

**Village of La Grange Park  
Annual Financial Report  
For the Year Ended April 30, 2010**

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## **INDEPENDENT AUDITOR'S REPORT**

# Selden Fox, LTD.

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Village of La Grange Park  
La Grange Park, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the **Village of LaGrange Park, Illinois** as of and for the year ended April 30, 2010, which collectively comprise the Village's basic financial statements as listed in the accompanying table of contents and the schedules of revenues, expenditures and changes in fund balance – budget and actual – General and Special Revenue Funds. These financial statements and schedules are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note IV. C. to the financial statements, management has not recorded a liability for certain other post-employment benefit costs and obligations, and accordingly has not recorded an adjustment to beginning net assets and an expense for the current period change in that liability. Accounting principles generally accepted in the United States of America require the cost of providing other post-employment benefits to be accrued as a liability and expense as employees earn the rights to the benefits, which would increase the liabilities, reduce the net assets, and change the expenses of the governmental activities and business-type activities. The amount by which this departure would affect the liabilities, net assets and expenses of the governmental activities and business-type activities is not reasonably determinable.

In our opinion, except for the effects of not recording a liability for certain post-employment benefit costs and of not recording an adjustment to beginning net assets and the current period change in that liability in the governmental activities and business-type activities, as described in the previous paragraph, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Village of La Grange Park, Illinois, as of April 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the other required supplementary information listed in the table of contents are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial information listed as supplementary information in the accompanying table of contents is presented for additional analysis, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Selden Fox, Ltd.*

September 2, 2010

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Village of La Grange Park  
Management's Discussion and Analysis  
April 30, 2010**

This narrative is offered as a means to allow the reader a better understanding of the accompanying financial statements. It highlights several important aspects of the Village of La Grange Park's financial condition, whether the financial condition is improving or worsening, and reviews the relationship between the different financial statements being presented.

**Financial Statement Structure**

The government-wide financial statements, found on pages 6 through 8, are designed to provide readers a broad perspective of the Village's finances. This is accomplished by consolidating all of the Village's financial activity into one set of financial statements. The *Statement of Net Assets* (page 6) presents information on all of the Village's assets and liabilities. The *Statement of Activities* (pages 7 and 8) presents information showing the sources and uses of Village monies that then changed the Village's net asset position during the most recent fiscal year. Both of these statements separate activities that are principally supported by taxes from those that are principally supported by user fees. The latter category for the Village of La Grange Park, described as "business-type activities", includes the provision of water and sewer services.

The fund financial statements begin on page 9 and continue through page 21. A *fund* is a group of accounts used to maintain control over resources that have been segregated for specific purposes. The Village of La Grange Park uses fund accounting because it represents generally accepted accounting principles for governmental organizations. In many cases it is also necessary in order to comply with legal requirements. There are three types of funds: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds account for those activities primarily supported by taxes. Sometimes, as is the case for our Motor Fuel Tax Fund, the state requires us to account for revenue derived from one specific tax separate from all other Village revenues. This ensures the revenue is spent for specific purposes. Proprietary funds account for those activities primarily supported by user fees. The Village of La Grange Park's two proprietary funds are the Water Fund and the Sewer Fund. You may note these are the two funds included in "business-type activities" in the government-wide financial statements described earlier. Fiduciary funds account for financial resources held for the benefit of parties outside the government. Our Police Pension Fund is one example.

The notes to the financial statements provide information necessary for the understanding of the statements. These notes begin on page 22 of this audit report.

**Condensed Financial Information from the Government-wide Financial Statements**

**Village of La Grange Park  
Change in Net Assets**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Program revenues:						
Charges for services	\$1,192,664	\$ 1,207,106	\$3,622,963	\$3,276,613	\$ 4,815,627	\$ 4,483,719
Grants and contributions:						
Operating	358,526	406,937	-	-	358,526	406,937
Capital	-	-	-	-	-	-
General revenues:						
Property taxes	2,959,886	3,249,987	-	-	2,959,886	3,249,987
Other taxes	2,895,167	3,181,781	-	-	2,895,167	3,181,781
Other	377,485	254,608	14,538	(3,878)	392,023	250,730
<b>Total revenues</b>	<b>7,783,728</b>	<b>8,300,419</b>	<b>3,637,501</b>	<b>3,272,735</b>	<b>11,421,229</b>	<b>11,573,154</b>
Expenses:						
General government	2,635,510	2,820,449	-	-	2,635,510	2,820,449
Public safety	4,676,132	4,787,161	-	-	4,676,132	4,787,161
Water	-	-	2,003,802	2,070,364	2,003,802	2,070,364
Sewer	-	-	750,917	1,117,425	750,917	1,117,425
<b>Total expenses</b>	<b>7,311,642</b>	<b>7,607,610</b>	<b>2,754,719</b>	<b>3,187,789</b>	<b>10,066,361</b>	<b>10,795,399</b>
Increase in net assets before transfers	472,086	692,809	882,782	84,946	1,354,868	777,755
Transfers	36,600	35,160	(36,600)	(35,160)	-	-
<b>Change in net assets</b>	<b>\$ 508,686</b>	<b>\$ 727,969</b>	<b>\$ 846,182</b>	<b>\$ 49,786</b>	<b>\$ 1,354,868</b>	<b>\$ 777,755</b>

**Village of La Grange Park  
Net Assets**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Assets:						
Current and other assets	\$ 5,213,731	\$5,569,557	\$ 2,407,613	\$1,581,845	\$ 7,621,344	\$ 7,151,402
Capital assets	5,126,861	4,488,803	13,118,269	13,499,924	18,245,130	17,988,727
<b>Total assets</b>	<b>10,340,592</b>	<b>10,058,360</b>	<b>15,525,882</b>	<b>15,081,769</b>	<b>25,866,474</b>	<b>25,140,129</b>
Liabilities:						
Current liabilities	392,221	514,873	475,199	603,570	867,420	1,118,443
Long-term liabilities	906,767	1,010,569	4,925,733	5,199,431	5,832,500	6,210,000
<b>Total liabilities</b>	<b>1,298,988</b>	<b>1,525,442</b>	<b>5,400,932</b>	<b>5,803,001</b>	<b>6,699,920</b>	<b>7,328,443</b>
Net assets:						
Invested in capital assets, net	4,016,293	3,291,092	7,918,837	8,037,635	11,935,130	11,328,727
Restricted	300,834	312,591	57,996	43,231	358,830	355,822
Unrestricted	4,724,477	4,929,235	2,148,117	1,197,902	6,872,594	6,127,137
<b>Total net assets</b>	<b>\$ 9,041,604</b>	<b>\$8,532,918</b>	<b>\$10,124,950</b>	<b>\$9,278,768</b>	<b>\$19,166,554</b>	<b>\$17,811,686</b>

## **Government-wide Financial Analysis**

The Village of La Grange Park's assets exceeded its liabilities by \$19,166,554 as of April 30, 2010. This is an increase of \$1,354,868 over the prior year as both the Village's *governmental activities* and *business-type activities* resulted in an increase in net assets. Net assets as of April 30, 2009 (the prior year end) were \$17,811,686. The two largest components of the Village's assets are its cash and investments of \$4,187,943 and its investment in infrastructure which stands at \$14,336,943. Cash and investments are up \$413,929 from the previous year primarily because money is being set aside for renovations to the public works building.

## **Fund Financial Statement Analysis**

The Village of La Grange Park has six governmental funds. These funds are displayed on the balance sheet found on pages 9 and 10. Governmental funds use a modified accrual basis of accounting designed to measure current financial resources. Consequently, the reader will notice the balance sheet does not show fixed assets or long-term liabilities. The related income statements (combined statement of revenues, expenditures and changes in fund balance) are found on pages 12 and 13.

The General Fund (first column) is used to account for most of the Village's general operating activity. This includes activity for the administration department, police department, fire department, public works department, and the building department. Including the effect of operating transfers, the General Fund's revenues were less than its expenditures by \$3,684. This result is slightly more favorable than last year's (when revenues were less than expenditures by \$64,339) and the General Fund's financial position has stayed about the same as a result. Revenues were up 1.6% (\$7,456,629 versus \$7,338,678), while expenditures decreased 3.0% (\$6,673,531 this year versus \$6,879,202 last year). The Village saw its intergovernmental revenues decline from \$1,418,103 to \$1,227,733 (-13.4%) with state income tax alone dropping by 12.4% as a result of the recession. With respect to expenditures, the General Fund finished the year \$362,136 under budget and would have been under budget even if the budget had not been amended by the Village Board with a \$60,000 increase.

