



# **Quarterly Financial Report 2013, ' fX Quarter**

















Finance Department  
CVCWYF2013







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## Section 1: 3<sup>rd</sup> Quarter Financial Report Summary

The Quarterly Financial Report provides a summary analysis of the Village of Oak Park's key revenue and expenditure activity in relation to the Village's approved budget. This report covers revenue and expenditure activity through the third quarter of FY 2013. The report highlights the performance of key revenues and expenditures, by identifying a rating and providing a summary explanation. The goal of the report is to provide stakeholders with a regular assessment of the Village's financial performance and to proactively identify and address significant issues that may impact year-end performance.




| Overview                            | Rating  | Comments  |
|-------------------------------------|---|---|
| <b>General Fund Revenues</b>        |    | <b>Green-</b> Revenues are 4.13% up from 3 <sup>rd</sup> Quarter expectations.                |
| Property Taxes                      |    | <b>Green-</b> Property taxes remain stable.   |
| Liquor Taxes                        |    | <b>Green-</b> Taxes are 40% above budgeted projections.                                       |
| Natural Gas Use Taxes               |    | <b>Green-</b> Taxes are yielding slightly above budgeted projections.                         |
| Sales Taxes                         |    | <b>Green-</b> Sales taxes are yielding slightly below budgeted projections.                   |
| Real Estate Transfer Tax            |  | <b>Green-</b> Taxes are significantly above budgeted projections                              |
| Utility Taxes                       |  | <b>Yellow-</b> Taxes are 11.7% below budgeted projections                                     |
| Licenses and Permits                |  | <b>Green-</b> Revenue proceeds are 14.2% above budgeted expectations.                         |
| Intergovernmental Revenues          |  | <b>Green-</b> State income taxes are 31.6% above 3 <sup>rd</sup> Quarter estimates.           |
| Charges for Services                |  | <b>Green-</b> Revenues are 9.4% above anticipated 3 <sup>rd</sup> Quarter estimates.          |
| Fines                               |  | <b>Red-</b> Revenues remain significantly below budgeted projections.                         |
| <b>General Fund Expenditures</b>    |  | <b>Green-</b> 3 <sup>rd</sup> Quarter expenditures are consistently below budgeted estimates. |
| Personnel and Benefits              |  | <b>Green</b> – Salary and Benefit expenditures are 3.11% below budgeted projections.          |
| Professional and Technical Services |  | <b>Green-</b> Expenditures are significantly below projected expenditures.                    |
| Purchased Property Services         |  | <b>Green-</b> Expenditures remain slightly below projected expenditures.                      |
| Other Purchased Services            |  | <b>Green-</b> Expenditures remain significantly below projected expenditures.                 |
| Supplies and Materials              |  | <b>Green-</b> Expenditures remain below budget.   |
| Real Property, CDBG and Other       |  | <b>Green-</b> No significant comments   |

| <b>Water and Sewer Fund</b>         |   |   |
|-------------------------------------|---|---|
| Water and Sewer Fund Revenues       |  | <b>Green-</b> 3 <sup>rd</sup> Quarter collections are consistent with budgeted targets    |
| Water and Sewer Fund Expenditures   |  | <b>Green-</b> 3 <sup>rd</sup> Quarter expenditures are below budget.                      |
| <b>Parking Fund</b>                 |   |   |
| Parking Fund Revenues               |  | <b>Green-</b> Revenues are generally consistent with 3 <sup>rd</sup> Quarter projections. |
| Parking Fund Expenditures           |  | <b>Green-</b> 3 <sup>rd</sup> Quarter expenditures are below budget.                      |
| <b>Environmental Services</b>       |   |   |
| Environmental Services Revenue      |  | <b>Green-</b> 3 <sup>rd</sup> Quarter collections are slightly above target.              |
| Environmental Services Expenditures |  | <b>Green-</b> 3 <sup>rd</sup> Quarter expenditures are below budget.                      |

**Table 1-1: Quarterly Report Summary**

The Quarterly Report Summary, as illustrated above in Table 1-1 presents a rating summary for each of the revenue and expenditure items that are presented within the report, along with summary comments related to each rating.

Table 1-2 below presents the Quarterly Report Rating Legend, which explains the ratings that have been attributed to each identified revenue or expenditure item.

| <b>Rating Legend</b>  |  |
|---|--|
|  | Within approved cost or revenue estimates; no concern regarding revenue or expenditure performance                         |
|  | Minor variance from approved cost or revenue estimates; minor concern regarding revenue or expenditure performance         |
|  | Major variance approved cost or revenue estimates; and/or significant concern regarding revenue or expenditure performance |

**Table 1-2: Quarterly Report Rating Legend**

The remaining sections of the report present summaries for each of the above revenue and expenditure areas. Please contact the Village of Oak Park Finance Department with any questions related to this report.

## Section 2: General Fund Revenue Analysis

**Brief Description:** General Fund Revenues are the taxes, fees, and charges that the Village assesses to provide services to its citizens. General Fund revenues are managed within the Village's General Fund, and are comprised the following revenue streams:

- Tax revenues (e.g.- property taxes)
- Licenses and permits (e.g.- business licenses)
- Intergovernmental revenues (e.g.- state shared income taxes)
- Charges for services (e.g.- police reports)
- Fines (e.g.- parking tickets)
- Other financing sources (transfer of resources from other funds)

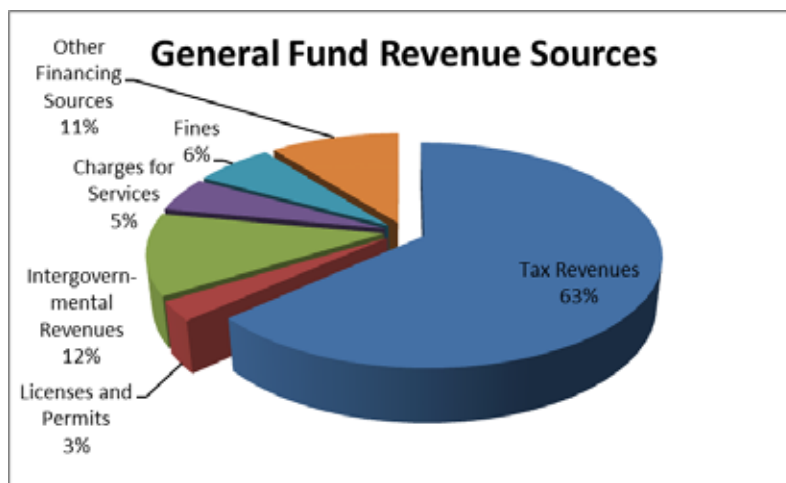


Figure 2-1: Proportion of General Fund Revenue Sources

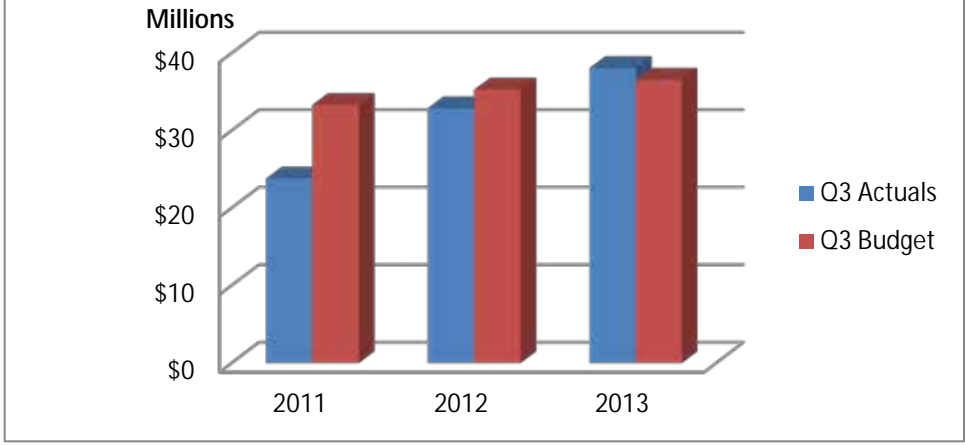
2013 Third Quarter Rating: Green



**General Comments:** For the end of third quarter (September 30<sup>th</sup>) the Village's General Fund revenue sources, continue to perform above projected estimates for this period. In aggregate, the Village's revenues are currently \$1.5 Million (4.13%) above third quarter estimates. Regarding taxes, the Village has seen significant increases in Real Estate Transfer Taxes and State Income Taxes during the third quarter. Regarding fees and charges, the Village has also experienced significant increases in Ambulance Charges and Recovered Damages proceeds.

Concurrently, we have experienced underperformance in Utility Taxes and Personal Property Replacement Tax proceeds. The Village continues to experience significant underperformance in Village parking fines.

### General Fund Budget-to-Actual Revenue Analysis: 2011- 2013, Q3



**Figure 2-2: General Fund Budget-to-Actual Revenue Analysis**

| General Fund Revenues      |              |              |                        |            |
|----------------------------|--------------|--------------|------------------------|------------|
| Description                | YTD Actuals  | YTD Budget   | Variance<br>Good/(Bad) | Variance % |
| Tax Revenues               | \$27,631,193 | \$27,973,292 | (\$342,100)            | -1.22%     |
| Licenses and Permits       | \$1,052,991  | \$922,070    | \$130,921              | 14.20%     |
| Intergovernmental Revenues | \$4,392,092  | \$3,786,803  | \$605,290              | 15.98%     |
| Charges for Services       | \$1,790,166  | \$1,636,661  | \$153,506              | 9.38%      |
| Fines                      | \$1,851,882  | \$2,212,074  | (\$360,192)            | -16.28%    |
| Other Local Government     | \$65,964     | \$38,343     | \$27,621               | 72.04%     |
| Other Financing Sources    | \$1,295,630  | \$1,295,630  | \$0                    | 0.00%      |

**Table 2-3: Summary of General Fund Revenue Streams**

## Property Tax Revenues

**Brief Description:** Property tax revenues are the proceeds that the Village receives from assessing taxes on residential and commercial properties within the Village. Each year, the Village Board sets a levy by fixing an exact dollar amount that is used to fund operations, debt service, and the Police and Fire Pension funds. In order to collect the necessary amount, the County extends the levy by a set percentage beyond the Village's request to account for any potential loss in collections.

