Village of La Grange Park

Annual Financial Report

April 30, 2016

Village of La Grange Park, Illinois
Annual Financial Report
April 30, 2016

Contents

Financial Section

Required Supplementary Information

Supplementary Information – Combining and Individual Fund Statements and Schedules and Other Supplemental Information

Governmental Fund Types

Village of La Grange Park, Illinois

Annual Financial Report

April 30, 2016

Other Supplemental Information

Financial Section

BKD LLP
CPAs & Advisors

1901 S. Meyers Road, Suite 500 // Oakbrook Terrace, IL 60181-5209
630.282.9500 // fax 630.282.9495 // bkd.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, the business-type activities, each major fund and the aggregate remaining fund information of the Village of LaGrange Park, Illinois, as of and for the year ended April 30, 2016, 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, each major fund and the aggregate remaining fund information of the Village of LaGrange Park, Illinois as of April 30, 2016, and the respective changes in financial position and cash flows where applicable thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As disclosed in Note 1 to the financial statements, in 2016 the Village adopted new accounting guidance required by Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27,* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinions are not modified with respect to these matters.

The 2015 financial statements, before they were restated for the matters discussed in Note 10, were audited by other auditors and their report thereon, dated October 19, 2015, expressed unmodified opinions. Our opinions are 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 budgetary comparison, pension and other post-employment benefit related information as 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 response 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 LaGrange Park, Illinois' basic financial statements. The combining and individual fund financial statements and schedules and other supplemental information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate 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 combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The Computation of Legal Debt Margin listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BKD, LLP

Oakbrook Terrace, Illinois
September 22, 2016

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, 2016. 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, 2016, resulting in a total net position of $15,766,591.

- The Village's total net position increased by $1,595,078 during the fiscal year. Governmental net position increased by $755,963 and business-type net position increased by $839,115.

- The Village's governmental funds reported combined ending fund balances of $6,147,025, an increase of $687,577, or 12.6%, as compared with the prior year.

- As of April 30, 2016, unassigned fund balance in the General Fund was $4,711,716 or 60.5% of total General Fund expenditures. General Fund cash and investments totaled $3,598,960, or 46.2%, of total General Fund expenditures.

- During the fiscal year, the Village transferred $200,000 of cash reserves from the General Fund to the Capital Projects Fund for road repair projects and equipment replacement.

- The Village reduced its outstanding bonded debt by $270,000 during the fiscal year through scheduled payments.

- The Village implemented GASB Statement 68 in the current fiscal year. The implementation resulted in the addition of $11,424,829 of net pension liability on to the Statement of Net Position; $11,322,338 in the Governmental Activities and $102,491 in the Business-type Activities. $10,885,399 of the net pension liability is attributable to the Village's police pension plan and $539,430 is attributable to the Village's participation in the Illinois Municipal Retirement Fund. See Note 9 on page 41 for more information.

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 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.

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.

Notes to the Financial Statements

The notes to the financial statements provide information necessary for the full understanding of the statements and begin on page 25.

Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information and can be found starting on page 61. Other supplemental information may also be found beginning on page 64.

CONDENSED FINANCIAL INFORMATION AND ANALYSIS

Government-wide Financial Analysis

Village of La Grange Park
Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015* (Restated)	2016	2015* (Restated)	2016	2015* (Restated)
Current and other assets	8,132,191	7,506,801	4,515,945	4,006,154	12,648,136	11,512,955
Capital assets	6,528,443	6,100,648	13,380,261	13,474,549	19,908,704	19,575,197
Total assets	**14,660,634**	**13,607,449**	**17,896,206**	**17,480,703**	**32,556,840**	**31,088,152**
Total deferred outflows of resources	**1,418,197**	**-**	**129,398**	**-**	**1,547,595**	**-**
Current liabilities	387,478	423,304	303,927	437,784	691,405	861,088
Long-term liabilities	11,772,039	802,353	3,608,574	3,837,143	15,380,613	4,639,496
Total liabilities	**12,159,517**	**1,225,657**	**3,912,501**	**4,274,927**	**16,072,018**	**5,500,584**
Total deferred inflows of resources	**2,249,846**	**1,624,049**	**15,980**	**-**	**2,265,826**	**1,624,049**
Net Investment in capital assets	6,503,443	5,882,644	9,920,372	9,979,549	16,423,815	15,862,193
Restricted	954,942	958,300	209,402	163,686	1,164,344	1,121,986
Unrestricted	(5,788,917)	3,916,799	3,967,349	3,062,541	(1,821,568)	6,979,340
Total net position	**1,669,468**	**10,757,743**	**14,097,123**	**13,205,776**	**15,766,591**	**23,963,519**

**The Village implemented GASB 68 in fiscal year 2016. Fiscal year 2015 balances included in this comparison do not include a restatement for GASB 68.*

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 liabilities.

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 liabilities 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 change in net position. The Village spent current non-borrowed assets on new capital purchases and improvements. The Village also made debt service payments and recorded annual depreciation.

The Village's assets and deferred outflows exceeded its liabilities and deferred inflows by $15,766,591 as of April 30, 2016. The Village's net investment in capital assets was $16,423,815, which includes related debt and depreciation. Restricted net position totaled $1,164,344 and includes amounts that are subject to external constraints. Unrestricted net position was negative $1,821,568 due to the implementation of GASB 68 and the inclusion of $11,424,829 in net pension liability. The net pension liability includes $10,885,399 for the Village's police pension plan and $539,430 for the Village's participation in the Illinois Municipal Retirement Fund.

Village of La Grange Park
Change in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015* (Restated)	2016	2015* (Restated)	2016	2015* (Restated)
Program Revenues						
Charges for services	1,505,757	1,476,874	4,430,081	4,231,560	5,935,838	5,708,434
Operating grants & contributions	451,506	531,228	-	-	451,506	531,228
Capital grants & contributions	367,471	158,541	79,239	159,432	446,710	317,973
General revenues						
Property taxes	3,418,325	3,187,738	-	-	3,418,325	3,187,738
Other taxes	3,340,044	3,437,597	-	-	3,340,044	3,437,597
Other revenues	770,091	434,175	68,549	10,954	838,640	445,129
Total revenues	**9,853,194**	**9,226,153**	**4,577,869**	**4,401,946**	**14,431,063**	**13,628,099**
Expenses						
General Government	1,171,247	1,185,237	-	-	1,171,247	1,185,237
Public Safety	6,041,212	5,832,229	-	-	6,041,212	5,832,229
Public Works	1,924,772	1,979,683	-	-	1,924,772	1,979,683
Water	-	-	3,025,113	3,042,723	3,025,113	3,042,723
Sewer	-	-	673,641	901,977	673,641	901,977
Total expenses	**9,137,231**	**8,997,149**	**3,698,754**	**3,944,700**	**12,835,985**	**12,941,849**
Change in net position before transfers	715,963	229,004	879,115	457,246	1,595,078	686,250
Transfers	40,000	53,327	(40,000)	53,049	-	106,376
Change in net position	**755,963**	**282,331**	**839,115**	**510,295**	**1,595,078**	**792,626**
Net Position, beginning as restated	**913,505**	**10,475,412**	**13,258,008**	**12,695,481**	**14,171,513**	**23,170,893**
Net Position, end of year	**1,669,468**	**10,757,743**	**14,097,123**	**13,205,776**	**15,766,591**	**23,963,519**

