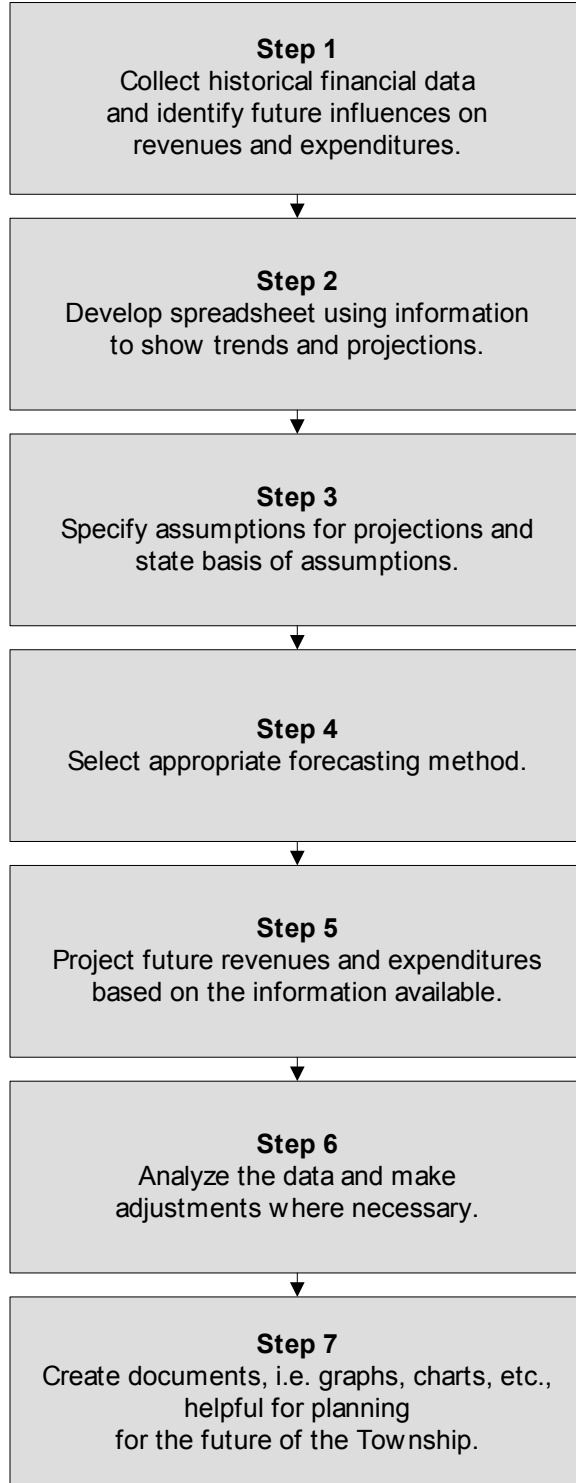


FIVE YEAR PROJECTIONS

The five year budget includes the FY 16 budget and the projections through the fiscal year ending March 31, 2020.

FIVE YEAR REVENUE AND EXPENDITURE FORECASTING PROCESS



FIVE YEAR BUDGET PROJECTIONS FY 16 THROUGH FY 20

The purpose of developing a five-year budget is to enable the Township Board of Trustees and Township Management to focus on long-term financial stability. The five-year budget includes the FY 16 budget and the projections through the fiscal year ending March 31, 2020.

The development of long-term financial projections for government agencies involves conjecture; therefore, projections should be used only as a guide for future revenues and expenditures. Government budgets and especially long-term projections can be impacted by a number of outside forces that cannot be anticipated or forecast. Many of these forces lie outside our realm of control: state and federal revenues or mandates, changes in the national, regional or local economy, fluctuations in the prices of products or services purchased by the Township, and unanticipated emergencies or changes in service level priorities, as well as capital projects, are all examples of variables that cannot be predicted.

The revenues and operating expenditures for fiscal years ending March 31, 2016 through March 31, 2020 are projected using the FY 15 budget as the base for the calculations. Every detail revenue and expenditure account is projected and included for Town Fund, General Assistance Fund and Community Mental Health Fund. The assumptions and projections for the major revenue sources and expenditures are set forth for each fund below.

