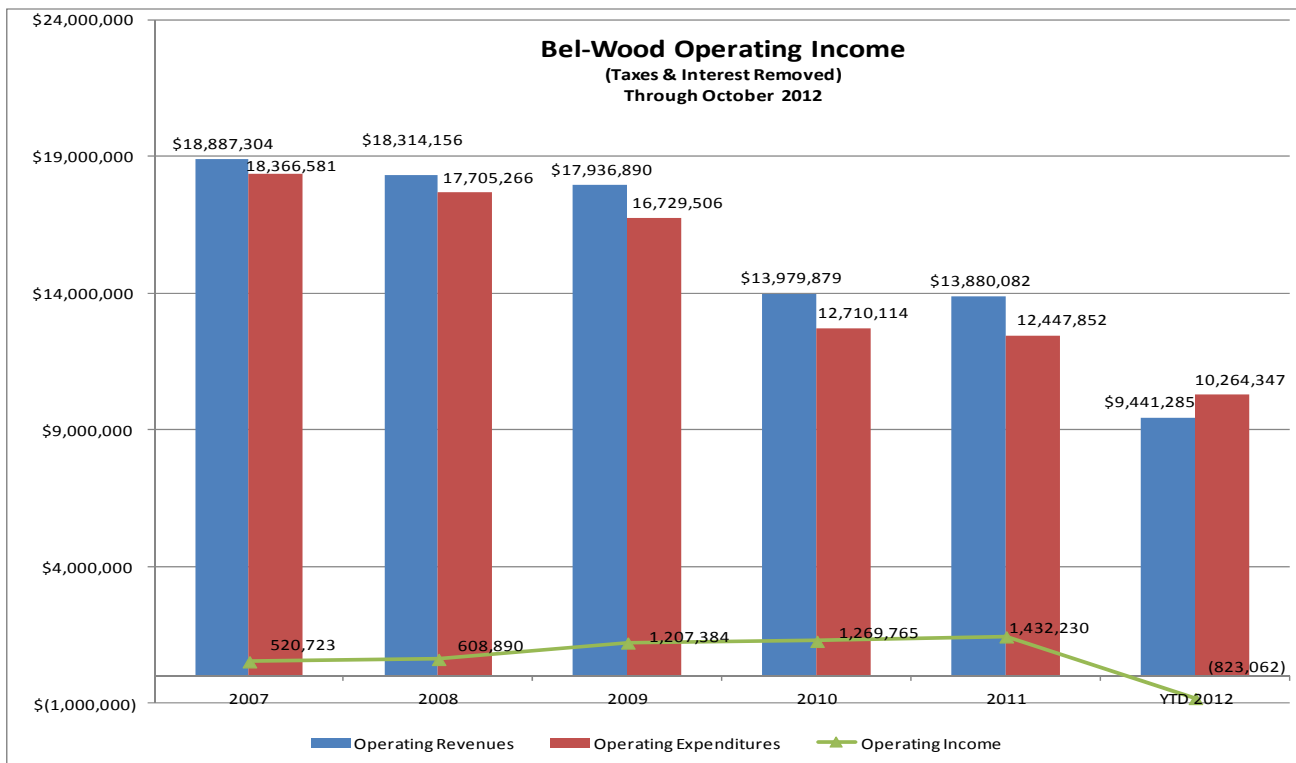
Revenues and expenditures have been decreasing in tandem over the last several years, but recently they are not dropping at the same rate. The previous trend had expenditures dropping at a faster rate than revenues in a given year, resulting in greater operating income. In FY 2011, expenditures outpaced revenues and the level of operating income began to decline. This trend began in FY 2011 but 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.

Bel-Wood Nursing Home's net operating income through October 2012 is (\$823,062). As mentioned in previous reports, there is a negative cash flow in the operating income at Bel-Wood. It is currently trending to be nearly (\$1,000,000) by the end of 2012.

Depreciation is considered an operating expense for an Enterprise Fund such as Bel-Wood. Depreciation is responsible for \$319,000 (38.8%) of the loss in net operating income. Nevertheless, this still results in a (\$504,062) net operating loss at the facility through ten months.

The \$620,579 additional to net assets shown in the table above is due to property taxes. However, the property taxes are earmarked for bond payments, so this cannot be included in a discussion of net operating income of the facility.

The decline in net operating income is attributed to gearing up for the transition to the Heddington Oak facility. It is believed that the net income issue should correct itself after operations move to the new building.