**The Village implemented GASB 68 in fiscal year 2016. Fiscal year 2015 amounts do not include a restatement for GASB 68.*

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.

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 increased by $627,041, or 6.8%, while governmental expenses increased by $140,082, or 1.6%. Continued economic growth resulted in stronger than budgeted revenues in some areas including building permits and state shared revenues. The Village also experienced a significant increase in revenue resulting from its participation in health and liability insurance pools. The growth in expenses included general increases in the cost to provide services, such as personnel wages 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 $755,963.

Business-type revenues increased by $175,923 and totaled $4,577,869. 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 12.8% increase in the rate charged to their customers effective January 1, 2015 as a result of a 15% increase in the cost of water from their supplier, the City of Chicago. The Village Board approved an increase in the Village's water rate from $6.47 per 100 cubic feet to $6.99 per 100 cubic feet, an 8.0% adjustment, effective May 1, 2015.

Fund Financial Statement Analysis

The Village of La Grange Park has six governmental funds. These funds are included on the balance sheet found on page 15. 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 page 17.

The General Fund is used to account for most of the Village's governmental operating activity. This includes administration, finance, building, police, fire, and public works. Including the effect of operating transfers, the General Fund balance increased by $1,008,047. Revenues were up 6.6% ($8,952,291 compared to $8,398,999), while expenditures increased 0.5% ($7,782,244 compared to $7,741,519). The growth in revenues can be attributed to increases in several sources, including property taxes, the state use tax, and income from the Village's participation in insurance pools. With respect to expenditures, the General Fund finished the year $273,646, or 3.4%, under budget. The General Fund budget was amended during the fiscal year to allow for increased repair costs due to property damage and to reallocate costs for liability insurance.

The fund balance for the Village's Emergency 911 Fund decreased by $168,841, or 47.2%. The Village is in the process of implementing the Lyons Township Area Communications Center (LTACC), a governmental joint venture with the Villages of La Grange and Western Springs. The joint venture was formed in November 2015 under the Intergovernmental Cooperation Act (5 ILCS 220) for the mutual operation of a centralized emergency dispatch system. LTACC is scheduled to commence operations in the latter half of fiscal year 2017. All activities of LTACC are funded by the members based on the intergovernmental agreement. In fiscal year 2016, the Village expended $151,279 from the Emergency Telephone Fund for LTACC implementation costs.

The financial statements for the two proprietary funds begin on page 19. 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 $839,115. 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 Village's single fiduciary fund, the Police Pension Fund, begin on page 22.

Capital Assets and Long-term Debt

During fiscal year 2016, the Village transferred $200,000 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 $620,799 or 10.6%.

Major governmental capital expenditures included:

- Finsbury and Pinetree Lanes, Cleveland Avenue and Kemman Avenue road resurfacing projects.
- The installation of an emergency generator at Village Hall.
- Police in-car video installation.
- Police vehicle replacement.

The Village also continued water and sewer infrastructure improvements, including:

- Repairs associated with road resurfacing projects.
- Replacement of commercial water meters.

The Village's increase in investment due to the above assets was offset by the current year's depreciation, resulting in a decrease in net capital assets of $59,176, or 0.6%.

State statutes limit the amount of general obligation debt a municipality may issue to 8.625% of equalized assessed value. The debt limit as of April 30, 2016 for the Village of La Grange Park was

$26,604,088. 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.

The Village reduced its outstanding bonded debt by $270,000 through scheduled payments.

Readers interested in detailed information related to capital assets and long-term debt may refer to the notes on pages 36 through 40.

In April 2016, Village residents approved a referendum authorizing $10 million in bonds for street improvements and $1.2 million for fire equipment. The Village received a rating of AA+ from Standard & Poor's and completed the sale of the bonds in June 2016. The debt service for the bonds will be paid with an increase in property taxes over a 10 year period. See note 11 on page 58 for additional information.

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 continued to improve during 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 the Village's 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. Additional information may also be found on the Village's website at *www.lagrangepark.org.*

Basic Financial Statements

Village of La Grange Park, Illinois

Statement of Net Position

April 30, 2016

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	$ 3,217,989	$ 2,217,077	$ 5,435,066
Investments	1,119,860	1,170,488	2,290,348
Receivables			
Property taxes, net of allowance for loss on collection	1,597,688		1,597,688
Accounts	161,291	920,474	1,081,765
Intergovernmental	724,575	26,695	751,270
Grants	154,708		154,708
Other taxes	153,404		153,404
Interest	3,010	3,011	6,021
Internal balances	19,673	(19,673)	-
Prepaid items	115,778	31,762	147,540
Insurance deposits	864,215	166,111	1,030,326
Capital assets, net of accumulated depreciation			-
Land	150,304	-	150,304
Buildings and building improvements	980,791	687,963	1,668,754
Infrastructure	3,903,767	12,320,105	16,223,872
Machinery and equipment	483,818	156,107	639,925
Vehicles	1,006,366	54,759	1,061,125
Construction in progress	3,397	161,327	164,724
Total assets	14,660,634	17,896,206	32,556,840
Deferred Outflows of Resources			
Deferred outflows of resources - pensions	1,418,197	129,398	1,547,595
Liabilities			
Accounts payable and other accrued expenses	298,125	256,886	555,011
Other liabilities	12,695	-	12,695
Refundable deposits	76,658	2,166	78,824
Accrued interest expense	-	44,875	44,875
Noncurrent liabilities			
Due within one year			
Compensated absences	226,354	23,954	250,308
Bonds/notes payable	12,500	280,000	292,500
Due in more than one year			
Compensated absences	62,211	7,960	70,171
Bonds/notes payable	12,500	3,179,889	3,192,389
Other post employment benefits	136,136	14,280	150,416
Net pension liability - IMRF	436,939	102,491	539,430
Net pension liability - Police Pension	10,885,399	-	10,885,399
Total liabilities	12,159,517	3,912,501	16,072,018
Deferred Inflows of Resources			
Deferred inflows of resources - pensions	652,158	15,980	668,138
Property taxes levied for future period	1,597,688	-	1,597,688
Total deferred inflows of resources	2,249,846	15,980	2,265,826
Net Position			
Net investment in capital assets	6,503,443	9,920,372	16,423,815
Restricted for			
Working cash	158,741	-	158,741
Risk management	260,639	116,072	376,711
Public safety	211,820	-	211,820
Highway and streets	323,742	-	323,742
Stormwater management	-	93,330	93,330
Unrestricted	(5,788,917)	3,967,349	(1,821,568)
Total net position	$ 1,669,468	$ 14,097,123	$ 15,766,591

