



# **Quarterly Financial Report 2013, 1<sup>st</sup> Quarter**

Finance Department  
April 2013

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## Section 1: 1<sup>st</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 first 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.

<u>Overview</u>	<u>Rating</u>	<u>Comments</u>
<b>General Fund</b>		
<u>General Fund Revenues</u>		<b>Green-</b> First quarter revenues are within a reasonable margin of anticipated performance.
Property Taxes		<b>Green-</b> Property tax revenues are consistent with budgeted projections.
Liquor Taxes		<b>Green-</b> Taxes are slightly above first quarter projections.
Natural Gas Use Taxes		<b>Green-</b> Taxes are more than double first quarter projections.
Sales Taxes		<b>Undetermined-</b> First quarter sales tax revenue information is not available at this time
Real Estate Transfer Tax		<b>Green-</b> Taxes are performing significantly above budgeted expectations for the quarter
Utility Taxes		<b>Green-</b> Tax revenues are within a reasonable margin of satisfactory performance.
Licenses and Permits		<b>Green-</b> Revenue proceeds are moderately above budgeted estimates.
Intergovernmental Revenues		<b>Yellow-</b> Revenue is currently 20% below budgeted projections.
Charges for Services		<b>Yellow-</b> Revenues began the year 33% below projected revenue estimates.
Fines		<b>Red-</b> Revenues remain below budgeted projections.
<u>General Fund Expenditures</u>		<b>Green-</b> Year-end expenditures 28% below budgeted estimates.
Personnel and Benefits		<b>Green-</b> Personnel and benefit costs are 21.8% below budgeted estimates.

Professional and Technical Services		<b>Green-</b> Expenditures are 50% below projected expenditures.
Purchased Property Services		<b>Green-</b> Expenditures are 31% below projected expenditures.
Other Purchased Services		<b>Green-</b> Expenditures are 47% below projected expenditures.
Supplies and Materials		<b>Green-</b> Expenditures are 22% below projected expenditures.
Real Property, CDBG and Other		<b>Undetermined-</b> First quarter expenditure information is not available at this time

## Water and Sewer Fund

Water and Sewer Fund Revenues		<b>Green-</b> Revenue proceeds include a \$30.3 Million accounting adjustment to reflect the transfer of Sewer assets to the Water and Sewer Fund, approved in the 2013 Budget.
Water and Sewer Fund Expenditures		<b>Green-</b> Year-end expenditures are 73% below budget.

## Parking Fund

Parking Fund Revenues		<b>Green-</b> Revenues are 5% above budgeted projections for the quarter.
Parking Fund Expenditures		<b>Green-</b> First quarter budgeted expenditures include an annualized expenditure of \$2.2 Million for a major Building Improvement initiative.

## Environmental Services Fund

Environmental Services Revenue		<b>Green-</b> First quarter revenues are within a reasonable margin of anticipated performance.
Environmental Services Expenditures		<b>Green-</b> Year-end expenditures are 66% 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.

Rating Legend	
	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
	There is not enough current year information to assess a performance rating at this time

**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)

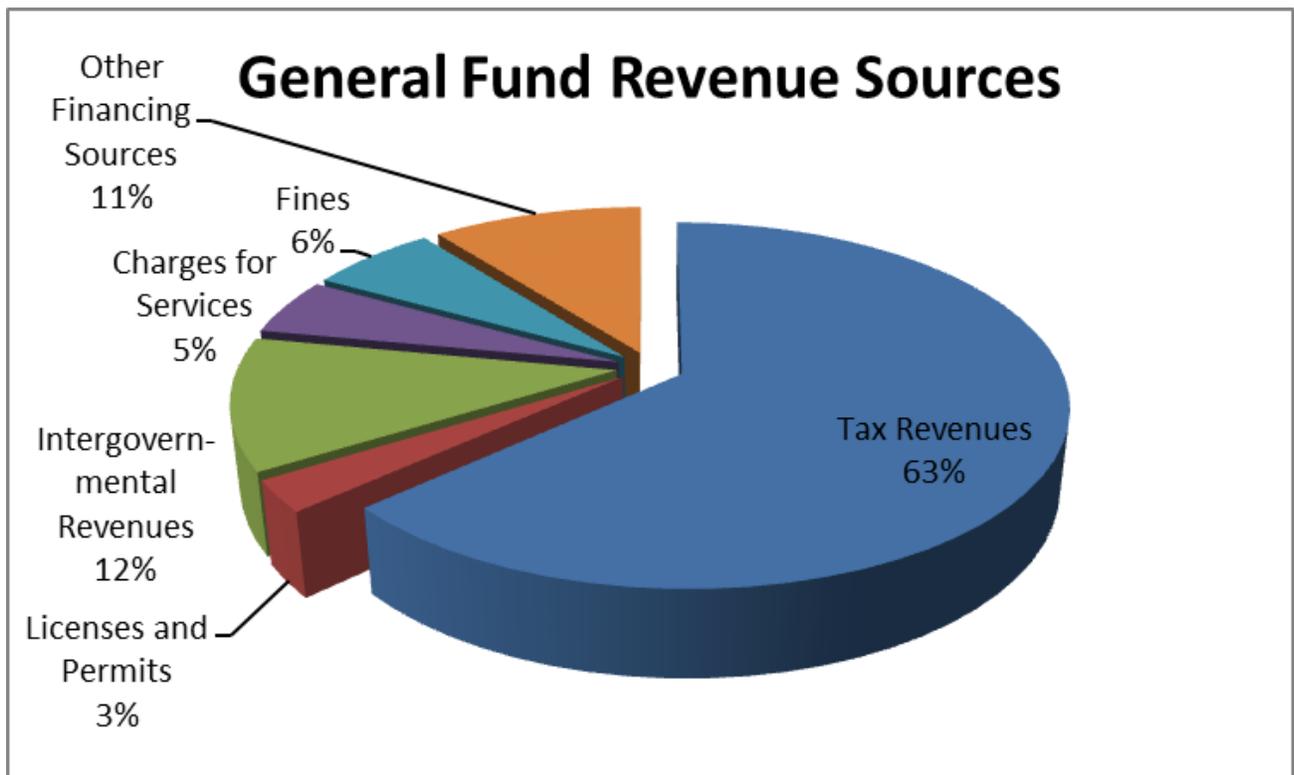


Figure 2-1: Proportion of General Fund Revenue Sources

2013 First Quarter Rating: Green ●

**General Comments:** First quarter General Fund revenues for 2013 are only 1% below budgeted projections, which is to say that actual revenue yields are within a reasonable margin of anticipated performance. The performance of first quarter revenues is largely driven by Tax proceeds, which

make up more than half of the Village's first quarter revenues, and which are performing within projected expectations. However, as we will discuss more specifically in later aspects of the report, other major revenue streams have ended the first quarter sluggishly. While we remain cautiously optimistic that actual-to-budget performance will improve for these revenue streams throughout the year, we will actively observe revenue performance through the second quarter to determine if real concerns exist, and if current revenue projections should be reconsidered.