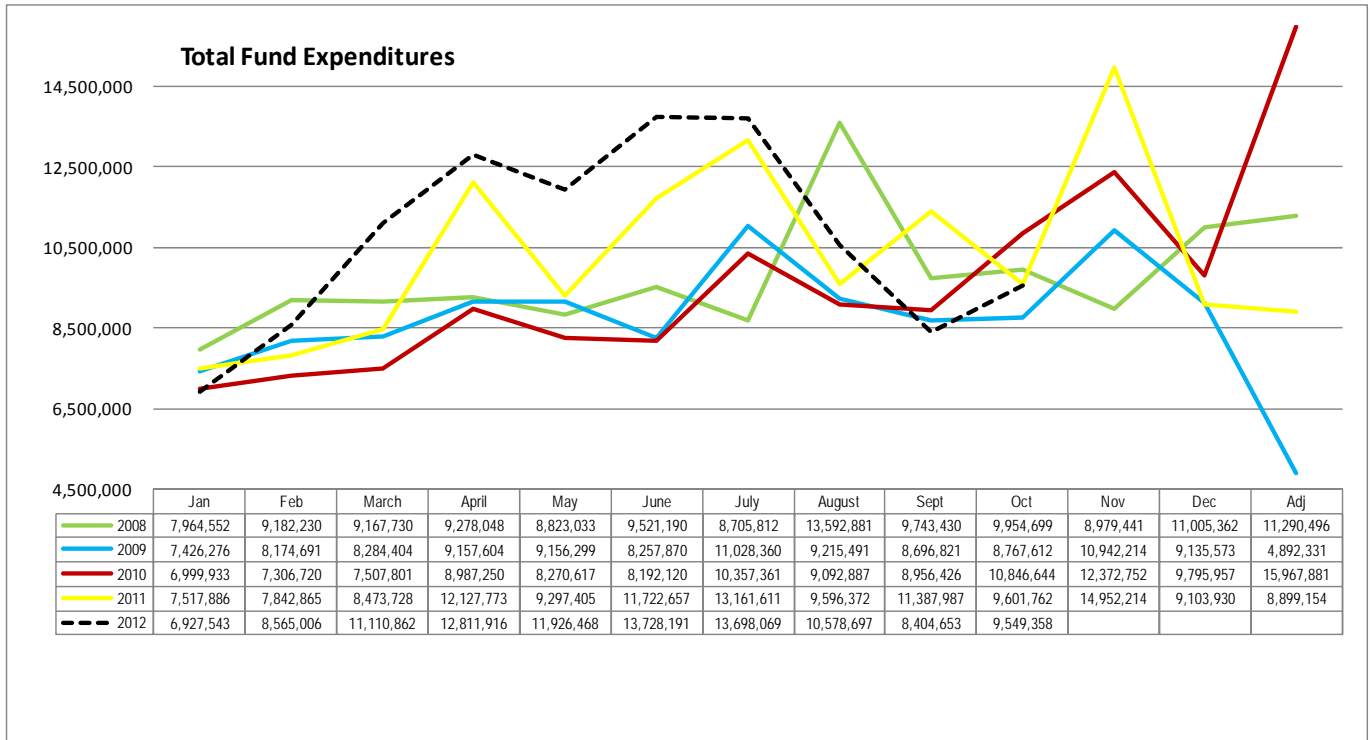


Overall Fund Expenditures

As of October 13, 2012, year-to-date expenditures for all funds are currently \$107,300,764, up \$6,570,718 (+6.5%) from \$100,730,046 in October 2011.

Over 78% of this increase in expenditures is related to building construction (\$15,388,733 spent thus far in FY 2012, compared to \$10,254,232 in FY 2011). This is attributed to the Peoria Riverfront Museum and Heddington Oaks projects. Building improvements also went up significantly from \$1,161,999 in FY 2011 to \$4,065,147 in FY 2012. Subcontractor services are also up \$283,256 in FY 2012. Computer equipment costs (mostly related to the criminal justice software project) increased \$1,051,421. Bridges and culverts expenses increased \$922,824, bridge repairs increased \$119,238, while highway repairs increased \$105,610. Contributions and grants are up \$705,597, refunds on collected fees are up \$399,286, and consultant services are up \$150,147. Worker's compensation claims are up \$285,113, medical health benefit costs are up \$248,248, liability claims are up \$177,900, and prescription drug claims are up \$135,805. Gas and oil products are up \$142,830, radio repair maintenance is up \$131,692 and vehicle purchases are up \$103,864. Revenue stamp expenses are up \$113,508. Other notable increases in expenditures are found on the following page.

Expenditures related to land improvements are down \$856,335, and the purchase of land is down \$670,572 compared to this time last year. Operational supplies are down \$418,198 and building repairs are down \$154,019. Road improvement expenditures are down \$408,203 (invoices may be lagging on this expense). Shared savings expenses are down a total of \$397,837. Medical claims are down \$242,848 from last year. Engineering and architect fees are down \$227,821 and bond issuance costs are down \$110,760. Management expenses are down \$147,644. Other notable decreases in expenditures can be found later in this section.



Year End Totals	2008	2009	2010	2011	YTD 2012
	127,208,904	113,135,546	124,654,349	133,685,344	107,300,764

Overall Fund Expenditures

Expenditures that have seen notable growth from Fiscal Year 2011 include:

Expenditure		FY 2011	FY 2012	Increase	% Growth
55106	BUILDING CONSTRUCTION	10,254,232	15,388,733	5,134,502	50.1%
55107	BUILDING IMPROVEMENTS	1,161,999	4,065,147	2,903,148	249.8%
55200	COMPUTER EQUIPMENT	52,698	1,104,119	1,051,421	1995.2%
55104	BRIDGES & CULVERTS	-	922,824	922,824	-
53351	CONTRIBUTIONS & GRANTS	806,319	1,511,915	705,597	87.5%
54409	REFUND OF COLLECTED FEES	142,345	541,631	399,286	280.5%
51811	WORKERS' COMP CLAIMS	108,127	393,240	285,113	263.7%
54424	SUBCONTRACTOR SERVICES	625,924	909,180	283,256	45.3%
51241	MEDICAL HEALTH BENEFITS	3,978,356	4,226,604	248,248	6.2%
53047	LIABILITY CLAIMS	112,092	289,992	177,900	158.7%
53071	CONSULTANT SERVICES	1,081,403	1,231,550	150,147	13.9%
52101	GAS AND OIL PRODUCTS	747,714	890,545	142,830	19.1%
51761	PRESCRIPTION DRUG CLAIMS	929,440	1,065,246	135,805	14.6%
54378	RADIO REPAIR MAINTENANCE	64,841	196,533	131,692	203.1%
53321	BRIDGE REPAIR	458,617	577,855	119,238	26.0%
52131	REVENUE STAMPS PURCHASED	386,492	500,000	113,508	29.4%
53341	HIGHWAY REPAIR	7,644	113,253	105,610	1381.6%
55081	VEHICLES	224,997	328,861	103,864	46.2%

Overall Fund Expenditures

Expenditures that have seen notable decline from Fiscal Year 2011 include:

Expenditure	FY 2011	FY 2012	Decrease	% Decline
55103 LAND IMPROVEMENTS	882,017	25,682	(856,335)	-97.1%
55101 LAND	670,572	-	(670,572)	-100.0%
52250 OPERATIONAL SUPPLIES	3,623,732	3,210,534	(413,198)	-11.4%
55105 ROAD IMPROVEMENTS	411,799	3,595	(408,203)	-99.1%
51751 MEDICAL CLAIMS	3,939,665	3,696,817	(242,848)	-6.2%
54303 ENGINEERING ARCHITECT	494,642	266,821	(227,821)	-46.1%
54998 SHARED SAV-ROLLOVER CONT	253,289	43,524	(209,765)	-82.8%
52998 SHARED SAV-ROLLOVER COMM	231,814	43,742	(188,072)	-81.1%
54372 BUILDING REPAIR	269,249	115,230	(154,019)	-57.2%
54418 MANAGEMENT EXPENSES	1,130,528	982,883	(147,644)	-13.1%
57050 ISSUANCE COSTS	153,566	42,806	(110,760)	-72.1%

General Fund Expenditures

As of October 31, 2012, FY 2012 General Fund expenditures are at \$32,569,047, a decrease of \$140,209 (-0.4%) when compared to FY 2011.