**Property Tax Revenue Drivers:** The following are the drivers that impact property taxes:

- Equalized Assessed Valuation (EAV)
- Local tax rates
- Timing of the assessment and collections process

**2013 Third Quarter Rating:** Green 

**Comments:** At the close of the third quarter, property tax yields are \$244K (1.2%) below our budgeted estimate of \$12.7 Million. Because this variance is within a threshold of 5%, we have rated 3<sup>rd</sup> quarter performance as satisfactory, or "green". Third quarter performance for property taxes is above prior year performance during this period. Yet, as illustrated below in Figure 2-4, it is important to note that current quarter budget-to-actual performance is significantly down from prior years.

That said, the Finance Department remains optimistic that Property Tax revenues will end the year consistent with year-end projections.

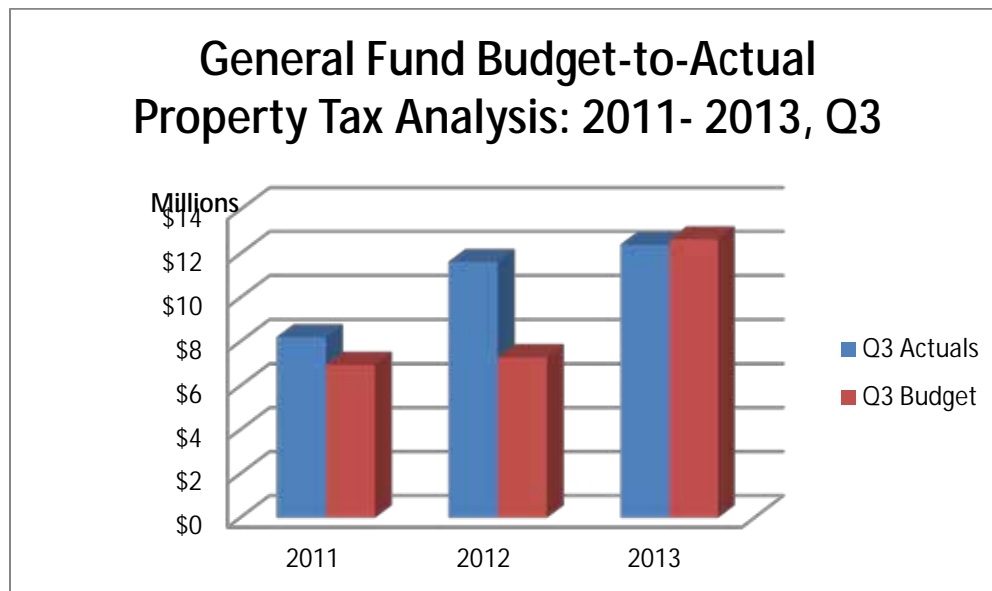


Figure 2-4: General Fund Budget-to-Actual Property Tax Analysis

## Liquor Tax Revenues

**Brief Description:** Liquor Tax Revenues are the revenues that the Village charges to vendors that sell liquor within the Village. The current Liquor Tax rate is 3% of the liquor purchase price.

**Liquor Tax Revenue Drivers:** The following are the drivers that impact Liquor Taxes:

- Number of liquor-selling establishments within the Village
- Customer volume
- Price of liquor at retail

**2013 Third Quarter Rating: Green**



**Comments:** As indicated below, Liquor Tax revenues are performing 40% above 3<sup>rd</sup> Quarter estimates. As the national grocery store chain Safeway recently announced its plans to sell off its Dominick's stores, there is a possibility that the Oak Park Dominick's store may close. Because the Village has historically benefited from liquor tax proceeds from Dominick's liquor sales, a store closing could have significant impacts on Village liquor tax proceeds for the coming year. The Finance Department will continue to monitor the Dominick's issue and will assess its impact on this revenue stream.

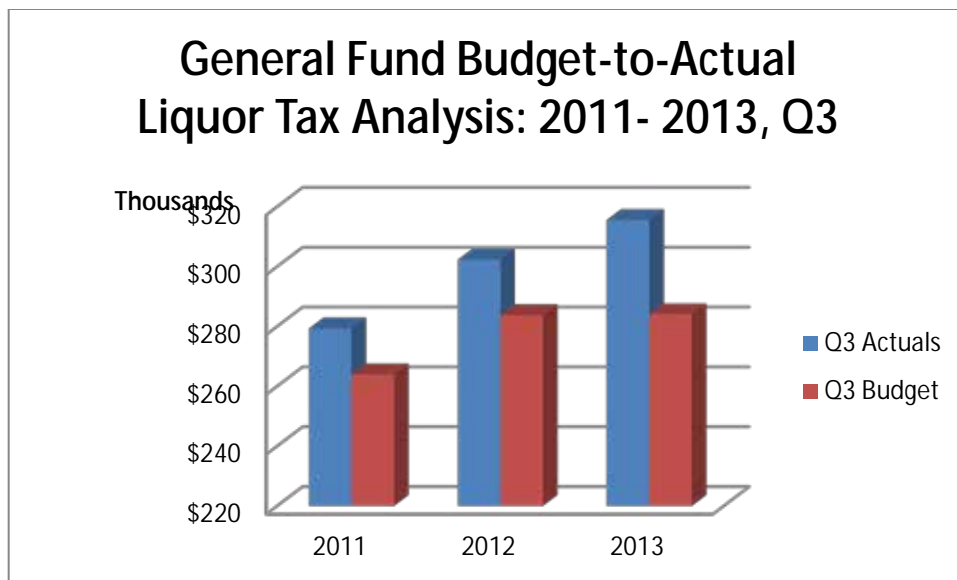


Figure 2-5: General Fund Budget-to-Actual Liquor Tax Analysis



## Natural Gas Use Tax Revenues

**Brief Description:** The Natural Gas Use Tax is a tax that the Village charges to users based upon the purchase of natural gas. The current Use Tax rate is 2.2 cents per therm.

**Natural Gas Use Tax Revenue Drivers:** The following are the drivers that impact Natural Gas Use taxes:

- Number of Therms consumed
- Weather conditions

**2013 Third Quarter Rating: Green** 

**Comments:** As illustrated below in Figure 2-6, the revenue yield for the Natural Gas Use Tax is \$9,274 (6.7%) above budgeted projections. While the Finance Department is cautiously confident that weather changes within the region will continue to positively impact the performance of this revenue stream, we will continue to review this revenue stream throughout the remainder of the year.

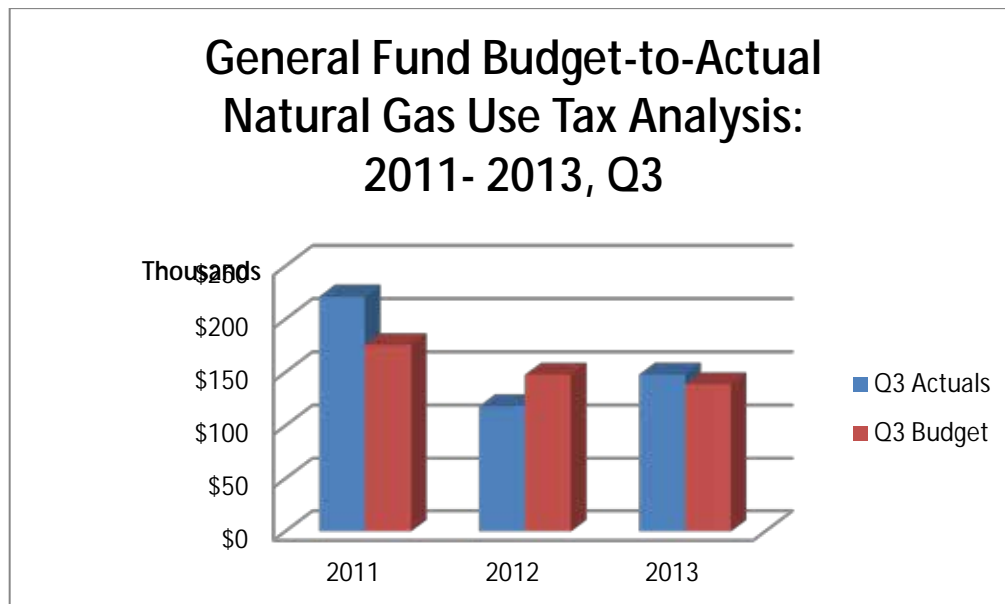


Figure 2-6: General Fund Budget-to-Actual Natural Gas Use Tax Analysis

## Sales and Use Tax Revenues

**Brief Description:** In the State of Illinois, there is a base 6.25 % Sales Tax on general merchandise. It is administered and collected by the Illinois Department of Revenue. One percent (1%) of this Sales Tax is distributed to the municipality where the sale occurred. This tax, officially referred to as the Retailer's Occupation Tax (ROT) is captured in the Village's General Fund and is used for basic Village operations.

The Village also imposes a 1% Home Rule Occupation Tax (HROT). While approved locally, this tax is also administered and collected at the state level. This tax is dedicated for Village capital projects and is accounted for in the Capital Improvement Project (CIP) Fund.

**Sales and Use Tax Revenue Drivers:** The following are the drivers that impact Sales and Use Tax revenue performance:

- Retail sales
- Retail establishments

**2013 Third Quarter Rating: Green**



**Comments:** As indicated in previous reports, there remains a lag in Sales Tax yields, where current quarter actuals typically reflect the sales tax yield from the previous quarter. This is to say that, for the 2013 3<sup>rd</sup> Quarter Report, the actual sales tax yield reflects tax proceeds from the 2<sup>nd</sup> Quarter of the year.