Village of La Grange Park, Illinois

Statement of Activities

Year Ended April 30, 2016

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	$ 1,171,247	$ 746,246	$ -	$ 150,000
Public safety	6,041,212	711,122	104,170	46,000
Public works	1,924,772	48,391	347,336	171,471
Total governmental activities	9,137,231	1,505,759	451,506	367,471
Business-type Activities				
Water	3,025,113	3,365,553	-	-
Sewer	673,641	1,064,528	-	79,239
Total business-type activities	3,698,754	4,430,081	-	79,239
Total	$ 12,835,985	$ 5,935,840	$ 451,506	$ 446,710

General Revenues
Property taxes
Sales taxes
Utility taxes
Telecommunication taxes
State income tax
State use tax
Personal property replacement taxes
Other taxes
Miscellaneous
Unrestricted investment earnings
Transfers
Total general revenues and transfers

Change in Net Position

Net Position, Beginning of Year, as Previously Reported

Restatements (See Note 10)

Net Position, Beginning of Year, as Restated

Net Position, End of Year

Net Revenues (Expenses) and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
$ (275,001)	$ -	$ (275,001)
(5,179,920)	-	(5,179,920)
(1,357,574)	-	(1,357,574)
(6,812,495)	-	(6,812,495)
-	340,440	340,440
-	470,126	470,126
-	810,566	810,566
(6,812,495)	810,566	(6,001,929)
3,418,325	-	3,418,325
507,490	-	507,490
453,569	-	453,569
330,288	-	330,288
1,388,953		1,388,953
318,458	-	318,458
46,988	-	46,988
294,298	-	294,298
761,966	59,405	821,371
8,123	9,144	17,267
40,000	(40,000)	-
7,568,458	28,549	7,597,007
755,963	839,115	1,595,078
12,267,148	13,178,182	25,445,330
(11,353,643)	79,826	(11,273,817)
913,505	13,258,008	14,171,513
$ 1,669,468	$ 14,097,123	$ 15,766,591

Village of La Grange Park, Illinois

Governmental Funds Balance Sheet

April 30, 2016

	General	Capital Projects	Nonmajor Funds	Total
Assets				
Cash	$ 2,479,100	$ 133,458	$ 605,431	$ 3,217,989
Investments	1,119,860	-	-	1,119,860
Receivables				
Property taxes, net of allowance for loss on collection	1,597,688	-	-	1,597,688
Accounts	161,291	-		161,291
Intergovernmental	613,148	-	111,427	724,575
Grants	3,378	150,000	1,330	154,708
Other taxes	153,404	-	-	153,404
Interest	3,010	-	-	3,010
Due from other funds	-	-	19,673	19,673
Prepaid items	115,778	-	-	115,778
Insurance deposits	864,215	-	-	864,215
Total assets	$ 7,110,872	$ 283,458	$ 737,861	$ 8,132,191
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ 127,191	$ 96,139	$ 43,558	$ 266,888
Security deposits	76,658	-	-	76,658
Accrued wages	31,237	-	-	31,237
Other payables	11,851	844	-	12,695
Total liabilities	246,937	96,983	43,558	387,478
Deferred Inflows of Resources				
Property taxes	1,597,688	-	-	1,597,688
Fund Balances				
Nonspendable	254,892	-	-	254,892
Restricted				
Public safety	-	-	211,820	211,820
Highways and streets	-	-	323,742	323,742
Working cash	-	-	158,741	158,741
Risk management	260,639	-	-	260,639
Committed				
Capital projects	-	186,475	-	186,475
Employee benefits	39,000	-	-	39,000
Unassigned	4,711,716	-		4,711,716
Total fund balances	5,266,247	186,475	694,303	6,147,025
Total liabilities, deferred inflows of resources and fund balances	$ 7,110,872	$ 283,458	$ 737,861	$ 8,132,191

Village of La Grange Park, Illinois
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Year Ended April 30, 2016

Total Fund Balances - Governmental Funds	$ 6,147,025
Accounts reported for governmental activities in the statement of net position are different because	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	6,528,443
Deferred outflows of resources, pension related	1,418,197
Deferred inflows of resources, pension related	(652,158)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Compensated absences	(288,565)
Notes payable	(25,000)
Net pension liability	(11,322,338)
Net other post-employment benefits obligation	(136,136)
Net Position of Governmental Activities	$ 1,669,468

Village of La Grange Park, Illinois

Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended April 30, 2016

	General	Capital Projects	Nonmajor Funds	Total
Revenues				
Property taxes	$ 3,418,325	$ -	$ -	$ 3,418,325
Other local taxes	1,539,060	-	46,585	1,585,645
Licenses and permits	721,938	-	-	721,938
Intergovernmental	1,754,611	-	447,916	2,202,527
Charges for services	527,765	-	-	527,765
Fines and forfeitures	206,866	-	-	206,866
Interest and investment income	6,203	441	1,479	8,123
Miscellaneous	777,523	203,605	49,728	1,030,856
Total revenues	8,952,291	204,046	545,708	9,702,045
Expenditures				
Current				
General government	1,128,438	198,721	-	1,327,159
Public safety	5,302,309	149,618	322,668	5,774,595
Highways and streets	1,338,997	289,966	311,251	1,940,214
Debt service				
Principal	12,500	-	-	12,500
Total expenditures	7,782,244	638,305	633,919	9,054,468
Excess (Deficiency) of Revenues Over Expenditures	1,170,047	(434,259)	(88,211)	647,577
Other Financing Sources (Uses)				
Operating transfers in	38,000	240,000	-	278,000
Operating transfers out	(200,000)	-	(38,000)	(238,000)
Total other financing sources (uses)	(162,000)	240,000	(38,000)	40,000
Net Change in Fund Balances	1,008,047	(194,259)	(126,211)	687,577
Fund Balances, Beginning of Year, as Previously Reported	4,143,556	380,734	820,514	5,344,804
Restatement (See Note 10)	114,644			114,644
Fund Balances, Beginning of Year, as Restated	4,258,200	380,734	820,514	5,459,448
Fund Balances, End of Year	$ 5,266,247	$ 186,475	$ 694,303	$ 6,147,025

