



Department of Finance

Quarterly Financial Report 2012, 2nd Quarter

July, 2012


















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Section 1: 2nd 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 second quarter of FY 2012. 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
General Fund Revenues		Yellow- Revenues are slightly down from mid-year expectations.
Property Taxes		Green- Property taxes remain stable.
Liquor Taxes		Green- Taxes are consistent with budgeted projections.
Natural Gas Use Taxes		Green- Taxes are yielding slightly below budgeted projections.
Sales Taxes		Green- Taxes are yielding moderately higher than budgeted projections.
Real Estate Transfer Tax		Yellow- Taxes are slightly above budgeted projections, but remain uncertain.
Utility Taxes		Green- Taxes are slightly above budgeted projections
Licenses and Permits		Yellow- Revenue proceeds are performing slightly below expectations.
Intergovernmental Revenues		Yellow- Grant revenues appear to be significantly down from mid-year estimates.
Charges for Services		Yellow- Revenues are moderately below anticipated mid-year estimates.
Fines		Red- Revenues remain significantly below budgeted projections.
General Fund Expenditures		Green- Mid-year expenditures are significantly below budgeted estimates.
Personnel and Benefits		Yellow- While Personnel and Benefits expenditures are currently below budgeted estimates, significant salary adjustments, related to pending collective bargaining agreements may have significant impacts on salary and benefit expenditures.
Professional and Technical Services		Green- Expenditures are significantly below projected expenditures.
Purchased Property Services		Green- Expenditures remain slightly below projected expenditures.
Other Purchased Services		Green- Expenditures remain significantly below projected expenditures.
Supplies and Materials		Yellow- While expenditures remain significantly below budget, fuel expenditures continue to remain volatile.










Real Property, CDBG and Other		Green- No significant comments
Water Fund		
Water Fund Revenues		Green- 2 nd Quarter collections are consistent with budgeted targets
Water Fund Expenditures		Green- 2 nd Quarter expenditures are below budget.
Sewer Fund		
Sewer Fund Revenues		Yellow- 2 nd Quarter collections are moderately below budget
Sewer Fund Expenditures		Green- 2 nd Quarter expenditures are below budget.
Parking Fund		
Parking Fund Revenues		Green- Revenues are generally consistent with 2 nd Quarter projections.
Parking Fund Expenditures		Green- 2 nd Quarter expenditures are below budget.
Environmental Services		
Environmental Services Revenue		Green- 2 nd Quarter collections are slightly above target.
Environmental Services Expenditures		Green- 2 nd 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.




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; 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)

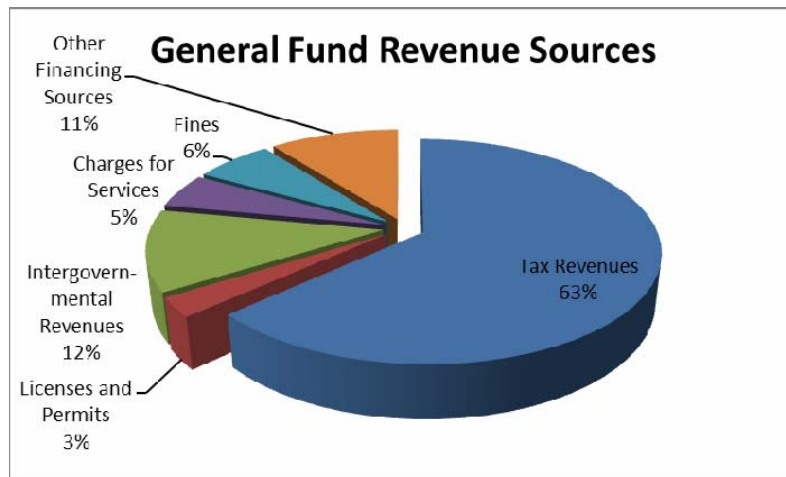



Figure 2-1: Proportion of General Fund Revenue Sources

Second Quarter Performance Rating: Yellow 

General Comments: As we reported within the First Quarter Report, General Fund revenues for the first quarter of 2012 started with a moderately strong performance. However, at the mid-year mark, General Fund revenues are performing slightly below projected estimates. While many of our tax revenues, including Property Tax, Sales and Local Use Tax and Utility Tax, appear to be performing ahead of expectations, most other revenue streams are behind expectations for the year. Particularly, revenues from Fines continue to perform significantly below projected previous year estimates and current year estimates. This issue remains a significant concern. We will continue to closely monitor and report on these revenues throughout the year.

General Fund Budget-to-Actual Revenue Analysis, 2010-2012, Q2

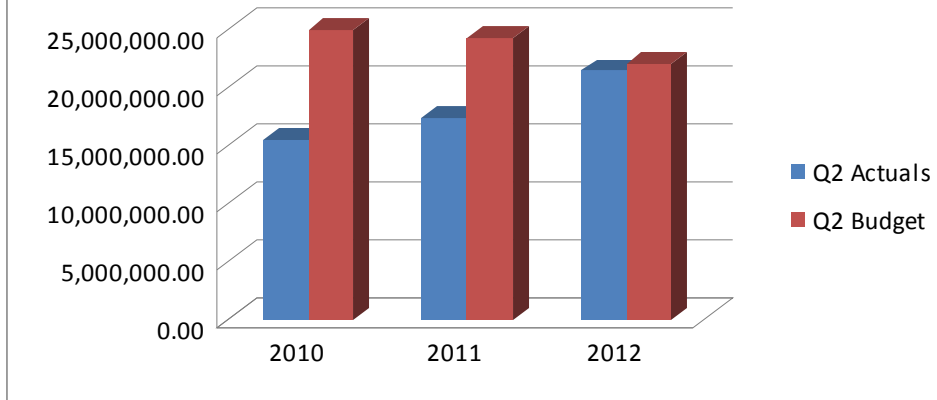


Figure 2-2: General Fund Budget-to-Actual Revenue Analysis

General Fund Revenues				
Description	YTD Actuals	YTD Budget	Variance Good/(Bad)	Variance %
Tax Revenues	\$16,029,410	\$15,500,536	\$528,873	3.41%
Licenses and Permits	\$468,808	\$589,374	(\$120,566)	-20.46%
Intergovernmental Revenues	\$2,833,742	\$2,965,125	(\$131,383)	-4.43%
Charges for Services	\$919,187	\$1,090,377	(\$171,190)	-15.70%
Fines	\$1,080,183	\$1,751,378	(\$671,195)	-38.32%
Other Local Government	\$17,308	\$32,395	(\$15,087)	-46.57%
Other Financing Sources	\$0	\$0	\$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

Second Quarter Performance Rating: Green 

Comments: At mid-year, our property tax yield remains consistent with estimated projections. For the first time, the Cook County tax collection process is being conducted in a timely fashion, so our current tax yield information is highly accurate. As illustrated below in Figure 2-4, Property Tax revenues are performing exactly within budgeted projections for the 2nd Quarter, and are expected to end the year consistent with year-end estimates.

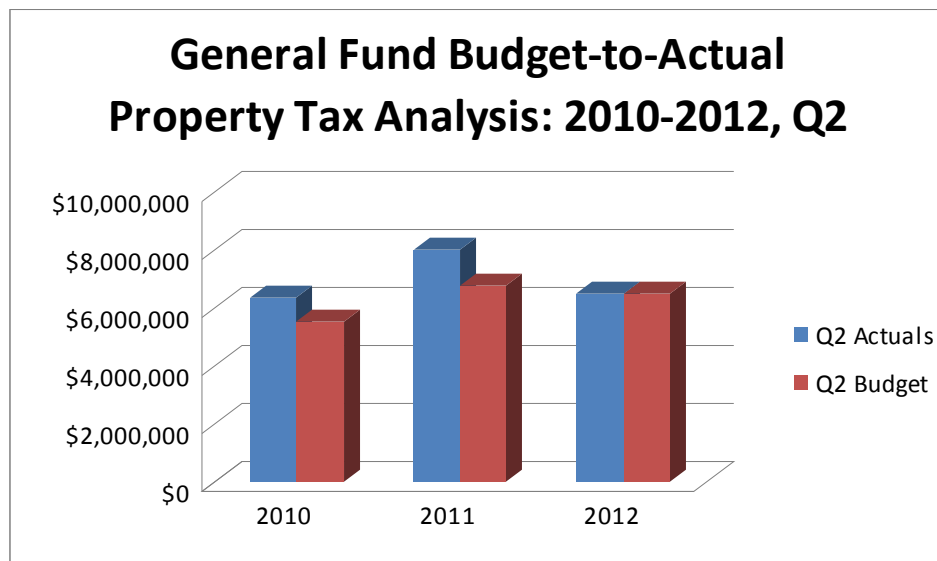


Figure 2-4: General Fund Budget-to-Actual Property Tax Analysis

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

Second Quarter Rating: Green 

Comments: While the liquor tax yield for the 1st Quarter was higher than initially estimated, the tax yield in the second quarter has slowed to slightly below mid-year projections. As indicated in the 1st Quarter report, we still expect revenue performance to even out throughout the year, and that revenues will end up at budgeted projections for the year.

