



AUDIT REPORT
FOR THE YEAR ENDED APRIL 30, 2015

Selden Fox LTD.
CERTIFIED PUBLIC ACCOUNTANTS

**Village of La Grange Park
Annual Financial Report
For the Year Ended April 30, 2015**

Table of Contents

Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4 - 11
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	12
Statement of Activities	13 - 14
Fund Financial Statements:	
Balance Sheet - Governmental Funds	15 - 16
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Position	17
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18 - 19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	20
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
General Fund	21
Special Revenue Funds:	
Motor Fuel Tax Fund	22
Emergency 911 Fund	23
Statement of Net Position - Proprietary Funds	24
Combined Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund Types	25
Combined Statement of Cash Flows - Proprietary Funds	26 - 27

(cont'd)

**Village of La Grange Park
Annual Financial Report
For the Year Ended April 30, 2015**

Table of Contents (cont'd)

Basic Financial Statements (cont'd):

Fund Financial Statements (cont'd):

Statement of Fiduciary Net Position - Fiduciary Funds 28

Statement of Changes in Fiduciary Net Position - Fiduciary Funds -
Pension Trust Fund 29

Statement of Changes in Net Position - Fiduciary Funds -
Restricted Fund 30

Notes to the Financial Statements 31 - 65

Required Supplementary Information:

Schedule of Funding Progress:

Illinois Municipal Retirement Fund 66

Police Pension Fund 67

Other Post-employment Benefits Healthcare Plan 68

Schedule of Employer Contributions:

Illinois Municipal Retirement Fund 69

Police Pension Fund 70 - 71

Schedule of Changes in the Employers' Net Pension Liability and
Related Ratios - Police Pension Fund 72

Schedule of Investment Returns - Police Pension Fund 73

Supplementary Information:

Schedule of Revenues, Expenditures and Changes in Fund

Balance - Budget and Actual:

Capital Projects Fund 74

Working Cash Fund 75

Debt Service Fund 76

Foreign Fire Fund 77

Computation of Legal Debt Margin 78

INDEPENDENT AUDITOR'S REPORT

Selden Fox, LTD.

A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS
619 Enterprise Drive
Oak Brook, Illinois 60523-8835

630-954-1400
630-954-1327 FAX

email@seldenfox.com
www.seldenfox.com

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, business-type activities, fiduciary activities, and each major fund of the **Village of La Grange Park, Illinois**, as of and for the year ended April 30, 2015, and the statements of revenues, expenditures and changes in fund balance – budget and actual for the General and major Special Revenue Funds and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the fiduciary activities, and each major fund of the Village of La Grange Park, Illinois, as of April 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the major Special Revenue Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note IV. C. 1. to the financial statements, the fiduciary funds financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of La Grange Park, Illinois' basic financial statements. The accompanying financial information listed as supplementary information on pages 73-77 in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Other Matters (cont'd)

Other Information (cont'd)

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Selden Fox, Ltd.

October 19, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Village of La Grange Park
Management's Discussion and Analysis
April 30, 2015**

As management of the Village of La Grange Park, we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2015. This narrative is intended to provide the reader a better understanding of the accompanying financial statements. It also highlights several important aspects of the Village of La Grange Park's financial condition and reviews the relationship between the types of financial statements presented.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the Village exceeded its liabilities and deferred inflows at April 30, 2015, resulting in total net position of \$25,445,330.
- The Village's total net position increased by \$867,357 during the fiscal year. Governmental net position increased by \$354,754 and business-type net position increased by \$512,603.
- As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$5,344,804, a decrease of \$140,805 as compared with the prior year primarily due to investments in infrastructure and equipment replacement.
- The Village transferred \$1.188 million of cash reserves from the General Fund to the Capital Projects Fund to fund road projects and equipment replacement.
- At the end of the current fiscal year, unassigned fund balance in the General Fund was \$3,957,838 or 51% of total General Fund expenditures.
- The Village issued refunding bonds during the 2015 fiscal year and reduced its outstanding bonded debt by \$770,000 through the refunding and scheduled payments.

REPORT STRUCTURE

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a comprehensive overview of the Village's finances, in a manner similar to a private sector business.

The *Statement of Net Position* presents information on the Village's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. This statement combines and consolidates the Village's current financial resources (short-term, spendable resources) with capital assets and long-term obligations using the accrual basis of accounting which maintains its measurement focus on economic resources rather than spendable financial resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The *Statement of Activities* presents information on how the Village's net position has changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in

**Village of La Grange Park
Management's Discussion and Analysis (cont'd)
April 30, 2015**

Government-Wide Financial Statements (cont'd)

cash flows in future periods. The Statement of Activities also reports the extent to which various expenses for governmental or business-type functions are dependent upon user-charges, grant sources, or general tax and other revenues.

Both of the government-wide financial statements differentiate functions of the Village which are principally supported by taxes and intergovernmental revenues (governmental activities) from those functions which are intended to recover all or a significant portion of their costs through user-fees and charges (business-type activities). The governmental activities of the Village include general government, public safety and highways and streets. The business-type activities of the Village include water and sewer services.

Excluded from the government-wide financial statements are fiduciary funds, such as the Village's Police Pension Fund. Fiduciary funds are used to report net assets held in a trustee or agency capacity for others and therefore cannot be used to support Village services.

The government-wide financial statements can be found on pages 12 through 14 of this report.

Fund Financial Statements

A *fund* is a group of accounts used to maintain control over resources that have been segregated for specific purposes. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Sometimes, as is the case for the Village's Motor Fuel Tax Fund, the State requires the Village to account for revenue derived from one specific tax separate from all other Village revenues.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements and use the economic resources measurement focus and accrual basis of accounting.

**Village of La Grange Park
Management's Discussion and Analysis (cont'd)
April 30, 2015**

Fund Financial Statements (cont'd)

Fiduciary funds account for financial resources held for the benefit of parties outside the government, such as the Village's Police Pension Fund. The accounting used for fiduciary funds is similar to that used for proprietary funds.

The fund financial statements begin on page 15 and continue through page 30.

Notes to the Financial Statements

The notes to the financial statements provide information necessary for the full understanding of the statements. These notes begin on page 31 of this audit report.

Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's progress in funding its obligation to employee retirement and other post-employment benefit plans. Required supplementary information can be found on pages 66 through 73 of this report. Other supplementary information may be found on pages 74 through 78.

CONDENSED FINANCIAL INFORMATION AND ANALYSIS

Government-wide Financial Analysis

**Village of La Grange Park
Net Position**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Assets:						
Current and other assets	\$ 7,392,157	\$ 7,569,866	\$ 3,978,560	\$ 3,827,854	\$11,370,717	\$11,397,720
Capital assets	6,100,648	5,556,905	13,474,549	13,299,670	19,575,197	18,856,575
Total assets	13,492,805	13,126,771	17,453,109	17,127,524	30,945,914	30,254,295
Liabilities:						
Current liabilities	658,364	980,820	732,152	709,169	1,390,516	1,689,989
Long-term liabilities	537,293	233,557	3,263,978	3,752,776	3,831,271	3,986,333
Total liabilities	1,225,657	1,214,377	3,996,130	4,461,945	5,221,787	5,676,322
Deferred inflows	-	-	278,797	-	278,797	-
Net position:						
Net Investment in capital assets	5,882,644	5,294,811	9,979,549	9,246,764	15,862,193	14,541,575
Restricted	958,300	840,616	163,686	77,781	1,121,986	918,397
Unrestricted	5,426,204	5,776,967	3,034,947	3,341,034	8,461,151	9,118,001
Total net position	\$12,267,148	\$11,912,394	\$13,178,182	\$12,665,579	\$25,445,330	\$24,577,973

**Village of La Grange Park
Management's Discussion and Analysis (cont'd)
April 30, 2015**

Government-wide Financial Analysis (cont'd)

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net Results of Activities – which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for Capital – which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets. There is a second impact, an increase in the investment in capital assets and an increase in related net debt which will not change the net investment in capital assets (net of debt).

Spending of Non-borrowed Current Assets on New Capital – which will (a) reduce current assets and increase capital assets and (b) reduce unrestricted net position and increase the net investment in capital assets.

Principal Payment on Debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase the net investment in capital assets.

Reduction of Capital Assets through Depreciation – which will reduce capital assets and the net investment in capital assets.

The Village had a number of these impacts occur during the fiscal year which contributed to the increase in net position. The Village spent current non-borrowed assets on new capital purchases and improvements. The Village also refunded debt, made debt service payments and recorded annual depreciation.

The Village of La Grange Park's assets exceeded its liabilities by \$25,445,330 as of April 30, 2015. This is an increase of \$867,357 over the prior year as both the Village's governmental activities and business-type activities resulted in an increase in net position. The two largest components of the Village's assets are its cash and investments of \$6,962,500 and its investment in capital assets which stands at \$19,575,197.

**Village of La Grange Park
Management's Discussion and Analysis (cont'd)
April 30, 2015**

Government-wide Financial Analysis (cont'd)

	Village of La Grange Park Changes in Net Position					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Program revenues:						
Charges for services	\$ 1,476,874	\$ 1,469,519	\$ 4,231,560	\$ 4,297,029	\$ 5,708,434	\$ 5,766,548
Grants and contributions:						
Operating	531,228	402,972	-	-	531,228	402,972
Capital	158,541	450,000	159,432	-	317,973	450,000
General revenues:						
Property taxes	3,248,613	3,258,588	-	-	3,248,613	3,258,588
Other taxes	3,437,597	3,243,209	-	-	3,437,597	3,243,209
Other	434,175	468,312	10,954	17,559	445,129	485,871
Total revenues	9,287,028	9,292,600	4,401,946	4,314,588	13,688,974	13,607,188
Expenses:						
General government	3,160,857	3,090,864	-	-	3,160,857	3,090,864
Public safety	5,824,744	5,281,462	-	-	5,824,744	5,281,462
Water	-	-	3,041,039	2,932,231	3,041,039	2,932,231
Sewer	-	-	901,353	750,243	901,353	750,243
Total expenses	8,985,601	8,372,326	3,942,392	3,682,474	12,927,993	12,054,800
Increase in net position before transfers	301,427	920,274	459,554	632,114	760,981	1,552,388
Transfers	53,327	39,340	53,049	(39,340)	106,376	-
Change in net position	\$ 354,754	\$ 959,614	\$ 512,603	\$ 592,774	\$ 867,357	\$ 1,552,388

There are eight basic impacts on revenues and expenses as reflected below that affect the comparability of the Statement of Changes in Net Position summary presentation:

Revenues:

Economic Condition – which can reflect a declining, stable or growing economic environment and has a substantial impact on state income, sales, and utility tax revenue, as well as public spending habits for building permits, elective user fees, and volumes of consumption.