Personnel costs comprise the lion share of the County' expenditures. These expenditures are up in FY 2012 as follows: full time employees are up \$390,929 (+2.4%), medical health benefits are up \$224,751 (+10.3%), overtime-replacement costs are up \$32,386 (+115.8%), and overtime premium is up \$29,298 (+4.4%). Outsourced medical services are up from last year (+\$184,913, +23.8%), while medical supplies are up \$34,231 (+91.4%), and food expenses are up \$34,937 (+13.4%). Revenue stamp purchases are up \$113,508 (+29.4%), radio repair / maintenance is up \$96,944 (+317.0%), and fleet maintenance expenses are up \$83,333 (+23.5%). Some items were not General Fund expenditures last year but appear this year, such an example are drugs related to the jail inmates (up \$74,416).

General Fund expenditures witnessing decline from FY 2011 include contributions and grants (-\$310,317, -92.0%), coordinator services (-\$143,090, -32.0%), building repairs (-\$141,848, -71.9%), compensation adjustments (-\$48,000, -99.4%), publishing legal notices (-\$44,495, -49.5%), utilities (-\$43,622, -7.1%), and other equipment (-\$41,571, -100%). Also, shared savings expenditures have been down thus far in the year by (\$452,013).

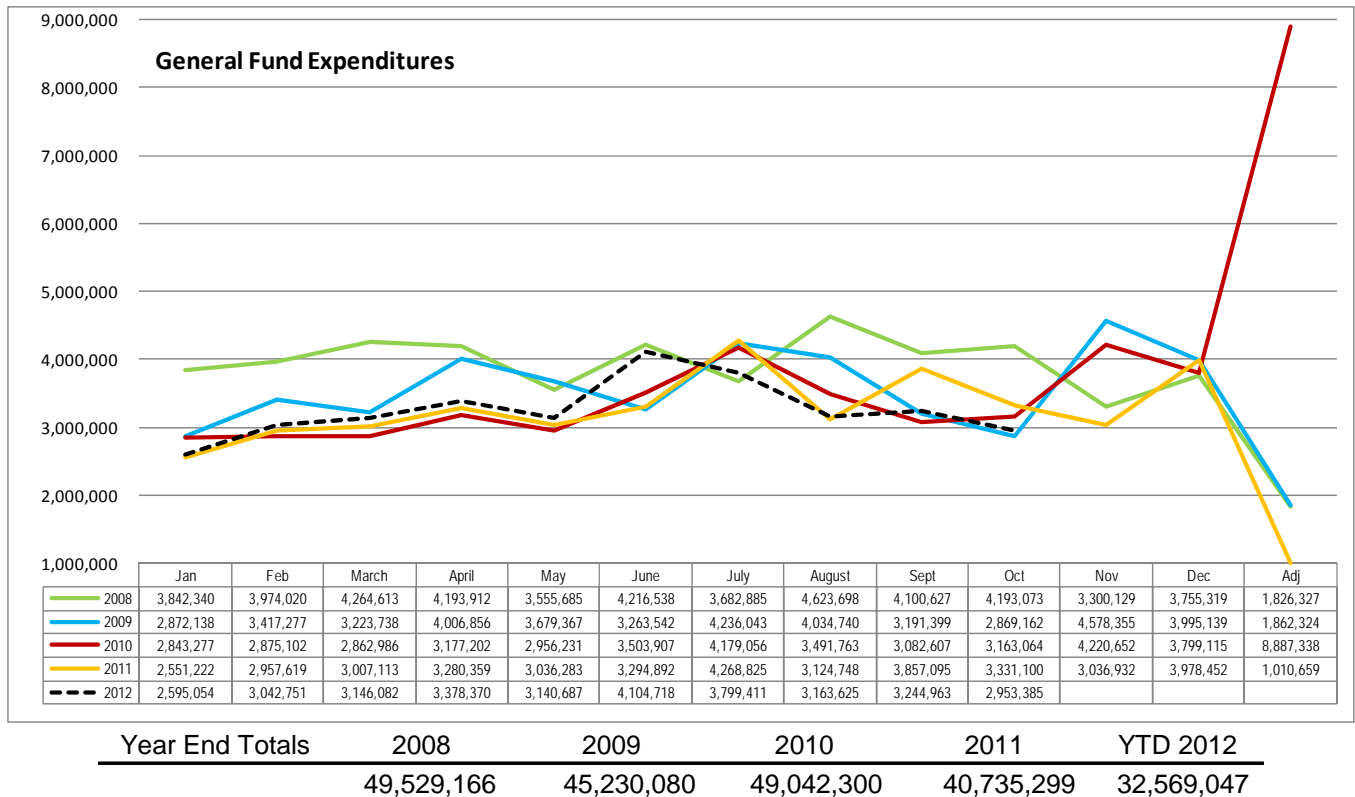
General Fund expenditures that have seen notable growth from Fiscal Year 2011 include:

Expenditure	FY 2011	FY 2012	Increase	% Growth
51031 FULL-TIME EMPLOYEES	16,156,115	16,547,045	390,929	2.4%
51241 MEDICAL HEALTH BENEFITS	2,190,143	2,414,894	224,751	10.3%
53051 MEDICAL SERVICES	778,258	963,171	184,913	23.8%
52131 REVENUE STAMPS PURCHASED	386,492	500,000	113,508	29.4%
54378 RADIO REPAIR MAINTENANCE	30,578	127,522	96,944	317.0%
53069 FLEET MAINTENANCE EXP	354,167	437,500	83,333	23.5%
52206 DRUGS	-	79,416	79,416	-
52041 FOOD	260,770	295,707	34,937	13.4%
52205 MEDICAL SUPPLIES	37,465	71,697	34,231	91.4%
51171 OVERTIME-REPLACEMENT	27,965	60,350	32,386	115.8%
51060 OVERTIME PREMIUM	658,586	687,884	29,298	4.4%

General Fund Expenditures

General Fund expenditures that have seen notable decline from FY 2011 include:

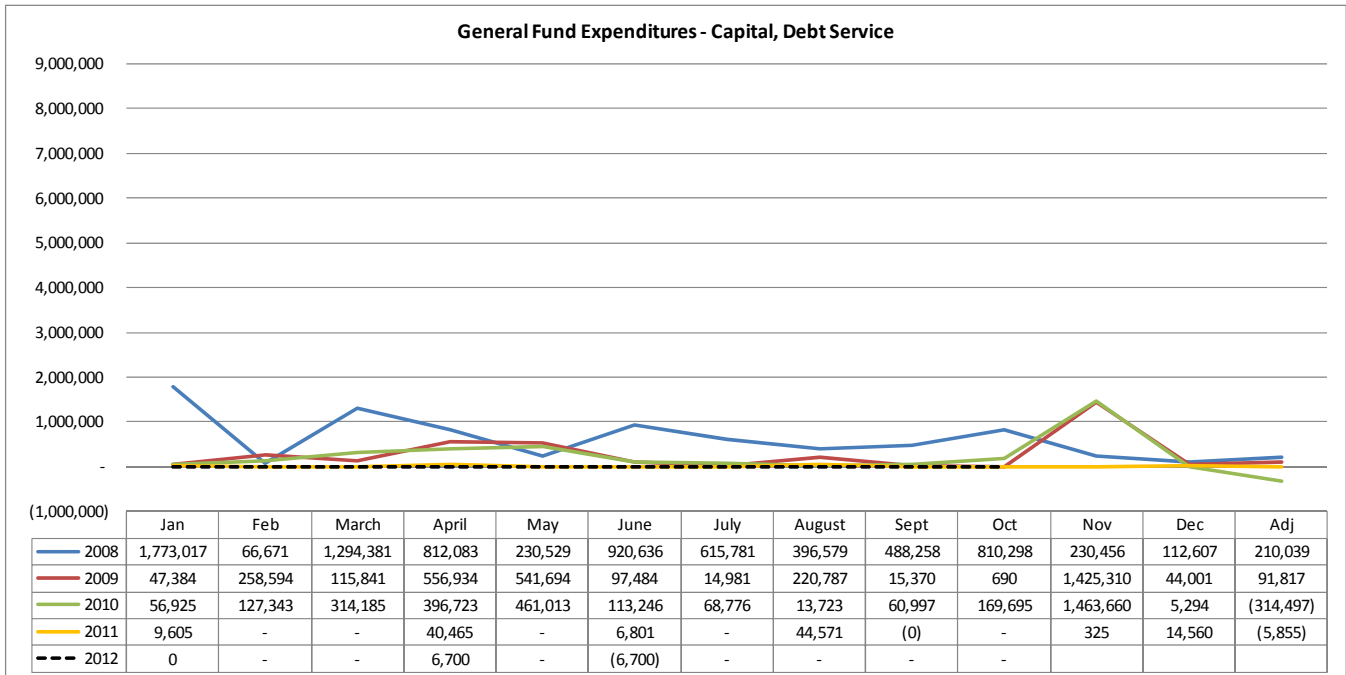
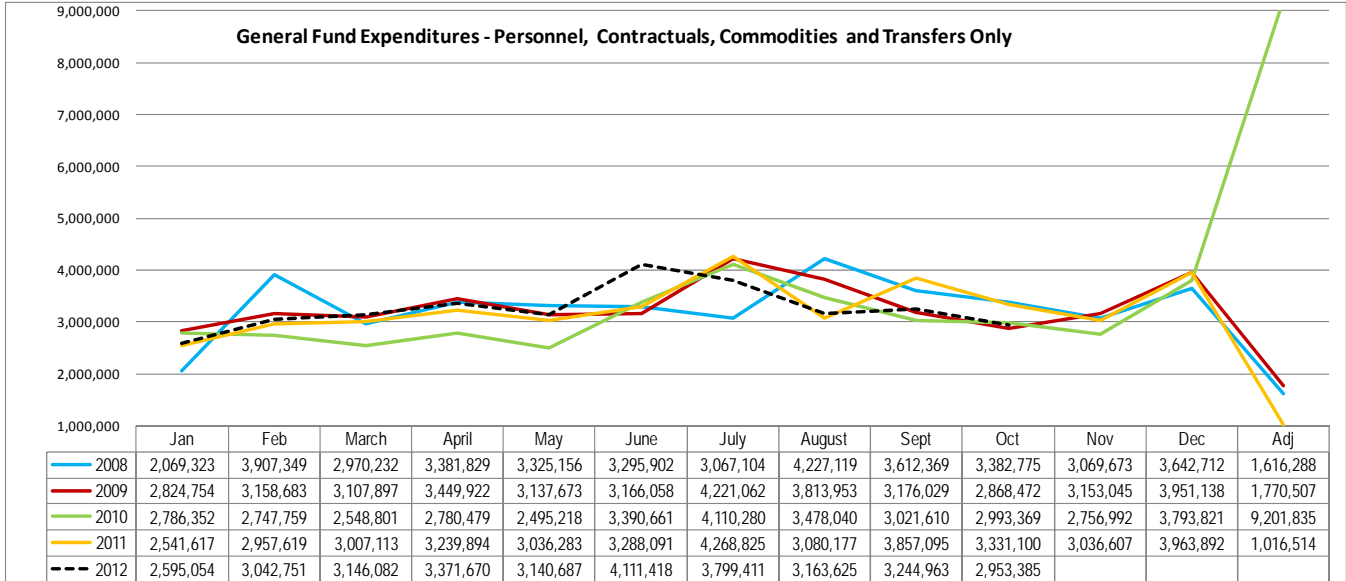
Expenditure	FY 2011	FY 2012	Decrease	% Decline
53351 CONTRIBUTIONS & GRANTS	337,344	27,027	(310,317)	-92.0%
54998 SHARED SAV-ROLLOVER CONT	253,289	43,524	(209,765)	-82.8%
52998 SHARED SAV-ROLLOVER COMM	231,814	43,742	(188,072)	-81.1%
54333 COORDINATOR SERVICES	447,238	304,147	(143,090)	-32.0%
54372 BUILDING REPAIR	197,161	55,313	(141,848)	-71.9%
55999 SHARED SAVINGS - CAPITAL	54,176	-	(54,176)	-100.0%
51192 COMPENSATION ADJUSTMENTS	48,300	300	(48,000)	-99.4%
54340 PUBLISHING LEGAL NOTICES	89,858	45,363	(44,495)	-49.5%
53600 UTILITIES GAS/ELECTRIC	616,637	573,016	(43,622)	-7.1%
55112 OTHER EQUIPMENT	41,571	-	(41,571)	-100.0%