It should be noted that the property tax is the major revenue source for all funds. The Township's ability to raise revenue through the property tax, however, is limited by the Property Tax Extension Limitation Law (PTELL) 35 ILCS 200/18-185 et seq. PTELL limits the increase in the property tax levy to 5% or the percentage increase in the Consumer Price Index during the 12 month calendar year preceding the levy year, whichever is less. A higher property tax may be levied if the community experiences new construction, mergers or consolidations that increase the community-wide Equalized Assessed Value (EAV) or voters approve a higher rate by referendum.

A qualitative forecasting method known as "naïve forecasting" was utilized to project revenues. The naïve forecasting method is best suited for revenue sources that are fairly stable from year to year, a typical time period can be easily determined, the historical relationship remains constant for the period being forecast and all relevant factors affecting the revenue source have been included in the forecast. Naïve forecasting is well suited for Township revenue sources. Approximately 73% of Township revenue is from property taxes which come within the criteria set forth above.

ASSUMPTIONS FOR TOWN FUND ANALYSIS

For a complete description of Township revenues see the section titled Township Revenue Descriptions, Assumptions and Projections.

Revenues

Taxes: The revenue category Taxes which includes property taxes, personal property replacement tax and tax increment financing district distributions is the greatest revenue source for the Township. It represents 64% of total Town Fund revenue. Property Taxes represent 95% of the total Taxes revenue category. The 2014 property tax levy will fund FY 16. The Township Board increased 2014 property tax levy by 2% over the 2013 tax levy to match the Consumer Price Index (1.5%) for the 12 months ending December, 2013 and partially capture any new property or construction. This increase in the total property tax levy was all allocated to the Town Fund with the levies for the other two funds remaining flat. The allowable property tax levy increase for 2015, to fund FY 17, will be 0.8% based on the Consumer Price Index for the 12 months ending December, 2014. The FY 17 to FY 20 projections are conservatively estimated at a 1% increase in property tax revenue and 1% increases in tax increment financing (TIF) and in personal property replacement tax.

Intergovernmental: Intergovernmental revenue is the next largest revenue source typically representing approximately 32% of total Town Fund revenue. Revenues are forecast conservatively because of historical fluctuations in receipts. Local, state and federal funding is estimated to increase 1% annually.

The remaining revenue sources include Use of Money and Property, Charges for Services and Miscellaneous. These revenue sources combined amount to approximately 4% of total Town Fund revenue.

Use of Money and Property: The Township has experienced declining rates of return on Township investments for the four fiscal years (FY 09 – FY 12) and flat for fiscal years 2013-2015. Primarily based on an expected Federal Reserve Bank policy to begin to slowly increase interest rates beginning late in 2016, interest and the Sale of Township Property are projected to increase 1% annually.

Charges for Services: Program Income and Charges to Departments. Charges to Departments increase annually 1%.

Expenditures

Personnel: Employee and Elected Official Salaries. Expenditures for Employee and Elected Official Salaries will increase 3.7% for FY 16. This increase is due to extending the weekly hours of five part-time positions by 2.5 hours and the full year effect of extending the hours of another part-time employee by 8 hours per week. Employees will receive an average 2.5% wage increase effective April 1, 2015. Employee and Elected Official Salaries are projected to increase 2% annually from FY 17 through FY 20.

Fringe Benefits: FICA, IMRF Pension Plan and Health and Life Insurance. FICA is 7.65% of salaries and IMRF is 8.81% of salaries. Health Insurance has increased 5% annually for the calendar years of 2009-2012, 10% in calendar year 2013, and approximately 5% in calendar years 2014-2015. The IMRF pension plan employer costs decreased from 9.54% of salaries in January 2014 to 8.81% in January 2015 or a 7.65% decrease. Pension legislation from the state effective January 1, 2011 will reduce pension benefits for employees hired after December 31, 2010. These changes will begin to reduce pension costs in ten or fifteen years. An overall annual 5% increase for fringe benefits from FY 17 through FY 20 is projected.

Operating Costs and Services: Increases 1.5% annually.