Increase/Decrease in Village Board Approved Rates – while certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (water, wastewater, impact fee, building fees, etc.).

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and nonrecurring) – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

**Village of La Grange Park
Management's Discussion and Analysis (cont'd)
April 30, 2015**

Government-wide Financial Analysis (cont'd)

Market Impacts on Investment Income – the Village's investment portfolio is managed using a similar average maturity to most governments. Market conditions may cause investment income to fluctuate.

Expenses:

Introduction of New Programs – within the functional expense categories (general government, public safety, highways and streets, etc.) individual programs may be added or deleted to meet changing community needs.

Increase in Authorized Personnel – changes in service demand may cause the Village Board to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent a significant portion of the Village's operating costs.

Salary Increases (cost of living and merit) – the ability to attract and retain intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation continues to be modest, the Village is a major consumer of certain commodities such as fuel and supplies that may experience unusual commodity specific increases.

Governmental revenues decreased by \$5,572. The Village received a \$450,000 grant from the State in the prior fiscal year to assist with funding the renovation of the Public Works facility. Excluding the difference due to the grant, governmental revenues increased by 5.0%. Governmental expenses increased by about 7.3%. The growth in expenses included general increases in the cost to provide services, such as personnel salaries and benefits, pension related expenses, as well as planned increases in spending for projects and programs including road maintenance. Governmental revenues and transfers in exceeded expenses by \$354,374, resulting in an increase of governmental net position of 3.0%.

Business-type revenues increased by \$87,358 and totaled \$4,401,946. Revenues primarily include charges for water and sewer services. The Village purchases water from the Brookfield North Riverside Water Commission (BNRWC). The BNRWC approved a 12.3% increase in the rate charged to their customers effective January 1, 2014. The BNRWC took this action in response to a 15% increase from their supplier, the City of Chicago. The Village Board approved an increase in the Village's water rate from \$5.99 per 100 cubic feet to \$6.47 per 100 cubic feet, an 8.0% adjustment effective May 1, 2014.

Fund Financial Statement Analysis

The Village of La Grange Park has seven governmental funds. These funds are displayed on the balance sheet found on pages 15 and 16. 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 18 and 19.

**Village of La Grange Park
Management's Discussion and Analysis (cont'd)
April 30, 2015**

Fund Financial Statement Analysis (cont'd)

The General Fund is used to account for most of the Village's general operating activity. This includes activity for administration, finance, building, police, fire, and public works. Including the effect of operating transfers, the General Fund's revenues were less than its expenditures by \$480,908. This is primarily a result of the \$1.188 million transfer to the Capital Projects Fund. Revenues were up 1.6% (\$8,398,999 versus \$8,265,490), while expenditures increased 3.8% (\$7,741,519 this year versus \$7,455,361 last year). The growth in revenues can be attributed to increases in several sources, including the State income tax, sales tax and local building permits as the economy continues to recover. With respect to expenditures, the General Fund finished the year \$216,348, or 2.8%, under budget. The General Fund budget was amended during the fiscal year to allow for increased street materials and to reallocate costs for liability insurance.

The financial statements for the two proprietary funds begin on page 24. Proprietary funds use the 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 position for the Water and Sewer Funds is \$512,603. These funds are expected to accumulate reserves in some years and then spend those reserves in other years to repair and replace infrastructure. 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 28.

Capital Assets and Long-term Debt

During fiscal year 2015, the Village transferred \$1,188,000 of General Fund cash reserves to the Capital Projects Fund to support road programs as well as equipment purchases. Total governmental net investment in capital assets increased by \$543,743 or 9.8%.

Major governmental capital expenditures included:

- Beach Avenue and Edgewood Avenue road projects.
- Public Works street sweeper replacement.
- Two Police vehicle replacements.

The Village also continued water and sewer infrastructure improvements, increasing business type net capital asset investments by \$174,879 or 1.3% in fiscal year 2015.

Major business-type capital expenditures included:

- Ogden Avenue water main replacement.
- Beach Avenue and Edgewood Avenue sewer repairs.

The Village issued refunding bonds during the 2015 fiscal year and reduced its outstanding bonded debt by \$770,000 through the refunding and scheduled payments. The Village is rated AA+ by Standard & Poor's.

**Village of La Grange Park
Management's Discussion and Analysis (cont'd)
April 30, 2015**

Capital Assets and Long-term Debt (cont'd)

State statutes limit the amount of general obligation debt a municipality may issue to 8.625% of equalized assessed value. The present debt limit for the Village of La Grange Park is \$27,515,184. The Village's 2014 refunding bonds are alternate revenue bonds paid with sewer fee revenue and therefore do not reduce the Village's debt limit.

Readers interested in detailed information related to capital assets and long-term debt may refer to the notes on pages 44 through 49.

Economic Factors

The Village comprises approximately 2.23 square miles and is primarily a residential community with a small commercial and manufacturing base. In 2010, Forbes listed La Grange Park as one of America's 20 most stable housing markets. According to the 2010 U.S. Census, the Village had a population of 13,579, an increase of about 2% from 2000.

The national and local economies improved in the past year resulting in higher than budgeted general revenues. However, several revenues, such as sales tax and the telecommunication tax remain below pre-recession levels. In addition, state economic factors continue to threaten the Village's intergovernmental revenue, including income tax and motor fuel tax. In recent years, the Village Board and management made adjustments to the Village's operating and capital activities due to significant reductions in revenues as a result of the recession. The Village identified and implemented fee and fine adjustments after performing a comprehensive Local Revenue Study.

As is the case with many established municipalities, one of the primary challenges for the Village in the near term is to continue repairing and replacing aging roads and water and sewer infrastructure. The Village is a non-home rule community and is therefore limited in its ability to expand its revenue base. The Village Board and management are actively engaged in planning for both the operating and capital needs of the Village, including producing a five-year capital plan included with each annual budget. The Village also continues to pursue grant opportunities to supplement its base revenue sources.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for public resources. Questions concerning this report or requests for additional financial information should be directed 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 Position
April 30, 2015**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Cash and investments	\$ 4,040,342	\$ 2,922,158	\$ 6,962,500
Receivables	2,722,025	926,933	3,648,958
Accrued interest income	1,647	3,032	4,679
Prepaid items	8,932	3,239	12,171
Restricted cash	66,731	-	66,731
Insurance deposits	552,480	123,198	675,678
Capital assets (net of accumulated depreciation):			
Land	150,304	-	150,304
Buildings and building improvements	1,035,650	713,989	1,749,639
Infrastructure	3,584,240	12,424,088	16,008,328
Machinery and equipment	194,477	245,566	440,043
Vehicles	1,105,777	66,596	1,172,373
Construction in progress	30,200	24,310	54,510
Total assets	13,492,805	17,453,109	30,945,914
Liabilities			
Accounts payable and other accrued expenses	423,304	386,317	809,621
Accrued interest expense	-	51,467	51,467
Noncurrent liabilities:			
Due within one year	235,060	294,368	529,428
Due in more than one year	567,293	3,263,978	3,831,271
Total liabilities	1,225,657	3,996,130	5,221,787
Deferred Inflows of Resources			
Unamortized premium on refunding	-	278,797	278,797
Total liabilities and deferred inflows of resources	1,225,657	4,274,927	5,500,584
Net Position			
Net investment in capital assets	5,882,644	9,979,549	15,862,193
Restricted for:			
Working cash	158,443	-	158,443
Risk management	137,786	70,356	208,142
Transportation construction projects	267,026	-	267,026
Operation of 911 emergency telephone system	357,819	-	357,819
Foreign fire insurance	37,226	-	37,226
Storm water management	-	93,330	93,330
Unrestricted	5,426,204	3,034,947	8,461,151
Total net position	\$ 12,267,148	\$ 13,178,182	\$ 25,445,330

See accompanying notes.

**Village of La Grange Park
Statement of Activities
For the Year Ended April 30, 2015**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 1,185,014	\$ 729,216	\$ -	\$ -	\$ (455,798)	\$ -	\$ (455,798)
Public safety	5,824,744	747,658	531,228	-	(4,545,858)	-	(4,545,858)
Public works	1,975,843	-	-	158,541	(1,817,302)	-	(1,817,302)
Total governmental activities	8,985,601	1,476,874	531,228	158,541	(6,818,958)	-	(6,818,958)
Business-type activities:							
Water	3,041,039	3,194,365	-	66,625	-	219,951	219,951
Sewer	901,353	1,037,195	-	92,807	-	228,649	228,649
Total business-type activities	3,942,392	4,231,560	-	159,432	-	448,600	448,600
Total primary government	\$ 12,927,993	\$ 5,708,434	\$ 531,228	\$ 317,973	(6,818,958)	448,600	(6,370,358)
General revenues:							
Property taxes					3,248,613	-	3,248,613
Sales taxes					522,949	-	522,949
Income taxes					1,368,027	-	1,368,027
Replacement taxes					52,768	-	52,768
Utility taxes					529,355	-	529,355
Telecommunication taxes					357,011	-	357,011
State use tax					274,357	-	274,357
Other taxes					333,130	-	333,130
Miscellaneous					470,677	-	470,677
Unrestricted investment earnings (loss)					(36,502)	10,954	(25,548)
Transfers					53,327	53,049	106,376
Total general revenues and transfers					7,173,712	64,003	7,237,715
Change in net position					354,754	512,603	867,357
Net position, beginning of the year					11,912,394	12,665,579	24,577,973
Net position, end of the year					\$ 12,267,148	\$ 13,178,182	\$ 25,445,330

See accompanying notes.

