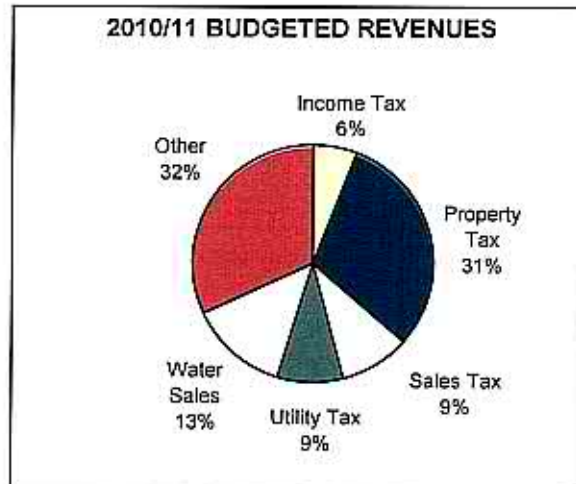


ANALYSIS OF REVENUE SOURCES

The City has several revenue sources, each representing a different percentage of total revenues.



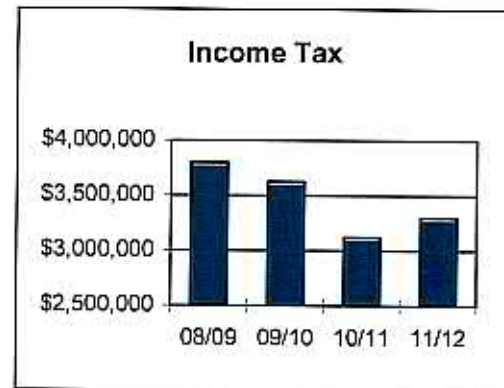
REVENUE OVERVIEW	08/09 Actual	09/10 Budget	09/10 Est. Act.	10/11 Budget	11/12 Estimate
Revenues:					
Income	3,326,676	3,626,000	3,250,000	3,122,100	3,300,000
MFT	985,749	1,026,000	973,000	982,000	700,000
Property	14,902,500	15,384,000	15,384,000	16,153,200	16,960,900
HR Sales	1,403,156	1,550,000	1,305,000	1,400,000	1,500,000
Sales	3,179,232	3,500,000	3,200,000	3,500,000	3,500,000
Uptown Property Tax	1,909,466	2,073,200	2,040,900	3,594,300	4,609,900
Utility	4,588,559	4,750,000	4,650,000	4,750,000	4,850,000
Sewer	319,520	895,900	845,000	1,405,900	2,931,200
Water	6,055,395	7,000,000	6,300,000	7,000,000	7,002,500
Other	9,110,767	9,501,700	9,218,700	10,760,200	9,280,600
Bond Proceeds	-	-	-	-	-
Total	45,781,020	49,306,800	47,166,600	52,667,700	54,635,100
Expenses:					
Personal Services	25,415,511	27,175,600	26,503,500	27,264,300	27,421,800
Contractual Services	13,089,652	13,297,300	14,146,300	14,711,000	15,306,900
Commodities	2,724,015	2,337,900	2,269,800	2,339,700	2,436,400
Debt Service	5,053,231	3,436,400	3,423,900	3,588,500	3,695,200
Capital Budget	<u>4,673,336</u>	<u>4,855,600</u>	<u>4,180,500</u>	<u>4,991,800</u>	<u>6,862,600</u>
Total	50,955,745	51,102,800	50,524,000	52,895,300	55,722,900
Excess (Deficit) of Revenues over Expenses	(5,174,725)	(1,796,000)	(3,357,400)	(227,600)	(1,087,800)

Figures are shown at the budgeted amounts.

Income Tax

	Amount	% Inc (Dec)
2008/09	3,800,000	13.4%
2009/10	3,626,000	(4.6%)
2010/11	3,122,100	(13.9%)
2011/12	3,300,000	5.7%

The City receives income tax receipts from the state of Illinois monthly. Income tax is distributed based on population.



Budget Assumptions - To prepare the 2010/11 budget for income tax receipts, there are three key elements which we need to make assumptions about:

Population. Income tax receipts are distributed based on the City's population. Park Ridge's population is 37,775 (2000 Census). We expect the 2010 Census will show a modest increase in population.

Municipality's share of income tax receipts. Under current law, municipalities are entitled to 1/10 of income tax receipts. This percentage allocation sometimes comes under threat because the State of Illinois has its own budget problems.

State wide growth in income tax receipts. Income is declining. Actual income tax receipts for fiscal year 2008/09 were \$91.08 per capita; this was 1% lower than fiscal year 2007/08. In its October 2009 issue, the Illinois Municipal League revised its estimate for fiscal year 2009/10 receipts downward to \$77.00 per capita.

Summary – The 2010/11 income tax revenue budget is equal to \$82.65 per capita. Recent newspaper articles indicate the news regarding income taxes is negative.

"The U.S. Census Bureau recently reported that American household income is taking its sharpest plunge in the half-century the Bureau has been measuring that statistic. Over this year and last, household income is projected to fall almost 9 percent, after adjusting for inflation." Source: Governing Magazine, November 2009, page 18.

The following is a quote from the November 23, 2009 issue of the Wall Street Journal.

"Tax collections tumbled 11% across 44 states in the third quarter, according to a report that suggest government revenue will remain depressed long after the economy has recovered from recession.

Every major source of state tax revenue – sales, corporate and personal income taxes – fell in the third quarter compared with the same period a year ago, according to a report to be released Monday by the Nelson A. Rockefeller Institute of Government at the State University of New York.

The steepest decline was in volatile corporate-income taxes, which fell 19.4% across the 44 states surveyed by the Rockefeller Institute. Personal income taxes fell 11.4%, while sales taxes fell 8.2%.

With tax receipts heavily dependent on wages and spending, state revenues are expected to continue falling for months or years after the technical end of the recession.

'State tax revenues will remain fragile and gloomy at least throughout fiscal years 2010 and 2011,' said Lucy Dadayan, a senior policy analyst at the Rockefeller Institute.

Of the 38 states in the report that collect income taxes, all saw revenue declines, and 21 had double-digit percentage declines."