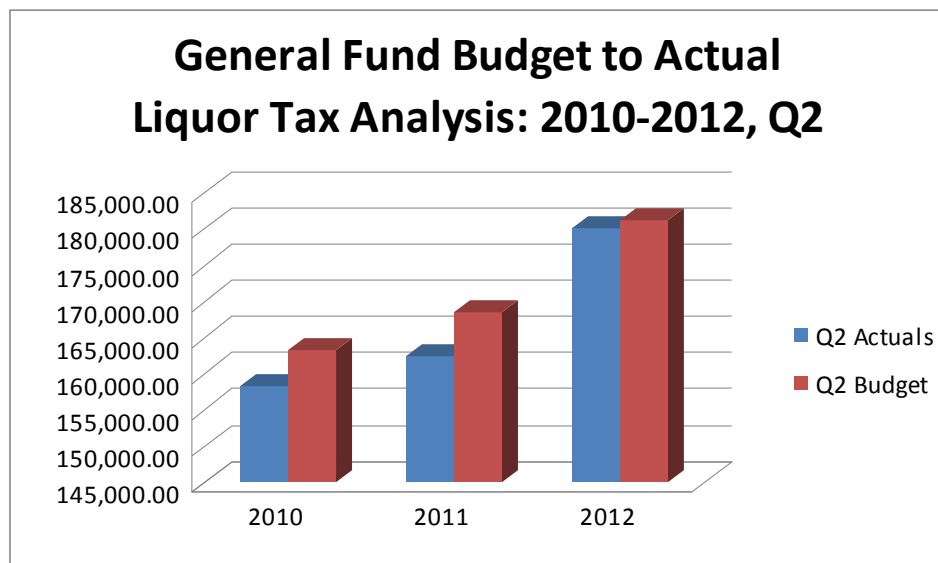


Figure 2-5: General Fund Budget-to-Actual Liquor Tax Analysis

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

Second Quarter Rating: Yellow 

Comments: As illustrated below in Figure 2-6, revenue yield for the Natural Gas Use Tax is moderately below budgeted projections, but is projected to meet year-end budgeted projections. We will continue to monitor and report on fluctuations in this revenue stream.

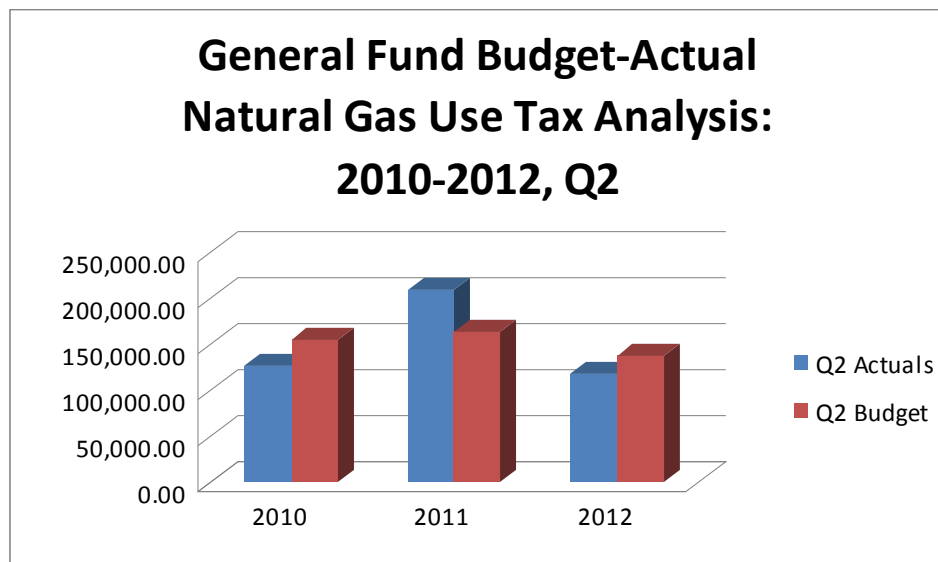


Figure 2-6: General Fund Budget-to-Actual Natural Gas Use Tax Analysis

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

Second Quarter Rating: Green 

Comments: As we mentioned within the 1st Quarter report, there has been 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 2012 2nd Quarter Report, the actual sales tax yield reflects tax proceeds from the 1st Quarter of the year.

As illustrated below in Figure 2-7, Sales tax revenues for the 1st Quarter of 2012 have performed 24% above our budgeted revenue estimate for 2nd Quarter of 2012. We will continue to actively monitor this revenue stream to identify any significant changes throughout the year.

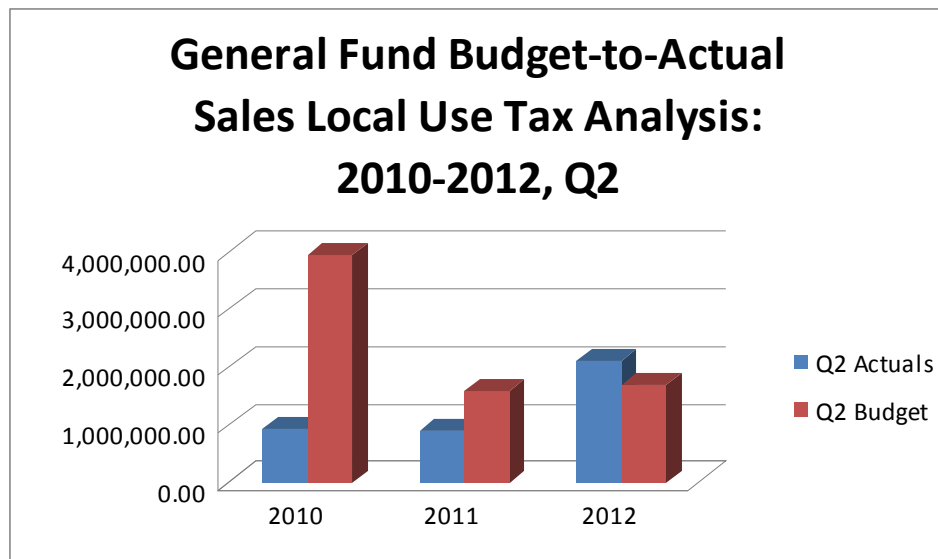


Figure 2-7: General Fund Budget-to-Actual Sales-Local Use Tax Analysis

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

Second Quarter Rating: Yellow 

Comments: At mid-year, Real Estate Transfer Tax revenues are performing slightly above budgeted projections, as illustrated below in Figure 2-8. The uncertainty of the current economic environment continues to cause this revenue stream to be highly volatile. We will continue to actively monitor this revenue stream throughout the year to identify any fluctuations that may adversely impact overall revenue performance.

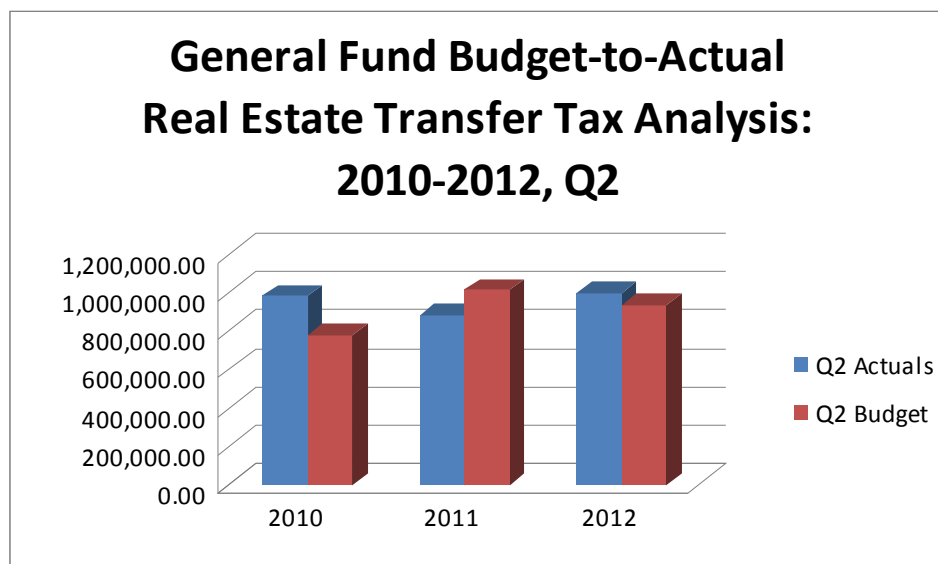


Figure 2-8: General Fund Budget-to-Actual Real Estate Transfer Tax Analysis

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

Second Quarter Rating: Green 

Comments: At mid-year, we are currently generating Utility Tax revenues in a manner that is slightly above our budgeted projections. We continue to expect that year-end Utility Tax revenue yields will perform consistent with our budgeted projections for the year. We will continue to monitor this revenue stream throughout the remainder of the year.