As illustrated below in Figure 2-7, Sales tax revenues for the 2<sup>nd</sup> Quarter of 2013 (April- June) are \$105K (4.6%) below budgeted estimates for this period. This percentage is within a 5% performance threshold. It is important to note that this budget-to actual underperformance is a relative improvement from prior year periods.

Because the Village will not receive all 2013 State-Local Use Tax proceeds until the first quarter of 2014, we have developed our year-end projections based upon an analysis of 2012 actuals. As such, we are reasonably confident that 2013 year-end proceeds will perform consistently with our projections. We will continue to actively monitor this revenue stream to identify any significant changes that may impact year-end performance.

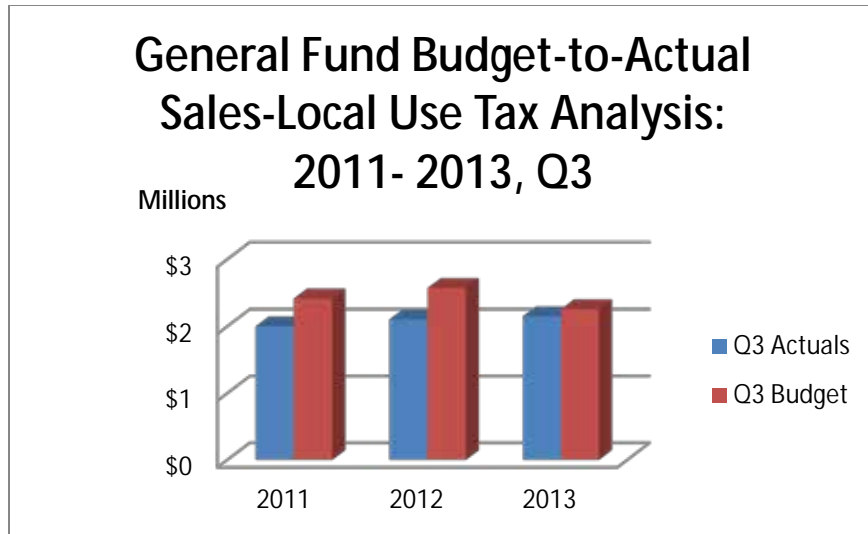


Figure 2-7: General Fund Budget-to-Actual Sales-Local Use Tax Analysis

#### Real Estate Transfer Tax Revenues

**Brief Description:** The Real Estate Transfer Tax (RETT) is a tax on the seller of property within the Village. The tax is assessed at \$8.00 for every \$1,000.00 of the sale or “transfer” price. For example, when a \$500,000.00 house is sold, the seller would pay a RETT of \$4,000.00 ( $\$500,000 / \$1,000 = 500 \times \$8.00 = \$4,000.00$ ).

**Real Estate Transfer Tax Revenue Drivers:** The following are the drivers that impact Real Estate Transfer Tax revenues:

- Number of transactions
- Price of transactions

**2013 Third Quarter Rating: Green** ●

**Comments:** The Village continues to perform significantly above project estimates for this revenue stream. At the end of the third quarter, the Village generated Real Estate Transfer Taxes of \$679K (53.6%) above its budgeted estimate of \$1.27 Million. This level of transfer activity may be a clear indicator of a rebounding of the regional economy.

### General Fund Budget-to-Actual Real Estate Transfer Tax Analysis: 2011- 2013, Q3

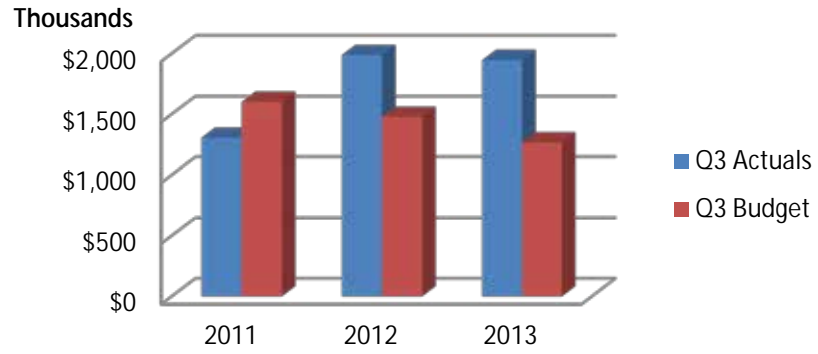


Figure 2-8: General Fund Budget-to-Actual Real Estate Transfer Tax Analysis

## Utility Tax Revenues

**Brief Description:** The Utility Tax is composed of two taxes: the Electricity Tax and the Natural Gas Tax. Both taxes are assessed based upon user consumption within the Village. The Electricity Tax is based on the number of kilowatt hours (kwh) consumed. The actual rate varies from a low of \$0.00202/kwh to a high of \$0.0033/kwh, based on usage. The Natural Gas Tax is also assessed on a unit charge, called the "Therm". The tax rate is \$0.024/therm.

**Utility Tax Revenue Drivers:** The following are the drivers that impact Utility Taxes:

- Energy consumption
- Weather conditions

**2013 Third Quarter Rating: Yellow** 

**Comments:** At the third quarter, we are currently generating Utility Tax revenues in a manner that is \$318K (11.7%) below our budgeted projection of \$2.7 Million. It is important to note that this underperformance is consistent with prior year performance. As we've mentioned in previous reports, lower performance may be related to accrual delays, in which revenues for the summer may not be yielded until later in the year. We will continue to monitor this revenue stream throughout the remainder of the year.

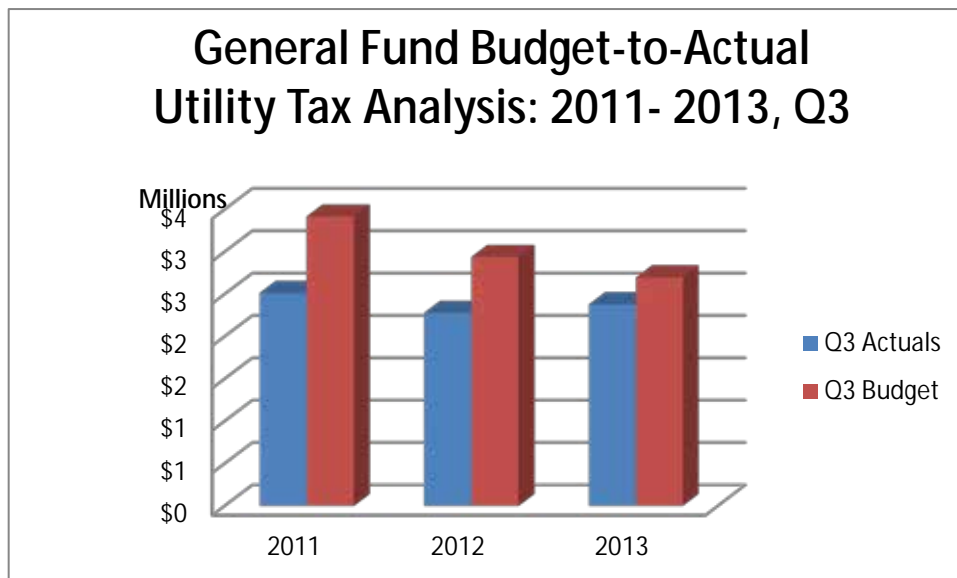


Figure 2-9: General Fund Budget-to-Actual Utility Tax Analysis

## Licenses and Permits

**Brief Description:** The Village charges fees to individuals, businesses and other entities to acquire authorization and permission to conduct certain activities within the Village. These authorizations and permissions are extended in the form of licenses and permits. For example, the Village charges business licensing fees for entities that wish to conduct business within the Village. Individuals that wish to park in public spaces within the Village must acquire a parking permit. Figure 2-10 below illustrates the types of licenses and fees for which the Village receives revenue and their relative proportion of the total Licenses and Permits revenue stream.

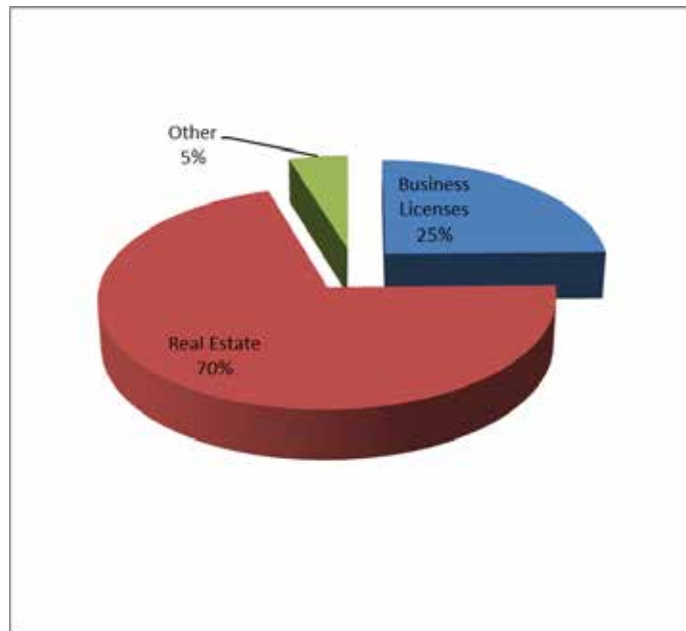


Figure 2-10: Proportion of Licenses and Permits

**Licenses and Permits Drivers:** The following are the drivers that impact licenses and permits:

- Economic conditions in real estate and retail markets

2013 Third Quarter Rating: Green 

**Comments:** As illustrated in Figure 2-11 below, total proceeds from licenses and permits are performing 14.2% above budgeted estimates for the 3<sup>rd</sup> quarter of the year. This reflects a significant change from previous years, in which proceeds from this revenue stream have historically performed below projected estimates for the 3<sup>rd</sup> Quarter. The Village has particularly experienced significant increases in Business License and Street Permit proceeds.

