



**City of Effingham
4th Fiscal Quarter FY18
Financial Report**

- I. Introduction: This quarterly financial report is designed to bring the City Council up to date with the City’s finances, economic vitality, fund balances, reserve status, project status, purchase status, and planned debt service. This report is a look at the completion of the fourth financial quarter (February, March, and April) of FY18. We are now 100 percent (100%) complete for the fiscal year.

- II. City Finances: The following chart indicates notable observations of the City’s finances according to percentages of the budgeted revenues and expenditures. The chart identifies the presence and corresponding amounts of a deficit or surplus by fund:

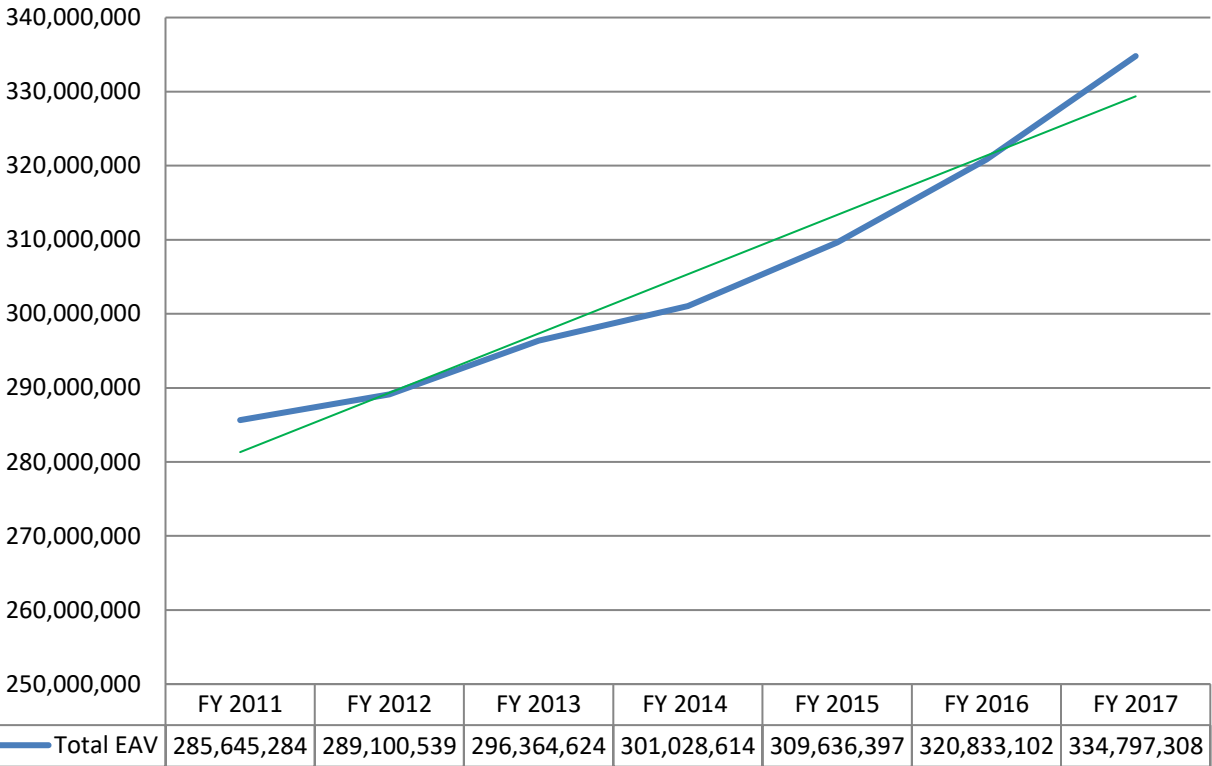
100%

Fund	Department/Category	Revenue Received w/o Balances	Money Expended	Deficit Surplus	Amount
General	Property Taxes	101%			
General	Sales Tax	100%			
General	State Income Tax	142%			
General	Franchise Fees	104%			
General	Use Tax	128%			
General	PPRT	107%			
General	Utility Taxes	103%			
General	Video Gaming Tax	126%			
General	Street Lights		110%		
General	Street/Alley		104%		
General	Police		104%		
General	Admin		104%		

