



The Civic Federation

Research * Information * Action * Est. 1894

DUPAGE COUNTY PROPOSED FY2013 FINANCIAL PLAN:

Summary

October 22, 2012

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The Civic Federation is an independent, non-partisan government research organization working to maximize the quality and cost-effectiveness of government services in the Chicago region and State of Illinois.

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REPORT SUMMARY

The purpose of this report is to provide a brief review of the DuPage County Proposed FY2013 Financial Plan and examination of the County's financial condition. The report reviews key findings of the budget plan and compares proposed FY2013 figures to FY2012 adopted and current budget figures. Five-year trend analyses for liabilities, including pensions, debt and capital funding, are also included in the appendix of this report.

The Civic Federation **supports** the DuPage County Proposed FY2013 Financial Plan and finds it be a fiscally reasonable plan. The proposed budget holds the property tax levy at the same level for the third year in a row, maintains a healthy fund balance and reduces headcount.

DuPage County proposes a FY2013 budget of \$431.8 million. The budget is a 1.8%, or \$8.1 million, decrease from the FY2012 current budget of approximately \$440 million.¹ These figures exclude grants, the DuPage County Health Department, the Emergency Telephone Service Board (ETSB) and Special Service Areas.

The charts below display two-year trend highlights from this report and are separated into two sections of key findings: 1) the FY2013 proposed budget using data from the County's Proposed FY2013 Financial Plan and 2) the County's liabilities using data from the County's most recent audited financial statements (FY2011). Trend conclusions shown are based on whether amounts shown increased, decreased, or remained flat over the two-year periods. More detailed information on each of these findings is provided in the corresponding analysis sections of this report.

¹ The current budget is the County Board approved budget plus or minus any authorized budget transfers through August 15, 2012. Information provided by DuPage County budget staff, October 2, 2012.

The Civic Federation identifies the following **key findings on the FY2013 proposed budget**:

DuPage County Proposed FY2013 Financial Plan Analysis Highlights			
FY2013 Proposed Budget: FY2012 & FY2013			
(in \$ millions)			
	FY2012	FY2013	Trend
Appropriations*			
All Funds	\$ 439.9	\$ 431.8	Decrease
General Fund	\$ 169.3	\$ 168.8	Decrease
Resources**			
Property Tax Levy (Gross)	\$ 66.6	\$ 66.6	Flat
Personnel*			
Headcount (net)	2,234	2,227	Decrease
Appropriations	\$ 204.9	\$ 204.3	Decrease
Fund Balance***			
	FY2010	FY2011	
Unrestricted General Fund Fund Balance	\$ 59.8	\$ 61.8	Increase
Unrestricted General Fund Fund Balance Ratio	44.2%	47.2%	Increase

*FY2012 current budget figures

**FY2012 estimated budget figures

***Fund balance data comes from DuPage County annual financial statements.

Note: Property tax levy differs from DuPage County's fiscal year, with the County's fiscal year running from Dec. 1 to Nov. 30 and the property tax year following the calendar year.

- General Fund appropriations, which account for the County's operating budget, will decrease slightly to \$168.8 million, falling by \$488,849, or 0.3%, from the FY2012 current appropriation of \$169.3 million. General Fund appropriations represent 39.1% of the total budget.
- The County's property tax levy will remain flat at \$66.6 million for the third year in a row.
- The net full-time headcount for DuPage County is proposed to decline by seven positions, or 0.3%, in FY2013 from FY2012 final approved budget figures. The net number of full-time positions will fall from 2,234 to 2,227 full-time positions.
- At the end of FY2011, the County's fund balance, or net resources, including self-imposed constraints, amounted to \$61.8 million, or 47.2% of General Fund operating expenditures.

The Civic Federation offers the following **key findings on DuPage County's liabilities**:

DuPage County Proposed FY2013 Financial Plan Analysis Highlights			
Capital: FY2012 & FY2013			
(in \$ millions)			
	FY2012 Estimated	FY2013 Estimated	Trend
Bond-Financed Capital Projects	\$ 20.1	\$ 42.1	Increase
G.O. Alternate Series 2010 Revenue Bond Projects	\$ 16.9	\$ 37.4	Increase

- Bond-funded projects funding will increase by approximately \$22.0 million, or 109.4%, from \$20.1 million in FY2012 to \$42.1 million in FY2013.

- Funding for G.O. Alternate Series 2010 Revenue Bond Projects will also increase in the two-year period, by \$21.5 million, or 121.5%, as construction projects approach full stride and completion.²

DuPage County Proposed FY2013 Financial Plan Analysis Highlights			
Liabilities: FY2010 & FY2011			
(in \$ millions)			
	FY2010	FY2011	Trend
Short-Term Liabilities			
Governmental Funds	\$ 36.3	\$ 47.2	Increase
Accounts Payable (Governmental Funds)	\$ 15.9	\$ 15.3	Decrease
Current Ratio	8.3	6.7	Decrease
Long-Term Liabilities			
Governmental Activities	\$ 369.4	\$ 351.7	Decrease
General Obligation Debt Per Capita*	\$ 256	\$ 244	Decrease

*Gross general obligation bonded debt per capita

- Short-term liabilities in the Governmental Funds increased by approximately \$11.0 million, or 30.2%, from FY2010 to FY2011. Between FY2007 and FY2011, short-term liabilities increased by \$6.1 million, or 14.9%.
- Accounts payable liabilities decreased by 3.9% between FY2010 and FY2011.
- The current ratio, which is a measure of liquidity, declined from 8.3 in FY2010 to 6.7 in FY2011. Generally, a government's current ratio should be close to 2.0 or higher.³
- DuPage County's outstanding General Obligation debt declined from \$369.4 million in FY2010 to \$351.7 million in FY2011. This is a decrease of approximately \$17.7 million, or 4.8%.
- General Obligation debt per capita fell from \$256 to \$244 between FY2010 and FY2011.
- DuPage County's bond ratings as of the release of the FY2013 budget have not changed since the release of the FY2012 budget and are as follows:
 - Standard and Poor's – AAA
 - Fitch – AAA
 - Moody's – Aaa.⁴

² Information provided by DuPage County budget staff, October 12, 2012.

³ Finkler, Steven A. *Financial Management for Public, Health and Not-for-Profit Organization*, Upper Saddle River, NJ, 2001, p. 476.

⁴ DuPage County Proposed FY2013 Financial Plan, p. 575.

DuPage County Proposed FY2013 Financial Plan Analysis Highlights			
Pensions & OPEB: FY2010 & FY2011			
(in \$ millions)			
	FY2010	FY2011	Trend
Pensions			
Funded Ratio			
Regular County Employees	71.5%	67.2%	Decrease
Elected County Officials	2.6%	-8.0%	Decrease
Sheriff's Law Enforcement Personnel	46.0%	44.3%	Decrease
Veterans Assistance Commission	78.4%	39.2%	Decrease
Unfunded Liabilities			
Regular County Employees	\$ 100.9	\$ 116.3	Increase
Elected County Officials	\$ 9.0	\$ 8.8	Decrease
Sheriff's Law Enforcement Personnel	\$ 73.8	\$ 72.2	Decrease
Veterans Assistance Commission	\$ 0.03	\$ 0.07	Increase

- Funded ratios for all four of the County's employee pension groups fell in FY2011, including a 39.2 percentage point drop in the Veterans Assistance Commission group. The Elected County Officials group funded ratio fell from 2.6% in FY2010 to a negative 8.0% funded ratio in FY2011.
- Unfunded liabilities for the Regular County Employees and Veterans Assistance Commission increased by 15.3% and 146.5%, respectively. Unfunded liabilities fell for the Elected County Officials and the Sheriff's Law Enforcement Personnel by 2.5% and 2.2%, respectively.

ACKNOWLEDGMENTS

The Civic Federation would like to express its appreciation to DuPage County Chief Financial Officer Frederic Backfield, Chief of Staff Tom Cuculich and staff for their hard work in preparing this budget and their willingness to answer our questions.

APPROPRIATIONS

This section of the analysis presents an overview of DuPage County government appropriation trends. Appropriations are compared across two-year trends by fund type and function.

Two-Year Appropriations for All Funds

DuPage County proposes a FY2013 budget of \$431.8 million. The budget is a 1.8%, or \$8.1 million, decrease from the FY2012 current budget of approximately \$440 million.⁵ These figures exclude grants, the DuPage County Health Department, the Emergency Telephone Service Board (ETSB) and Special Service Areas. Grants are approved on an individual basis throughout the year, and are therefore excluded from the budget.⁶ The proposed budget also does not include the DuPage County Health Department and ETSB budgets because these budgets are approved by

⁵ The current budget is the County Board approved budget plus or minus any authorized budget transfers.

⁶ Information provided to the Civic Federation by DuPage County budget staff on October 2, 2012.

their separate Boards and later compiled in the final proposed budget.⁷ Special Service Areas are excluded from the budget because they are distinct taxing jurisdictions.

Total appropriations for DuPage County are divided into the following five funds:

- *General Fund*: chief operating fund and primary source for basic governmental activities;
- *Special Revenue Funds*: funds from restricted revenue sources designated for specific uses;
- *Enterprise Funds*: funds that are operated and financed similarly to private business enterprises; intended to be self-supporting, primarily through user fees;
- *Capital Projects Fund*: funds used for acquisition or construction of capital facilities; and
- *Debt Service Fund*: used for the payment of principal, interest and agency fees on bonds issued by the County.⁸

General Fund appropriations will decrease slightly by \$488,849, or 0.3%, from \$169.3 million in FY2012 to \$168.8 million in FY2013. Appropriations for Special Revenue Funds will decline by \$6.4 million, or 3.7%, from \$174.1 million in FY2012 to \$167.6 million in FY2013.

Commodities and contractual appropriations in the Special Revenue Funds are decreasing from FY2012 current appropriations by 12.8% and 9.0%, respectively. These changes are influenced by the County's efforts to control costs through competitive vetting and a search for lower cost supplies. Additionally, in June 2012, the County Board modified the County's procurement ordinance to seek more competition for contracts previously exempted under state law. The overall decrease in commodities and contractual appropriations, which will decline by 11.8% and 4.1% in FY2013, respectively are also related to these initiatives.⁹ Enterprise Funds appropriations will also decrease in FY2013, by 16.2%, or approximately \$4.8 million as a result of completion of water and sewer construction projects countywide.¹⁰ Funding for Capital Projects will rise by 6.9%, or \$3.5 million, while Debt Service Fund appropriations will increase slightly by 0.2%.

DuPage County All Funds Appropriations: FY2012 & FY2013				
Fund	FY2012 Current	FY2013 Proposed	\$ Change	% Change
General Fund	\$ 169,307,465	\$ 168,818,616	\$ (488,849)	-0.3%
Special Revenue Funds	\$ 174,052,616	\$ 167,634,603	\$ (6,418,013)	-3.7%
Enterprise Funds	\$ 29,356,132	\$ 24,601,753	\$ (4,754,379)	-16.2%
Capital Projects Fund	\$ 51,043,108	\$ 54,549,701	\$ 3,506,593	6.9%
Debt Service Fund	\$ 16,164,018	\$ 16,202,815	\$ 38,797	0.2%
Total	\$ 439,923,339	\$ 431,807,488	\$ (8,115,851)	-1.8%

Note: Excludes grants, DuPage County Health Department, ETSB and Special Service Areas.

Source: DuPage County Proposed FY2013 Financial Plan, p. 100.

⁷ DuPage County Proposed FY2013 Financial Plan, Chairman's Transmittal Letter.

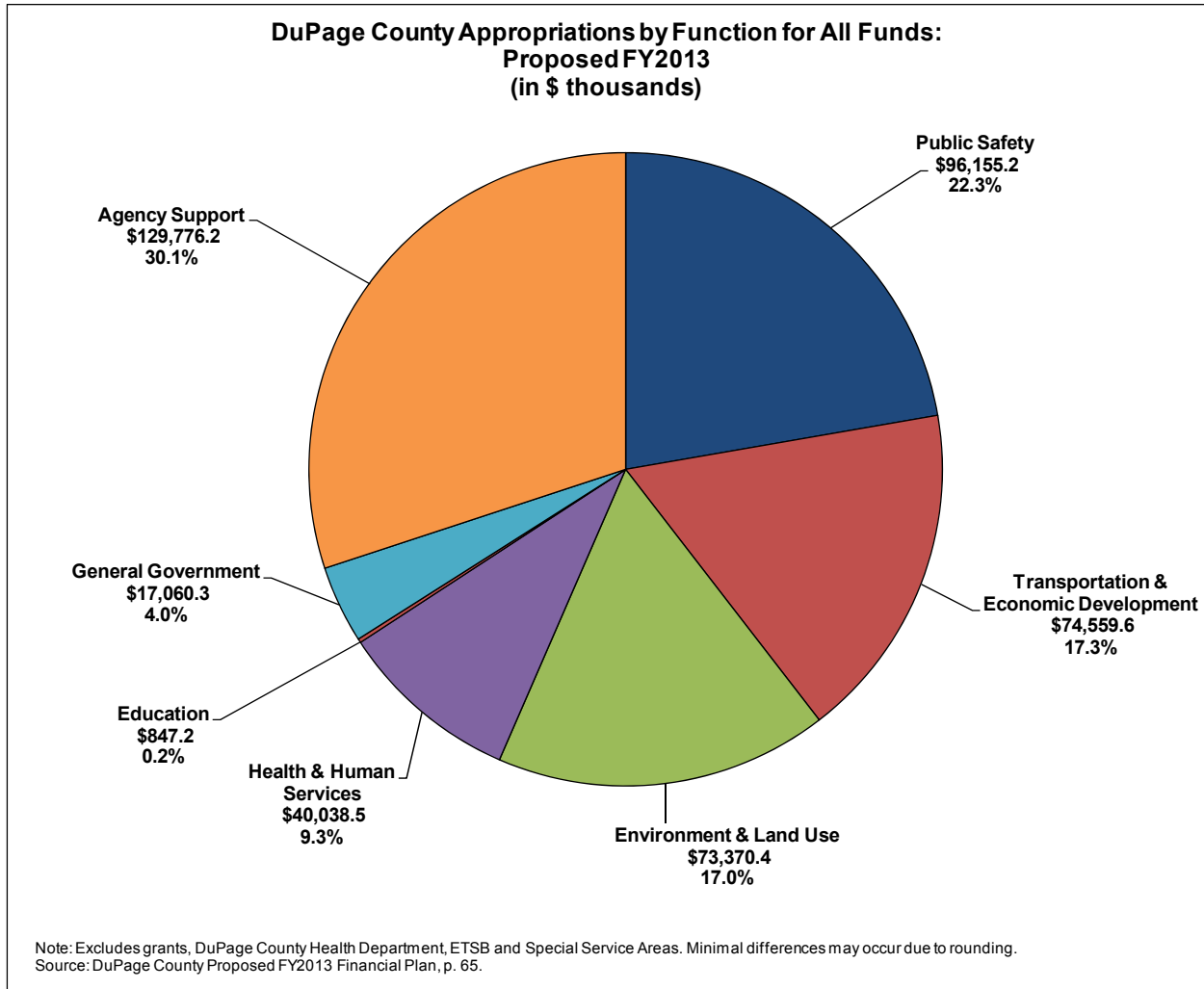
⁸ DuPage County Proposed FY2013 Financial Plan, pp. 14-22.