## General Fund Budget-to-Actual Licenses and Permits Analysis: 2011- 2013, Q3

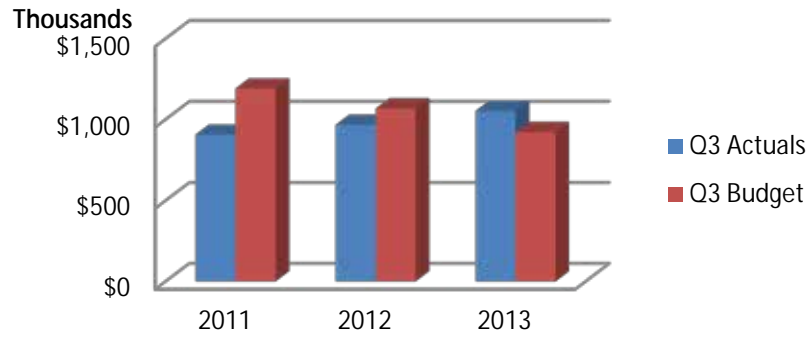


Figure 2-11: General Fund Budget-to-Actual Analysis of Licenses and Permits

## Intergovernmental Revenues

**Brief Description:** Intergovernmental revenues are revenues that the Village receives from other government entities. Apart from other grants, the revenues that the Village receives from this revenue stream are primarily from the State of Illinois. Intergovernmental revenues typically take the form of grants, entitlements, shared revenues, or payments in lieu of taxes.

**Intergovernmental Revenue Drivers:** The following is the primary driver that impacts intergovernmental revenues:

- State of Illinois Income Tax collections

**2013 Third Quarter Rating: Green** 

**Comments:** As illustrated below in Figure 2-12, current revenue yield for Intergovernmental Revenues is \$605,289 (16%) above budget projections. Particularly, State Income Tax proceeds are performing 31.6% above prior year periods for this quarter. This represents a significant change from prior years, when Intergovernmental revenues performed moderately behind project estimates. It is also important to note that Personal Property Replacement Tax (PPRT) proceeds are 16.5% below period expectations. While we expect PPRT proceeds to improve marginally through the end of the year, we expect this stream to underperform at 10% below expectations. We are confident that, as a category, this revenue stream will continue to perform at or above projections.

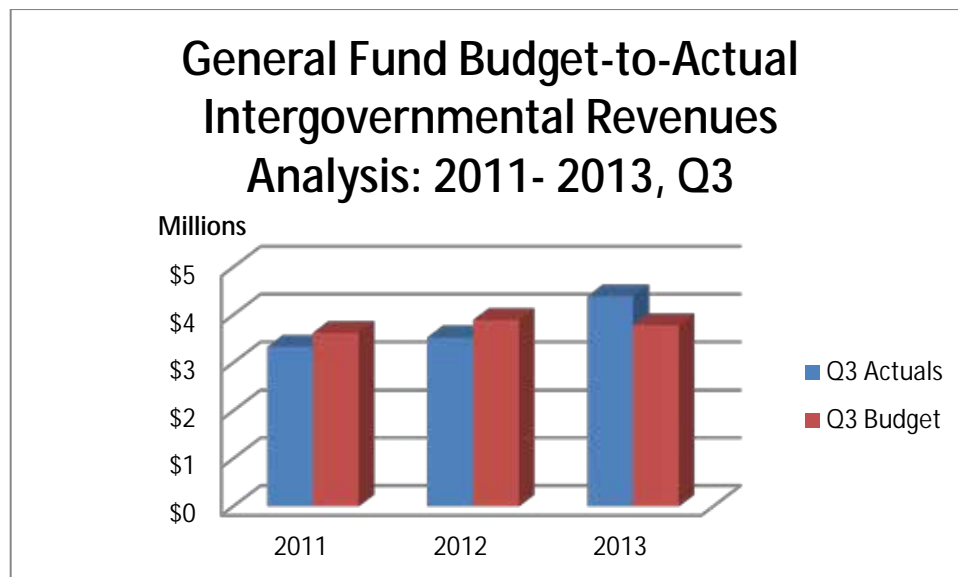


Figure 2-12: General Fund Budget-to-Actual Intergovernmental Revenues Analysis



## Charges for Services

**Brief Description:** The Village provides a number of services for which it charges fees directly to the service recipient. Such services include: drafting of police reports, ambulance services, animal adoption services, and environmental health services. Figure 2-13 below illustrates the types of services for which the Village charges fees and their relative proportion of revenue yield this revenue stream.

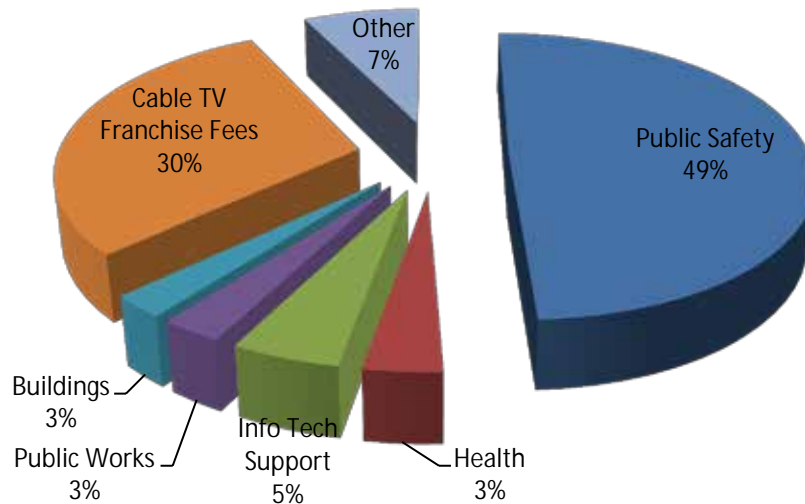


Figure 2-13: Types and Proportion of Licenses and Permits

**Drivers for Charges for Services:** The following are the drivers that impact Charges for Services:

- **Public Safety:**
  - Vehicular accidents
  - Traffic and other insurance-related claims
- **Health**
  - Number of health-related inspections
- **Info Tech support:**
  - Reimbursement for services provided to other taxing bodies
- **Public works**
  - Services volume and maintenance service related to the public way
- **Buildings**
  - Condo inspection fees
- **Cable TV**
  - Number of cable subscribers
  - Cost of cable service
- **Other**
  - Miscellaneous demands for services

2013 Third Quarter Rating: Green 

**Comments:** Currently, this portfolio of revenue streams is performing slightly above (9.4%) projected revenue estimates for the period. Proceeds such as Ambulance Charges and Recovered Damages are performing significantly above projections, while CTA Reimbursements and Tree Removal revenues are performing moderately below expectations.

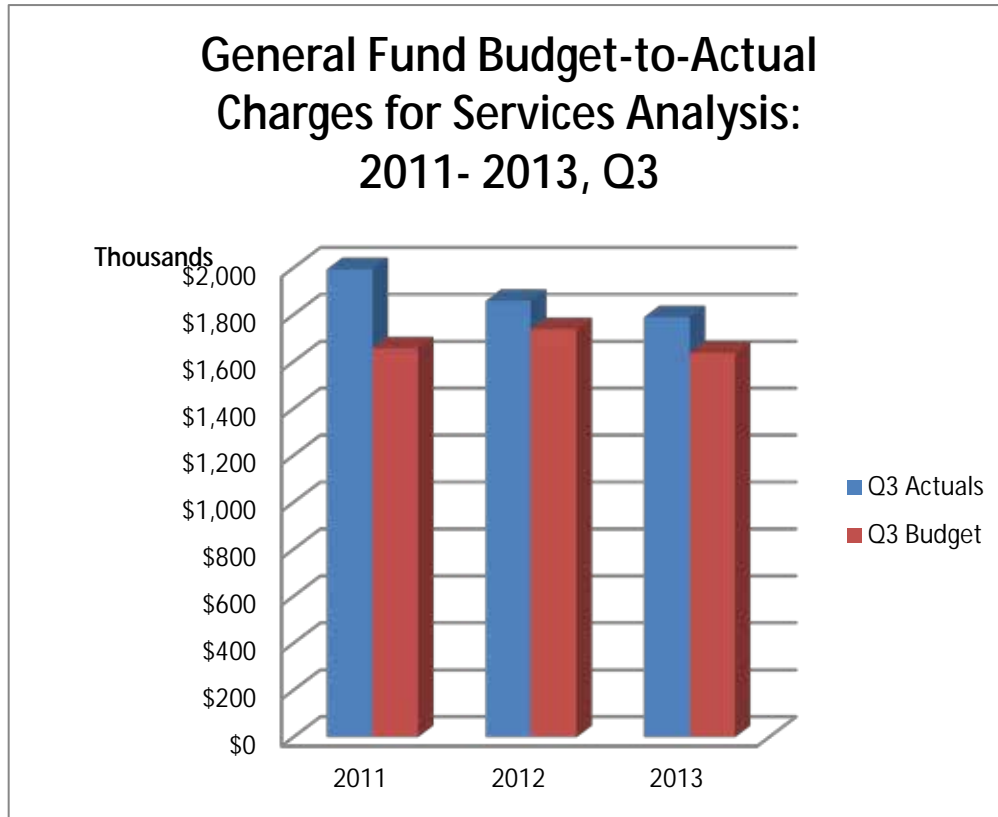


Figure 2-14: General Fund Budget-to-Actual Charges for Services Analysis

## Fines

**Brief Description:** The Village charges fines and penalties to individuals and businesses when they become non-compliant with Village rules and regulations. Parking citations is an example of such a fine for which the Village charges a fee directly to the offender.

**Drivers of Fines:** The following are the drivers that impact fine proceeds:

- Number of tickets issued
- Village Parking Policy
- Number of parking enforcement officers
- Degree of enforcement by Parking Enforcement Officers
- Spoilage (e.g.- fine is waived)
- Resident bankruptcies
- Reductions in vehicles
- Collection rates

**2013 Third Quarter Rating: Red**



**Comments:** As illustrated in the figure below, 3<sup>rd</sup> quarter yields from fines are 16.3% below projected estimates. The current performance for Parking Fines continues to reflect a concerning trend. Despite ongoing efforts to mitigate underperformance for this revenue stream, performance remains behind expectations. To reconcile with current trends, the FY 2014 Budget Recommendation document shows a reduction of the original 2013 year-end estimate. The FY 2014 projections also reflect this ongoing trend.

