General Fund Financial Update
FY2018 & FY2019 1st Quarter
May 28, 2019
Budgets developed to be balanced:

Expected annual Revenues = Expected annual Expenses

Revenue assumptions should be conservative

Fund Balance only used with 2/3 vote of Board
Budget Pressures looking forward:

- Pension - $4 million in General Fund
- Presidential Election
- One Time Probation Services Fund Revenue, approved by AOIC
- Technology
  - Property Tax Software
  - Phone System
  - Future – New Poll Books \ Election System
- Economy, Other
General Fund Revenue Comparison (Actuals)

FY2018 figures are unaudited
Figures subject to rounding
General Fund Expenditure Comparison (Actuals)

FY2018 figures are unaudited. Figures subject to rounding.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Personnel</th>
<th>Commodities</th>
<th>Contractual Services</th>
<th>Capital Outlay</th>
<th>Other Financing Uses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 Actual</td>
<td>$109.9M</td>
<td>$22.5M</td>
<td>$4.6M</td>
<td>$4.8M</td>
<td>$2.0M</td>
</tr>
<tr>
<td>2016 Actual</td>
<td>$111.9M</td>
<td>$24.7M</td>
<td>$3.8M</td>
<td>$4.9M</td>
<td>$3.8M</td>
</tr>
<tr>
<td>2017 Actual</td>
<td>$113.2M</td>
<td>$22.0M</td>
<td>$3.9M</td>
<td>$4.9M</td>
<td>$2.0M</td>
</tr>
<tr>
<td>2018 Original Budget</td>
<td>$122.4M</td>
<td>$26.9M</td>
<td>$4.3M</td>
<td>$3.9M</td>
<td>$1.8M</td>
</tr>
<tr>
<td>2018 Actual Unaudited</td>
<td>$131.1M</td>
<td>$24.4M</td>
<td>$4.3M</td>
<td>$3.9M</td>
<td>$1.8M</td>
</tr>
</tbody>
</table>
2018 Increased Fund Balance

2018 financials are $5 million to the good:

• Sales and Use Tax – +$62K, two good months vs Budget (September and November) recovering the almost $1 million decline we had been experiencing vs Budget

• Income Tax – +$1.5M, never experienced the anticipated 10% decline (first 7 months down $200K vs PY, last 5 months up $575K vs PY)

• Personal Property Replacement Tax – +$270K, only experienced half of the projected 20% cut (80K to the good with last three data points vs PY)

• State Salary Reimbursements – +$1.4M, backlog reduced from 10 months to 5 months

• Federal Grant Funding – +$550K, unexpected (HAVA – elections, first time since 2011 & Emergency Management Performance – OEM, at twice prior levels and came in faster than usual (via IEMA))

• Expenses – -$1.2M, 99.3% of budget, closest year yet
General Fund FY2019 Original Budget

Revenue

$179.6

- Sales Tax: $9.5
- Property Tax: $17.1
- Licenses and Permits: $23.1
- Property Tax: $17.8
- Intergovernmental: $17.1
- Bills: $1.7
- Other Taxes: $1.4
- Fines & Forfeitures: $0.3
- Investment Income: $4.7
- Charges for Services: $2.0
- Miscellaneous: $0.3

Expenditures

$179.6

- Personnel: $31.3
- Commodities: $25.9
- Contractual: $1.7
- Capital: $4.4
- Other Financing Uses: $116.3

Figures subject to rounding.
General Fund Revenue Comparison (Percentages)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales Tax</th>
<th>Property Tax</th>
<th>Other Taxes</th>
<th>Licenses and Permits</th>
<th>Intergovernmental</th>
<th>Charges for Services</th>
<th>Fines &amp; Forfeitures</th>
<th>Investment Income</th>
<th>Miscellaneous</th>
<th>Other Financing Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 Actual</td>
<td>53.8%</td>
<td>12.8%</td>
<td>9.2%</td>
<td>8.4%</td>
<td>0.9%</td>
<td>0.1%</td>
<td>1.5%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.1%</td>
</tr>
<tr>
<td>2016 Actual</td>
<td>54.9%</td>
<td>13.0%</td>
<td>8.6%</td>
<td>7.9%</td>
<td>0.3%</td>
<td>0.8%</td>
<td>1.5%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.1%</td>
</tr>
<tr>
<td>2017 Actual</td>
<td>56.4%</td>
<td>13.3%</td>
<td>10.0%</td>
<td>7.9%</td>
<td>0.3%</td>
<td>0.8%</td>
<td>1.8%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.1%</td>
</tr>
<tr>
<td>2018 Actual Unaudited</td>
<td>55.6%</td>
<td>12.8%</td>
<td>9.1%</td>
<td>7.3%</td>
<td>0.8%</td>
<td>0.8%</td>
<td>2.9%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.1%</td>
</tr>
<tr>
<td>2019 Approved</td>
<td>56.3%</td>
<td>12.9%</td>
<td>11.1%</td>
<td>5.3%</td>
<td>0.9%</td>
<td>1.7%</td>
<td>2.6%</td>
<td>0.8%</td>
<td>0.8%</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

FY2018 figures are unaudited. Figures subject to rounding.
General Fund Expenditure Comparison (Percentages)

FY2018 figures are unaudited. Figures subject to rounding.
FY2019 General Fund Revenues
1st Quarter Projected vs. Actual as of February 28, 2019

FY2019 figures are unaudited
Figures subject to rounding
Actuals are accrual basis
Revenues 1st Quarter:
• Sales and Use Tax – $800K below budget, three months of data

• LGDF – 15K above prior year, three months of data (overall budget was set at 130K above prior year)

• PPRT – 117K below prior year, 2 of 8 months of data (overall budget was set at 147K below prior year)

Subsequent Activity – received in last few weeks:
• Sales and Use Tax – $1M below budget, four months of data, thru March

• LGDF – 740K above prior year, five months of data

• PPRT – 180K above prior year, 4 of 8 months of data
FY2019 General Fund Expenditures
1st Quarter Projected vs. Actual as of February 28, 2019

1st Quarter Projected

1st Quarter Actual

$47.5M

$45.2M

$27.1

$15.4

$4.3

$0.7

$0.1

$15.4

$15.4

$3.8

$0.4

$25.7

$25.7

FY2019 figures are unaudited
Figures subject to rounding
Expenses 1st Quarter:
  • Salaries – departments are continuing to control their salary costs and absorbing their half of the COLA
  • Benefit Payments at $1M vs $3.5M budgeted (2018 ended at $5.5M vs $3.5M budgeted)

Subsequent Activity:
  • Tort Liability Insurance Fund, large transfers the last two years, last week two large settlements
2020 General Fund Pressures

- Pension – $4 million
  - Reduction in investment return (7.5% to 7.25%)
  - 2018 stock market decline
  - Increased 2018 retirements (assumes Benefit Payouts remain at $3.5 million but excludes impact of accelerated payouts)

- 2020 Presidential Election - $1.5-2 million assuming prior trend

- One time AOIC agreement to use Probation Services Fund - $1.2 million

- COLAs, Health Insurance, etc.

- Payment on 2019 Technology Expenditures – potential debt service:
  - Real Estate Tax System
  - Phone System

- Future - New Electronic Poll Books / Election System