The financial statements for the two proprietary funds begin on page 15. Proprietary funds use an accrual basis of accounting designed to measure total economic resources. Therefore, unlike governmental funds, the balance sheet does show *property and equipment* assets and long-term *bonds payable*. The combined increase in net assets for the Water and Sewer Funds is \$846,182. Both the Water Fund and Sewer Fund experienced substantial increases in net assets resulting from large operating incomes. The Water Fund in particular is in better financial condition than it was a year ago. The largest component of property and equipment is infrastructure, which includes reservoirs, water mains, and sewer lines.

The financial statements for the fiduciary funds begin on page 19.

## **Capital Assets and Long-term Debt**

The Village of La Grange Park issued no bonds during the 2010 fiscal year though it did receive a \$100,000 zero interest loan from the State of Illinois for use in purchasing an ambulance. It reduced its outstanding bonded debt by \$450,000 through scheduled payments. The bonds are rated Aa2 by Moody's Investors Service. Readers interested in detailed information related to capital assets and long-term debt may refer to the notes on pages 32 through 35.

## **Responsibility**

Any questions regarding this narrative specifically or the Village's audit report generally, may be addressed to the Finance Director, Village of La Grange Park, 447 N. Catherine Avenue, La Grange Park, IL 60526.

## **BASIC FINANCIAL STATEMENTS**

**Village of La Grange Park**  
**Statement of Net Assets**  
**April 30, 2010**

<b>Assets</b>	Primary Government		<b>Total</b>
	Governmental Activities	Business-type Activities	
Cash and investments	\$ 2,495,346	\$ 1,678,816	\$ 4,174,162
Receivables	2,353,189	645,606	2,998,795
Internal balances	36,625	(36,625)	-
Accrued interest income	728	262	990
Prepaid items	8,268	2,332	10,600
Deferred bond issuance costs	13,228	61,558	74,786
Temporarily restricted assets:			
Cash	13,781	-	13,781
Insurance deposits	292,566	55,664	348,230
Capital assets (net of accumulated depreciation):			
Buildings and building improvements	687,575	507,181	1,194,756
Infrastructure	2,545,954	11,790,989	14,336,943
Machinery and equipment	459,011	662,113	1,121,124
Vehicles	1,434,321	157,986	1,592,307
<b>Total assets</b>	<b>10,340,592</b>	<b>15,525,882</b>	<b>25,866,474</b>
<b>Liabilities</b>			
Accounts payable and other accrued expenses	174,189	117,105	291,294
Accrued interest expense	14,231	84,395	98,626
Noncurrent liabilities:			
Due within one year	203,801	273,699	477,500
Due in more than one year	906,767	4,925,733	5,832,500
<b>Total liabilities</b>	<b>1,298,988</b>	<b>5,400,932</b>	<b>6,699,920</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	4,016,293	7,918,837	11,935,130
Restricted for:			
Insurance deposits	292,566	55,664	348,230
Prepaid items	8,268	2,332	10,600
Unrestricted	4,724,477	2,148,117	6,872,594
<b>Total net assets</b>	<b>\$ 9,041,604</b>	<b>\$ 10,124,950</b>	<b>\$ 19,166,554</b>

See accompanying notes.

**Village of La Grange Park  
Statement of Activities  
For the Year Ended April 30, 2010**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>						
Governmental activities:						
General government	\$ 2,635,510	\$ 1,042,767	\$ 358,526	\$ (1,234,217)	\$ -	\$ (1,234,217)
Public safety	4,676,132	149,897	-	(4,526,235)	-	(4,526,235)
<b>Total governmental activities</b>	<b>7,311,642</b>	<b>1,192,664</b>	<b>358,526</b>	<b>(5,760,452)</b>	<b>-</b>	<b>(5,760,452)</b>
Business-type activities:						
Water	2,003,802	2,501,858	-	-	498,056	498,056
Sewer	750,917	1,121,105	-	-	370,188	370,188
<b>Total business-type activities</b>	<b>2,754,719</b>	<b>3,622,963</b>	<b>-</b>	<b>-</b>	<b>868,244</b>	<b>868,244</b>
<b>Total primary government</b>	<b>\$ 10,066,361</b>	<b>\$ 4,815,627</b>	<b>\$ 358,526</b>	<b>(5,760,452)</b>	<b>868,244</b>	<b>(4,892,208)</b>
General revenues:						
Property taxes				2,959,886	-	2,959,886
Sales taxes				487,961	-	487,961
Income taxes				1,025,401	-	1,025,401
Replacement taxes				47,551	-	47,551
Utility taxes				530,908	-	530,908
Telecommunication taxes				469,262	-	469,262
State use tax				154,782	-	154,782
Other taxes				179,302	-	179,302
Miscellaneous				298,451	-	298,451
Unrestricted investment earnings (loss)				79,034	14,538	93,572
Transfers				36,600	(36,600)	-
<b>Total general revenues and transfers</b>				<b>6,269,138</b>	<b>(22,062)</b>	<b>6,247,076</b>
<b>Change in net assets</b>				<b>508,686</b>	<b>846,182</b>	<b>1,354,868</b>
Net assets, beginning of the year				8,532,918	9,278,768	17,811,686
Net assets, end of the year				<b>\$ 9,041,604</b>	<b>\$ 10,124,950</b>	<b>\$ 19,166,554</b>

See accompanying notes.

**Village of La Grange Park  
Balance Sheet  
Governmental Funds  
April 30, 2010**

<b>Assets</b>	General	Motor Fuel Tax	Emergency 911	Capital Projects	Working Cash	Debt Service	Total Governmental Funds
Cash	\$ 946,271	\$ 78,714	\$ 16,846	\$ 80,544	\$ 10,855	\$ 5,837	\$ 1,139,067
Investments	710,520	-	100,000	399,792	145,967	-	1,356,279
Accounts receivable:							
Property taxes - net of allowance for loss on collection	1,408,160	-	-	-	-	-	1,408,160
Interést	26	-	1	590	111	-	728
Utility taxes and telephone surcharge	191,076	-	23,951	-	-	-	215,027
Other	41,602	-	-	-	-	-	41,602
Due from other funds	36,625	-	-	-	-	-	36,625
Due from other governments	659,561	28,839	-	-	-	-	688,400
Prepaid items	8,268	-	-	-	-	-	8,268
Restricted assets:							
Cash	13,781	-	-	-	-	-	13,781
Insurance deposits	292,566	-	-	-	-	-	292,566
<b>Total assets</b>	<b>\$ 4,308,456</b>	<b>\$ 107,553</b>	<b>\$ 140,798</b>	<b>\$ 480,926</b>	<b>\$ 156,933</b>	<b>\$ 5,837</b>	<b>\$ 5,200,503</b>
<b>Liabilities and Fund Balances</b>							
Liabilities:							
Accounts payable	\$ 69,355	\$ -	\$ 1,208	\$ 957	\$ -	\$ 250	\$ 71,770
Security deposits	13,781	-	-	-	-	-	13,781
Accrued wages	88,638	-	-	-	-	-	88,638
Deferred property tax revenue	1,408,160	-	-	-	-	-	1,408,160
<b>Total liabilities</b>	<b>1,579,934</b>	<b>-</b>	<b>1,208</b>	<b>957</b>	<b>-</b>	<b>250</b>	<b>1,582,349</b>
Fund balances:							
Reserved for prepaid items	8,268	-	-	-	-	-	8,268
Reserved for insurance deposits	292,566	-	-	-	-	-	292,566
Unreserved - undesignated:							
Available resources	1,693,416	78,714	116,846	480,336	156,822	5,837	2,531,971
Other	734,272	28,839	22,744	(367)	111	(250)	785,349
<b>Total fund balances</b>	<b>2,728,522</b>	<b>107,553</b>	<b>139,590</b>	<b>479,969</b>	<b>156,933</b>	<b>5,587</b>	<b>3,618,154</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,308,456</b>	<b>\$ 107,553</b>	<b>\$ 140,798</b>	<b>\$ 480,926</b>	<b>\$ 156,933</b>	<b>\$ 5,837</b>	<b>\$ 5,200,503</b>

See accompanying notes.

**Village of La Grange Park**  
**Reconciliation of Balance Sheet of Governmental Funds**  
**to the Statement of Net Assets**  
**April 30, 2010**

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Total fund balance - governmental funds (pages 9 and 10)	\$ 3,618,154
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	5,126,861
Interest expense is not subject to accrual in the governmental funds.	(14,231)
Revenues are recognized for governmental activities when earned, regardless of when collected, and not deferred on the statement of net assets.	1,408,160
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(1,097,340)</u>
Net assets of governmental activities (page 6)	<u>\$ 9,041,604</u>

See accompanying notes.

