

**AGENDA ITEM EXECUTIVE SUMMARY**

Agenda Item number: 7b

Title:

Presentation Update Regarding City's Preliminary Financial Results for 2nd Quarter Ending October 31, 2017

Presenter:

Chris Minick, Finance Director

Meeting: Government Operations Committee

Date: January 8, 2018

Proposed Cost: \$ N/A

Budgeted Amount: \$

Not Budgeted: **Executive Summary** (*if not budgeted please explain*):

A brief summary of the financial results for the 2nd Quarter ending October, 2017 for the City's main operating funds will be presented. A comparison of actual amounts to budget amounts and major financial trends will be discussed.

Attachments (*please list*):

Narrative Explanation
Summary Spreadsheets

Recommendation/Suggested Action (*briefly explain*):

Presentation Update Regarding City's Preliminary Financial Results for 2nd Quarter Ending October 31, 2017

November 21, 2017

October 2017 Monthly Financial Results

In an effort to improve communications regarding the City's financial results, we have consolidated and simplified the various financial reports provided to City Council as well as City employees. It is our goal to provide meaningful financial data in a format that is easy to read and understand. This report will be prepared monthly and will be presented to City Council as well as made available to all City employees.

It is important to note that the results are presented on the cash basis of accounting (revenues are booked when cash is received and expenditures are booked when cash is disbursed). The City will convert results to a modified accrual basis of accounting (revenues are recognized when available and expenses are recognized as the liability is incurred) as required by generally accepted accounting principles. This conversion takes place during the fiscal year end audit process.

The report consists of 3 sections:

1. A brief narrative that summarizes the financial highlights for the quarter. The narrative follows the overview of the report format.
2. Charts and graphs that give a view of the financial performance of the City's General Fund, Electric Fund, Water Fund and Wastewater Fund.
3. Summary financial statements that document the status of the City's General Fund, Electric Fund, Water Fund, and Wastewater Fund.

Any questions regarding this report may be submitted to your department director, Chris Minick, or Mark Koenen.

Overview of the Report

Charts

The Charts section consists of information that was previously presented in the quarterly snapshot report. These charts are intended to give a quick, high-level summary of the financial performance of each of the major revenue and expenditure streams and the individual funds.

Chart #1 is a summary of Revenues for each of the 4 major operating funds: General Fund, Electric Fund, Water Fund and Wastewater Fund. Chart #1 compares the current year revised budgeted amount, the current year annual forecast amount, and the previous fiscal year's actual amount of revenue.

Chart #2 is a summary of Expenditures for each of the 4 major operating funds. It also compares the current year annual revised budget, the current year annual forecast amount, and the previous fiscal year's actual expenditures.

Chart #3 highlights the Top 7 Revenue Sources of the General Fund, the City's main operating fund. It includes the current year annual revised budget, the current year forecast amount, and the previous fiscal year's actual.

Charts #4-7 are a comparison of Revenues and Expenditures for each of the 4 major operating funds. It also compares the current year revised budget, the current year forecast, and the previous year's actual.

Reports

The reports reflect the monthly financial results for each of the City's four main operating funds. Each fund is represented on a separate page. These reports present the same information that had been contained in the employee financial report. These reports have been summarized somewhat for ease and convenience of use. Additionally, one-time revenue sources and expenditures are no longer segregated but appear in the proper revenue or expense category for ease of use and to present the information in a more understandable format.

The reports include a revenue section, an expenditure section, and a net surplus or (deficit). The revenue section is made up of the major revenue sources for that fund. Expenditures are broken down by Personal Services, Commodities, Contractual Services, Other Operating Expenses, Departmental Allocations, Capital, Debt Service, and Transfers Out.

The surplus or deficit is the net result of revenues over or under expenditures.

The columns are presented uniformly throughout the reports. Below is a description of each column:

Column 1 (Original Budget) represents the current fiscal year's original budget as passed in April.

Column 2 (Revised Budget) reflects the original budget and the impact of any budgetary transfers, additions, or deletions that have occurred since the beginning of the fiscal year. This is the budget as it stands as of the end of the month.

Column 3 (Year to Date (YTD) Actual) reflects the actual revenues received or expenses incurred for the current fiscal year through the end of the month. This column reflects the actual operating results of the fund for the fiscal year to date.

Column 4 (YTD Actual vs Budget %) calculates what percentage of the revised annual budget has been received or spent for the fiscal year to date. It is a percentage determined by Column 3 divided by Column 2.

Column 5 (Prior YTD Actual) reflects the revenues received or expenses incurred as of the same month from the prior fiscal year.

Column 6 (Inc/Dec from Prior Year %) calculates how our current YTD results compare with prior YTD results for the same period. Percentages greater than 100 indicate that we have received/spent more in the current fiscal year to date than in the prior fiscal year; whereas percentages below 100 indicate that we have received/spent less in the current year than in the previous year. It is a percentage determined by taking the difference between Column 3 and Column 5 and then dividing that amount by Column 5).

Column 7 (Fiscal Year Forecast) represents the forecasted financial results based on the year-to-date actual amounts reflected in Column 3 and the anticipated results of the remainder of the fiscal year. In other words, this column reflects our current projection of the financial results for each line item for the fiscal year. The City will place great importance on the numbers in this column to track and evaluate the anticipated results of operations for the fiscal year. The amounts in this column are tracked and analyzed to try to discern any trends that would require the City to take action during the fiscal year.

Column 8 (Forecast vs Revised Budget) is the difference between the forecasted amount and the revised budget. Positive differences indicate that we are projected to receive/spend more than the revised annual budget. Negative differences indicate that we are projected to receive/spend less than the revised annual budget for the fiscal year.

Column 9 (Forecast vs Budget %) reflects the same information as in Column 8, but in percentage format. Percentages greater than 100 indicate that we are projected to receive/spend more than the revised annual budget whereas percentages less than 100 indicate that we are projected to receive/spend less than the revised annual budget. It is a percentage determined by Column 8 divided by Column 2).

Column 10 (FY 16-17 Actual) represents the total amount of revenue received or expense incurred for the previous fiscal year for the line item indicated. It is possible that this number will change between now and October as the results of the City's annual audit are finalized. The City will utilize audited numbers in this column as soon as they become available.

Discussion of October 2017 Results

General Fund

The General Fund is where the vast majority of City operations are accounted for. This includes almost all of the services provided by the City, as well as expenses needed to support most departments and employees.

Through October, General Fund revenues are forecasted to be slightly below the revised budget by 0.6%. The City's largest revenue stream, Sales and Use Tax, is above last year's amount by 2.8% but yet is trending slightly below budget by 0.7%. Hotel Tax and Alcohol Tax are both ahead of where they were last year and are also above budgeted amounts at this point in time. Income tax disbursements from the State, Telecommunication tax and Electric Franchise Fees are below last year's amounts and are also below budget. The 18.0% increase in Other Revenues as compared to last year is primarily due to an increase in building permit

related fees, as a result of an uptick in residential and commercial construction within the City. Property tax collections are below where they were last year due to the timing of property tax disbursements from both Kane and DuPage counties. These timing differences will work themselves out over the next couple of months.