Village of La Grange Park, Illinois
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended April 30, 2016

Net Change in Fund Balances - Total Governmental Funds	$	687,577
Amounts reported for governmental activities in the statement of actives are different because		
Governmental funds report capitals outlays as expenditures. However, they are capitalized and depreciated in the statement of activities.		942,057
Governmental funds focus on current financial resources. Consequently, donations of assets used in operations are not reported in governmental funds.		151,149
Depreciation on capital assets is reported as an expense in the statement of activities.		(665,411)
Notes issued provide current financial resources to governmental funds but issuing the note increases long-term liabilities in the statement of net position. Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		12,500
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 compensated absences liability		3,659
Increase in net pension liability		(332,326)
Increase in net other post-employment benefit obligation		(43,242)
Changes in Net Position of Governmental Activities	$	755,963

Village of La Grange Park, Illinois

Proprietary Funds Statement of Net Position

April 30, 2016

	Water	Sewer	Total
Assets			
Current Assets			
Cash	$ 1,516,863	$ 700,214	$ 2,217,077
Investments	721,772	448,716	1,170,488
Accrued interest receivable	2,284	727	3,011
Water sales receivable	333,957	-	333,957
Grants receivable	-	26,695	26,695
Prepaid items	23,481	8,281	31,762
Unbilled usage	446,022	140,495	586,517
Total current assets	3,044,379	1,325,128	4,369,507
Long-term Assets			
Insurance deposits	132,937	33,174	166,111
Property and equipment, net of accumulated depreciation of $6,412,907	4,858,370	8,521,891	13,380,261
Total long-term assets	4,991,307	8,555,065	13,546,372
Total assets	8,035,686	9,880,193	17,915,879
Deferred Outflows of Resources			
IMRF Pension	93,167	36,231	129,398
Liabilities			
Current Liabilities			
Accounts payable	194,664	60,861	255,525
Security deposits	2,166	-	2,166
Accrued wages	606	755	1,361
Due to other funds	-	19,673	19,673
Compensated absences	17,074	6,880	23,954
Interest payable	-	44,875	44,875
Bond payable	-	280,000	280,000
Total current liabilities	214,510	413,044	627,554
Long-term Liabilities			
Compensated absences	6,128	1,832	7,960
Bond payable	-	3,179,889	3,179,889
Net other postemployment benefit obligation	9,477	4,803	14,280
Net pension liability	73,793	28,698	102,491
	89,398	3,215,222	3,304,620
Total liabilities	303,908	3,628,266	3,932,174
Deferred Inflows of Resources			
IMRF Pension	11,506	4,474	15,980
Net Position			
Net investment in capital assets	4,858,369	5,062,003	9,920,372
Restricted to risk management	99,752	16,320	116,072
Restricted to stormwater management	-	93,330	93,330
Unrestricted	2,855,318	1,112,031	3,967,349
Total net position	$ 7,813,439	$ 6,283,684	$ 14,097,123

Village of La Grange Park, Illinois

Proprietary Funds Statement of Revenues, Expenses and Changes in Net Position

Year Ended April 30, 2016

	Water	Sewer	Total
Operating Revenues			
Charges for sales and services			
Water and sewer	$ 3,365,553	$ 1,064,528	$ 4,430,081
Operating Expenses			
Cost of sales and services	2,649,707	154,131	2,803,838
Administration	152,879	185,414	338,293
Depreciation	222,527	264,936	487,463
Total operating expenses	3,025,113	604,481	3,629,594
Operating Income	340,440	460,047	800,487
Nonoperating Revenue (Expense)			
Interest and investment income	5,639	3,505	9,144
Miscellaneous	33,111	26,294	59,405
Interest expense	-	(113,068)	(113,068)
Amortization	-	43,908	43,908
Total nonoperating revenue (expense)	38,750	(39,361)	(611)
Income Before Contributions and Transfers	379,190	420,686	799,876
Contributions and Transfers			
Capital contributions	-	79,239	79,239
Transfer to Capital Projects Fund	-	(40,000)	(40,000)
Total contributions and transfers	-	39,239	39,239
Change in Net Position	379,190	459,925	839,115
Net Position, Beginning of Year, as Previously Reported	7,376,729	5,801,453	13,178,182
Restatement (See Note 10)	57,520	22,306	79,826
Net Position, Beginning of Year, as Restated	7,434,249	5,823,759	13,258,008
Net Position, End of Year	$ 7,813,439	$ 6,283,684	$ 14,097,123

Village of La Grange Park, Illinois
Proprietary Funds Statement of Cash Flows
Year Ended April 30, 2016

	Water	Sewer	Total
Operating Activities			
Receipts from customers	$ 3,373,976	$ 1,053,071	$ 4,427,047
Payments to suppliers	(2,527,896)	(242,236)	(2,770,132)
Payments to employees	(309,299)	(142,441)	(451,740)
Deposits with joint venture	(1,686)	-	(1,686)
Net cash provided by operating activities	535,095	668,394	1,203,489
Investing Activities			
Purchase of investments	(824,372)	(599,971)	(1,424,343)
Proceeds from maturities of investments	806,274	653,028	1,459,302
Interest and dividends	5,126	4,043	9,169
Net cash provided by investing activities	(12,972)	57,100	44,128
Noncapital Financing Activities			
Transfers to other funds	-	(40,000)	(40,000)
Capital and Related Financing Activities			
Principal paid on capital debt	-	(270,000)	(270,000)
Interest paid on capital debt	-	(119,660)	(119,660)
Grants for the purchase of capital assets	-	16,314	16,314
Other grant related expenditures	-	(3,652)	(3,652)
Purchase of capital assets	(80,544)	(249,708)	(330,252)
Net cash used in capital and related financing activities	(80,544)	(626,706)	(707,250)
Net Change in Cash	441,579	58,788	500,367
Cash, Beginning of Year	1,075,284	641,426	1,716,710
Cash, End of Year	$ 1,516,863	$ 700,214	$ 2,217,077