⁹ DuPage County Proposed FY2013 Financial Plan, p. 100 and Chairman's Transmittal Letter.

¹⁰ Information provided by DuPage County budget staff, October 12, 2012.

Two-Year Appropriations by Function for All Funds

The chart below illustrates appropriations by function for all funds for FY2013. Agency Support accounts for 30.1%, or \$129.8 million, of total appropriations for DuPage County. Agency Support includes the Illinois Municipal Retirement Fund, Social Security and Employee Health Insurance.¹¹ Public Safety makes up close to one-fourth of total appropriations, representing 22.3%, or \$96.2 million. Transportation & Economic Development (17.3%), Environment & Land Use (17.0%), Health & Human Services (9.3%) and General Government (4.0%) represent 47.5% of total appropriations, while Education represents only 0.2% of total appropriations.



The following chart depicts comparisons of appropriations by function for the FY2013 proposed budget and FY2012 current budget. Grant funds, the DuPage County Health Department, the ETSB and Special Service Areas are not included in this chart.

Appropriations for Environment & Land Use and Agency Support in FY2013 will increase by 1.5% and 0.8%, respectively. Appropriations for all other functions will decline between FY2012

¹¹ DuPage County Proposed FY2013 Financial Plan, p. 66.

and FY2013. Transportation and Economic Development appropriations will decrease by the greatest dollar amount over the two-year period from \$79.3 million to \$74.6 million. This is a decrease of approximately \$4.8 million, or 6.0%. Appropriations for Public Safety in FY2013 will decline by 3.3%, or \$3.2 million, from the previous year. General Government appropriations will decrease by nearly \$2.0 million, or 10.4%, from FY2012.

DuPage County Appropriations by Function: FY2012 & FY2013				
(in \$ thousands)				
Function	FY2012 Current	FY2013 Proposed	\$ Change	% Change
Public Safety	\$ 99,400.3	\$ 96,155.2	\$ (3,245.1)	-3.3%
Transportation & Economic Development	\$ 79,321.0	\$ 74,559.6	\$ (4,761.4)	-6.0%
Environment & Land Use	\$ 72,287.3	\$ 73,370.4	\$ 1,083.1	1.5%
Health & Human Services	\$ 40,231.7	\$ 40,038.5	\$ (193.2)	-0.5%
Education	\$ 848.6	\$ 847.2	\$ (1.4)	-0.2%
General Government	\$ 19,039.7	\$ 17,060.3	\$ (1,979.4)	-10.4%
Agency Support	\$ 128,794.7	\$ 129,776.2	\$ 981.5	0.8%
Total	\$ 439,923.3	\$ 431,807.4	\$ (8,115.9)	-1.8%

Note: Excludes grants, DuPage County Health Department, ETSB and Special Service Areas. Minimal differences may occur due to rounding.
Source: DuPage County Proposed FY2013 Financial Plan, p. 65.

Two-Year General Fund Appropriations by Expense Category

The DuPage County Proposed FY2013 Financial Plan includes a General Fund appropriation of approximately \$168.8 million, excluding grant funds, DuPage County Health Department and ETSB budgeted amounts and Special Service Areas. Personnel appropriations will increase by 0.9%, or \$1.0 million, over FY2012 current amounts. This rise comes despite a reduction of seven personnel full-time equivalent positions and is due in part to an anticipated 3.0% increase in the County's employee health insurance costs.¹² Personnel appropriations will account for 71.8% of all General Fund appropriations in FY2013. In FY2013 appropriations for Capital Outlay will increase by 13.8%, or \$390,264, while appropriations for Contractual expenses will decline by 5.4%, or \$1.5 million. Appropriations for Commodities will decrease by 7.2%, or \$385,999, over the two-year period.

DuPage County General Fund Appropriations by Expense Category: FY2012 & FY2013				
Expense Category	FY2012 Current	FY2013 Proposed	\$ Change	% Change
Personnel	\$120,154,783	\$121,182,081	\$ 1,027,298	0.9%
Commodities	\$ 5,384,978	\$ 4,998,979	\$ (385,999)	-7.2%
Contractual	\$ 27,173,617	\$ 25,710,205	\$ (1,463,412)	-5.4%
Capital Outlay	\$ 2,837,444	\$ 3,227,708	\$ 390,264	13.8%
Bond & Debt	\$ -	\$ -	\$ -	-
Transfers Out	\$ 13,756,643	\$ 13,699,643	\$ (57,000)	-0.4%
Total	\$169,307,465	\$168,818,616	\$ (488,849)	-0.3%

Note: Excludes grants, DuPage County Health Department, ETSB and Special Service Areas.
Source: DuPage County Proposed FY2013 Financial Plan, p. 100.

¹² DuPage County Proposed FY2013 Financial Plan, p. 49.

RESOURCES

This section of the analysis presents an overview of DuPage County resource trends. Resources are compared according to two-year trends based on projected FY2012 year-end and proposed FY2013 estimates.

Resources for FY2013

In FY2013 DuPage County estimates a total of \$431.8 million in revenues. The largest revenue category for the County is Other Revenues, generating 24.2%, or \$104.5 million, of total revenues. The Other Revenues category includes fees, charges, intergovernmental distributions, inheritance tax, personal property replacement tax (PPRT), interest earnings and miscellaneous income.

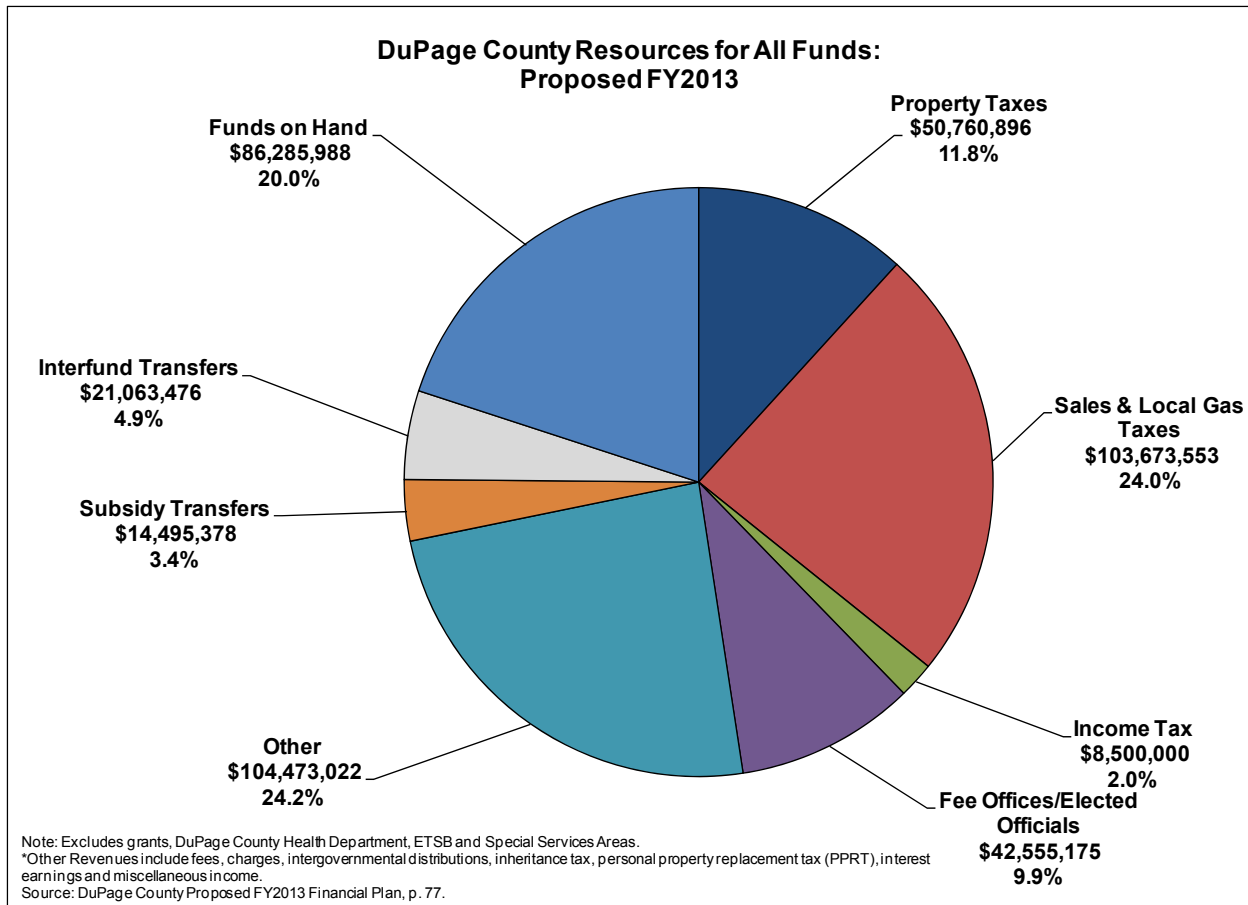
Sales and Local Gas taxes are the second largest category of revenue, comprising 24.0%, or \$103.7 million, of revenues. Funds on Hand, or use of budgetary reserves, totals \$86.3 million, or 20.0%, of projected resources. Property taxes will generate \$50.8 million, or 11.8%, of all resources.

The proposed budget does not include grant revenues, which are typically a significant source of revenue. Grants are approved on an individual basis throughout the year and therefore are excluded from the budget.¹³ The proposed budget also does not include the DuPage County Health Department and Emergency Telephone Service Board (ETSB) budgets, which are approved by their Boards and later compiled in the final proposed budget.¹⁴ The approved FY2012 Financial Plan included \$48.3 million in revenue for the Health Department and \$31.1 million in revenue for the ETSB.¹⁵ Also excluded from the budget are Special Service Areas, which are distinct taxing jurisdictions.

¹³ Information provided to the Civic Federation by DuPage County budget staff on October 2, 2012.

¹⁴ DuPage County Proposed FY2013 Financial Plan, Chairman's Transmittal Letter.

¹⁵ DuPage County FY2012 Financial Plan, p. 47.



Two-Year Revenue Trends: General Fund

The General Fund accounts for revenues and expenditures for the general operations of the DuPage County government. Total General Fund revenues are projected to increase by 1.3% in FY2013 from the FY2012 current budget, rising from \$166.6 million to \$168.8 million. The increase is due in part to increased revenues from sales taxes and other taxes. Sales tax revenues are projected to increase by 3.0%, or \$2.5 million, growing from \$82.2 million in FY2012 to \$84.7 million in FY2013.¹⁶ The Commission on Government Forecasting and Accountability projects a state sales tax growth conservatively of 2.5% while the City of Chicago is projecting FY2013 sales tax revenue to come in approximately 3.3% under FY2012 year-end estimates.¹⁷ Other taxes, which include interest earnings, inheritance tax, personal property replacement tax and other various fees, fines and charges, will increase by 0.6%, or by approximately \$100,000, from \$16.3 million to \$16.4 million.

¹⁶ In FY2013 estimates show that sales tax receipts will include \$43.7 million from the Regional Transportation Authority (RTA) supplemental \$0.25 sales tax component, \$35.5 million from the county-wide supplemental \$0.25 sales tax and \$5.6 million for the \$0.01 charged in the County's unincorporated areas. DuPage County Proposed FY2013 Financial Plan, p. 82.

¹⁷ FY2013 Economic Forecast and Revenue Estimate and FY2012 Revenue Update, Commission on Government Forecasting and Accountability, February 28, 2012 and City of Chicago, FY2013 Budget Overview, p. 158.

General Fund property tax revenue is projected to remain flat at \$28.9 million in FY2013. Income tax revenue will also remain flat from FY2012 at \$8.5 million. Fee revenues, derived from fees charged by the Recorder of Deeds, Circuit Court Clerk, the Sheriff, the County Clerk and the County Jail, as well as real estate transactions, are expected to decline by 1.3% over the two-year period.

DuPage County General Fund Revenues: FY2012 & FY2013 (in \$ millions)				
Revenue	FY2012 Estimated	FY2013 Proposed	\$ Change	% Change
Sales Taxes	\$ 82.2	\$ 84.7	\$ 2.5	3.0%
Property Tax	\$ 28.9	\$ 28.9	\$ -	0.0%
Fee Offices/Elected Officials	\$ 30.7	\$ 30.3	\$ (0.4)	-1.3%
Income Tax	\$ 8.5	\$ 8.5	\$ -	0.0%
Other*	\$ 16.3	\$ 16.4	\$ 0.1	0.6%
Total	\$ 166.6	\$ 168.8	\$ 2.2	1.3%

Note: Excludes grants, DuPage County Health Department, ETSB and Special Service Areas.

*Other Revenues are comprised of interest earnings, inheritance tax, personal property replacement tax and other various fees, fines and charges.

Source: DuPage County Proposed FY2013 Financial Plan, p. 90.