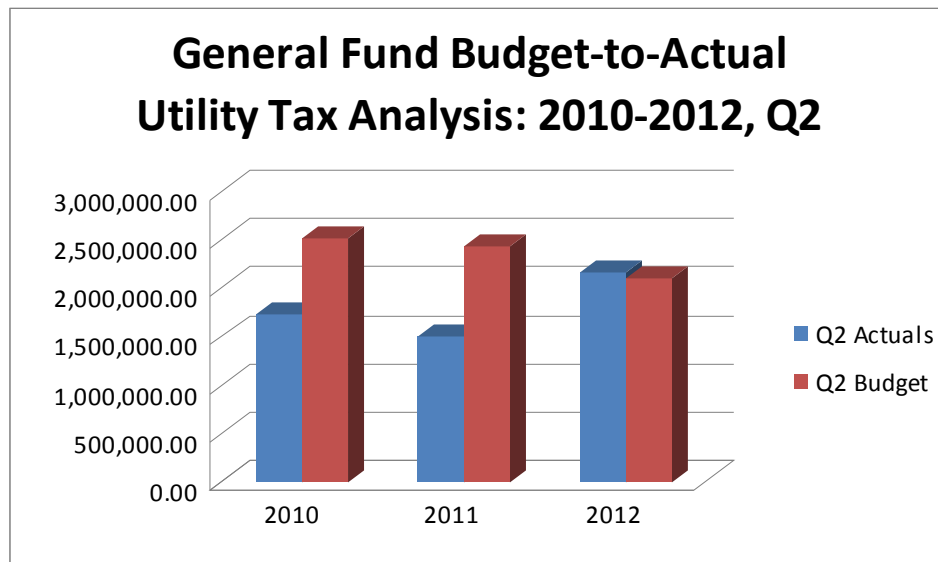


Figure 2-9: General Fund Budget-to-Actual Utility Tax Analysis

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.

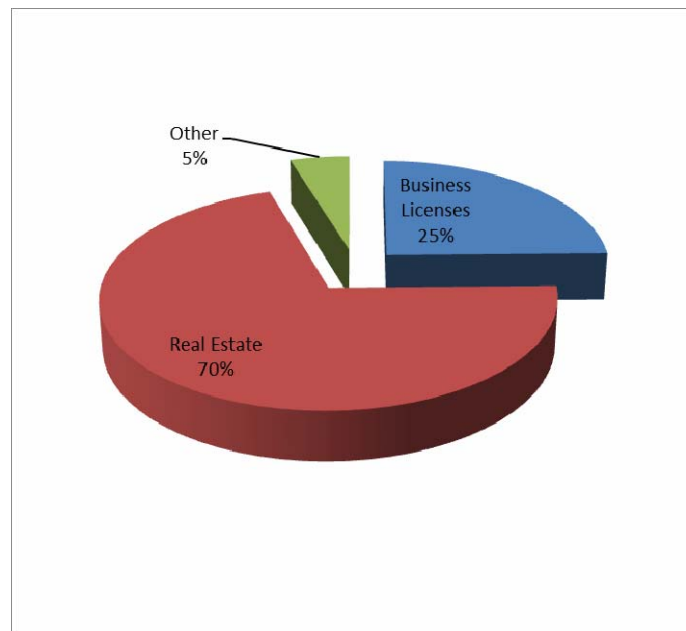


Figure 2-10: Proportion of Licenses and Permits

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

- Economic conditions in real estate and retail markets

2012 Second Quarter Rating: Yellow ●

Comments: As illustrated in Figure 2-11 below, proceeds from licenses and permits continue to perform below budgeted estimates for the 2nd quarter of the year. Currently, we are experiencing significant underperformance in proceeds from Building Plan reviews, Building Permits and Multi Family Dwelling Licenses. We are currently working with department staff to validate the accuracy of the current performance data, and to understand the factors that may impact current performance in these areas.

General Fund Budget-to-Actual Licenses and Permits Analysis: 2010-2012, Q2

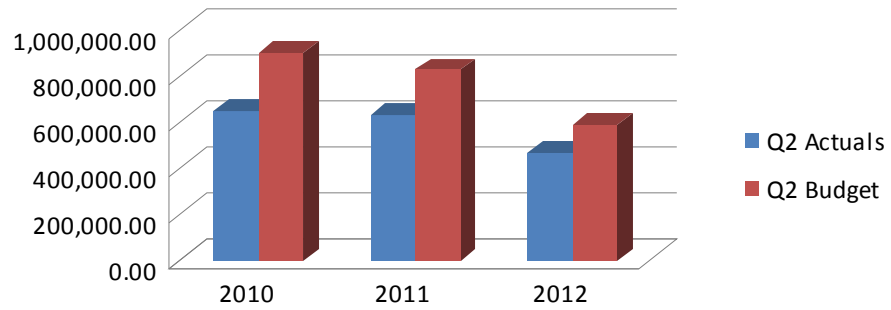


Figure 2-11: General Fund Budget-to-Actual Analysis of Licenses and Permits

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

2012 Second Quarter Rating: Yellow 

Comments: As illustrated below in Figure 2-12, our current yield from intergovernmental revenues is slightly below our budgeted projections for mid-year. Positively contributing to our financial position, State Income Tax revenues are performing slightly above budgeted projections. According to the Illinois Commission on Government Forecasting and Accounting, a non-partisan Commission of the Illinois General Assembly that conducts independent economical and financial analyses on behalf of the Assembly, revenues from the State are likely to continue trending positively, which will likely result in increased revenue allocations for Illinois municipalities.

Detracting from our current financial position, the collection of grant revenues appears to be lagging significantly behind initial projections. Currently, grant revenue collections are 89% below mid-year estimates. We are currently working with department staff to validate the accuracy of the current performance data, and to understand the factors that may impact the collection of grant proceeds.

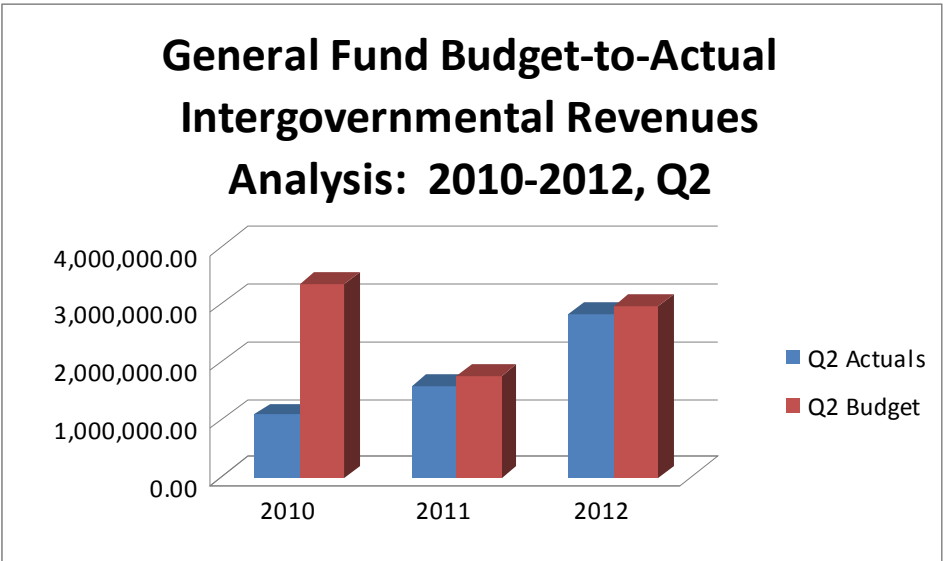


Figure 2-12: General Fund Budget-to-Actual Intergovernmental Revenues Analysis

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.

