

Unemployment Fund

MISSION STATEMENT

It is the mission of the Unemployment Tax Fund to provide services for unemployment costs to former employees.

PRIMARY FUNCTIONS/FUND HIGHLIGHTS

The primary function of the Unemployment Tax Fund is to account for all unemployment expenditures.

The City operates a self-insured unemployment tax program with financing provided by premiums charged to departments based on a percentage of the first \$9,000 salary. The City will continue to strive to provide this program to former employees while maintaining responsible costs for the taxpayers through its self-insured program.

UNEMPLOYMENT COMPENSATION TAX FUND BUDGET SUMMARY

	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
APPROPRIATION					
CONTRACTUAL	<u>\$104,483</u>	<u>\$72,086</u>	<u>\$168,307</u>	<u>\$166,480</u>	<u>(\$1,827)</u>
TOTAL	<u>\$104,483</u>	<u>\$72,086</u>	<u>\$168,307</u>	<u>\$166,480</u>	<u>(\$1,827)</u>

	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
FUNDING SOURCE					
GENERAL FUND TRANSFERS	<u>\$51,989</u>	<u>\$172,524</u>	<u>\$135,297</u>	<u>\$134,010</u>	<u>(\$1,287)</u>
OTHER FUND TRANSFERS	<u>29,145</u>	<u>-</u>	<u>32,760</u>	<u>32,220</u>	<u>(540)</u>
INTEREST INCOME	<u>279</u>	<u>1,918</u>	<u>900</u>	<u>3,000</u>	<u>2,100</u>
TOTAL	<u>\$81,413</u>	<u>\$174,442</u>	<u>\$168,957</u>	<u>\$169,230</u>	<u>\$273</u>

BUDGET HIGHLIGHTS

- The property tax rate for unemployment, collected in the general fund, is unlimited by statute. The 2014 estimated rate is 0.82 cents, 0.045 cents higher than the previous 0.78 cents.

UNEMPLOYMENT COMPENSATION FUND FIVE YEAR FINANCIAL FORECAST (IN \$000'S)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	<u>\$206</u>	<u>\$211</u>	<u>\$216</u>	<u>\$222</u>	<u>\$227</u>
Expenses	<u>62</u>	<u>63</u>	<u>65</u>	<u>66</u>	<u>68</u>
Excess (Deficit)	<u>144</u>	<u>148</u>	<u>151</u>	<u>156</u>	<u>159</u>
Beginning Balance	<u>153</u>	<u>297</u>	<u>445</u>	<u>596</u>	<u>752</u>
Ending Balance	<u>\$297</u>	<u>\$445</u>	<u>\$596</u>	<u>\$752</u>	<u>\$911</u>

The 2015-2019 five-year forecast assumes that unemployment costs will increase 3% annually and that premiums will be adjusted as necessary during this period. The unemployment rate charged to operating departments has remained stable at 2.0% (180) of the first \$9,000 of salary per employee for 2014. For the 2015 – 2019 planning period, the rate will be 2.0% (\$180).

CITY OF ROCKFORD
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS
UNEMPLOYMENT COMPENSATION FUND

	2012	2013	2014	CHANGE
	ACTUAL	BUDGET	BUDGET	14-13
72229 Unemployment Benefit	71,826	168,057	166,230	(1,827)
72282 Audit	260	250	250	-
TOTAL CONTRACTUAL	72,086	168,307	166,480	(1,827)
TOTAL UNEMPLOYMENT COMPENSATION FUND	72,086	168,307	166,480	(1,827)