Village of La Grange Park, Illinois
Proprietary Funds Statement of Cash Flows
Year Ended April 30, 2016

	Water	Sewer	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income	$ 340,440	$ 460,047	$ 800,487
Items not requiring (providing) cash			
Depreciation	222,527	264,936	487,463
Other non operating income	4,628	-	4,628
Pension related items	(21,042)	(8,519)	(29,561)
Changes in assets and liabilities			
Decrease (increase) in water sales receivable/unbilled usage	8,423	(11,457)	(3,034)
Increase in prepaid items	36,721	14,582	51,303
Increase in insurance deposits	(1,686)	-	(1,686)
Decrease in accounts payable/security deposits	(47,037)	(65,650)	(112,687)
Decrease in accrued wages/compensated absences	(9,399)	(6,488)	(15,887)
Increase in net other post-employment benefit	1,520	1,270	2,790
Increase in due to/from other funds	-	19,673	19,673
Net cash flows provided by operating activities	$ 535,095	$ 668,394	$ 1,203,489
Noncash Capital and Related Financing Activities, Capital Contributions	$ -	$ 62,925	$ 62,925

Village of La Grange Park, Illinois
Fiduciary Funds Statement of Fiduciary Net Position
April 30, 2016

	Police Pension Fund
Assets	
Cash	$ 1,085,386
Investments, at fair value	
Stocks	2,659,864
Mutual funds	4,787,612
Treasuries	1,969,752
Federal agencies	1,155,192
Corporate bonds	1,395,161
Accrued interest receivable	24,963
Prepaid items	10,153
Total assets	13,088,083
Liabilities	
Accounts payable	735
Net Position	
Net position restricted for pensions	$ 13,087,348

Village of La Grange Park, Illinois
Fiduciary Funds – Restricted Fund
Fiduciary Funds Statement of Changes in Fiduciary Net Position
Year Ended April 30, 2016

	Police Pension Fund
Additions	
Contributions	
Employer	$ 803,853
Plan members	187,661
Total contributions	991,514
Investment income (loss)	
Interest	266,993
Net depreciation in fair value of investments	(360,282)
	(93,289)
Less investment expense	55,567
Net investment income	(148,856)
Total additions	842,658
Deductions	
Benefits	1,167,361
Administrative expenses	47,026
Total deductions	1,214,387
Net Decrease in Net Position	(371,729)
Net Position Restricted for Pensions, Beginning of Year	13,459,077
Net Position, Restricted for Pensions, End of Year	$ 13,087,348

Note 1: Summary of Significant Accounting Policies

Reporting Entity

The Village of La Grange Park, Cook County, Illinois (Village) 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.

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 non-fiduciary 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.

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.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers property taxes as available if they are collected within 60 days after year end of the year the levy is intended to finance. Due to State of Illinois' fiscal difficulties and the resulting delay in distributing receipts to local municipalities, the ordinary 90 day availability period for state income taxes was extended in the accompanying financial statements in order to record twelve months' worth of tax collections.

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.

Capital Projects Fund

The Capital Projects Fund accounts for the revenues and expenditures related to all major nonproprietary vehicles and equipment and certain construction projects.

Proprietary Funds

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

The 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

The 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 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.

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

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 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.

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 August 1 of the following year. Property taxes attach as an enforceable lien on property as of January 1.

Property taxes are based on the assessed valuation of the Village's real property as equalized by the State of Illinois. The equalized assessed valuation of real property totaled $308,453,194 for calendar year 2015. Property tax receivables are shown net of allowances for doubtful amounts. The property tax receivable allowance is equal to 2.00% of the current year's tax levy.

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.

Restricted Assets

The Village required a security deposit from its cable television provider to guarantee compliance of contract provisions. As of April 30, 2016, security deposits of the Village's cable company amounted to $13,658. Additional deposits collected by the Village relate to zoning, security and street openings in an aggregate amount of $63,000.

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, 2016, insurance deposits amounted to $361,724 ($260,639 in the governmental funds and $101,085 in the proprietary funds).

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.

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:

Buildings and improvements	45 years
Equipment	6 - 15 years

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% of unused sick time.

Deferred Inflows of Resources – Property Taxes

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.

As the property taxes are intended to finance the subsequent period, they are also included in deferred inflows of resources in the governmental activities on the statement of net position.

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 postemployment 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.

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.

<u>Fund Statements</u>

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.

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 $254,892 is intended as an offset to $115,778 prepaid items and $139,114 non-refundable deposit with The Intergovernmental Personnel Benefit Cooperative which provides the health insurance benefits of majority of the Village employees. The restricted portion of $260,639 represents insurance deposits with IRMA.

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 restricted and available for short-term cash needs of the other funds, on a reimbursement basis.

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.

Deferred Outflows/Inflows of Resources

The Village reports deferred outflows of resources on its statement of net position. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village has an item that qualifies for reporting in this category, the outflows related to pensions, which represents pension items that will be recognized as pension expense in future periods.

The Village reports deferred inflows of resources on its statement of net position. Deferred inflows of resources represent an acquisition of net position 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 two items that qualify for reporting in this category, deferred inflows related to property taxes levied in 2015 but intended to finance the subsequent period, and deferred inflows related to pensions which represent pension items that will be recognized as reductions in pension expense in future periods.

Pensions

For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF) and the Police Pension Plan (collectively, the Plans) and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Implementation of New Accounting Standards

In 2016, the Village adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27,* and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68,* which have as their objectives improving the usefulness of pension information included in the general purpose external financial reports of state and local governmental pension plans for making decisions and assessing accountability. Adoption of GASB Statement No. 68 resulted in a restatement of beginning net position at May 1, 2015, and is described in Note 10. In addition, the Statement changed the requirements for information disclosed in the notes to the financial statements and information required to be presented as required supplementary information.

Note 2: 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.
- 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.

Note 3: Deposits and Investments

At the end of the year, the carrying amount of Village deposits totaled $2,606,326. The bank balance totaled $2,432,908, of which all are fully collateralized at April 30, 2016.

Illinois Statutes authorize the Village to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and the Illinois Funds Investment Pool.

The Village has adopted an investment policy. That policy follows the state statute for allowable investments.