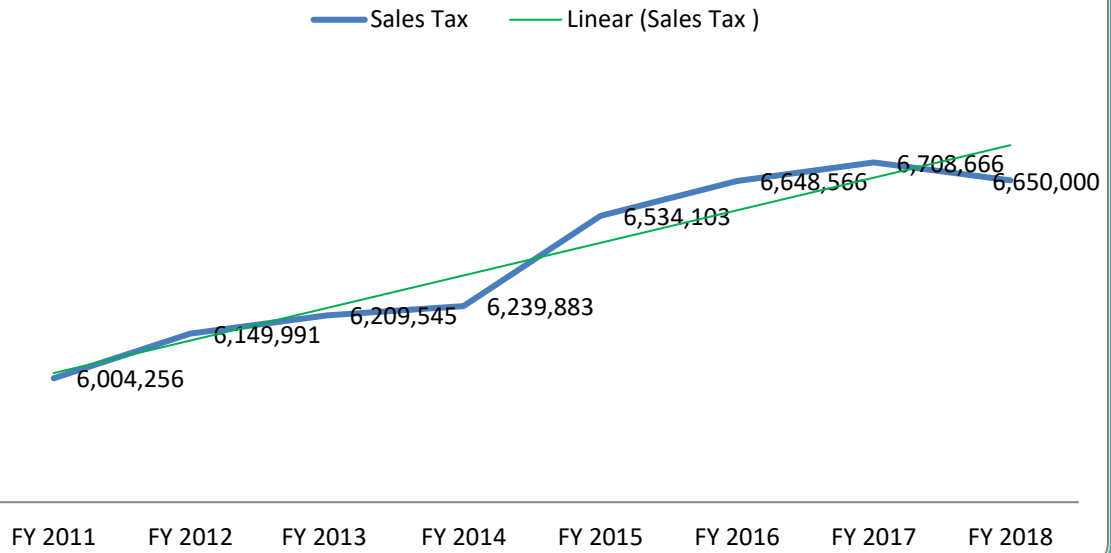
Fund	Department/Category	Revenue Received w/o Balances	Money Expended	Deficit Surplus	Amount
General	Fire		99% (89%)		
General	Economic Development		66%		
General	Engineering		94%		
General	Building Official		91%		
General	Utility Tax		80%		
General	Year to Date	73%	73%	Surplus	\$489,386
Tourism	Hotel/Motel Tax	116%			
Tourism	Year to Date	77%	59%	Surplus	\$317,139
MFT	Allotments	101%			
MFT	Year to Date	69%	16%	Surplus	\$245,534
Water	Water Meter Sales	101%			
Water	Wholesale Sales	135%			
Water	Year to Date	74%	71%	Surplus	\$200,722
TIF	Property Tax	107%			
TIF	General		76%		
TIF	Central		82%		
TIF	Outer Belt West		79%		
TIF	Industrial		44%		
TIF	Year to Date	59%	73%	Deficit	\$1,138,437
Sewer	Metered Sales	102%			
Sewer	Year to Date	64%	53%	Surplus	\$692,599
Maint.	Billing	114%			
Maint.	Fuel		89%		
Maint.	Year to Date	97%	88%	Surplus	\$22,890

III. Economic Vitality: The following graphs provide a snapshot of the City's economic vitality by tracking the equalized assessed valuation (EAV), sales tax receipts, and our hotel/motel tax revenue, The graphs provide a good annual view of the City's economic status over the time frame provided.