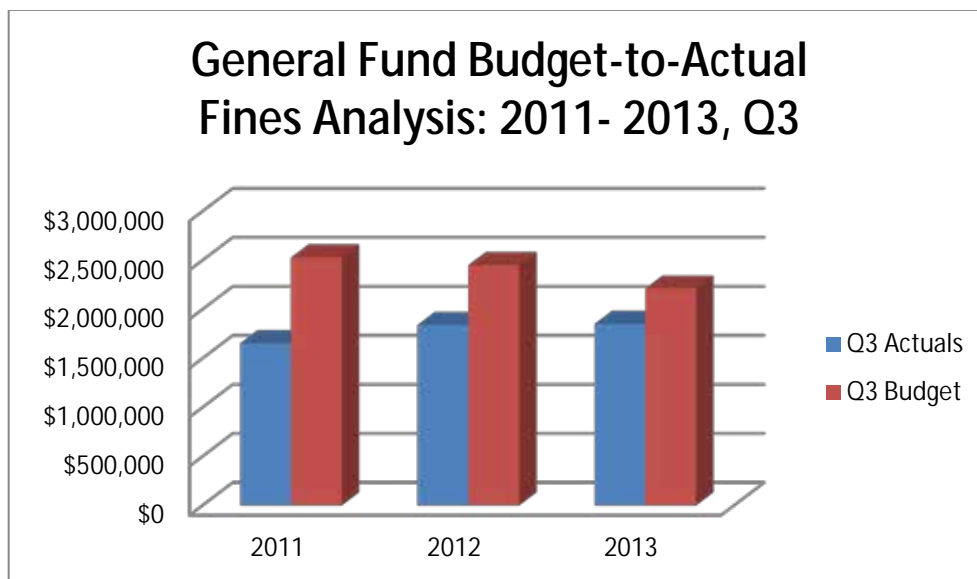


Figure 2-15: General Fund Budget-to-Actual Fines Analysis

## Section 3: General Fund Expenditure Analysis

### General Fund Expenditures

**Brief Description:** General Fund Expenditures are the expenditures related to the performance of direct Village services, such as police, fire, public works and housing services. General fund expenditures also relate to the performance of back-office services, such as finance, human resources, and information technology.

2013 Third Quarter Rating: Green 

**General Comments:** At 3<sup>rd</sup> Quarter, current general fund expenditures are 3.6% below planned estimates. As mentioned previously, while on its face, under-expenditures may appear to be a good thing, it may also reflect delays and challenges in performing planned services.

As indicated previously, because the Quarterly Report is focused primarily on assessing the Village's financial position, we continue to rate areas of under-expenditure as "Green". However, it is important for the reader to understand that there remain other factors to consider in evaluating overall performance of Village services such as the impact on community services, accomplishment of organizational objectives, etc.

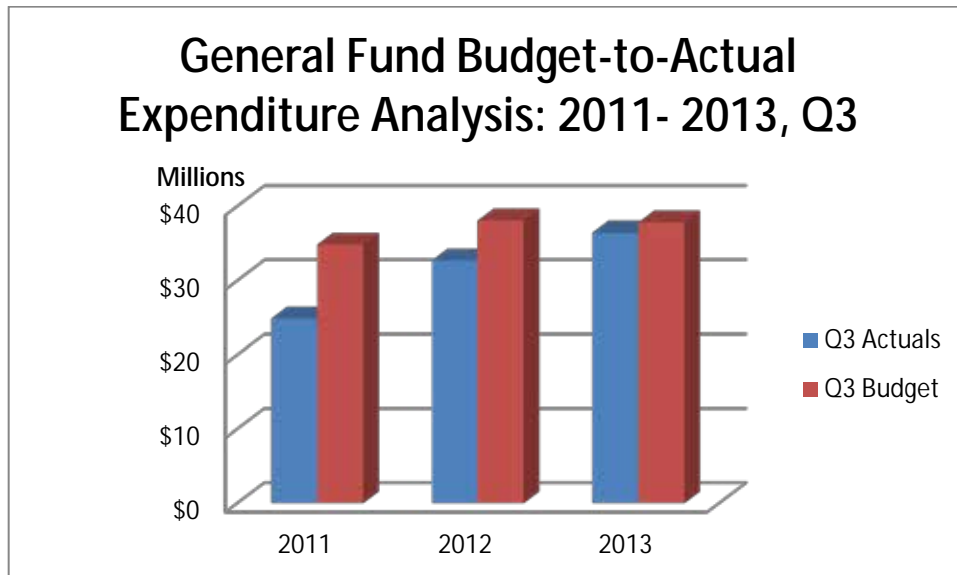


Figure 3-1: General Fund Budget-to-Actual Expenditure Analysis

| General Fund Expenditures   |              |              |             |            |
|-----------------------------|--------------|--------------|-------------|------------|
| Description                 | YTD Actuals  | YTD Budget   | Variance    | Variance % |
|                             |              |              | Good/(Bad)  |            |
| Personnel and Benefits      | \$29,357,363 | \$30,300,125 | \$942,762   | 3.11%      |
| Professional and Technical  | \$3,183,657  | \$4,306,405  | \$1,122,749 | 26.07%     |
| Purchased Property Services | \$325,622    | \$475,126    | \$149,504   | 31.47%     |
| Other Purchased Services    | \$320,780    | \$479,558    | \$158,778   | 33.11%     |
| Supplies and Materials      | \$993,753    | \$1,410,787  | \$417,034   | 29.56%     |
| Real Property, CDBG & Other | \$2,742      | \$19,200     | \$16,458    | 85.72%     |

Table 3-2: Summary of General Fund Expenditure Streams

### Personnel and Benefits Expenditures

**Brief Description:** Personnel and Benefits expenditures are the expenditures for the compensation of Village staff to perform Village services and activities. Given the labor-intensive nature of Village services, personnel and benefits expenditures typically make up the largest proportion of general fund expenditures.

**Personnel and Benefits Drivers:** The following are the drivers that impact personnel and benefits expenditures:

- Changes in labor agreements
- Vacancies
- Health and pension costs

**2013 Third Quarter Rating: Green** 

**Comments:** Within the 3<sup>rd</sup> Quarter, the Village's expenditures for combined wages and benefits remain 3.11% below budgeted projections.

### General Fund Budget-to-Actual Personnel and Benefits Analysis: 2011- 2013, Q3

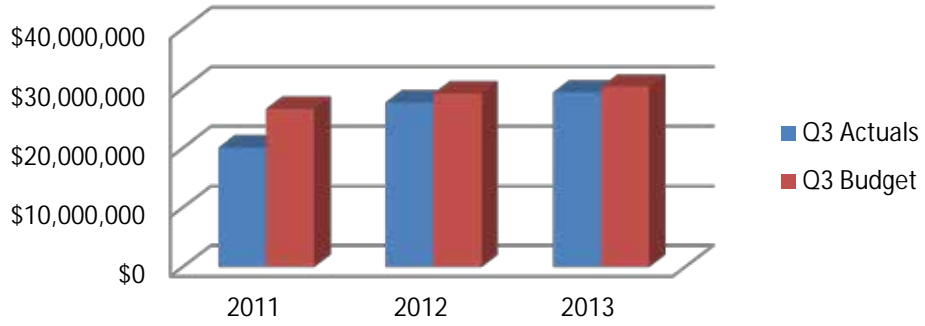


Figure 3-3: General Fund Budget-to-Actual Personnel and Benefits Analysis

## Professional and Technical Services Expenditures

**Brief Description:** Professional and technical expenditures are for infrequent or unique services that are provided to the Village by independent contractors or by consultants. These expenditures are tracked separately from the Village's salary and benefits resources.

**Professional and Technical Services Drivers:** The following are the drivers that impact professional and technical services expenditures:

- Availability and ability of Village staff to perform specialized activities
- Skillsets of Village staff

2013 Third Quarter Rating: Green 

**Comments:** Currently, Professional and Technical Services net expenditures for the 3<sup>rd</sup> Quarter are 26% below projected expenditures. We continue to project year-end expenditures to be consistent with budgeted projections.

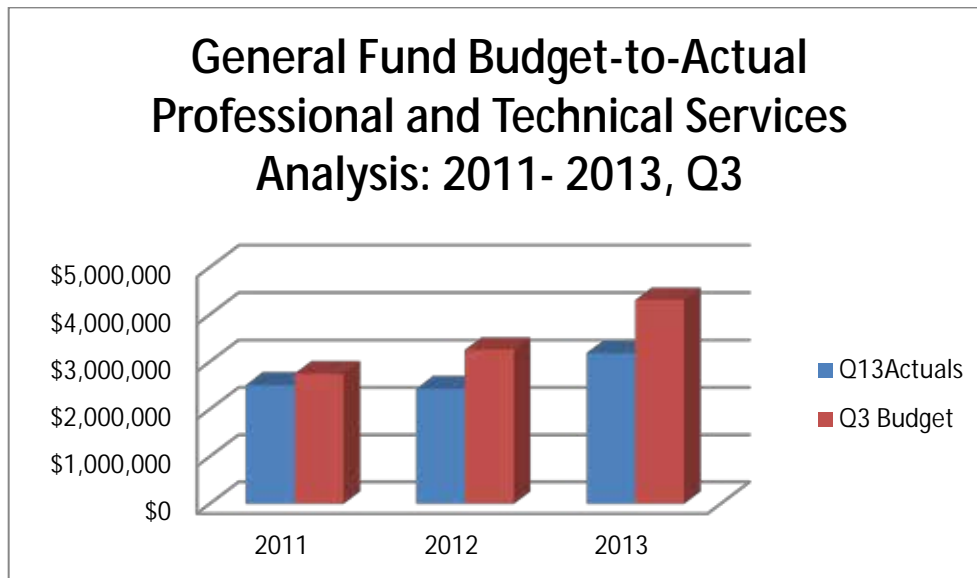


Figure 3-4: General Fund Budget-to-Actual Professional and Technical Services Analysis

## Purchased Property Services

**Brief Description:** Purchased Property Service expenditures are expenditures related to: a) maintaining support for Village buildings and facilities; and b) providing emergency services to properties within the Village for the safety of Village residents. These activities include: the purchase of utility services, such as water, electricity and natural gas, maintaining property repair, and hardware maintenance.