It should be noted that the October results reflect the reductions included in the State's approved FY 18 budget. The budget for State Income Tax disbursements was reduced for the 10% reduction in LGDF (Local Government Distributive Fund) and the budget for Home Rule sales tax was reduced to reflect the 2% administrative fee implemented by the State.

Forecast expenditures through October are currently 3.1% below the revised budget. Personal services, commodities and contractual services are all currently projected to be below the revised budget. Other operating expenses are on track with budget at this point in time.

As of October 31, the General Fund is projected to end the year with a deficit of \$196,271. This compares to a projected deficit of \$650,000 when the budget was approved in April. It is important to keep in mind that the projected deficit will be offset by the use of General Fund reserves that have been earmarked for specific General Fund expenditures.

It is also important to note that October results only reflect a portion of the "roll forward" of budgets for projects that were not completed during FY 16-17. These "roll forwards" will have a direct impact on the General Fund's projected surplus/deficit. In continuation of a new process implemented last fiscal year, roll forwards are being tracked and will be posted as necessary rather than automatically being rolled forward in May. The purpose of this process is to provide a more accurate level of anticipated expenditures and fiscal results during the entire year.

It is extremely important to bear in mind that continued vigilance in monitoring revenues and expenditures will be crucial to maintain the City's fiscal health.

Electric Fund

Through October, electric sales are behind FY 16-17 year-to-date sales by approximately 2.9% and are below budget for the fiscal year by 1.3%. These decreases can be mostly attributed to milder summer temperatures experienced this summer. As of October 31, total Expenses are projected to be below budgeted amounts by 2.9% for the year. The Contractual Services expense category is projected to be below budget by \$1,304,378. This is due to Wholesale Power costs coming in below budgeted amounts through October. Personal Services, Commodities, and Other Operating Expenses are also projected to be under budget at this point in time.

These preliminary results indicate a projected surplus of \$791,948 for the fiscal year. There are two key points to keep in mind when looking at the projected surplus. The first key point is that there are capital expenses included in the forecast that are to be funded by prior year capital financing proceeds or by motor vehicle reserves. After taking into account

these funding sources, the adjusted surplus is estimated to be \$1,691,019. This compares to a projected surplus of \$1,305,504 at the time the budget was approved. The second key point is that October results do not reflect all of the budget “roll forwards” for uncompleted projects from FY 16-17. These “roll forwards” will have a direct impact on the Electric Fund’s operating results as these projects are completed. Some of these project roll forwards will be funded with prior bond proceeds as well as an internal borrowing that took place in a prior year.

Over the last decade, the City’s electric consumption patterns have changed while costs for wholesale power have increased. The rate structure had not kept pace with both the rates that the City is charged for wholesale power as well as the cost increases that have occurred because of the manner in which customer consumption trends have changed. The City Council has directed staff to take a long term approach to rectify that situation and assure that the City’s rate structure is adequate to provide for operating and capital needs of the utility system. To that end, the rate structure for all City utilities was analyzed as part of the budget process for fiscal year 2011-2012. Staff recommended changes to the rate structure for that fiscal year which were essentially consistent with the rate study that was completed in April of 2011. These changes included increasing fixed monthly service charges for all classes of customer as well as changes to the non-summer rates. These concepts have been incorporated into the City’s rates every year since 2011, including the rate adjustments for fiscal year 2017-18 that were approved in April of 2017 and were effective beginning with June 2017 billings. The City will be undergoing a new rate study during FY 17-18. It is anticipated that the rate study will be completed and any resulting recommendations will be presented to City Council prior to the end of the fiscal year.

Water Fund

Water user charge revenue through the end of October is 7.1% higher than the same time frame last year, due to rate increases that were implemented with the June 2017 billings. However, the effect of these rate increases is partially offset by a decrease in consumption, due to the wetter summer we have experienced this year. Operating expenses are currently projected to be under budgeted amounts by 1.9%. It is currently projected that the Water Fund will end the year with a deficit of \$1,307,477, as compared to the original budgeted deficit of \$698,884. It should be noted that these results do not reflect all of the budget “roll forwards” for uncompleted projects from FY 16-17. These “roll forwards” will have a direct impact on the Water Fund’s operating results. Some of these project roll forwards will be funded with prior bond proceeds as well as an internal borrowing that took place in a prior year.

The water rate structure has also been adjusted as part of the rate study process that was completed during FY 11-12. The City wants to assure a rate structure adequate to allow for operating and capital cost recapture. Based on current costs, the unadjusted rate structure was not adequate to provide for operations and capital projects, including the construction of a third water tower as well as replacement of the North 5th Ave waterline. The rate adjustments approved in May of 2017 (effective with June billings) are continuing the multi-year process of rate structure adjustments to bring the revenues in line with the costs of

operating the system. The City will be undergoing a new rate study during FY 17-18. It is anticipated that the rate study will be completed and any resulting recommendations will be presented to City Council prior to the end of the fiscal year.

Wastewater Fund

User charge revenue in the Wastewater Fund is higher than prior year to date by 6.4%, due to the rate increase that went into effect with the June 2017 billings. However, similar to the situation with the Water Fund, since Wastewater is billed on water consumption, the impact of these rate increases have been lessened due to the wetter summer we have experienced this year. Total Wastewater expenses are projected to be slightly below budget. Currently, the Wastewater Fund is projected to end the year with a surplus of \$491,739. Similar to the Electric Fund, there are other financing sources that are intended to fund current year capital expenses. These include prior year bond proceeds and motor vehicle reserves. After taking into account these funding sources, the adjusted surplus is estimated to be \$786,739. This compares to a projected surplus of \$959,568 at the time the budget was approved. It should also be noted that these results do not reflect all of the budget “roll forwards” for uncompleted projects from FY 16-17. These “roll forwards” will have a direct impact on the Wastewater Fund’s operating results as these projects are completed.

As with the Water Fund, the rate structure of the Wastewater Fund is being changed over a multi-year period to assure that operating and anticipated future capital expenses can be recovered through the rates charged for services. Current results indicate that the rate structure is insufficient to meet these costs. Significant capital projects are anticipated in FY 17-18 as well as over the next three years as the City works toward compliance with new phosphorus discharge standards as promulgated by the Illinois Environmental Protection Agency. Additionally, significant maintenance and replacement projects are anticipated as various components of the wastewater treatment plant are nearing the ends of their operational lives. Staff has investigated various funding options for these necessary improvements as part of the 2017-2018 budget process and recommended appropriate changes to the rate structure to meet current and future operating and capital needs. These rate structure changes, including the continuation of the EPA Mandate Compliance Fee established in June 2016, were implemented beginning with June 2017 billings to residents. The City will be undergoing a new rate study during FY 17-18. It is anticipated that the rate study will be completed and any resulting recommendations will be presented to City Council prior to the end of the fiscal year.