Property Tax Levy

The DuPage County property tax levy year differs from DuPage County's fiscal year, with the County's fiscal year running from December 1 to November 30 and the property tax levy year following the calendar year. Excluding the DuPage County Health Department, the tax year 2012 total property tax levy (collected in FY2013) for DuPage County government will remain flat from 2010 and 2011 levels at \$66.6 million. Of the total tax levy, \$17.9 million will be levied for the Health Department and \$48.7 million will be levied for the County. While the overall levy remains constant from 2011 levels, the levies for three individual funds changed over the two-year period. The most significant change occurred within the Detention Home Operating Fund and the Stormwater Management Fund. The tax levy for the Detention Home Operating Fund was reduced by \$500,000 as a result of the transfer of operations to Kane County's juvenile detention facility in FY2012.¹⁸ At the same time, the tax levy for the Stormwater Management Fund was raised by \$500,000 to help stabilize the fund, which has experienced a decline in fund balance as stormwater management needs rose.¹⁹

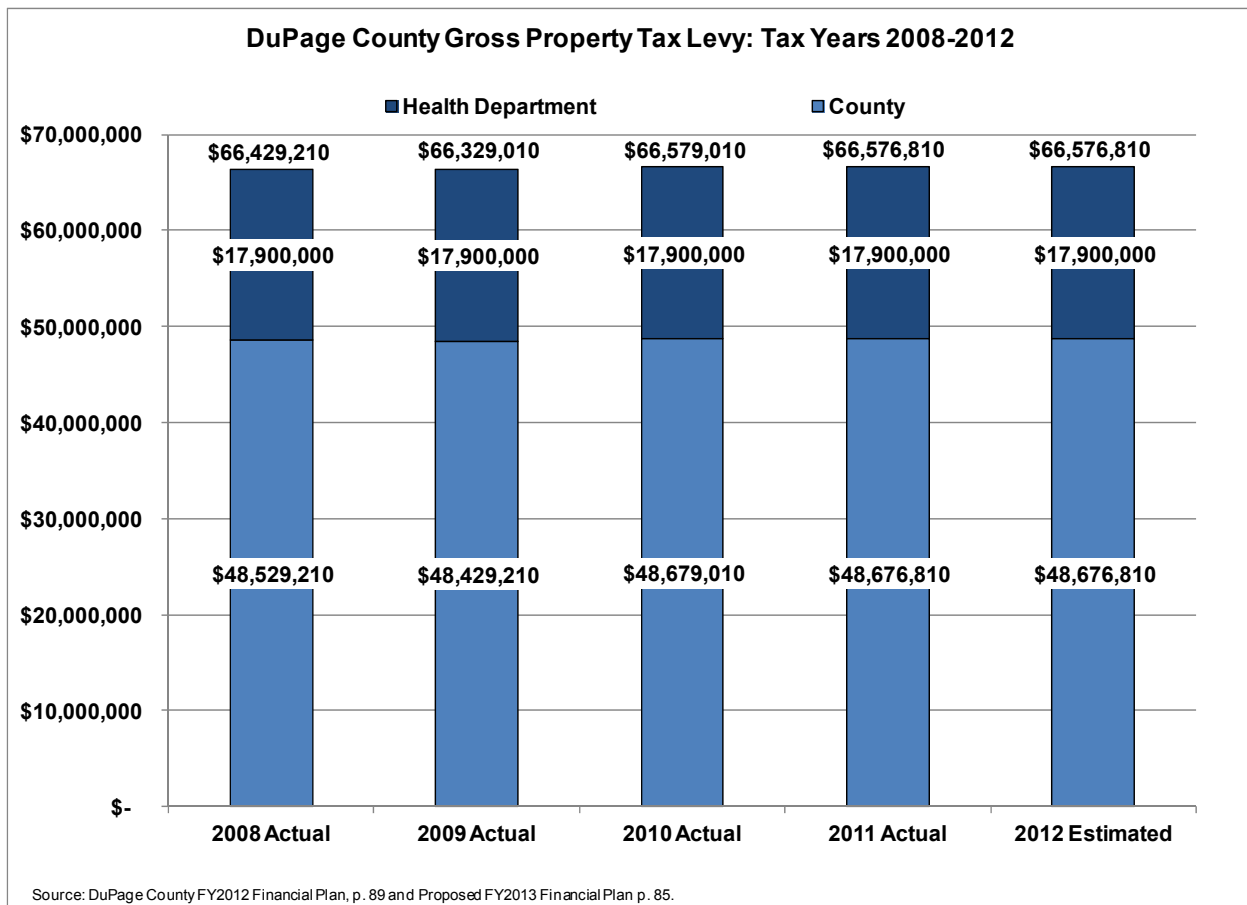
¹⁸ In FY2012, DuPage County and Kane County entered into a four-year agreement whereby DuPage County juvenile offenders previously housed at the DuPage County Juvenile Detention Center will now be housed at the Kane County Regional Youth Detention Center. Effective January 7, 2012, DuPage's youth home operations were transferred to Kane County, resulting in a cost-reduction of 27.4%, or \$730,228, between FY2011 expenditures and current FY2012 budget expenditures. Costs are expected to decline further between the FY2012 current budget and proposed FY2013 budget – by 32.0%, or \$618,916. DuPage County Proposed FY2013 Financial Plan, pp. 132 and 367-372.

¹⁹ DuPage County Proposed FY2013 Financial Plan, p. 83.

DuPage County Gross Property Tax Levy Tax Years 2011 & 2012				
	2011 Actual	2012 Estimated	Two-Year \$ Change	Two-Year % Change
General Fund	\$ 23,143,000	\$ 23,140,700	\$ (2,300)	0.0%
Stormwater Management Fund	\$ 8,500,000	\$ 9,000,000	\$ 500,000	5.9%
IMRF	\$ 5,100,000	\$ 5,100,000	\$ -	0.0%
Liability Insurance Fund	\$ 3,000,000	\$ 3,000,000	\$ -	0.0%
Social Security Fund	\$ 3,500,000	\$ 3,500,000	\$ -	0.0%
Detention Home Operating Fund	\$ 1,750,000	\$ 1,250,000	\$ (500,000)	-28.6%
Courthouse Bond Debt Service	\$ 3,683,810	\$ 3,686,110	\$ 2,300	0.1%
Health Department	\$ 17,900,000	\$ 17,900,000	\$ -	0.0%
Total	\$ 66,576,810	\$ 66,576,810	\$ -	0.0%

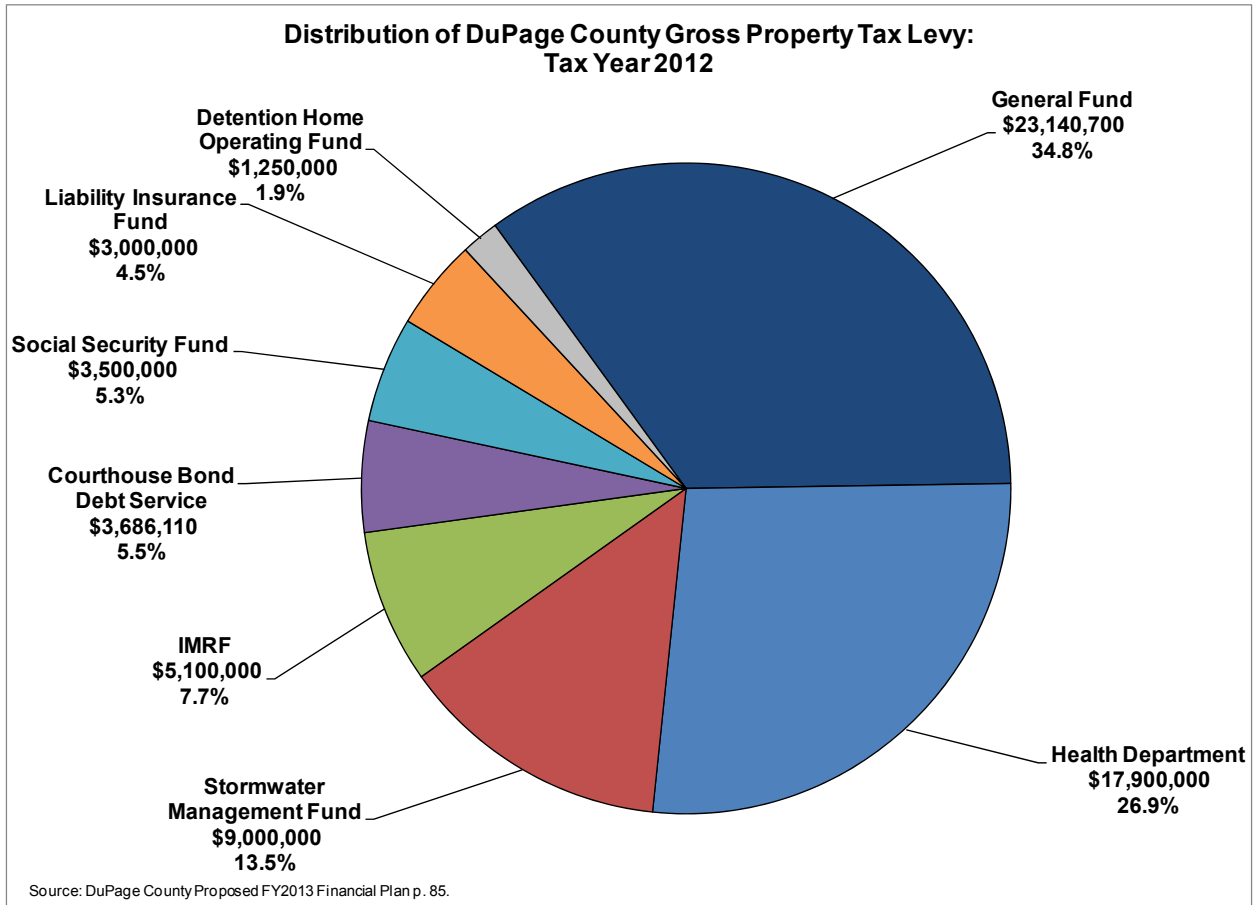
Source: DuPage County Proposed FY2013 Financial Plan, p. 85.

In tax year 2012, there will be no increase in the DuPage County Health Department levy. The Health Department levy has remained unchanged since 2008. The combined property tax levy for tax year 2012 totals \$66,576,810, which is only \$147,600, or 0.22%, above the 2008 level.

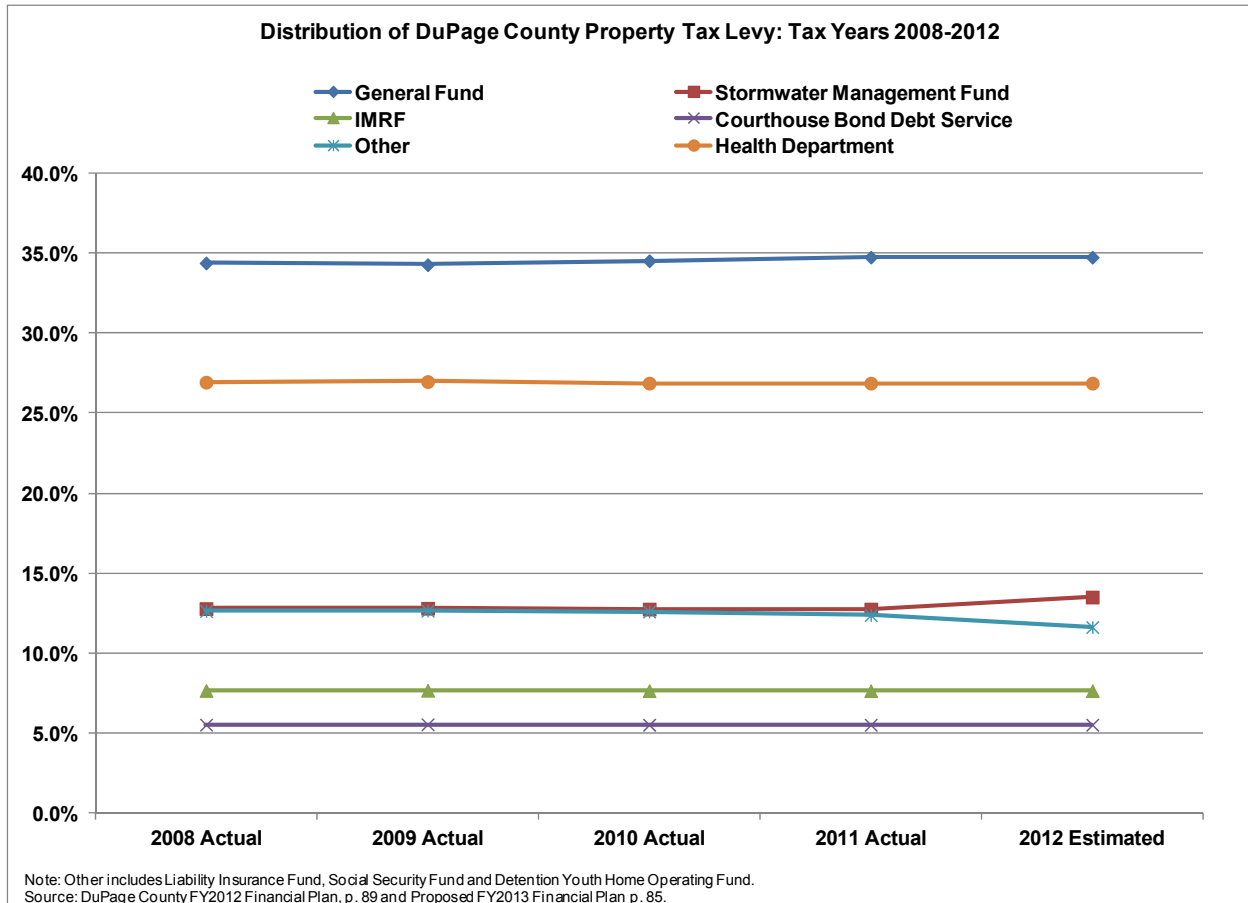


The General Fund will be the single largest recipient of property tax dollars in FY2013 (2012 levy), receiving an estimated \$23.1 million, or 34.8%, of the total levy. The Health Department

has the second largest share of the levy at \$17.9 million, or 26.9%. The next largest share of the levy is the \$9.0 million, or 13.5%, allocated to the Stormwater Management Fund.



As illustrated in the chart below, the distribution of property taxes has remained steady between tax years 2008 and 2011. The General Fund has consistently received approximately 34% of the gross property tax revenue. Historically, the Health Department has received between 26% and 27% while the Stormwater Management Fund has received between 12% and 13% of total property tax revenue.



FUND BALANCE

Fund balance is a term commonly used to describe the net assets of a governmental fund and serves as a measure of financial resources.²⁰ Fund balance is an important financial indicator for local governments. Fund balance is the difference between the assets and liabilities in a governmental fund. Fund balance in a governmental fund differs from net assets typically included in financial reporting in that it includes only a subset of assets and liabilities. It is more a measure of liquidity than of net worth.²¹ It can be thought of as the savings account of the local government.

This section discusses three aspects of fund balance: recent changes to fund balance reporting, fund balance policy and definitions and analysis of DuPage County’s fund balance levels.

²⁰ Government Finance Officers Association, *Appropriate Level of Unrestricted Fund Balance in the General Fund* (Adopted October 2009).

²¹ Gauthier, Stephen J., *The New Fund Balance* (Chicago: GFOA, 2009), p. 9.

Recent Changes to Fund Balance Reporting

The FY2011 audited financial statements for DuPage County include a modification in fund balance reporting, as recommended by the Governmental Accounting Standards Board (GASB). GASB Statement No. 54 shifts the focus of fund balance reporting from the availability of fund resources for budgeting purposes to the “extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent.”²²

Previous Components of Fund Balance

Previously, the categories for fund balance focused on whether resources were available for appropriation by governments. The *unreserved* fund balance thus referred to resources that did not have any external legal restrictions or constraints. The unreserved fund balance was able to be further categorized as designated and undesignated. A *designation* was a limitation placed on the use of the fund balance by the government itself for planning purposes or to earmark funds.²³

New Components of Fund Balance

GASB Statement No. 54 creates five components of fund balance, though not every government or governmental fund will report all components. The five components are:

- *Nonspendable fund balance* – resources that inherently cannot be spent such as pre-paid rent or the long-term portion of loans receivable. In addition, this category includes resources that cannot be spent because of legal or contractual provisions, such as the principal of an endowment.
- *Restricted fund balance* – net fund resources subject to legal restrictions that are externally enforceable, including restrictions imposed by constitution, creditors or laws and regulations of non-local governments.
- *Committed fund balance* – net fund resources with self-imposed limitations set at the highest level of decision-making which remain binding unless removed by the same action used to create the limitation.
- *Assigned fund balance* – the portion of fund balance reflecting the government’s intended use of resources, with the intent established by government committees or officials in addition to the governing board. Appropriated fund balance, or the portion of existing fund balance used to fill the gap between appropriations and estimated revenues for the following year, would be categorized as assigned fund balance.
- *Unassigned fund balance* – in the General or Corporate Fund, the remaining surplus of net resources after funds have been identified in the four categories above.²⁴

Historically, the focus of the Civic Federation fund balance analysis has been on the unreserved general fund balance. Given the new components of fund balance established by GASB Statement No. 54, the Civic Federation now focuses on a government’s unrestricted fund balance, which includes the *committed*, *assigned* and *unassigned* fund balance levels. The only difference between the two terms (unreserved and unrestricted) is that a portion of what used to

²² Gauthier, Stephen J., “Fund Balance: New and Improved,” Government Finance Review, April 2009 and GASB Statement No. 54, paragraph 5.