**Village of La Grange Park
Balance Sheet
Governmental Funds
April 30, 2015**

Assets	General	Motor Fuel Tax	Emergency 911	Capital Projects	Working Cash	Debt Service	Foreign Fire	Total Governmental Funds
Cash	\$ 2,470,154	\$ 235,444	\$ 107,135	\$ 429,760	\$ 105,300	\$ -	\$ 37,226	\$ 3,385,019
Investments	401,215	-	201,097	-	53,011	-	-	655,323
Accounts receivable:								-
Property taxes - net of allowance for loss on collection	1,624,049	-	-	-	-	-	-	1,624,049
Interest	1,009	-	506	-	132	-	-	1,647
Utility taxes and telephone surcharge	194,092	-	30,938	-	-	-	-	225,030
Other	161,633	-	24,461	-	-	-	-	186,094
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	655,270	31,582	-	-	-	-	-	686,852
Prepaid items	8,932	-	-	-	-	-	-	8,932
Restricted cash	66,731	-	-	-	-	-	-	66,731
Insurance deposits	552,480	-	-	-	-	-	-	552,480
Total assets	\$ 6,135,565	\$ 267,026	\$ 364,137	\$ 429,760	\$ 158,443	\$ -	\$ 37,226	\$ 7,392,157
Liabilities								
Liabilities:								
Accounts payable	\$ 122,587	\$ -	\$ 6,318	\$ 49,026	\$ -	\$ -	\$ -	\$ 177,931
Security deposits	66,731	-	-	-	-	-	-	66,731
Accrued wages	178,642	-	-	-	-	-	-	178,642
Total liabilities	367,960	-	6,318	49,026	-	-	-	423,304
Deferred Inflows of Resources								
Property taxes	1,624,049	-	-	-	-	-	-	1,624,049
Total liabilities and deferred inflows of resources	1,992,009	-	6,318	49,026	-	-	-	2,047,353
Fund Balances								
Nonspendable	8,932	-	-	-	158,443	-	-	167,375
Restricted, reported in:								
General Fund	137,786	-	-	-	-	-	-	137,786
Special Revenue Funds	-	267,026	357,819	-	-	-	-	624,845
Foreign Fire Fund	-	-	-	-	-	-	37,226	37,226
Committed, Capital Projects Fund	-	-	-	380,734	-	-	-	380,734
Committed, General Fund	39,000	-	-	-	-	-	-	39,000
Unassigned, reported in:								
General Fund	3,957,838	-	-	-	-	-	-	3,957,838
Total fund balances	4,143,556	267,026	357,819	380,734	158,443	-	37,226	5,344,804
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,135,565	\$ 267,026	\$ 364,137	\$ 429,760	\$ 158,443	\$ -	\$ 37,226	\$ 7,392,157

See accompanying notes.

**Village of La Grange Park
Reconciliation of Balance Sheet of Governmental Funds
to the Statement of Net Position
April 30, 2015**

Total fund balance - governmental funds (pages 15 and 16)	\$ 5,344,804
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	6,100,648
Revenues are recognized for governmental activities when earned, regardless of when collected, and not deferred on the statement of net position.	1,624,049
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Compensated absences	(292,224)
Bonds payable	(37,500)
Net pension obligations	(379,735)
Net other post-employment benefit obligation	(92,894)
Net position of governmental activities (page 12)	\$ 12,267,148

See accompanying notes.

**Village of La Grange Park
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances -
Governmental Funds
For the Year Ended April 30, 2015**

	General	Motor Fuel Tax	Emergency 911	Capital Projects	Working Cash	Debt Service	Foreign Fire Insurance Tax	Total Governmental Funds
Revenues:								
Property taxes	\$ 3,187,738	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,187,738
Other local taxes	1,644,041	-	53,676	-	-	-	-	1,697,717
Licenses and permits	719,344	-	-	-	-	-	-	719,344
Intergovernmental	1,695,151	448,254	80,746	-	-	-	44,728	2,268,879
Charges for services	581,425	-	-	-	-	-	-	581,425
Grants and donations	6,245	-	-	-	-	-	-	6,245
Fines and forfeitures	176,106	-	-	-	-	-	-	176,106
Interest and investment income (loss)	(37,742)	199	633	194	214	-	-	(36,502)
Miscellaneous	426,691	-	24,461	15,962	-	-	-	467,114
Total revenues	8,398,999	448,453	159,516	16,156	214	-	44,728	9,068,066
Expenditures:								
Current:								
General government	1,143,025	-	-	18,044	-	340	-	1,161,409
Public safety	5,247,471	-	83,247	96,937	-	-	8,197	5,435,852
Highways and streets	1,338,523	150,000	-	947,569	-	-	-	2,436,092
Debt service:								
Principal	12,500	-	-	-	-	212,094	-	224,594
Interest	-	-	-	-	-	7,814	-	7,814
Total expenditures	7,741,519	150,000	83,247	1,062,550	-	220,248	8,197	9,265,761
Revenues over (under) expenditures before other financing sources (uses)	657,480	298,453	76,269	(1,046,394)	214	(220,248)	36,531	(197,695)
Other financing sources (uses):								
Operating transfers in	49,612	-	-	1,228,020	-	215,552	695	1,493,879
Operating transfers out	(1,188,000)	(215,552)	(37,000)	-	-	-	-	(1,440,552)
Sale of capital assets	-	-	-	3,563	-	-	-	3,563
Total other financing sources (uses)	(1,138,388)	(215,552)	(37,000)	1,231,583	-	215,552	695	56,890
Net changes in fund balances	(480,908)	82,901	39,269	185,189	214	(4,696)	37,226	(140,805)
Fund balance, beginning of the year	4,624,464	184,125	318,550	195,545	158,229	4,696	-	5,485,609
Fund balance, end of the year	\$ 4,143,556	\$ 267,026	\$ 357,819	\$ 380,734	\$ 158,443	\$ -	\$ 37,226	\$ 5,344,804

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, 2015**

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

Net changes in fund balance - total governmental funds (pages 18 and 19)	\$ (140,805)
Governmental funds report capital outlays as expenditures. However, they are capitalized and depreciated in the statement of activities.	1,018,191
Governmental funds focus on current financial resources. Consequently, donations of assets used in operations are not reported in governmental funds.	154,524
Depreciation on capital assets is reported as an expense in the statement of activities.	(628,972)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	60,875
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 position. Principal repayments - general obligation debt	224,594
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore are not recorded in the governmental funds:	
Decrease in accrued interest expense	3,270
Decrease in compensated absences liability	21,667
Increase in net pension obligation	(313,789)
Increase in net other post-employment benefit obligation	(44,801)
Change in net position of governmental activities (pages 13 and 14)	\$ 354,754

See accompanying notes.

**Village of La Grange Park
General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 3,350,000	\$ 3,350,000	\$ 3,187,738	\$ (162,262)
Other local taxes	1,621,000	1,621,000	1,644,041	23,041
Licenses and permits	502,900	502,900	719,344	216,444
Intergovernmental	1,592,000	1,592,000	1,695,151	103,151
Charges for services	453,100	453,100	581,425	128,325
Grants and donations	-	-	6,245	6,245
Fines and forfeitures	180,300	180,300	176,106	(4,194)
Interest and investment income (loss)	5,000	5,000	(37,742)	(42,742)
Miscellaneous	383,000	383,000	426,691	43,691
Total revenues	8,087,300	8,087,300	8,398,999	311,699
Expenditures:				
Current:				
General government	1,249,770	1,234,770	1,143,025	91,745
Public safety	5,413,197	5,371,197	5,247,471	123,726
Highways and streets	1,282,400	1,339,400	1,338,523	877
Debt service - principal	12,500	12,500	12,500	-
Total expenditures	7,957,867	7,957,867	7,741,519	216,348
Revenues over expenditures before other financing sources (uses)	129,433	129,433	657,480	528,047
Other financing sources (uses):				
Operating transfers in	37,000	37,000	49,612	12,612
Operating transfers out	(1,188,000)	(1,188,000)	(1,188,000)	-
Total other financing sources (uses)	(1,151,000)	(1,151,000)	(1,138,388)	12,612
Net changes in fund balance	\$ (1,021,567)	\$ (1,021,567)	(480,908)	\$ 540,659
Fund balance, beginning of the year			4,624,464	
Fund balance, end of the year			\$ 4,143,556	

See accompanying notes.

**Village of La Grange Park
Motor Fuel Tax Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Intergovernmental	\$ 320,000	\$ 320,000	\$ 448,254	\$ 128,254
Interest and investment income	200	200	199	(1)
Total revenues	<u>320,200</u>	<u>320,200</u>	<u>448,453</u>	<u>128,253</u>
Expenditures - current - highways and streets	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Revenues over expenditures before other financing uses	170,200	170,200	298,453	128,253
Other financing uses - operating transfers out	<u>(217,000)</u>	<u>(217,000)</u>	<u>(215,552)</u>	<u>1,448</u>
Net changes in fund balance	<u>\$ (46,800)</u>	<u>\$ (46,800)</u>	<u>82,901</u>	<u>\$ 129,701</u>
Fund balance, beginning of the year			<u>184,125</u>	
Fund balance, end of the year			<u>\$ 267,026</u>	

See accompanying notes.

**Village of La Grange Park
Emergency 911 Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Other local taxes	\$ 130,000	\$ 130,000	\$ 53,676	\$ (76,324)
Intergovernmental	-	-	80,746	80,746
Interest and investment income	200	200	633	433
Miscellaneous	8,000	8,000	24,461	16,461
Total revenues	138,200	138,200	159,516	21,316
Expenditures - current - public safety	116,500	116,500	83,247	33,253
Revenues over expenditures before other financing uses	21,700	21,700	76,269	54,569
Other financing uses - operating transfers out	(37,000)	(37,000)	(37,000)	-
Net changes in fund balance	\$ (15,300)	\$ (15,300)	39,269	\$ 54,569
Fund balance, beginning of the year			318,550	
Fund balance, end of the year			\$ 357,819	

See accompanying notes.