**Purchased Property Services Drivers:** The following are the drivers that impact purchased property services expenditures:

- Usage of village-owned properties
- Private maintenance during foreclosures

**2013 Third Quarter Rating: Green** 

**Comments:** Within the 3<sup>rd</sup> Quarter, expenditures within the Purchased Property Services expenditure area remain at 31.47% below budgeted estimates.

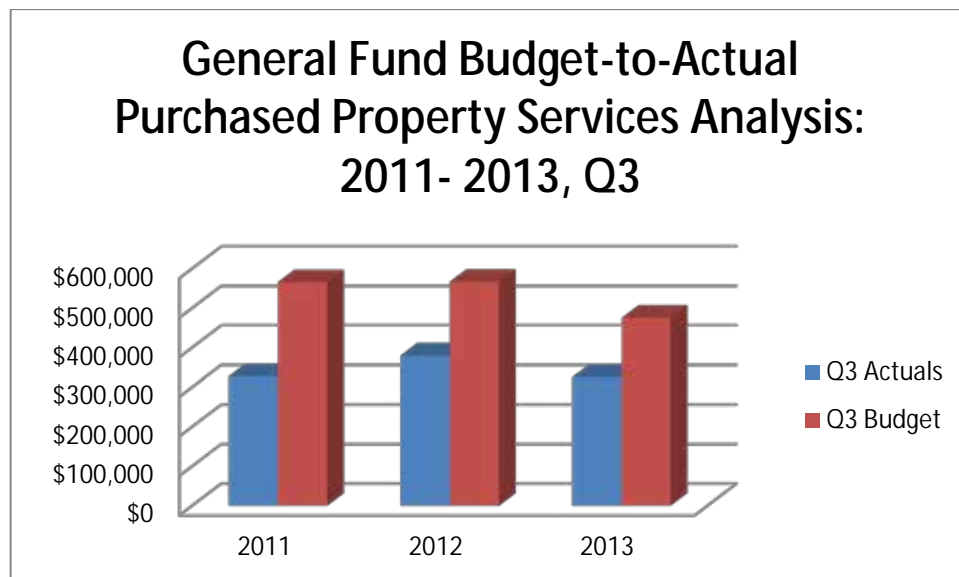


Figure 3-5: General Fund Budget-to-Actual Purchased Property Services Analysis



## Other Purchased Services

**Brief Description:** Other Purchased Service expenditures are expenditures related to maintaining administrative operations within Village departments. These expenditures include costs such as printing costs, general maintenance and upkeep, telephones services and software support.

**Other Purchased Services Drivers:** The following are the drivers that impact other purchased services expenditures:

- The need for special and complex printing jobs
- Volume of laundry services
- Other back-office operational issues

**2013 Third Quarter Rating: Green** 

**Comments:** Third quarter expenditures within the Other Purchased Services expenditure area are at 33.11% below projected expenditures for this period. We continue to expect that expenditures will end the year at budgeted levels.

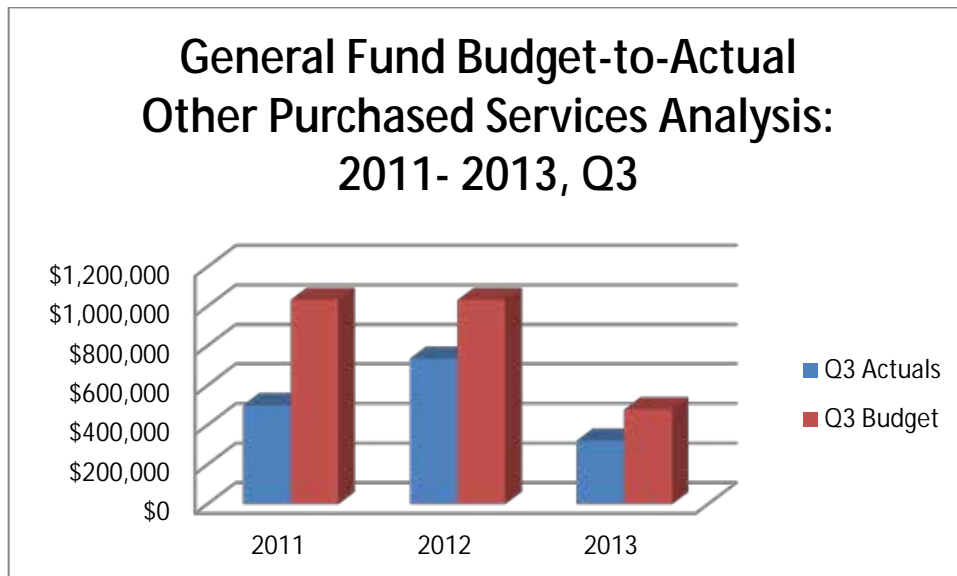


Figure 3-6: General Fund Budget-to-Actual Other Purchased Services Analysis

## Supplies and Materials

**Brief Description:** Supplies and Materials expenditures are primarily for office supplies and materials. Expenditures in this area include: office supplies, clothing and uniforms, motor fuel, vehicle equipment parts, and equipment rental.

**Supplies and Materials Drivers:** The following are the drivers that impact supplies and materials expenditures:

- General use of village-owned assets (e.g.- fuel)
- Weather conditions

**2013 Third Quarter Rating: Green** 

**Comments:** Total expenditures for the 3<sup>rd</sup> quarter within the Supplies and Materials expenditure area remain at about 29.56% under budget. Contributing to this performance is a 17.5% underage in budgeted fuel usage and a 43.2% underage in the use of Office Supplies, Operational Supplies and clothing.

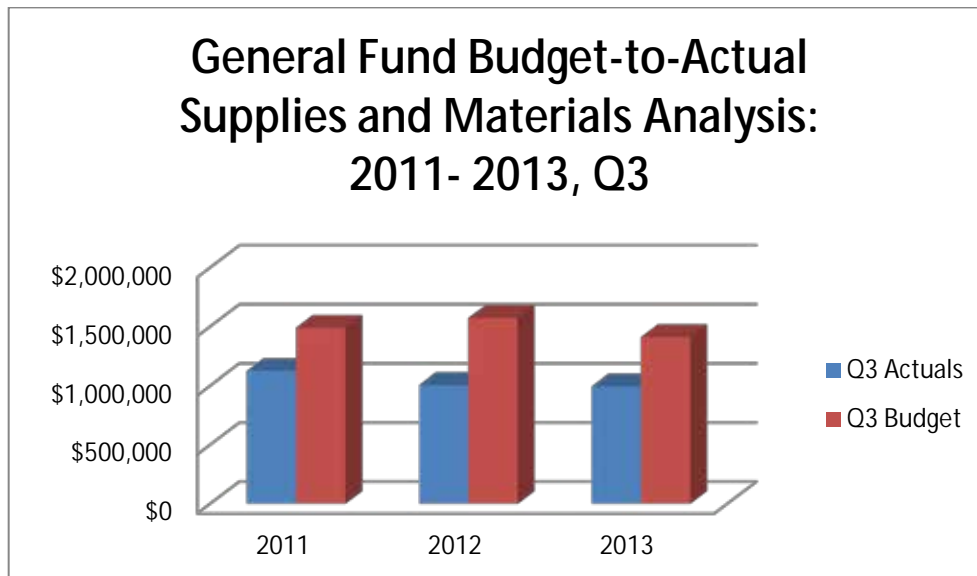


Figure 3-6: General Fund Budget-to-Actual Supplies and Materials Analysis

## Real Property, Community Development Block Grant (CDBG) and Other

### Brief Description:

- **Real Property:** These are minor administrative expenditures related to the operations of Village-owned properties.
- **Community Development Block Grant:** These minor expenditures are for the administrative costs related to the management of the federally funded Community Development Block Grant.
- **Other:** These expenditures are miscellaneous expenditures for unplanned activities or services.

**Drivers for Real Property, CDBG, and Other Services:** The following are the drivers that impact expenditures within Real Property, CDBG and Other services:

- **Real Property**
  - Purchase of property
- **CDBG**
  - The administrative costs borne by the general fund and reimbursed by the grant
- **Other**
  - Other unplanned expenditures

2013 Third Quarter Rating: Green



**Comments:** No comments at this time

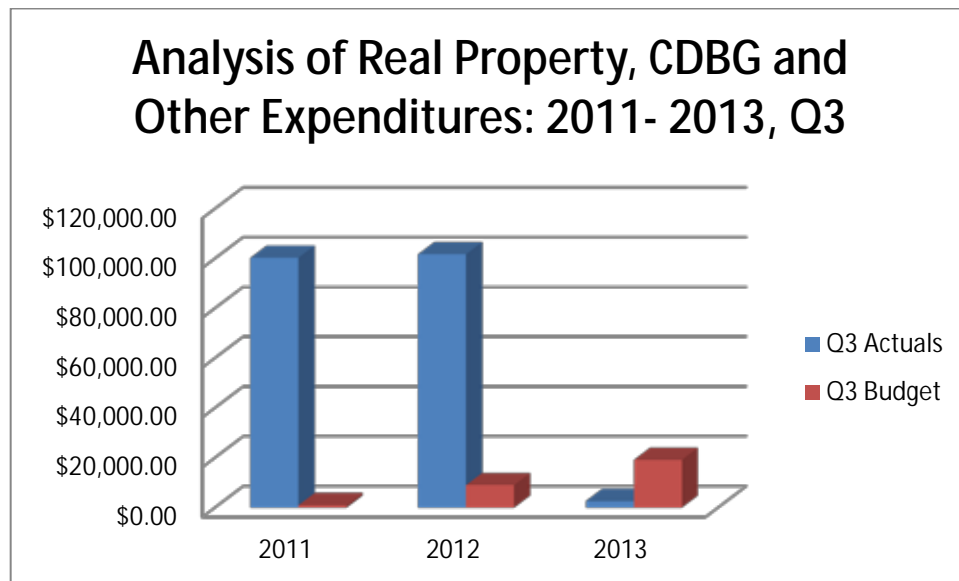


Figure 3-7: Analysis of Real Property, CDBG and Other Expenditures

## Section 4: Enterprise Funds

**Brief Description:** This section provides 3<sup>rd</sup> Quarter Report summaries for the following Enterprise Funds:

- Water and Sewer Fund
- Parking Fund
- Environmental Services Fund

## Water and Sewer Fund

### Water and Sewer Fund Revenues

#### Brief Description:

**Water Description:** The Village purchases water from the City of Chicago and distributes it to customers throughout the Village through its own water system. The Water Fund is the enterprise fund that accounts for the revenues and expenditures of operating the water system, inclusive of capital costs.

