

# Forest Park's Financial Health FY26



Fiscal Transparency  
builds trust and tracks investment impact

[Finance Department - Village of Forest Park, Illinois](#)

# Why do we need a budget?

A government budget is a financial plan that outlines the government's expected revenues and expenditures over a specific period

**Resource Allocation**  
**Accountability and Transparency**  
**Planning and Control**

# How is a budget used?

Forest Park uses a budget as a strategic financial tool to plan, allocate, and manage public resources

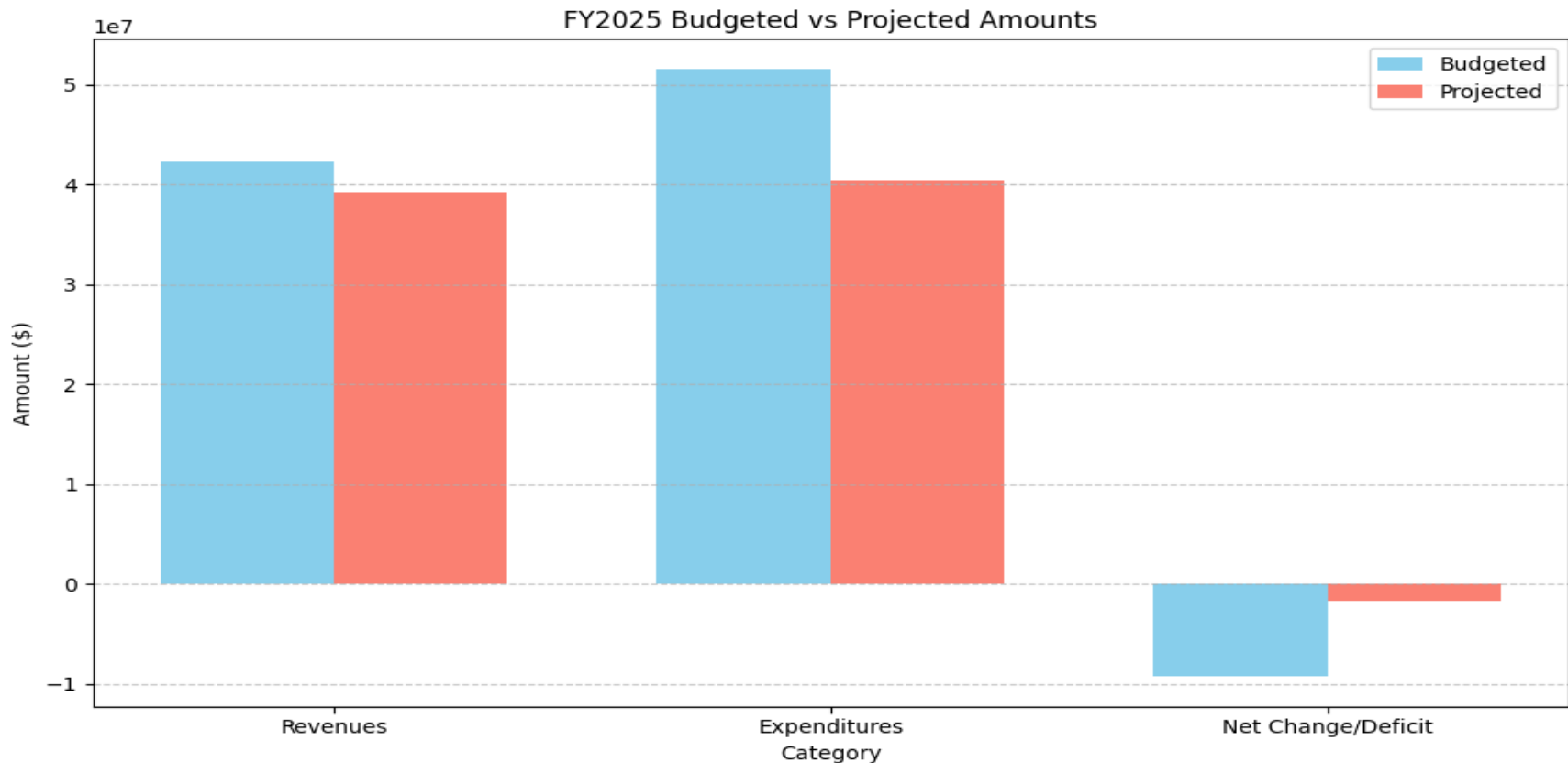
**Revenue Collection**  
**Spending Authorization**  
**Performance Evaluation**  
**Public Communication**

