

Revenue Detail

GENERAL FUND REVENUE SUMMARY

Description	FY 09 Audited	FY 2010 Budgeted	FY 2010 Estimate	FY 2011 Budget
Property Taxes	5,723,605	6,162,347	6,162,347	6,662,347
Property Taxes - Police & Fire Pension	2,861,688	3,685,460	3,685,460	4,083,851
Property Taxes - Downtown SSA	246,446	261,859	246,690	246,446
Property Taxes - Twp Road & Bridge	343,016	325,000	343,000	340,000
Home Rule Sales Tax	-	1,000,000	1,000,000	1,800,000
Hotel Use Tax	702,555	700,000	700,000	700,000
Municipal Gas Use Tax	482,958	500,000	480,000	480,000
Electricity Tax	1,839,555	1,900,000	1,900,000	1,900,000
Telecommunications Tax	3,372,389	3,800,000	3,200,000	3,000,000
Other Local Taxes	37,194	24,891	38,000	37,128
41 Subtotal Local Taxes	15,609,406	18,359,557	17,755,497	19,249,772
Building Related Permits	809,928	810,850	990,100	870,000
Alcohol Beverage License	186,747	170,000	193,000	194,000
Professional & Occupational Licenses	94,225	81,670	119,805	118,600
Other Licenses and Permits	57,260	15,500	22,850	24,000
42 Subtotal Licenses & Permits	1,148,160	1,078,020	1,325,755	1,206,600
Sales Tax ⁽¹⁾	10,300,409	10,500,000	10,200,000	10,200,000
State Income Tax	3,960,237	3,750,000	3,600,000	3,500,000
Personal Property Replacement Tax	408,628	380,000	360,000	350,000
State Shared Local Use Tax	590,394	620,000	550,000	550,000
Other State Shared Revenues	12,600	30,000	29,500	33,000
43 Subtotal State Shared Revenues	15,272,268	15,280,000	14,739,500	14,633,000
44 All Sales Revenue	-	6,300	15,000	5,000
Ambulance Fees - Residents	584,287	710,000	600,000	625,000
Ambulance Fees - Non-Residents	202,474	230,000	230,000	225,000
Plan Review & Inspection Fees	171,355	78,000	123,000	124,000
Administrative Fees	423,115	430,000	405,000	405,000
Fines	823,171	850,000	762,000	775,000
Cable Franchise Fees	617,760	600,000	660,000	660,000
Cellular Equipment Rental Fees	880,956	960,000	960,000	998,400
Heritage Fest Fees	217,348	-	-	-
Other Fees, Charges & Fines	1,658,418	508,609	622,222	643,069
45 Subtotal Fees, Charges & Fines	5,578,884	4,366,609	4,362,222	4,455,469
46 All Intergovernmental	95,997	88,692	77,041	375,000
47 All Interest and Claims	299,304	227,000	244,500	150,000
48 All Donations and Contributions	76,521	49,750	10,245	-
49 Other Financial Resources	867,973	-	-	-
Total General Fund Revenues	38,948,514	39,455,928	38,529,760	40,074,841

(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 2009 ACTUAL	FY 2010 BUDGET	FY 2010 ESTIMATE	FY 2011 BUDGET
1	Sales Tax	\$ 10,300,409	\$ 10,500,000	\$ 10,200,000	\$ 10,200,000
2	Utility Taxes	\$ 5,694,902	\$ 6,200,000	\$ 5,580,000	\$ 5,380,000
3	Property Taxes - Operations	\$ 5,723,605	\$ 6,162,347	\$ 6,162,347	\$ 6,662,347
4	State Income Tax	\$ 3,960,237	\$ 3,750,000	\$ 3,600,000	\$ 3,500,000
5	Property Taxes - Pensions	\$ 2,861,688	\$ 3,685,460	\$ 3,685,460	\$ 4,083,851
6	Home Rule Sales Tax	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,800,000
7	Cellular Equipment Rental Fees	\$ 880,956	\$ 960,000	\$ 960,000	\$ 998,400
8	Fines	\$ 823,171	\$ 850,000	\$ 762,000	\$ 775,000
9	Building Related Permits	\$ 809,928	\$ 810,850	\$ 990,100	\$ 870,000
10	Hotel Tax	\$ 702,555	\$ 700,000	\$ 700,000	\$ 700,000
SUB-TOTAL		\$ 31,757,451	\$ 34,618,657	\$ 33,639,907	\$ 34,969,598
ALL OTHER TOTAL		\$ 7,191,063	\$ 4,837,271	\$ 4,889,853	\$ 5,105,243
TOTAL GENERAL FUND REVENUES		\$ 38,948,514	\$ 39,455,928	\$ 38,529,760	\$ 40,074,841

The table above illustrates the top ten General Fund revenue sources for the Village of Downers Grove. In FY11, these top ten revenue sources will represent approximately 87% of all revenue allocated to the General Fund. A brief description of some major General Fund revenue sources is provided below:

1% 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 8.25%, 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%
<u>Downers Grove Home Rule*</u>	<u>1.00%</u>
Total Current Tax Rate	8.25%

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

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 \$10,200,000 in sales tax in 2010. The Village forecasts sales tax revenues to remain flat next year.