Other Costs and Charges: Contingency, Research and Development, Consultant Fees remain flat for FY 17 through FY 20.

External Contracts and Programs: A 1.5% increase for external contracts with agencies in the community is projected.

Capital Outlay: Capital Renovation will not increase annually but will be budgeted when projects arise. For FY 16 \$90,000 is budgeted for Capital Outlay. This primarily reflects the purchase of new windows and a new heating and air conditioning system for the administrative offices. Thereafter, projected Capital Outlay remains at \$50,000 each year from FY 17 through FY 20.

TOWN FUND SUMMARY

The Township Board Fund Balance Policy provides for a target of four to six months of current year's budgeted fund expenditures, excluding capital expenditures, as Unassigned Fund Balance. The Town Fund's unassigned fund balance as of the end of FY 15 is within the board's target amount. An unassigned fund balance within the policy range will help ensure financial stability in the next few years.

Budgeted expenditures are approximately \$52,000 less than budgeted revenue in FY 16 which includes a planned expenditure of \$90,000 in capital improvements. Revenue continues to exceed expenditures through FY 18 but expenditures exceed revenue in FY 19 and FY 20. The fund balance in FY 16 to FY 20 remains within the board's target amount. Long-term planning will address bringing revenues and expenditures into balance in FY 19 and FY 20 to ensure financial stability into the future.

ASSUMPTIONS FOR GENERAL ASSISTANCE FUND ANALYSIS

For a complete description of Township revenues see the section titled Township Revenue Descriptions, Assumptions and Projections.

Revenues

Taxes: For the General Assistance Fund, the category Taxes includes Property Taxes and Tax Increment Financing (TIF) District distributions. Property taxes are 97% of revenue for the General Assistance Fund. The Board of Trustees decided to keep the

2014 General Assistance property tax levy, which funds FY 16, flat at \$479,226 in order to bring the fund balance to its target level. Despite this intention, the County extension was 1% more than requested or \$484,052. In future years, it may be necessary to significantly increase or decrease the property tax levy based on program demand and to achieve a target level of fund balance according to Township Board Fund Balance Policy. An analysis will be conducted annually to determine the appropriate amount of the tax levy for this fund.

Property tax revenue is scheduled to increase to 1.0% for FY 17 through FY 20.

Use of Money and Property: Interest and Sale of Township Property includes a modest annual increase of 1%.

Intergovernmental: Local, state and federal funding varies greatly from year to year. A conservative estimate of \$10,000 annually was determined based on historical data.

Expenditures

Expenditures declined in FY 09 but increased significantly from FY 10 to FY 12. The economic slowdown resulted in a greater need for general assistance during this time. However, demand leveled off in FY 13 as residency requirements were tightened along with having stricter regulations for clients to provide confirmations of job searches. An increase in the rate structure for client and shelter payments was approved by the Board of Trustees beginning FY 14 that resulted in an increase in general assistance expenditures of \$35,409 or 12.3% in FY 14. FY 15 decreased from FY 14 by \$1,880 or 0.6%. For FY 16, general assistance is budgeted to increase by \$29,610 or 9.2% with increases of 1% for FY 17-20.

Demand for services will be monitored closely in order to budget appropriately. Should an insufficiency in General Assistance funds begin to develop, strategic alternatives will be considered, including: redistribution of the Township levy, modification of eligibility criteria, and appropriations from the Town Fund.

Administration: Significant expenditures for Administration include Employee and Elected Official Salaries. Employee and Elected Official Salaries are projected to increase 3.0% for FY 16 and 1.5% annually from FY 17 through FY 20.

Fringe Benefits: FICA, IMRF Pension Plan and Health and Life Insurance. FICA is 7.65% of salaries and IMRF is 8.81% of salaries. Health Insurance has increased 5% annually for the calendar years of 2009-2012, 10% in calendar year 2013, and approximately 5% in calendar years 2014-2015. The IMRF pension plan employer costs decreased from 9.54% of salaries in January 2014 to 8.81% in January 2015 or a 7.65% decrease. Pension legislation from the state effective January 1, 2011 will reduce pension benefits for employees hired after December 31, 2010. These changes will begin to reduce pension costs in ten or fifteen years. An overall annual 5% increase for fringe benefits from FY 17 through FY 20 is projected.