The Village investments is composed of Illinois Funds Money Market Fund which is an external investment pool developed and implemented in 1975 by the Illinois General Assembly under the jurisdiction of the Treasurer, who has regulatory oversight for the pool. The Fund is not registered with the SEC and has an affirmed AAAm Standard & Poor's credit quality rating. The fair value of the position of this pool is the same as the value of the pool shares. The yield on the Illinois Funds Money Market Fund was 0.29% at April 30, 2016. The Fund issues a publicly available financial report, which may be obtained at *http://www.treasurer.il. gov/programs/illinois-funds/annual-financial-audit.aspx*. At April 30, 2016, the Village's balances in this Fund totaled $2,828,740. The Fund invests solely in U.S. Treasury Notes and Bills, and fully insured or collateralized time deposits and repurchase agreements, and mutual funds investing in U.S. Treasury obligations and repurchase obligations.

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, 2016, the Village is invested in twelve certificates of deposit totaling $2,290,348, with maturities ranging from May 12, 2016 to April 6, 2017.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. As of April 30, 2016, The Illinois Funds Money Market was rated AAAm by Standard & Poor's.

Custodial Credit Risk - Deposits

The Village's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured with collateralization. The pension funds' investment policies do not require pledging of collateral for all bank balances in excess of FDIC insurable limits.

Concentration of Credit Risk

It is the policy of the Village to diversify its investment portfolio. Investments shall be diversified to eliminate the risk of loss resulting in overconcentration in a security, maturity, issuer or class of securities. The Village accomplishes this through avoiding overconcentration in a specific issuer, business sector or fund, investing in securities with varying maturities and continuously investing a portion of the portfolio in readily available funds to ensure the appropriate liquidity is maintained.

Illinois Metropolitan Investment Fund

In 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 account balance of $42,172 was written-off in 2015; any future cash receipts related to the investment will be accounted for as miscellaneous income in the General Fund.

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.

Note 4: Capital Assets

Capital asset activity for the year ended April 30, 2016, was as follows:

Governmental Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated				
Land	$ 150,304	$ -	$ -	$ 150,304
Construction in progress	30,200	3,397	30,200	3,397
Total assets not being depreciated	180,504	3,397	30,200	153,701
Capital assets being depreciated				
Buildings and building improvements	2,670,212	-	-	2,670,212
Infrastructure	5,771,520	747,987	-	6,519,507
Machinery and equipment	1,109,002	342,258	41,047	1,410,213
Vehicles	2,901,767	29,764	-	2,931,531
Total capital assets being depreciated	12,452,501	1,120,009	41,047	13,531,463
Less accumulated depreciation for				
Buildings and building improvements	1,634,562	54,859	-	1,689,421
Infrastructure	2,187,280	429,460	-	2,616,740
Machinery and equipment	914,525	52,917	41,047	926,395
Vehicles	1,795,990	129,175	-	1,925,165
Total accumulated depreciation	6,532,357	666,411	41,047	7,157,721
Total capital assets being depreciated, net	5,920,144	453,598	-	6,373,742
Governmental activities, capital assets, net	$ 6,100,648	$ 456,995	$ -	$ 6,527,443

Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated				
Construction in progress	$ 24,310	$ 137,017		$ 161,327
Capital assets being depreciated				
Buildings	1,175,377	-	-	1,175,377
Infrastructure	16,305,697	256,158	-	16,561,855
Machinery and equipment	1,496,255	-	-	1,496,255
Vehicles	398,354	-	-	398,354
Total capital assets being depreciated	19,375,683	256,158	-	19,631,841
Less accumulated depreciation for				
Buildings	461,388	26,026	-	487,414
Infrastructure	3,881,609	360,141	-	4,241,750
Machinery and equipment	1,250,689	89,459	-	1,340,148
Vehicles	331,758	11,837	-	343,595
Total accumulated depreciation	5,925,444	487,463	-	6,412,907
Total capital assets being depreciated, net	13,450,239	(231,305)	-	13,218,934
Business-type activities, capital assets, net	$ 13,474,549	$ (94,288)	$ -	$ 13,380,261

Depreciation Expense

Depreciation expense was charged to functions as follows:

Governmental activities	
General government	$ 41,063
Public safety	116,960
Public works	507,388
Total governmental activities depreciation expense	$ 665,411
Business-type activities	
Water	$ 222,527
Sewer	264,936
Total business-type activities depreciation expense	$ 487,463

Note 5: Interfund Receivables, Payables and Transfers

The Motor Fuel Tax Fund has an interfund receivable from the Sewer Fund at April 30, 2016, which represents an allocation of capital project costs.

The composition of interfund transfers for the year ended April 30, 2016, is as follows:

Transfers In	Transfers Out	Amount
Capital projects	Sewer	$ 40,000
Capital projects	General	200,000
General	Emergency 911	38,000
		$ 278,000

Note 6: 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, 2016:

	Beginning Balance (Restated)	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Governmental activities					
Note payable	$ 37,500	$ -	$ 12,500	$ 25,000	$ 12,500
Net pension obligation	379,735	-	379,735	-	-
Net pension liability	10,265,784	2,786,783	1,730,229	11,322,338	-
Other postemployement benefits	92,894	43,242	-	136,136	-
Compensated absences	292,224	-	3,659	288,565	226,354
	$ 11,068,137	$ 2,830,025	$ 2,126,123	$ 11,772,039	$ 238,854
Business-type activities					
General obligation bonds	$ 3,495,000	$ -	$ 270,000	$ 3,225,000	$ 280,000
Unamortized bond premium	278,797	-	43,908	234,889	-
Net pension obligation	18,634	-	18,634	-	-
Net pension liability (asset)	(23,790)	179,185	52,904	102,491	-
Other postemployement benefits	11,490	2,790	-	14,280	-
Compensated absences	33,222	-	1,308	31,914	23,954
	$ 3,813,353	$ 181,975	$ 386,754	$ 3,608,574	$ 303,954

Issue	Beginning Balance	Additions	Retirements	Ending Balance
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	$ -	$ 270,000	$ 3,225,000
Interest-free note payable - Illinois Finance Authority ($100,000), due in annual installments of $12,500 to November 1, 2017.	37,500	-	12,500	25,000
	$ 37,500	$ -	$ 12,500	$ 25,000

The annual debt service requirements to maturity are as follows for governmental and business-type activities of the Village as of April 30, 2016:

	Principal	Interest	Total
Governmental activities, note payable			
2017	$ 12,500	$ -	$ 12,500
2018	12,500	-	12,500
	25,000	-	25,000
Business-type activities, Series 2014 bonds			
2017	280,000	107,700	387,700
2018	290,000	99,300	389,300
2019	295,000	90,600	385,600
2020	310,000	81,750	391,750
2021	315,000	72,450	387,450
2022 - 2026	1,735,000	208,950	1,943,950
	3,225,000	660,750	3,885,750
	$ 3,250,000	$ 660,750	$ 3,910,750

Estimated payments of compensated absences, other postemployment benefits and net pension obligation/liabilities are not included in the debt service requirement schedules. The compensated absences liability, other postemployment benefit and net pension obligation/liabilities attributable to governmental activities will be liquidated primarily by the General Fund.