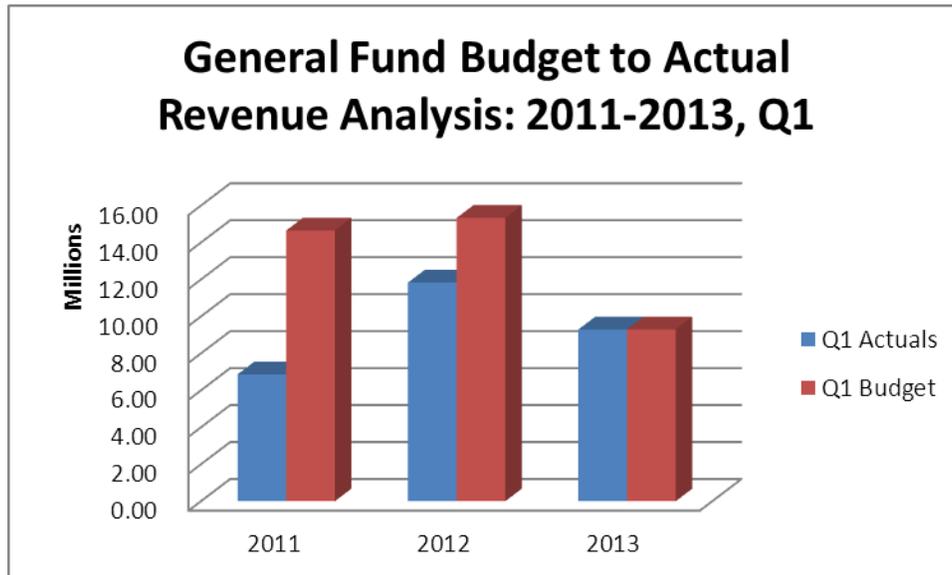


Figure 2-2: General Fund Budget-to-Actual Revenue Analysis

General Fund Revenues				
Description	YTD Actuals	YTD Budget	Variance Good/(Bad)	Variance %
Tax Revenues	\$7,734,914.68	\$7,461,831.03	273,083.65	3.7%
Licenses and Permits	\$416,549.51	\$335,684.56	80,864.95	24.1%
Intergovernmental Revenues	\$244,176.59	\$306,454.23	(62,277.64)	-20.3%
Charges for Services	\$293,692.09	\$440,669.14	(146,977.05)	-33.4%
Fines	\$568,398.00	\$740,791.68	(172,393.68)	-23.3%
Other Local Government	\$35,128.80	\$12,498.00	22,630.80	181.1%
Other Financing Sources	\$0.00	\$0.00	0.00	0.0%

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 First Quarter Rating:** Green 

**Comments:** As illustrated below in Figure 2-4, property tax yields for the first quarter have performed consistently with budgeted projections. Given the increased accuracy and timeliness of Cook County's tax collection processes, we expect that property tax revenue yields will remain consistent with monthly and annual projections.

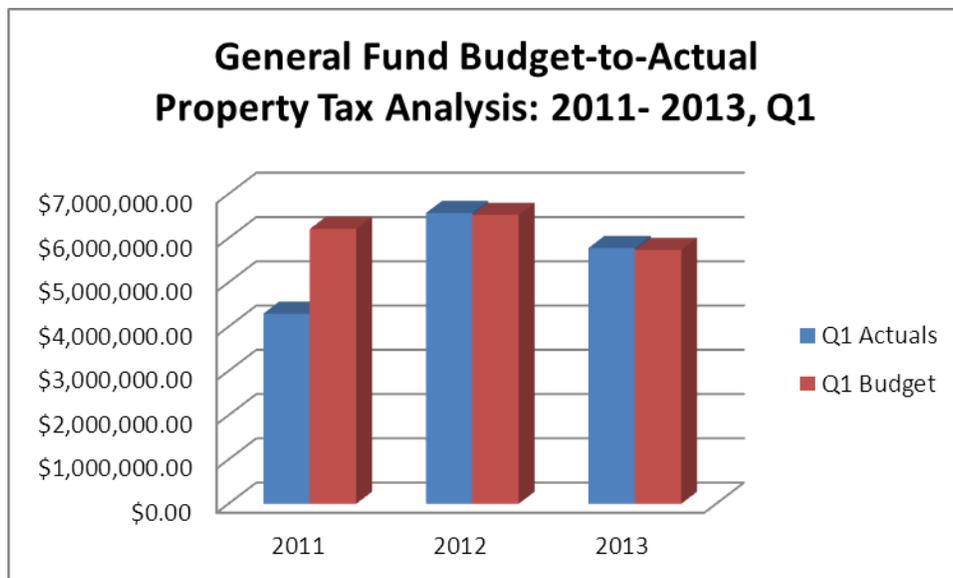


Figure 2-4: General Fund Budget-to-Actual Property Tax Analysis

## 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 First Quarter Rating: Green** 

**Comments:** As indicated below in Figure 2-5, Liquor Tax revenue yields for the first quarter are slightly above (9%) first quarter projections.

**Note:** It is important to note that the Village has formally transitioned to a “modified accrual” accounting basis, which means that revenues for a given year shall be credited to the year that it is intended (rather than the year in which it is received). In the past, first quarter tax revenues such as Liquor tax revenues, may have appeared inflated due to prior year revenues being collected during the first quarter revenues of the current year. However, under the modified accrual basis, all prior year revenues, even if collected in the current year, are actually subtracted from the current year and are credited to prior year revenues. Despite this basis change, Liquor Tax revenues for the current year, controlling for prior year yields, continues to perform above current year projections.

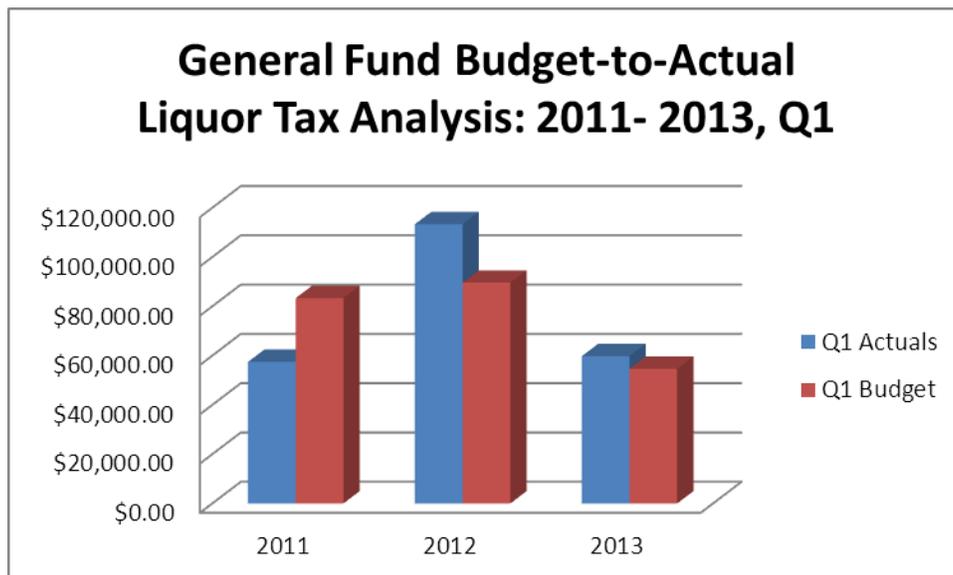


Figure 2-5: General Fund Budget-to-Actual Liquor Tax Analysis

## 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 First Quarter Rating: Green** 

**Comments:** As illustrated below in Figure 2-6, the revenue yield for the Natural Gas Use Tax is more than double (107%) first quarter projections. As discussed in previous reports, the performance of this revenue stream is significantly impacted by weather conditions. As such, the protracted winter temperatures and the relatively cool spring that we have experienced in the region have likely increased natural gas consumption beyond initial projections.

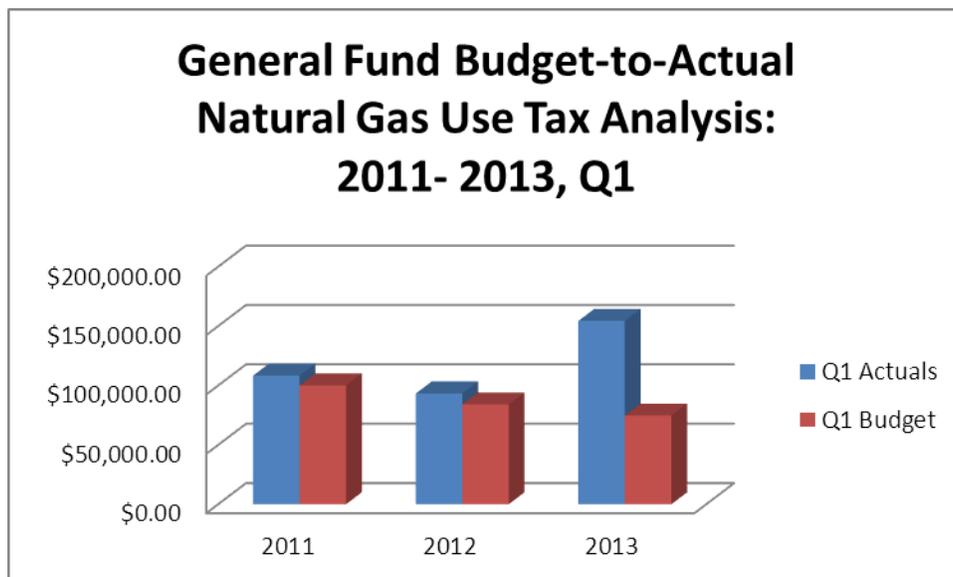


Figure 2-6: General Fund Budget-to-Actual Natural Gas Use Tax Analysis

## 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 First Quarter Rating: Undetermined** ○

**Comments:** As mentioned in previous reports, there is a quarterly lag in Sales Tax yields, where current quarter actuals typically reflect the sales tax yield from the previous quarter. This is to say that current revenues actuals would reflect revenue performance from the fourth quarter of the previous year. Because first quarter revenues are not available at this time, we are unable to determine Sales and Use Tax performance for the first quarter. First Quarter ratings for Sales and Use Tax revenues will be available within the second quarter report.