# Financial Health Summary FY25

- **Total FY25 Year End Projected Revenues:** \$39M
- **Total FY25 Year End Projected Expenditures:** \$40.5M
- **FY2025 Year End Projected Deficit:** \$1.6M
- **FY2025 Beginning Fund Balance:** \$55.2M
- **FY2025 Ending Fund Balance:** \$53.6M

# FY25 Budget vs Year End Projection

- **Revenues** are projected to fall short by ~\$3 million.
- **Expenditures** are projected to be significantly lower than budgeted.
- **Net change** improves from a budgeted deficit of \$9.2M to a projected deficit of \$1.6M.



# Financial Health Summary FY26

- Total FY26 Revenues: \$48.69M
- Total FY26 Expenditures: \$63.83M
- Projected Deficit: \$15.14M

Use of reserves for infrastructure in Water, MFT, VIP funds

Village of Forest Park Primary Government Summary FY2022 - FY2026							
Description	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 4/30/2024		Fiscal Year 2025		Fiscal Year 2026
	End Balance	End Balance	Budget	End Balance	Budget	Year End Projection	Proposed Budget
<b>Revenues</b>							
<b>Non Major Governmental Funds</b>							
Foreign Fire Insurance	37,844	38,034	38,300	41,791	41,500	52,983	46,580
IMRF Pension	298,512	292,989	310,989	251,368	211,545	146,279	140,101
Social Security / Medicare	351,858	344,172	347,937	346,541	348,931	311,665	393,614
Motor Fuel Tax	881,687	804,876	611,234	759,849	643,306	797,432	737,527
1505 State Seizure	12,746	69,428	55,800	9,417	38,500	33,943	34,200
Police DUI	1,949	651	5,300	3,161	6,280	2,551	2,500
U. S. Customs	140,746	172,022	215,040	293,805	325,060	500,781	450,080
<b>Capital Funds</b>							
Police Vehicle Replacement Fund	14,207	26,657	20,520	49,095	36,632	53,316	48,500
Fleet Replacement Fund	105,415	167,785	170,500	175,020	302,947	281,451	289,500
<b>Major Governmental Funds</b>							
TIF Funds	3,184,978	2,370,558	1,939,134	2,932,955	2,274,660	1,624,039	1,404,504
VIP Fund	2,344,187	2,404,529	3,333,190	2,894,328	3,598,907	2,982,305	7,814,750
General Fund	20,188,194	20,296,284	24,412,514	22,805,233	26,180,420	23,500,090	23,910,817
<b>Proprietary Fund</b>							
Water Fund	7,559,846	7,200,505	7,405,465	8,108,979	8,287,696	8,804,251	13,417,873
<b>Total Revenues</b>	<b>35,212,170</b>	<b>34,188,489</b>	<b>38,865,921</b>	<b>38,671,401</b>	<b>42,296,383</b>	<b>39,181,065</b>	<b>48,690,526</b>
<b>Expenditures</b>							
<b>Non Major Governmental Funds</b>							
Foreign Fire Insurance	41,363	48,048	43,300	35,738	39,001	28,891	40,080
IMRF Pension	200,595	134,597	159,145	114,141	137,810	129,642	144,366
Social Security / Medicare	311,194	325,595	345,100	350,436	384,865	365,179	390,742
Motor Fuel Tax	-	-	-	-	-	-	-
1505 State Seizure	62,260	45,899	130,700	102,652	130,758	60,604	41,967
Police DUI	1,530	5,935	36,000	239	36,000	19,467	17,530
U. S. Customs	154,335	211,108	215,881	182,334	430,707	323,885	665,420
<b>Capital Funds</b>							
Police Vehicle Replacement Fund	-	123,220	33,389	34,422	33,389	33,389	112,089
Fleet Replacement Fund	160,337	181,030	800,954	-	592,591	243,954	522,180
<b>Major Governmental Funds</b>							
TIF Funds	740,604	679,630	3,020,366	742,883	4,334,810	589,281	3,394,500
VIP Fund	1,728,191	1,342,534	4,417,173	2,390,356	4,656,099	2,758,004	10,380,621
General Fund	21,168,158	21,571,134	26,262,037	24,447,770	31,148,181	26,810,852	30,035,850
<b>Proprietary Fund</b>							
Water Fund	3,463,959	3,195,919	7,311,966	3,232,684	9,598,091	9,294,216	18,082,864
<b>Total Expenditures</b>	<b>28,050,524</b>	<b>27,864,618</b>	<b>45,776,010</b>	<b>31,633,654</b>	<b>51,522,302</b>	<b>40,457,166</b>	<b>63,828,209</b>
<b>Net income / (loss)</b>	<b>7,161,646</b>	<b>6,323,871</b>	<b>(6,910,089)</b>	<b>7,037,747</b>	<b>(9,225,919)</b>	<b>(1,276,101)</b>	<b>(15,137,683)</b>
<b>Other financing sources (uses)</b>	<b>88,416</b>	<b>188,129</b>	<b>(4,162,508)</b>	<b></b>			