²³ Gauthier, Stephen J., “Fund Balance: New and Improved,” Government Finance Review, April 2009.

²⁴ Gauthier, Stephen J., “Fund Balance: New and Improved,” Government Finance Review, April 2009.

be categorized as unreserved fund balance is now reported as restricted fund balance; otherwise, the two terms are nearly synonymous.²⁵

In response to the classification changes, DuPage County reorganized and restated its fund balances for governmental funds reported as of November 30, 2010, or the beginning of the County's 2011 fiscal year, in its FY2011 Comprehensive Annual Financial Report (CAFR).²⁶ The Civic Federation applauds the County for reclassifying its FY2010 numbers according to the new GASB No. 54 standards.

However, in the interest of government transparency, the Civic Federation recommends that, when possible, all local governments provide ten years of fiscal data in the GASB No. 54 format in the statistical section of their audited financial statements. DuPage County's CAFR provides an explanation as to how different fund balance lines were reclassified, and the Civic Federation recommends that other governments model this approach as accurate trend analyses can only be conducted with reclassified data. Five-year trend analyses of the County's fund balance levels including the most recent FY2011 numbers are not possible because the data has been classified differently with the implementation of changes to GASB No. 54, which is described below.

DuPage Financial Policy and GFOA Best Practices

The Government Finance Officers Association (GFOA) recommends that each unit of government adopt a formal fund balance policy that considers the unit's own specific circumstances.²⁷ The DuPage County financial policies do not include a formal fund balance policy, but do include a goal to maintain a General Fund cash balance of at least 25% of total expenditures plus transfers out.²⁸ DuPage County's available fund balance has met or exceeded its cash balance goal in each of the four years examined below.

DuPage County Unreserved General Fund Balance Ratio to Expenditures & Transfers: FY2006-FY2009					
	Unreserved Fund Balance	Operating Expenditures	Transfers Out	Expenditures Plus Transfers Out	Ratio
FY2006	\$ 33,453,220	\$ 121,419,244	\$ 17,684,739	\$ 139,103,983	24.0%
FY2007	\$ 41,675,308	\$ 126,351,923	\$ 16,539,158	\$ 142,891,081	29.2%
FY2008	\$ 59,241,245	\$ 125,873,312	\$ 21,273,706	\$ 147,147,018	40.3%
FY2009	\$ 56,172,319	\$ 142,434,125	\$ 28,766,531	\$ 171,200,656	32.8%

Source: DuPage County Comprehensive Annual Financial Reports (CAFRs), FY2005-FY2009.

Notes: FY2008 Unreserved General Fund Balance includes \$7,500,000 designated for County capital improvement, repair or replacement, as approved by the County Board during the FY2009 budget adoption (FY2008 CAFR, p. 3). FY2009 Unreserved General Fund Balance includes \$4,000,000 designated for the strategic account. DuPage County maintains a Strategic Reserve account within the General Fund meant to be used only in the event of major emergency or economic distress (FY2009 CAFR).

²⁵ Gauthier, Stephen J., *The New Fund Balance* (Chicago: GFOA, 2009), p. 34.

²⁶ DuPage County, FY2011 Comprehensive Annual Financial Report, pp. 73-74.

²⁷ Government Finance Officers Association, *Appropriate Level of Unrestricted Fund Balance in the General Fund* (Adopted October 2009).

²⁸ DuPage County Proposed FY2013 Financial Plan, p. 26.

Similarly, the County continued to adhere to its General Fund cash balance policy in FY2010 and FY2011 as it maintained fund balance ratios of 37.9% and 38.5%, respectively.

DuPage County Unrestricted General Fund Balance Ratio to Expenditures & Transfers: FY2010 & FY2011					
	Unrestricted Fund Balance	Operating Expenditures	Transfers Out	Expenditures Plus Transfers Out	Ratio
FY2010	\$ 59,794,312	\$ 135,299,743	\$ 22,670,892	\$ 157,970,635	37.9%
FY2011	\$ 61,842,967	\$ 131,116,771	\$ 29,575,120	\$ 160,691,891	38.5%

Note: Unrestricted General Fund Balance for FY2010 reflects the restated fund balance based on changes to GASB Statement No. 54, as shown in the DuPage County FY2011 Comprehensive Annual Financial Report, pp. 74 and 131.

Source: DuPage County, Comprehensive Annual Financial Reports, FY2010 and FY2011.

Historical Trends in Unreserved and Unrestricted General Fund Balance Ratio

The GFOA recommends “at a minimum, that general-purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.”²⁹ Two months of operating expenditures is approximately 17%.

The first chart below includes only the unreserved fund balance to determine the portion of the fund balance without any constraints. Between FY2006 and FY2008, the amount of unreserved fund balance in the DuPage County General Fund increased steadily, rising from 27.6% to 47.1%. Driven by increased expenditures, the ratio declined to 39.4% in FY2009. Regardless of this decrease, DuPage County has consistently maintained a ratio exceeding the minimum amount recommended by the GFOA.

DuPage County Unreserved General Fund Fund Balance Ratio: FY2006-FY2010			
	Unreserved Fund Balance	Operating Expenditures	Ratio
FY2006	\$ 33,453,220	\$ 121,419,244	27.6%
FY2007	\$ 41,675,308	\$ 126,351,923	33.0%
FY2008	\$ 59,241,245	\$ 125,873,312	47.1%
FY2009	\$ 56,172,319	\$ 142,434,125	39.4%

Source: DuPage County, Comprehensive Annual Financial Reports (CAFRs), FY2006-FY2010.

Notes: FY2008 Unreserved General Fund Balance includes \$7,500,000 designated for County capital improvement, repair or replacement, as approved by the County Board during the FY2009 budget adoption (FY2008 CAFR, p. 3). FY2009 Unreserved General Fund Balance includes \$4,000,000 designated for the strategic account. DuPage County maintains a Strategic Reserve account within the General Fund meant to be used only in the event of major emergency or economic distress (FY2009 CAFR).

²⁹ Government Finance Officers Association, Appropriate Level of Unrestricted Fund Balance in the General Fund (Adopted October 2009).

The following chart presents unrestricted fund balance for FY2010 and FY2011. In this exhibit, the County’s net resources including self-imposed constraints, amount to \$61.8 million, or 47.2% of General Fund operating expenditures. This is a slight increase from the FY2010 fund balance ratio of 3.0 percentage points.

DuPage County Unrestricted General Fund Fund Balance Ratio: FY2010 & FY2011			
	Unrestricted General Fund Balance	Operating Expenditures	Ratio
FY2010	\$ 59,794,312	\$ 135,299,743	44.2%
FY2011	\$ 61,842,967	\$ 131,116,771	47.2%

Note: Unrestricted General Fund Balance for FY2010 reflects the restated fund balance based on changes to GASB Statement No. 54, as shown in the DuPage County FY2011 Comprehensive Annual Financial Report, pp. 74 and 131.

Source: DuPage County, Comprehensive Annual Financial Reports, FY2010 and FY2011.

PERSONNEL

The personnel analysis refers to full-time headcount from the DuPage County FY2013 proposed budget because data for full-time equivalent positions was not included in the budget documents. Full-time headcount data includes only full-time salaried positions and does not include data for part-time employees. The FY2013 proposed budget also does not include data for grant-funded positions.³⁰ The following two-year headcount trend compares FY2012 current budget and FY2013 proposed figures.

The total full-time headcount for DuPage County government is proposed to decline by seven full-time positions, or 0.3%, in FY2013 below the FY2012 current figures. The total number of full-time positions will fall from 2,234 in FY2012 to 2,227 in FY2013.

Two-Year Headcount Trends

General Fund full-time positions are declining by eight positions, falling from 1,535 positions in FY2012 to 1,527 positions in FY2013. In funds other than the General Fund, full-time headcount is increasing by one position.

In the General Fund, the County Sheriff is reducing headcount by eight positions while the Circuit Clerk and Probation are reducing headcount by three and one full-time position(s), respectively. Meanwhile, the Circuit Court and Facilities Management are each adding one full-time position, and Information Technology is increasing headcount by two positions.

In funds other than the General Fund, Public Works is increasing its full-time headcount by three positions to meet drainage maintenance needs. Overall, Economic Development & Planning is eliminating four full-time positions from the original budgeted FY2012 headcount of 32

³⁰ Information provided by DuPage County budget staff, October 2, 2012.

positions; two of these positions are being transferred to Transportation. These changes in Economic Development & Planning follow a reduction of 30 full-time positions in July FY2012.

DuPage County Full-Time Personnel Headcount for All Funds: FY2012 & FY2013				
	FY2012 Current	FY2013 Proposed	Two-Year # Change	Two-Year % Change
General Fund				
County Board	30	30	0	0.0%
Circuit Clerk	182	179	-3	-1.6%
Circuit Court	25	26	1	4.0%
Public Defender	44	44	0	0.0%
Jury Commission	4	4	0	0.0%
County Sheriff	538	530	-8	-1.5%
State's Attorney	151	151	0	0.0%
Children's Center	13	13	0	0.0%
County Coroner	14	14	0	0.0%
Office of Emergency Management	11	11	0	0.0%
Probation	168	167	-1	-0.6%
DUI Evaluation	14	14	0	0.0%
County Auditor	7	7	0	0.0%
Regional Office of Education	15	15	0	0.0%
Supervisor of Assessments	17	17	0	0.0%
Board of Tax Review	3	3	0	0.0%
County Clerk	19	19	0	0.0%
County Treasurer	17	17	0	0.0%
Recorder of Deeds	24	24	0	0.0%
Human Services	24	24	0	0.0%
Veteran's Assistance Commission	3	3	0	0.0%
Facilities Management	92	93	1	1.1%
Information Technology	39	41	2	5.1%
Human Resources	15	15	0	0.0%
Security	14	14	0	0.0%
Credit Union	3	3	0	0.0%
Finance	30	30	0	0.0%
Psychological Services	16	16	0	0.0%
Family Center	3	3	0	0.0%
Subtotal General Fund	1,535	1,527	-8	-0.5%
Other Funds				
Stormwater Management	29	29	0	0.0%
Liability Insurance	3	3	0	0.0%
Economic Development & Planning	30	26	-4	-13.3%
Youth Home	4	4	0	0.0%
Drug Court	6	6	0	0.0%
Mental Health Court	2	2	0	0.0%
Convalescent Center	374	374	0	0.0%
Public Works	93	96	3	3.2%
Animal Control	19	19	0	0.0%
Law Library	3	3	0	0.0%
Treasurer's Tax Automation Fund	1	1	0	0.0%
Document Storage Fund	8	8	0	0.0%
Transportation	109	111	2	1.8%
Recorder GIS Fund	2	2	0	0.0%
Geographic Info Systems	12	12	0	0.0%
GIS - Stormwater	1	1	0	0.0%
Neutral Site Custody Exchange	1	1	0	0.0%
Recorder-Rental Housing Support	1	1	0	0.0%
Coroner's Fee Fund	1	1	0	0.0%
Subtotal Other Funds	699	700	1	0.1%
Total	2,234	2,227	(7)	-0.3%

Note: Headcount excludes grant-funded positions.

Source: DuPage County Proposed FY2013 Financial Plan, pp. 72-73.

Personnel Appropriations

The following exhibit presents DuPage County's personnel expenditures by function from FY2012 current appropriations to the FY2013 proposed appropriations. The exhibit also presents personnel expenditure as a percent of total appropriations for all funds. Total proposed personnel appropriations will decrease by approximately \$623,000, or 0.3%, to \$204.3 million in FY2013 from the FY2012 current budget of \$204.9 million. The increase includes a 2% compensation increase.³¹ The FY2013 proposed personnel appropriations represent 47.3% of the County's appropriations for all funds.

In prior years, personnel-related benefits, including Illinois Municipal Retirement Fund (IMRF) and Social Security payments were included in the Agency Support category as contractual services; however, in the FY2013 proposed budget these benefits are accounted within each individual function category. Figures for previous years have been restated in the budget book in accordance with this change.³²

Over the two-year period, the ratio of personnel expenditures to total expenditures for all funds has increased by less than one percentage point (0.7%).

DuPage County Personnel Appropriations for All Funds: FY2012 & FY2013 (in \$ thousands)				
	FY2012 Current	FY2013 Proposed	Two-Year \$ Change	Two-Year % Change
Public Safety	\$ 71,509.8	\$ 69,802.2	\$ (1,707.6)	-2.4%
Transportation and Economic Development	\$ 11,938.7	\$ 11,634.3	\$ (304.4)	-2.5%
Environmental & Land Use	\$ 11,625.4	\$ 11,928.0	\$ 302.6	2.6%
Health & Human Services	\$ 27,709.1	\$ 27,439.2	\$ (269.9)	-1.0%
Education	\$ 633.0	\$ 635.4	\$ 2.4	0.4%
General Government	\$ 8,932.9	\$ 8,739.4	\$ (193.5)	-2.2%
Agency Support	\$ 72,585.8	\$ 74,133.2	\$ 1,547.4	2.1%
Total Personnel	\$ 204,934.7	\$ 204,311.7	\$ (623.0)	-0.3%
Total Appropriations	\$ 439,923.3	\$ 431,807.5	\$ (8,115.8)	-1.8%
Ratio	46.6%	47.3%	-	-

Note: Excludes grants, DuPage County Health Department, ETSB and Special Service Areas. Totals may differ due to rounding.

Source: DuPage County Proposed FY2013 Financial Plan, p. 65.

³¹ DuPage County Proposed FY2013 Financial Plan, p. 49.

³² DuPage County Proposed FY2013 Financial Plan, pp. 64-65.

APPENDIX: DUPAGE COUNTY GOVERNMENT FINANCIAL INDICATORS

Capital Budget

DuPage County does not develop a formal Capital Improvement Plan. However, it does provide a list of capital projects that are funded by debt and by current receipts in the General and other funds. The lists include project descriptions and five years of information about prospective project costs for years FY2013 to FY2017. There are also summary charts providing information on four years of historical expenditure data for years FY2010 to FY2013.