In 2006, the Village issued General Obligation Alternate Revenue Source Bonds Series 2006 to provide funds for the construction of major sewer capital assets. The bonds are payable from a pledge of the Village's sewer revenues. The Village has annually abated the property tax levy for the bonds. In 2014, the Village issued General Obligation Alternate Revenue Source Bonds Series 2014 to refund the remaining Series 2006 bonds. As of April 30, 2016, the Series 2014 bonds will require $3,885,750 for principal and interest payments due through December 1, 2025. During the current fiscal year, the pledged sewer revenue of $389,660 for payment of the Series 2014 bonds principal and interest was 36.6% of total sewer revenues.

Note 7: 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, 2016, the Village has a total deposit of $361,724 ($260,639 in the governmental funds and $101,085 in the proprietary funds) 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 $825,266 to the cooperative during the current fiscal year.

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, 2016, the Village has IPBC deposits totaling $668,602 ($603,576 in the governmental funds and $65,026 in the proprietary funds). Of the $603,576 in IPBC deposits, $139,114 is nonrefundable and is classified as nonspendable fund balance in the fund financial statements.

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 60526.

Note 8: 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 60526.

Note 9: Defined Benefit Pension Plans

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer defined benefit pension plan, and the Police Pension Plan, which is a single-employer defined benefit pension plan. The benefits, benefit levels, employee contributions and employer contributions for the two plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. The Police Pension Plan does not issue separate reports on the pension plan. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report may be obtained on-line at *www.imrf.org*.

The aggregate totals for all pension items for the two plans are as follows:

	Governmental Activities	Business-type Activities*	Total Village
Net pension liability			
IMRF	$ 436,939	$ 102,491	$ 539,430
Police	10,885,399	-	10,885,399
	$ 11,322,338	$ 102,491	$ 11,424,829
Deferred outflows of resources			
IMRF	$ 551,642	$ 129,398	$ 681,040
Police	866,555	-	866,555
	$ 1,418,197	$ 129,398	$ 1,547,595
Deferred inflows of resources			
IMRF	$ 68,125	$ 15,980	$ 84,105
Police	584,033	-	584,033
	$ 652,158	$ 15,980	$ 668,138
Pension expense			
IMRF	$ 232,423	$ 54,519	$ 286,942
Police	1,039,528	-	1,039,528
	$ 1,271,951	$ 54,519	$ 1,326,470

*Same amounts are also reported in the proprietary fund statements.

Illinois Municipal Retirement Fund

Plan Description

The Village 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 Village's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" described below. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at *www.imrf.org*.

Benefits Provided

Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least 8 years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount or 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2015, the measurement date for the net pension liability, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	30
Inactive, non-retired members	13
Active members	25
	68

Contributions

As set by statute, the Village plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar 2015 was 9.25%. For the year ended April 30, 2016, the Village contributed $178,289 to the plan. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equities	38%	7.39%
International equities	17%	7.59%
Fixed income	27%	3.00%
Alternative investments	9%	2.75% - 8.15%
Real estate	8%	6.0%
Short-term	1%	2.25%
	100%	

Actuarial Assumptions

The following are the methods and assumptions used to determine the net pension liability as of April 30, 2016:

Actuarial valuation date	December 31, 2015
Measurement date	December 31, 2015
Actuarial cost method	Entry-age normal

Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%, including inflation
Investment rate of return	7.50%
Cost of living adjustments	2.75%
Asset valuation method	Market value of assets

Retirement age is based on Experienced-Based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.

For non-disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Blue-Collar Health Annuitant Mortality Table, with adjustments to match current IMRF experience. For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table with adjustments to match current IMRF experience. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

A single discount rate (SDR) of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine the SDR assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For the purpose of the 2015 valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57% and the resulting SDR is 7.50%.

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, beginning of year	$ 11,111,114	$ 11,236,325	$ (125,211)
Changes for the year			
Service cost	183,696	-	183,696
Interest	820,383	-	820,383
Differences between expected and actual experience	(110,821)	-	(110,821)
Contributions - employer	-	167,617	(167,617)
Contributions - employee	-	92,826	(92,826)
Net investment income	-	(37,038)	37,038
Benefit payments, including refunds of employees contributions	(529,043)	(529,043)	-
Other (net transfer)	-	5,212	(5,212)
Net changes	364,215	(300,426)	664,641
Balance, end of year	$ 11,475,329	$ 10,935,899	$ 539,430

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below represents the pension liability (asset) of the Village calculated using the discount rate of 7.50%, as well as what the Village's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Village's net pension liability (asset)	$ 2,039,378	$ 539,430	$ (657,067)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2016, the Village recognized pension expense of $286,942 ($232,423 for governmental activities and $54,519 for business-type activities). At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2016	
Deferred Amounts Related to Pensions	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ -	$ 84,105
Changes in assumptions	-	-
Net differences between projected and actual earnings on plan investments	618,749	-
Contributions subsequent to the measurement date	62,291	

Contributions subsequent to the December 31, 2015 measurement date through April 30, 2016, of $62,291, included in deferred outflows of resources at April 30, 2016, will be reported as a reduction of the net pension liability at April 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending April 30,	Amount
2016	$ 127,971
2017	127,971
2018	127,971
2019	150,731
2020	-
	$ 534,644

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 defined benefit 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.

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% of such salary for each additional year of service over 20 years up to 30 years, and 1% of such salary for each additional year of service over 30 years, to a maximum of 75% 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% 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% of the original pension in January of each year thereafter.

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 1/2 of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% 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.* 14% for each month under age 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 18th 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% or ½ of the change in the Consumer Price Index for the preceding calendar year.

At April 30, 2016, the Police Pension Plan's membership consisted of:

Retirees and beneficiaries currently receiving benefits	22
Inactive, non-retired members	-
Active members	21
	43

Basis of Accounting

The Plan's 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% 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, 2016, the Village's contribution were $803,853, or 43.71%, of covered payroll.

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, 2016:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed income	35.00%	2.5%
Equities	65.00%	6.0%
	100.00%	

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, 2016, 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, 2016:

Equities	$ 2,659,864
Mutual funds	4,787,612
Government securities	3,124,944
Corporate bonds	1,395,161
	$ 11,967,581

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, 2016, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was (1.12)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposit with Financial Institution

At April 30, 2016, the carrying amount of Pension Fund's deposits totaled $1,085,386 and the bank balance totaled $1,091,409 of which all were fully collateralized by investments held by independent third party in the Village's name.