# Financial Projections FY26

- Projected Total Deficit: \$15.14M
- Projected Deficit General Fund: \$4.3M

Budget Deficit	Debt
Annual shortfall in revenue vs. spending	Total amount owed from past deficits
Measured yearly	Accumulated over time
Can be zero or even a surplus	Can still exist even if there's no current deficit



# General Fund Summary FY26

Village of Forest Park Summary FY2022- FY2026							
General Fund							
Description	FY2022	FY2023	Fiscal Year 4/30/2024		Fiscal Year 2025		FY2026
	End Balance	End Balance	Budget	End Balance	Budget	Year End Projection	Proposed Budget
<b>Revenues</b>							
Property Taxes	5,971,145	5,975,748	6,159,628	6,497,911	6,607,295	7,044,286	7,101,986
State Taxes	6,492,856	6,602,869	6,748,855	6,900,214	7,177,757	6,917,844	6,751,447
Utility/Franchise Taxes	1,334,369	1,340,138	1,257,600	1,158,976	1,142,000	1,141,476	1,132,515
Licenses, Permits, Fees	1,262,116	1,211,683	1,203,650	1,260,271	1,200,574	1,634,363	1,405,808
Grants	1,007,150	320,153	4,213,880	1,061,925	4,199,202	568,363	1,161,239
Fees for Services	3,043,406	3,699,329	3,939,243	4,576,986	4,665,721	4,849,482	4,947,258
Fines & Penalties	840,799	763,786	681,000	935,986	885,402	1,152,110	1,158,300
Leases / Misc Revenues	236,354	382,579	208,658	412,965	302,471	282,165	252,263
<b>General Fund Revenues</b>	<b>20,188,194</b>	<b>20,296,284</b>	<b>24,412,514</b>	<b>22,805,233</b>	<b>26,180,420</b>	<b>23,590,090</b>	<b>23,910,817</b>
<b>Expenditures</b>							
Total General Public Affairs	1,317,478	1,446,466	1,713,224	1,525,030	1,888,734	1,603,941	1,953,656
Total Police Department	4,585,332	4,934,808	5,871,323	5,467,422	5,993,076	5,645,506	6,628,008
Total Community Center	477,305	592,829	665,191	657,434	694,704	673,669	728,821
<b>Total Office of Public Affairs</b>	<b>6,380,115</b>	<b>6,974,104</b>	<b>8,249,738</b>	<b>7,649,887</b>	<b>8,576,513</b>	<b>7,923,117</b>	<b>9,310,485</b>
Total Village Clerk	6,643,296	7,217,882	8,328,188	8,424,555	9,590,264	9,860,246	10,111,687
Total Grants	988,421	288,548	4,298,340	618,813	3,658,848	378,872	1,040,875
Total Fire Department	3,352,606	3,317,702	4,055,422	3,697,582	4,708,047	4,324,080	5,324,932
<b>Total Accounts and Finance</b>	<b>10,984,323</b>	<b>10,824,131</b>	<b>16,681,949</b>	<b>12,740,951</b>	<b>17,957,160</b>	<b>14,563,198</b>	<b>16,477,494</b>