Connection Fee Funds

Beginning in October 2017, connection fee revenue for the Water and Wastewater utilities has been reclassified to new Connection Fee Funds for Water and Wastewater. The purpose of this reclassification is to remove one-time connection fee revenues and expenses from ongoing operations and segregate them for the purpose of funding the expansion as well as increasing capacity of these utility systems. Beginning with the fiscal year 2018-2019 budget, staff will also identify expenditures for the water and sewer system utilities that increase capacity and/or expand the system. These expenditures will be charged and

financed by the Connection Fee Funds so that a true accounting can be made between one-time revenue and expenses for construction and expansion of the utilities and ongoing operations.

City of St. Charles
Monthly Financial Report
October 31, 2017
General Fund

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	FY 17-18 Original Budget	FY 17-18 Revised Budget	YTD Actual	YTD Actual vs Budget (%)	Prior YTD Actual	Inc/(Dec) from P/Y (%)	FY 17-18 Forecast	Forecast vs Revised Budget	Forecast vs Budget (%)	FY 16-17 Actual
Revenues										
Property Taxes	\$ 12,498,375	\$ 12,498,375	\$ 12,300,809	98.4%	\$ 12,353,284	-0.4%	\$ 12,498,375	\$ -	0.0%	\$ 12,447,464
Sales and Use Taxes	17,766,634	17,663,964	8,347,092	47.3%	8,122,299	2.8%	17,547,991	(115,973)	-0.7%	17,025,806
State Income Tax	3,546,146	3,267,161	1,547,302	47.4%	1,633,822	-5.3%	3,065,870	(201,291)	-6.2%	3,116,862
Electric Franchise Fee	3,199,843	3,199,843	1,581,081	49.4%	1,636,875	-3.4%	3,048,453	(151,390)	-4.7%	3,023,278
Hotel Tax	1,885,532	1,885,532	1,141,250	60.5%	1,117,873	2.1%	1,895,772	10,240	0.5%	1,905,544
Telecommunication Tax	958,848	958,848	434,831	45.3%	471,373	-7.8%	903,309	(55,539)	-5.8%	901,280
Alcohol Tax	1,159,725	1,159,725	611,296	52.7%	586,613	4.2%	1,171,899	12,174	1.0%	1,130,982
Video Gaming Tax*	-	-	-	0.0%	862	0.0%	1,080	1,080	0.0%	40,672
Other	2,937,034	2,943,747	1,681,921	57.1%	1,424,977	18.0%	3,190,636	246,889	8.4%	2,901,172
Transfers In	-	-	-	0.0%	-	0.0%	-	-	0.0%	-
Total Revenues	\$ 43,952,137	\$ 43,577,195	\$ 27,645,582	63.4%	\$ 27,347,978	1.1%	\$ 43,323,385	\$ (253,810)	-0.6%	\$ 42,493,060
<i>*Beginning May 1, 2017, Video Gaming Tax revenue is recorded in the Capital Improvement Fund</i>										
Expenditures										
Personal Services	\$ 30,003,305	\$ 29,998,715	\$ 16,959,133	56.5%	\$ 15,823,209	7.2%	\$ 29,510,620	\$ (488,095)	-1.6%	\$ 27,568,787
Commodities	1,526,661	1,598,350	650,442	40.7%	533,957	21.8%	1,479,081	(119,269)	-7.5%	1,281,332
Contractual	10,043,644	10,362,371	4,186,238	40.4%	4,354,278	-3.9%	9,570,696	(791,675)	-7.6%	9,004,874
Other Operating Expenses	1,549,473	1,597,745	1,522,146	95.3%	1,502,653	1.3%	1,597,505	(240)	0.0%	1,367,041
Departmental Allocations	(5,126,250)	(5,126,250)	(2,563,128)	50.0%	(2,502,384)	2.4%	(5,126,250)	-	0.0%	(5,004,768)
Capital	136,350	144,011	47,528	33.0%	47,896	-0.8%	144,011	-	0.0%	121,453
Debt Service	4,586	4,586	2,293	50.0%	2,293	0.0%	4,586	-	0.0%	4,586
Transfers Out	6,464,368	6,339,407	1,164,962	18.4%	1,311,340	-11.2%	6,339,407	-	0.0%	6,232,518
Total Expenditures	\$ 44,602,137	\$ 44,918,935	\$ 21,969,614	48.9%	\$ 21,073,242	4.3%	\$ 43,519,656	\$ (1,399,279)	-3.1%	\$ 40,575,823
Surplus (Deficit)	\$ (650,000)	\$ (1,341,740)	\$ 5,675,968		\$ 6,274,736		\$ (196,271)	\$ 1,145,469		\$ 1,917,237

City of St. Charles
Monthly Financial Report
October 31, 2017
Electric Fund

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	FY 17-18 Original Budget	FY 17-18 Revised Budget	YTD Actual	YTD Actual vs Budget (%)	Prior YTD Actual	Inc/(Dec) from P/Y (%)	FY 17-18 Forecast	Forecast vs Revised Budget	Forecast vs Budget (%)	FY 16-17 Actual
Revenues										
User Charges	\$ 61,799,564	\$ 61,799,564	\$ 32,977,526	53.4%	\$ 33,957,086	-2.9%	\$ 61,010,778	\$ (788,786)	-1.3%	\$ 62,273,904
Connection Charges	55,500	55,000	77,485	0.0%	20,170	284.2%	77,485	22,485	0.0%	27,795
MV/Equip/WC Reserve	304,927	304,927	304,927	100.0%	287,192	6.2%	304,927	-	0.0%	287,192
Reimbursement for Projects	100,000	405,000	864,064	213.3%	821,282	5.2%	874,414	469,414	115.9%	762,448
Other Operating Revenues	388,000	388,000	288,190	74.3%	243,553	18.3%	454,246	66,246	17.1%	495,595
Bond Proceeds	2,230,000	2,230,000	-	0.0%	3,121,983	0.0%	2,230,000	-	0.0%	(9,486)
Non-Operating Revenue	61,664	61,664	-	0.0%	61,664	0.0%	61,664	-	0.0%	
Transfers In	234,000	101,000	-	0.0%	-	0.0%	101,000	-	0.0%	257,048
Total Revenues	\$ 65,173,655	\$ 65,345,155	\$ 34,512,192	52.8%	\$ 38,512,930	-10.4%	\$ 65,114,514	\$ (230,641)	-0.4%	\$ 64,094,496
Expenses										
Personal Services	\$ 3,875,812	\$ 3,875,312	\$ 1,854,879	47.9%	\$ 1,838,550	0.9%	\$ 3,754,896	\$ (120,416)	-3.1%	\$ 2,571,392
Commodities	292,443	306,404	75,144	24.5%	80,515	-6.7%	262,989	(43,415)	-14.2%	184,176
Contractual	44,741,814	44,953,827	22,792,802	50.7%	23,058,387	-1.2%	43,649,449	(1,304,378)	-2.9%	42,344,813
Other Operating Expenses	6,442,473	6,442,573	2,940,179	45.6%	2,963,641	-0.8%	5,975,616	(466,957)	-7.2%	9,315,779
Departmental Allocations	2,068,619	2,068,619	1,034,310	50.0%	985,848	4.9%	2,068,619	-	0.0%	1,484,186
Capital	4,664,350	6,828,357	1,802,020	26.4%	1,889,527	-4.6%	6,828,357	-	0.0%	
Debt Service	1,282,771	1,282,771	219,288	17.1%	192,836	13.7%	1,282,771	-	0.0%	377,098
Transfers Out	499,869	499,869	39,524	7.9%	45,113	-12.4%	499,869	-	0.0%	386,729
Total Expenses	\$ 63,868,151	\$ 66,257,732	\$ 30,758,146	46.4%	\$ 31,054,417	-1.0%	\$ 64,322,566	\$ (1,935,166)	-2.9%	\$ 56,664,173
Surplus (Deficit)	\$ 1,305,504	\$ (912,577)	\$ 3,754,046		\$ 7,458,513		\$ 791,948	\$ 1,704,525		\$ 7,430,323
Motor Vehicle Reserves to be Spent in FY 17/18							\$ 225,589			
Prior Year Capital Financing Proceeds to be Spent in FY 17/18							\$ 673,482			
Net Surplus (Deficit)							\$ 1,691,019			