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

\$5,580,000 in utility taxes in FY10. In 2011, staff forecasts the Village will collect approximately \$5,380,000 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 26% of its entire General Fund revenue in 2010. In FY11, the Village forecasts a total revenue generation of approximately \$10,746,000.

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 9% of the Village's total revenue. In 2010, the Village of Downers Grove will receive approximately \$3,600,000 in revenue from state income taxes. In 2011, the Village forecasts a revenue stream of approximately \$3,500,000 to be generated from state income taxes.

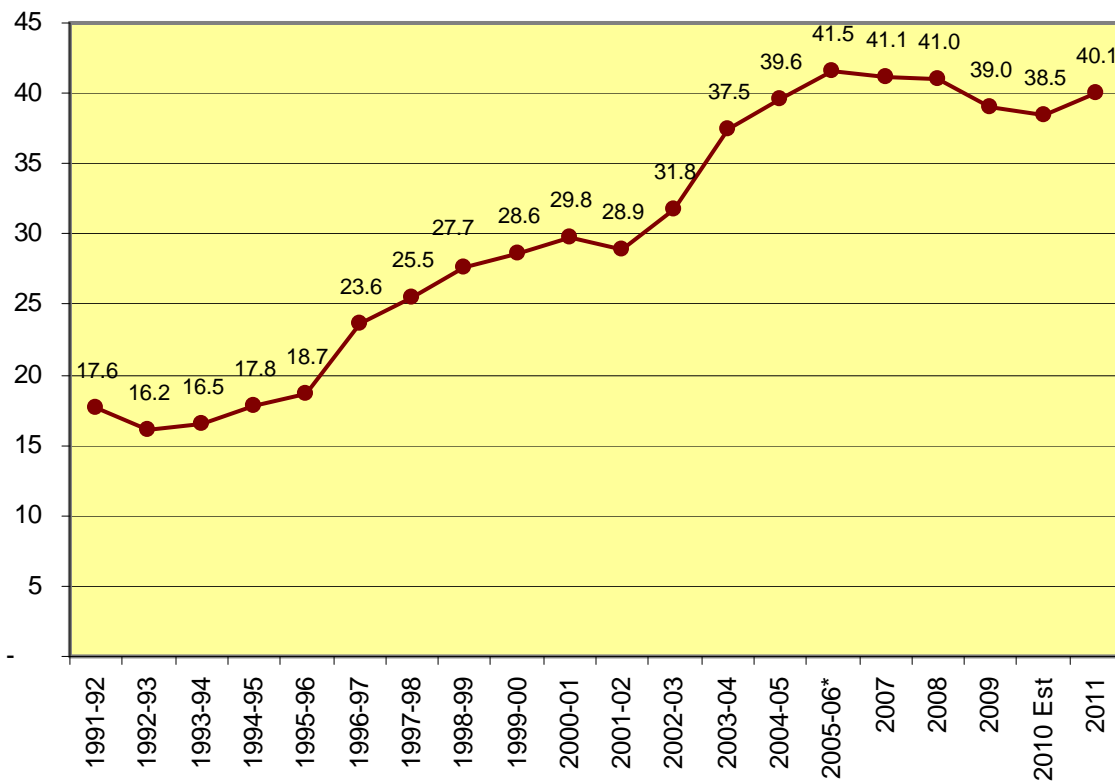
Revenue Methods & Assumptions

In developing the revenue estimates for the Village, each department 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 FY10 and projected collection for FY11.