The exhibit below shows the amount of DuPage County bond-funded projects for each year between FY2010 and FY2013. The spending totals are presented by bond fund.³³

- *2011 Drainage Capital Projects Fund*: This fund was established to account for resources received and used to construct drainage projects.
- *Stormwater Project 2001 Bonds*: This fund accounts for resources used to construct stormwater projects.
- *2008 Water & Sewer Bond Project Fund*: This fund is used for water and sewer construction projects.
- *G.O. Alternate Series 2010 Bond Project Fund*: This fund accounts for resources used for transportation, campus infrastructure and information technology improvements.

The funding amounts for bond-funded projects will rise in FY2013 from \$20.1 million to nearly \$42.1 million primarily because of a \$66.3 million alternate revenue source bond issue in October 2010. These are general obligation bonds that will be paid for with a pledge of sales tax revenues and other funds.³⁴

DuPage County Bond-Financed Capital Projects: FY2010-FY2013				
Bond Project Fund	FY2010 Expenditures	FY2011 Expenditures	FY2012 Est Exp	FY2013 Recommended
2011 Drainage Capital Projects Fund	\$ -	\$ -	\$ 375,000	\$ 375,000
Stormwater Project 2001 Bonds Fund	\$ 514,138	\$ 209,513	\$ 213,123	\$ 123,000
2008 Water & Sewer Bond Project Fund	\$ 2,115,262	\$ 1,815,634	\$ 2,660,000	\$ 2,630,000
G.O Alternate Series 2010 Bond Project Fund	\$ 11,969	\$ 3,898,456	\$ 16,869,555	\$ 39,000,000
Total	\$ 2,641,369	\$ 5,923,603	\$ 20,117,678	\$ 42,128,000

Sources: DuPage County FY2013 Financial Plan, pp. 437-469.

³³ DuPage Proposed FY2012 Financial Plan, p. 19.

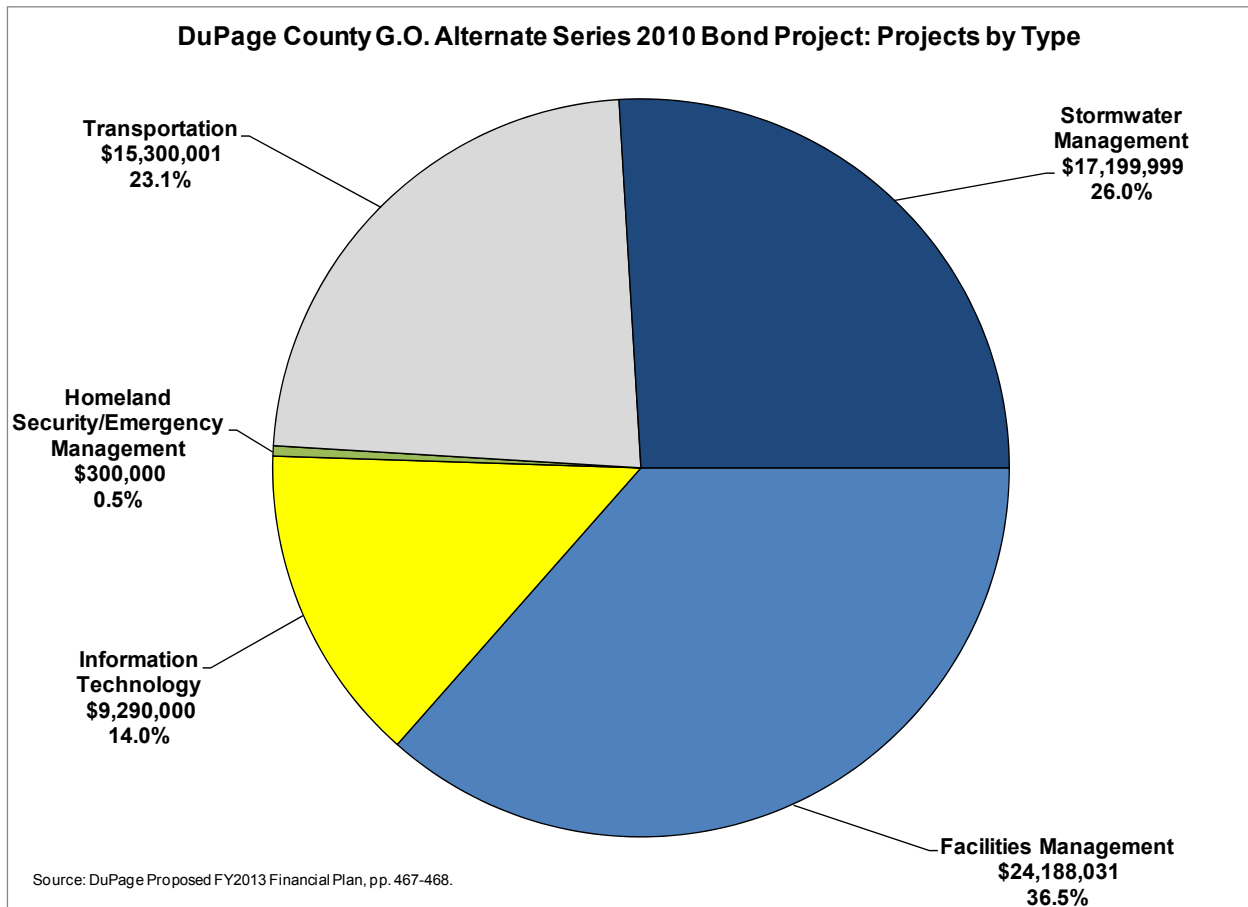
³⁴ DuPage Proposed FY2012 Financial Plan, p. 461.

A list of the various projects to be funded by the G.O. Alternate Series 2010 Bond Project and the estimated amounts of spending per project between FY2011 and FY2016 are shown below. Approximately \$37.4 million, or 56.4% of the bond funds, is expected to be spent in FY2013.

DuPage County G.O. Alternate Series 2010 Revenue Bond Projects: FY2011-FY2016 (in \$ thousands)							
Projects	FY2011 Actual Exp	FY2012 Estimated Exp	FY2013 Estimated Esp	FY2014 Estimated Exp	FY2015 Estimated Exp	FY2016 Estimated Exp	Project Total Estimated
Facilities Management							
Convalescent Center Kitchen	\$ 27,009	\$ 293,752	\$ 5,279,239	\$ 400,000	\$ -	\$ -	\$ 6,000,000
Campus Standby Generators	\$ 2,029,647	\$ 3,650,369	\$ 6,008,015	\$ -	\$ -	\$ -	\$ 11,700,000
Courthouse HVAC Updates	\$ 181,579	\$ 2,262,011	\$ 150,000	\$ 2,206,410	\$ -	\$ -	\$ 4,800,000
Jail A Building Fire Alarm Upgrade	\$ 58,790	\$ 377,432	\$ 463,778	\$ -	\$ -	\$ -	\$ 900,000
Administration Building Fire Alarm Upgrade	\$ 63,750	\$ 217,883	\$ 518,367	\$ -	\$ -	\$ -	\$ 800,000
Subtotal Facilities Management	\$ 2,360,775	\$ 6,801,447	\$ 12,419,399	\$ 2,606,410	\$ -	\$ -	\$ 24,188,031
Information Technology							
Information Systems Technology Upgrade	\$ 70,020	\$ 2,274,980	\$ 2,372,500	\$ 2,372,500	\$ -	\$ -	\$ 7,090,000
IT Infrastructure Upgrade	\$ 76,156	\$ 299,457	\$ 1,824,387	\$ -	\$ -	\$ -	\$ 2,200,000
Subtotal Information Technology	\$ 146,176	\$ 2,574,437	\$ 4,196,887	\$ 2,372,500	\$ -	\$ -	\$ 9,290,000
Homeland Security & Emergency Management							
Campus Emergency Warning System	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000
Subtotal Homeland Security & Emergency Management	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000
Transportation							
55th Street		\$ 600,000	\$ 600,000	\$ -	\$ -	\$ -	\$ 1,200,000
75th Street	\$ -	\$ 2,500,000	\$ 2,500,000	\$ -	\$ -	\$ -	\$ 5,000,000
Belmont at Curtiss	\$ 77,895	\$ 1,948,669	\$ 297,986	\$ -	\$ -	\$ -	\$ 2,324,550
Gary Avenue	\$ -	\$ -	\$ 5,675,000	\$ -	\$ -	\$ -	\$ 5,675,000
Central DuPage Bikeway	\$ 46,010	\$ 37,602	\$ 200,000	\$ 16,388	\$ -	\$ -	\$ 300,000
East Branch DuPage River Greenway	\$ -	\$ 25,000	\$ 348,328	\$ 427,123	\$ -	\$ -	\$ 800,451
Subtotal Transportation	\$ 123,905	\$ 5,111,271	\$ 9,621,314	\$ 443,511	\$ -	\$ -	\$ 15,300,001
Stormwater Management							
Brewster Creek Watershed	\$ 1,500	\$ 442,000	\$ 3,950,000	\$ 150,000	\$ -	\$ -	\$ 4,543,500
Churchill Woods Dam Modification	\$ 657,734	\$ 20,000	\$ 40,000	\$ 20,000	\$ 20,000	\$ -	\$ 757,734
Klein Creek/West Branch Flood Mitigation Project	\$ 199,050	\$ 654,000	\$ 3,740,000	\$ 525,000	\$ -	\$ -	\$ 5,118,050
Warrenville/Winfield Flood Mitigation	\$ 409,315	\$ 1,266,400	\$ 3,100,000	\$ 1,705,000	\$ 300,000	\$ -	\$ 6,780,715
Subtotal Stormwater Management	\$ 1,267,599	\$ 2,382,400	\$ 10,830,000	\$ 2,400,000	\$ 320,000	\$ -	\$ 17,199,999
Grand Total	\$ 3,898,455	\$ 16,869,555	\$ 37,367,600	\$ 7,822,421	\$ 320,000	\$ -	\$ 66,278,031

Source: DuPage County Proposed FY2013 Financial Plan, pp. 467-468.

Roughly \$56.7 million, or 85.5%, of the G.O. bond funds will be used for facilities management, stormwater management and transportation projects.



Short-Term Liabilities

Short-term liabilities are financial obligations that must be satisfied within one year. They can include short-term debt, accounts payable, accrued payroll and other current liabilities. DuPage County currently reports no short-term debt but does include the following short-term liabilities in the report of net assets in its annual Comprehensive Annual Financial Report:³⁵

- *Accounts payable*: monies owed to vendors for goods and services;
- *Accrued payroll and benefits*: employee pay and benefits carried over from the previous year;
- *Retainage payable*: Monies earned by vendors but not paid to the contractor until the completion of construction or at other agreed-upon stages or dates;³⁶
- *Advances payable*: amounts provided to the government that will be paid back in the short-term;

³⁵ DuPage County FY2011 Comprehensive Annual Financial Report, p. 15.

³⁶ <http://www.investorwords.com/13805/retainage.html#ixzz22Vu5zHqn>.

- *Due to other governments*: amounts that must be paid to other government entities through intergovernmental transfers and other agreements; and
- *Due to Other Funds*: Short-term receivables between various funds.

In FY2011 short-term liabilities in the Governmental Funds increased by approximately \$11.0 million, or 30.2%, from the previous year. Since FY2007, short-term liabilities have increased by \$6.1 million, or 14.9%. The largest component of short-term liabilities in each of the five years reviewed was accounts payable. Accounts payable represented 57.7% of all short-term liabilities in FY2007, falling to 32.4% in FY2011. The following chart shows short-term liabilities by category and the percent change over the past five years.

DuPage County Short-Term Liabilities in the Governmental Funds: FY2007-FY2011 (in \$ thousands)									
	FY2007	FY2008	FY2009	FY2010	FY2011	Two-year \$ Change	Two-year % Change	Five-year \$ Change	Five-year % Change
Accounts Payable	\$ 23,708	\$ 18,282	\$ 16,019	\$ 15,891	\$ 15,278	\$ (613)	-3.9%	\$ (8,430)	-35.6%
Accrued Payroll	\$ 5,310	\$ 6,083	\$ 6,597	\$ 6,869	\$ 7,966	\$ 1,097	16.0%	\$ 2,656	50.0%
Retainage Payable	\$ 2,334	\$ 856	\$ 735	\$ 675	\$ 684	\$ 9	1.4%	\$ (1,650)	-70.7%
Advances Payable	\$ 84	\$ 64	\$ 44	\$ 23	\$ 2,680	\$ 2,658	11791.6%	\$ 2,597	3102.7%
Due to Other Governments	\$ 2,219	\$ 4,294	\$ 2,724	\$ 1,074	\$ 3,081	\$ 2,007	187.0%	\$ 862	38.8%
Due to Other Funds	\$ 4,787	\$ 7,541	\$ 7,904	\$ 10,142	\$ 13,344	\$ 3,201	31.6%	\$ 8,557	178.8%
Other Liabilities	\$ 2,668	\$ 1,950	\$ 1,638	\$ 1,590	\$ 4,189	\$ 2,599	163.5%	\$ 1,521	57.0%
Total	\$ 41,109	\$ 39,070	\$ 35,661	\$ 36,262	\$ 47,222	\$ 10,960	30.2%	\$ 6,113	14.9%

Note: Unearned Revenue is excluded.

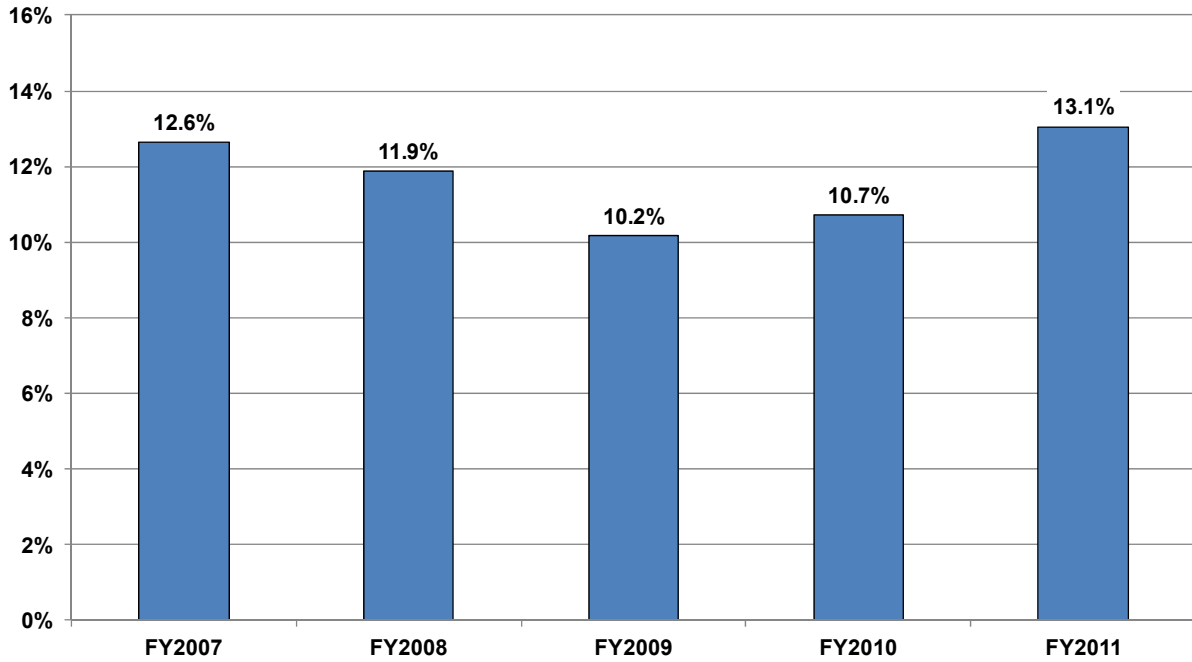
Source: DuPage County Comprehensive Annual Financial Reports, FY2007-FY2011.

