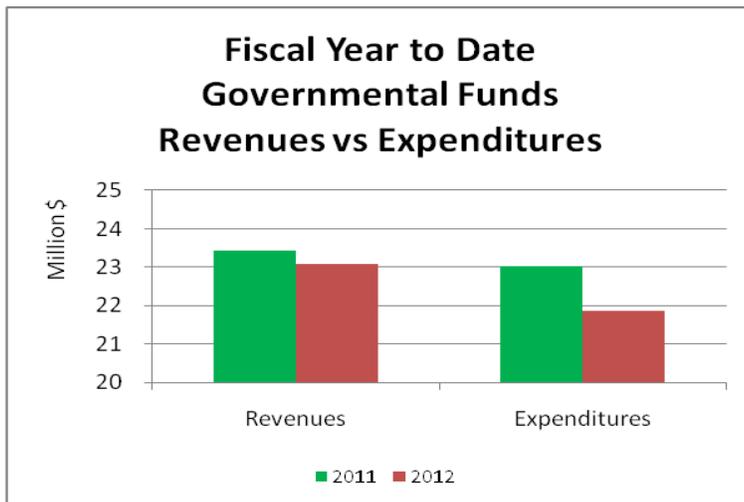


## Fiscal Year 2011/12 Year End Budget Report

This report highlights the financial performance and position of the Village for the period starting May 1, 2011 and ending April 30, 2012, with a focus on actual revenues and expenditures compared to our fiscal year 2011/12 approved budget as well as actual revenues and expenditures compared to the previous fiscal year. This report is prepared with a focus on government-wide activities rather than on the individual funds of the Village. This presentation permits an overview of the financial performance of the Village as a whole. More detailed information on the fiscal year to date performance of the Village's funds may be found immediately following this summary. The financial schedules included in this report are prepared using the budgetary basis of accounting, which does not include year-end accruals, and are unaudited.

### GOVERNMENTAL FUNDS



The governmental funds of the Village comprise the general operations of the Village, including public safety, administration, public works, and planning and development. Also included in the governmental funds are the debt service and capital projects related to streets, sidewalks and Village facilities.

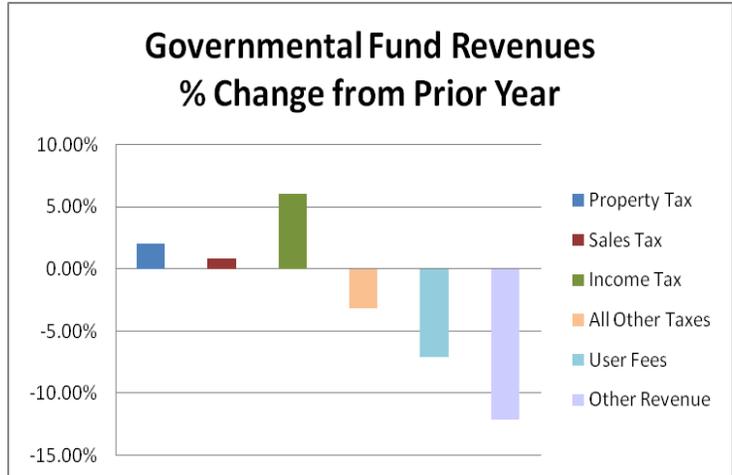
The Village concluded its 2011/12 fiscal year with governmental fund revenues exceeding expenditures by approximately \$1.2 million. The Village had budgeted to

end the year at a deficit of approximately \$975,000. A warmer winter with less snow brought savings of \$80,000 of salt costs plus additional savings from reduced plowing operations. A surplus was also seen through the Village's capital projects as capital expenditures for various projects were approximately \$1 million less than budget. This surplus was precipitated by lower bid costs and project delays due to staff vacancies. Reimbursements were received from DuPage County of approximately \$184,000 for expenditures incurred largely in fiscal 2011.

## Governmental Fund Revenues

Total Governmental Fund revenues decreased by approximately \$360,000, or (1.5)%, compared to the prior fiscal year. As depicted in the graph shown at right, the decrease is largely driven by decreases in other taxes, such as personal property replacement taxes (PPRT), auto rental taxes, and telecommunications taxes, as well as by decreases in user fees and other revenues.

*Property Taxes* – As of the end of the fiscal year, the Village has collected substantially all of its property tax receipts. Property taxes are currently showing an increase to date of approximately \$129,000 from 2011, or a 2% increase.



*Sales Taxes* – The Village receives two forms of sales taxes. The State of Illinois remits State Sales Tax to the Village, which have experienced a minimal decrease from the prior year to date of approximately \$8,000. State Sales Tax also lagged approximately \$8,000 behind budget. Home rule sales tax increased by approximately 2.9% from the prior year and was ahead of budget by approximately \$40,000.