**Sewer Description:** The Village maintains the system that carries sewage to the Metropolitan Water Reclamation District's system. The Sewer Fund is the enterprise fund that accounts for the revenues and expenditures of operating the system, inclusive of capital costs. The sewer charge is derived from the amount of water consumed per account.

**Water and Sewer Fund Revenue Drivers:** The following are the drivers that impact Water Fund revenues:

- Water Revenue Drivers
  - Cost of water purchased from the City of Chicago
  - Amount of gallons used by customers
- Sewer Revenues Drivers
  - Sewer charges imposed by local ordinance
  - Amount of gallons used by customers

**2013 Third Quarter Rating: Yellow** 

**Comments:** As indicated during the first and second quarters of 2013, the Village finalized the consolidation of the Water and Sewer Funds, as directed through the 2013 Budget. As a result, the Water and Sewer Fund ended the third quarter \$29.6 Million above the budgeted target for the year. As the Water and Sewer Fund have recently been consolidated, an asset credit of \$30.3 Million remains credited to the Water fund to reflect the transfer of assets from the Sewer Fund to the Water and Sewer Fund. As observed below in Figure 4-1, this transaction distorts the view of historical fund performance for the third quarter. As discussed previously, it is important to note that this transfer is an accounting transaction, which does not in any way reflect fund performance.

Controlling for the \$30.3 Million transfer, revenues within the fund are \$731,959 (8.4%) below estimated projections for the third quarter. This represents moderate revenue underperformance for the fund. The Finance Department will continue to actively review this revenue Stream throughout the remainder of the year.

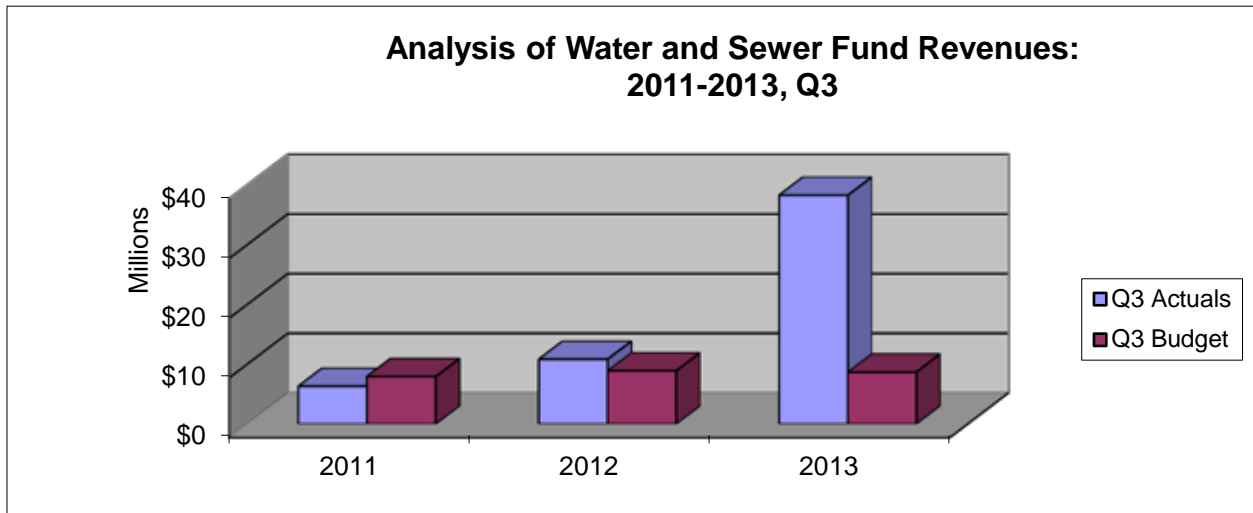


Figure 4-1: Analysis of Water and Sewer Fund Revenues

**Water and Sewer Fund Expenditures:**

**Brief Description:**

**Water:** The Water Fund maintains the infrastructure required to deliver water to Village residences and businesses throughout the community. Expenditures within the Water fund reflect the costs related to the staff and equipment that are required to operate the pumping stations, and to repair broken water mains.

**Sewer:** The Sewer Fund maintains the infrastructure required to transport water from residences and businesses throughout the community. Sewer fund expenditures reflect the staff and equipment necessary to repair broken sewer lines.

**Water and Sewer Fund Expenditure Drivers:** The following are the drivers that impact Water and Sewer Fund expenditures:

- Water Fund Expenditure Drivers
  - Cost of water
  - Personnel costs
  - Outside contractor costs
  - Bill-to-pump ratio
  
- Sewer Fund Expenditure Drivers
  - Capital requirements
  - Personnel costs
  - Outside contractor costs

2012 Third Quarter Rating: Green 

**Comments:** Total expenditures for the Water Fund remain at 30.6% below budget for the 3<sup>rd</sup> quarter. It is anticipated that these costs will balance out later in the year as we conclude capital projects, and that year-end expenditures will be consistent with budgeted expectations.

The Finance Department is currently working with Village Engineering staff to reconcile outstanding water and sewer project activities from prior years with current year operating resources.

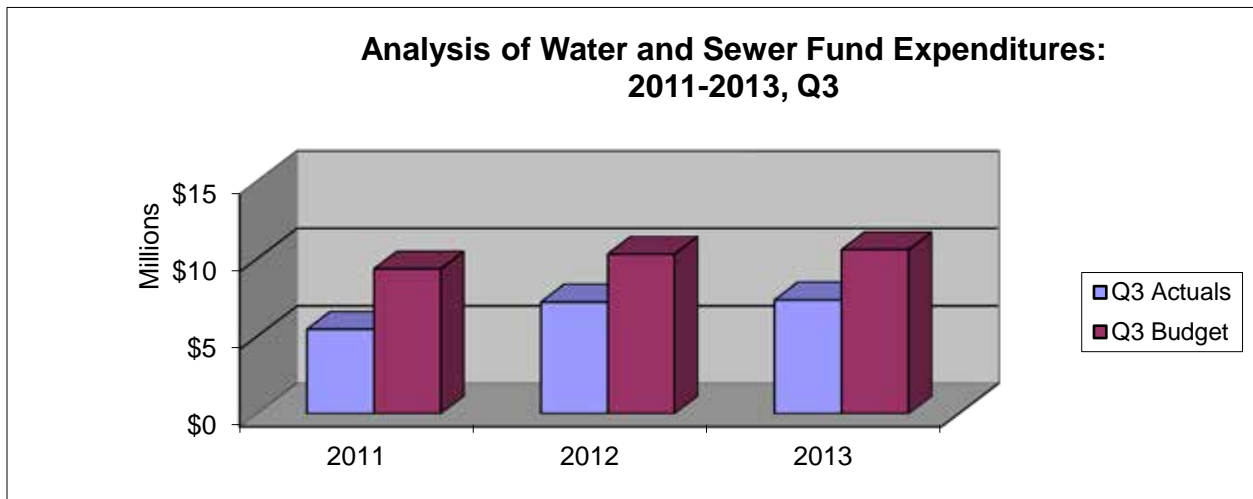


Figure 4-2: Analysis of Water and Sewer Fund Expenditures

## Parking Fund

### Parking Fund Revenues

**Brief Description:** The Village owns and operates the vast majority of public parking throughout the Village. This includes the on-street meters, parking garages located in Downtown Oak Park, as well as a large number of off-street lots throughout the Village

**Parking Fund Revenue Drivers:** The following are the “drivers” that “fuel” Parking Fund revenues:

- Parking rates
- Volume of parkers

**2013 Third Quarter Rating:** Green 

**Comments:** Parking fund revenues are generally consistent with 3<sup>rd</sup> quarter projections. Charges for services related to the fund are slightly above revenue projections.