**City of St. Charles
Monthly Financial Report
October 31, 2017
Water Fund**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	FY 17-18 Original Budget	FY 17-18 Revised Budget	YTD Actual	YTD Actual vs Budget (%)	Prior YTD Actual	Inc/(Dec) from P/Y (%)	FY 17-18 Forecast	Forecast vs Revised Budget	Forecast vs Budget (%)	FY 16-17 Actual
Revenues										
User Charges	\$ 6,276,524	\$ 6,276,524	\$ 3,438,669	54.8%	\$ 3,209,973	7.1%	\$ 6,174,295	\$ (102,229)	-1.6%	\$ 5,711,490
Connection Charges	60,000	-	-	0.0%	51,374	-100.0%	-	-	0.0%	74,931
MV/Equip/WC Reserve	129,614	129,614	129,614	100.0%	132,868	-2.4%	129,614	-	0.0%	132,868
Donations/Contributions	-	-	-	0.0%	-	0.0%	-	-	0.0%	-
Bond/IEPA Proceeds	672,000	672,000	-	0.0%	1,046,651	0.0%	672,000	-	0.0%	-
Other	416,670	416,670	284,609	68.3%	121,036	135.1%	364,570	(52,100)	-12.5%	516,993
Transfers In	-	-	-	0.0%	-	0.0%	-	-	0.0%	-
Total Revenues	\$ 7,554,808	\$ 7,494,808	\$ 3,852,892	51.4%	\$ 4,561,902	-15.5%	\$ 7,340,479	\$ (154,329)	-2.1%	\$ 6,436,282
Expenses										
Personal Services	\$ 1,536,932	\$ 1,536,932	\$ 737,422	48.0%	\$ 725,547	1.6%	\$ 1,486,896	\$ (50,036)	-3.3%	\$ 1,463,804
Commodities	573,154	595,982	261,321	43.8%	219,261	19.2%	536,863	(59,119)	-9.9%	416,820
Contractual	1,100,752	1,152,607	453,580	39.4%	465,558	-2.6%	1,102,184	(50,423)	-4.4%	1,217,642
Other Operating Expenses	163,964	219,414	176,292	80.3%	132,272	33.3%	209,969	(9,445)	-4.3%	1,208,527
Departmental Allocations	908,373	908,373	454,188	50.0%	448,008	1.4%	908,373	-	0.0%	896,012
Capital	2,570,192	3,003,346	1,108,503	36.9%	1,171,380	-5.4%	3,003,346	-	0.0%	-
Debt Service	1,240,816	1,240,816	577,719	46.6%	428,288	34.9%	1,240,816	-	0.0%	296,552
Transfers Out	159,509	159,509	13,337	8.4%	15,223	-12.4%	159,509	-	0.0%	136,116
Total Expenses	\$ 8,253,692	\$ 8,816,979	\$ 3,782,362	42.9%	\$ 3,605,537	4.9%	\$ 8,647,956	\$ (169,023)	-1.9%	\$ 5,635,473
Surplus (Deficit)	\$ (698,884)	\$ (1,322,171)	\$ 70,530		\$ 956,365		\$ (1,307,477)	\$ 14,694		\$ 800,809

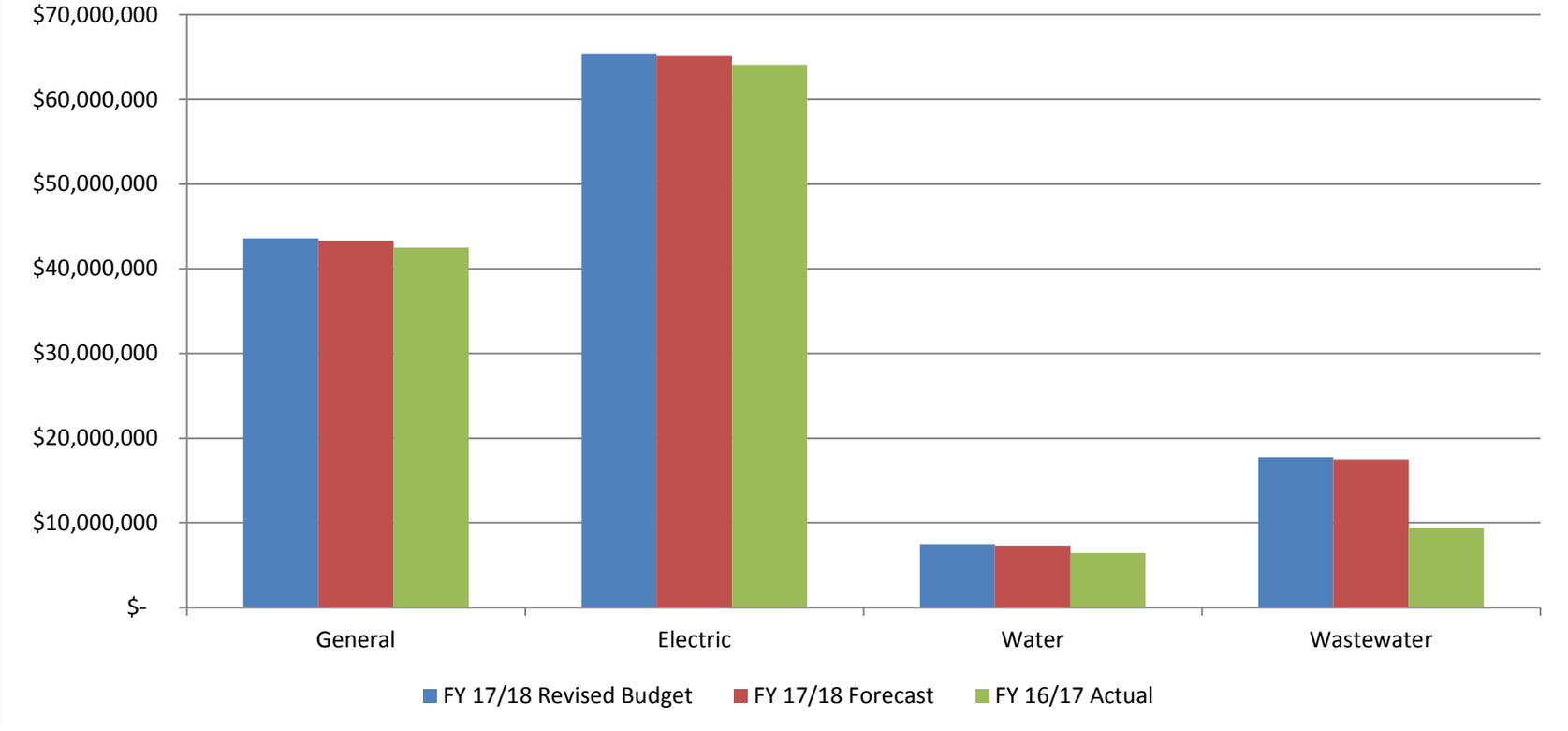
Note: Beginning October 2017, Connection Fee revenue has been reclassified to a new Connection Fee Fund. The purpose of this reclassification is to remove connection fees from operations and segregate them for the purpose of funding the expansion as well as increasing capacity of the utility system.