The General Fund is the main operating fund within Peoria County. General Fund expenditures will vary each year and the same expenditures do not always occur in the same exact period 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)

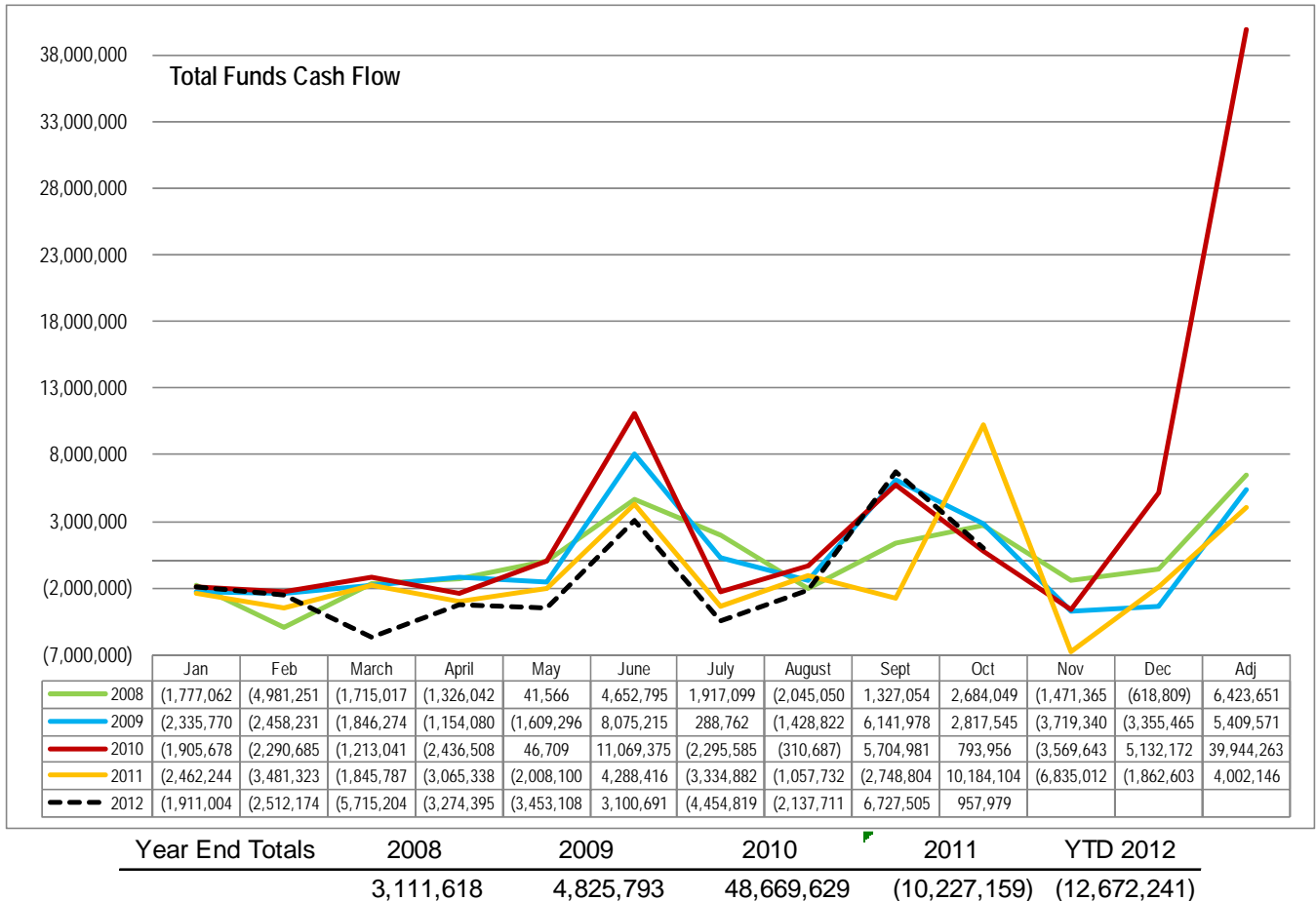
The following charts represent General Fund expenditures divided into operating (personnel, contractual services, commodities, and transfers) and non-operating (capital, debt service). The utilization of the General Fund as the source of capital funding and debt service was common prior to the creation of segregated funds to allow for these 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 October 31, 2012, this total is \$32,569,047, a decrease of (\$38,767, -0.1%) from this time last year in 2011.



Total Fund Cash Flow

The cash flow FY 2012 for all funds is (\$12,672,241) for the year to date as of October 31, 2012. This is \$7,140,552 more than the cash burn at this time in FY 2011. While negative cash flow is occurring, this is expected due to construction of large-scale capital projects that were funded through bond proceeds in FY 2010 and FY 2011 which 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 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 \$15,388,733, which is \$5,134,502 (+50.1%) higher than this time last year. Building improvements have increased \$2,903,148 and computer equipment mostly related to the criminal justice software project increased \$1,051,421.

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. FY 2012's expenditures have off-set much of the positive gains associated with June property tax revenues, leading to less positive cash flow for the month than is normally expected.



Total fund cash flow will vary each year. Total fund revenues and total fund expenditures need to be included 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