Increasing current liabilities in a government's operating funds at the end of the year as a percentage of net operating revenues may be a warning sign of a government's future financial difficulties.³⁷ This indicator, developed by the International City/County Management Association (ICMA), is a measure of budgetary solvency or a government's ability to generate enough revenue over the course of a fiscal year to meet its expenditures and avoid deficit spending. DuPage County reduced its short-term liabilities compared to total operating revenue between FY2007 to FY2009 from 12.6% to 10.2% before the ratio rose over the next two years to 13.1% in FY2011. The five-year average was 11.7%. The following graph shows total short-term liabilities as a percentage of net operating revenues between FY2007 and FY2011.

³⁷ Operating funds are those funds used to account for general operations – the General Fund, Special Revenue Funds and the Debt Service Fund. See Karl Nollenberger, Sanford Groves and Maureen G. Valente. *Evaluating Financial Condition: A Handbook for Local Government* (International City/County Management Association, 2003), p. 77 and p. 169.

**DuPage County Short-Term Liabilities as % of Net Operating Revenues
for Governmental Funds: FY2007-FY2011**

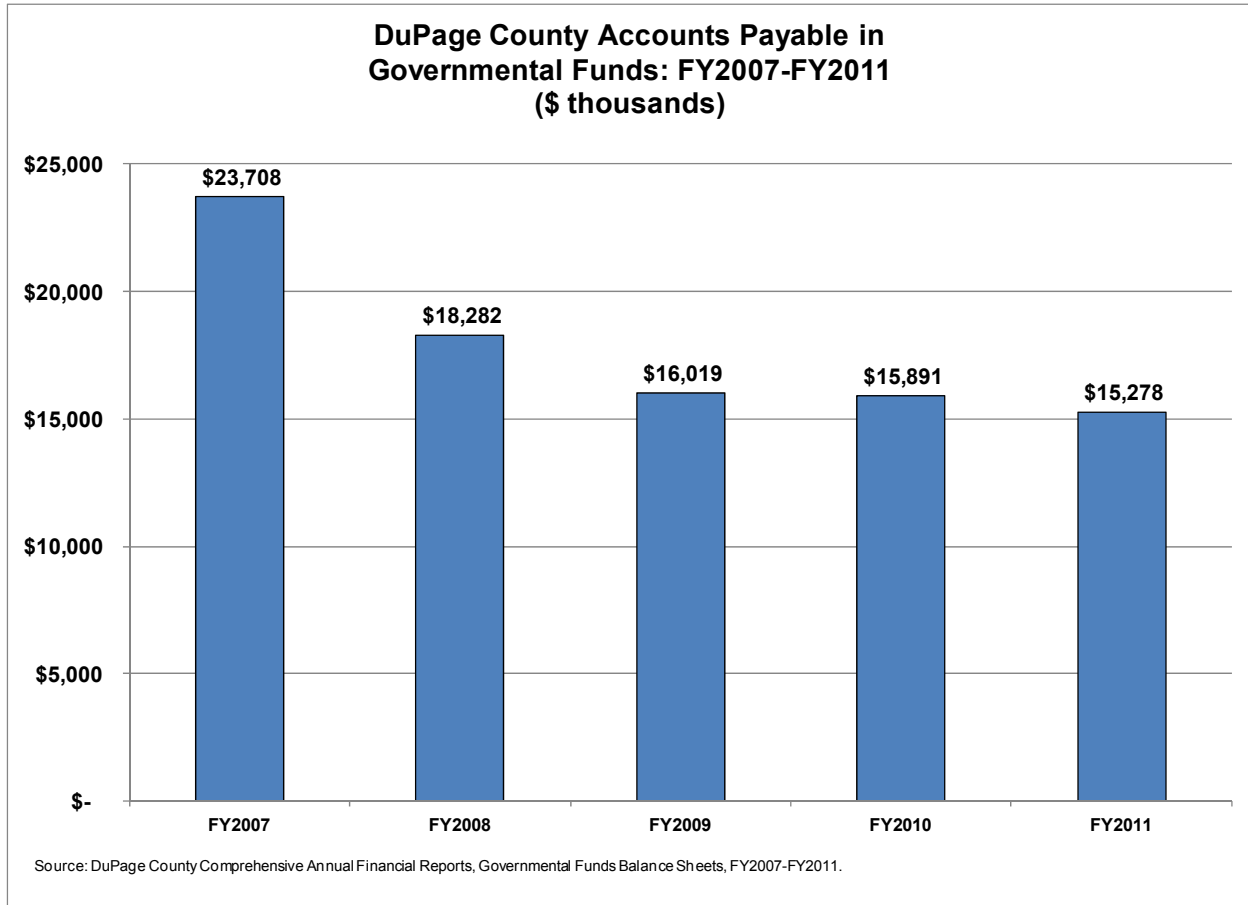
Five-Year Average: 11.7%



Note: Short-term liabilities do not include unearned revenues.
Source: DuPage County Comprehensive Annual Financial Reports, FY2007-FY2011.

Accounts Payable Trends

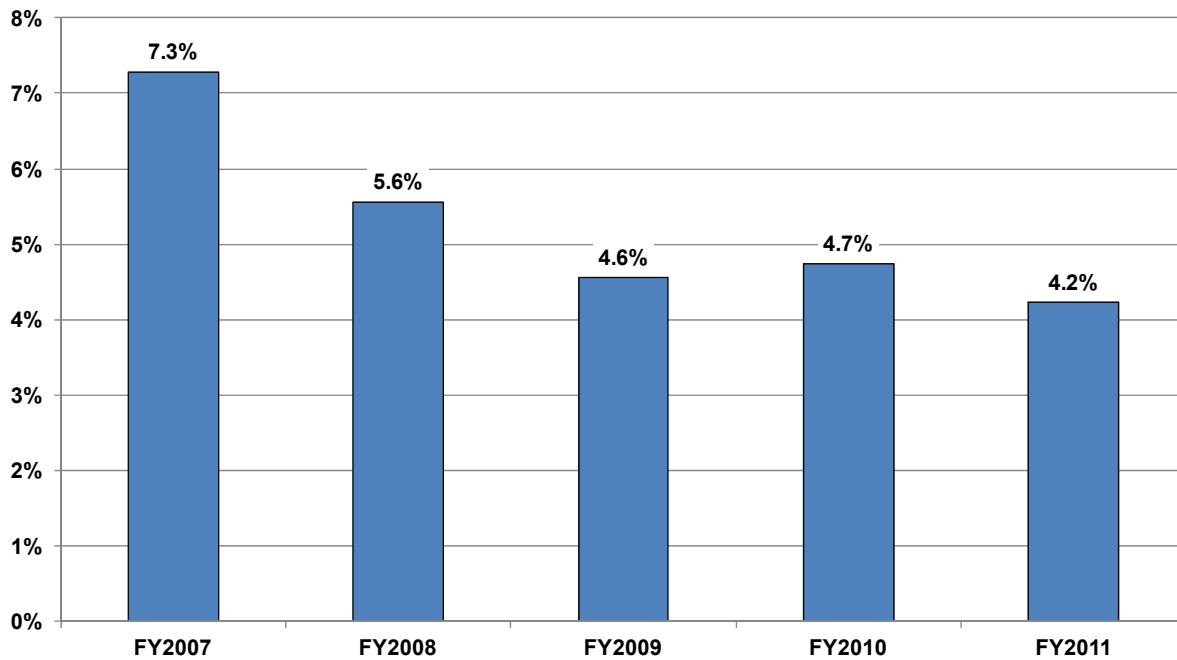
Rising amounts of accounts payable over time may indicate a government's difficulty in controlling expenses or keeping up with spending pressures. DuPage County reported a decrease of 35.6%, or \$8.4 million, in total accounts payable from FY2007 to FY2011. This is a step in the right direction.



Over time, rising amounts of accounts payable carried forward from one fiscal year to the next may indicate a government's difficulty in controlling expenses or keeping up with spending pressures. DuPage County's ratio of accounts payable to operating revenues averaged 5.3% between FY2007 and FY2011. This ratio of bills due at the end of the fiscal year compared to total annual revenues for operations peaked in FY2007 at 7.3% and generally declined over the next five fiscal years, falling to 4.2% in FY2011. The following graph shows annual accounts payable carried forward from one fiscal year to the next by the County between FY2007 and FY2011. This declining trend is a positive sign that the County has managed spending pressures in recent years.

**DuPage County Accounts Payable as % of Operating Revenues for Governmental Funds:
FY2007-FY2011**

Five-Year Average: 5.3%



Source: DuPage County Comprehensive Annual Financial Reports, FY2007-FY2011.

Current Ratio

The current ratio is a measure of liquidity. It assesses whether a government has enough cash and other liquid resources to meet its short-term obligations as they come due. A ratio of 1.0 means that current assets are equal to current liabilities and are sufficient to cover obligations in the near term. Generally, a government's current ratio should be close to 2.0 or higher.³⁸ In addition to the short-term liabilities listed in the previous exhibit, the current ratio formula uses the current assets of the DuPage County government:

- *Cash and investments* are 1) assets that are cash or can be converted into cash immediately, including petty cash, demand deposits and certificates of deposit and/or 2) any investments that the County has made that will expire within one year, including stocks and bonds that can be liquidated quickly;
- *Receivables* are monetary obligations owed to the government including property taxes, replacement taxes, interest and state or federal aid; and
- *Due from other funds or governments*: represents interfund borrowings that are repaid between programs at year end or funds to be provided to DuPage County from the state or federal governments.

³⁸ Finkler, Steven A. *Financial Management for Public, Health and Not-for-Profit Organization*, Upper Saddle River, NJ, 2001, p. 476.

- *Inventory*: the value of raw materials, work-in-process, and finished goods that will be used to provide government services in the short-term.

The current ratio was 6.7 in FY2011, the most recent year for which data is available. In the past five years, the County's current ratio averaged 8.1, which is greater than the benchmark of 2.0, and thus demonstrates a healthy level of liquidity. Between FY2007 to FY2011, the current ratio fell slightly from 7.5 to 6.7.

DuPage County Current Ratio of the Governmental Funds: FY2007-FY2011							
(in \$ thousands)							
	FY2007	FY2008	FY2009	FY2010	FY2011	Two-Year Change	Five-Year Change
Current Assets							
Petty Cash	\$ 7	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ (7)
Cash: Demand Deposits	\$ 17,632	\$ 75,711	\$ 135,821	\$ 97,087	\$ 102,659	\$ 5,572	\$ 85,027
Cash: Certificates of Deposit	\$ 167,071	\$ 96,088	\$ 49,270	\$ 50,525	\$ 41,541	\$ (8,984)	\$ (125,530)
Investments	\$ 16,776	\$ 16,385	\$ 16,401	\$ 21,734	\$ 21,867	\$ 133	\$ 5,091
Receivables: Taxes	\$ 65,764	\$ 65,458	\$ 65,326	\$ 65,800	\$ 65,438	\$ (362)	\$ (326)
Receivables: Interest	\$ 101	\$ 50	\$ 52	\$ 131	\$ 214	\$ 83	\$ 113
Receivables: Accounts, net	\$ 556	\$ 923	\$ 680	\$ 2,418	\$ 15,654	\$ 13,236	\$ 15,098
Receivables: Other	\$ 697	\$ 7,567	\$ 2,421	\$ 303	\$ 262	\$ (41)	\$ (435)
Due from Other Govts	\$ 32,396	\$ 47,553	\$ 66,108	\$ 51,960	\$ 51,728	\$ (232)	\$ 19,332
Due from Other Funds	\$ 4,806	\$ 7,885	\$ 8,373	\$ 12,301	\$ 13,551	\$ 1,250	\$ 8,746
Advances receivable from other funds	\$ 84	\$ 64	\$ 44	\$ 23	\$ 2,406	\$ 2,384	\$ 2,322
Inventory	\$ 235	\$ 199	\$ 412	\$ 163	\$ 670	\$ 507	\$ 435
Other Assets	\$ 191	\$ 355	\$ 132	\$ 296	\$ 343	\$ 47	\$ 152
Total Current Assets	\$ 306,315	\$ 318,240	\$ 345,040	\$ 302,740	\$ 316,333	\$ 13,593	\$ 10,018
Current Liabilities							
Accounts Payable	\$ 23,708	\$ 18,282	\$ 16,019	\$ 15,891	\$ 15,278	\$ (613)	\$ (8,430)
Accrued Payroll	\$ 5,310	\$ 6,083	\$ 6,597	\$ 6,869	\$ 7,966	\$ 1,097	\$ 0
Retainage Payable	\$ 2,334	\$ 856	\$ 735	\$ 675	\$ 684	\$ 9	\$ 0
Advances Payable	\$ 84	\$ 64	\$ 44	\$ 23	\$ 2,680	\$ 2,658	\$ 118
Due to Other Governments	\$ 2,219	\$ 4,294	\$ 2,724	\$ 1,074	\$ 3,081	\$ 2,007	\$ 862
Due to Other Funds	\$ 4,787	\$ 7,541	\$ 7,904	\$ 10,142	\$ 13,344	\$ 3,201	\$ 8,557
Other Liabilities	\$ 2,668	\$ 1,950	\$ 1,638	\$ 1,590	\$ 4,189	\$ 2,599	\$ 1,521
Total Current Liabilities	\$ 41,109	\$ 39,070	\$ 35,661	\$ 36,262	\$ 47,222	\$ 10,960	\$ 6,113
Current Ratio	7.5	8.1	9.7	8.3	6.7		

Source: DuPage County Comprehensive Annual Financial Reports, Governmental Funds Balance Sheets, FY2007-FY2011.

Long-Term Liabilities

This section presents information about long-term liability trends for DuPage County. Also examined are trends for total long-term debt, new debt, debt per capita and bond ratings. The following exhibit provides an overview of the County's long-term liabilities for FY2011, the last year for which data is available. Included are:

- *Bonds payable*: portions of bonded debt due in more than one year;
- *Accrued compensated absences and employee retention*: monies to fund compensated absences, such as vacation and sick leave, and the retention program, which offers compensation upon layoff or voluntary separation based on years of continuous service and age;
- *Claims payable*: estimated liabilities for healthcare, workers' compensation and tort liability claims expected to be paid out in more than one year;
- *Intergovernmental Contractual Payable*: the amount payable to the Illinois State Highway Authority for the construction of two interchanges on I-88;³⁹ and
- *Other Post Employment Benefit and net pension obligations*: obligations for retiree healthcare and pensions.