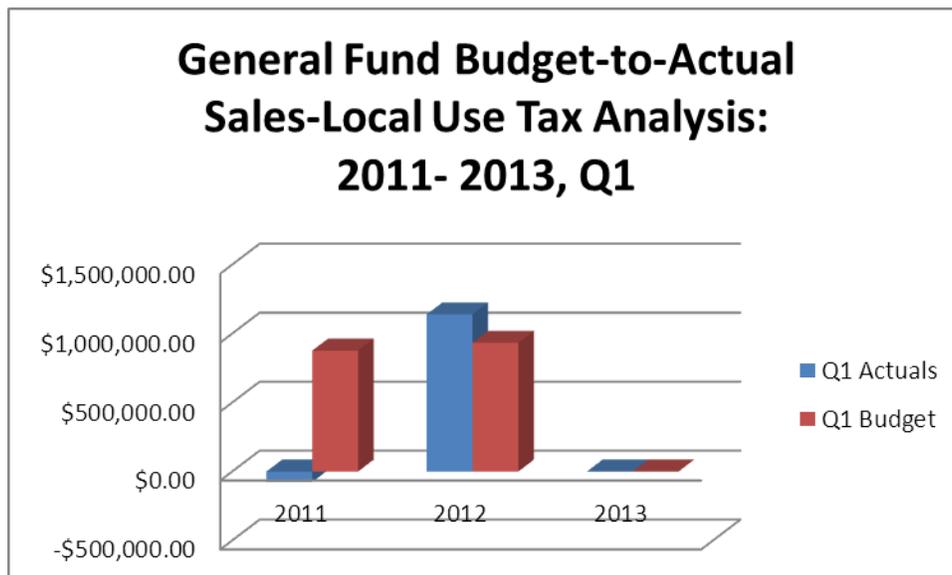


Figure 2-7: General Fund Budget-to-Actual Sales-Local Use Tax Analysis

## 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 First Quarter Rating: Green** 

**Comments:** As illustrated below in Figure 2-8, first quarter Real Estate Transfer tax proceeds are performing significantly above (116%) budgeted expectations for the quarter. As regional investors acquire distressed properties in the area, and as major banks sell off portions of their distressed housing portfolio in the area, this has significantly increased transfer activity among the Village’s housing stock.

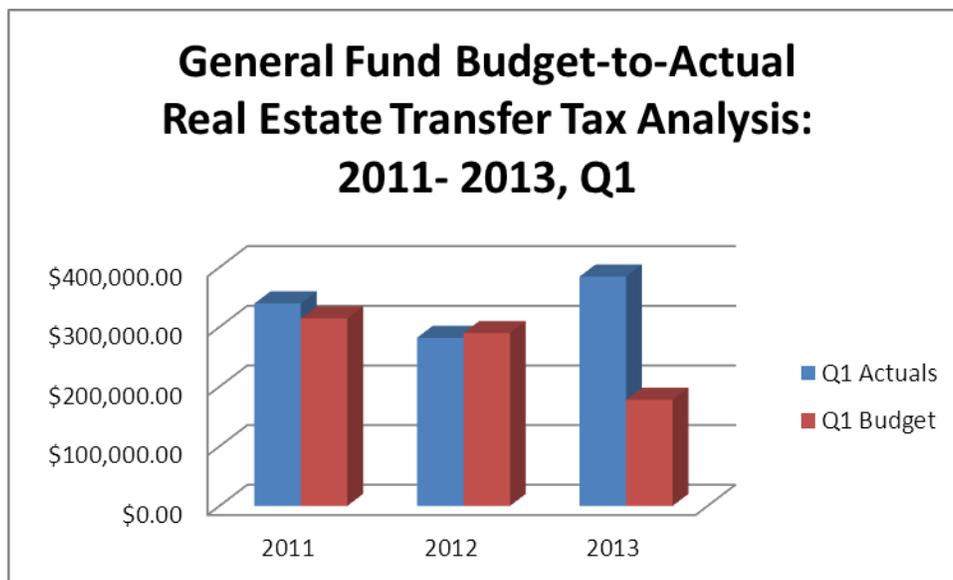


Figure 2-8: General Fund Budget-to-Actual Real Estate Transfer Tax Analysis

## 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 First Quarter Rating: Green** 

**Comments:** At the end of the first quarter, Utility Tax revenues are only 2% below budgeted projections, which is to say that the revenue yield is within a reasonable margin of performance. It is noteworthy to mention that both budgeted and actual yields for the current year are significantly below prior year budgeted and actual yields. As reported previously, performance within this revenue may be due to a number of issues: weather conditions impacting utility consumption; as Village residents implement energy-saving programs within their homes and business, this may contribute to reduced consumption; as residents adopt more economical behaviors (e.g.- turn off unused lights, wearing warmer clothing while lowering the thermostat) their need for energy may be reduced. All of these factors may contribute to energy consumption rates. As such changes become long-term in nature; the Village may ultimately become the "victims of success", and may need to adjust our Utility Tax revenue estimates accordingly.