**City of St. Charles
Monthly Financial Report
October 31, 2017
Wastewater Fund**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	FY 17-18 Original Budget	FY 17-18 Revised Budget	YTD Actual	YTD Actual vs Budget (%)	Prior YTD Actual	Inc/(Dec) from P/Y (%)	FY 17-18 Forecast	Forecast vs Revised Budget	Forecast vs Budget (%)	FY 16-17 Actual
Revenues										
User Charges	\$ 9,926,701	\$ 9,926,701	\$ 4,872,665	49.1%	\$ 4,580,489	6.4%	\$ 9,663,413	\$ (263,288)	-2.7%	\$ 8,891,308
Connection Charges	115,000	-	-	0.0%	94,399	-100.0%	-	-	0.0%	128,311
MV/Equip/WC Reserve	298,890	298,890	298,890	100.0%	306,671	-2.5%	298,890	-	0.0%	306,671
Bond/IEPA Loan Proceeds	7,108,000	7,477,000	-	0.0%	-	0.0%	7,477,000	-	0.0%	-
Other	77,550	77,550	29,823	38.5%	20,209	47.6%	76,196	(1,354)	-1.7%	102,518
Non-Operating Revenue				0.0%		0.0%		-	0.0%	-
Transfers In	-	-	-	0.0%	-	0.0%	-	-	0.0%	-
Total Revenues	\$ 17,526,141	\$ 17,780,141	\$ 5,201,378	29.3%	\$ 5,001,768	4.0%	\$ 17,515,499	\$ (264,642)	-1.5%	\$ 9,428,808
Expenses										
Personal Services	\$ 2,108,982	\$ 2,108,982	\$ 1,075,259	51.0%	\$ 1,051,207	2.3%	\$ 2,082,345	\$ (26,637)	-1.3%	\$ 2,102,845
Commodities	288,210	304,497	124,514	40.9%	85,400	45.8%	309,468	4,971	1.6%	263,210
Contractual	2,180,966	2,245,838	778,611	34.7%	716,361	8.7%	2,125,657	(120,181)	-5.4%	2,153,265
Other Operating Expenses	284,616	284,616	257,662	90.5%	263,563	-2.2%	280,350	(4,266)	-1.5%	2,356,507
Departmental Allocations	1,347,093	1,347,093	673,548	50.0%	666,084	1.1%	1,347,093	-	0.0%	1,332,164
Capital	7,890,200	8,412,341	297,907	3.5%	675,821	-55.9%	8,412,341	-	0.0%	-
Debt Service	2,162,331	2,162,331	982,908	45.5%	994,105	-1.1%	2,162,331	-	0.0%	516,521
Transfers Out	304,175	304,175	25,373	8.3%	28,961	-12.4%	304,175	-	0.0%	248,692
Total Expenses	\$ 16,566,573	\$ 17,169,873	\$ 4,215,782	24.6%	\$ 4,481,502	-5.9%	\$ 17,023,760	\$ (146,113)	-0.9%	\$ 8,973,204
Surplus (Deficit)	\$ 959,568	\$ 610,268	\$ 985,596		\$ 520,266		\$ 491,739	\$ (118,529)		\$ 455,604
Motor Vehicle Reserves to be Spent in FY 17/18							\$ 145,000			
Prior Year Capital Financing Proceeds to be Spent in FY 17/18							\$ 150,000			
Net Surplus (Deficit)							\$ 786,739			