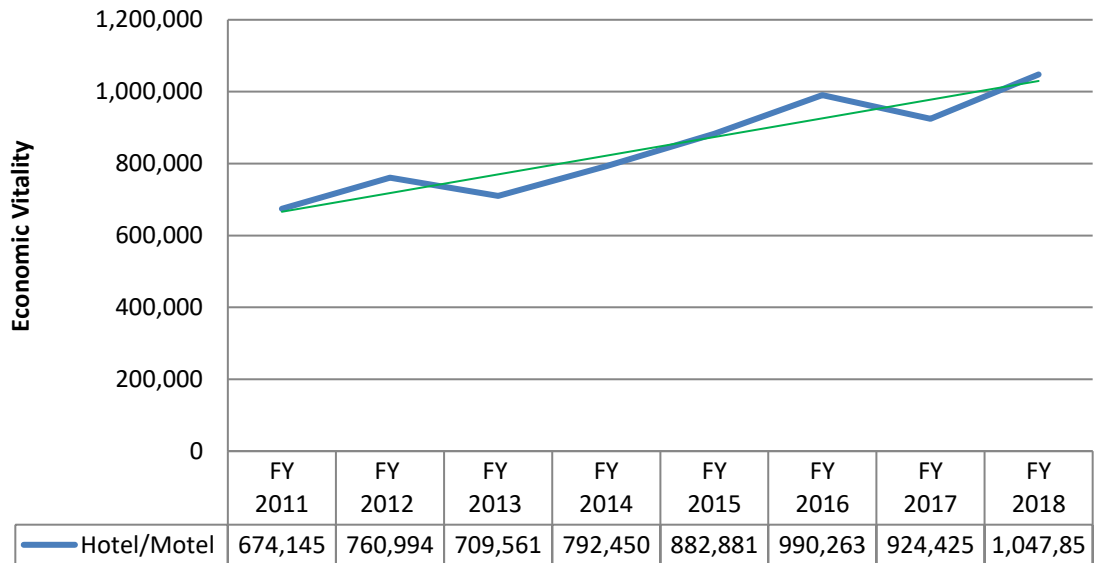
Economic Vitality Total EAV



Economic Vitality Sales Tax

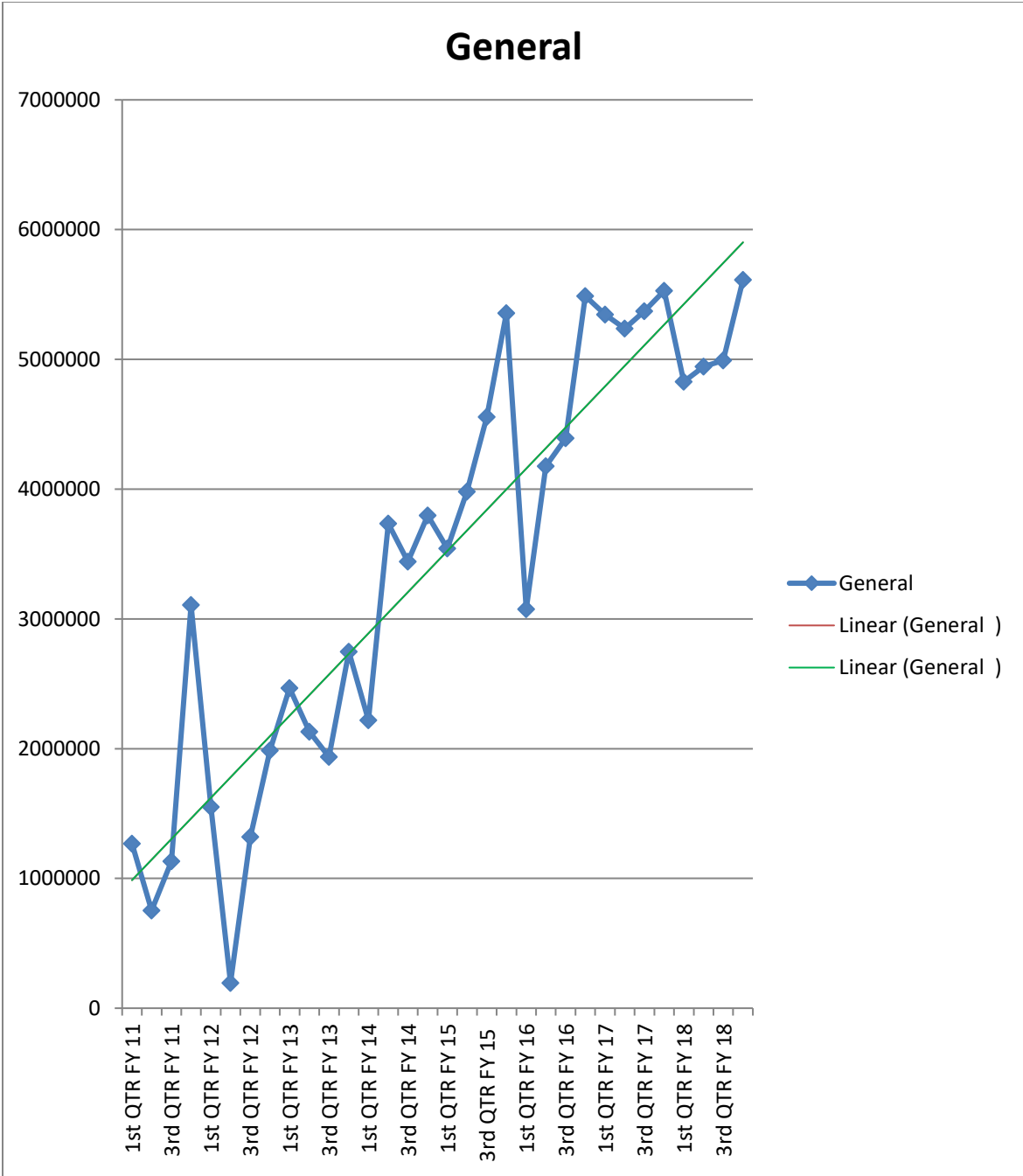


Hotel/Motel

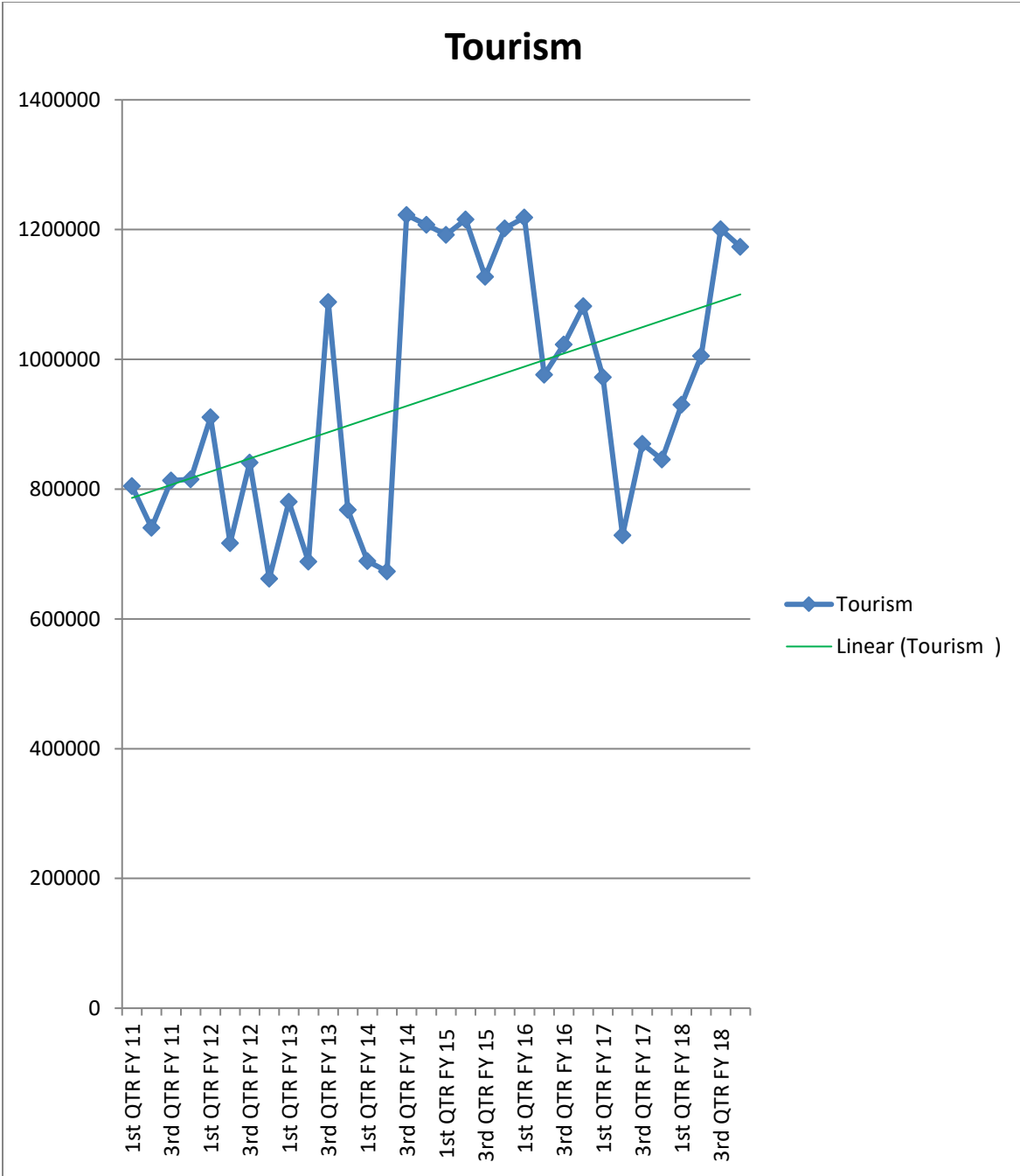


IV: Fund Balances: The following chart indicates the available cash balances for the City's major funds and how these fund balances compare to FY17 fund balances at the end of the same fiscal quarter:

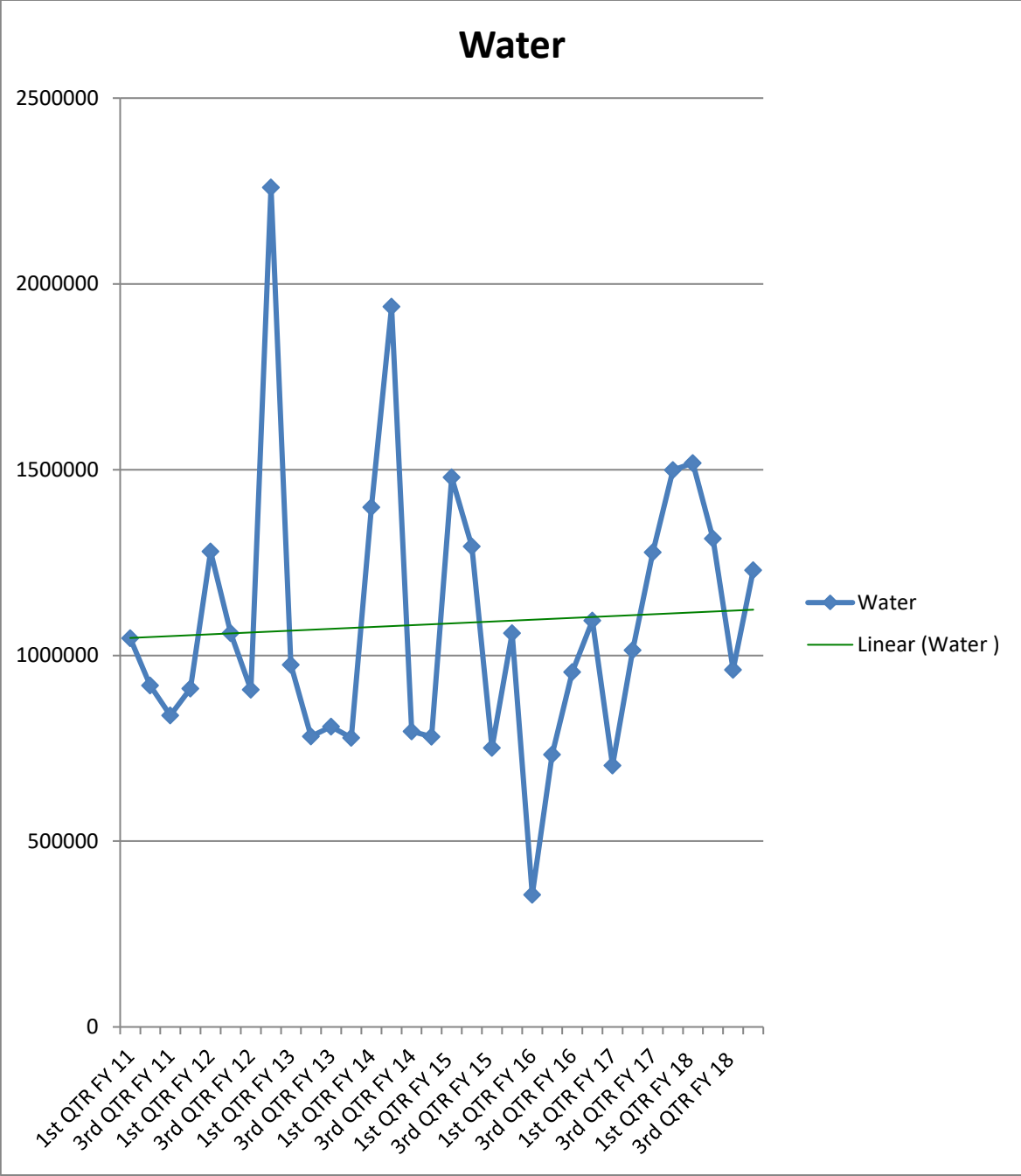
Fund	4th QTR FY17	4th QTR FY18	Comparison
General	\$5,529,487	\$5,613,400	1% More than FY17
Tourism	\$845,834	\$1,173,375	28% More than FY17
Motor Fuel Tax	\$187,382	\$432,916	44% More than FY17
Water	\$1,498,685	\$1,229,644	18% Less than FY17
TIF	\$3,238,355	\$2,080,321	36% Less than FY17
Sewer	\$1,998,294	\$2,219,608	10% More than FY17
Capital Projects	\$1,906,014	\$1,589,837	17% Less than FY17
Fire Pension	\$9,319,913	\$9,637,039	3% More than FY17
Police Pension	\$14,490,630	\$15,611,859	7% More than FY17