General Fund Cash Flow

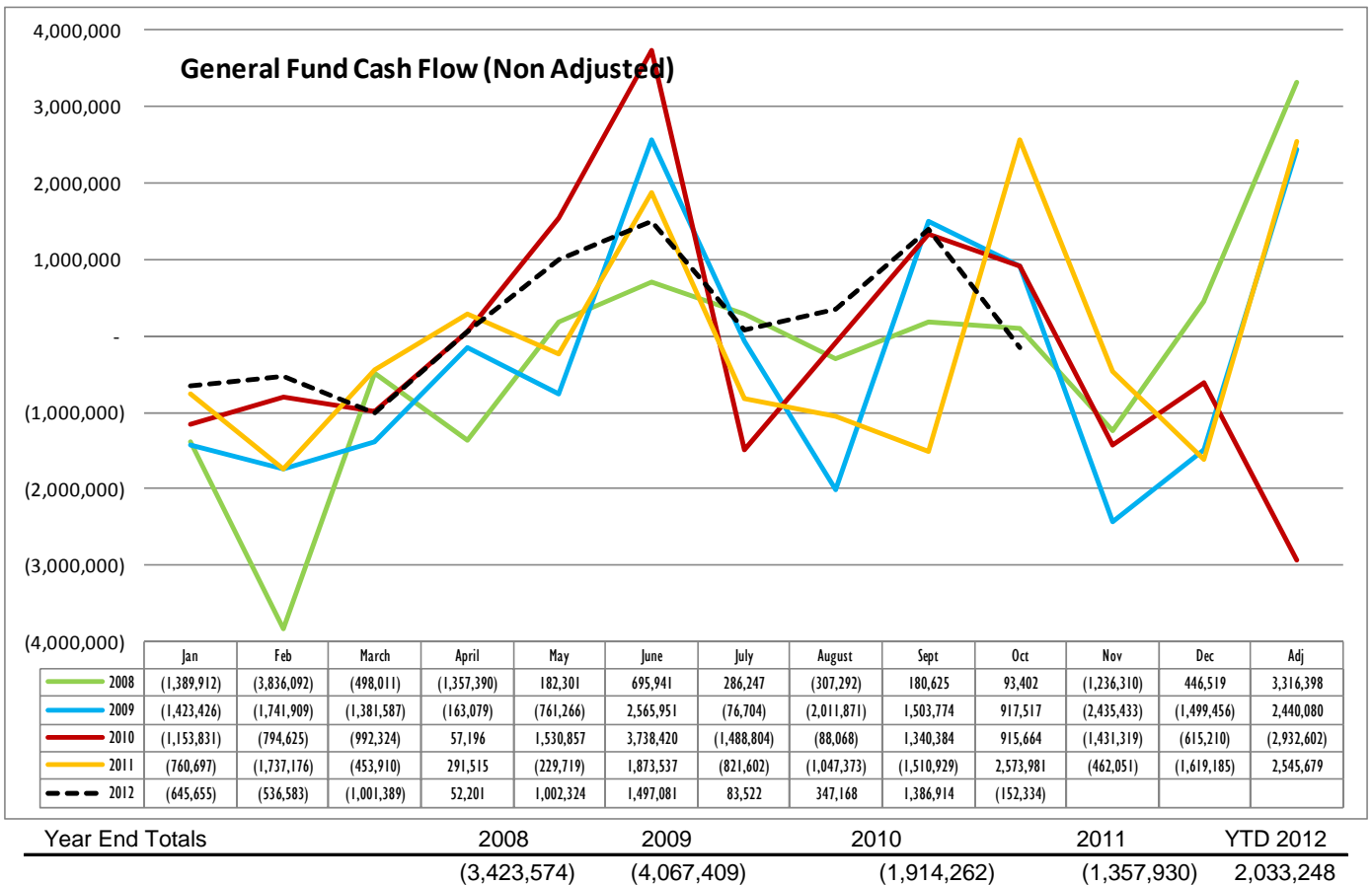
years can distort the information in this analysis. However, it is still important to know the "big picture" in terms of the County's overall use of funding (including proceeds from previous bond issues). The above chart is able to give a snapshot of this information.

As of October 31, 2012, the General Fund has positive cash flow of \$2,033,248. Last year at this time it was down (\$1,357,930). This is \$3,855,622 (or 211.6%) more 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 such as 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 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.



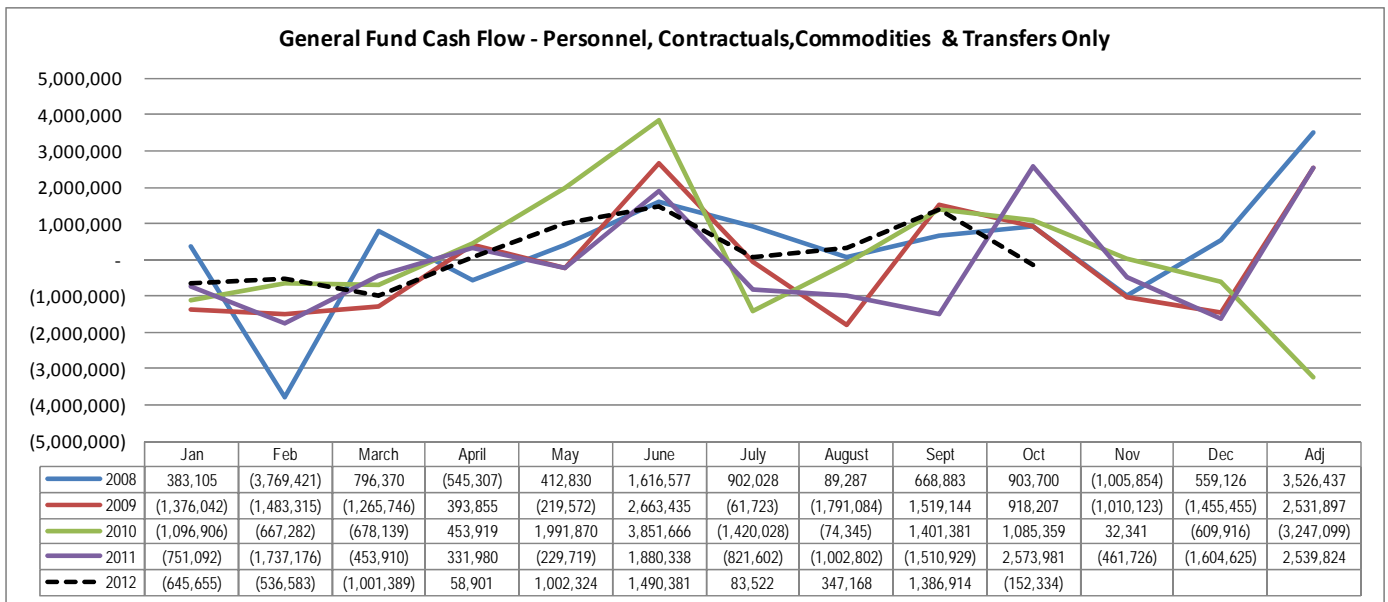
General Fund Cash Flow

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

When removing capital expenditures and debt service, the cash flow through October 2012 is \$2,022,249. This amount was (\$1,720,931) at this time last year. The FY 2012 figure represents a difference of \$3,754,179 from time last year. General Fund expenditures declined slightly and revenues are up significantly due to a change in accounting procedures. Much of this money will be transferred out to cover debt costs.

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 fixating on any particular month.

Looking at past years, it is obvious 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.