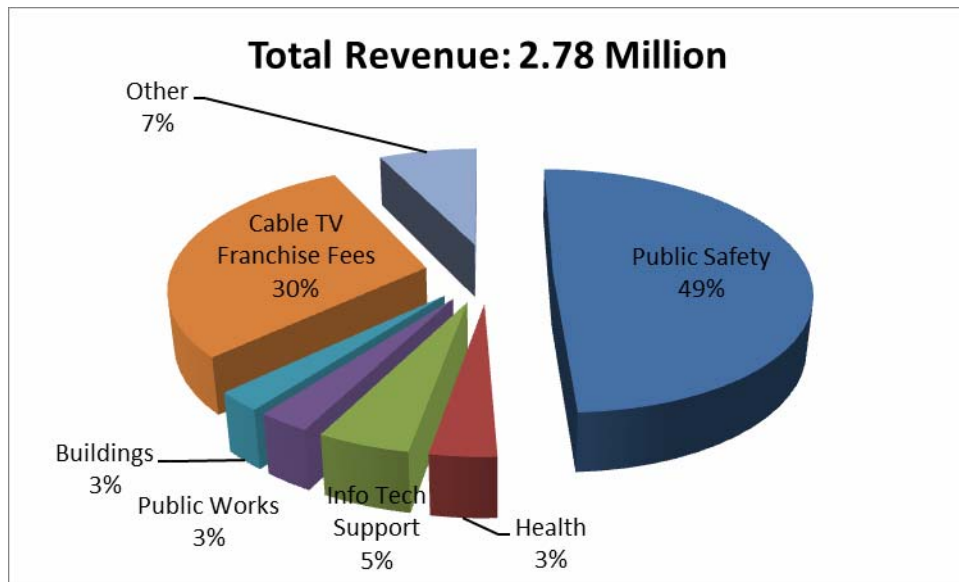


Figure 2-13: Types and Proportion of Licenses and Permits

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

2012 Second Quarter Rating: Yellow 

Comments: As indicated in the 1st Quarter report, the size and diversity of the Charges for Services portfolio can make it difficult to estimate revenue yields for this area. Currently, this portfolio of revenue streams is performing slightly below projected revenue estimates. Of particular note, there is a month-long lag in the collection of Cable TV Franchise fees, which may significantly impact the overall performance of this portfolio. We will continue to actively monitor this revenue group for the year to proactively identify any issues that may further impact performance.

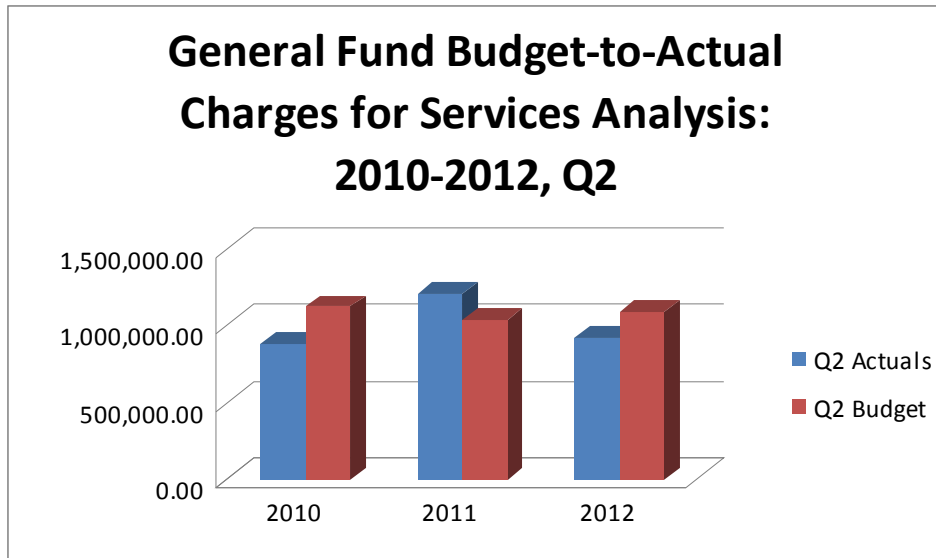


Figure 2-14: General Fund Budget-to-Actual Charges for Services Analysis

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

2012 Second Quarter Rating: Red ●

Comments: As illustrated in the figure below, 2nd quarter yields from parking fines are 36% below projected estimates. The current performance for this revenue stream continues to reflect a concerning trend. Village staff continues to attempt to address the internal and external drivers that have impacted parking enforcement within the Village and the related yield of parking ticket proceeds.

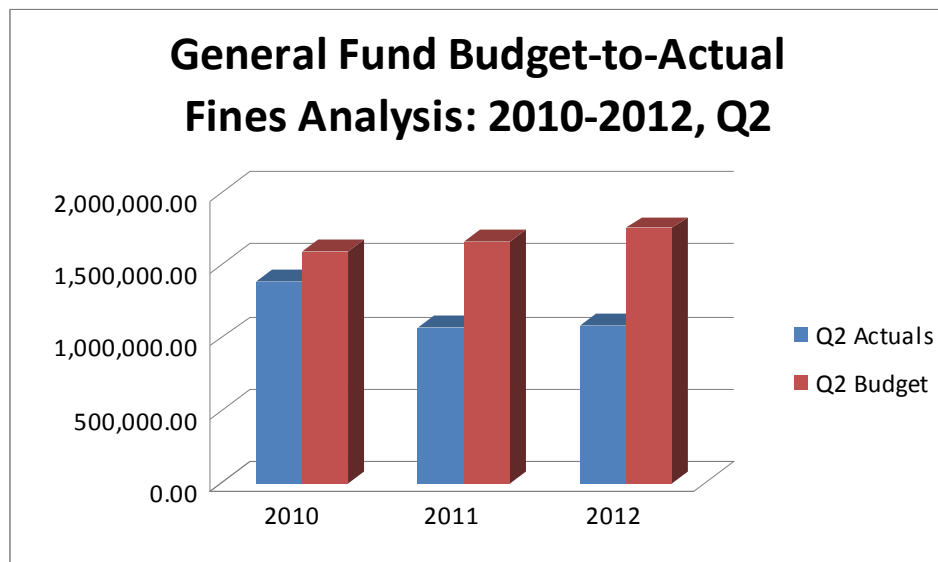


Figure 2-15: General Fund Budget-to-Actual Fines Analysis

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.

Second Quarter Performance Rating: Green ●

General Comments: At mid-year, current general fund expenditures are 13% below planned estimates. As illustrated below in Figure 3-1, it is a consistent trend that, at mid-year, many Village departments have not expended their budgets consistently with projected estimates. While this may appear as a positive trend from a financial standpoint, it is important to understand and consider the potential impacts of under-expenditures to service level and quality. For example, Salary and Benefits expenditures are 6.79% lower than expected for this period. This translates into an under-expenditure of \$1.2 Million. While, on its face, this under-expenditure may appear to be a good thing, it may also reflect delays and challenges in the acquisition of staff, which could impact the scope and quality of planned service activities for the year.

Because the Quarterly Report is focused primarily on assessing the Village's financial position, we have generally rated areas of under-expenditure as "Green". However, it is important for the reader to understand that there are other factors to consider in evaluating overall performance of Village services.

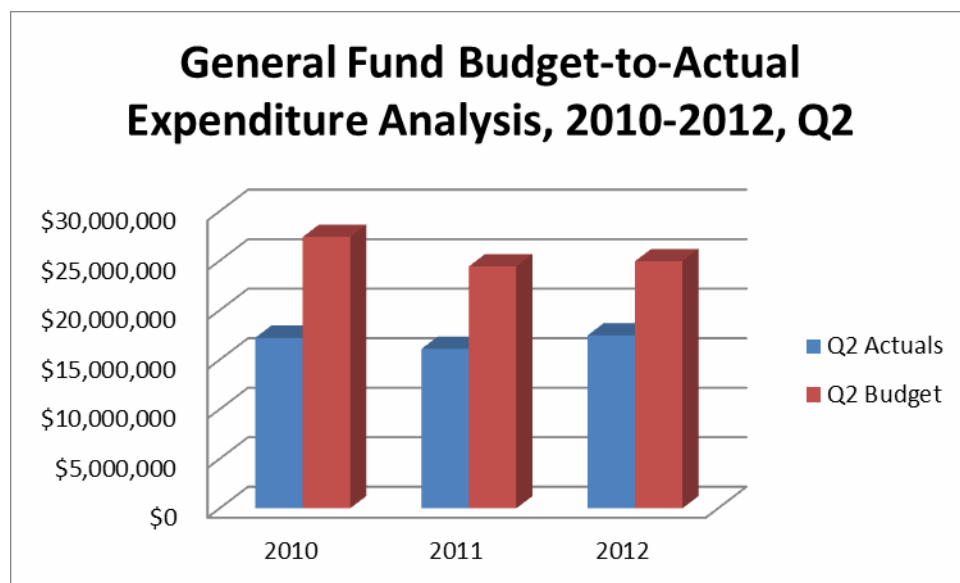


Figure 3-1: General Fund Budget-to-Actual Expenditure Analysis

General Fund Expenditures				
Description	YTD Actuals	YTD Budget	Variance Good/(Bad)	Variance %
Personnel and Benefits	\$17,712,352	\$19,003,049	\$1,290,696	6.79%
Professional and Technical	\$1,379,836	\$2,168,643	\$788,807	36.37%
Purchased Property Services	\$234,478	\$378,000	\$143,522	37.97%
Other Purchased Services	\$389,958	\$687,657	\$297,699	43.29%
Supplies and Materials	\$653,853	\$1,048,426	\$394,572	37.63%
Real Property, CDBG & Other	\$308,313	\$373,555	\$65,242	17.47%

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

2012 Second Quarter Performance Rating: Yellow 

Comments: At mid-year, the Village's expenditures for combined wages and benefits are currently 6.79% below budgeted projections. Outstanding vacancies continue to account for the largest component of this under-expenditure.