**Village of La Grange Park
Proprietary Funds
Statement of Net Position
April 30, 2015**

	Water	Sewer	Total
Assets			
Current assets:			
Cash	\$ 1,075,284	\$ 641,426	\$ 1,716,710
Investments	703,674	501,774	1,205,448
Accrued interest receivable	1,770	1,262	3,032
Water sales receivable	390,100	-	390,100
Grants receivable	-	9,494	9,494
Prepaid items	2,682	557	3,239
Unbilled usage	398,301	129,038	527,339
Total current assets	2,571,811	1,283,551	3,855,362
Long-term assets:			
Insurance deposits	102,768	20,430	123,198
Property and equipment, net of accumulated depreciation of \$5,925,444	5,000,354	8,474,195	13,474,549
Total long-term assets	5,103,122	8,494,625	13,597,747
Total assets	7,674,933	9,778,176	17,453,109
Liabilities			
Current liabilities:			
Accounts payable	241,700	126,511	368,211
Security deposits	2,166	-	2,166
Accrued wages	9,502	6,438	15,940
Compensated absences	17,162	7,206	24,368
Interest payable	-	51,467	51,467
Bond payable	-	270,000	270,000
Total current liabilities	270,530	461,622	732,152
Long-term liabilities:			
Compensated absences	6,543	2,311	8,854
Bond payable	-	3,225,000	3,225,000
Net other post-employment benefit obligation	7,957	3,533	11,490
Net pension obligation	13,174	5,460	18,634
Total long-term liabilities	27,674	3,236,304	3,263,978
Total liabilities	298,204	3,697,926	3,996,130
Deferred Inflows of Resources			
Unamortized premium on refunding	-	278,797	278,797
Total liabilities and deferred inflows of resources	298,204	3,976,723	4,274,927
Net Position			
Net investment in capital assets	5,000,354	4,979,195	9,979,549
Restricted to risk management	66,284	4,072	70,356
Restricted to storm water management	-	93,330	93,330
Unrestricted	2,310,091	724,856	3,034,947
Total net position	\$ 7,376,729	\$ 5,801,453	\$ 13,178,182

See accompanying notes.

**Village of La Grange Park
 Combined Statement of Revenues, Expenses
 and Changes in Net Position -
 Proprietary Fund Types
 For the Year Ended April 30, 2015**

	Water	Sewer	Total
Operating revenues:			
Charges for sales and services:			
Water and sewer	\$ 3,194,365	\$ 1,037,195	\$ 4,231,560
Total operating revenues	3,194,365	1,037,195	4,231,560
Operating expenses:			
Cost of sales and services	2,662,168	329,440	2,991,608
Administration	149,948	176,660	326,608
Depreciation	228,662	260,796	489,458
Total operating expenses	3,040,778	766,896	3,807,674
Income from operations	153,587	270,299	423,886
Nonoperating revenue (expense):			
Interest and investment income	9,564	1,390	10,954
Interest expense	(261)	(153,301)	(153,562)
Amortization	-	18,844	18,844
Total nonoperating revenue (expense)	9,303	(133,067)	(123,764)
Income before contributions and transfers	162,890	137,232	300,122
Capital contributions	66,625	92,807	159,432
Transfer to Capital Projects Fund	-	(40,020)	(40,020)
Transfer from Restricted Fund	-	93,069	93,069
Total contributions and transfers	66,625	145,856	212,481
Changes in net position	229,515	283,088	512,603
Net position:			
Beginning of the year	7,147,214	5,518,365	12,665,579
End of the year	\$ 7,376,729	\$ 5,801,453	\$ 13,178,182

See accompanying notes.

**Village of La Grange Park
Combined Statement of Cash Flows -
Proprietary Funds
For the Year Ended April 30, 2015**

	Water	Sewer	Total
Cash flows from operating activities:			
Receipts from customers	\$ 3,148,121	\$ 1,041,441	\$ 4,189,562
Payments to suppliers	(2,488,162)	(234,294)	(2,722,456)
Payments to employees	(333,370)	(155,178)	(488,548)
Deposits with joint venture	5,055	2,807	7,862
Advances from other funds	(199,928)	162,838	(37,090)
Net cash provided by operating activities	131,716	817,614	949,330
Cash flows from noncapital financing activities - transfers to other funds			
	-	(46,952)	(46,952)
Cash flows from capital and related financing activities:			
Proceeds from refunding bonds	-	3,495,000	3,495,000
Defeasance of bonds	-	(3,740,000)	(3,740,000)
Receipt of bond premium	-	278,797	278,797
Principal paid on capital debt	(11,822)	(301,084)	(312,906)
Interest paid on capital debt	(447)	(149,544)	(149,991)
Grants for the purchase of capital assets	-	9,494	9,494
Purchases of capital assets	(393,163)	(121,236)	(514,399)
Net cash from capital and related financing activities	(405,432)	(528,573)	(934,005)
Cash flows from investing activities:			
Purchase of investments	(703,674)	(401,774)	(1,105,448)
Proceeds from maturities of investments	905,356	704,196	1,609,552
Interest and dividends	8,372	550	8,922
Net cash from investing activities	210,054	302,972	513,026
Net change in cash	(63,662)	545,061	481,399
Cash, beginning of the year	1,138,946	96,365	1,235,311
Cash, end of the year	\$ 1,075,284	\$ 641,426	\$ 1,716,710

(cont'd)

**Village of La Grange Park
 Combined Statement of Cash Flows -
 Proprietary Funds (cont'd)
 For the Year Ended April 30, 2015**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Reconciliation of income from operations to net cash provided by operating activities:			
Income from operations	\$ 153,587	\$ 270,299	\$ 423,886
Adjustments to reconcile income from operations to net cash provided by operating activities:			
Depreciation expense	228,662	260,796	489,458
Increase in water sales receivable/ unbilled usage	(46,243)	13,741	(32,502)
Increase in grants receivable	-	(9,494)	(9,494)
Increase in prepaid items	(106)	(48)	(154)
Decrease in insurance deposits	5,055	2,807	7,862
Increase in accounts payable/ security deposits	(25,447)	109,988	84,541
Increase in accrued wages/ compensated absences	8,008	3,083	11,091
Increase in net other post-employment benefit	3,923	1,724	5,647
Increase in net pension obligation	4,205	1,880	6,085
Due to/from other funds	(199,928)	162,838	(37,090)
Net cash provided by operating activities	\$ 131,716	\$ 817,614	\$ 949,330
Noncash capital and related financing activities, capital contributions	\$ 66,625	\$ 83,313	\$ 149,938

See accompanying notes.

**Village of La Grange Park
Fiduciary Funds
Statement of Fiduciary Net Position
April 30, 2015**

Assets	<u>Total</u>	<u>Police Pension Fund</u>	<u>Restricted Fund</u>
Assets:			
Cash	\$ 915,204	\$ 915,204	\$ -
Investments, at fair value:			
Stocks	2,737,972	2,737,972	-
Mutual funds	4,916,483	4,916,483	-
Treasuries	2,388,942	2,388,942	-
Federal agencies	1,302,854	1,302,854	-
Corporate bonds	1,162,845	1,162,845	-
Accrued Interest receivable	26,169	26,169	-
Prepaid items	10,513	10,513	-
Total assets	<u>\$ 13,460,982</u>	<u>\$ 13,460,982</u>	<u>\$ -</u>
Liabilities and Net Position			
Liabilities:			
Accounts payable	\$ 1,905	\$ 1,905	\$ -
Due to participants	-	-	-
Total liabilities	<u>1,905</u>	<u>1,905</u>	<u>-</u>
Net position - restricted for pensions	<u>13,459,077</u>	<u>13,459,077</u>	<u>-</u>
Total liabilities and net position	<u>\$ 13,460,982</u>	<u>\$ 13,460,982</u>	<u>\$ -</u>

See accompanying notes.

**Village of La Grange Park
Fiduciary Funds - Pension Trust Fund
Statement of Changes in Fiduciary Net Position
April 30, 2015**

Additions:

Contributions:

Employer/property taxes	\$ 764,804
Plan members	<u>174,138</u>

Total contributions	<u>938,942</u>
----------------------------	-----------------------

Investment earnings:

Interest	262,510
Net increase in fair value of investments	<u>575,875</u>

Total investment earnings	838,385
----------------------------------	----------------

Less investment expense	<u>60,346</u>
-------------------------	---------------

Net investment earnings	<u>778,039</u>
--------------------------------	-----------------------

Total additions	<u>1,716,981</u>
------------------------	-------------------------

Deductions:

Benefits	1,120,540
Administrative expenses	<u>38,066</u>

Total deductions	<u>1,158,606</u>
-------------------------	-------------------------

Increase in fiduciary net position	<u>558,375</u>
---	-----------------------

Net position restricted for pensions:

Beginning of the year, as previously reported	13,285,114
---	------------

Restatement of beginning net position	<u>(384,412)</u>
---------------------------------------	------------------

Beginning of the year, as restated	<u>12,900,702</u>
------------------------------------	-------------------

End of the year	<u>\$ 13,459,077</u>
-----------------	-----------------------------

See accompanying notes.

**Village of La Grange Park
Fiduciary Funds - Restricted Fund
Statement of Changes in Net Position
April 30, 2015**

Other financing uses:	
Transfer to General fund	\$ (12,612)
Transfer to Sewer fund	(93,069)
Transfer to Foreign Fire Insurance fund	<u>(695)</u>
Total other financing uses	<u>(106,376)</u>
Net position:	
Beginning of the year	<u>106,376</u>
End of the year	<u>\$ -</u>

See accompanying notes.

Village of La Grange Park Notes to the Financial Statements

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 position 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)

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 many 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 certain 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)

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.

Foreign Fire Insurance Tax Fund – The Foreign Fire Insurance Tax Fund is used to account for accumulation of foreign fire insurance tax and disbursements by the Foreign Fire Insurance Tax Board.

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 fund to account for assets held by the Village in a trustee capacity for others:

Pension Trust Fund – This fund accounts for the activities of the Police Pension Plan, which accumulates resources for pension benefit payments to qualified police personnel.

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.

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

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

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

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

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 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/deferred outflows and liabilities/deferred inflows, 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. Actual results could differ from those estimates.