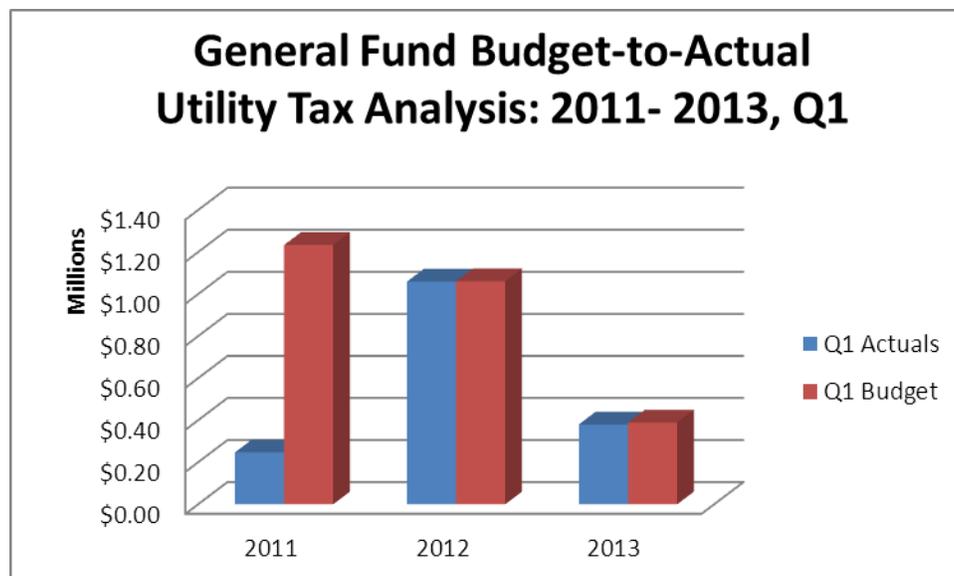


Figure 2-9: General Fund Budget-to-Actual Utility Tax Analysis

## 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.

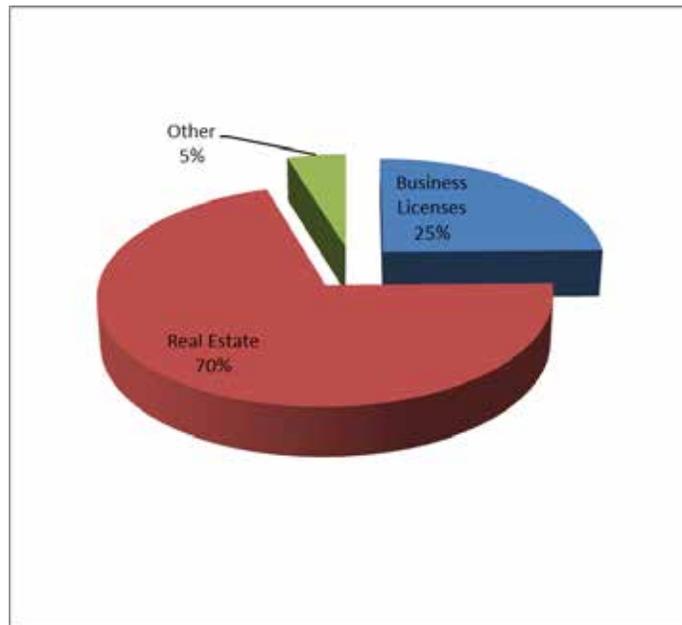


Figure 2-10: Proportion of Licenses and Permits

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

- Economic conditions in real estate and retail markets

**2013 First Quarter Rating: Green** 

**Comments:** As illustrated in Figure 2-11 below, first quarter proceeds from licenses and permits are moderately above (24%) budgeted estimates. Business License proceeds have begun particularly strong, yielding 37% above budgeted estimates. Building and street permit revenues have also begun the year strongly, contributing significantly to Licensing and Permits performance.

### General Fund Budget-to-Actual Licenses and Permits Analysis: 2011- 2013, Q1

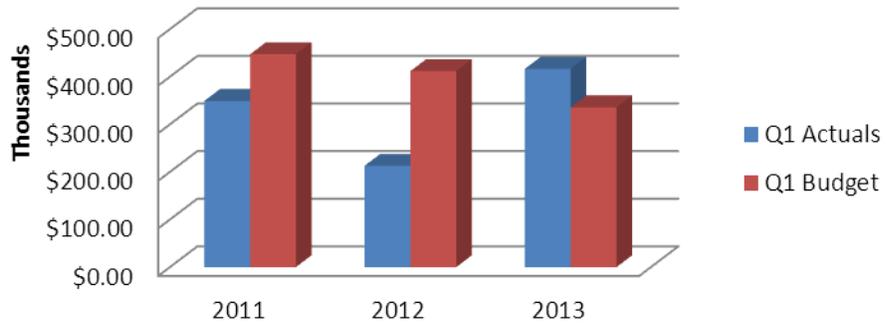


Figure 2-11: General Fund Budget-to-Actual Analysis of Licenses and Permits

## 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 are the drivers that impact intergovernmental revenues:

- State of Illinois Income Tax collections

2013 First Quarter Rating: Yellow



**Comments:** As illustrated below in Figure 2-12, intergovernmental revenues ended the first quarter 20% below our budgeted projections. Personal Property Replacement Tax (PPRT) has begun the quarter sluggishly, yielding 20% below budgeted estimates and contributing most to current intergovernmental revenue challenges. The Finance Department will continue to actively review this revenue stream to observe any changes in trends.

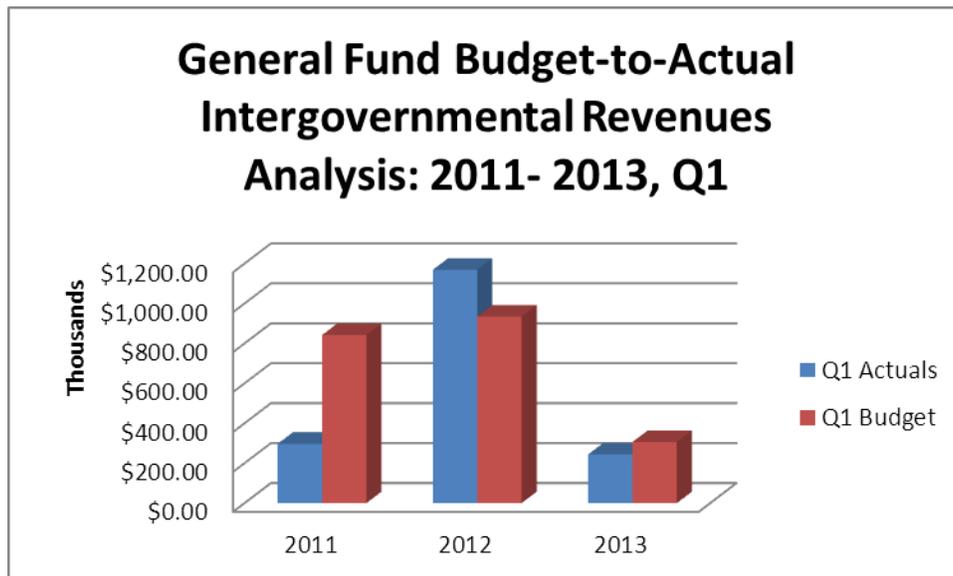


Figure 2-12: General Fund Budget-to-Actual Intergovernmental Revenues Analysis

## 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.

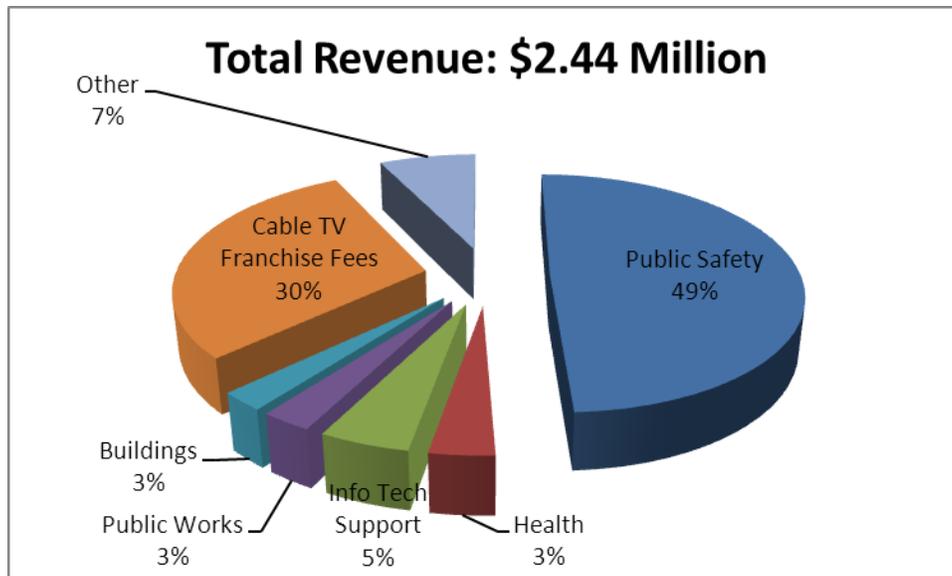


Figure 2-13: Types and Proportion of Licenses and Permits

**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 First Quarter Rating: Yellow 

**Comments:** The charges for Services portfolio of revenue streams have begun the year 33% below projected revenue estimates. Many of the underages in charges are due to billing delays. As such, it is expected that, as departments catch up with service billings, we will expect proceeds from this revenue portfolio to attain step with budgeted estimates for the remainder of the year.