Operating Costs and Services: Increases 1.5% annually.

General Assistance: Client Assistance is assumed to increase 1.0% annually from FY 17 through FY 20.

Other Assistance: Medical, Institutional, Transient, and Work Programs include no annual increase.

Other Charges: Other Charges include the Job Readiness Program for which there are no anticipated increases.

GENERAL ASSISTANCE FUND SUMMARY

The Township Board Fund Balance Policy provides for a target of 4 to 6 months of annual operating expenditures. However, demand decreased in FY 09 which has allowed fund balance to remain above the fund balance policy in the last five fiscal years. The 2008 tax levy funding FY 10 was reduced slightly based on decreased demand. Demand increased significantly from FY 10 to FY 12 and the fund balance continued to exceed its target. The 2011 tax levy funding FY 13, the 2012 tax levy funding FY 14, the 2013 tax levy funding FY 15, and the 2014 tax levy funding FY 16 remained flat in order to help bring the fund balance down to its targeted level with revenues remaining relatively the same but with expenditures exceeding revenues. The Township Board of Trustees will consider the future funding and eligibility requirements during the annual planning stages.

**ASSUMPTIONS FOR
COMMUNITY MENTAL HEALTH FUND ANALYSIS**

For a complete description of Township revenues see the section titled Township Revenue Descriptions, Assumptions and Projections.

Revenues

Property Tax: Property Taxes, Personal Property Replacement Tax, and TIF. Property Taxes represent 96% of the total Taxes revenue category, and 95% of total Community Mental Health Fund revenue. In discussions with the CMHB Board, the Township Board of Trustees determined to keep the 2014 Community Mental Health Fund property tax levy, which funds FY 16, flat at \$1,492,446 in order to bring the fund balance to its target level. Property tax revenue is projected to increase by 1% for FY 17 through FY 20.

Use of Money and Property: Interest is projected to increase 1% annually.

Intergovernmental: Intergovernmental funding decreased 51% from FY 12 to FY 13 and then by 38% for FY 14. For FY 16, it was budgeted to remain at its actual FY 15 level of \$10,000 and continue that amount from FY 17 to FY 20.

Expenditures

Based on direction from Community Mental Health Board, Administration will be maintained at 20% of the Community Mental Health budget. The challenge over the next several years will be to ensure an adequate fund balance of at least 6 months expenditures and keep administrative costs low while providing much needed funding to

local mental health agencies. Expenditure reductions in some areas in combination with conservative expenditure increases in other areas are included in the CMHB five-year projection to address these priorities.

Personnel: In FY 16 Expenditures for Employee Salaries will increase 2%. Employee Salaries are projected to increase by 1.5% annually from FY 17 through FY 20.

Fringe Benefits: FICA, IMRF Pension Plan and Health and Life Insurance. FICA is 7.65% of salaries and IMRF is 8.81% of salaries. Health Insurance has increased 5% annually for the calendar years of 2009-2012, 10% in calendar year 2013, and approximately 5% in calendar years 2014-2015. The IMRF pension plan employer costs decreased from 9.54% of salaries in January 2014 to 8.81% in January 2015 or a 7.65% decrease. Pension legislation from the state effective January 1, 2011 will reduce pension benefits for employees hired after December 31, 2010. These changes will begin to reduce pension costs in ten or fifteen years. An overall annual 5% increase for fringe benefits from FY 17 through FY 20 is projected.

Operating Costs and Services: Budgeted operating costs and services will remain relatively flat from \$103,621 in FY 15 to \$103,431 or a decrease of \$190 in FY 16. Operating costs are projected to increase by 1.5% each year from FY 17 through FY 20.

Capital Outlay: No capital outlay is projected for FY 17 through FY 20.