**Village of La Grange Park  
Combined Statement of Revenues, Expenditures  
and Changes in Fund Balance -  
Governmental Funds  
For the Year Ended April 30, 2010**

	General	Motor Fuel Tax	Emergency 911	Capital Projects	Working Cash	Debt Service	Total Governmental Funds
<b>Revenues:</b>							
Property taxes	\$ 3,139,489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,139,489
Other local taxes	1,667,433	-	149,897	-	-	-	1,817,330
Licenses and permits	500,724	-	-	-	-	-	500,724
Intergovernmental	1,227,733	335,527	-	23,000	-	-	1,586,260
Charges for services	412,030	-	-	-	-	-	412,030
Fines and forfeitures	130,013	-	-	-	-	-	130,013
Interest and investment income	73,789	979	-	2,785	1,087	394	79,034
Miscellaneous	305,418	-	10,016	10,818	-	-	326,252
<b>Total revenues</b>	<b>7,456,629</b>	<b>336,506</b>	<b>159,913</b>	<b>36,603</b>	<b>1,087</b>	<b>394</b>	<b>7,991,132</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	1,083,815	-	-	18,302	-	500	1,102,617
Public safety	4,541,156	-	40,939	287,962	-	-	4,870,057
Highways and streets	1,048,560	409,621	-	513,324	-	-	1,971,505
<b>Debt service:</b>							
Principal	-	-	-	-	-	187,142	187,142
Interest	-	-	-	-	-	39,132	39,132
<b>Total expenditures</b>	<b>6,673,531</b>	<b>409,621</b>	<b>40,939</b>	<b>819,588</b>	<b>-</b>	<b>226,774</b>	<b>8,170,453</b>
<b>Revenues over (under) expenditures before other financing sources (uses)</b>	<b>783,098</b>	<b>(73,115)</b>	<b>118,974</b>	<b>(782,985)</b>	<b>1,087</b>	<b>(226,380)</b>	<b>(179,321)</b>
<b>Other financing sources (uses):</b>							
Proceeds from note payable	-	-	-	100,000	-	-	100,000
Operating transfers in	32,782	-	-	865,074	-	225,353	1,123,209
Operating transfers out	(828,474)	(225,353)	(32,782)	-	-	-	(1,086,609)
Sale of capital assets	8,910	-	-	-	-	-	8,910
<b>Total other financing sources (uses)</b>	<b>(786,782)</b>	<b>(225,353)</b>	<b>(32,782)</b>	<b>965,074</b>	<b>-</b>	<b>225,353</b>	<b>145,510</b>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>(3,684)</b>	<b>(298,468)</b>	<b>86,192</b>	<b>182,089</b>	<b>1,087</b>	<b>(1,027)</b>	<b>(33,811)</b>
Fund balance, beginning of the year	2,732,206	406,021	53,398	297,880	155,846	6,614	3,651,965
Fund balance, end of the year	\$ 2,728,522	\$ 107,553	\$ 139,590	\$ 479,969	\$ 156,933	\$ 5,587	\$ 3,618,154

See accompanying notes.

**Village of La Grange Park  
Reconciliation of the Statement of Revenues,  
Expenditures and Changes in Fund Balance of  
Governmental Funds to the Statement of Activities  
For the Year Ended April 30, 2010**

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Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds (pages 12 and 13)	\$	(33,811)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
		638,058
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(179,603)
<p>Interest expense is not subject to accrual in the governmental funds.</p>		
		2,144
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
		81,898
Change in net assets of governmental activities (pages 7 and 8)	\$	508,686

See accompanying notes.

**Village of La Grange Park  
Proprietary Funds  
Statement of Net Assets  
April 30, 2010**

<b>Assets</b>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>Current assets:</b>			
Cash	\$ 452,935	\$ 102,210	\$ 555,145
Investments	411,195	712,476	1,123,671
Accrued interest receivable	145	117	262
Water sales receivable	315,606	-	315,606
Prepaid items	1,272	1,060	2,332
Unbilled usage	230,000	100,000	330,000
<b>Total current assets</b>	<u>1,411,153</u>	<u>915,863</u>	<u>2,327,016</u>
<b>Long-term assets:</b>			
Restricted assets - insurance deposits	50,820	4,844	55,664
Deferred bond issuance costs	-	61,558	61,558
Property and equipment, net of accumulated depreciation of \$3,726,835	4,408,950	8,709,319	13,118,269
<b>Total long-term assets</b>	<u>4,459,770</u>	<u>8,775,721</u>	<u>13,235,491</u>
<b>Total assets</b>	<u>5,870,923</u>	<u>9,691,584</u>	<u>15,562,507</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	102,837	1,971	104,808
Security deposits	4,736	-	4,736
Accrued wages	5,500	2,061	7,561
Interest payable	810	83,585	84,395
Bond payable, current portion	10,663	263,036	273,699
Due to other funds	11,684	24,941	36,625
<b>Total current liabilities</b>	<u>136,230</u>	<u>375,594</u>	<u>511,824</u>
Long-term liabilities - bond payable, less current portion	45,665	4,880,068	4,925,733
<b>Total liabilities</b>	<u>181,895</u>	<u>5,255,662</u>	<u>5,437,557</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	4,352,622	3,566,215	7,918,837
Restricted for:			
Insurance deposits	50,820	4,844	55,664
Prepaid items	1,272	1,060	2,332
Unrestricted:			
Available resources	852,446	789,745	1,642,191
Other	431,868	74,058	505,926
<b>Total net assets</b>	<u>\$ 5,689,028</u>	<u>\$ 4,435,922</u>	<u>\$ 10,124,950</u>

See accompanying notes.

**Village of La Grange Park  
 Combined Statement of Revenues, Expenses  
 and Changes in Net Assets -  
 Proprietary Fund Types  
 For the Year Ended April 30, 2010**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating revenues - charges for sales and services - water and sewer	<u>\$ 2,501,858</u>	<u>\$ 1,121,105</u>	<u>\$ 3,622,963</u>
Operating expenses:			
Cost of sales and services	1,639,508	176,290	1,815,798
Administration	149,051	125,218	274,269
Depreciation	<u>213,128</u>	<u>236,451</u>	<u>449,579</u>
<b>Total operating expenses</b>	<u>2,001,687</u>	<u>537,959</u>	<u>2,539,646</u>
<b>Income from operations</b>	<u>500,171</u>	<u>583,146</u>	<u>1,083,317</u>
Nonoperating revenue (expense):			
Interest and investment income	11,981	2,557	14,538
Interest expense	<u>(2,115)</u>	<u>(212,958)</u>	<u>(215,073)</u>
<b>Total nonoperating revenue (expense)</b>	<u>9,866</u>	<u>(210,401)</u>	<u>(200,535)</u>
<b>Income before transfer</b>	510,037	372,745	882,782
Transfer to Capital Projects Fund	<u>-</u>	<u>(36,600)</u>	<u>(36,600)</u>
<b>Change in net assets</b>	510,037	336,145	846,182
Net assets:			
Beginning of the year	<u>5,178,991</u>	<u>4,099,777</u>	<u>9,278,768</u>
End of the year	<u>\$ 5,689,028</u>	<u>\$ 4,435,922</u>	<u>\$ 10,124,950</u>

See accompanying notes.

**Village of La Grange Park  
Combined Statement of Cash Flows -  
Proprietary Funds  
For the Year Ended April 30, 2010**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Cash flows from operating activities:			
Receipts from customers	\$ 2,383,317	\$ 1,121,105	\$ 3,504,422
Payments to suppliers	(1,472,832)	(263,513)	(1,736,345)
Payments to employees	(338,758)	(149,801)	(488,559)
Deposits with joint venture	(12,995)	(2,186)	(15,181)
Advances from other funds	(102,755)	126,686	23,931
	<u>455,977</u>	<u>832,291</u>	<u>1,288,268</u>
<b>Net cash provided by operating activities</b>			
	<u>455,977</u>	<u>832,291</u>	<u>1,288,268</u>
Cash flows from noncapital financing activities - transfers to other funds	-	(36,600)	(36,600)
	<u>-</u>	<u>(36,600)</u>	<u>(36,600)</u>
Cash flows from capital and related financing activities:			
Purchases of capital assets	-	(67,924)	(67,924)
Principal paid on capital debt	(10,431)	(252,426)	(262,857)
Interest paid on capital debt	(2,237)	(209,813)	(212,050)
	<u>(12,668)</u>	<u>(530,163)</u>	<u>(542,831)</u>
<b>Net cash used in capital and related financing activities</b>			
	<u>(12,668)</u>	<u>(530,163)</u>	<u>(542,831)</u>
Cash flows from investing activities:			
Purchase of investments	(300,828)	(201,587)	(502,415)
Interest and dividends	11,869	2,622	14,491
	<u>(288,959)</u>	<u>(198,965)</u>	<u>(487,924)</u>
<b>Net cash used in investing activities</b>			
	<u>(288,959)</u>	<u>(198,965)</u>	<u>(487,924)</u>
<b>Net change in cash</b>	154,350	66,563	220,913
Cash, beginning of the year	298,585	35,647	334,232
	<u>298,585</u>	<u>35,647</u>	<u>334,232</u>
Cash, end of the year	\$ 452,935	\$ 102,210	\$ 555,145
	<u>\$ 452,935</u>	<u>\$ 102,210</u>	<u>\$ 555,145</u>