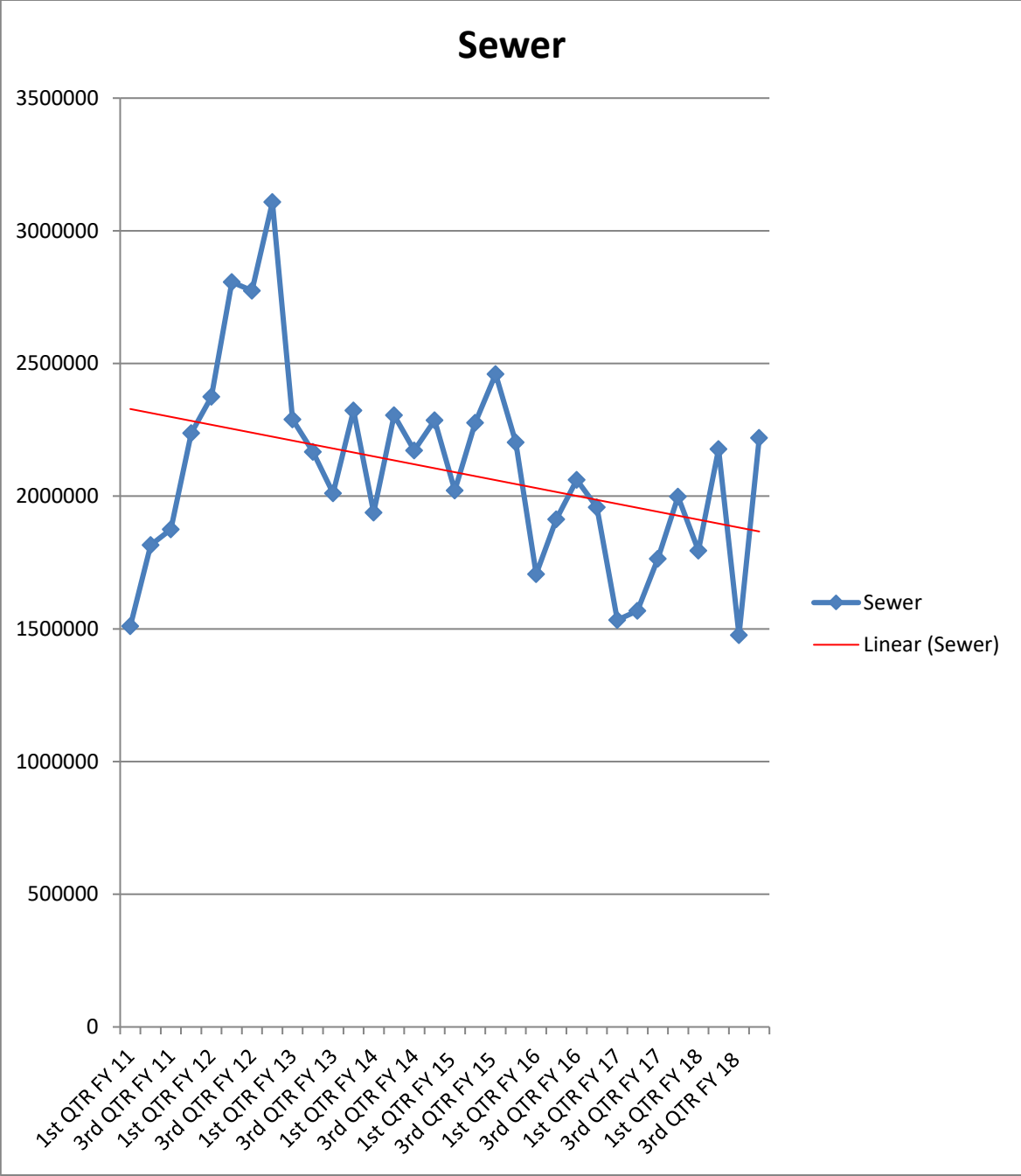
General Fund Balance Trend



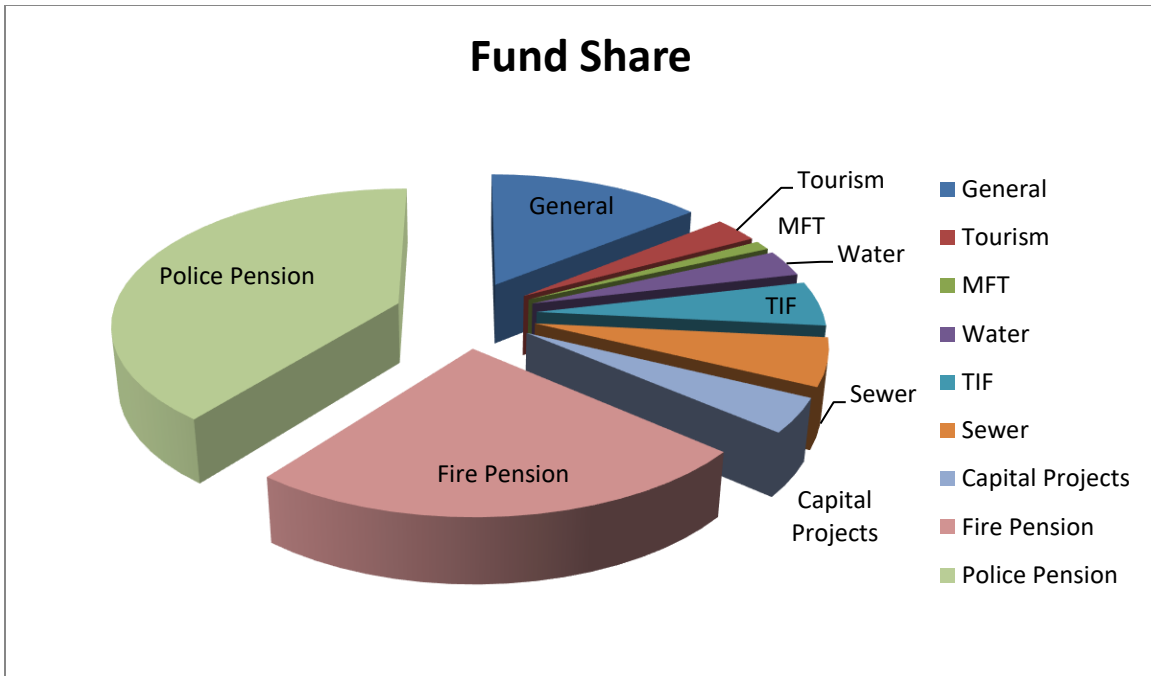
Tourism Fund Balance Trend



Water Fund Balance Trend



Sewer Fund Balance Trend



V. Reserve Status: The following chart indicates the City’s current budgeted reserve status by fund. Our adopted Fund Balance Policy requires a minimum reserve of 2% for contingencies and 16.6% for the undesignated reserve. There is no annual requirement for designated reserves; however, the budget may set aside money in these reserves for future planned purchases. The approved FY18 budget does not have money placed in line items called vehicle reserve that serve as sinking funds for future planned purchases.

Fund	Undesignated	Designated	Contingency	Sinking Fund	Total
General	\$3,699,416	\$545,432	\$268,621	\$0	\$4,513,469
Tourism	\$477,075	\$0	\$9,007	\$0	\$486,082
Water	\$485,202	\$0	\$48,746	\$0	\$533,948
TIF	\$0	\$79,681	\$0	\$0	\$79,681
Sewer	\$560,200	\$651,626	\$45,139	\$0	\$1,256,965

VI. Project and Purchase Status: The following charts depict the status of the planned projects and purchases for **FY18** pursuant to the approved Capital Improvement Plan: **(DEF=Deferred until a future year; COM=Complete; HOLD=On Hold; I-P=In Progress; PEND=Pending**

Purchase– Vehicles	Fund	Budgeted Amount	DEF	COM	HOLD	I-P	PEND	# 28
Fire Engine 576 (2001)	General-Fire	\$407,000		X				
Fire Car 500 (Chief)	General-Fire	\$29,000		X				
Fire Car 593 (2003)	General-Fire	\$29,000		X				
Squads (3 SUV)	General-Police	\$84,500		X				
PW Truck	Water-WTP	\$25,000		X				
PW Pickup w/plow	Public Prop	\$35,000		X				
Capital Outlay - Equipment	Fund	Budgeted Amount	DEF	COM	HOLD	I-P	PEND	
Email Exchange Server Replacement	General/Water/ Sewer	\$9,000		X				
Ergonomic Desks	General-100% Grant	\$14,800		X				