*Income Taxes* – State income taxes have increased 6% from the prior year. This ahead of our expectation of 2.86%, and is a hopeful indication of an improving economy. This is the first year that income taxes have increased since FY 07/08.

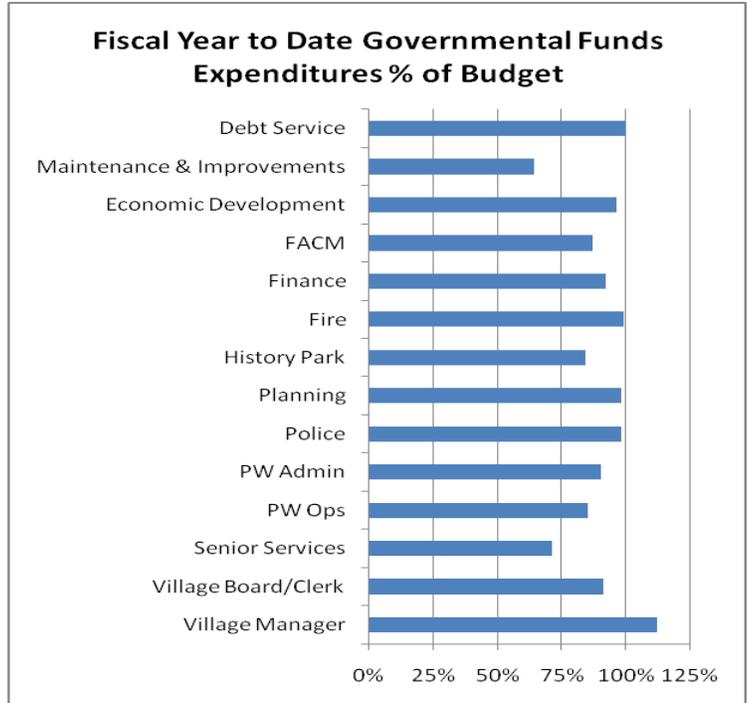
*Other Taxes* – Sources of income from other taxes include telecommunications taxes, personal property replacement taxes, auto rental taxes, and use taxes, to name a few. Decreases in the personal property replacement, auto rental, natural gas use, and real estate transfer taxes are the drivers in the change from last fiscal year. The decreases in these taxes were approximately 6%, 14%, 19%, and 15%, respectively. These taxes are also trended behind budget for the year.

*User Fees* – Sources of user fees include vehicle stickers, various licenses and permits, ambulance service fees, and cable franchise fees. The largest decrease in this category was building permits, which was down approximately \$208,000, or 31%, from last fiscal year. In the prior year, the Village received increased building permit fees of approximately \$180,000 due to Nicor's build out of their new Glen Ellyn facility. Vehicle sticker fees also decreased by approximately \$44,000, which was expected due to the three year sticker cycle.

*Other Revenues* – Other revenue streams of the Village account for the largest percentage decline in revenues from the last fiscal year. In the prior year, the Village received a payment a one-time of \$430,000 to repay the debt owed by the Historical Society.

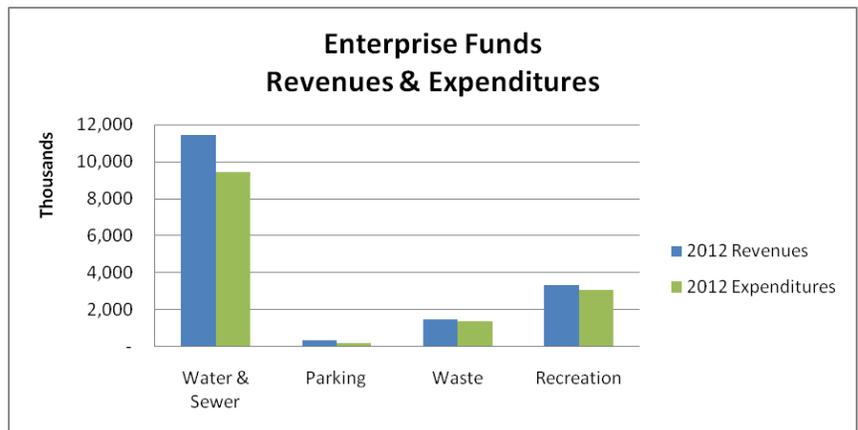
**Governmental Fund Expenditures**

Governmental Fund expenditures ended the fourth quarter approximately \$1.2 million or 5% below last year, and within budget at 87%. The chart at right shows the progression to budget for the various functions of the Village. The expenditures of the Village Manager’s department are trending above budget due to transition in the Village Manager position. All other areas of the Village were at or below budgeted expenditures. Maintenance and Improvements include all capital projects of the Village. As noted earlier in the report, the Village realized savings on some capital projects. Timing is also a factor in budget performance of capital projects. Some projects budgeted but not completed in FY 11/12 will be carried into FY 12/13. \$1.6 million is encumbered for capital projects to be used in FY 12/13. Had this been spent in FY 11/12, the Maintenance & Improvements bar would be at 85% of budget for FY 11/12.