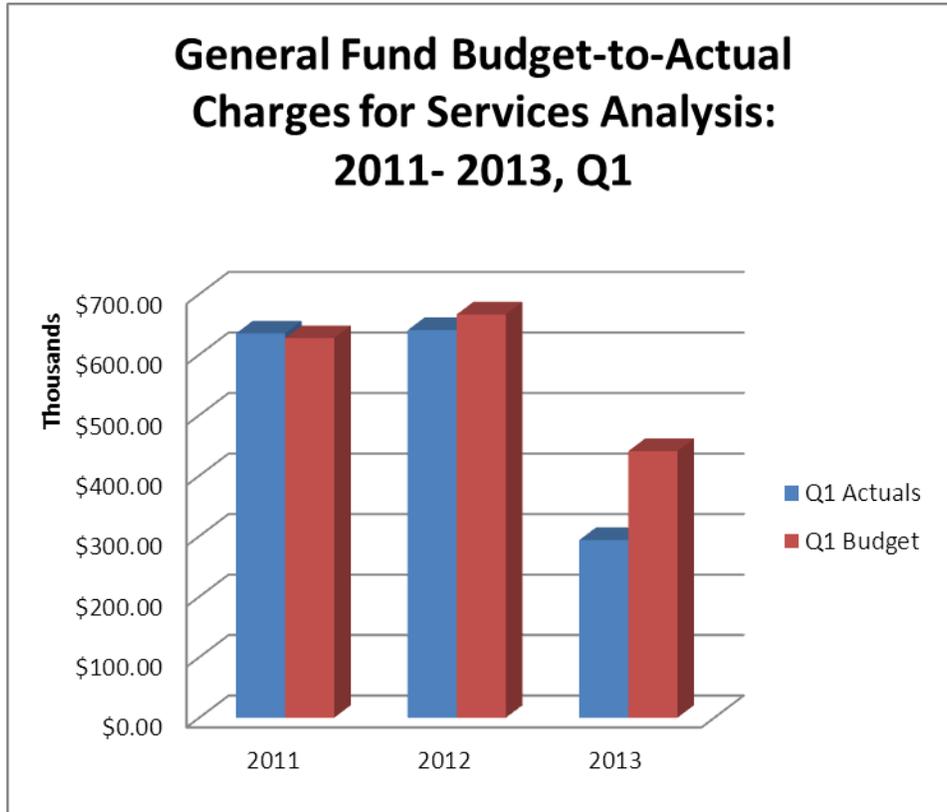


Figure 2-14: General Fund Budget-to-Actual Charges for Services Analysis

## 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 First Quarter Rating: Red** ●

**Comments:** As illustrated in the figure below, first quarter yields from fines were 23% below projected estimates. As indicated in previous reports, parking fine proceeds remains a significant challenge for this revenue stream. As indicated in prior reports, the Village has actively recruited and acquired Parking Enforcement Officers in 2012. However, ticket yields remain below historical averages. The Finance Department will continue to work with Police and Parking department staff to conduct more analysis to better understand the reason for this ongoing dip in revenues.

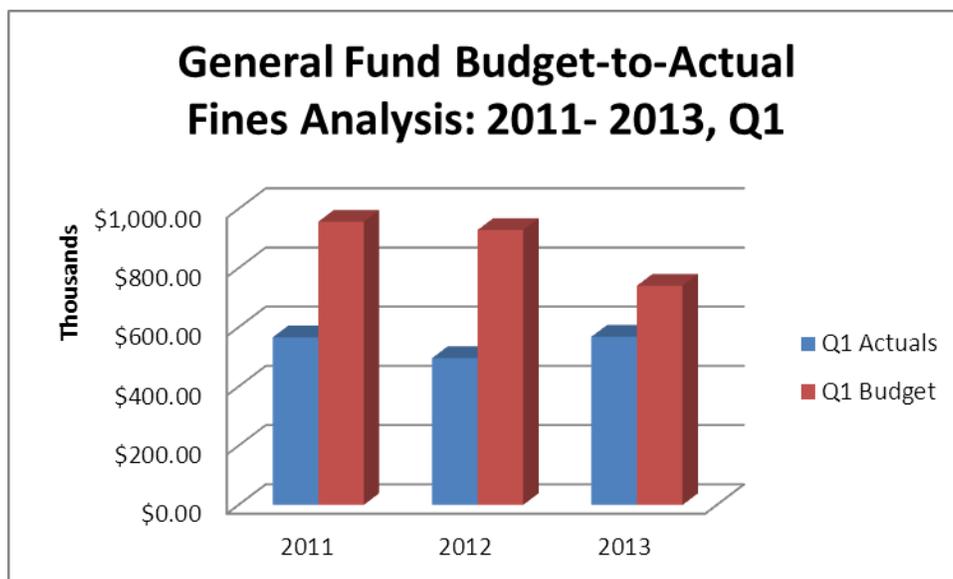


Figure 2-15: General Fund Budget-to-Actual Fines Analysis

## 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 First Quarter Rating: Green



**General Comments:** At the end of the first quarter, general fund expenditures are at 28% 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.

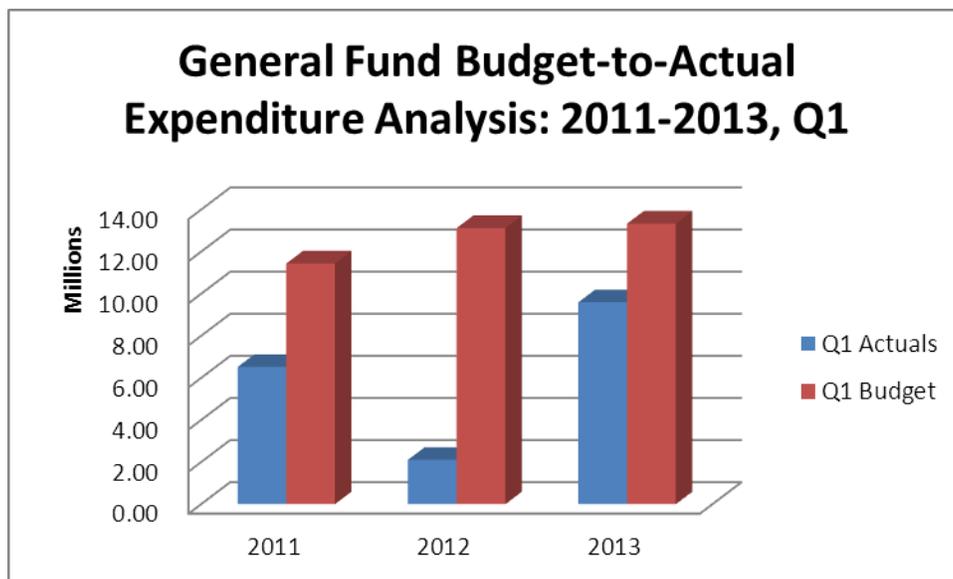


Figure 3-1: General Fund Budget-to-Actual Expenditure Analysis

<b>General Fund Expenditures</b>				
<b>Description</b>	<b>YTD Actuals</b>	<b>YTD Budget</b>	<b>Variance Good/(Bad)</b>	<b>Variance %</b>
Personnel and Benefits	\$8,173,970.39	\$10,447,105.04	\$2,273,134.65	21.8%
Professional and Technical	\$756,369.63	\$1,505,735.21	\$749,365.58	49.8%
Purchased Property Services	\$109,200.77	\$158,375.22	\$49,174.45	31.0%
Other Purchased Services	\$84,668.79	\$159,852.63	\$75,183.84	47.0%
Supplies and Materials	\$365,605.90	\$470,262.41	\$104,656.51	22.3%
Real Property, CDBG & Other	\$0.00	\$0.00	\$0.00	0.0%

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 First Quarter Rating:** Green



**Comments:** The Village's expenditures for combined wages and benefits for the first quarter are 21.8% below budgeted projections.

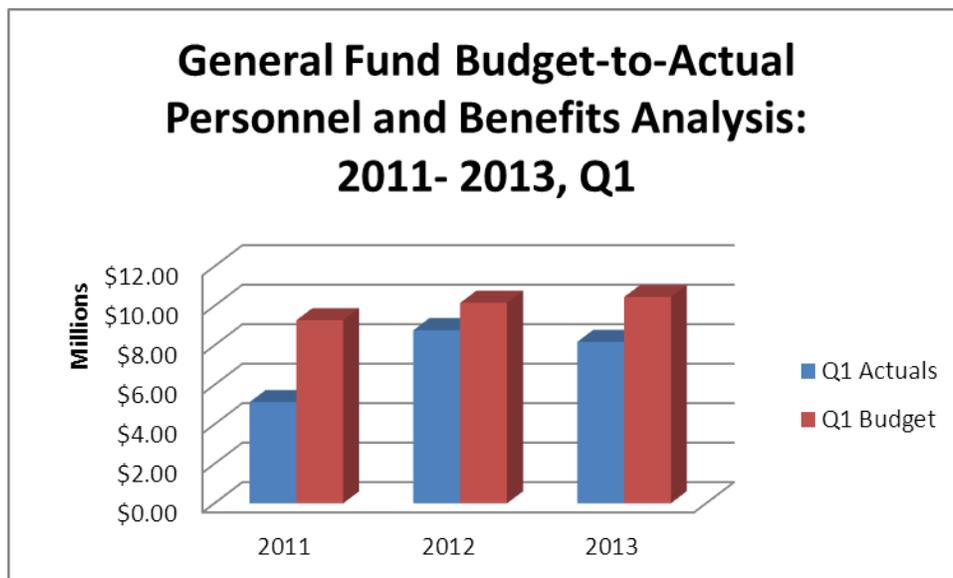


Figure 3-3: General Fund Budget-to-Actual Personnel and Benefits Analysis

## 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 First Quarter Rating: Green** 

**Comments:** Professional and Technical Services net expenditures for the first quarter are 50% below projected expenditures.