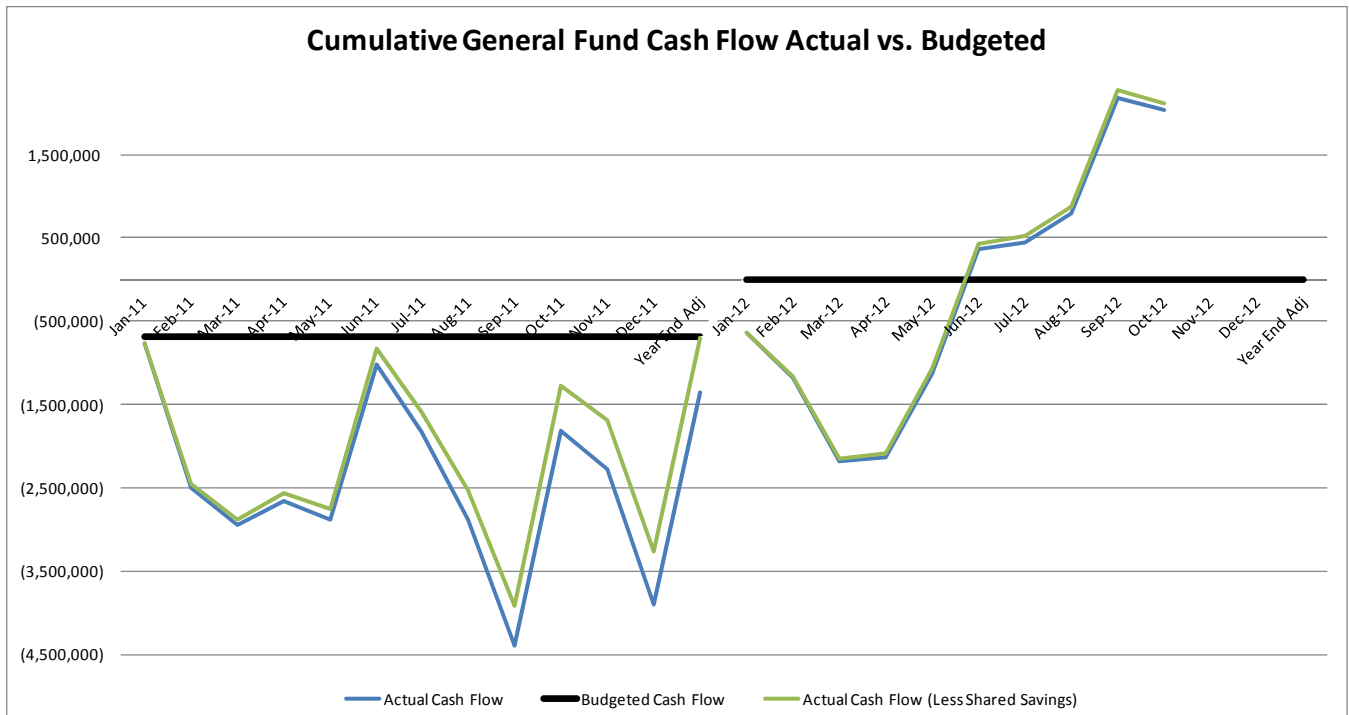


General Fund Cash Flow

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

January 2011 is the starting point since 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 to still 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 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 October 2012, there is positive cash flow of \$2,033,248. This is due to flat General Fund expenditures combined with some large increases in revenue (although this will decline due to transfers for debt service on December bond payments). For comparison purposes, the cumulative cash burn through October 2011 was (\$1,822,373). The difference in cash flow from this time last year is a positive \$3,855,622. However, I must stress the fact that the change in accounting procedures for both public safety sales and supplementary taxes add significantly to this increase. The net increase in General Fund revenues will be used for the earmarked purposes of both revenue streams.

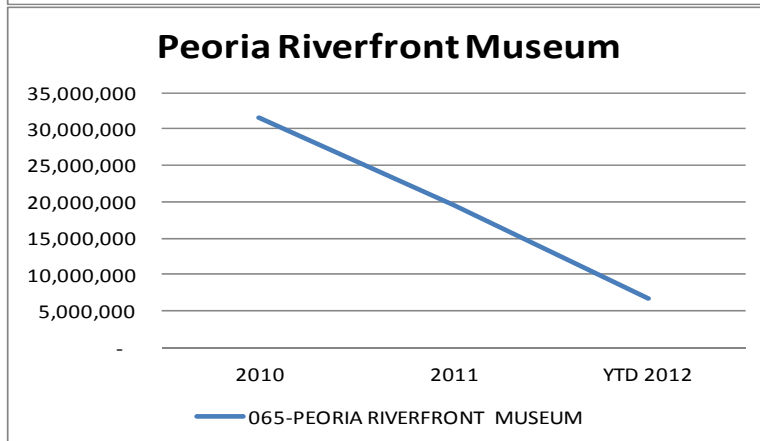
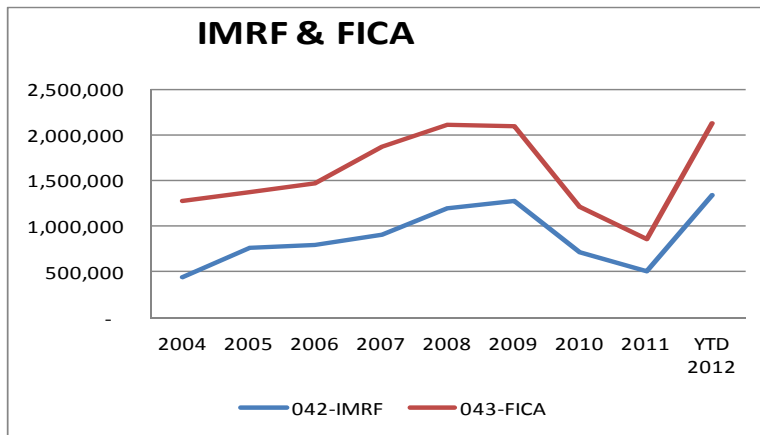
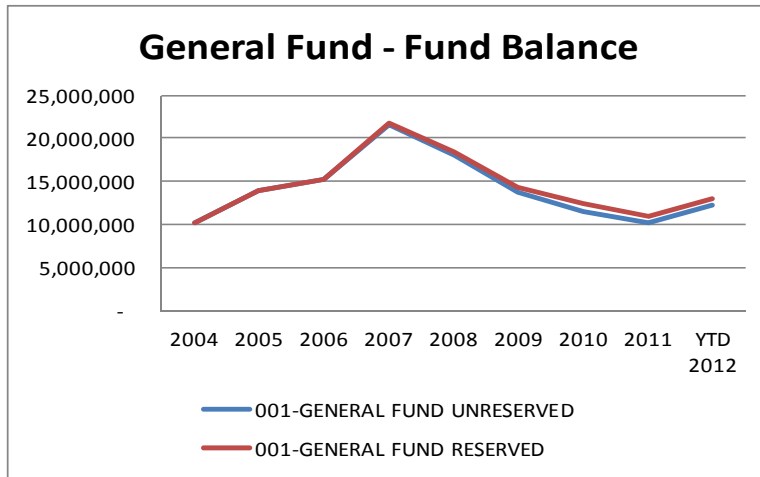