The Village is currently in labor negotiations with several of its Collective Bargaining Units, including the SEIU and the FOP Sergeants Bargaining Units. Under consideration are a number of retroactive pay issues. The results of these labor negotiations could have significant impacts on the Village's personnel and benefits costs for the year.

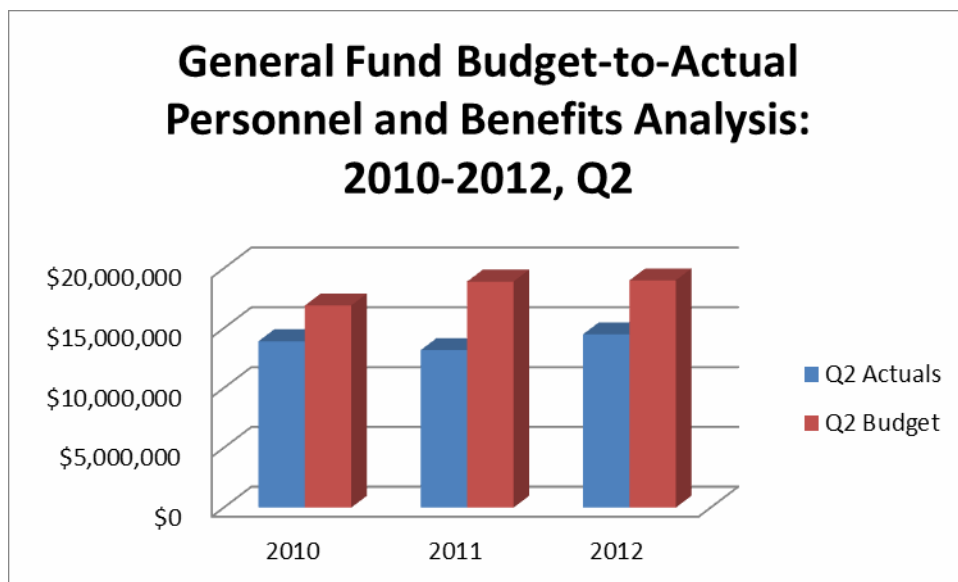


Figure 3-3: General Fund Budget-to-Actual Personnel and Benefits Analysis

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

2012 Second Quarter Performance Rating: Green ●

Comments: Currently, Professional and Technical Services expenditures for mid-year are 36.37% below projected expenditures. While this performance continues to be significantly below projected estimates, given the fluid nature of this expenditure area, we are continuing to project year-end expenditures to be consistent with budgeted projections.

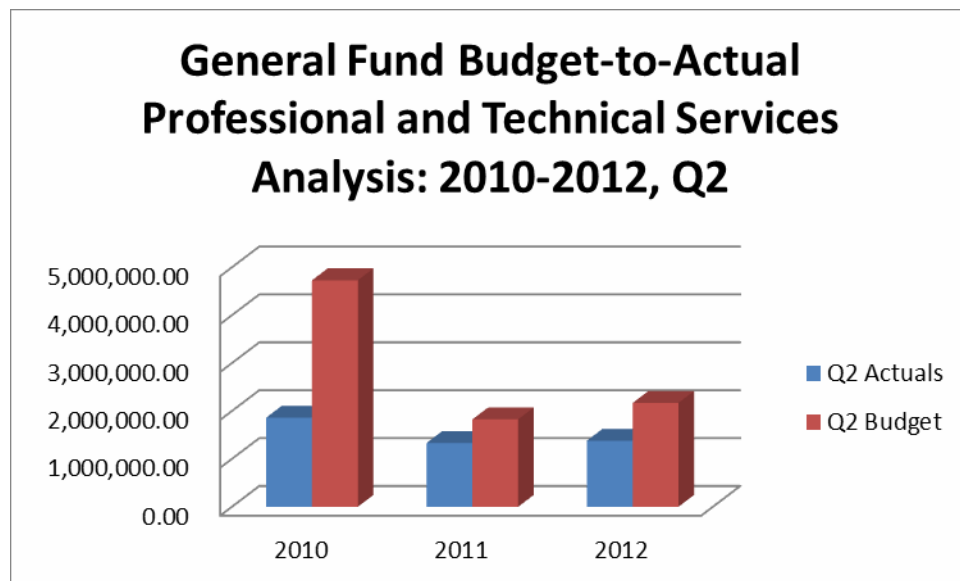


Figure 3-4: General Fund Budget-to-Actual Professional and Technical Services Analysis

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

2012 Second Quarter Performance Rating: Green ●

Comments: Currently, expenditures within the Purchased Property Services expenditure area continue to remain moderately below budgeted estimates.

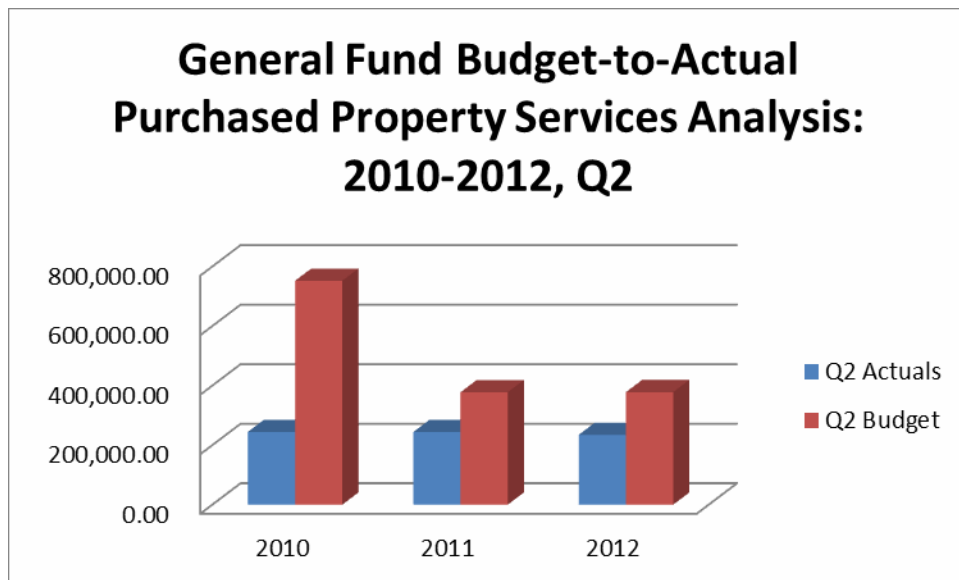


Figure 3-5: General Fund Budget-to-Actual Purchased Property Services Analysis

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

2012 Second Quarter Performance Rating: Green ●

Comments: Second quarter expenditures within the Other Purchased Services expenditure area remain at 43.29% below projected expenditures for this period. While expenditures are significantly low for the current quarter, we continue to expect that expenditures will gain pace with projected expenditures and will end the year at budgeted levels.

