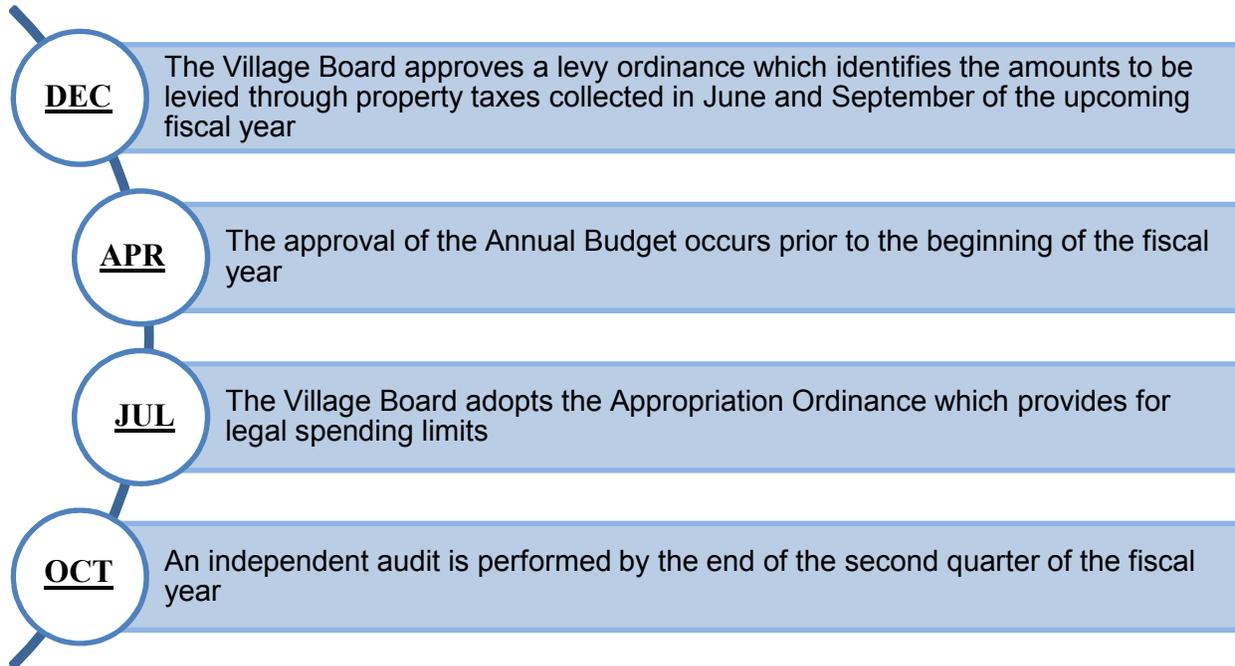


FISCAL PLANNING PROCESS

The municipal fiscal planning process is comprised of several steps taken throughout the year. The Village's fiscal year begins May 1st and ends on April 30th. The following outlines the general financial planning process:



BUDGET

The Annual Budget, adopted at the beginning of the fiscal year, defines the anticipated expenditures and supportive revenues for all Village operations. The budget identifies all planned operational and capital needs, but is not the legal authorizing document providing for the Village's authority to spend. The annual budget review is only one component of an ongoing financial analysis that is performed by management and reviewed monthly by the Finance Committee and quarterly by the Village Board. The purpose of the review is to ensure a balanced budget and track the progress of long-term goals and sustainability. The budget calendar provides management, the Finance Committee and the Village Board adequate opportunity to prepare, review and recommend a budget that reflects well planned and thought out strategies to meet operational needs and achieve fiscal goals.

APPROPRIATIONS

The Village adopts an Appropriation Ordinance yearly in July that defines maximum amounts that can be spent from each expenditure line item. Anticipated Revenues are also adopted showing the expected revenues that will be used to meet spending needs. The adoption of the Appropriation Ordinance by the Village Board of Trustees constitutes the legal authority to spend, but it is not a mandate to spend. Appropriations do not reflect actual anticipated expenditures. Instead, they set limits while providing for operational and capital needs as well as unanticipated costs that may occur due to emergencies, unforeseen circumstances and opportunities.

AUDIT REPORT

Each year the Village pursues an independent audit to report on the Village's previous fiscal year activities. The Annual Financial Report is completed by the end of the second quarter of the fiscal year (October 31st).