(cont'd)

**Village of La Grange Park  
 Combined Statement of Cash Flows -  
 Proprietary Funds (cont'd)  
 For the Year Ended April 30, 2010**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Reconciliation of income from operations to net cash provided by operating activities:			
Income from operations	\$ 500,171	\$ 583,146	\$ 1,083,317
Adjustments to reconcile income from operations to net cash provided by operating activities:			
Depreciation	213,128	236,451	449,579
Changes in:			
Water sales receivable/unbilled usage	(118,541)	-	(118,541)
Prepaid items	1,035	(619)	416
Insurance deposits	(12,995)	(2,186)	(15,181)
Accounts payable/security deposits/ accrued wages	(24,066)	(111,187)	(135,253)
Due to/from other funds	(102,755)	126,686	23,931
<b>Net cash provided by operating activities</b>	<b><u>\$ 455,977</u></b>	<b><u>\$ 832,291</u></b>	<b><u>\$ 1,288,268</u></b>

See accompanying notes.

**Village of La Grange Park  
Fiduciary Funds  
Statement of Net Assets  
April 30, 2010**

<b>Assets</b>	<b>Total</b>	<b>Police Pension Fund</b>	<b>Restricted Fund</b>
<b>Assets:</b>			
Cash	\$ 980,028	\$ 954,286	\$ 25,742
Investments	9,599,628	9,538,433	61,195
Accounts receivable:			
Property taxes - net of allowance for loss on collection	340,443	340,443	-
Interest	25,813	25,809	4
Prepaid items	8,842	8,842	-
Due from other funds	-	-	-
<b>Total assets</b>	<b>\$ 10,954,754</b>	<b>\$ 10,867,813</b>	<b>\$ 86,941</b>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 38,051	\$ 1,640	\$ 36,411
Due to participants	31,817	-	31,817
<b>Total liabilities</b>	<b>69,868</b>	<b>1,640</b>	<b>68,228</b>
Net assets - held in trust for pension benefits and other purposes	<b>10,884,886</b>	<b>10,866,173</b>	<b>18,713</b>
<b>Total liabilities and net assets</b>	<b>\$ 10,954,754</b>	<b>\$ 10,867,813</b>	<b>\$ 86,941</b>

See accompanying notes.

**Village of La Grange Park  
Fiduciary Funds - Pension Trust Fund  
Statement of Changes in Net Assets  
April 30, 2010**

Additions:	
Contributions:	
Employer/property taxes	\$ 603,201
Plan members	<u>162,272</u>
<b>Total contributions</b>	<u>765,473</u>
Investment earnings:	
Interest	250,344
Net increase in fair value of investments	<u>1,380,039</u>
<b>Total investment earnings</b>	1,630,383
Less investment expense	<u>45,315</u>
<b>Net investment earnings</b>	<u>1,585,068</u>
<b>Total additions</b>	<u>2,350,541</u>
Deductions:	
Benefits	925,357
Administrative expenses	<u>37,588</u>
<b>Total deductions</b>	<u>962,945</u>
<b>Net increase in plan assets</b>	1,387,596
Net assets:	
Beginning of the year	<u>9,478,577</u>
End of the year	<u><u>\$ 10,866,173</u></u>

See accompanying notes.

**Village of La Grange Park  
Fiduciary Funds - Restricted Fund  
Statement of Changes in Net Assets  
April 30, 2010**

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Revenues - miscellaneous	\$ 6,751
Expenditures - current - general government	<u>22,048</u>
<b>Revenues under expenditures</b>	(15,297)
Net assets:	
Beginning of the year	<u>34,010</u>
End of the year	<u>\$ 18,713</u>

See accompanying notes.

## **Village of La Grange Park Notes to the Financial Statements**

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### **I. Summary of Significant Accounting Policies**

#### **A. The Reporting Entity**

The Village of La Grange Park, Cook County, Illinois is duly organized and existing under the provisions of the laws of the state of Illinois. The Village operates under the manager-board form of government and provides public safety (police and fire), streets, water, public improvements, planning and zoning, and general administrative services. The Village is governed by an elected Board of six Trustees and a Village President. Financial accountability includes appointment of the organization's governing body, imposition of will and fiscal dependency. The accompanying financial statements include only those funds of the Village, as there are no other organizations for which it has financial accountability.

#### **B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

#### **C. Measurement Focus, Basis of Accounting and Basis of Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Village of La Grange Park**  
**Notes to the Financial Statements (cont'd)**

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**I. Summary of Significant Accounting Policies (cont'd)**

**C. Measurement Focus, Basis of Accounting and Basis of Presentation (cont'd)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period, or soon enough thereafter to pay liabilities of the current period. The Village considers all revenues available if they are collected within 60 days after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, interest, utility taxes and telephone surcharges are susceptible to accrual and so have been recognized as revenues of the current fiscal period. Replacement taxes, state income taxes and sales taxes collected and held by the State are also susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received.

The Village reports the following major governmental funds:

**General Fund** – The General Fund is the general operating fund of the Village. It is used to account for administrative, maintenance and all other financial resources, except those required to be accounted for in another fund. Tax levies and expenditures for Illinois Municipal Retirement, Police Pension, Social Security, and Ambulance Service are included in this fund.

**Motor Fuel Tax Fund** – A Special Revenue Fund used to account for the receipt and disbursement of State tax sharing derived from the sale of vehicle fuel in Illinois. The fund provides the funding for a majority of the Village's transportation construction projects.

**Emergency 911 Fund** – A Special Revenue Fund used to account for the receipt and disbursement of the Village's surcharges for the operation of its 911 emergency telephone system.

**Capital Projects Fund** – Accounts for the revenues and expenditures related to all major nonproprietary vehicles and equipment and all nontransportation construction projects.

**Working Cash Fund** – A fund to provide cash for contingencies in other governmental funds.

**Village of La Grange Park**  
**Notes to the Financial Statements (cont'd)**

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**I. Summary of Significant Accounting Policies (cont'd)**

**C. Measurement Focus, Basis of Accounting and Basis of Presentation (cont'd)**

**Debt Service Fund** – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal and interest of the Series 2004 general obligation bond issue.

**Proprietary Funds** are accounted for on the flow of economic resources measurement focus, and use the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

The Village reports the following major proprietary funds:

**Water Fund** – Accounts for the provision of water services within the Village. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, finance, billing and collection.

**Sewer Fund** – Accounts for the provision of sewer services within the Village. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, finance, billing and collection.

Additionally, the Village reports the following fiduciary funds to account for assets held by the Village in a trustee capacity or as an agent on behalf of others:

**Police Pension Fund** – Accumulates resources for pension benefit payments to qualified police personnel.

**Restricted Fund** – Accumulates grant and other funds for the benefit of the government, but restricted for specific purposes.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed, in both the government-wide and proprietary fund financial statements, to the extent those standards do not conflict or contradict guidance of the Governmental Accounting Standards Board, in which case the guidance of the Governmental Accounting Standards Board prevails.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided, and other charges between the Village's water and sewer functions and various other functions of the Village. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Village of La Grange Park**  
**Notes to the Financial Statements (cont'd)**

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**I. Summary of Significant Accounting Policies (cont'd)**

**C. Measurement Focus, Basis of Accounting and Basis of Presentation (cont'd)**

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including any special assessments. Internally dedicated resources are reported as general revenues, rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. The Proprietary Funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the systems. Operating expenses for the proprietary funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Use of Estimates** – The preparation of proprietary fund financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, and reported amounts of revenue and expenses during the accounting period. The Village grants unsecured credit to its residents and various other customers for water usage. The Village monitors exposure for credit losses, and has determined no allowance for uncollectible accounts is necessary.

**Certain Significant Concentrations** – Substantially all revenues in the Water and Sewer Funds are from water and wastewater service billings, respectively. The billings are charged to Village residents and various other customers.

