

VILLAGE OF JOHNSBURG VILLAGE FUNDS OVERVIEW

GENERAL FUND SUMMARY - REVENUE

The Village supports general operations through revenues derived from several sources. These revenues are broken down into the following four major categories:

Taxes is made up of Income Tax, Sales Tax, Property Tax and Road & Bridge Taxes;

Fees and Licenses consists primarily of revenues such as Franchise Fees, Police Fines, Permitting Fees and Licensing Fees;

Development and Park Fees includes Annexation and Platting Fees, Impact Fees and Donations resulting from new development; and lastly

Miscellaneous Revenues consists of Grants, Bank Interest, Transfers and Loans.

Property taxes represent only 16% of the General Fund's total revenue, while State, County and Township shared revenues (consisting of Income and Use Tax) combine to account for 21% of the General Fund revenues collected. Sales Tax makes up 24% of the General Fund Revenues received by the Village, most of which is utilized to support capital projects and acquisitions.

Property Tax Levy

The Village Board approves a Tax Levy Ordinance each year in December to levy property taxes that contribute toward the cost of specific services provided by the Village (Exhibit A). The Tax Levy Ordinance is estimated by the Village based on the projected equalized assessed value (EAV) of all properties within the Village. Once approved, the Tax Levy Ordinance is filed with the County Clerk who in turn provides the Village a confirmation of actual taxes that will be extended for the upcoming tax year (Exhibit B). The Village's tax rate for FY 2016 was .617520. **Based upon this rate, an owner of a property with an approximate market value of \$333,000 (\$100,000 assessed value), will pay \$617.52 to the Village.** Note this also includes an amount collected for sanitation (residential garbage and recycling service) which the Village Board eliminated in fiscal year 2016 when direct billing was implemented for Waste Management customers. Property tax bills received by residents in May, 2016 (FY 2017 fiscal year) reflected this reduction.

The total levy and tax rate is divided into the following service categories:

Corporate	.282049
Sanitation	.121455
Police	.118001
Police Pension	.089680
Land & Building	.005758
Crossing Guard	.000577

The Village of Johnsburg is a tax cap community. Real estate tax increases are restricted to the annual Consumer Price Index (CPI). When calculating the annual tax levy, the Village must estimate the total equalized assessed value (EAV) of all properties. This estimate includes the assessed value of existing properties as well as the value of new growth resulting from annexations and new construction. While the

total increase in property taxes collected by the Village may exceed the CPI due to new growth, the actual amount collected from existing properties cannot exceed the CPI. The additional dollars collected is a result of new annexations, new construction, and any increase in assessed value that occurs in a given tax year.

GENERAL FUND SUMMARY - EXPENDITURES

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

General Fund operating expenses are broken down into the following five major departments within the Village:

- **Administration**, which includes administrative and financial operations, legal, engineering, and building department expenses. The Administration budget also includes Debt Retirement, which accounts for about 16% of the Administration expenditures or 6% of total expenditures;
- **Public Safety** which provides for all police related activity;
- **Public Works** which is responsible for all road and related infrastructure maintenance including snow removal;
- **Parks and Building** whose budget includes maintenance and improvements to Village parks and building facilities; and
- **Sanitation** which encompasses the cost of residential garbage and recycling services for the community.

General Fund expenses are further broken down into five major categories within the general fund:

- **Manpower** reflects all costs related to human resources in all departments;
- **Operating Expenditures** includes costs required to operate the Administrative, Police, Public Works and Parks departments;
- **Debt Retirement** includes bonds and loans for capital purchases and improvements;
- **Capital Purchases** includes all major capital expenditures;
- **Capital Improvement Plan** represents the dollars set aside to fund long term capital purchases and projects.

Additionally, the Village incurs an expense associated with economic incentive reimbursements. In fiscal year 2016, the Village paid out \$405,481 in **Economic Incentive Reimbursements** which represents 7% of the overall general fund budget. Correspondingly **Retail Occupation (Sales Tax) Revenues** make up 24% of the total general fund revenues collected.

WATERWORKS & SEWAGE FUND

The Waterworks & Sewage Fund is a proprietary fund used to account for activities where the determination of net income is necessary or useful to sound financial administration.

The Village currently provides potable water and sewer to several areas within the Village. The Village owns and operates the Shiloh Ridge Water System consisting of one well and two at-grade storage tanks that provide potable water to homes in the Shiloh Ridge subdivision. The Claremont Hills subdivision consists of homes that receive potable water from the Village's Route 31 Water System. The Route 31 Water System consists of two wells, one at-grade storage tank and one elevated storage tank located on Route 31 across from the McHenry Township's facilities. The Route 31 Water System also provides potable water to the homes in Remington Grove and Running Brook Farms subdivisions along with some businesses along Route 31. The Village's Sanitary Sewer System consists of a 1 MGD (million gallons per day) wastewater treatment facility, three lift stations, a major force main and numerous lineal feet of sewer pipe. Running Brook Farms subdivision, Remington Grove subdivision and several businesses on Route 31 are being served by the Village's Sanitary Sewer System. Residents and businesses along Fairview Avenue and Chapel Hill Road have also been connected marking the first connections in the Village's downtown area. Revenue to support this fund is derived from water and sewer usage fees. Expenditures include personnel costs and operating costs to support and maintain the systems.

LAND & BUILDING FUND

The Land & Building Fund is a capital project fund which accounts for the proceeds of specific revenue for the Village's land and building acquisitions.

Revenue to support these efforts is derived from property taxes as well as transfers from the General Fund.

MOTOR FUEL TAX FUND

The Motor Fuel Tax Fund is a special revenue fund which is used to account for revenue that is legally required to be used for road improvements.

Revenue to support these projects is generated by an Illinois tax that is imposed on distributors and suppliers who collect the tax from their customers who operate motor vehicles on public highways and recreational watercraft on waterways in Illinois.