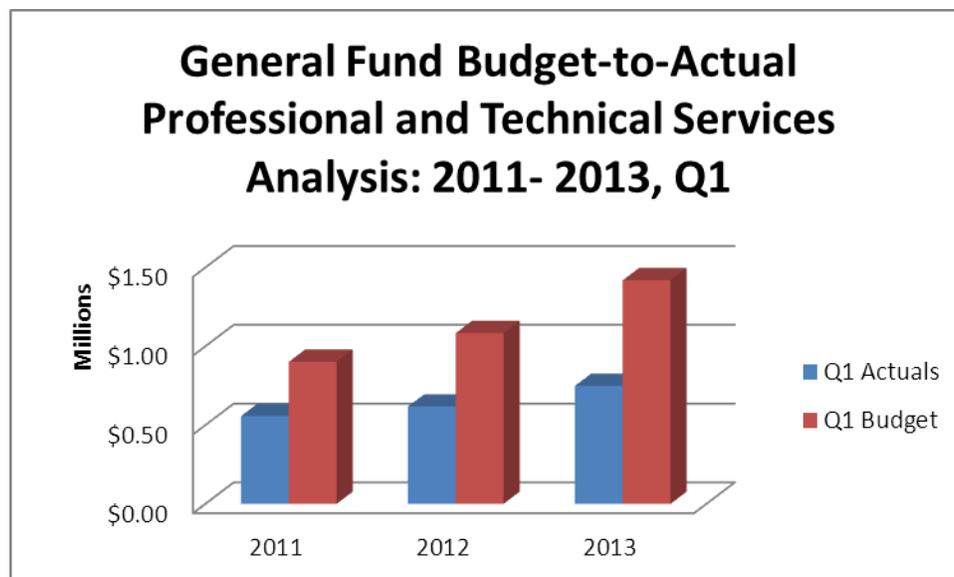


Figure 3-4: General Fund Budget-to-Actual Professional and Technical Services Analysis

## 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 First Quarter Rating: Green** 

**Comments:** First quarter expenditures within the Purchased Property Services expenditure area are at 31% below budgeted estimates.

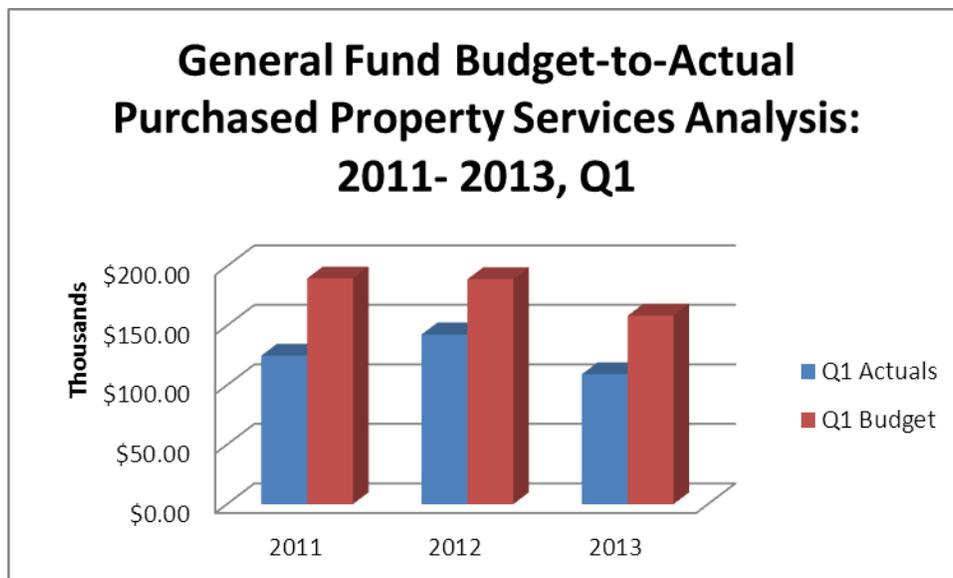


Figure 3-5: General Fund Budget-to-Actual Purchased Property Services Analysis

## 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 First Quarter Rating: Green 

**Comments:** First quarter expenditures within Other Purchased Services are at 47% below projected expenditures.

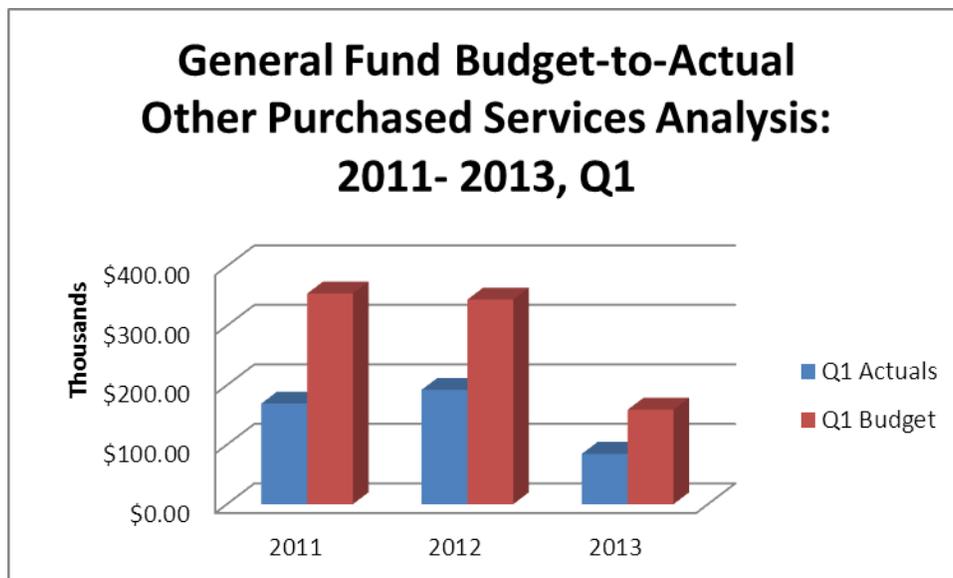


Figure 3-6: General Fund Budget-to-Actual Other Purchased Services Analysis

## 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 First Quarter Rating: Green** 

**Comments:** Total expenditures for the 1<sup>st</sup> quarter within the Supplies and Materials expenditure area are 22% under budget.

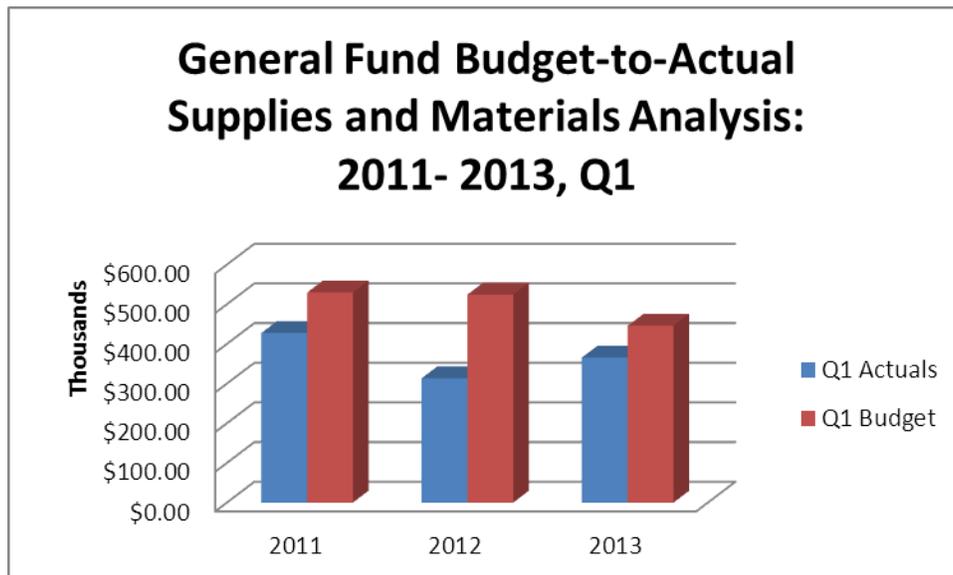


Figure 3-6: General Fund Budget-to-Actual Supplies and Materials Analysis

## 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 First Quarter Rating: Undetermined 

**Comments:** For the first quarter, there are no budgeted or actual expenditures within these expenditure areas. It is expected that, as the year progresses, there will be budgeted and actual expenditures for these expenditure areas.

