

SECTION II

Revenue Detail

GENERAL FUND REVENUE SUMMARY

Description	FY 08 Audited	FY 2009 Budgeted	FY 2009 Estimate	FY 2010 Budget
Property Taxes	5,510,942	5,662,347	5,662,347	6,162,347
Property Taxes - Police & Fire Pension	2,180,466	2,840,352	2,840,352	3,685,460
Property Taxes - Downtown SSA	236,174	261,859	246,000	261,859
Property Taxes - Twp Road & Bridge	323,829	310,000	325,000	325,000
Home Rule Sales Tax	-	-	-	1,000,000
Hotel Use Tax	904,034	900,000	725,000	700,000
Municipal Gas Use Tax	490,415	450,000	500,000	500,000
Electricity Tax	1,928,484	2,041,013	1,850,000	1,900,000
Telecommunications Tax	4,609,320	3,900,000	3,700,000	3,800,000
Other Local Taxes	42,285	44,350	39,100	24,891
41 Subtotal Local Taxes	16,225,949	16,409,921	15,887,799	18,359,557
Building Related Permits	1,074,158	900,000	800,000	810,850
Alcohol Beverage License	165,201	160,000	185,477	170,000
Professional & Occupational Licenses	76,925	61,145	81,895	81,670
Other Licenses and Permits	28,650	25,650	16,080	15,500
42 Subtotal Licenses & Permits	1,344,934	1,146,795	1,083,452	1,078,020
Sales Tax ⁽¹⁾	11,251,420	11,850,000	10,500,000	10,500,000
State Income Tax	4,612,408	4,580,000	3,960,236	3,750,000
Personal Property Replacement Tax	484,004	530,000	410,000	380,000
State Shared Local Use Tax	710,723	700,000	620,000	620,000
Other State Shared Revenues	37,214	30,000	26,000	30,000
43 Subtotal State Shared Revenues	17,095,769	17,690,000	15,516,236	15,280,000
44 All Sales Revenue	11,559	6,300	29,025	6,300
Ambulance Fees - Residents	664,473	550,000	700,000	710,000
Ambulance Fees - Non-Residents	228,632	180,000	210,000	230,000
Plan Review & Inspection Fees	385,892	325,000	165,000	78,000
Administrative Fees	326,376	460,000	425,610	430,000
Fines	937,843	943,500	829,208	850,000
Cable Franchise Fees	585,998	570,000	605,000	600,000
Cellular Equipment Rental Fees	773,016	780,000	900,000	960,000
Heritage Fest Fees	320,212	330,000	319,500	-
Other Fees, Charges & Fines	862,407	1,227,509	1,233,489	508,609
45 Subtotal Fees, Charges & Fines	5,084,849	5,366,009	5,387,807	4,366,609
46 All Grants	353,103	13,832	85,762	88,692
47 All Interest and Claims	636,168	516,000	257,000	227,000
48 All Donations and Contributions	82,411	81,600	75,000	49,750
49 Other Financial Resources	140,464	355,000	855,200	-
Total General Fund Revenues	40,975,206	41,585,457	39,177,281	39,455,928

Fiscal Year 2010 Adopted Budget

(1) Does not include sales tax revenue that is expended as a result of sales tax reimbursement agreements

TOP 10 GENERAL FUND REVENUES SOURCES

RANK	SOURCE	FY 2008 ACTUAL	FY 2009 BUDGET	FY 2009 ESTIMATE	FY 2010 BUDGET
1	Sales Tax	\$ 11,251,420	\$ 11,850,000	\$ 10,500,000	\$ 10,500,000
2	Utility Taxes	\$ 7,028,219	\$ 6,391,013	\$ 6,050,000	\$ 6,200,000
3	Property Taxes - Operations	\$ 5,510,942	\$ 5,662,347	\$ 5,662,347	\$ 6,162,347
4	State Income Tax	\$ 4,612,408	\$ 4,580,000	\$ 3,960,236	\$ 3,750,000
5	Property Taxes - Pensions	\$ 2,180,466	\$ 2,840,352	\$ 2,840,352	\$ 3,685,460
6	Home Rule Sales Tax	\$ -	\$ -	\$ -	\$ 1,000,000
7	Cellular Equipment Rental Fees	\$ 773,016	\$ 780,000	\$ 900,000	\$ 960,000
8	Fines	\$ 937,843	\$ 943,500	\$ 829,208	\$ 850,000
9	Building Related Permits	\$ 1,074,158	\$ 900,000	\$ 800,000	\$ 810,850
10	Hotel Tax	\$ 904,034	\$ 900,000	\$ 725,000	\$ 700,000
SUB-TOTAL		\$ 34,272,506	\$ 34,847,212	\$ 32,267,143	\$ 34,618,657
ALL OTHER TOTAL		\$ 6,702,700	\$ 6,738,245	\$ 6,910,138	\$ 4,837,271
TOTAL GENERAL FUND REVENUES		\$ 40,975,206	\$ 41,585,457	\$ 39,177,281	\$ 39,455,928