Total Public Health & Safety	299,675	321,361	462,563	412,781	591,056	405,500	467,966
Total Streets & Public Improve.	1,512,470	1,600,260	1,844,517	1,764,195	1,935,265	1,840,114	1,980,988
Total Public Property	2,009,575	1,851,277	2,023,269	1,879,956	2,088,187	1,878,724	1,798,916
<b>Total Public Works</b>	<b>3,522,045</b>	<b>3,451,538</b>	<b>3,867,786</b>	<b>3,644,151</b>	<b>4,023,452</b>	<b>3,718,837</b>	<b>3,779,905</b>
<b>General Fund Expenditures</b>	<b>21,186,158</b>	<b>21,571,134</b>	<b>29,262,037</b>	<b>24,447,770</b>	<b>31,148,181</b>	<b>26,610,652</b>	<b>30,035,850</b>
<b>Net income / (loss)</b>	<b>(997,963)</b>	<b>(1,274,851)</b>	<b>(4,849,522)</b>	<b>(1,642,537)</b>	<b>(4,967,761)</b>	<b>(3,020,563)</b>	<b>(6,125,033)</b>
Other financing sources	1,557,487	1,758,287	1,905,500	1,749,547	1,992,000	1,694,717	1,807,200
<b>Net change in fund balance</b>	<b>559,523</b>	<b>483,437</b>	<b>(2,944,022)</b>	<b>107,010</b>	<b>(2,975,761)</b>	<b>(1,325,846)</b>	<b>(4,317,833)</b>
Beginning Fund Balance	476,907	935,786		1,419,220		1,526,230	200,384
restated FB per FY2022 audit	(100,644)						
Ending Fund Balance	935,786	1,419,220		1,526,230		200,384	(4,117,449)

# General Fund Summary FY26

## General Fund

- Projected Revenue: \$23.9M
- Projected Expenses: \$30M
- Projected other financing sources: \$1.8M
- Beginning fund balance: \$200K
- Projected Deficit: \$4.3M

# Water Fund Summary FY26

Village of Forest Park Summary FY2022- FY2026							
Water Fund							
	FY2022	FY2023	Fiscal Year 4/30/2024		Fiscal Year 2025		FY2026
<u>Description</u>	<u>End Balance</u>	<u>End Balance</u>	<u>Budget</u>	<u>End Balance</u>	<u>Budget</u>	<u>Year End Projection</u>	<u>Proposed Budget</u>
Water Fund Revenues	7,559,846	7,200,505	7,405,465	8,108,979	8,287,696	8,804,251	13,417,873
Water Fund Expenditures	3,463,959	3,195,919	7,311,966	3,232,684	9,598,091	9,294,216	18,082,864
Net income / (loss)	4,095,887	4,004,586	93,499	4,876,295	(1,310,396)	(489,965)	(4,664,991)
Other financing sources	(1,158,093)	(880,000)	(1,150,000)	(570,000)	(1,015,000)	(1,015,000)	(900,000)
Net change in fund balance	2,937,794	3,124,586	(1,056,501)	4,306,295	(2,325,396)	(1,504,965)	(5,564,991)
Beginning Fund Balance	21,509,594	24,447,388		27,372,692		31,678,987	30,174,022
<i>restated FB per FY2023 audit</i>		<i>(199,283)</i>					
Ending Fund Balance	24,447,388	27,372,692		31,678,987		30,174,022	24,609,031