Roughly 89% of DuPage County's Governmental Activities long-term liabilities in both FY2010 and FY2011 were bonds payable.

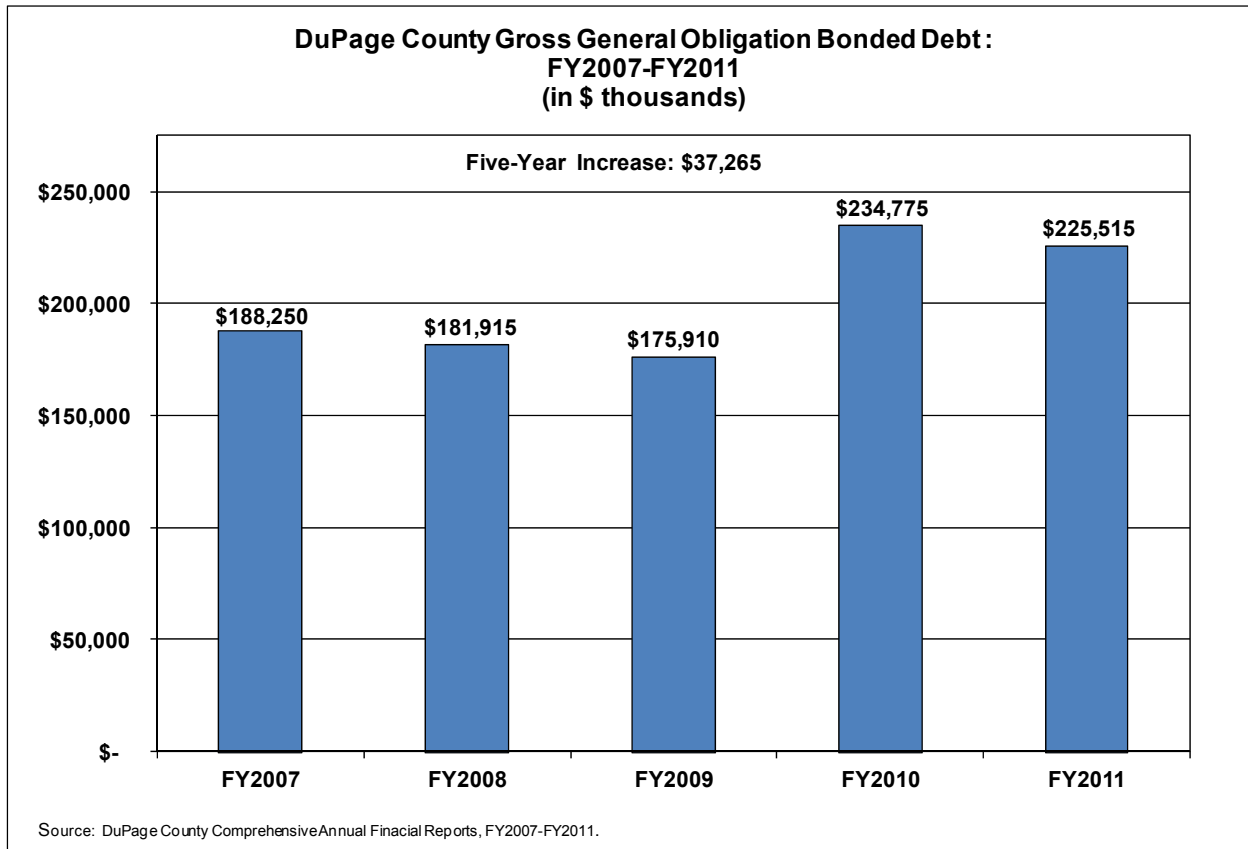
DuPage County Governmental Activities Long-Term Liabilities				
(in \$ thousands)				
	FY2010 Ending Balance	FY2011 Ending Balance	\$ Change	% Change
Bonds Payable	\$ 328,830,000	\$ 312,614,124	\$ (16,215,876)	-4.9%
Accrued Compensated Absences and Employee Retention Program	\$ 28,605,398	\$ 29,956,569	\$ 1,351,171	4.7%
Claims Payable	\$ 6,125,209	\$ 5,430,585	\$ (694,624)	-11.3%
Other Post-Employment Benefit Obligation	\$ 110,196	\$ 110,645	\$ 449	0.4%
Intergovernmental Contractual Payable	\$ 3,750,000	\$ -	\$ (3,750,000)	----
Net Pension Obligation	\$ 1,953,852	\$ 3,596,032	\$ 1,642,180	84.0%
Total	\$ 369,374,655	\$ 351,707,955	\$ (17,666,700)	-4.8%

Source: DuPage County Comprehensive Annual Financial Reports, FY2010, p. 50 and FY2011, pp. 49-50.

³⁹ Information provided by DuPage County Chief Financial Officer, October 13, 2011.

General Obligation Debt

The County's outstanding General Obligation debt rose from \$188.3 million to \$225.5 million between FY2007 and FY2011. This is a 19.8% increase totaling \$37.3 million. In FY2010 the County issued additional Series 2010 Bonds to finance public improvement projects.⁴⁰ This bond issuance increased the County's total general obligation debt between FY2009 and FY2010 by 33.5%, or \$58.9 million, to \$234.8 million.



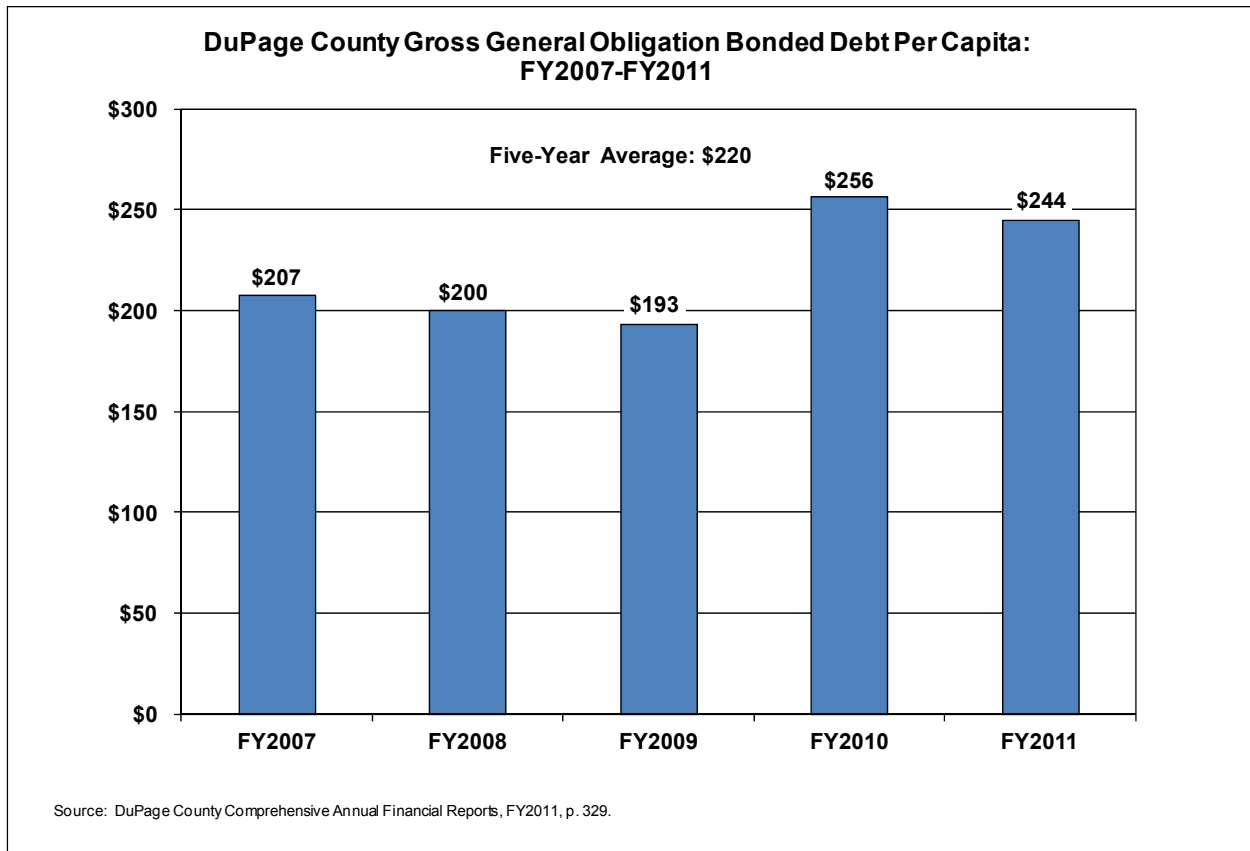
General Obligation Debt Per Capita

The next exhibit presents historic DuPage County gross general obligation bonded debt per capita figures. Debt per capita is a common measure of a government's ability to maintain its current financial policies and is used by investors and analysts to assess the affordability of a government's total debt burden.

DuPage County reported a downward trend in debt per capita, corresponding to the downward trend in total outstanding debt, between FY2007 and FY2009. The gross general bonded obligation debt per capita decreased from \$207 to \$193 over this period, or by 6.6%. With the sale of the Series 2010 Bonds, the total debt per capita increased to \$256 in FY2010, a 33.5%

⁴⁰ In October 2010, the County issued \$67.1 million of taxable General Obligation Alternate Revenue Recovery Zone Economic Development and Build America Bonds for public improvement projects throughout the County. Projects to be financed include stormwater improvements, courthouse and information technology improvements and emergency generators. See DuPage County Proposed FY2012 Financial Plan, p. 586.

year-to-year increase. Over the five-year period of this review, the total debt per capita will have increased by 19.8%. The following graph shows total DuPage General Obligation debt per capita between FY2007 and FY2011.



Debt Service Appropriations

Debt Service Funds are governmental funds established to account for financial resources to be used for the payment of principal, interest and agency fees on bonds issued by the County, including special service area and alternate revenue bonds. Generally, local government rating agencies consider debt burden high when debt service payments are between 15% and 20% of the combined operating and debt-service fund expenditures.⁴¹

⁴¹ Standard & Poor's, *Public Finance Criteria 2007*, p. 64. See also Moody's, *General Obligation Bonds Issued by U.S. Local Governments*, October 2009, p. 18.

The following exhibit presents actual expenditures from FY2009 to FY2011, FY2012 current estimates and FY2013 proposed appropriations for debt service. Since FY2009, debt service as a percentage of total spending has remained relatively low, within a range of 3.7% to 4.4%.

DuPage County Debt Service Appropriations: FY2009-FY2013			
	Debt Service	Total Appropriation	Ratio
FY2009 Actual	\$ 13,377,036	\$ 351,738,002	3.8%
FY2010 Actual	\$ 12,973,588	\$ 334,133,023	3.9%
FY2011 Actual	\$ 15,355,044	\$ 346,170,589	4.4%
FY2012 Est Exp	\$ 16,164,018	\$ 439,923,339	3.7%
FY2013 Proposed	\$ 16,202,815	\$ 431,807,488	3.8%

Source: DuPage County FY2012 Financial Plan, p. 108 and Proposed FY2013 Financial Plan, p. 100.

Overlapping Debt

The following exhibit compares total long-term debt issued by the various local governments in DuPage County with direct debt issued by DuPage County government. Rating agencies and other financial analysts commonly monitor overlapping debt trends as an affordability or capacity indicator when governments consider debt issuance.

DuPage County government issued approximately 2.2% of the \$14.0 billion outstanding, long-term, overlapping debt attributed to the various governments wholly or partially within boundaries of the County in FY2011. However, it is important to note that a significant component of the total overlapping government debt is from the City of Chicago, since a portion of Chicago O'Hare International Airport lies in DuPage County.

The rate of growth of the debt issued by various overlapping governments was 20.7% during the most recent five-year period between FY2007 and FY2011. During the same period, DuPage County reported an increase of 66.2%, due largely to the issuance of \$66.3 million of Series 2010 Bonds in October 2010.

DuPage County Government vs. Overlapping Governments Debt: FY2007-FY2011			
	DuPage County Government	Overlapping Governments	Total Debt
FY2007	\$188,250,000	\$11,353,098,249	\$11,541,348,249
FY2008	\$181,915,000	\$11,560,970,281	\$11,742,885,281
FY2009	\$174,025,000	\$12,251,805,264	\$12,425,830,264
FY2010	\$234,775,000	\$13,203,825,387	\$13,438,600,387
FY2011	\$312,900,000	\$13,697,830,042	\$14,010,730,042
Five-Year \$ Change	\$124,650,000	\$2,344,731,793	\$2,469,381,793
Five-Year % Change	66.2%	20.7%	21.4%

Source: DuPage County Comprehensive Annual Financial Reports, FY2007-FY2011.

Pension Funding

DuPage County employees are enrolled in the Illinois Municipal Retirement Fund (IMRF), a multi-employer defined benefit pension plan. The IMRF plan provides retirement, disability,

annual cost of living adjustments and death benefits to DuPage County employees. The IMRF acts as a common pension investment and administrative agent for local governments and school districts in Illinois, with the exception of Cook County, the Forest Preserve District of Cook County, the four City of Chicago pension funds, the Metropolitan Water Reclamation District of Greater Chicago (MWRD), the Chicago Park District and the Chicago Transit Authority. In FY2010, there were 3,047 active DuPage County members in the IMRF.⁴²

Four different groups of DuPage County employees are covered in the IMRF: Regular County Employees, Elected County Officials, Sheriff’s Law Enforcement Personnel and Veterans Assistance Commission. For 2010 and 2011, the IMRF allowed members the option to pay less than the annual required contribution (ARC) as a response to 2008 investment losses.⁴³ DuPage County elected this option for both years.⁴⁴ The exhibit below shows the ARC for employers and employees for the four different groups.

Pension Contribution Rates for DuPage County Employees: FY2011		
	Employee Contribution	Employer Contribution
Regular County Employees	4.5% of covered salary	11.28% of covered payroll
Elected County Officials	7.5% of covered salary	39.91% of covered payroll
Sheriff’s Law Enforcement Personnel	7.5% of covered salary	24.19% of covered payroll
Veterans Assistance Commission	4.5% of covered salary	11.18% of covered payroll

Source: DuPage County FY2011 Comprehensive Annual Financial Report, p. 79.