Total General Fund Revenues (in millions)



Enterprise Fund Revenues

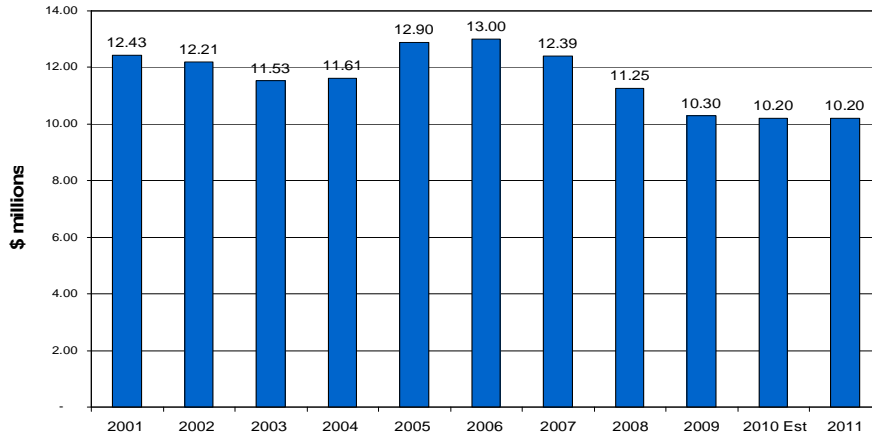
The Village's two enterprise funds—Parking Fund and Water Fund—derive their revenue directly from the users of the services provided through parking fees and water fees.

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 FY10 and projected collection for FY11. Sales tax is projected at 25% of the FY11 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.

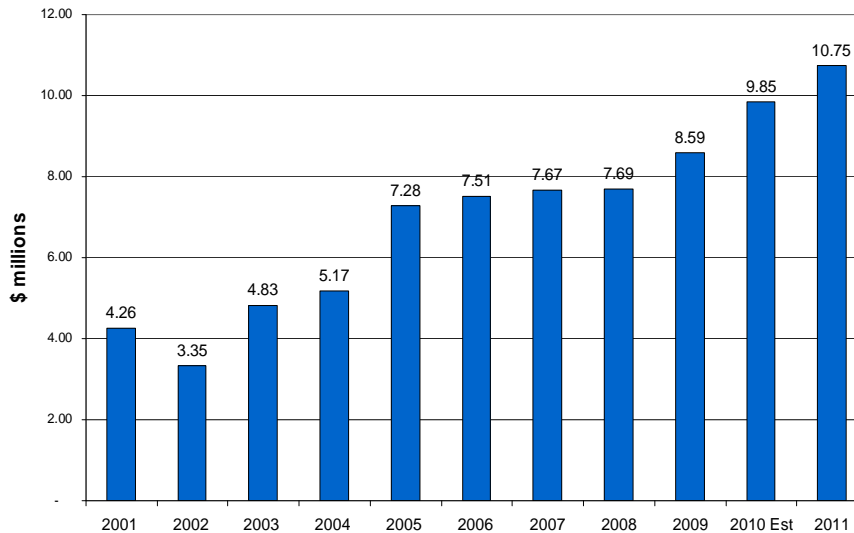
General Fund Sales Taxes



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 increased the levy portion related to pensions nearly 30% for 2010.

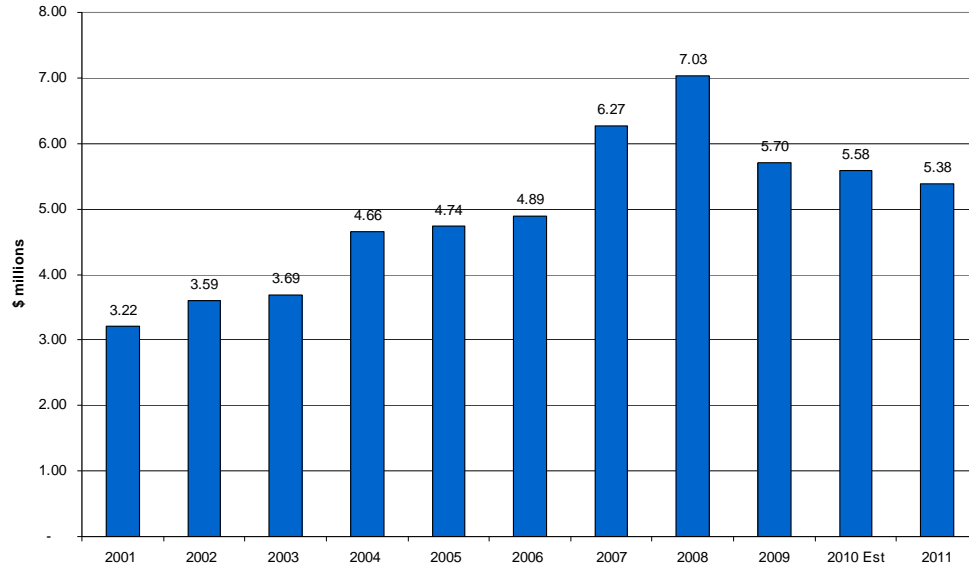
General Fund Property Taxes



Utility Tax History

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. Electricity and natural gas taxes vary relative to the weather.

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