# Water Fund Summary FY26

## Water Fund

- Projected Revenue: \$13.4M
- Projected Expenses: \$18M
- Projected other financing sources: \$900K
- Beginning fund balance: \$30.1M
- Projected Deficit: \$0
- Projected Ending Fund Balance: \$24.6M

# Wages and Benefits FY26

## General Fund

- Departmental Operating Budgets
- Wages & Benefits = 68.4% of expenses

## Water Fund

- Water Utility Operating Budget
- Wages & Benefits = 3.2% of expenses

# Special Funds Summary FY26

## **Non-Major Governmental Funds:**

Foreign Fire Insurance

IMRF Pension

Social Security/Medicare

Motor Fuel Tax

1505 Seizure

Police DUI

US Customs

## **Major Governmental Funds:**

Tax Increment Financing (TIF) - 3

Village Improvement Plan (VIP)

## **Capital Asset Funds:**

Police Vehicle Replacement Fund

Fleet Replacement Fund

# FY26 Key Financial Impacts

**General Fund Top Expenses:** Police (\$6.63M), Fire (\$5.32M), Public Works (\$3.88M)

**Water Fund Major Projects:** Watermain Projects (\$6.2M), Lead Service Line Replacement (\$3.5M)

**Purchases:** Police Vehicles, PW Bucket/Chip Trucks

**Infrastructure Projects:** Streets, Alleys, Sidewalks

# Village Spending Priorities

- **Investment in Infrastructure:** Focused upgrades to roads, water mains, and sewer systems
- **Pension Liability Management:** Actively addressed through supplemental payments as funds become available
- **Fleet Replacement Plans:** Ongoing updates to vehicles in the Police Department and Public Works
- **Public Safety and Services:** Continued emphasis on crime prevention, emergency medical services (EMS), and infrastructure maintenance
- **Future Planning Initiatives:** Strategic preparation for building repairs, water reservoir improvements, and fire vehicle fleet replacement



# What is the plan?

How do we reduce  
the Village's budget  
deficit?



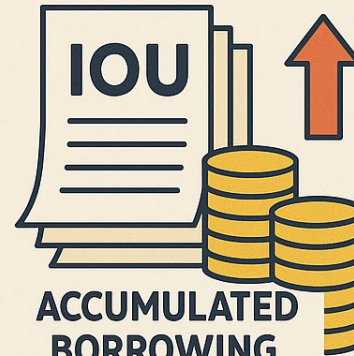
# Budget Deficit vs Municipal Debt

## BUDGET DEFICIT



**ANNUAL  
OVERSPENDING**

## MUNICIPAL DEBT



**ACCUMULATED  
BORROWING  
OVER TIME**

BUDGET DEFICIT	MUNICIPAL DEBT
Spending	Borrowing
Annually	Long-Term

# Budgeting Expectations

**Compliance with Standards:** Adhere to government accounting principles and follow auditor recommendations

**Expense Justification:** Ensure all expenditures are supported with clear, documented rationale

**Deficit Analysis:** Investigate underlying causes of budget shortfalls

**Collaborative Budget Oversight:** Work with Department Heads to align budgeting practices with actual spending

# Budget Assumptions

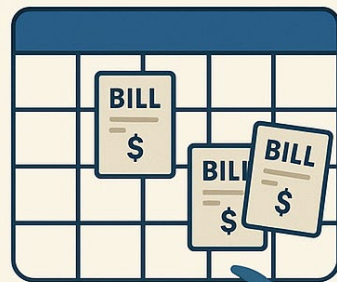
**Fully Staffed Departments:** Budgets are based on actual labor costs assuming all positions are filled