In accordance with the County’s election to contribute less than the ARC in FY2011, DuPage County contributed to the Regular County Employees and the Sheriff’s Law Enforcement Personnel groups at 92% and 96% of the ARC, respectively. The net pension obligation for those funds reflects the use of a reduced phase-in rate permitted by IMRF.⁴⁵

DuPage County Employer FY2011 Pension Contribution: Annual Pension Cost v. Actual Contribution			
	FY2011 Annual Pension Cost	FY2011 Net Pension Obligation	FY2011 Actual Percent Contribution
Regular County Employees	\$ 14,452,859	\$ 2,910,750	92%
Elected County Officials	\$ 768,020	\$ -	100%
Sheriff’s Law Enforcement Personnel	\$ 7,739,454	\$ 809,436	96%
Veterans Assistance Commission	\$ 14,524	\$ -	100%

Source: DuPage County FY2011 Comprehensive Annual Financial Report, p. 79.

The following chart displays employer pension contributions for FY2005 through FY2011.

⁴² Illinois Municipal Retirement Fund FY2011 Comprehensive Annual Financial Report, p. 78.

⁴³ DuPage County FY2011 Comprehensive Annual Financial Report, p. 79; IMRF General Memorandum 612, Executive Summary.

⁴⁴ DuPage County FY2011 Comprehensive Annual Financial Report, p. 79.

⁴⁵ The County also chose the phase-in rate approach for 2011 but not for 2012. Information provided by DuPage County Chief Financial Officer, October 17, 2011.

DuPage County Employer Pension Contribution: FY2005-FY2011							
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Regular County Employees	\$ 11,460,857	\$ 12,564,854	\$ 11,105,322	\$ 10,774,979	\$ 11,331,713	\$ 12,049,999	\$ 13,338,144
Elected County Officials	\$ 819,723	\$ 1,033,626	\$ 839,273	\$ 819,133	\$ 783,544	\$ 729,426	\$ 768,020
Sheriff's Law Enforcement Personnel	\$ 5,074,896	\$ 5,580,138	\$ 7,887,006	\$ 5,877,633	\$ 6,636,712	\$ 7,408,512	\$ 7,408,512
Veterans Assistance Commission	\$ 1,003	\$ 1,068	\$ 4,622	\$ 2,375	\$ 13,731	\$ 14,068	\$ 14,524

Source: DuPage County FY2011 Comprehensive Annual Financial Report, pp. 80-81 and 85-86.

Funded Ratios – Actuarial Value of Assets

The Civic Federation uses two measures to present a multi-year evaluation of the fiscal health of the DuPage County portion of the IMRF: funded ratios and the value of unfunded liabilities.

The following exhibit shows funded ratios for each of the four employee groups. The funded ratio shows the percentage of pension liabilities covered by assets. The lower the percentage, the more difficulty a government may have in meeting future obligations.

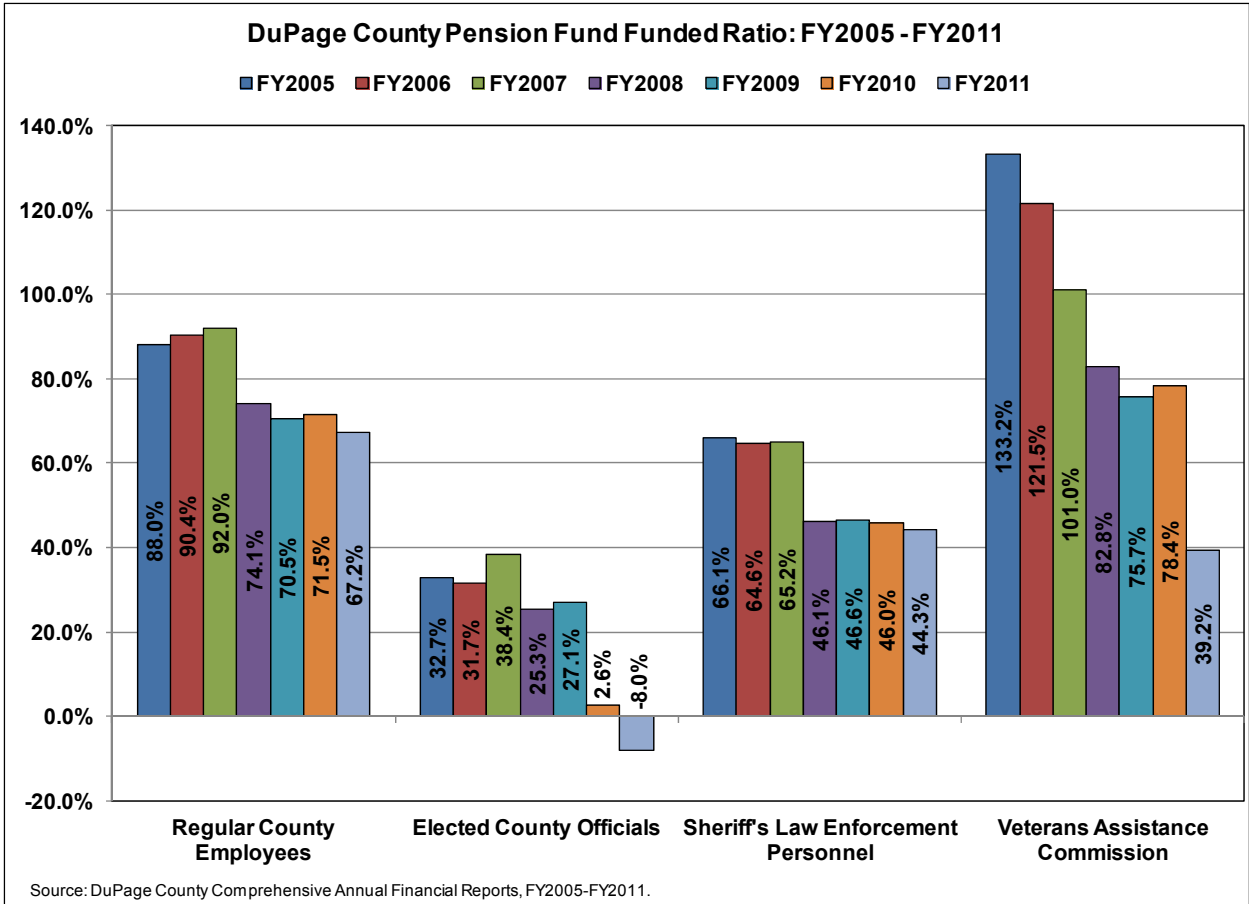
The funded ratios of all of the four DuPage County employee pension groups fell in FY2011. The funded ratio for the Veterans Assistance Commission fell significantly by 39.2 percentage points, while the Regular County Employees fell by 4.3 percentage points and the Sheriff's Law Enforcement Personnel group funded ratio declined by 1.7 percentage points. Alarming, the Elected County Officials fund fell into negative funding territory with a negative balance of \$654,409, or -8.0% funded. The following statements provide a breakdown of the results for each group:

- The Regular Employees group, which is the largest of the four, experienced a decline in funded ratio from 71.5% to 67.2% due to ongoing incorporation of investment losses in FY2008 and underperformance in FY2011;⁴⁶
- The Elected County Officials group funded ratio fell from 2.6% in FY2010 to a negative 8.0% funded ratio due to the retirement of several long-serving elected officials;⁴⁷
- The Sheriff's Law Enforcement Personnel group funded ratio declined slightly by 1.7 percentage points to 44.3%; and
- The Veterans Assistance Commission group funded ratio fell from 78.4% to 39.2% due to the retirement of an employee member of the group.⁴⁸

⁴⁶ Information provided by DuPage County Budget staff, October 2, 2012.

⁴⁷ Information provided by DuPage County Budget staff, October 2, 2012. When a participant retires, IMRF moves monies from the active account that is reflected in the actuarial value to annuitant reserve accounts to ensure annuitants will receive their pensions. This led to a negative cash position.

⁴⁸ Information provided by DuPage County Budget staff, October 2, 2012.

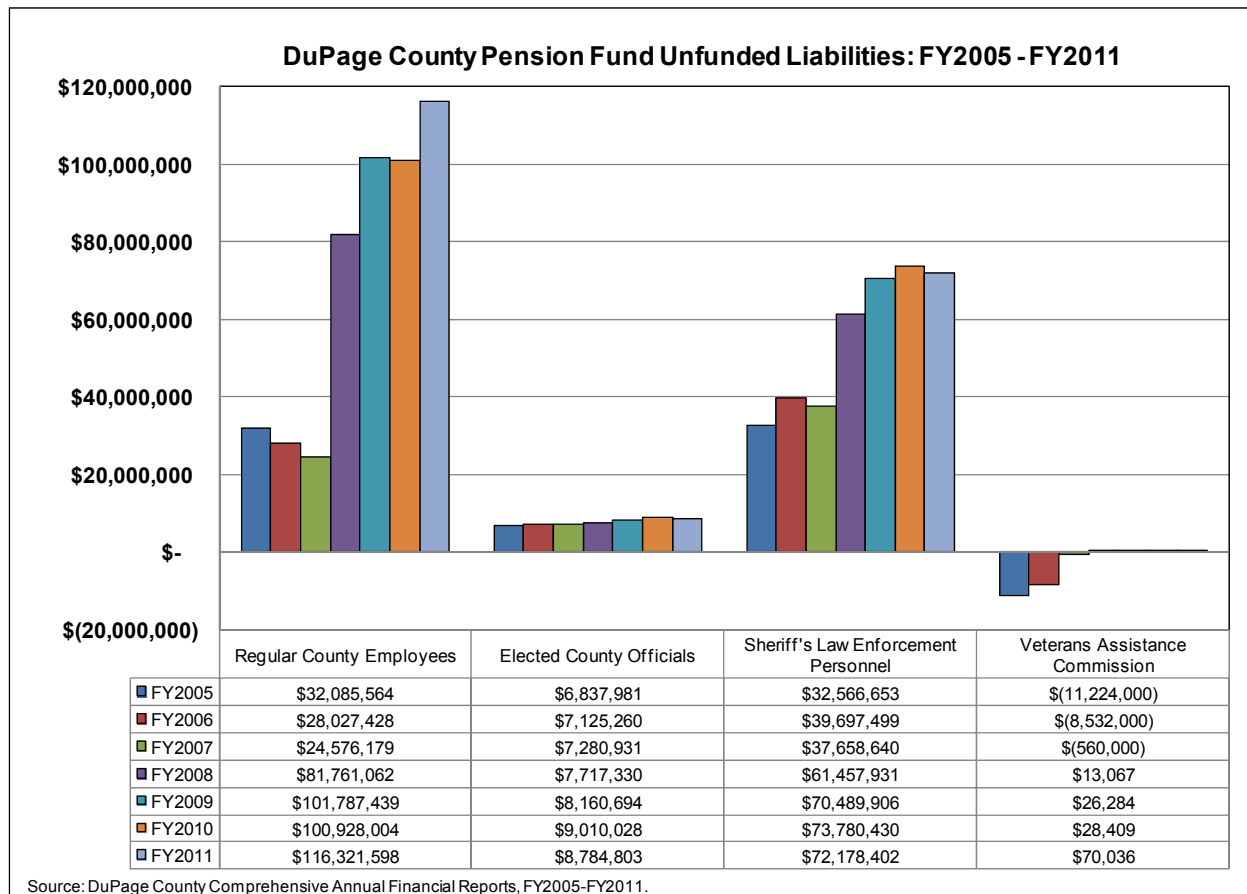


Unfunded Pension Liabilities

Unfunded liabilities are the dollar value of pension liabilities not covered by assets. As the exhibit below shows, unfunded liabilities rose in FY2011 for two of the DuPage County employee groups, the Regular County Employees and the Veterans Assistance Commission. Unfunded liabilities fell for the Elected County Officials group and the Sheriff's Law Enforcement group.

The unfunded liabilities of the Regular County Employees group rose dramatically from \$100.9 million in FY2010 to \$116.3 million in FY2011, due primarily to significant investment losses in 2008 and underperformance of investments in 2011. The Veterans Assistance Commission group, which had previously maintained a surplus (i.e., it was overfunded), has reported an unfunded liability since FY2008, with a growth of 146.5% from FY2010 to FY2011. This increase in unfunded liabilities is attributed to the effect of retirements in a small pension fund.

Elected County Officials group decreased by 2.5%, or by \$225,225. The Sheriff's Law Enforcement group reported a decrease in unfunded liabilities of 2.2%, or \$1.6 million.



Other Post Employment Benefits (OPEB)

In addition to pension benefits, DuPage County also provides limited healthcare insurance for certain eligible retired employees. Non-pension benefits provided to employees after

employment ends are referred to as Other Post Employment Benefits, or OPEB. OPEB includes health insurance coverage for retirees and their families, dental insurance, life insurance and long-term care coverage. These benefits are provided through DuPage County's Employee Life/Health Insurance Fund. The benefits do not include termination benefits such as accrued sick leave and vacation.

The County sets the benefits provided, benefit levels and employer and employee contributions. These provisions may be amended by the County through its personnel manual and union contracts. As of December 31, 2010, membership in the plan consisted of the following four groups illustrated below.

DuPage County Other Post Employment Benefits Membership: as of December 31, 2011	
Beneficiaries receiving benefits	193
Terminated plan members not yet receiving benefits	0
Active vested plan members	1,538
Active non-vested plan members	1,478
Total Members	3,209

Source: DuPage County FY2011 Comprehensive Annual Financial Report, p. 81.

The County funds its OPEB plan on a pay-as-you-go basis. As of FY2010, the actuarial accrued liability for the plan was \$7.1 million. The unfunded actuarial accrued liability also totaled \$7.1 million, meaning that the OPEB plan is 0.0% funded.

Funded Status of DuPage County's OPEB Plan: FY2011	
Actuarial Accrued Liability	\$ 7,140,094
Unfunded Actuarial Accrued Liability (UAAL)	\$ 7,140,094
Covered Payroll	\$ 161,716,207
UAAL as a % of Covered Payroll	4.4%

Source: DuPage County FY2011 Comprehensive Annual Financial Report, p. 82

The normal cost attributable to FY2011 was \$284,034, and the amortization of the \$7.1 million unfunded actuarial liability was \$272,493. When including the \$27,826 for interest on the unfunded liability and on the net OPEB obligation, the total Annual Required Contribution (ARC) for OPEB was \$584,723.

Total contributions of \$604,346 were \$19,623, or about 3.3%, more than the ARC, thus decreasing the net OPEB obligation, which totaled \$110,645 at the end of FY2011.

DuPage County Other Post Employment Benefits: Cost and Net Obligations for FY2011	
Normal Service Cost	\$ 284,034
Amortization of Unfunded Actuarial Liability	\$ 272,493
Interest Cost	\$ 27,826
Interest on Net OPEB Obligation	\$ 6,513
ARC Adjustments	\$ (6,143)
Total Annual Required Contribution	\$ 584,723
Retiree and Other Contributions	\$ 604,346
Increase in Net OPEB Obligation	\$ (19,623)
Net OPEB Obligation, Beginning of Year	\$ 130,268
Net OPEB Obligation, End of Year	\$ 110,645
% of Annual OPEB Cost Contributed	103.4%

Source: DuPage County FY2011 Comprehensive Annual Financial Report, p. 82.