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. The Village grants unsecured credit to its residents and various other customers for water usage. The Village monitors exposure for credit losses.

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

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows, and Net Position/Fund Balance

1. Deposits and Investments

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust fund. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash" and "investments". In addition, cash is held separately by several 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

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

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

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows, and Net Position/Fund Balance (cont'd)

1. Deposits and Investments (cont'd)

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.

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.

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

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

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows, and Net Position/Fund Balance (cont'd)

2. Receivables and Payables (cont'd)

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 \$319,016,621 for calendar year 2014. Property tax receivables are shown net of allowances for doubtful amounts. The property tax receivable allowance is equal to 2.00 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 and accounted for on the consumption method. Such amounts are offset by nonspendable fund balance 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, 2015, security deposits of the Village's cable company amounted to \$13,731. Additional deposits collected by the Village relate to zoning, security and street openings in an aggregate amount of \$53,000.

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, 2015, insurance deposits amounted to \$208,142 (\$137,786 in the governmental funds and \$70,356 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)

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

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows, and Net Position/Fund Balance (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. Interest incurred during the construction phase of capital assets for business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
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 inflows of resources.

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

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

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows, and Net Position/Fund Balance (cont'd)

8. Long-term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, net pension obligation, and net other post-employment benefits obligation, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund statement of net position. Bond premiums and discounts and gains and losses on refunding are deferred and amortized over the life of the bonds using a straight-line method that approximates the interest method. Bond issuance costs are reported as expenses/expenditures at the time of issuance.

In the fund financial statements, governmental funds 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.

A debt service fund is specifically established to account for and service the long-term obligations for the governmental funds debt. Enterprise funds individually account for and service the applicable debt that benefits those funds. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year.

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

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

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows, and Net Position/Fund Balance (cont'd)

9. Net Position/Fund Balance Classifications

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- Net investment in capital assets – consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.
- Unrestricted net position – consists of the remaining net position that does not meet the definition of restricted or invested in capital assets, net of related debt.

Fund Statements – In the fund financial statements, governmental funds report fund balance as either nonspendable or spendable. Spendable fund balance is further classified as restricted, committed, assigned or unassigned, based on the relative strength of the constraints that control how specific amounts can be spent.

Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the Village's Board of Trustees, which is considered the Village's highest level of decision making authority. Formal actions include ordinances approved by the Board. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Village's management. Any residual fund balance is reported as unassigned in the General Fund.

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

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

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows, and Net Position/Fund Balance (cont'd)

9. Net Position/Fund Balance Classifications (cont'd)

The Village's fund balances have the following restrictions, commitments, and assignments:

General Fund – A portion of the fund balance is considered nonspendable fund balance. The nonspendable portion of the fund balance totaling \$8,932 is intended as an offset to prepaid items. The restricted portion of \$137,786 represents insurance deposits.

Special Revenue Funds – The Village maintains Special Revenue Funds, the balances of which are considered restricted for the purposes of their respective funds.

Capital Projects Fund – The Village maintains a Capital Projects Fund, the balance of which is committed for purposes of the fund.

Working Cash Fund – The Village maintains a Working Cash Fund, the balance of which is considered nonspendable and available for short-term cash needs of the other funds, on a reimbursement basis.

Debt Service Fund – The Village maintains a Debt Service Fund, the balance of which is considered restricted for purposes of the fund.

The Village assumes that funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. If unrestricted funds are available for spending, committed funds are spent first followed by assigned and then unassigned funds.

10. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village has only one item that qualifies for reporting in this category. It is the deferred premium on refunding reported in the proprietary statement of net position.

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

II. 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 sub-object 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.

Annual budgets have not been adopted for the Working Cash and the Foreign Fire funds. Accordingly, budgetary comparison information is not presented.

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

III. Detailed Notes for All Funds

A. Deposits and Investments

Investments – As of April 30, 2015, the Village, including the Pension Trust Fund, had the following investments:

Investment Type	Investment Maturities (In Years)				
	Fair Value	Less Than 1	1-5	6-10	More Than 10
U.S. Treasury securities	\$ 2,388,942	\$ 614,550	\$ 1,519,135	\$ 255,257	\$ -
Equities	2,737,972	2,737,972	-	-	-
Federal agencies	1,302,854	115,678	651,943	40,855	494,378
Certificates of deposit	1,860,556	1,860,556	-	-	-
Mutual funds*	4,916,483	4,916,483	-	-	-
Corporate bonds	1,162,845	-	962,202	200,643	-
IMET	215	215	-	-	-
Illinois Funds Investment Pool*	3,606,854	3,606,854	-	-	-
Total investments	\$ 17,976,721	\$ 13,852,308	\$ 3,133,280	\$ 496,755	\$ 494,378

* Weighted average maturity of the fund/pool is less than one year.

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

III. Detailed Notes for All Funds (cont'd)

A. Deposits and Investments (cont'd)

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 have a policy that limits investment maturities to two years from the date of purchase, unless matched to a specific cash flow, as a means of managing interest rate risk. 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, 2015, the Village is invested in sixteen certificates of deposit, with maturities ranging from July 10, 2015 to March 3, 2016.

Custodial Credit Risk – Deposits – This is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. At April 30, 2015, the carrying amount of the Village's deposits was \$3,325,334 and the bank balance was \$3,478,668. Of the bank balance, \$2,403,121 was covered by federal depository insurance, and the remaining balance of \$1,075,547 was collateralized with securities held by the pledging institution's trust department or agent in the Village's name.

Illinois Metropolitan Investment Fund – During 2015, Illinois Metropolitan Investment Fund (IMET) was informed of defaults in repurchase agreements involving loans which occurred as a result of fraud by an approved lender of the United States Department of Agriculture (USDA). IMET has advised the Village of its intent to seek to recover, liquidate and distribute any proceeds received to eligible participants. The Village will monitor IMET's recovery efforts. During this process, the Village will not have any access to these funds. Based on IMET's unknown certainty of net realizable value of investments affected by fraud, the Village has written off the entire Liquidating Trust balance at IMET, less any current year recoveries. The total write off in 2015 was \$42,172 and is included in General Fund investment earnings (loss) in the financial statements.

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, 2015 was as follows:

	May 1, 2014	Additions	Deductions	April 30, 2015
Governmental activities:				
Nondepreciable capital assets:				
Land	\$ 150,304	\$ -	\$ -	\$ 150,304
Construction in progress	-	30,200	-	30,200
Total nondepreciable capital assets	<u>150,304</u>	<u>30,200</u>	<u>-</u>	<u>180,504</u>
Depreciable capital assets:				
Buildings and building improvements	2,655,186	15,026	-	2,670,212
Infrastructure	4,899,537	871,983	-	5,771,520
Machinery and equipment	1,112,012	12,167	(15,177)	1,109,002
Vehicles	2,723,840	243,339	(65,412)	2,901,767
Total depreciable capital assets	<u>11,390,575</u>	<u>1,142,515</u>	<u>(80,589)</u>	<u>12,452,501</u>
Less accumulated depreciation for:				
Buildings and building improvements	1,579,703	54,859	-	1,634,562
Infrastructure	1,808,679	378,601	-	2,187,280
Machinery and equipment	880,671	49,031	(15,177)	914,525
Vehicles	1,714,921	146,481	(65,412)	1,795,990
Total accumulated depreciation	<u>5,983,974</u>	<u>628,972</u>	<u>(80,589)</u>	<u>6,532,357</u>
Total depreciable capital assets, net	<u>5,406,601</u>	<u>513,543</u>	<u>-</u>	<u>5,920,144</u>
Total governmental activities, capital assets, net	<u>\$ 5,556,905</u>	<u>\$ 543,743</u>	<u>\$ -</u>	<u>\$ 6,100,648</u>

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, 2014	Additions	Deductions	April 30, 2015
Business-type activities:				
Nondepreciable capital assets:				
Construction in progress	\$ -	\$ 24,310	\$ -	\$ 24,310
Total nondepreciable capital assets	<u>-</u>	<u>24,310</u>	<u>-</u>	<u>24,310</u>
Depreciable capital assets:				
Buildings	1,175,377	-	-	1,175,377
Infrastructure	15,665,670	640,027	-	16,305,697
Machinery and equipment	1,496,255	-	-	1,496,255
Vehicles	398,354	-	-	398,354
Total depreciable capital assets	<u>18,735,656</u>	<u>640,027</u>	<u>-</u>	<u>19,375,683</u>
Less accumulated depreciation for:				
Buildings	435,365	26,023	-	461,388
Infrastructure	3,527,154	354,455	-	3,881,609
Machinery and equipment	1,153,542	97,147	-	1,250,689
Vehicles	319,925	11,833	-	331,758
Total accumulated depreciation	<u>5,435,986</u>	<u>489,458</u>	<u>-</u>	<u>5,925,444</u>
Total depreciable capital assets, net	<u>13,299,670</u>	<u>150,569</u>	<u>-</u>	<u>13,450,239</u>
Total business-type activities, capital assets, net	<u>\$ 13,299,670</u>	<u>\$ 174,879</u>	<u>\$ -</u>	<u>\$ 13,474,549</u>

**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)

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

Governmental activities:		
General government	\$	45,436
Public safety		124,377
Public works		459,159
Total depreciation expense – governmental activities		\$ 628,972
Business-type activities:		
Water	\$	228,662
Sewer		260,796
Total depreciation expense – business-type activities		\$ 489,458

C. Interfund Receivables, Payables and Transfers

The composition of interfund transfers for the year ended April 30, 2015 is as follows:

Transfers In	Transfers Out	Amount
Capital Projects	Sewer	\$ 40,020
Capital Projects	General	1,188,000
Debt Service	Motor Fuel Tax	215,552
Foreign fire	Restricted	695
General	Emergency 911	37,000
General	Restricted	12,612
Sewer	Restricted	93,069
Total all funds		\$ 1,586,948

The transfer of \$215,552 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. The transfers made from the Restricted Fund were to consolidate funds received for a specific purpose and report them in the fund that the related expenditures will be made from. All other transfers were done in the ordinary course of business.