**Allocation of Expenses** – All indirect salaries and other costs are recorded into the fund to which they apply.

**Village of La Grange Park**  
**Notes to the Financial Statements (cont'd)**

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**I. Summary of Significant Accounting Policies (cont'd)**

**D. Assets, Liabilities and Net Assets or Equity**

**1. Deposits and Investments**

Cash and investments are held separately by each of the Village's funds. Investments with maturities of one year or more from the date of purchase and investments of the Police Pension Fund are stated at fair value based on quoted market prices. Investments with maturities of one year or less from the date of purchase are stated at amortized cost. All other investments which do not consider market rates are stated at cost. Investment income has been allocated to each fund based on investments held by the fund.

Statutes authorize the Village to make deposits or invest in commercial banks, savings and loan institutions, obligations of the United States Treasury and United States Government Agencies, certain insured credit union shares, money market mutual funds with portfolios issued or guaranteed by the United States Government, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool.

The Illinois Funds Investment Pool is managed by the Office of the Treasurer of the State of Illinois, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the Securities and Exchange Commission as an investment company, but operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940 and has received Standard & Poor's highest rating (AAAm). Investments in Illinois Funds are valued at the share price.

**2. Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (the current portion of interfund loans) or "advances to/from other funds" (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as "internal balances." Any advances between funds are offset by a fund balance reserve account, to indicate that they are not available for appropriation, and are not expendable available resources.

**Village of La Grange Park**  
**Notes to the Financial Statements (cont'd)**

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**I. Summary of Significant Accounting Policies (cont'd)**

**D. Assets, Liabilities and Net Assets or Equity (cont'd)**

**2. Receivables and Payables (cont'd)**

The Village's property taxes are required to be levied by ordinance. A certified copy of the levy ordinance must be filed with the county clerk not later than the last Tuesday in December of each year. Taxes are due and collectible one-half on March 1 and one-half on September 1 of the following year. Property taxes attach as an enforceable lien on property as of January 1.

Property taxes are based on the assessed valuation of the Village's real property as equalized by the state of Illinois. The equalized assessed valuation of real property totaled \$400,221,314 for calendar year 2008. Property tax receivables are shown net of allowances for doubtful amounts. The property tax receivable allowance is equal to 1.96 percent of the current year's tax levy.

**3. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid assets. Such amounts are offset by fund balance reserved for prepaid items.

**4. Restricted Assets**

The Village required a security deposit from its cable television provider to guarantee compliance of contract provisions. As of April 30, 2010, security deposits of the Village's cable company amounted to \$13,781.

The Village is a member of the Intergovernmental Risk Management Agency (IRMA). The Village is required to maintain a deposit with IRMA to fund future possible claims. As of April 30, 2010, insurance deposits amounted to \$348,230 (\$292,566 in the governmental funds and \$55,664 in the proprietary funds).

**5. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the Village as assets with an initial cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost where historical records are available, or estimated historical cost where historical records do not exist. Donated capital assets are recorded at their estimated fair value at the date of donation.

**Village of La Grange Park**  
**Notes to the Financial Statements (cont'd)**

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**I. Summary of Significant Accounting Policies (cont'd)**

**D. Assets, Liabilities and Net Assets or Equity (cont'd)**

**5. Capital Assets (cont'd)**

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend assets' lives, are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of governmental activities is not capitalized.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	45
Equipment	6 - 15

**6. Compensated Absences**

Employees are allowed to accumulate vacation days up to no more than ten days over their annual vacation accrual rate. Employees receive payment for all accumulated vacation days as of the date of separation of employment. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements. It is the Village's policy to permit employees to accumulate earned but unused sick pay benefits. Employees may accumulate up to 120 days of sick time as of the end of any fiscal year. Upon separation, employees do not receive any payment for unused sick time. Upon retirement, employees receive payment for 25 percent of unused sick time.

**7. Deferred Property Tax Revenue**

Property tax revenues are recorded on the "deferred method." Because of the extraordinarily long period of time between the levy date and the receipt of tax distributions from the county collector, property taxes are not "available" to finance the current year's expenditures. For those funds on the modified accrual basis of accounting, the uncollected portion of the current year's tax levy, less amounts expected to be collected within sixty (60) days after year end, are recorded as deferred tax revenue.

**Village of La Grange Park**  
**Notes to the Financial Statements (cont'd)**

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**I. Summary of Significant Accounting Policies (cont'd)**

**D. Assets, Liabilities and Net Assets or Equity (cont'd)**

**8. Long-term Obligations**

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using a straight-line method that approximates the interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges, and are amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**9. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation, or are legally restricted by outside parties for use for a specific purpose.

**II. Reconciliation of Government-wide and Fund Financial Statements**

**A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets**

The governmental fund balance sheet includes a reconciliation between the total fund balance – governmental funds and the net assets of governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$1,097,340 are as follows:

Bonds payable		\$ 1,110,568
Deferred bond issuance costs		<u>(13,228)</u>
<b>Net adjustment to reduce total fund balance - governmental funds to arrive at net assets of governmental activities</b>		<b><u>\$ 1,097,340</u></b>

**Village of La Grange Park**  
**Notes to the Financial Statements (cont'd)**

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**II. Reconciliation of Government-wide and Fund Financial Statements (cont'd)**

**B. Explanation of Certain Differences Between the Governmental Statement of Revenues, Expenditures and Changes in Fund Balance and the Government-wide Statement of Activities**

The governmental fund statement of revenues, expenditures and changes in fund balance includes a reconciliation between the net change in fund balance – total governmental funds and the change in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that: “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$658,058 are as follows:

Capital outlay	\$	1,093,783
Depreciation		(419,013)
Loss on disposal of capital assets		<u>(36,712)</u>
<b>Net adjustment to increase net change in fund balance – total governmental funds to arrive at change in net assets of governmental activities</b>		
	<b>\$</b>	<b><u>638,058</u></b>

Another element of the reconciliation states: “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$81,898 are as follows:

Principal repayments – general obligation debt	\$	187,142
Proceeds from notes payable		(100,000)
Amortization of deferred bond issuance costs		<u>(5,244)</u>
<b>Net adjustment to increase net change in fund balance – total governmental funds to arrive at change in net assets of governmental activities</b>		
	<b>\$</b>	<b><u>81,898</u></b>

**Village of La Grange Park**  
**Notes to the Financial Statements (cont'd)**

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**III. Detailed Notes For All Funds**

**A. Deposits and Investments**

At April 30, 2010, cash and investments as reported on the statement of net assets consisted of:

Cash on hand	\$	2,025
Carrying amount:		
Deposits		1,518,128
Illinois Funds Investment Pool		619,072
Certificates of deposit		2,048,718
	\$	4,187,943

**Interest Rate Risk** – Interest rate risk is the risk that market interest rate changes will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village does not have a policy that limits investment maturities as a means of managing interest rate risk. However, its practice is to structure investment portfolio maturity dates in order to meet cash requirements for operations, capital projects and debt repayment schedules. At April 30, 2010, the Village is invested in twenty-two certificates of deposit totaling \$2,048,718, with maturities ranging from May 13, 2010 to November 10, 2010.

**Custodial Credit Risk – Deposits** – This is the risk that in the event of a bank failure, the Village’s deposits may not be returned. At April 30, 2010, the carrying amount of the Village’s deposits was \$3,566,846 and the bank balance was \$3,927,239. Of the bank balance, \$3,182,866 was covered by federal depository insurance, \$635,996 was collateralized with securities held by the pledging institution’s trust department or agent in the Village’s name, and the remaining \$108,377 was uninsured.

**Other Information** – The Illinois Funds Investment Pool (Pool) is not registered with the Securities and Exchange Commission. The Illinois State Treasury administers the Pool, and oversight is provided by the Auditor General’s Office of the State of Illinois. The fair value of the positions in this Pool is the same as the value of the Pool shares.