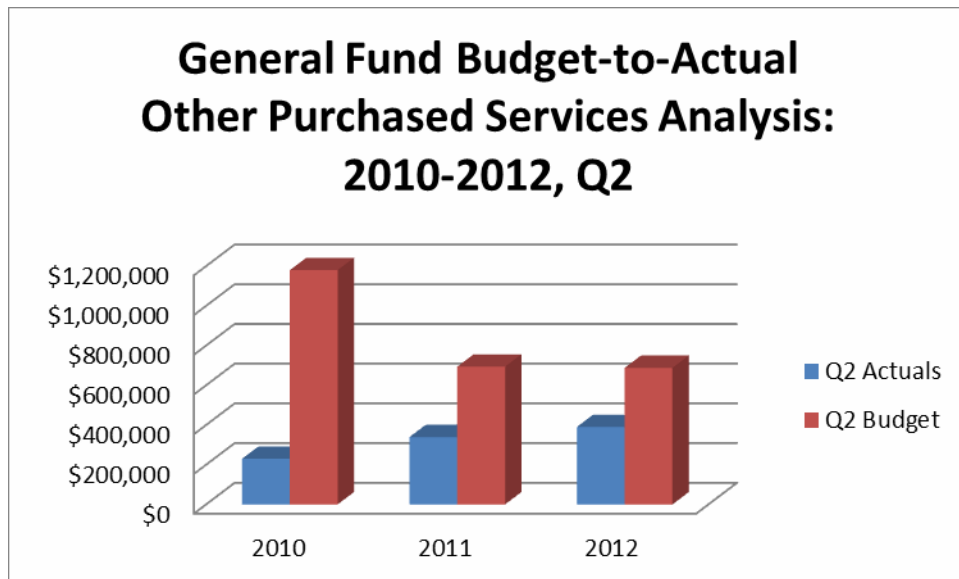


Figure 3-6: General Fund Budget-to-Actual Other Purchased Services Analysis

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

2012 Second Quarter Performance Rating: Yellow 

Comments: Total expenditures for the 2nd quarter within the Supplies and Materials expenditure area are about 38% under budget. While expenditures within this area are significantly below initial projections, fuel expenditures, which are tracked within this expenditure area, continue to remain volatile. Significant changes in the cost of fuel continue to have broad impacts to this expenditure area. As such, we will continue to actively monitor this expenditure area.

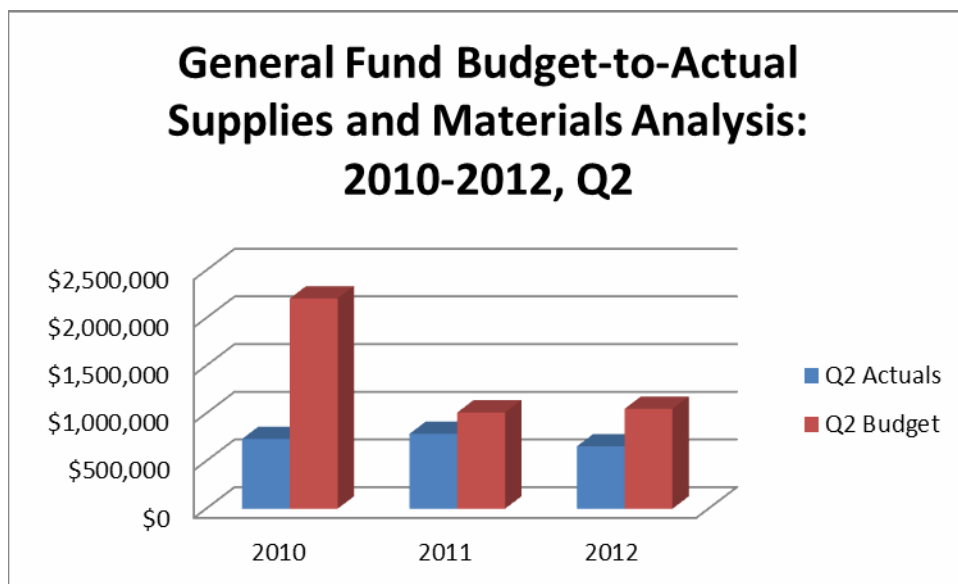


Figure 3-6: General Fund Budget-to-Actual Supplies and Materials Analysis

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

2012 Second Quarter Performance Rating: Green 

Comments: No comments at this time

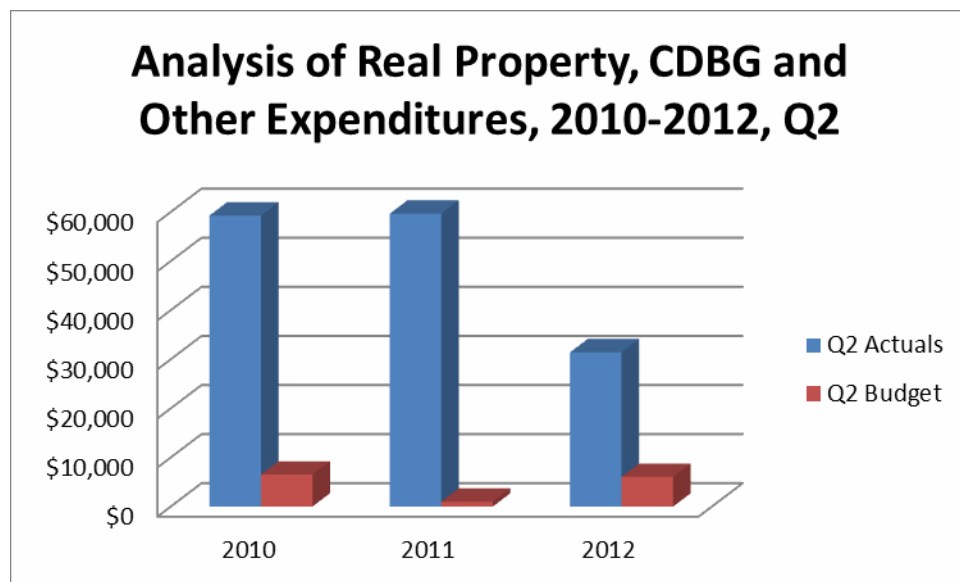


Figure 3-7: Analysis of Real Property, CDBG and Other Expenditures

Section 4: Enterprise Funds

Brief Description: This section provides 2nd Quarter Report summaries for the following Enterprise Funds:

- **Water Fund**
- **Sewer Fund**
- **Parking Fund**
- **Environmental Services Fund**

Water Fund

Water Fund Revenues

Brief 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.

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

- Cost of water purchased from the City of Chicago
- Amount of gallons used by customers

2012 Second Quarter Revenue Performance Rating: Green 

Comments: Year-to-date, Water Fund collections are generally consistent with the budgeted target for the year. Staff will continue to monitor collections to see if this trend continues into the 3rd quarter.

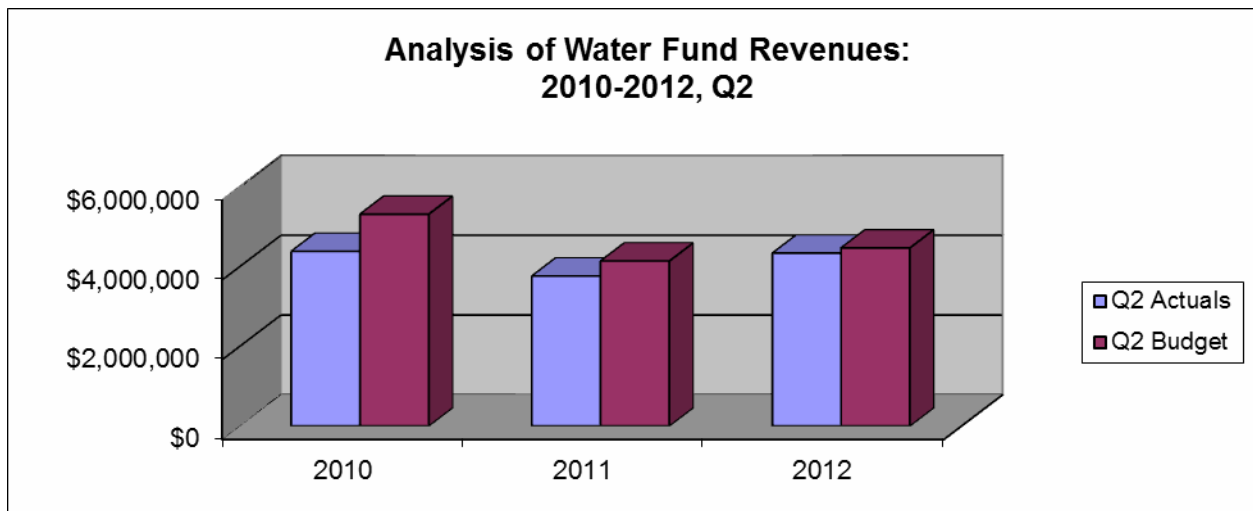


Figure 4-1: Analysis of Water Fund Revenues

Water Fund Expenditures:

Brief Description: 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.

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

- Cost of water
- Personnel costs
- Outside contractor costs
- Bill-to-pump ratio

2012 Second Quarter Expenditure Performance Rating: Green 

Comments: Total expenditures for the Water Fund are more than 39-percent below budget for the 2nd quarter. It is anticipated that these costs will balance out later in the year, and that year-end expenditures will be consistent with budgeted expectations.