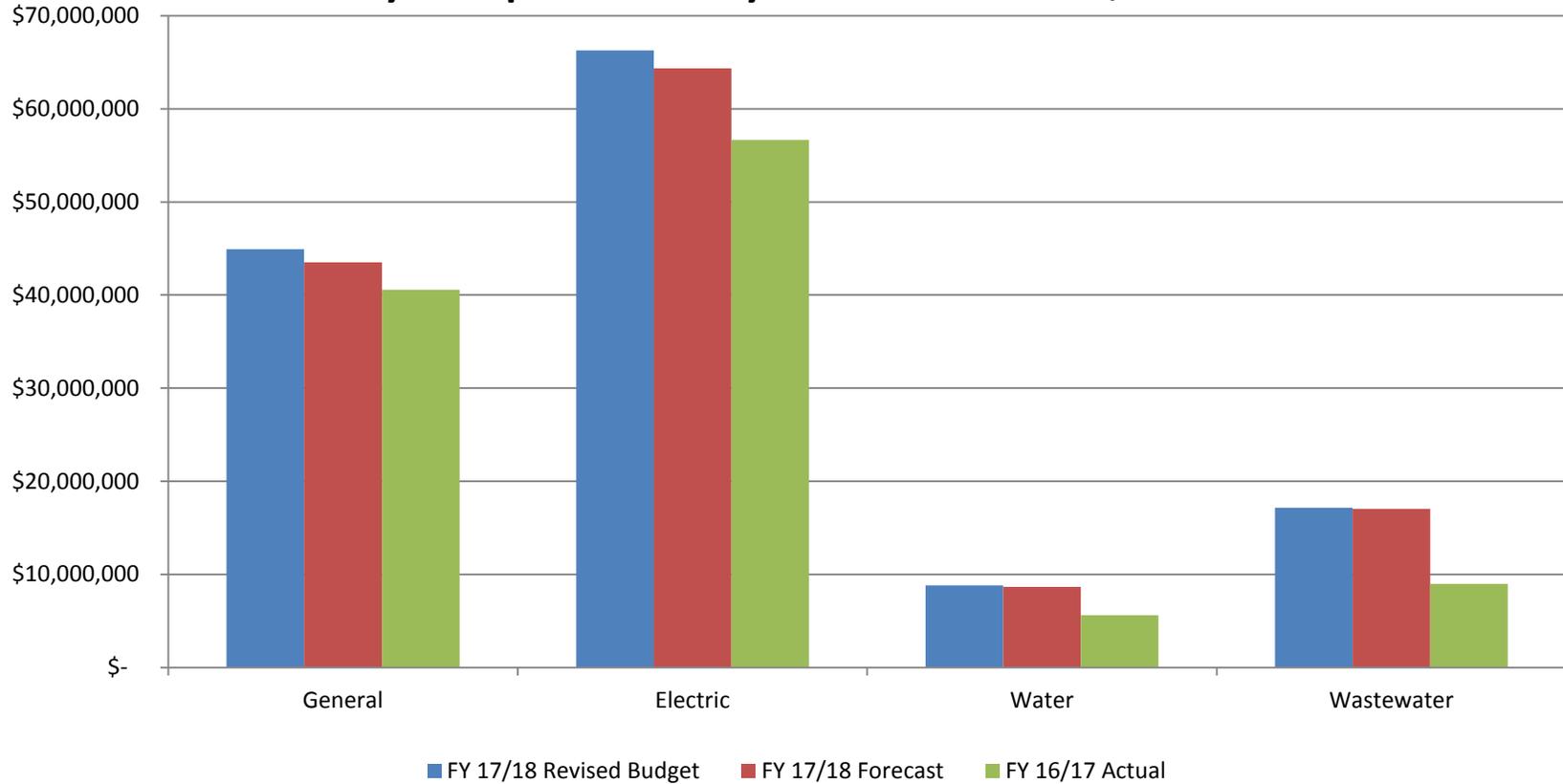
Note: Beginning October 2017, Connection Fee revenue has been reclassified to a new Connection Fee Fund. The purpose of this reclassification is to remove connection fees from operations and segregate them for the purpose of funding the expansion as well as increasing capacity of the utility system.

Summary of Revenues by Fund - October 31, 2017



	Revenues		
	FY 17/18 Revised Budget	FY 17/18 Forecast	FY 16/17 Actual
General	\$ 43,577,195	\$ 43,323,385	\$ 42,493,060
Electric	\$ 65,345,155	\$ 65,114,514	\$ 64,094,496
Water	\$ 7,494,808	\$ 7,340,479	\$ 6,436,282
Wastewater	\$ 17,780,141	\$ 17,515,499	\$ 9,428,808

Summary of Expenditures by Fund - October 31, 2017



	Expenditures		
	FY 17/18 Revised Budget	FY 17/18 Forecast	FY 16/17 Actual
General	\$ 44,918,935	\$ 43,519,656	\$ 40,575,823
Electric	\$ 66,257,732	\$ 64,322,566	\$ 56,664,173
Water	\$ 8,816,979	\$ 8,647,956	\$ 5,635,473
Wastewater	\$ 17,169,873	\$ 17,023,760	\$ 8,973,204