**Grant-Dependent Projects:** Project implementation is contingent upon the successful award of grant funding

**Planned Debt Management:** Borrowing is strategically incorporated into long-term financial planning

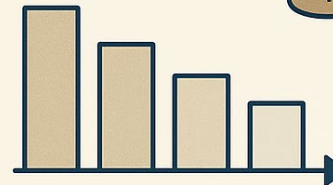
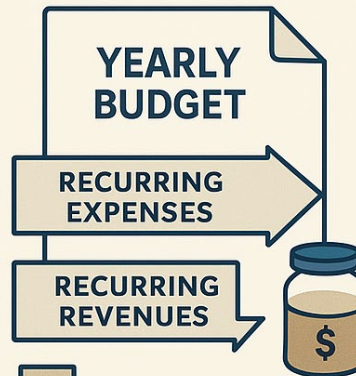
# Cash Flow vs Structural Deficit

## CASH FLOW vs. STRUCTURAL DEFICIT



**RESERVE  
FUND**

Temporary imbalance  
covered by reserves



Ongoing imbalance  
that threatens  
long-term stability

# Cash Flow Deficit

**What happens when we don't have cash in the bank to pay bills?**

- **Utilize Reserve Funds:** Tap into designated reserves to cover short-term cash flow gaps
- **Interfund Borrowing:** Temporarily borrow from other municipal funds with repayment plans
- **Debt Financing:** Issue bonds or secure loans to fund major expenses when necessary

# Structural Deficit

A **structural deficit** occurs when a government or organization consistently spends more than it earns in revenue, even when the economy is operating at full capacity.

It reflects a long-term imbalance between recurring revenues (like taxes or fees) and recurring expenditures (like salaries, services, and debt payments).

# Structural Deficit Causes

**Unrealistic Budgeting:** Financial plans that do not accurately reflect operational needs or constraints

**Insufficient Planning:** Lack of strategic foresight in anticipating expenses and revenue

**Payment Challenges:** Inability to meet financial obligations on time

**Unplanned Emergency Spending:** Unexpected costs that disrupt budget stability



# How do we reduce the deficit?



## **INCREASE REVENUES**

- Raise taxes or fees
- Expand tax base
- Improve collections



## **REDUCE EXPENDITURES**

- Cut non-essential services
- Streamline operations
- Renegotiate contracts



## **STRUCTURAL REFORMS**

- Pension reform



## **LONG-TERM PLANNING**

- Multi-year budgeting

# How do we reduce the deficit?

## **Reduce Expenditures**

- Cut non-essential services
- Streamline operations
- Renegotiate contracts

## **Increase Revenue**

- Raise/Implement taxes or fees
- Expand the tax base
- Improve collections

# How do we reduce the deficit?

## **Structural Reforms**

- Address pension liability
- Healthcare cost control
- Debt restructuring
- Multi-year budgeting/planning
- Reserve policies
- Performance-based budgeting

## **Economic Development**

- Strategic redevelopment
- Corridor revitalization

# Ongoing Efforts

**Pension Management:** Long-standing pension obligations are being actively addressed with monthly and supplemental payments as funds allow

**Infrastructure Investment:** Road maintenance has followed a strategic plan consistently for over 20 years

**Financial Stability:** All financial obligations are being met, with no delays in bill payments

**Operational Efficiency:** Staff continue to deliver essential services effectively despite reduced manpower

# Discussion

## **Reduction of Expenses**

Realistic budgeting expenditures  
Leasing of Police and Fleet Vehicles  
Crossing Guards  
Flood Grant Program  
Leaf Pick Up

# Discussion

## **Increase Revenue**

Places of Eating Tax

Parking Amnesty Program

Boot Program

On-Street Parking Permits

Property Tax Reallocation

Water Meter Replacement Cost Recovery Plan

Vehicle Sticker Fee Increase

Parking Meter Fee Increase

Late Fee Assessment on Accounts Receivables

# Discussion

## **Economic Development**

### Revitalization of TIF Districts

Promote redevelopment of unused and underutilized properties

Reimagination of current landscape

Leverage of Village's transit-oriented location and proximity to Chicago as strength for development potential