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

III. Detailed Notes for All Funds (cont'd)

D. Long-term Obligations

The following is a summary of long-term obligation activity for the Village associated with its governmental activities and business-type activities for the year ended April 30, 2015:

	Balance May 1	Additions	Deletions	Balance April 30	Amounts Due Within One Year
Governmental activities:					
General obligation bonds	\$ 212,094	\$ -	\$ (212,094)	\$ -	\$ -
Note payable	50,000	-	(12,500)	37,500	12,500
Net pension obligation	65,946	318,372	(4,583)	379,735	-
Net OPEB	48,093	44,801	-	92,894	-
Compensated absences	313,891	-	(21,667)	292,224	222,560
	<u>\$ 690,024</u>	<u>\$ 363,173</u>	<u>\$ (250,844)</u>	<u>\$ 802,353</u>	<u>\$ 235,060</u>
Business-type activities:					
General obligation bonds	\$ 4,052,906	\$ 3,495,000	\$ (4,052,906)	\$ 3,495,000	\$ 270,000
Net pension obligation	12,549	6,085	-	18,634	-
Net OPEB	5,843	5,647	-	11,490	-
Compensated absences	26,531	6,691	-	33,222	24,368
	<u>\$ 4,097,829</u>	<u>\$ 3,513,423</u>	<u>\$ (4,052,906)</u>	<u>\$ 3,558,346</u>	<u>\$ 294,368</u>

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

III. Detailed Notes for All Funds (cont'd)

D. Long-term Obligations (cont'd)

<u>Issues</u>	<u>Balances May 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances April 30, 2015</u>
General obligation bonds:				
Series 2004 (\$2,260,000), with final installment of \$255,000 paid December 1, 2014.	\$ 255,000	\$ -	\$ (255,000)	\$ -
Series 2006 (\$5,645,000), with installment of \$270,000 paid on December 1, 2014 and the remaining balance of \$3,740,000 defeased through the issuance of Series 2014 bonds.	4,010,000	-	(4,010,000)	-
Series 2014 refunding (\$3,495,000), due in annual installments of \$270,000 to \$370,000 from December 1, 2015 to December 1, 2025, interest rates from 3.00% to 4.50%.	-	3,495,000	-	3,495,000
	4,265,000	3,495,000	(4,265,000)	3,495,000
Interest free note payable – Illinois Finance Authority (\$100,000) due in annual installments of \$12,500 to November 1, 2017.	50,000	-	(12,500)	37,500
	<u>\$ 4,315,000</u>	<u>\$ 3,495,000</u>	<u>\$ (4,277,500)</u>	<u>\$ 3,532,500</u>

The annual debt service requirements to maturity are as follows for governmental and business-type activities of the Village as of April 30, 2015:

<u>Fiscal Year Ending April 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
Governmental activities, note payable:			
2016	\$ 12,500	\$ 12,500	\$ -
2017	12,500	12,500	-
2018	12,500	12,500	-
	<u>37,500</u>	<u>37,500</u>	<u>-</u>

(cont'd)

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

III. Detailed Notes for All Funds (cont'd)

D. Long-term Obligations (cont'd)

Fiscal Year Ending April 30,	Total	Principal	Interest
Business-type activities, Series 2014 bonds:			
2016	\$ 389,660	\$ 270,000	\$ 119,660
2017	387,700	280,000	107,700
2018	389,300	290,000	99,300
2019	385,600	295,000	90,600
2020	391,750	310,000	81,750
2021 – 2025	1,944,750	1,680,000	264,750
2026	386,650	370,000	16,650
	<u>4,275,410</u>	<u>3,495,000</u>	<u>780,410</u>
Totals	<u>\$ 4,312,910</u>	<u>\$ 3,532,500</u>	<u>\$ 780,410</u>

Current Refunding – On November 19, 2014, the Village issued \$3,495,000 in General Obligation Refunding Bonds (Alternate Revenue Source) Series 2014 with interest rates of 3.00 to 4.50 percent. The 2014 bonds refunded \$3,740,000 of outstanding 2006 series bonds with interest rates of 3.75 to 4.125 percent. The net proceeds of the bonds, net of underwriting fees, insurance and other issuance costs, along with cash on hand were used to repay the principal and interest due on the 2006 bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the proprietary fund.

The Village cash flow requirements on the refunded 2006 series bonds prior to the current refunding was \$4,976,638 from 2014 through 2025. The cash flow requirements on the 2014 series refunding bonds are \$4,550,473 from 2014 through 2025. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and the new debt) of \$380,245.

The offering of the 2014 series bonds resulted in a premium (gain) of \$297,641, which is being deferred and amortized in a systematic manner over the life of the new debt. Pursuant to the requirements of GASB 65, the unamortized gain on refunding is being reported as a deferred inflow of resources.

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

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 Cooperation Statute, to pool its 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. The Village assumes the first \$2,500 of each occurrence. 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 bylaws of IRMA, experience modification factors based on past member loss experience and optional deductible credits. 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, 2015, the Village has a deposit of \$208,142 representing the Village's members' reserve with IRMA.

Intergovernmental Personal Benefit Cooperative – The Village, along with other area municipalities, is a member of the West Central Municipal Conference of the Intergovernmental Personal Benefit Cooperative (IPBC). IPBC is a cooperative public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs available to the officers, employees, and retirees of certain other nonmember governmental, quasi-governmental, and nonprofit public service units. These benefit programs include, but are not limited to, medical expense claim payments, dental, and life insurance. The cooperative receives, processes, and pays such claims that may come within the benefit programs of each participating unit. All units participating in IPBC pool their risks and funds and do share in the cost of losses or surpluses. The Village and its participants contributed \$838,537 to the cooperative during the current fiscal year.

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

IV. Other Information (cont'd)

A. Risk Management (cont'd)

IPBC is governed by a Board of Directors, which consists of one appointed representative from each member entity as defined in its bylaws. Each Director has an equal vote. The officers of IPBC are chosen by the Board of Directors from among their membership. The Board of Directors determines the general policies of IPBC; makes all appropriations; approves contracts and renewal terms; adopts bylaws, rules, and regulations; and exercises such powers and performs such duties as may be prescribed in its bylaws. During the fiscal year ended June 30, 2014, IPBC hired an Executive Director to administer and supervise the operations of IPBC. The Village does not exercise any control over the activities of the IPBC beyond its representation on the Board of Directors.

As of April 30, 2015, the Village has IPBC deposits totaling \$467,536 (\$414,694 in the governmental funds and \$52,842 in the proprietary funds).

Copies of separate financial statements for the IRMA and IPBC can be obtained at the Village of La Grange Park, 447 North Catherine, La Grange Park, Illinois.

B. Jointly Governed Organizations and Related Organizations

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.

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

C. 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 state-wide plan) covers substantially all full-time employees except law enforcement officers.

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

IV. Other Information (cont'd)

C. Pension and Retirement Commitments

1. Police Pension Retirement Plan

Plan Description – Police sworn personnel are covered by the La Grange Park Police Pension Plan (Plan). Although this is a single-employer pension plan, the defined benefits and the employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may only be amended by the Illinois legislature.

The Plan is governed by a five-member Board of Trustees. Two members of the Board are appointed by the Village, two active members and one retired member of the police department are elected by the membership.

At April 30, 2015, the Police Pension Plan's membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	22
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members:	
Fully vested	5
Partially vested	10
Nonvested	6
	44

Benefits Provided – The Police Pension Plan provides retirement benefits through two tiers of benefits, as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) 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)

IV. Other Information (cont'd)

C. Pension and Retirement Commitments (cont'd)

1. Police Pension Retirement Plan (cont'd)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or more, with 10 or more years of creditable service, are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least 10 years of credited service may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the preceding calendar year.

Basis of Accounting – The Plan 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.

Contributions – 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. Effective January 1, 2011, per state statute, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. The Village's funding policy is based on the achievement of 100% funding by the year 2040. For the year ended April 30, 2015, the Village's contribution was 42.96% of covered payroll.

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

IV. Other Information (cont'd)

C. Pension and Retirement Commitments (cont'd)

1. Police Pension Retirement Plan (cont'd)

Investment Policy – ILCS limit the Police Pension Fund's investments to those allowed by ILCS. The Pension Plan's policy in regard to the allocation of invested assets is established and may be amended by the Police Pension Board of Trustees. It is the policy of the Police Pension Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Pension Plan's investment policy primarily aims to achieve a balanced rate of return, preserving capital and be invested in liquid securities to meet all cash flow needs. The following was the Board's adopted asset allocation policy as of April 30, 2015:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equity	55%	7.0%
Fixed Income	40%	1.5%
Cash	5%	0.0%

ILCS limit the Police Pension Fund's investments in certain types of securities and other permitted investments. Securities in any one company should not exceed 5% of the total cash and invested assets of the fund.

The long-term expected rate of return on the Police Pension Fund's investments was determined using a building-block method estimated by the Police Pension Fund's investment management consultant in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2015 are summarized in the table above.

Valuation of Investments – All investments in the Plan are stated at fair value and recorded as of the trade date. Fair value is based on quoted market prices at April 30 for debt securities, equity securities and mutual funds. The composition was as follows at April 30, 2015:

Equities	\$ 2,737,972
Mutual funds	4,916,483
Government securities	3,691,796
Corporate bonds	<u>1,162,845</u>
	<u>\$ 12,509,096</u>

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

IV. Other Information (cont'd)

C. Pension and Retirement Commitments (cont'd)

1. Police Pension Retirement Plan (cont'd)

Investment Concentrations – The Police Pension Plan did not hold investments in any one organization that represent 5% or more of the Plan’s fiduciary net position.

Investment Rate of Return – For the year ended April 30, 2015, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 6.08%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Credit Risk – The Police Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government, securities issues by agencies of the United States Government that are implicitly guaranteed by the United States Government and investment grade corporate bonds. As of April 30, 2015, the Plan’s investments were rated as follows:

Investment Type	Fair Value	Moody's
Equities	\$ 2,737,972	NR
Mutual funds	4,916,483	NR
Treasuries	2,388,942	Aaa
Federal agencies	1,302,854	Aaa to Aa1
Corporate bonds	1,162,845	Aa1 to A3

NR = Not Rated

Custodial Credit Risk – Custodial credit risk is the risk that in the event of the failure of the counterparty to the investment. The Police Pension Fund will not be able to recover the value of its investments that are in the possession of an outside party. To limit its exposure, the Police Pension Fund requires its investments advisors to make reasonable efforts to control risk, and evaluate regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.