General Fund Top 7 Revenue Sources - As of October 31, 2017

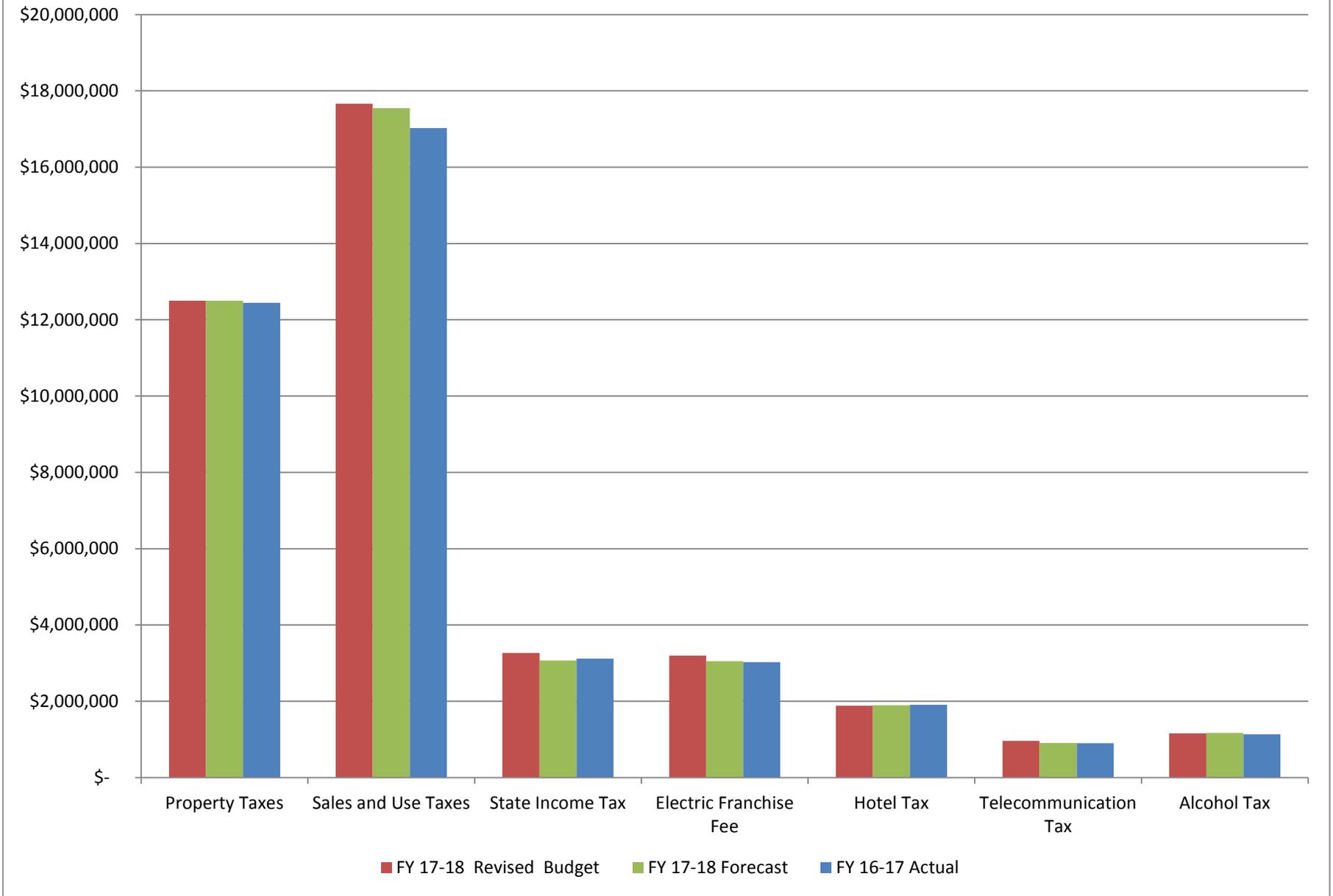
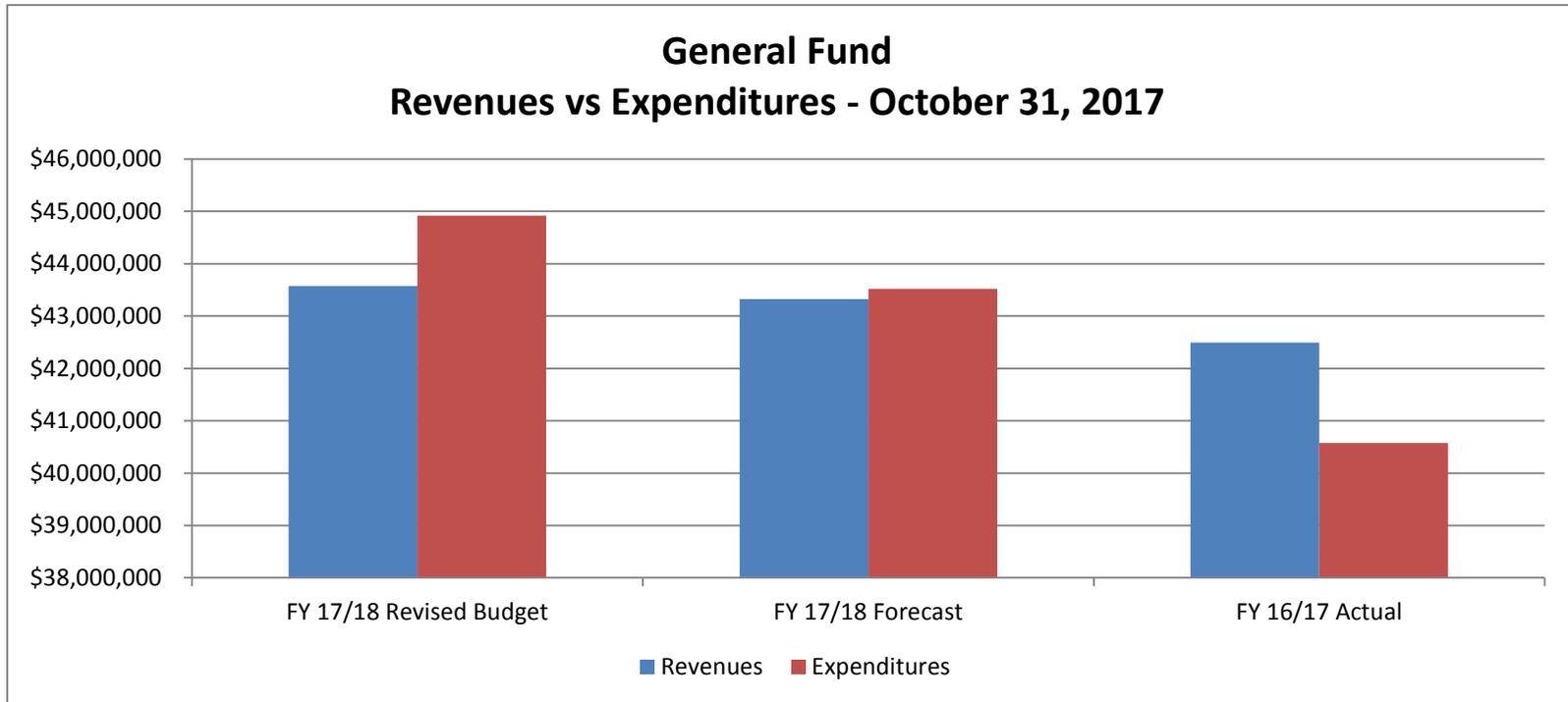
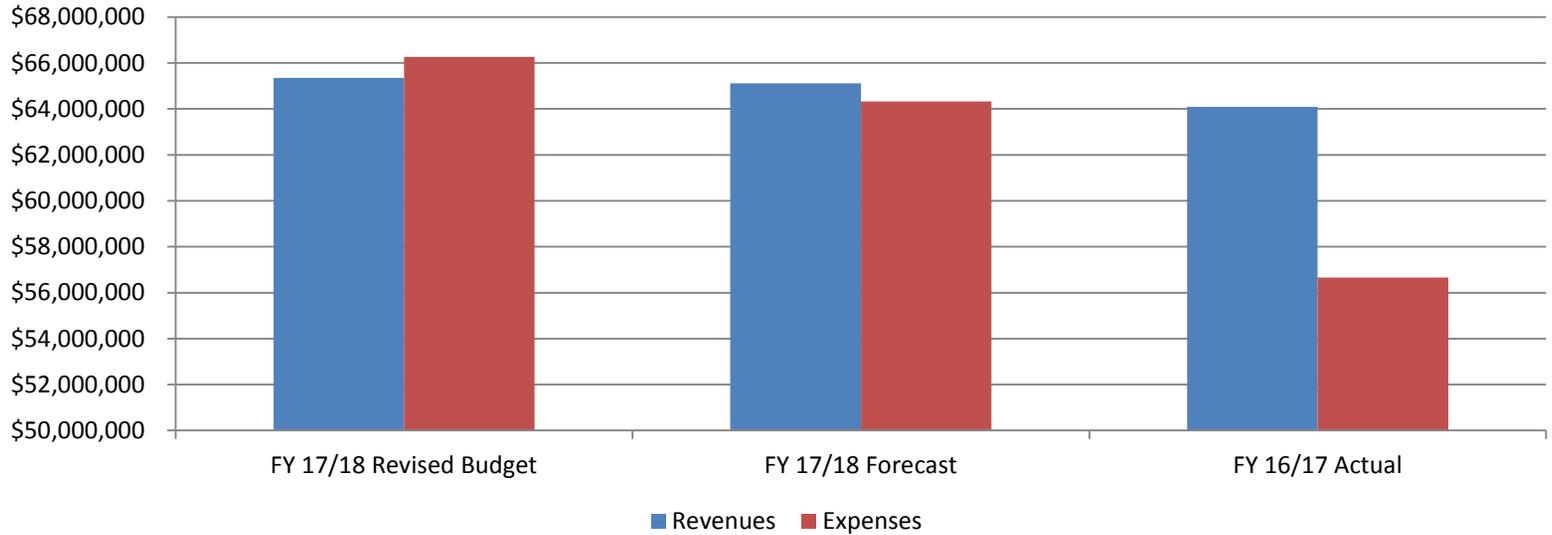