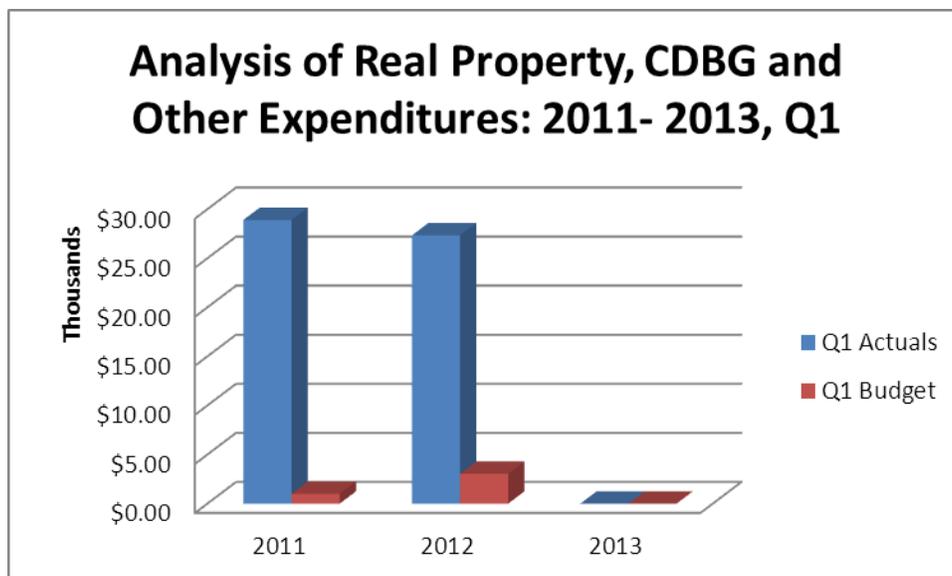


Figure 3-7: Analysis of Real Property, CDBG and Other Expenditures

## 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.

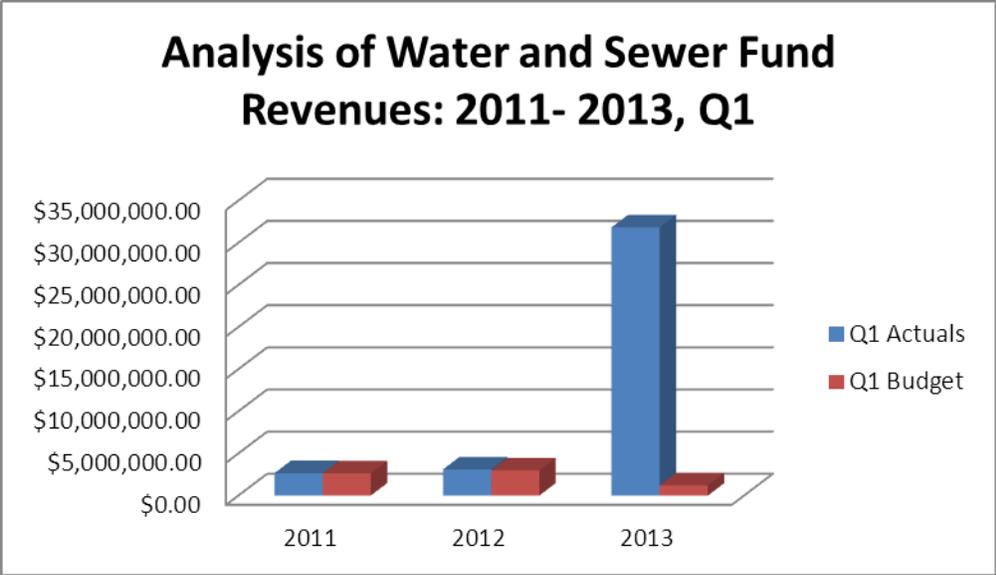
**Water and Sewer Fund Revenue Drivers:** The following are the drivers that impact Water Fund revenues:

- 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 First Quarter Rating: Green**



**Comments:** During the first quarter 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 end the first quarter \$30.6 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 has been 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. However, it is important to note that this transfer is an accounting transaction, which does not in any way reflect fund performance..



**Figure 4-1: Analysis of Water 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

2013 First Quarter Rating: Green 

**Comments:** Total expenditures for the Water and Sewer Fund for the first quarter are at 72% below budget. It is anticipated that the expenditures related to prior year unfinished Water and Sewer Fund projects will be reflected within 2013 expenditures.