External Contracts and Programs: Funding for agencies increased from FY 15 to FY 16 from \$1,437,561 to \$1,454,034 or 1.1%. Funding for agencies is projected to decrease by 6.9% or \$100,958 for FY 17, and then remain at that level of \$1,353,076 for FY 18 through FY 20. The likely redistribution of local and state priorities and funding may create funding gaps for funded programs that have historically been shared between the CMHB and local or state funding agencies.

In FY 16, CMHB's budgeted expenditures exceed budgeted revenues to expend part of fund balance. Expending a portion of the fund balance will reduce the amount of fund balance to the target outlined in CMHB's current fund balance policy. The Community Mental Health Board will continue to evaluate its fund balance policy which provides for a fund balance of six to eight months expenditures.

Other Costs and Charges: In FY 16, a total of \$11,200 is budgeted in Local Funds Initiative and Website/Network of Care for ongoing support for Medicaid Funds Participation, and a website providing access to mental health resources. Other Costs and Charges are projected to increase to \$13,000 in FY 17 and then remain at that level from FY 18 through FY 20.

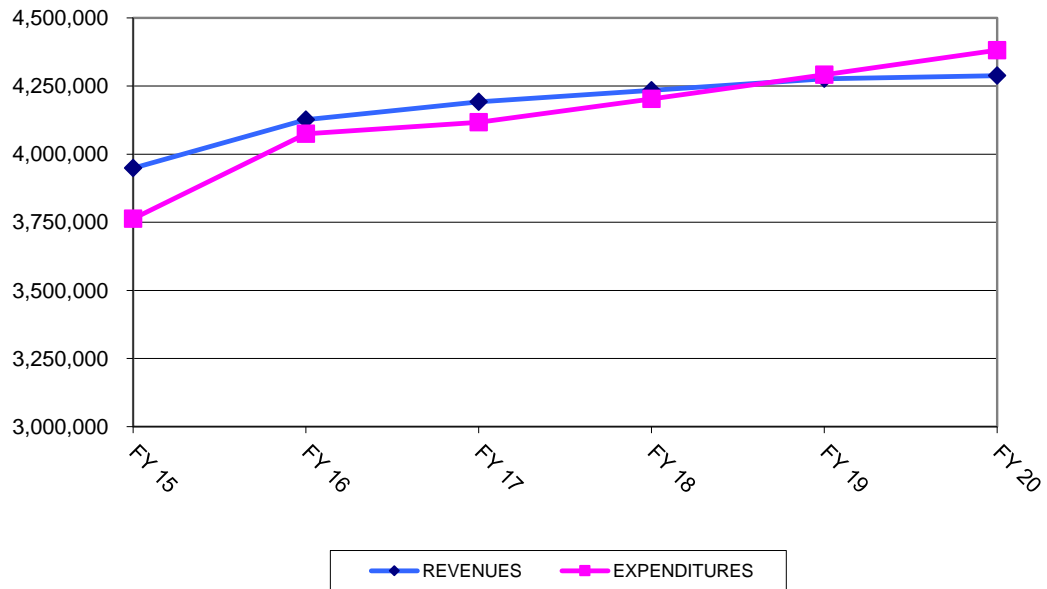
COMMUNITY MENTAL HEALTH FUND SUMMARY

The CMHB Board focuses its efforts on addressing mental health issues in the community. A community needs assessment was completed in FY 11, revised in FY 14 and a new assessment will be completed in FY 17. The assessment and the Board's strategic plan will be used to guide the Board in providing funding to community

agencies that provide services for the Board's priorities through March 2016. The Community Mental Health Act 405 ILCS 20/1 et seq. requires that the Board adopt a one and three-year plan to address community needs. The community needs assessment and its strategic plan will be used to guide the Board in refinements of its one and three-year plans.