**Village of La Grange Park**  
**Notes to the Financial Statements (cont'd)**

**III. Detailed Notes For All Funds (cont'd)**

**B. Capital Assets**

Capital asset activity for the year ended April 30, 2010 was as follows:

	May 1, 2009	Additions	Deductions	April 30, 2010
Governmental activities:				
Capital assets being depreciated:				
Buildings and building improvements	\$ 2,075,104	\$ -	\$ -	\$ 2,075,104
Infrastructure	2,444,553	844,418	-	3,288,971
Machinery and equipment	1,052,094	10,323	(28,265)	1,034,152
Vehicles	2,658,998	239,042	(99,238)	2,798,802
	<b>8,230,749</b>	<b>1,093,783</b>	<b>(127,503)</b>	<b>9,197,029</b>
<b>Capital assets being depreciated</b>				
Less accumulated depreciation for:				
Buildings and building improvements	1,342,890	44,639	-	1,387,529
Infrastructure	575,818	167,199	-	743,017
Machinery and equipment	493,127	110,279	(28,265)	575,141
Vehicles	1,330,111	96,896	(62,526)	1,364,481
	<b>3,741,946</b>	<b>419,013</b>	<b>(90,791)</b>	<b>4,070,168</b>
<b>Total accumulated depreciation</b>				
Governmental activities, capital assets, net	<b>\$ 4,488,803</b>	<b>\$ 674,770</b>	<b>\$ (36,712)</b>	<b>\$ 5,126,861</b>

**Village of La Grange Park**  
**Notes to the Financial Statements (cont'd)**

**III. Detailed Notes For All Funds (cont'd)**

**B. Capital Assets (cont'd)**

	May 1, 2009	Additions	Deductions	April 30, 2010
Business-type activities:				
Capital assets being depreciated:				
Buildings	\$ 859,234	\$ -	\$ -	\$ 859,234
Infrastructure	14,050,619	67,924	-	14,118,543
Machinery and equipment	1,441,655	-	-	1,441,655
Vehicles	425,672	-	-	425,672
	<b>Capital assets being depreciated</b>	<b>67,924</b>	<b>-</b>	<b>16,845,104</b>
16,777,180				
Less accumulated depreciation for:				
Buildings	332,959	19,094	-	352,053
Infrastructure	2,024,563	302,991	-	2,327,554
Machinery and equipment	678,468	101,074	-	779,542
Vehicles	241,266	26,420	-	267,686
	<b>Total accumulated depreciation</b>	<b>449,579</b>	<b>-</b>	<b>3,726,835</b>
3,277,256				
Business-type activities, capital assets, net	\$ 13,499,924	\$ (381,655)	\$ -	\$ 13,118,269

Depreciation expense was charged to the various functions/programs as follows:

Governmental activities:	
General government	\$ 284,037
Public safety	134,976
	<b>Total depreciation expense – governmental activities</b>
	<b>\$ 419,013</b>
Business-type activities:	
Water	\$ 213,128
Sewer	236,451
	<b>Total depreciation expense – business-type activities</b>
	<b>\$ 449,579</b>

**Village of La Grange Park**  
**Notes to the Financial Statements (cont'd)**

**III. Detailed Notes For All Funds (cont'd)**

**C. Interfund Receivables and Payables**

The composition of interfund due to/from balances as of April 30, 2010 is as follows:

Receivable Fund	Payable Fund	Amount
General	Water	\$ 11,684
General	Sewer	24,941
<b>Total</b>		<b>\$ 36,625</b>

The balances are expected to be liquidated in the subsequent year through the normal course of operations.

**D. Long-term Debt**

Issues	Balances May 1, 2009	Additions	Retirements	Balances April 30, 2010
General obligation bonds: Series 2004 (\$2,260,000), due in remaining annual installments of \$230,000 to \$255,000 with interest rates from 3.00% to 3.70%.	\$ 1,440,000	\$ -	\$ (225,000)	\$ 1,215,000
Series 2006 (\$5,645,000), due in annual installments of \$235,000 to \$410,000 with interest rates from 3.75% to 4.125%.	5,220,000	-	(225,000)	4,995,000
	6,660,000	-	(450,000)	6,210,000
Interest free note payable – Illinois Finance Authority (\$100,000) due in annual installments of \$12,500	-	100,000	-	100,000
	<b>\$ 6,660,00</b>	<b>\$ 100,000</b>	<b>\$ (450,000)</b>	<b>\$ 6,310,000</b>

**Village of La Grange Park**  
**Notes to the Financial Statements (cont'd)**

**III. Detailed Notes For All Funds (cont'd)**

**D. Long-term Debt (cont'd)**

The annual debt service requirements to maturity are as follows:

Fiscal Year Ending April 30,	Total	Principal	Interest
Governmental activities due in 2011:			
Series 2004 bonds	\$ 225,454	\$ 191,301	\$ 34,153
Note payable	12,500	12,500	-
2011	237,954	203,801	34,143
2012	236,374	207,960	28,414
2013	238,437	216,277	22,160
2014	235,769	220,436	15,333
2015	232,441	224,594	7,847
2016 – 2018	37,500	37,500	-
	<u>1,218,475</u>	<u>1,110,568</u>	<u>107,907</u>
Business-type activities, due in 2011:			
Series 2004 bonds	45,609	38,699	6,910
Series 2006 bonds	430,494	235,000	195,494
2011	476,103	273,699	202,404
2012	471,970	279,540	192,430
2013	473,387	291,223	182,164
2014	473,472	302,064	171,408
2015	473,050	312,906	160,144
2016 – 2020	2,137,631	1,505,000	632,631
2021 – 2025	2,137,031	1,825,000	312,031
2026	426,913	410,000	16,913
	<u>7,069,557</u>	<u>5,199,432</u>	<u>1,870,125</u>
<b>Totals</b>	<u>\$ 8,288,032</u>	<u>\$ 6,310,000</u>	<u>\$ 1,978,032</u>

**Village of La Grange Park**  
**Notes to the Financial Statements (cont'd)**

**III. Detailed Notes For All Funds (cont'd)**

**E. Transfers**

<u>Receiving Fund</u>	<u>Paying Fund</u>	<u>Amount</u>
General	Emergency 911	\$ 32,782
Capital Projects	General	828,474
Capital Projects	Sewer	36,600
Debt Service	Motor Fuel Tax	<u>225,353</u>
<b>Total all funds</b>		<u>\$ 1,123,209</u>

The transfer of \$225,353 from the Motor Fuel Tax Fund to the Debt Service Fund is to move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due. All other transfers were done in the ordinary course of business.

**F. Fund Equity**

The amounts reported on the statement of net assets for the fiduciary funds as reserved for restricted revenue are comprised of the following:

Agency Fund:		
Ambulance donations	\$	5,367
Foreign Fire Insurance Tax		10,357
SB 740 – DUI fines		1,200
Police department donations		525
County badge grant		833
Christmas walk		<u>431</u>
		18,713
Pension Trust		<u>10,866,173</u>
	\$	<u>10,884,886</u>

**Village of La Grange Park**  
**Notes to the Financial Statements (cont'd)**

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**IV. Other Information**

**A. Risk Management**

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in northeastern Illinois which have formed an association, under the Illinois Intergovernmental Cooperations Statute, to pool their risk management needs. The Agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$1,000 of each occurrence, and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue, as defined in the by-laws of IRMA, and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

At April 30, 2010, the Village has a deposit of \$348,230 representing the Village's members' reserve with IRMA.

A copy of these financial statements can be obtained at the Village of La Grange Park, 447 North Catherine, La Grange Park, Illinois.

**B. Joint Ventures, Jointly Governed Organizations and Related Organizations**

**Joint Venture** – The Village, along with other area municipalities, is a member of the West Central Municipal Conference of the Intergovernmental Personnel Benefit Cooperative (the Cooperative), a cooperative health insurance plan. The Cooperative receives, processes and pays claims of some personnel benefit programs offered by members to their employees. The Village contributed \$510,543 to the Cooperative during the current fiscal year. The Village does not have a direct financial interest in the Cooperative and, therefore, its investment therein is not reported within the financial statements.

**Village of La Grange Park**  
**Notes to the Financial Statements (cont'd)**

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**IV. Other Information (cont'd)**

**B. Joint Ventures, Jointly Governed Organizations and Related Organizations (cont'd)**

**Joint Venture (cont'd)**

The Village, along with other area municipalities, is a member of the West Central Cable Agency (Agency), an agency established to administer the franchise agreements between the cable television company and the member villages. The Agency promulgates rules for access to the cable television system by citizens and organizations, and promotes the use of the cable television system delegated to the Agency by the member villages. The Village did not contribute to the Agency during the current fiscal year. The Village does not have a direct financial interest in the Agency and, therefore, its investment therein is not reported within the financial statements.

Complete separate financial statements for the Cooperative and Agency can be obtained from the Village of La Grange Park at 447 North Catherine, La Grange Park, Illinois.

**C. Other Post-employment Benefits**

The Village provides a \$3,000 post-retirement death benefit for certain beneficiaries of retirees who were Village employees prior to August 1, 1983. As of April 30, 2010, there were 19 retired Village employees who met the eligibility requirements. The Village has established an Agency Fund to provide for the present value of these benefits. At April 30, 2010, the balance of the fund totaled \$31,817.

Under the health insurance plan, the Village's retirees and current employees are insured together as a group. The retirees' premiums are paid completely by the retirees. However, those premiums may be lower than they would be if the retirees were insured separately. The difference is a Village contribution toward the cost of providing coverage to the retirees which is referred to as an implicit rate subsidy. The implicit rate subsidy is to be included in the calculations for OPEB costs and obligations whether or not the employer also makes an explicit contribution. This implicit rate subsidy should be recognized as an expense and liability as it is earned. The Village has not recorded the liability and the corresponding expense because management feels that doing so would result in misleading financial statements.