Tornado Siren Replacement	TIF	\$24,000		X				
ID Card System Replacement	General	\$6,500		X				
Hi Pressure Extrication Tool 575	General-Fire	\$16,200		X				
Training Canisters	General-Fire Act Grant	\$305,000	X					

Capital Outlay - Equipment	Fund	Budgeted Amount	DEF	COM	HOLD	I-P	PEND
MDC & Docking Station	General-Fire	\$5,000	X				
MDC (2)	General-Police	\$12,000	X				
Vehicle Camera (2)	General-Police (DUI)	\$10,000		X			
Vests	General –Police (50/50 Grant)	\$5,100		X			
Evidence Tracking System	General-Police	\$14,400		X			
Excavator - Trackhoe	(1/3 Wtr/Swr/St)	\$225,000		X			
Truck Bed #15	Street/Sewer	\$15,000		X			
Mower	General-PP	\$12,000		X			
Salt Spreader/plow for small dump truck	General-PP	\$15,000		X			
Walk Behind Saw	Water	\$5,000		X			
Generator	Water/TIF	\$125,000		X			
Sampler	Sewer Treatment Plant	\$8,000		X			
Zinc Chemical Feed	Sewer-Treatment Plant	\$7,500	X				
Diagnostic Scanner	Maint Garage	\$8,000		X			
Banners (Downtown)	Tourism	\$6,000		X			
Christmas Lights Display	Tourism	\$40,000		X			

Capital Outlay – Projects/Prop	Fund	Budgeted Amount	DEF	COM	HOLD	I-P	PEND	#
Council Meeting Streaming	General-Admin	\$45,000		X				82
Ford Ave Business District Amend	General	\$15,000		X				
Expand/Extend TIF	TIF	\$55,000	X					
Pre-emption Willow & Fayette	MFT	\$20,000	X					
3rd Street Recon	Cap Proj	\$677,524		X				
Second Street Design (Fayette to Jefferson)	TIF	\$50,000	X					
City Hall-HVAC/Maint	TIF	\$25,000	X					
TREC Trail Grant Project	Grants	\$78,475		X				
Kralman Force Main	Sewer	\$8,200		X				
Downtown Enhancement Project	Capital Projects-Central TIF	\$107,160		X				
East Evergreen (Box Culvert Design/ROW)	Capital Projects-MFT	\$60,000	X					
OBW North (Lights & Entrances)	Capital Projects-Grant	\$1,029,216	X					
Pike Ave (Total Project 3.3M)	Cap Proj	\$14,445		X				

