File #:	19-0678	**Version:** 1		
Type:	Report		**Status:**	Filed
File created:	7/2/2019		**In control:**	Budget & Employment Committee
On agenda:	7/11/2019		**Final action:**	7/11/2019
Title:	Report on Budgetary Revenues and Expenditures for the year ended December 31, 2018			
Sponsors:				
Indexes:				
Code sections:				
Attachments:	1. 4th Quarter 2018 attachment.pdf			

Date	Ver.	Action By	Action	Result
7/11/2019	1	Board of Commissioners	Published and Filed	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF JULY 11, 2019

COMMITTEE ON BUDGET AND EMPLOYMENT

Mr. Brian A. Perkovich, Executive Director

Report on Budgetary Revenues and Expenditures for the year ended December 31, 2018

Dear Sir:

Attached is a report of revenues and expenditures for the year ended December 31, 2018. This report is prepared on an unaudited budgetary basis of accounting.

The actual 2018 Corporate Fund net tax revenue of $234.2 million is 99.7 percent of the estimated tax collections for the period and is $8.9 million below the collections for the same period in 2017. The difference is primarily attributed to Personal Property Replacement Tax (PPRT) receipts, which are $5.8 million less in 2018 compared to 2017. The 2018 local PPRT allocations from the State were reduced to fund higher education. Additionally, the 2018 PPRT allocation to the Retirement Fund is $2.1 million more than in 2017, reducing the amount available to the Corporate Fund.

Actual Corporate Fund non-tax revenue for 2018 preformed over budget by $2.9 million. User charge income of $41.3 million was under budget by $4.7 million and resource recovery revenues of $0.6 million were under budget by $1 million. These shortfalls were offset by positive variance in land rental and easement income of $1.5 million, TIF surplus distributions of $1.2 million, income on investments of $1.7 million, and other small revenue sources of $4.1 million.

The 2018 actual expenditures of $348.5 million are 94.1 percent of the $370.2 million Corporate Fund budget. Corporate Fund expenditures in 2018 were higher than the District's typical expenditure rate of 91.0 percent. Energy expenditures (electricity and gas) in 2018 are 7.8 percent higher than 2017 due primarily to the addition of McCook Reservoir and the continued number of extreme rain events.

Across all funds, investment income performed extremely well compared to budget due to strong economic growth in the middle of 2018. Total investment income was budgeted at $7.8 million, but year-end actuals were

$14.8 million, causing very high budget to actual rates for non-tax revenue in the Construction, Reserve Claim, Bond Redemption & Interest, and Working Cash Funds. The Stormwater Fund non-tax revenue totaled $1 million, which includes a $347,000 non-budgeted grant for flood mitigation and investment income of $689,000.

The two primary economic factors driving the District's revenues are the Consumer Price Index (CPI) and the real estate market. Over the last 12 months, the all items index increased 1.9 percent before seasonal adjustment. The Illinois Association of Realtors reports that December Chicago metropolitan area home sales are down 17.5 percent over December 2017, while the median price has decreased 7.1 percent in the same period.

The District maintained a favorable financial position in 2018 but continued to spend reserves to finance operational needs for the second year in a row. Final expenditures for 2017 were $338.4 million, while 2018 year-end expenditures totaled $348.7 million, or a $10.3 million increase. While 2018 Corporate Fund expenditures were expected to remain flat to 2017, expenditures began trending upwards in the middle of 2018.

Respectfully Submitted, Eileen M. McElligott, Administrative Services Officer, SAR

Attachment