**D. Pension and Retirement Commitments**

The Village participates in two contributory retirement plans. Law enforcement officers are covered under the Police Pension Fund of the Village of La Grange Park (a single employer plan administered by a separate Police Pension Board of Trustees). The Illinois Municipal Retirement Fund (a statewide plan) covers substantially all full-time employees except law enforcement officers.

**Village of La Grange Park**  
**Notes to the Financial Statements (cont'd)**

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**IV. Other Information (cont'd)**

**D. Pension and Retirement Commitments (cont'd)**

**1. Police Pension Retirement Plan**

**Plan Description** – Police sworn personnel are covered by the La Grange Park Police Pension Plan (Plan), which is a defined benefit, single-employer pension plan. The Village's payroll for employees covered by the Plan for the year ended April 30, 2010 was \$1,637,457 out of a total Village payroll of \$3,964,881. At April 30, 2010, the Police Pension Plan's membership consisted of:

Retirees and beneficiaries	
currently receiving benefits	20
Participants currently receiving	
disability benefits	2
Active employees:	
Fully vested	6
Partially vested	8
Nonvested	9
	45

The Police Pension Plan provides retirement benefits, as well as death and disability benefits. Employees attaining the age of 50 or more, with 20 or more years of creditable service, are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, and 1 percent of such salary for each additional year of service over 30 years, to a maximum of 75 percent of such salary.

Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension of a police officer who retires with 20 or more years of service shall be increased annually, by 3 percent of the original pension, following the first anniversary date of retirement, and be paid upon reaching the age of at least 55 years, and by an additional 3 percent of the original pension in January of each year thereafter.

**Village of La Grange Park**  
**Notes to the Financial Statements (cont'd)**

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IV. Other Information (cont'd)

D. Pension and Retirement Commitments (cont'd)

1. Police Pension Retirement Plan (cont'd)

**Basis of Accounting** – The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

**Valuation of Investments** – The Police Pension Fund records investments at fair value. The composition of Plan investments at fair value on April 30, 2010 was as follows:

Common stock and options	\$ 3,171,257
Mutual funds	1,037,900
Closed-end funds	567,070
Mortgage-backed securities	3,503,124
Government bonds	<u>1,259,082</u>
	<u>\$ 9,538,433</u>

The amortized cost of Plan investments at April 30, 2010 was \$9,423,937.

**Contributions** – Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes, and may be amended only by the Illinois legislature.

The Plan's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, accumulate assets gradually over time so that sufficient assets will be available to pay benefits when due. All costs of administering the Plan are paid for by the Plan, except certain accounting functions, which are provided by the Village of La Grange Park at no cost.

Covered employees are required to contribute to the Police Pension Plan 9.91 percent of their base salary. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village of La Grange Park is required to contribute the remaining amounts necessary to finance the Plan as actuarially determined by an enrolled actuary. By the year 2033, the Village's contributions must accumulate to the point where the unfunded accrued liability for the Police Pension Plan is fully funded.

**Village of La Grange Park**  
**Notes to the Financial Statements (cont'd)**

IV. **Other Information** (cont'd)

D. **Pension and Retirement Commitments** (cont'd)

1. **Police Pension Retirement Plan** (cont'd)

**Funding Status and Progress** – The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and stop-rate benefits, estimated to be payable in the future as a result of employee service to date.

The measure is intended to help users assess the funding status of the system on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits, and is independent of the funding method used to determine contributions to the Plan.

Actuarial valuation	April 30, 2009
Actuarial cost method	Entry age normal cost
Amortization method	Level percentage of payroll
Remaining amortization period	25 years
Actuarial assumptions:	
Rate of return on investment of present and future assets	7.00% compounded annually
Projected salary increases – attributable to inflation	5.50% compounded annually
Mortality rate assumption	1971 group annuity
Disability and separation	Experience tables

The pension benefit obligation and net assets available for benefits at April 30, 2009 (date of most recent actuarial valuation), as reflected in a report prepared by the Illinois Department of Insurance, are presented below:

Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits, and terminated employees not yet receiving benefits	\$ 11,493,984
Current employees:	
Accumulated employee contributions, including allocated investment earnings	-
Employer-financed, vested	-
Employer-financed, nonvested	<u>7,663,924</u>
<b>Total pension benefit obligation</b>	<b>19,157,908</b>
<b>Net assets available for benefits</b>	<u>9,008,649</u>
Unfunded pension benefit obligation	<u>\$ 10,149,259</u>

**Village of La Grange Park**  
**Notes to the Financial Statements (cont'd)**

**IV. Other Information (cont'd)**

**D. Pension and Retirement Commitments (cont'd)**

**1. Police Pension Retirement Plan (cont'd)**

**Funding Status and Progress (cont'd)**

Information regarding actuarial present value of vested and nonvested accumulated benefits is not available. Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Trend information for the three most recent plan years ended April 30 is as follows:

Plan/ Levy Year	Actuarial Valuation Date	Annual Pension Cost (APC)	Employer Contribution	Percentage of APC Contributed	Net Pension Obligation
2009	04/30/08	\$ 613,102	\$ 609,960	99.49 %	\$ 0
2008	04/30/07	527,413	499,800	94.76	0
2007	04/30/06	524,044	519,180	99.07	0

**2. Illinois Municipal Retirement Fund**

The Village's defined benefit pension plan for Regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

As set by statute, the Village's regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village contribution rate for calendar year 2009 was 5.33 percent of annual covered payroll. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

For 2009, the Village's annual pension cost of \$93,383 for the regular plan was equal to the required and actual contributions. Trend information for the three most recent plan years ended December 31 is as follows:

**Village of La Grange Park**  
**Notes to the Financial Statements (cont'd)**

**IV. Other Information (cont'd)**

**D. Pension and Retirement Commitments (cont'd)**

**2. Illinois Municipal Retirement Fund (cont'd)**

Plan Year	Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	12/31/09	\$ 93,383	100 %	\$ 0
2008	12/31/08	89,969	100	0
2007	12/31/07	94,853	100	0

The required contribution for 2009 was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the Village's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The Village's regular plan unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007, valuation was 23 years.

As of December 31, 2009, the most recent actuarial valuation date, the regular plan was 84.10 percent funded. The actuarial accrued liability for benefits was \$4,877,890 and the actuarial value of assets was \$4,102,417, resulting in an underfunded actuarial accrued liability (UAAL) of \$775,473. The covered payroll (annual payroll of active employees covered by the plan) was \$1,752,020 and the ratio of the UAAL to the covered payroll was 44 percent. In conjunction with the December 31 2009 actuarial valuation, the market value of investments was determined using techniques that spread the short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actual and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Village of La Grange Park  
Illinois Municipal Retirement Fund  
Required Supplementary Information  
Schedule of Funding Progress  
April 30, 2010**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/09	\$ 4,102,417	\$ 4,877,890	\$ 775,473	84.10%	\$ 1,752,020	44.26%
12/31/08	3,609,403	4,467,399	857,996	80.79%	1,653,852	51.88%
12/31/07	5,294,888	4,508,074	(786,814)	117.45%	1,607,684	0.00%
12/31/06	4,635,492	3,901,586	(733,906)	118.81%	1,462,907	0.00%
12/31/05	4,558,205	3,971,039	(587,166)	114.79%	1,405,551	0.00%
12/31/04	4,219,193	3,659,169	(560,024)	115.30%	1,322,957	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$3,973,800.  
On a market basis, the funded ratio would be 81.47%.

See independent auditor's report.

**Village of La Grange Park  
Police Pension Fund  
Required Supplementary Information  
Schedule of Funding Progress  
April 30, 2010**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
04/30/09	\$ 9,008,649	\$19,157,908	\$10,149,259	47.02%	\$ 1,637,457	619.82%
04/30/08	10,637,549	18,414,470	7,776,921	57.77%	1,604,379	484.73%
04/30/07	10,775,734	17,374,346	6,598,612	62.02%	1,454,934	453.53%
04/30/06	10,061,561	16,940,943	6,879,382	59.39%	1,390,760	494.65%
04/30/05	9,509,329	16,996,253	7,486,924	55.95%	1,292,974	579.05%
04/30/04	9,333,129	15,851,759	6,518,630	58.88%	1,377,899	473.08%

Analysis of the dollar amounts of the actuarial value of assets, actuarially accrued liability, and unfunded actuarially accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarially accrued liability provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the PERS. Trends in unfunded actuarially accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarially accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation, and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the PERS.

See independent auditor's report.