The table above illustrates the top ten General Fund revenue sources for the Village of Downers Grove. In FY10, these top ten revenue sources will represent approximately 88% of all revenue allocated to the General Fund. A brief description of some major General Fund revenue sources is provided below:

Sales Tax - Imposed on a seller's receipts for the sale of tangible personal property for use or consumption. Sales tax on general merchandise is 8.00% broken down as follows:

State of Illinois	5.00%
Village of Downers Grove	1.00%
DuPage County	0.25%
DuPage Water Commission	0.25%
Regional Trans. Authority	0.75%
Downers Grove Home Rule*	0.75%
Total Current Tax Rate	8.00%

* Downers Grove Home Rule Sales Tax Distribution = 0.50% to Capital Projects and 0.25% to Stormwater Improvements

Qualifying food, drugs and medical appliance sales tax is 1%. These revenues are typically earmarked for the funding of the day-to-day operations of the Village. The Village expects to receive approximately \$10,500,000 in sales tax in 2009. The Village forecasts sales tax revenues to remain flat next year, totaling approximately \$10,500,000 in 2010.

Utility Tax - Utility taxes are comprised of the Natural Gas Use Tax, the Electricity Tax and the Telecommunications Tax. The Natural Gas Use Tax is a fee charged to residents and businesses for the purchase of natural gas. The electricity tax is paid by incorporated residents for the use of electricity in their homes. The telecommunications tax is imposed on gross charges for all intrastate and interstate messages. This tax includes charges for home phones, cellular phones, internet and pagers. It is anticipated the Village will receive approximately

\$6,050,000 in utility taxes in FY09. In 2010, staff forecasts the Village will collect approximately \$6,200,000 in utility taxes.

Property Tax - Taxes that an owner of real estate or other property pays on the value of their own property. The local townships (Downers Grove, Lisle, York & Milton) perform an appraisal of the monetary value of the property, and tax is assessed in proportion to that value. The Village's property tax revenue is divided into the following categories: general property taxes (operations) and police and fire pensions. When combining these categories, the total property tax collected by the Village will account for approximately 25% of its entire General Fund revenue in 2010. In FY10, the Village forecasts a total revenue generation of approximately \$9,848,000.

State Income Tax - Imposed on the privilege of earning or receiving income as a resident of the state of Illinois. Local government entities receive one-tenth of the net collections of all income tax received. The amount that each municipality receives is based on its population in proportion to the population of the entire state of Illinois. The state income tax accounts for approximately 10% of the Village's total revenue. In 2009, the Village of Downers Grove will receive approximately \$3,960,000 in revenue from state income taxes. In 2010, the Village forecasts a revenue stream of approximately \$3,750,000 to be generated from state income taxes.