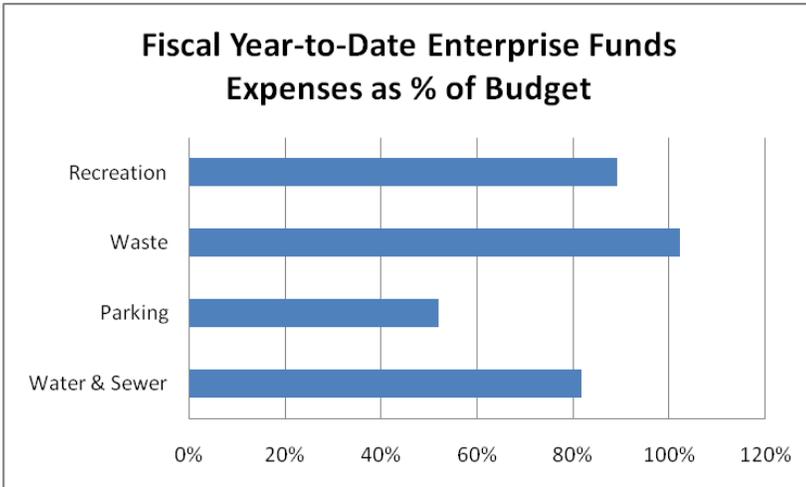
**ENTERPRISE FUNDS**

The Enterprise Funds of the Village are used to report functions which are intended to recover most or all of the fund’s costs through the imposition of user fees and charges. The enterprise funds of the Village are the Water and Sewer Fund, Parking Fund, Residential Solid Waste Fund, and the Recreation Fund. All enterprise fund expenditures are trending at or below the amount of revenues that have been received in the fund. Overall, enterprise fund revenues have increased 10% from last fiscal year, while expenses have decreased by 9%.



*Water & Sewer Fund* - Increases in the Water & Sewer Fund expenses were precipitated by the increased cost of water from the DuPage Water Commission of approximately 10%. This was offset by increases in water and sewer rates in May 2011 of 5% and 10%, respectively, and in January 2012 of 1% and 19%, respectively. However, decreases in capital expenses brought total Water & Sewer Fund expenses down approximately \$1.2 million from last fiscal year due to delayed projects.

*Parking Fund* - Revenues in the Parking Fund increased from 2011 by 4%. Expenditures in the fund are approximately \$140,000 less than the prior year as resurfacing of the Glenwood-Crescent lot in the prior year caused a spike in expenses in 2011. Parking lot expenses are trending 52% to budget as resurfacing projects included in the fiscal 2012 budget have not yet been started and will carry over into fiscal 2013.



*Solid Waste Fund* - Revenue in the Solid Waste Fund is up about 7% due to increased receipts of recycling rebates. Recycling rebates reached \$200,000 in fiscal 2008, but ended in late fiscal 2009 after a collapse in the recycling market. There has been a recovery in the market and the Village began receiving rebates again in late fiscal 2010. The increase in recycling revenue has allowed the Village to keep the rates charged to residents unchanged this year while the actual

cost of the service increased by 2% in August 2011. Expenses in the fund ended 20% over budget, as a special pickup was required in summer 2011 in response to summer storms, in addition to regular service.

*Recreation Fund* - The Village Links benefited from an early, warm spring and doubled the number of green fee rounds from the prior year. Revenue for the Recreation Fund is up 11% from fiscal 2011 while expenses are down 4%. The decrease in expenses is largely due to timing differences in unemployment claims and supplies combined with decreased utility expenses in 2012. Utility expenses were higher in 2011, as the Village settled a dispute with ComEd which resulted in additional 2011 expenses. The overall net income of the Recreation Fund was \$254,000 for the fiscal year.

**POLICE PENSION FUND**

As of April 30, 2012, the Police Pension Fund cash and investment balances were \$21.7 million, up approximately \$1.3 million since this time last year on a cost basis. On a market value basis, the pension fund is valued at \$22.6 million as of April 30, 2012, up \$0.9 million from \$21.7 million a year ago. The fund received a contribution from the Village General Fund of \$1,036,000 and approximately \$300,000 from employee contributions. The fund also distributed approximately \$1,400,000 for pensioners and other administrative costs.

**CASH RESERVES**

Village policy requires that 25% of the operating budget, excluding capital outlay and debt service, be retained in cash reserves. Certain other programs, such as the police pension fund, are reserved at 100%, meaning that the Village cannot reallocate these funds for other purposes. At April 30, 2012, the Village exceeded its cash reserve policy overall by \$3.8 million.