**Village of La Grange Park  
General Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2010**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>				
Property taxes	\$ 3,015,000	\$ 3,015,000	<b>\$ 3,139,489</b>	\$ 124,489
Other local taxes	1,751,000	1,751,000	<b>1,667,433</b>	(83,567)
Licenses and permits	504,100	504,100	<b>500,724</b>	(3,376)
Intergovernmental	1,453,000	1,453,000	<b>1,227,733</b>	(225,267)
Charges for services	317,300	317,300	<b>412,030</b>	94,730
Fines and forfeitures	151,500	151,500	<b>130,013</b>	(21,487)
Interest and investment income	17,000	17,000	<b>73,789</b>	56,789
Miscellaneous	233,000	233,000	<b>305,418</b>	72,418
<b>Total revenues</b>	<b>7,441,900</b>	<b>7,441,900</b>	<b>7,456,629</b>	<b>14,729</b>
<b>Expenditures - current:</b>				
General government	1,108,095	1,118,095	<b>1,083,815</b>	34,280
Public safety	4,767,932	4,767,932	<b>4,541,156</b>	226,776
Highways and streets	1,099,640	1,149,640	<b>1,048,560</b>	101,080
<b>Total expenditures</b>	<b>6,975,667</b>	<b>7,035,667</b>	<b>6,673,531</b>	<b>362,136</b>
<b>Revenues over expenditures before other financing sources (uses)</b>	<b>466,233</b>	<b>406,233</b>	<b>783,098</b>	<b>376,865</b>
<b>Other financing sources (uses):</b>				
Operating transfers in	32,782	32,782	<b>32,782</b>	-
Operating transfers out	(828,474)	(828,474)	<b>(828,474)</b>	-
Sale of capital assets	-	-	<b>8,910</b>	8,910
<b>Total other financing sources (uses)</b>	<b>(795,692)</b>	<b>(795,692)</b>	<b>(786,782)</b>	<b>8,910</b>
<b>Revenues under expenditures and other financing sources (uses)</b>	<b>\$ (329,459)</b>	<b>\$ (389,459)</b>	<b>(3,684)</b>	<b>\$ 385,775</b>
Fund balance, beginning of the year			<b>2,732,206</b>	
Fund balance, end of the year			<b>\$ 2,728,522</b>	

See independent auditor's report.

**Village of La Grange Park  
Motor Fuel Tax Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2010**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Intergovernmental	\$ 345,000	\$ 345,000	\$ 335,527	\$ (9,473)
Interest and investment income	5,000	5,000	979	(4,021)
<b>Total revenues</b>	<u>350,000</u>	<u>350,000</u>	<u>336,506</u>	<u>(13,494)</u>
Expenditures - current - highways and streets	<u>418,450</u>	<u>418,450</u>	<u>409,621</u>	<u>8,829</u>
<b>Revenues under expenditures         before other financing uses</b>	(68,450)	(68,450)	(73,115)	(4,665)
Other financing uses - operating transfers out	<u>(225,000)</u>	<u>(225,000)</u>	<u>(225,353)</u>	<u>(353)</u>
<b>Revenues under         expenditures and other         financing uses</b>	<u>\$ (293,450)</u>	<u>\$ (293,450)</u>	<u>(298,468)</u>	<u>\$ (5,018)</u>
Fund balance, beginning of the year			<u>406,021</u>	
Fund balance, end of the year			<u>\$ 107,553</u>	

See independent auditor's report.

**Village of La Grange Park  
Emergency 911 Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2010**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Other local taxes	\$ 140,000	\$ 140,000	\$ 149,897	\$ 9,897
Interest and investment income	1,000	1,000	-	(1,000)
Miscellaneous	6,700	6,700	10,016	3,316
<b>Total revenues</b>	147,700	147,700	<b>159,913</b>	12,213
Expenditures - current - public safety	74,800	74,800	40,939	33,861
<b>Revenues over         expenditures before         other financing uses</b>	72,900	72,900	<b>118,974</b>	46,074
Other financing uses - operating transfers out	(32,782)	(32,782)	(32,782)	-
<b>Revenues over         expenditures and other         financing uses</b>	<b>\$ 40,118</b>	<b>\$ 40,118</b>	<b>86,192</b>	<b>\$ 46,074</b>
Fund balance, beginning of the year			<b>53,398</b>	
Fund balance, end of the year			<b>\$ 139,590</b>	

See independent auditor's report.

**Village of La Grange Park**  
**Note to the Required Supplementary Schedules**

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**Budgetary Information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. All annual budgeted amounts lapse at year end. The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- The budget is prepared in tentative form by the Village Manager, reviewed and approved by the Village Board, and is made available for public inspection at least 10 days prior to final Board action. A public hearing is held on the tentative budget to obtain taxpayer comments.
- Prior to May 1, the budget is legally adopted by the Board of Trustees. All actual expenditures contained herein have been compared to the annual operating budget.
- The Village Manager may transfer within any department amounts budgeted for an object or purpose to another object or purpose. No object or purpose can be reduced below an amount sufficient to provide for all obligations incurred or to be incurred against the budget.
- The Board of Trustees may:
  - By two-thirds vote amend the budget, or transfer amounts between departments and funds. No amendment or transfer shall be made increasing the budget, in the event funds are not available to effectuate the purpose of the amendment or transfer.
  - Adopt a supplemental budget in an amount not to exceed any additional revenue available, including unbudgeted fund balances, or amounts estimated to be received after adoption of the annual budget.
- Expenditures may exceed budgeted amounts at the subobject level.
- The Village does not use the encumbrance method of accounting. Budgetary funds are controlled by an integrated budgetary accounting system in accordance with various legal requirements which govern the Village.

**SUPPLEMENTARY INFORMATION**

**Village of La Grange Park  
Capital Projects Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2010**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 23,000	\$ 23,000
Interest and investment income	2,000	2,000	2,785	785
Miscellaneous	-	-	10,818	10,818
<b>Total revenues</b>	<u>2,000</u>	<u>2,000</u>	<u>36,603</u>	<u>34,603</u>
Expenditures - current:				
General government	20,000	20,000	18,302	1,698
Public safety	158,295	293,295	287,962	5,333
Highways and streets	494,000	519,000	513,324	5,676
<b>Total expenditures</b>	<u>672,295</u>	<u>832,295</u>	<u>819,588</u>	<u>12,707</u>
<b>Revenues under     expenditures before other     financing sources</b>	<u>(670,295)</u>	<u>(830,295)</u>	<u>(782,985)</u>	<u>47,310</u>
Other financing sources:				
Proceeds from note payable	-	-	100,000	100,000
Transfers in	865,074	865,074	865,074	-
<b>Total other financing     sources</b>	<u>865,074</u>	<u>865,074</u>	<u>965,074</u>	<u>100,000</u>
<b>Revenues and other     financing sources over     expenditures</b>	<u>\$ 194,779</u>	<u>\$ 34,779</u>	<u>182,089</u>	<u>\$ 147,310</u>
Fund balance, beginning of the year			<u>297,880</u>	
Fund balance, end of the year			<u>\$ 479,969</u>	

See independent auditor's report.

**Village of La Grange Park  
Working Cash Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2010**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenue - interest and investment income	\$ -	\$ -	\$ 1,087	\$ 1,087
Fund balance, beginning of the year			<u>155,846</u>	
Fund balance, end of the year			<u>\$ 156,933</u>	

See independent auditor's report.

**Village of La Grange Park  
Debt Service Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2010**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenue - interest and investment income	\$ 1,100	\$ 1,100	\$ 394	\$ (706)
Expenditures:				
Current - general government	500	500	500	-
Debt service:				
Principal	188,000	188,000	187,142	858
Interest	40,000	40,000	39,132	868
<b>Total expenditures</b>	<u>228,500</u>	<u>228,500</u>	<u>226,774</u>	<u>1,726</u>
<b>Revenues under expenditures before other financing sources</b>	(227,400)	(227,400)	(226,380)	1,020
Other financing sources - operating transfers in	<u>225,000</u>	<u>225,000</u>	<u>225,353</u>	<u>353</u>
<b>Revenues and other financing sources under expenditures</b>	<u>\$ (2,400)</u>	<u>\$ (2,400)</u>	<u>(1,027)</u>	<u>\$ 1,373</u>
Fund balance, beginning of the year			<u>6,614</u>	
Fund balance, end of the year			<u>\$ 5,587</u>	

See independent auditor's report.

**Village of La Grange Park  
Computation of Legal Debt Margin  
April 30, 2010**

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	<u>2008 Tax Levy Year</u>
Assessed valuation	\$ 400,221,314
Statutory debt limitation - percent of assessed valuation	<u>8.625%</u>
Legal debt margin	<u>\$ 34,519,088</u>

See independent auditor's report.