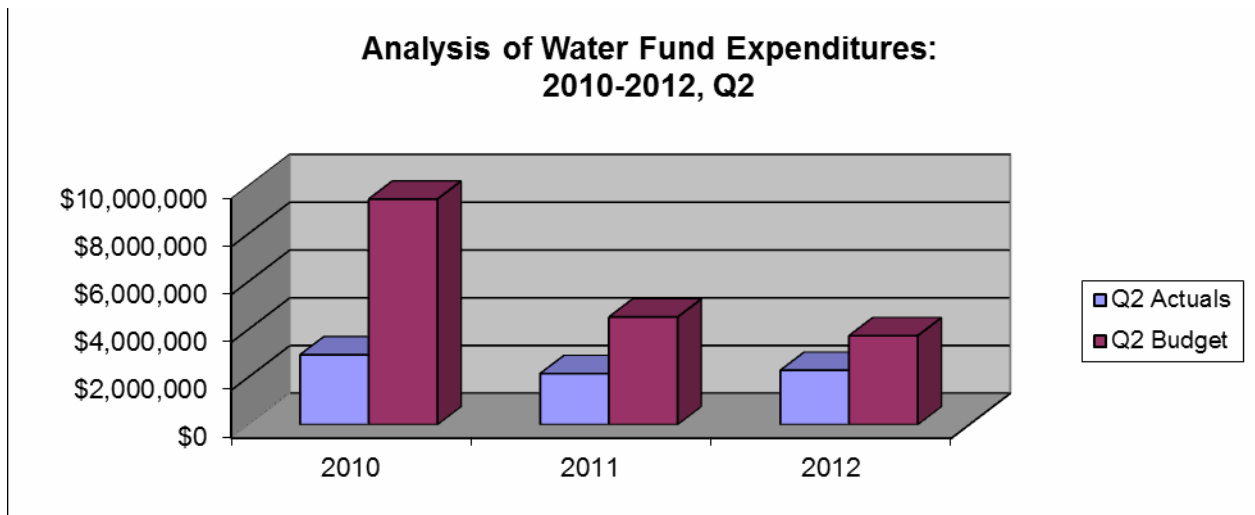


Figure 4-2: Analysis of Water Fund Expenditures

Sewer Fund

Sewer Fund Revenues

Brief 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.

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

- Sewer charges imposed by local ordinance
- Amount of gallons used by customers

2012 Second Quarter Revenue Performance Rating: Yellow 

Comments: At mid-year, Sewer Fund revenues are 23% below budgeted targets. While we remain cautiously optimistic that Sewer revenues will end the year consistent with planned revenue projections, we will continue to actively monitor revenue performance in this area.

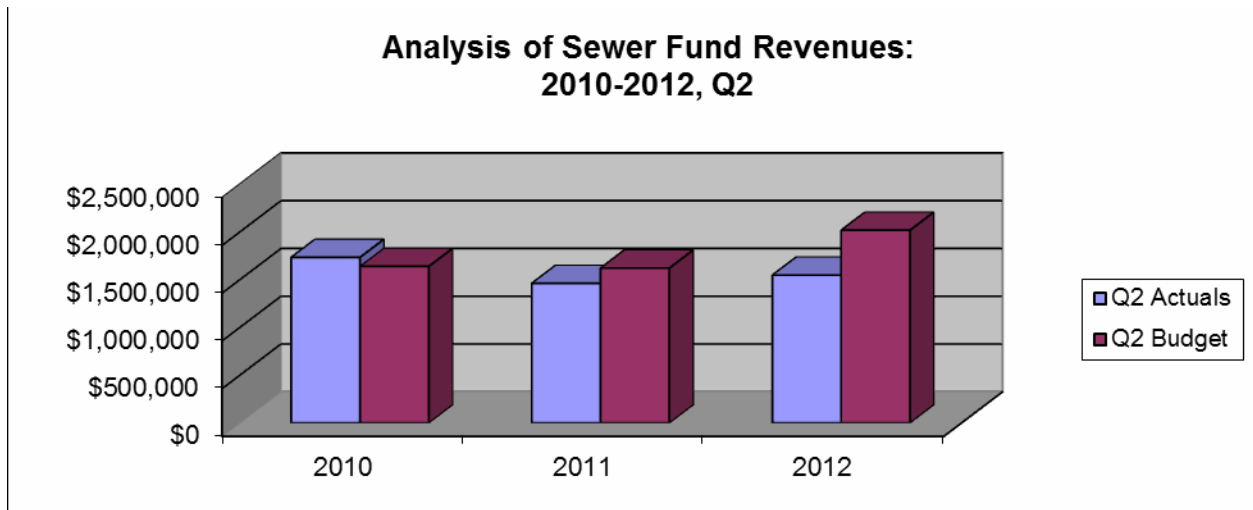


Figure 4-3: Analysis of Sewer Fund Revenues

Sewer Fund Expenditures:

Brief Description: 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.

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

- Capital requirements
- Personnel costs
- Outside contractor costs

2012 Second Quarter Expenditure Performance Rating: Green 

Comments: Total expenditures for the Sewer Fund are 56-percent below budget for the 2nd quarter. This is exclusively due to continued delays, relative to budget projections, of payment for planned capital work. It is still expected that these costs will occur later in the year and that expenditures for year-end will be consistent with budgeted estimates.

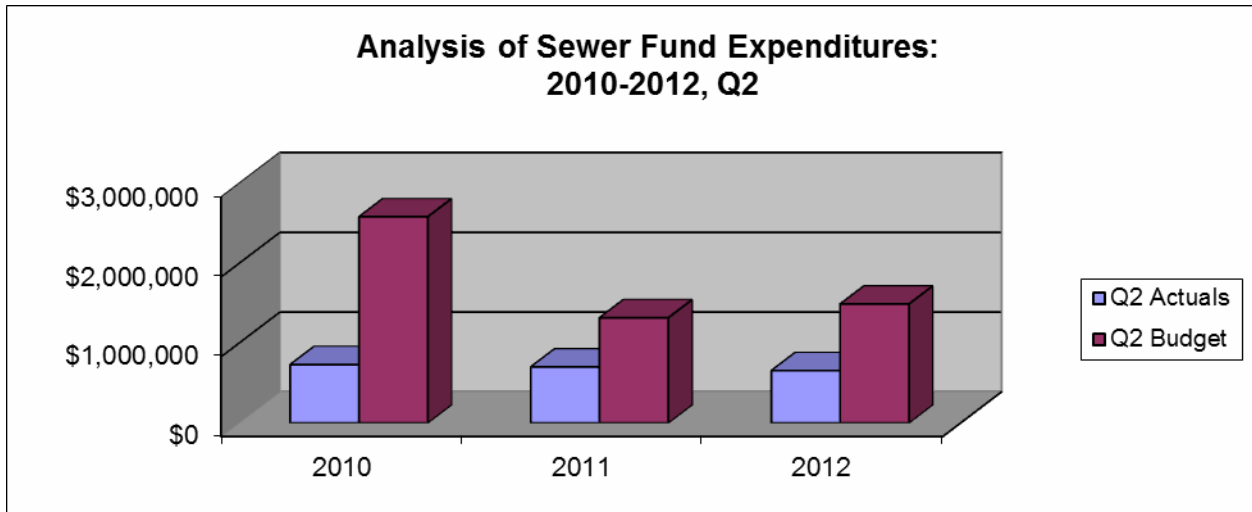


Figure 4-4: Analysis of Sewer Fund Expenditures

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 impact Parking Fund revenues:

- Parking rates
- Volume of parkers

2012 Second Quarter Revenue Performance Rating: Green 

Comments: Parking fund revenues are generally consistent with 2nd quarter projections. While Charges for Services related to the fund are slightly below revenue projections, increased proceeds from Intergovernmental revenues have off-set this underage.