Chart 3



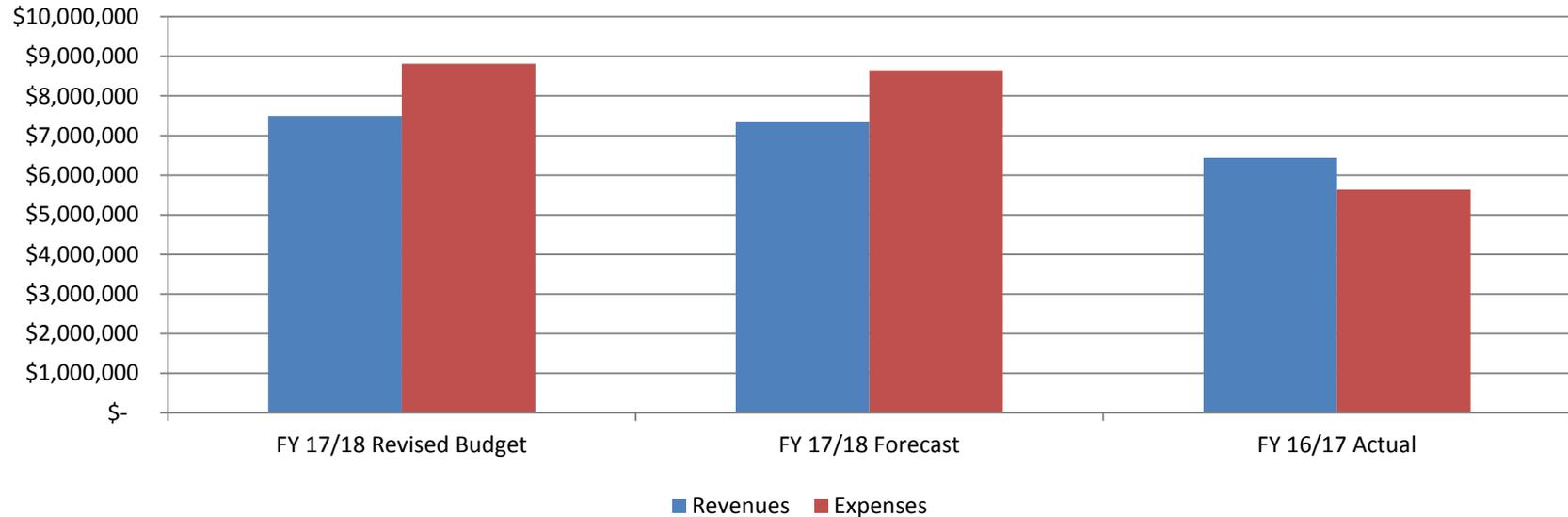
General Fund			
	FY 17/18 Revised Budget	FY 17/18 Forecast	FY 16/17 Actual
Revenues	\$ 43,577,195	\$ 43,323,385	\$ 42,493,060
Expenditures	\$ 44,918,935	\$ 43,519,656	\$ 40,575,823
Surplus/Deficit	\$ (1,341,740)	\$ (196,271)	\$ 1,917,237

Electric Fund Revenues vs Expenses - October 31, 2017



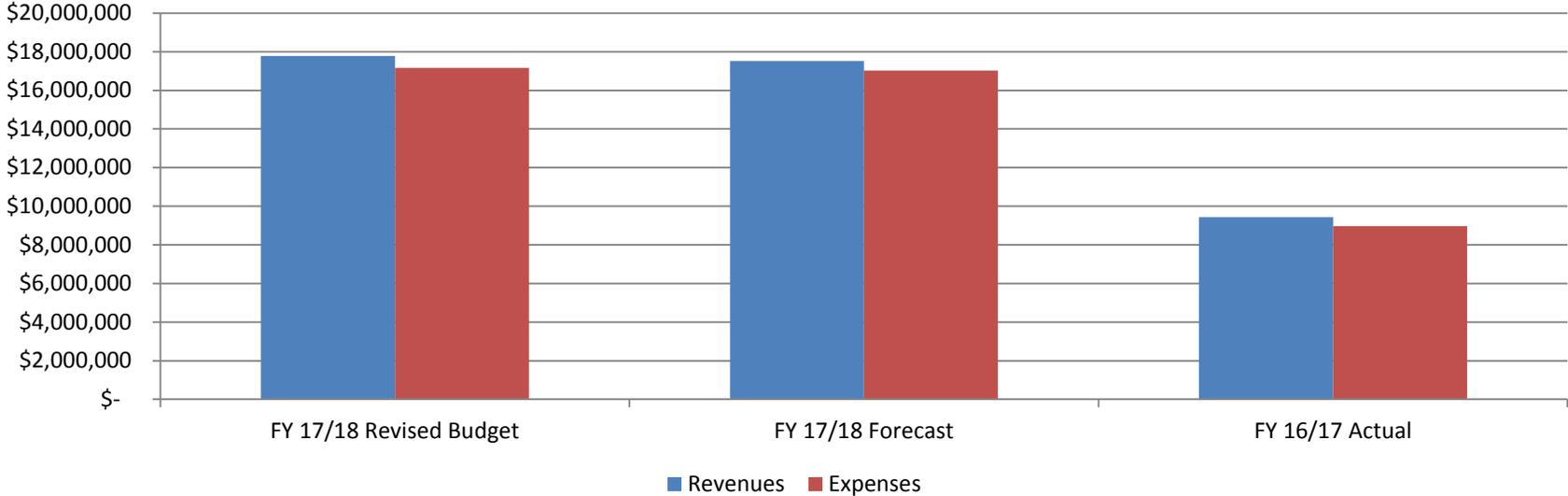
Electric Fund			
	FY 17/18 Revised Budget	FY 17/18 Forecast	FY 16/17 Actual
Revenues	\$ 65,345,155	\$ 65,114,514	\$ 64,094,496
Expenses	<u>\$ 66,257,732</u>	<u>\$ 64,322,566</u>	<u>\$ 56,664,173</u>
Surplus/Deficit	\$ (912,577)	\$ 791,948	\$ 7,430,323

Water Fund Revenues vs Expenses - October 31, 2017



Water Fund			
	FY 17/18 Revised Budget	FY 17/18 Forecast	FY 16/17 Actual
Revenues	\$ 7,494,808	\$ 7,340,479	\$ 6,436,282
Expenses	<u>\$ 8,816,979</u>	<u>\$ 8,647,956</u>	<u>\$ 5,635,473</u>
Surplus/Deficit	\$ (1,322,171)	\$ (1,307,477)	\$ 800,809

Wastewater Fund Revenues vs Expenses - October 31, 2017



Wastewater Fund			
	FY 17/18 Revised Budget	FY 17/18 Forecast	FY 16/17 Actual
Revenues	\$ 17,780,141	\$ 17,515,499	\$ 9,428,808
Expenses	<u>\$ 17,169,873</u>	<u>\$ 17,023,760</u>	<u>\$ 8,973,204</u>
Surplus/Deficit	\$ 610,268	\$ 491,739	\$ 455,604