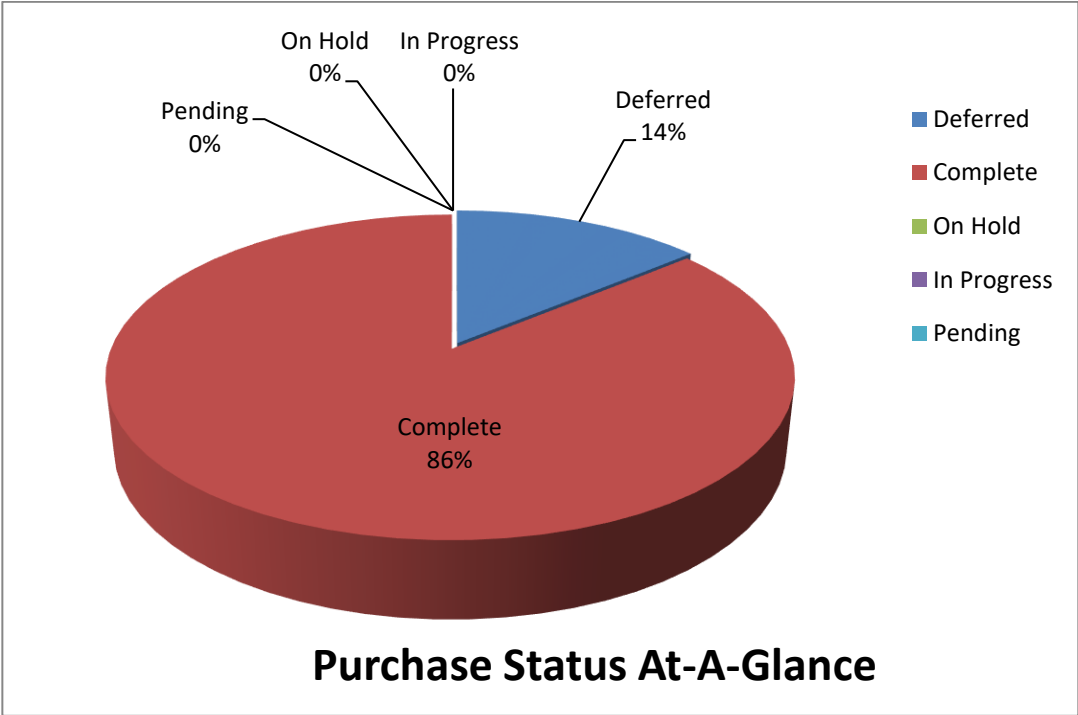
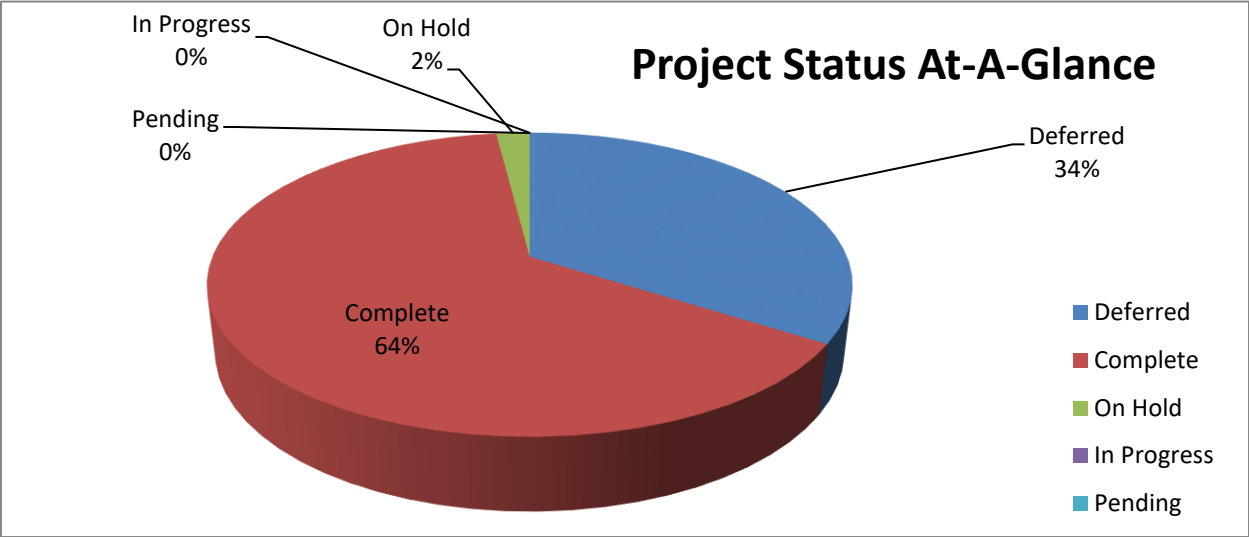
Capital Outlay – Projects/Prop	Fund	Budgeted Amount	DEF	COM	HOLD	I-P	PEND
Luther Drive (includes Water)	Cap Proj-TIF	\$578,080		X			
Rickleman Rural Culvert (Design/ROW/Const)	MFT-Cap Proj	\$420,895	X				
Concrete Patching	Cap Proj-Street/TIF	\$110,000		X			
Gillenwater Ave & Trail	Cap Proj-TIF	\$991,555		X			
ITEP Grant Striping & Trail Head	Cap Proj GF,TIFs,Grant 934K)	\$1,168,000	X				
Haney Street (City Match \$74K)	Cap Proj-Grant	\$74,000		X			
Oil & Chip Program	General-Street (100K) TIF (25K)	\$125,000		X			
Sidewalk Replacement	TIF/General-UT	\$210,000		X			
Concrete V-Gutter Spot Repairs	Utility Tax	\$50,000		X			
Four Seasons Detention	Utility Tax	\$15,000		X			
Charlotte Storm Sewer	Utility Tax	\$75,000		X			
Striping Project	Cap Proj-Street/TIF	\$115,000		X			
Stockpile	Gen/Capt Proj	\$50,000		X			
Jefferson Ave Water Line Design	Cap Proj-TIF	\$75,000	X				