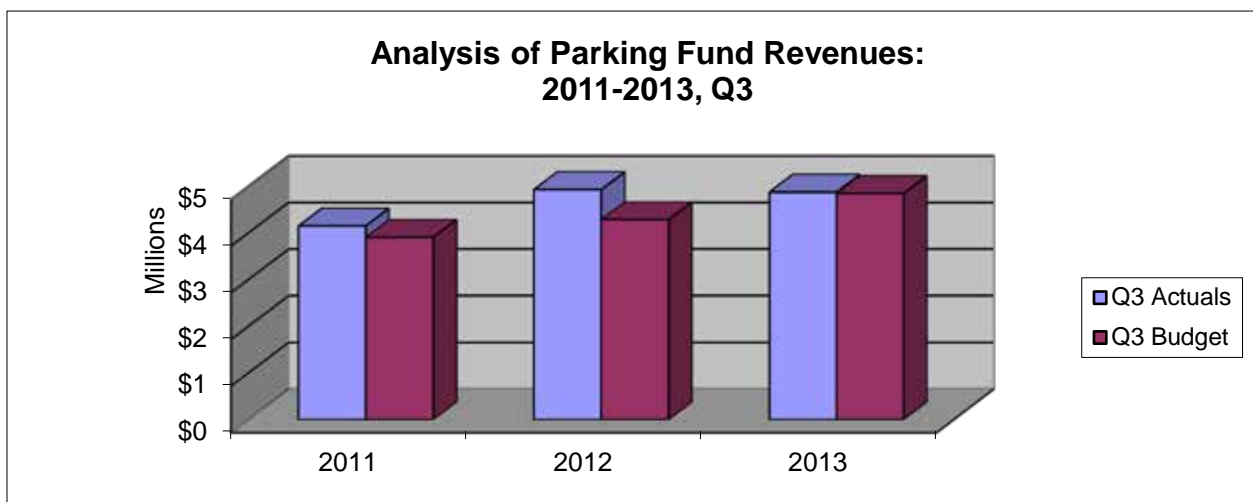


Figure 4-5: Analysis of Parking Fund Revenues

### Parking Fund Expenditures:

**Brief Description:** The Village owns and operates the vast majority of public parking throughout the Village. This includes the on-street meters, parking garages located in Downtown Oak Park, as well as a large number of off-street lots throughout the Village.

The Village provides for staff to directly service the public to comply with the overnight parking ban and other relevant restrictions. Further, this Fund accounts for the maintenance and repair of parking meters, lots and garages.



**Parking Fund Expenditure Drivers:** The following are the drivers that impact Parking Fund expenditures:

- Personnel costs
- Capital costs

**2013 Third Quarter Rating:** Green 

**Comments:** Total third quarter expenditures for the Fund are currently 80.2% below budgeted expenditures. As discussed previously, it is important to note that the 2013 Parking Fund expenditure budget includes annualized expenditures for a major Building Improvement initiative. As the initiative develops, it is expected that actual expenditures will eventually attain pace with budgeted expenditures, and that the actual fund performance will be consistent with budgeted projections. It is important to note that, controlling for the \$6.67 Million anticipated capital expenditure, actual fund expenditures are 50.5% below its budgeted projections for the third quarter.

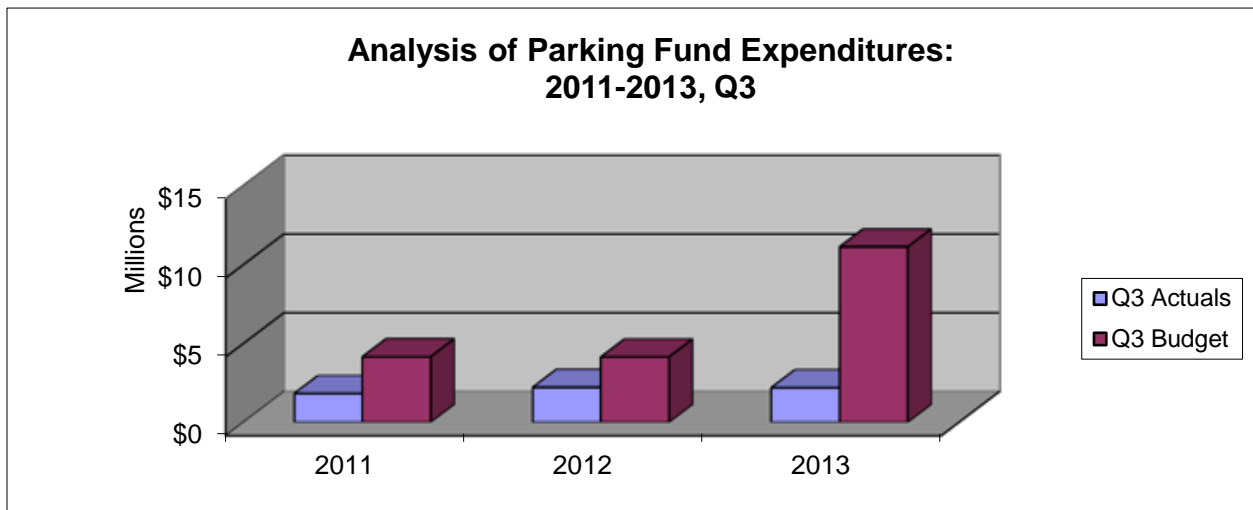


Figure 4-6: Analysis of Parking Fund Expenditures

## Environmental Services Fund

### Environmental Services Fund Revenues

**Brief Description:** The Environmental Services Fund accounts for the Village's solid waste removal and recycling programs. An enterprise fund, the costs are charged to users of the system via charges on their utility bill.

**Environmental Services Fund Revenue Drivers:** The following are the drivers that impact Environmental Services Fund revenues:

- Garbage collection rates
- Sale of yard waste stickers

**2013 Third Quarter Rating: Green** 

**Comments:** Revenues for this fund remain on par with 3<sup>rd</sup> Quarter targets. We will continue to actively review this revenue stream for the remainder of the year.

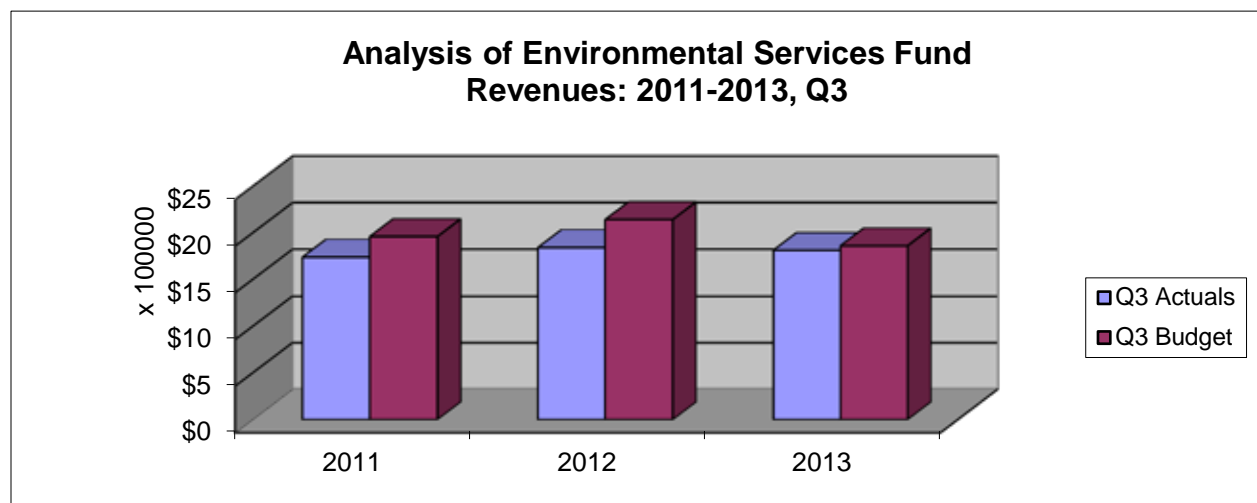


Figure 4-7: Analysis of Environmental Services Fund Revenues

### Environmental Services Fund Expenditures:

**Brief Description:** The Environmental Services Fund accounts for the Village's solid waste removal and recycling programs. An enterprise fund, the costs are charged to users of the system via charges on their utility bill.

**Environmental Services Fund Expenditure Drivers:** The following are the drivers that impact Environmental Services Fund expenditures:

- Personnel costs
- Contractual costs of waste disposal

2013 Third Quarter Rating:: Green ●

**Comments:** Total expenditures for the Fund are currently 24.6% below budget for the 3<sup>rd</sup> quarter. Disposal costs paid to Waste Management, the Village's contractor, were budgeted to increase significantly more than what has proven to be the case. As planned contractual work is completed within this fund, we expect that expenditures will continue to trend below budgeted expectations for the year.

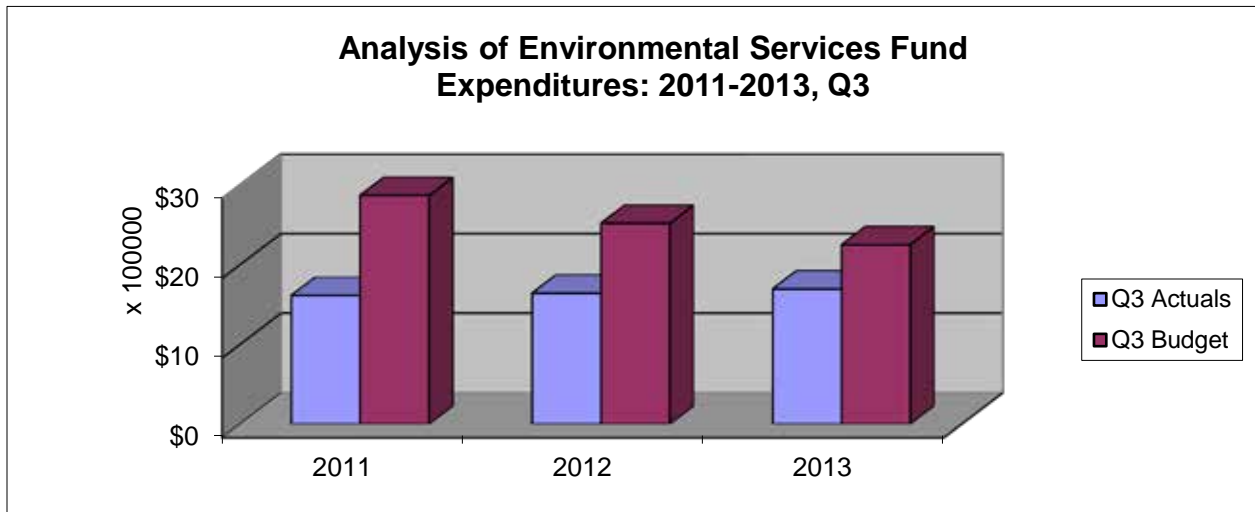


Figure 4-8: Analysis of Environmental Services Fund Expenditures