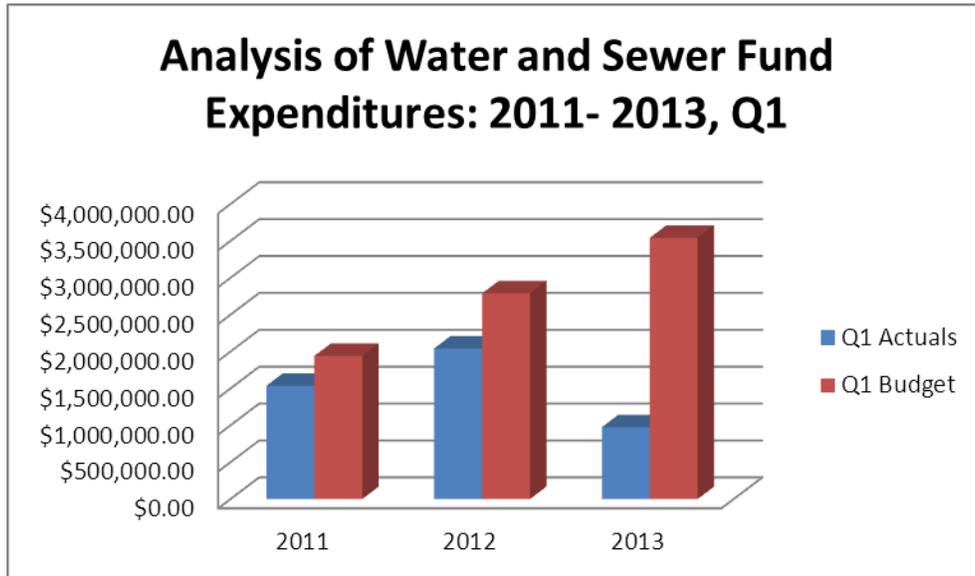


Figure 4-2: Analysis of Water Fund Expenditures

## 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 First Quarter Rating:** Green

**Comments:** Parking fund revenues for the first quarter are slightly above (5%) budgeted projections.

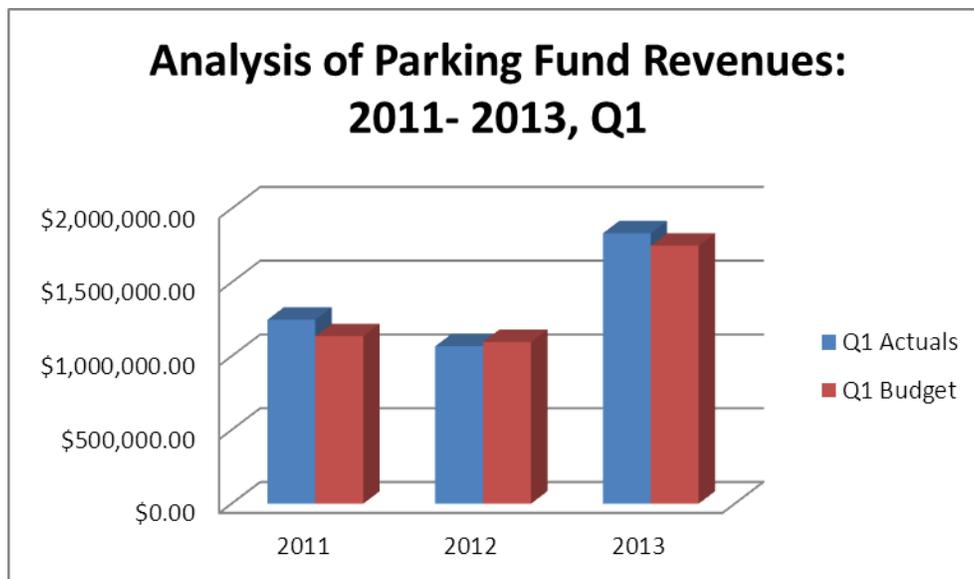


Figure 4-5: Analysis of Parking Fund Revenues

## 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 First Quarter Rating: Green** 

**Comments:** Total first quarter expenditures for the Fund are currently 79% below budgeted expenditures. While, on its face, this represents a significant variance, it is important to note that the first quarter Parking Fund expenditure budget includes annualized expenditures of \$2.2 Million for a major Building Improvement initiative that will occur throughout the year. As the initiative develops, it is expected that actual expenditures will quickly attain pace with budgeted expenditures, and that the actual performance for the year will be consistent with budgeted projections.

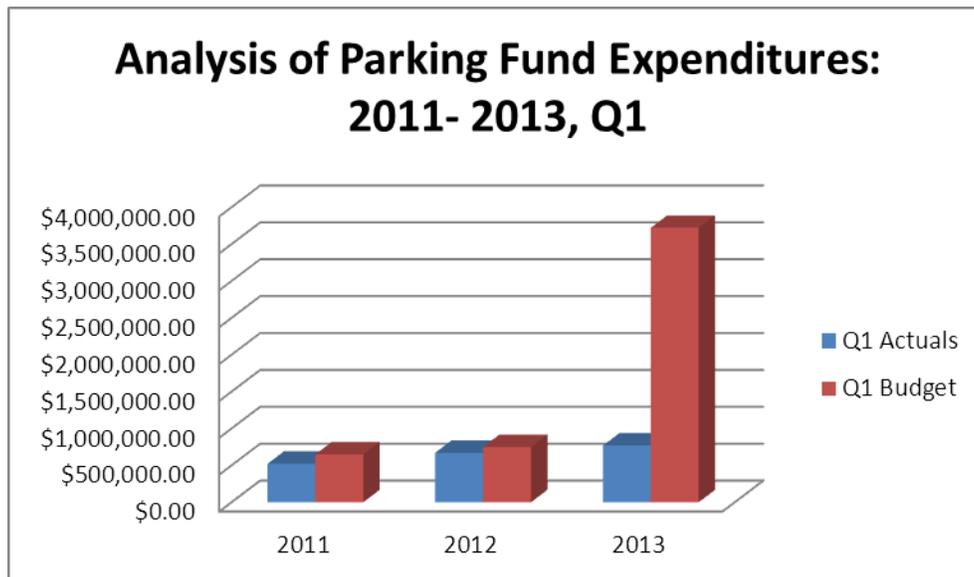


Figure 4-6: Analysis of Parking Fund Expenditures

## 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.

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

- Garbage collection rates
- Sale of yard waste stickers

**2013 First Quarter Rating: Green** ●

**Comments:** Revenues for this fund are currently 5% below budgeted projections, which is to say that revenues are performing within a reasonable margin of anticipated performance. However, as indicated in previous reports, the Environmental Services fund has experienced stress in Refuse Collection Fees. This reduction may be due to Village-initiated waste diversion programs, such as recycling and composting programs. As such, as these programs expand and become successful, the Village may experience structural reductions in revenue yields.

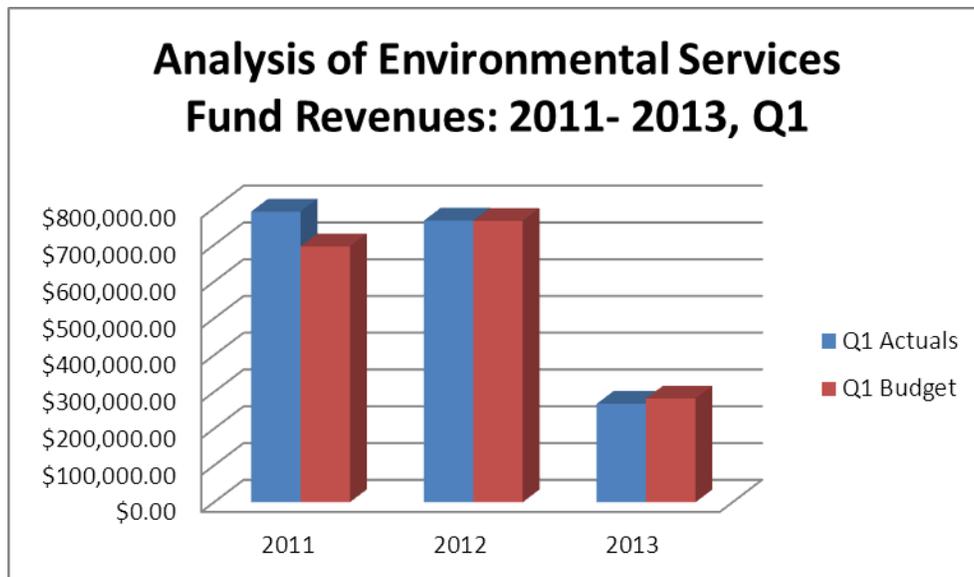


Figure 4-7: Analysis of Environmental Services Fund Revenues

**Environmental Services Fund Expenditures:**

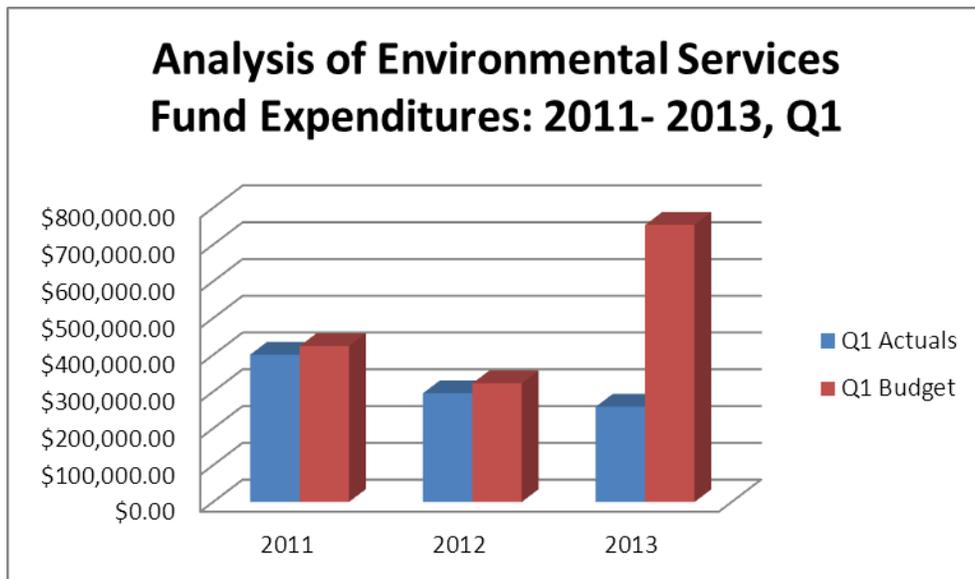
**Brief Description:** The Environmental Services Fund accounts for the Village’s solid waste removal and recycling programs. An enterprise fund, the costs are charged to users of the system via charges on their utility bill.

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

- Personnel costs
- Contractual costs of waste disposal

**2013 First Quarter Rating: Green** 

**Comments:** Total expenditures for the Fund for the first quarter are currently 66-percent below first quarter expenditure estimates.



**Figure 4-8: Analysis of Environmental Services Fund Expenditures**