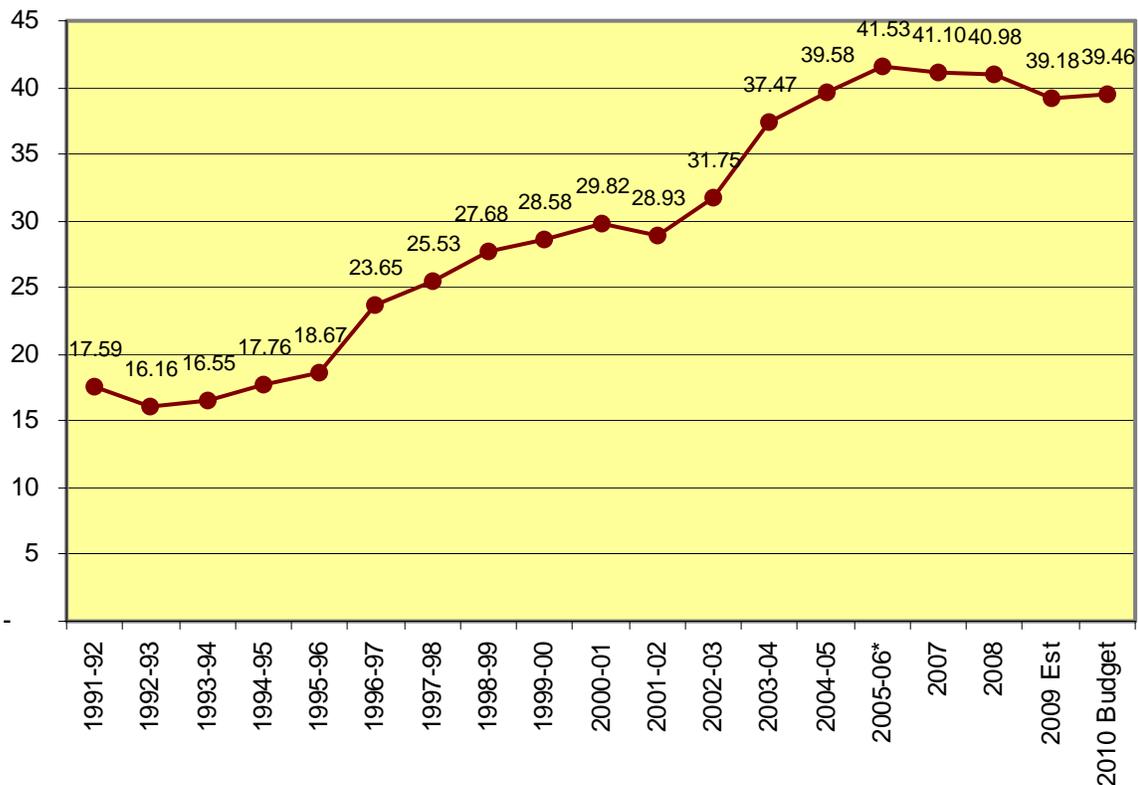
Revenue Methods & Assumptions

In developing the revenue estimates for the Village, each department initially provides their initial assessment, and then it is reviewed by the finance department and manager's office. Historical trends over many years are used with the current economic climate to generate conservative realistic amounts. No set percentages are used to forecast the out years for each line item; an analysis is completed for each revenue with known facts and reasonable expectations. This process includes ongoing scrutiny of the Village's current financial position; changes and modifications in assumptions; variations in the economic climate affecting the community; increases or decreases in program and staffing levels; as well as policy decisions relating to the delivery of services in the community. The distribution of resources between operating expenditures and capital improvements is continually reviewed to assure that all the needs of the community are being met. Serious consideration must be given to developing funding alternatives that provide a stable and reliable revenue flow to those funds where cost increases in future years will exceed available revenues. In addition, serious deliberations must be given to developing revenue strategies that provide the funds necessary to continue the uninterrupted delivery of services to the residents and businesses of the Village of Downers Grove. The out years in the Financial Plan are fluid numbers that are subject to further adjustments based on many factors.

Total General Fund Revenues

This chart presents a history of all General Fund Revenues in the Village of Downers Grove. It shows the estimated collection for FY09 and projected collection for FY10.

Total General Fund Revenues (in millions)



Enterprise Fund Revenues

The Village's two enterprise funds—Parking Fund and Water Fund—derive their revenue directly from the users of the services provided through parking fees and water fees.

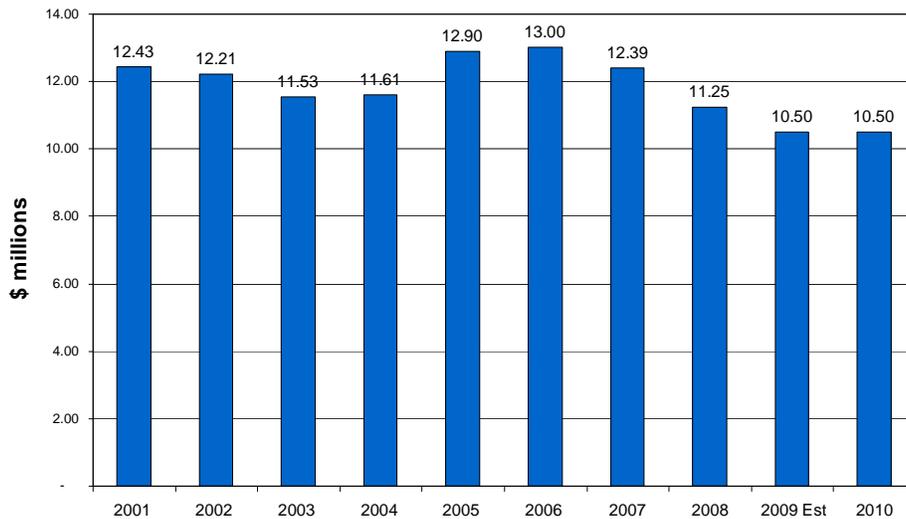
Major Revenue Trends

Sales Tax Revenue History

This chart presents a complete ten year history of sales tax collection for the Village of Downers Grove. It also shows the estimated collection for FY09 and projected collection for FY10. Sales tax is the Village of Downers Grove's largest revenue source projected at 26% of the FY10 General Fund operating revenue. The Village relies heavily on sales taxes to provide quality services to the Village of Downers Grove. Sales taxes are paid by both Village residents and non-residents.