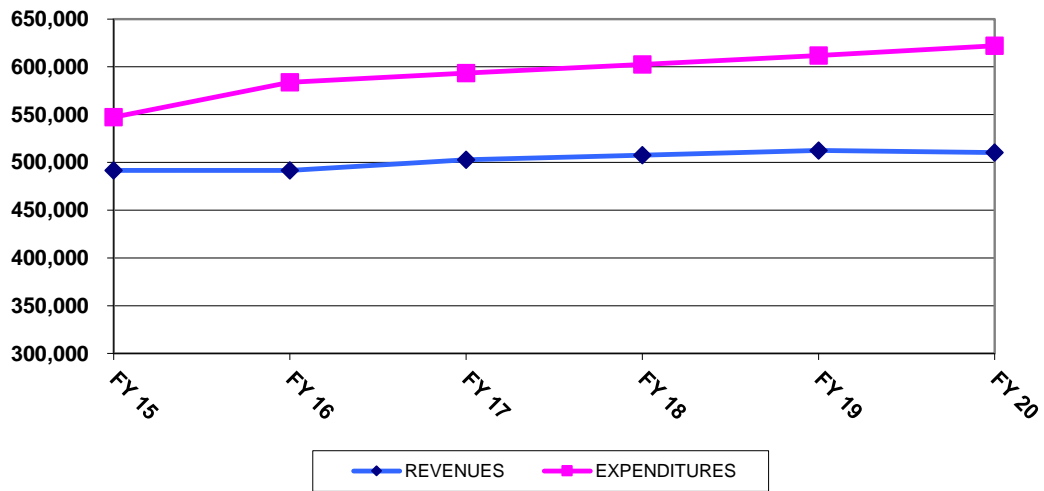
TOWN FUND REVENUE AND EXPENDITURE PROJECTIONS

	Actual FY 15	Budget FY 16	Projected FY 17	Projected FY 18	Projected FY 19	Projected FY 20
REVENUES	3,948,606	4,126,274	4,192,193	4,234,105	4,276,436	4,287,972
EXPENDITURES	3,763,031	4,074,385	4,117,468	4,202,964	4,290,966	4,381,574
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	185,575	51,889	74,725	31,141	(14,530)	(93,602)
NET INCREASE (DECREASE) IN FUND BALANCE	185,575	51,889	74,725	31,141	(14,530)	(93,602)
TOTAL FUND BALANCE BEGINNING OF FISCAL YEAR	1,367,394	1,552,969	1,604,858	1,679,583	1,710,724	1,696,194
FUND BALANCE END OF FISCAL YEAR	1,552,969	1,604,858	1,679,583	1,710,724	1,696,194	1,602,592



GENERAL ASSISTANCE FUND REVENUE AND EXPENDITURE PROJECTIONS

	Actual FY 15	Budget FY 16	Projected FY 17	Projected FY 18	Projected FY 19	Projected FY 20
REVENUES	491,610	491,726	502,637	507,563	512,539	510,280
EXPENDITURES	547,354	583,771	593,598	602,634	611,885	622,132
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(55,744)	(92,045)	(90,961)	(95,071)	(99,346)	(111,852)
NET INCREASE (DECREASE) IN FUND BALANCE	(55,744)	(92,045)	(90,961)	(95,071)	(99,346)	(111,852)
TOTAL FUND BALANCE BEGINNING OF FISCAL YEAR	340,878	285,134	193,089	102,128	7,057	(92,289)
FUND BALANCE END OF FISCAL YEAR	285,134	193,089	102,128	7,057	(92,289)	(204,141)



COMMUNITY MENTAL HEALTH FUND REVENUE AND EXPENDITURE PROJECTIONS

	Actual FY 15	Budget FY 16	Projected FY 17	Projected FY 18	Projected FY 19	Projected FY 20
REVENUES	1,508,434	1,571,431	1,586,845	1,602,414	1,618,138	1,614,019
EXPENDITURES	1,589,906	1,785,235	1,692,817	1,699,755	1,706,899	1,714,258
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(81,472)	(213,804)	(105,972)	(97,341)	(88,761)	(100,239)
NET INCREASE (DECREASE) IN FUND BALANCE	(81,472)	(213,804)	(105,972)	(97,341)	(88,761)	(100,239)
TOTAL FUND BALANCE BEGINNING OF FISCAL YEAR	1,528,020	1,446,548	1,232,744	1,126,772	1,029,431	940,670
FUND BALANCE END OF FISCAL YEAR	1,446,548	1,232,744	1,126,772	1,029,431	940,670	840,431