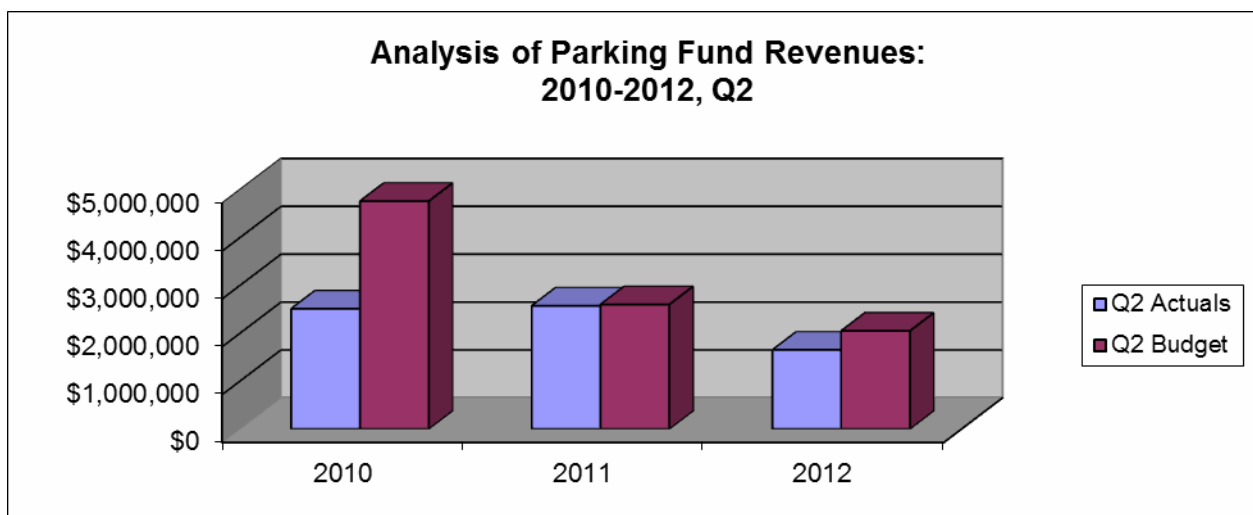


Figure 4-5: Analysis of Parking Fund Revenues


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

2012 Second Quarter Expenditure Performance Rating: Green 

Comments: Total expenditures for the Fund are 19-percent below budget for the 2nd quarter. We are confident that expenditures within the fund will gain pace with the planned budget and that fund expenditures will end the year on target.

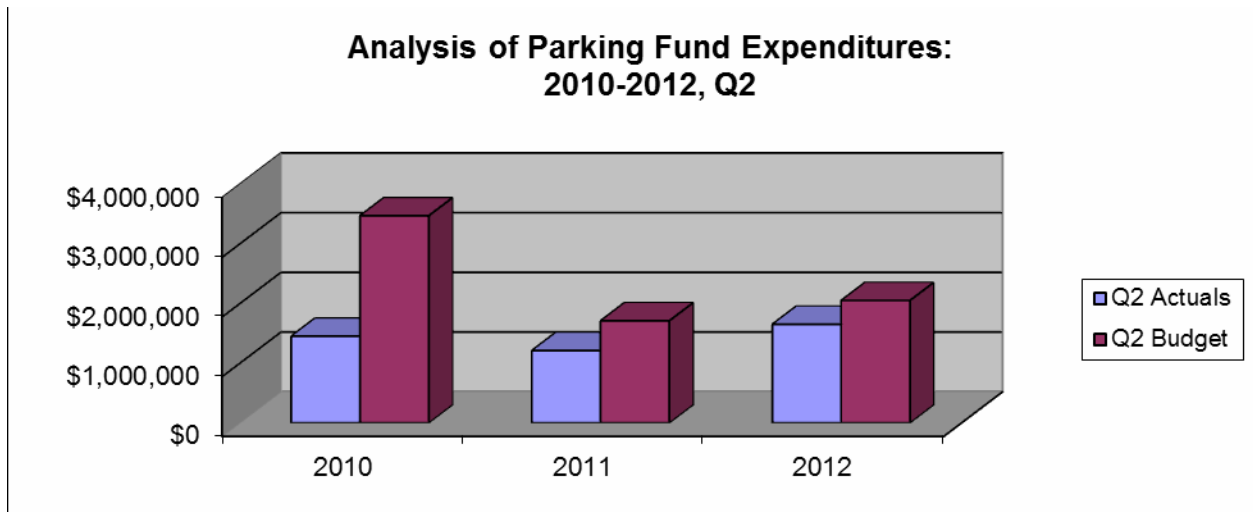


Figure 4-6: Analysis of Parking Fund Expenditures

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

2012 Second Quarter Revenue Performance Rating: Green ●

Comments: Revenues for this fund are slightly above target at mid-year, due largely to increased refuse collection fees. We expect revenues within this fund to continue on their current trend throughout the remainder of the year.

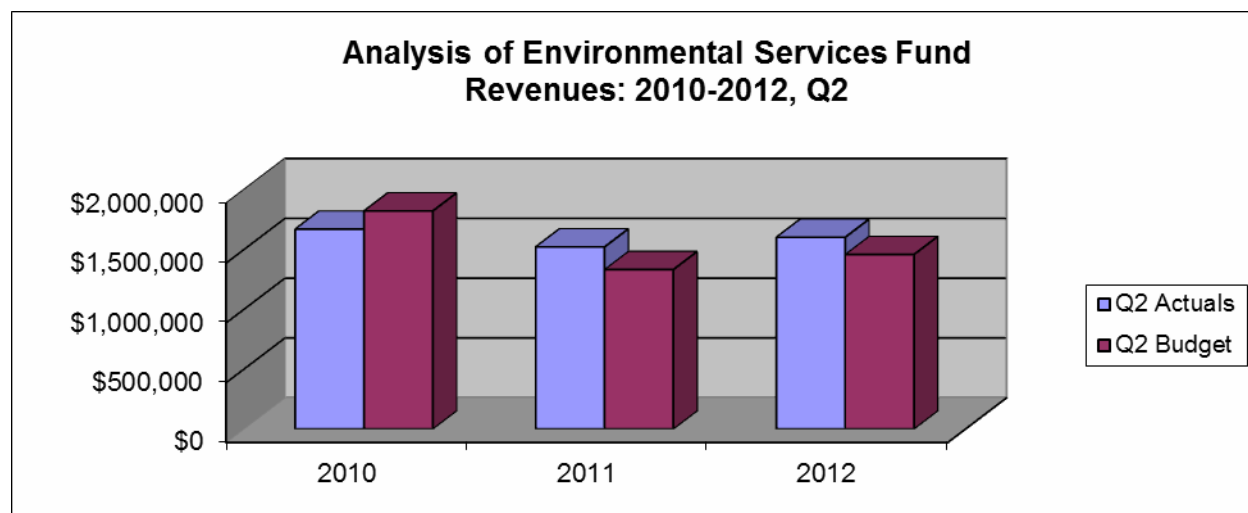


Figure 4-7: Analysis of Environmental Services Fund Revenues

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

2012 Second Quarter Expenditure Performance Rating: Green 

Comments: Total expenditures for the Fund are currently 44-percent below budget for the 2nd quarter. As planned contractual work is completed within this fund, we expect that expenditures will eventually balance out with budgeted expectations for the year.

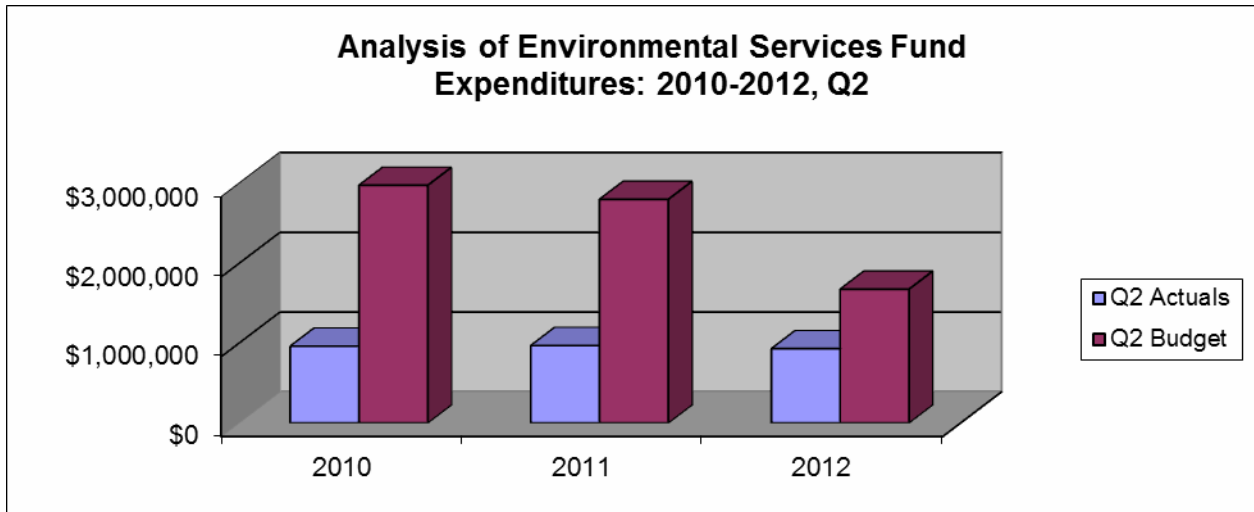


Figure 4-8: Analysis of Environmental Services Fund Expenditures