Capital Outlay – Projects/Prop	Fund	Budgeted Amount	DEF	COM	HOLD	I-P	PEND
Henrietta (Temple to Heritage) Design	Cap Proj-MFT	\$60,000	X				
4th (Elm to Hawthorne)	Street	\$200,000		X			
2nd (Roadway north to terminal)	Street	\$100,000		X			
Mulberry (Jefferson to Fayette)	Street	\$150,000		X			
N. Main (Jefferson to St A)	Central TIF	\$300,000		X			
Clark & Lawrence (Park to Banker)	TIF	\$150,000		X			
Salt	General - Street	\$23,000		X			
Hot Mix/Cold Mix	General-Street	\$30,000		X			
Material (Street Maint, rock, culvert)	General-Street	\$35,000		X			
N. Shed Roof Replacement	General-Street/Sewer	\$5,000	X				
Bridge Inspections (9-16,6-18,9-18)	General-Street	\$9,000	X				
Sign Replacement	General-Street	\$8,000	X				
Crack Seal Program	Street	\$30,000		X			
N. Henrietta Extension	Cap Proj-TIF	\$80,000		X			

Capital Outlay – Projects/Prop	Fund	Budgeted Amount	DEF	COM	HOLD	I-P	PEND
Vulcan Reconstruction & Wtr Line Design	Cap Proj-TIF	\$15,000	X				
Banker Water Main Design (South of Wabash)	Cap Proj-TIF	\$50,000	X				
Building Code Update	General	\$20,000		X			
Southern I-57 Interchange Study	General	\$70,000	X				
Water Rate Study	Water	\$25,000		X			
TV, Line Repair, MH Repair, Smoke	Sewer (300K) & TIF (318K)	\$618,950	X				
Sewer Disinfection/Phosphorous	Sewer	\$200,000	X				
GIS Water Mapping	TIF	\$50,000	X				
GIS-Contractual Services	TIF	\$40,500		X			
Moto Lift Station Communications	Sewer	\$10,000	X				
Steven Lift Station Communications	Sewer	\$40,000		X			
Wernsing Lift Station (Design/Recon)	Gen-Street	\$30,000		X			
Marvon Drive Lift Station Repairs	Sewer-TIF	\$10,000		X			
Lift Station Inspection/Repairs	Sewer	\$35,000		X			
Gas Equipment/Piping	Sewer-Treatment Plant	\$32,000	X				

Capital Outlay – Projects/Prop	Fund	Budgeted Amount	DEF	COM	HOLD	I-P	PEND
Gas Mixer Motor	Sewer-Treatment Plant	\$5,000		X			
WWTP Security & Heat Detection	Sewer-Treatment Plant	\$10,000	X				
WWTP SCADA Software	Sewer-Treatment Plan	\$50,000		X			
Paint South Tower (Design & Const)	Water	\$328,000		X			
SCADA (3 Towers/Tanks)	Water	\$55,000		X			
E Rt 40 Water Main	Water	\$173,000	X				
Evergreen Tank Maint	Water	\$32,500		X			
Channel Dam Stems/Cages	Water	\$10,000		X			
2nd Street Water Main Rep (North of Roadway)	Water	\$40,000		X			
CDAP Water Line Project FY18	Water(90K)/C DAP (450K)	\$540,000	X				
Lime Trenches	WTP/Cap Proj-TIF	\$950,000		X			
Rebuild/Install raw water pumps	WTP/Cap Proj-TIF	\$40,000		X			
Equip (chlorine, Grit#2, Blow Down Seals)	WTP/Cap Proj-TIF	\$5,000		X			
SCADA	WTP/Cap Proj-TIF	\$135,000		X			

Capital Outlay – Projects/Prop	Fund	Budgeted Amount	DEF	COM	HOLD	I-P	PEND
Oil Chip Roads	WTP/Cap Proj-TIF	\$10,000		X			
Comp Plan	GenFund(10K) /TIF(10K)	\$20,000		X			
Cemetery Roadways	General-PP	\$40,000		X			
Animal Shelter Improvements	General-PP	10,000		X			
Visitor Center Façade	Tourism	\$60,000			X		
Industrial Property/Spec Building	General	\$368,000	X				
New Police Station	Gen/TIF	\$10,104,700	X				
Police Shooting Range (lease)	General-Police	\$30,000		X			
Cemetery Expansion	General	\$10,000		X			
PP Jefferson Acquisition	General	\$130,000			X		
Airport Road Sewer ROW Acquisition	Sewer	\$135,000	X				
East Rt 40 Water Easement	Water	\$16,500	X				



VII. Planned Debt Service: The following chart depicts the required debt service for FY18 pursuant to the approved Capital Improvement Plan.

Debt	Fund	Required Annual Payment	Balance Remaining After Payment
2010 A Bond	TIF	\$459,681	\$1,680,000
2012 EPC	Tourism	\$259,879	\$2,019,350
2012 A Bond	Water	\$167,825	\$610,000
2012 B Bond	Sewer	\$478,550	\$1,335,000
2012 C Bond	Water	\$438,945	\$3,205,000
2017 Bond	General	\$654,127	\$9,000,000
Total Debt			\$17,849,350
Less Self-Supporting Bonded Debt		Does not count against Statutory Debt Limit	\$8,849,350
Total Net Direct Debt		Counts against Statutory Debt Limit	\$9,000,000
City Statutory Debt Limit	8.625% of EAV \$334,797,308		\$28,876,268
Available Legal Debt Margin			\$19,876,268

VIII. Conclusion: FY18 was another good fiscal year for the City. All funds finished with a surplus except for the TIF. The fund balances finished strong which firmly positions the City for a very productive FY19. We completed the lion's share of our planned capital purchases and projects during the fiscal year. The projects that were not completed have been marked as deferred and will be wrapped up in FY19. We continue to maintain a very attractive debt ratio and our available debt margin enables the City to consider future large-scale improvements should the Council desire. One are of concern is the diminishing TIF Fund Balance. Be mindful of this critical resource when financially planning for the future.