The current economic downturn has caused certain retailers to close in the Village and has hurt auto sales the past couple of years.

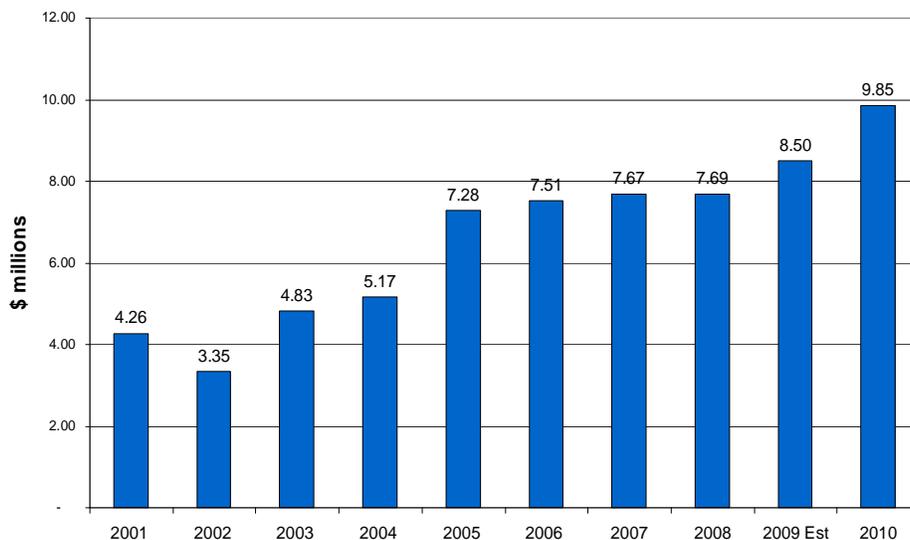
General Fund Sales Taxes



Property Tax Revenue History

The Village's property tax rate has been historically one of the lowest rates for DuPage County municipalities. Significant investment losses in 2008 have increased the levy portion related to pensions nearly 30% for the 2010 budgeted year.

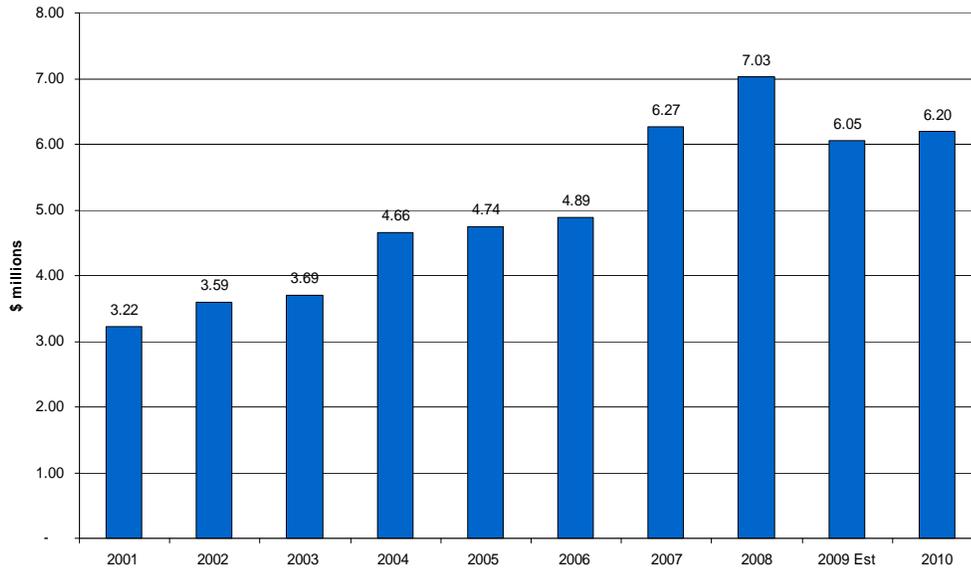
General Fund Property Taxes



Utility Tax History

A cooler, wetter summer in 2009 has caused the Village's electricity tax to be lower than usual. In addition, the Village's telecommunications tax has decreased since 2008. In 2007, the Village shifted some utility tax from the capital fund to the general fund, while shifting its home rule tax into the capital projects fund.

General Fund Utility Taxes



State Income Tax History

The Village of Downers Grove receives a percentage of the income tax received by the State based on the Village's population. Income taxes are impacted by the economic climate and any changes in state funding formula. After many years of substantial growth, this revenue is expected to decline prospectively.

General Fund Income Taxes