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

IV. Other Information (cont'd)

C. Pension and Retirement Commitments (cont'd)

1. Police Pension Retirement Plan (cont'd)

Net Pension Liability – The components of the net pension liability of the Police Pension Fund on April 30, 2015 calculated in accordance with GASB Statement No. 67 were as follows:

Total pension liability	\$	23,826,282
Plan fiduciary net position		<u>(13,459,077)</u>
 Net pension liability	 \$	 <u>10,367,205</u>
 Plan fiduciary net position as a percentage of the total pension liability		 <u>56.49%</u>

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Police Pension Fund.

Actuarial Assumptions – The total pension liability above was determined by an actuarial valuation performed as of April 30, 2015 using the following actuarial methods and assumptions.

Actuarial valuation date	May 1, 2015
Actuarial cost method	Entry age normal
Assumptions:	
Inflation	2.00%
Salary increases	Graded by age from 7.19% to 3.12% at age 55 and later
Discount rate	7.00%
Asset valuation method	Market

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

IV. Other Information (cont'd)

C. Pension and Retirement Commitments (cont'd)

1. Police Pension Retirement Plan (cont'd)

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with a Blue Collar Adjustment. For Disabled lives, RP-2000 Disabled Mortality Table. The demographic assumptions used in the May 1, 2015 valuation were based on the results of an actuarial experience study performed by the State of Illinois Department of Insurance.

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity – The following table presents the net pension liability of the Village, calculated using the discount rate of 7.00%, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 13,331,013	\$ 10,367,205	\$ 7,897,515

Restatement – Beginning net position of the Police Pension Fund has been restated to remove a receivable for property taxes levied by the general fund. The effect of the restatement was a decrease to the Fiduciary Funds – Pension Trust Fund net position as of May 1, 2014 of \$384,412. The effect of the correction on the Fiduciary Funds – Pension Trust Fund changes in net position for the year ended April 30, 2014 was a decrease of \$35,434. This correction had no impact on the April 30, 2014 net position of Governmental and Business-type activities.

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

IV. Other Information (cont'd)

C. Pension and Retirement Commitments (cont'd)

2. Illinois Municipal Retirement Fund

Plan Description – The Village’s defined benefit pension plan for regular employees (other than those covered by the Police Pension Plan), 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. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Funding Policy – 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’s annual required contribution rate for calendar year 2014 was 10.26 percent. 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.

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

IV. Other Information (cont'd)

C. Pension and Retirement Commitments (cont'd)

3. Annual Pension Costs

The annual required contribution (ARC) has been determined as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial valuation date	December 31, 2012	April 30, 2014
Actuarial cost method	Entry age normal	Entry age Normal
Asset Valuation Method	5 year Smoothed Market	Market
Amortization Method	Level Percentage of Payroll	Level Percentage of Payroll
Significant actuarial assumptions:		
(a) Rate of return on present and future assets	7.50% compounded annually	7.00% compounded annually
(b) Projected salary increases – attributable to inflation	4.00%	Graded by age from 6.86% to 3.12% at age 55 and later
(c) Additional projected salary increases – attributable to seniority/merit	0.40% to 10.00%, depending on age and service	(Note: Separate information for (b) and (c) not available)
(d) Post-retirement benefit Increases:	3.00%	
Tier 1		3.00%
Tier 2		Lesser of ½ of the CPI-U or 3%
Method used to determine actuarial value of assets	Five-year smoothed market value	Five-year average market value
Amortization method and remaining period	Level percentage of projected payroll, open basis, 29 years	Level percentage of projected payroll, closed basis, 23 years

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

IV. Other Information (cont'd)

C. Pension and Retirement Commitments (cont'd)

3. Annual Pension Costs (cont'd)

The net pension obligation has been calculated as follows at April 30, 2015:

	Illinois Municipal Retirement	Police Pension
	<u> </u>	<u> </u>
Annual required contribution	\$ 173,575	\$ 759,861
Interest on net pension obligation	5,887	-
Adjustment to the ARC	<u>(4,385)</u>	<u>-</u>
Annual pension cost	175,077	759,861
Contributions made	<u>173,575</u>	<u>764,804</u>
Change in net pension obligation	1,502	(4,943)
Net OPEB obligation at April 30, 2014	<u>78,495</u>	<u>323,315</u>
Net pension obligation at April 30, 2015	<u>\$ 79,997</u>	<u>\$ 318,372</u>

Employer annual pension costs (APC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the APC and the actual contributions made.

	Fiscal Year	Illinois Municipal Retirement	Police Pension
		<u> </u>	<u> </u>
Annual pension cost (APC)	2015	\$ 175,077	\$ 759,861
	2014	193,035	785,079
	2013	173,892	729,058
Actual contributions	2015	\$ 173,575	\$ 764,804
	2014	191,473	725,134
	2013	172,281	670,360
Percent of APC contributed	2015	99.1%	100.6%
	2014	99.2%	92.4%
	2013	99.1%	91.9%
Net pension obligation	2015	\$ 79,997	\$ 318,372
	2014	78,495	323,315
	2013	76,933	263,370

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

IV. Other Information (cont'd)

C. Pension and Retirement Commitments (cont'd)

3. Annual Pension Costs (cont'd)

The funded status of the plans based on the actuarial valuations performed as of December 31, 2014 and May 1, 2014, for the Illinois Municipal Retirement and Police Pension, respectively, are as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as previously disclosed:

	Illinois Municipal Retirement	Police Pension
Actuarial Accrued Liability (AAL)	\$ 5,553,659	\$ 21,695,016
Actuarial Value of Plan Assets	5,132,107	12,856,211
Unfunded Actuarial Accrued Liability (UAAL)	421,552	8,838,805
Funded Ratio (Actuarial Value of Plan Assets/AAL)	92.41%	59.26%
Covered Payroll (Active Plan Members)	\$ 1,799,973	\$ 1,787,151
UAAL as a Percentage of Covered Payroll	23.42%	494.58%

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.

D. Other Post-employment Benefits (OPEB)

Plan Description – The Village provides limited health care insurance coverage for its eligible retired employees. Full-time employees who retire and are eligible for a pension under either the IMRF Plan, or Police Pension Plan can elect to continue their medical insurance for life by paying the full price of the insurance. They also have the option to continue their dental coverage. The Village accounts for the plan in the government-wide financial statements. The plan does not issue a stand-alone financial report.

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

IV. Other Information (cont'd)

D. Other Post-employment Benefits (OPEB) (cont'd)

At April 30, 2014 the OPEB Retiree Healthcare Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	12
Current employees:	
Vested	6
Nonvested	32
Total	50

Funding Policy – The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

Annual OPEB Cost and Net OPEB Obligation – The Village’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of time not to exceed thirty years. The following table shows the components of the Village’s annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the net OPEB obligation as of April 30, 2014:

Annual required contribution	\$ 141,169
Interest on net OPEB obligation	-
Adjustment to the ARC	-
Annual OPEB cost	141,169
Estimated contributions	87,233
Increase in net OPEB obligation	53,936
Net OPEB obligation at April 30, 2013	-
Net OPEB obligation at April 30, 2014	\$ 53,936

The Village has recorded the net OPEB obligation of \$104,384 (\$92,894 in the government-wide statement of net position and \$11,490 in the proprietary funds).

Since the Village has fewer than 200 participants, a valuation is performed every three years in accordance with GAAP. The Village’s annual OPEB cost, the percentage of the annual OPEB cost contributed to the Plan, and the net OPEB obligation for the most recent years available were as follows:

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

IV. Other Information (cont'd)

D. Other Post-employment Benefits (OPEB) (cont'd)

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/15	\$ 140,327	64.0 %	\$ 104,384
4/30/14	141,169	61.8 %	53,936

Funding Status and Funding Progress – The OPEB plan is being funded on a pay-as-you-go basis. At May 1, 2013, the most recent actuarial valuation date, the Unfunded Actuarial Accrued Liability (UAAL) for benefits was \$1,712,950. Annual covered payroll was \$2,965,807 and the ratio of the UAAL to the covered payroll was 58%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

In the May 1, 2013 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), including a 3.0 percent inflation assumption, projected salary increases of 4.0 percent annually, and an annual healthcare inflation rate of 6.0 percent initially, reduced by decrements to an ultimate rate of 5.0 percent. The actuarial value of assets was not determined as the Village has not advanced funded its obligation. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2014 was 30 years.

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

IV. Other Information (cont'd)

D. Other Post-employment Benefits (OPEB) (cont'd)

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

The Village provides a \$3,000 post-retirement death benefit, currently paid by the Village's insurance through participation in the IPBC, for certain beneficiaries of retirees who were Village employees prior to August 1, 1983. As of April 30, 2015, there were 13 retired Village employees who met the eligibility requirements.

E. Contractual Commitments

At April 30, 2015, the Village approved sewer, paving and patching contracts of approximately \$554,000 for projects to commence no sooner than May 1, 2015.

F. New Governmental Accounting Standards

The Governmental Accounting Standards Board (GASB) recently issued the following statements:

GASB Statement No. 67, *Financial Reporting for Pension Plans*, Statement No. 68, *Accounting and Financial Reporting for Pensions*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GAS Statement 68*, amend Statements No. 25 and 27 respectively to improve the accounting and financial reporting by state and local governments for pensions. GASB 67 was adopted in the current year for the police pension plan, and GASB 68, which will affect the IMRF Plan, is effective for the fiscal year ending April 30, 2016.

GASB Statement No. 72, *Fair Value Measurement and Application*, establishes accounting and financial reporting standards related to fair value measurements, and is effective for the year ending April 30, 2017.

GASB Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, extends the approach to accounting and financial reporting established by GASB Statement 68 to all pensions and clarifies certain issues from GASB Statement 67 and 68. Sections of this Statement are effective for the years ending April 30, 2016, 2017 and 2018.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting standards for OPEB Plans, and is effective for the year ending April 30, 2018.