	<u>FY 2011</u>	<u>YTD 2012</u>		<u>FY 2011</u>	<u>YTD 2012</u>
Budgeted Cash Flow	(678,907)	-			
Actual Cash Flow	(1,357,930)	2,033,248	Shared Savings Expense	651,247	87,266
Deficit Beyond Budgeted Amount	(679,023)	2,033,248	Deficit Less Shared Savings Expense	(27,776)	1,945,982

Fund Balances (Through October 31, 2012)

FUND NAME	2004	2005	2006	2007	2008	2009	2010	2011	YTD 2012
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	12,216,492
001-GENERAL FUND RESERVED	-	-	-	275,365	314,223	488,733	837,059	837,059	837,059
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	13,111,429
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	2,885,920
031-CARE & TREATMENT	149,662	185,954	193,193	167,374	187,133	189,912	93,438	128,479	252,491
033-COUNTY HIGHWAY	827,328	628,377	549,626	517,341	579,076	624,303	680,962	1,035,656	1,421,952
034-COUNTY BRIDGE	252,971	272,554	844,971	1,098,477	677,168	682,547	1,151,781	2,006,945	1,674,521
035-TOWNSHIP BRIDGE	38,121	39,634	184,704	338,892	631,321	632,172	632,270	62,158	348,000
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	4,151,927
037-TOWNSHIP MOTOR FUEL TAX	409,742	711,863	413,999	679,381	532,911	795,462	1,093,978	705,186	1,538,971
038-MATCHING TAX	760,532	720,675	1,245,631	1,119,078	1,204,901	1,126,116	987,085	668,974	386,373
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	1,113,097
041-SOLID WASTE MANAGEMENT	518,668	488,960	536,680	702,046	746,181	748,939	743,937	1,215,799	1,201,251
042-IMRF	438,761	762,284	796,385	916,005	1,192,678	1,275,914	722,819	507,654	1,336,150
043-FICA	830,481	606,019	675,190	951,766	922,635	813,711	484,790	355,476	785,625
044-VETERANS ASS'T COMMISSION	34,911	41,919	43,272	75,568	79,903	70,679	55,905	49,936	98,762
045-PEORIA COUNTY LAW LIBRARY	108,818	110,507	110,362	102,641	80,289	62,800	48,656	32,189	38,003
046-PEORIA COUNTY FORFEITURE	25,700	39,402	114,516	223,975	324,358	376,270	345,386	383,847	429,950
048-JUVENILE DETENTION CENTER	457,601	233,361	562,711	243,222	462,902	561,611	715,162	1,034,256	1,069,055
049-PROBATION SERVICES	844,037	979,682	649,951	441,477	470,659	767,526	1,031,059	1,093,819	1,205,799
051-DRUG FORFEITURE-SHERIFF	96,118	123,725	121,932	95,584	81,697	60,974	44,722	42,701	47,925
052-NEUTRAL SITE EXCHANGE	276,048	343,817	422,356	494,677	527,922	513,769	500,567	467,663	420,215
055-CHILDRENS WAITING ROOM	-	-	-	-	-	-	-	-	(31,335)
057-INMATE BENEFIT	300,990	357,713	453,332	576,449	682,565	787,157	478,186	189,051	129,039
058-RESTRICTED DONATIONS SHERIFF	45,977	48,687	52,604	47,598	45,233	45,459	41,603	48,585	45,086
060-UNIV OF ILLINOIS EXTENSION	-	-	-	-	-	-	1	1	62,475
061-PUBLIC FACILITIES SALES TAX	-	-	-	-	-	-	2,195,024	1,198,633	3,256,598
062-CAPITAL PROJECTS	-	-	-	-	-	-	5,293,696	4,242,183	(285,805)
063-PLANNING AND ZONING GRANT	-	-	-	-	(145,000)	-	-	(46)	(135)
065-PEORIA RIVERFRONT MUSEUM	-	-	-	-	-	-	31,587,672	19,632,457	6,669,213
067-GEN OBLIGATION DEBT CERTIFICATE	-	-	-	-	-	-	1,624,974	3,261,733	2,145,792
070-CRIMINAL JUSTICE SYSTEM	-	-	-	-	-	-	5,817,095	5,274,839	3,732,403
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	15,407,055
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	3,572,036
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	2,889,212
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	13,236,221
082-PEORIA COUNTY RISK MANAGEMENT	424,746	339,713	765,539	822,741	425,662	285,719	352,535	(165,804)	(126,526)
085-PEORIA COUNTY JUDGES MARRIAGE	5,684	7,658	-	-	-	-	-	-	-
087-PUBLIC TRANSPORTATION	-	-	-	-	-	-	-	193,370	(51,180)
089- SAO AUTOMATION FEE FUND	-	-	-	-	-	-	-	-	2,681
090-VICTIM ADVOCATE	1,699	2,395	2,941	3,318	3,441	3,455	-	-	-
091-C.O.P.S.	12,342	12,904	6,408	14,160	7,192	7,186	7,192	7,192	(94,801)
092-VVV MEM CAPITAL PROJECT	-	-	619,522	-	-	-	-	-	-
093-EDUC TRANSITION / VISIT	9,785	8,329	8,216	7,515	9,956	13,281	14,635	15,198	17,818
094-FAMILY VIOLENCE COORD COUNCIL	(321)	(5)	149	307	399	411	418	13,978	18,005
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	10,137,599
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	107,304,277

Fund Balances (Through October 31, 2012)



Fund Balances (Through October 31, 2012)