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

IV. Other Information (cont'd)

F. New Governmental Accounting Standards (cont'd)

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*, establishes new accounting and financial reporting standards for local governments who offer OPEB Plans administered through a trust, and is effective for the year ending April 30, 2019.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, identifies in the context of the current governmental financial reporting format, the sources of accounting principles used to prepare financial statements of local governments in conformity with generally accepted accounting principles, and is effective for the year ending April 30, 2017.

Management has not yet completed its assessment of these statements and a determination as to their impact on the overall financial statement presentation has not been made.

REQUIRED SUPPLEMENTARY INFORMATION

**Village of La Grange Park
Illinois Municipal Retirement Fund
Required Supplementary Information
Schedule of Funding Progress
April 30, 2015**

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)
12/31/14	\$ 5,132,107	\$ 5,553,659	\$ 421,552	92.41%	\$ 1,799,943	23.42%
12/31/13	5,448,268	5,664,175	215,907	96.19%	1,679,912	12.85%
12/31/12	4,923,644	5,437,649	514,005	90.55%	1,621,089	31.71%
12/31/11	4,454,469	5,158,158	703,689	86.36%	1,572,278	44.76%
12/31/10	4,516,138	5,003,226	487,088	90.26%	1,668,173	29.20%
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%

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$6,159,654.
On a market basis, the funded ratio would be 110.91%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Village of La Grange Park. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

See independent auditor's report.

**Village of La Grange Park
Police Pension Fund
Required Supplementary Information
Schedule of Funding Progress
April 30, 2015**

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)
05/01/14	\$ 12,856,211	\$ 21,695,016	\$ 8,838,805	59.26%	\$ 1,787,151	494.58%
05/01/13	12,044,839	21,275,009	9,230,170	56.61%	1,671,292	552.28%
05/01/12	11,170,440	20,659,204	9,488,764	54.07%	1,677,197	565.75%
05/01/11	10,291,801	19,978,792	9,686,991	51.51%	1,635,939	592.14%
04/30/10	10,411,235	19,904,650	9,493,415	52.31%	1,465,136	647.95%
04/30/09	9,008,649	19,157,908	10,149,259	47.02%	1,628,620	623.18%
04/30/08	10,637,549	18,414,470	7,776,921	57.77%	1,567,668	496.08%
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%

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
Other Post-employment Benefits Healthcare Plan
Required Supplementary Information
Schedule of Funding Progress
April 30, 2015**

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)
05/01/14	N/A	N/A	N/A	N/A	N/A	N/A
05/01/13	\$ -	\$ 1,712,950	\$ 1,712,950	0.00%	\$ 2,965,807	57.76%

N/A - Information is not available as an actuarial valuation was not performed.

Note - Paragraph 12 of GASB Statement No. 45 states that an actuarial valuation should be performed at least triennially for plans with less than 200 total members, given that no significant changes have occurred since the last full valuation.

Note - The Village has elected to have an actuarial valuation prepared on a biannual basis for the other post-employment benefits healthcare plan.

See independent auditor's report.

**Village of La Grange Park
 Illinois Municipal Retirement Fund
 Required Supplementary Information -
 Schedule of Employer Contributions
 April 30, 2015**

<u>Year Ended April 30,</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percent Contributed</u>
2015	\$ 173,575	\$ 173,575	100.00%
2014	191,473	191,473	100.00%
2013	172,281	172,281	100.00%
2012	150,443	166,561	90.32%
2011	141,511	184,098	76.87%
2010	125,200	125,200	100.00%

See independent auditor's report.

**Village of La Grange Park
Police Pension Fund
Required Supplementary Information -
Schedule of Employer Contributions
April 30, 2015**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 769,518	\$ 759,861	\$ 785,079	\$ 729,058	\$ 708,185	\$ 751,408	\$ 613,102	\$ 527,413	\$ 524,044	\$ 526,086
Contributions in relation to actuarially determined contribution	764,804	725,134	670,360	816,586	647,965	508,193	526,376	449,681	552,450	399,166
Contribution deficiency (excess)	\$ 4,714	\$ 34,727	\$ 114,719	\$ (87,528)	\$ 60,220	\$ 243,215	\$ 86,726	\$ 77,732	\$ (28,406)	\$ 126,920
Covered-employee payroll	\$ 1,780,085	\$ 1,753,976	\$ 1,709,011	\$ 1,602,967	\$ 1,596,983	\$ 1,637,457	\$ 1,604,379	\$ 1,522,274	\$ 1,485,284	\$ 1,348,678
Contributions as a percentage of covered-employee payroll	42.96%	41.34%	39.23%	50.94%	40.57%	31.04%	32.81%	29.54%	37.19%	29.60%

The information directly above is formatted to comply with the requirements of GASB Statement No. 67. Additional information as of the latest actuarial valuation date presented is as follows: the actuarial cost method was entry age normal, the amortization method was level percentage of pay, and the amortization period was 23 years.

Year Ended April 30,	Employer Contributions	Annual Required Contribution (ARC)	Percent Contributed
2015	\$ 764,804	\$ 759,861	100.65%
2014	725,134	785,079	92.36%
2013	670,360	729,058	91.95%
2012	816,586	708,185	115.31%
2011	647,965	751,408	86.23%
2010	508,193	613,102	82.89%

The information directly above is presented in accordance with GASB Statement 27. The information was determined as part of the actuarial valuation as of May 1, 2013.

See independent auditor's report.

**Village of La Grange Park
Police Pension Fund
Required Supplementary Information - Schedule of Changes
in the Employer's Net Pension Liability and Related Ratios
April 30, 2015**

	2015
Total pension liability:	
Service cost	\$ 383,311
Interest	1,592,380
Changes in benefit terms	-
Differences between expected and actual experience	45,889
Changes in assumptions	-
Benefit payments, including refunds of member contributions	(1,120,540)
Net change in total pension liability	901,040
Total pension liability, beginning of year	22,925,242
Total pension liability, end of year	\$ 23,826,282
Plan fiduciary net position:	
Contributions - employer	\$ 764,804
Contributions - member	174,138
Net investment income	778,039
Benefit payments, including refunds of member contributions	(1,120,540)
Administrative expense	(38,066)
Net change in plan fiduciary net position	558,375
Plan fiduciary net position, beginning of year	12,900,702
Plan fiduciary net position, end of year	\$ 13,459,077
Employer's net pension liability	\$ 10,367,205
Plan fiduciary net position as a percentage of the total pension liability	56.49%
Covered employee payroll	\$ 1,780,085
Employer's net pension liability as a percentage of covered-employee payroll	582.40%

* GASB 67 was implemented in fiscal year 2015. This schedule is being built prospectively. Information prior to the implementation of GASB 67 is not available. Ultimately, 10 years of data will be presented.

See independent auditor's report.

**Village of La Grange Park
Police Pension Fund
Required Supplementary Information
Schedule of Investment Returns
April 30, 2015**

	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	<u>6.08%</u>

* GASB 67 was implemented in fiscal year 2015. This schedule is being built prospectively. Information prior to the implementation of GASB 67 is not available. Ultimately, 10 years of data will be presented.

See independent auditor's report.

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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Intergovernmental	\$ 150,000	\$ 150,000	\$ -	\$ (150,000)
Interest and investment income	200	200	194	(6)
Miscellaneous	12,000	12,000	15,962	3,962
Total revenues	<u>162,200</u>	<u>162,200</u>	<u>16,156</u>	<u>(146,044)</u>
Expenditures - current:				
General government	22,651	22,651	18,044	4,607
Public safety	126,830	126,830	96,937	29,893
Highways and streets	1,163,000	1,163,000	947,569	215,431
Total expenditures	<u>1,312,481</u>	<u>1,312,481</u>	<u>1,062,550</u>	<u>249,931</u>
Revenues under expenditures before other financing sources	(1,150,281)	(1,150,281)	(1,046,394)	103,887
Other financing sources:				
Transfers in	1,228,020	1,228,020	1,228,020	-
Sale of capital assets	-	-	3,563	3,563
Total other financing sources	<u>1,228,020</u>	<u>1,228,020</u>	<u>1,231,583</u>	<u>3,563</u>
Net changes in fund balance	<u>\$ 77,739</u>	<u>\$ 77,739</u>	<u>185,189</u>	<u>\$ 107,450</u>
Fund balance, beginning of the year			<u>195,545</u>	
Fund balance, end of the year			<u>\$ 380,734</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, 2015**

	<u>Actual</u>
Revenue - interest and investment income	\$ 214
Fund balance, beginning of the year	<u>158,229</u>
Fund balance, end of the year	<u>\$ 158,443</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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenue - interest and investment income (loss)	\$ 10	\$ 10	\$ -	\$ (10)
Expenditures:				
Current - general government	500	500	340	160
Debt service:				
Principal	213,000	213,000	212,094	906
Interest	8,000	8,000	7,814	186
Total expenditures	221,500	221,500	220,248	1,252
Revenues over (under) expenditures before other financing sources	(221,490)	(221,490)	(220,248)	1,242
Other financing sources - operating transfers in	217,000	217,000	215,552	(1,448)
Net changes in fund balance	\$ (4,490)	\$ (4,490)	(4,696)	\$ (206)
Fund balance, beginning of the year			4,696	
Fund balance, end of the year			\$ -	

See independent auditor's report.

Village of La Grange Park
Foreign Fire Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2015

	Actual
Revenue - intergovernmental	\$ 44,728
Expenditures - current - public safety	8,137
Revenues over (under) expenditures before other financing sources	36,591
Other financing sources - operating transfers in	635
Net changes in fund balance	37,226
Fund balance, beginning of the year	-
Fund balance, end of the year	\$ 37,226

See independent auditor's report.

**Village of La Grange Park
Computation of Legal Debt Margin
April 30, 2015**

	<u>2014 Tax Levy Year</u>
Assessed valuation	\$ 319,016,621
Statutory debt limitation - percent of assessed valuation	<u>8.625%</u>
Legal debt margin	<u>\$ 27,515,184</u>

See independent auditor's report.