As of April 30, 2016, the Police Pension Fund has the following investments:

Investment Type	Fair Value	Investment Maturities			
		Less Than 1 Year	1 - 5 Year	6 - 10 Years	More Than 10 Years
U.S. Treasury securities	$ 1,969,752	$ 491,821	$ 1,257,359	$ 220,572	$ -
Federal agencies	1,155,192	366,338	168,329	27,946	592,579
Corporate bonds	1,395,161	210,296	978,424	206,441	-
	$ 4,520,105	$ 1,068,455	$ 2,404,112	$ 454,959	$ 592,579
Not subject to interest rate risk					
Equities	$ 2,659,864				
Mutual funds*	4,787,612				
	$ 7,447,476				

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

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, 2016, the Plan's investments were rated as follows:

Investment Type	Fair Value	Moody's
Equities	$ 2,659,864	NR
Mutual funds	4,787,612	NR
Treasuries	1,969,752	Aaa
Federal agencies	1,155,192	Aaa to Aa1
Corporate bonds	1,395,161	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.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2016, using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2016
Measurement date	April 30, 2016
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.00%
Salary increases	3.12% to 6.86%, including inflation
Investment rate of return	7.00%
Cost of living adjustments	3.00%
Asset valuation method	Market value of assets

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with a Blue Collar Adjustment. For disabled participants, the RP-2000 Disabled Mortality Table was used. The demographic assumptions used in the May 1, 2016 valuation were based on the results of an actuarial experience study performed by the State of Illinois Department of Insurance in 2002.

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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Pension Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, beginning of year	$ 23,826,282	$ 13,459,077	$ 10,367,205
Changes for the year			
Service cost	362,320	-	362,320
Interest	1,652,345	-	1,652,345
Differences between expected and actual experience	(700,839)	-	(700,839)
Changes in assumptions	-	-	-
Contributions - employer	-	803,853	(803,853)
Contributions - employee	-	187,661	(187,661)
Net investment income	-	(148,858)	148,858
Benefit payments, including refunds of employees contributions	(1,167,361)	(1,167,361)	-
Administrative expenses	-	(47,024)	47,024
Net changes	146,465	(371,729)	518,194
Balance, end of year	$ 23,972,747	$ 13,087,348	$ 10,885,399

Discount Rate Sensitivity

The following is a sensitivity analysis of the Village’s net pension liability to changes in the discount rate. The table below represents the 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 lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Village’s net pension liability	$ 13,931,325	$ 10,885,399	$ 8,357,526

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2016, the Village recognized pension expense of $1,039,528. At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2016	
Deferred Amounts Related to Pensions	**(a) Deferred Outflows of Resources**	**(b) Deferred Inflows of Resources**
Differences between expected and actual experience	$ -	$ 584,033
Changes in assumptions	-	-
Net differences between projected and actual earnings on plan investments	866,555	-

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending April 30,	Amount
2016	$ 99,832
2017	99,832
2018	99,832
2019	99,832
2020	(116,806)
	$ 282,522

Other Postemployment Benefits (OPEB)

Plan Description

State law requires the Village to provide 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 may 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.

At April 30, 2016, 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
	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, 2016:

Annual required contribution	$ 141,169
Interest on net OPEB obligation	4,175
Adjustment to the ARC	(5,804)
Annual OPEB cost	139,540
Estimated contributions	93,508
Increase in net OPEB obligation	46,032
Net OPEB obligation at April 30, 2015	104,384
Net pension obligation at April 30, 2016	$ 150,416

The Village has recorded the net OPEB obligation of $150,416 ($136,136 in the government-wide statement of net position and $14,280 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:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2016	$ 139,540	67.0%	$ 150,416
April 30, 2015	140,327	64.0%	104,384
April 30, 2014	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% investment rate of return (net of administrative expenses), including a 3.0% inflation assumption, projected salary increases of 4.0% annually, and an annual healthcare inflation rate of 6.0% initially, reduced by decrements to an ultimate rate of 5.0%. 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.

The schedule of funding progress, presented as required supplementary information 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 postretirement 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, 2016, there were 13 retired Village employees who met the eligibility requirements.

Note 10: Restatements

The governmental activities, business-type activities and proprietary funds beginning net position were restated because of the GASB 68 implementation. Additionally, the governmental activities, General Fund, business-type activities and proprietary funds were further restated for the correction of certain account balances from the prior year. Total restatements are as follows:

Governmental Activities

Net position adjustment related to GASB 68 implementation:

	General Fund	Governmental Activities
Net position, beginning of year, as previously reported	$ 4,143,556	$ 12,267,148
Removal of GASB 27 net pension obligation at May 1, 2015	-	379,735
Record GASB 68 net pension liability at May 1, 2015	-	(10,265,784)
Record GASB 68 deferred outflows of resources at May 1, 2015	-	41,811
Adjustment in accordance with GASBs 33 and 65 to record deferred inflows of resources related to property taxes that were levied for 2016 but were erroneously reported as revenue in 2015, but should be recognized as revenue in 2016.	-	(1,624,049)
Adjustment to record IRMA prepaid insurance	114,644	114,644
Net restatement	114,644	(11,353,643)
Net position, beginning of year, as restated	$ 4,258,200	$ 913,505

Business-type Activities

Net position adjustment related to GASB 68 implementation:

	Water Fund	Sewer Fund	Business-type Activities
Net position, beginning of year, as previously reported	$ 7,376,729	$ 5,801,453	$ 13,178,182
Removal of GASB 27 net pension obligation at May 1, 2015	$ 13,174	$ 5,460	$ 18,634
Record GASB 68 net pension asset at May 1, 2015	17,129	6,661	23,790
Record GASB 68 deferred outflows of resources at May 1, 2015	7,062	2,746	9,808
Adjustment to record IRMA prepaid insurance erroneously excluded from the financial statements	20,155	7,439	27,594
Net restatement	57,520	22,306	79,826
Net position, beginning of year, as restated	$ 7,434,249	$ 5,823,759	$ 13,258,008

Note 11: Subsequent Events

On June 23, 2016, the Village completed the sale of $9,425,000 in General Obligation Bonds, Series 2016, due in annual installments of $565,000 to $1,190,000, plus interest at 5.00% through December 1, 2026. The bond sale generated a premium of $1,892,013, resulting in a net interest cost of 1.97%. The bond proceeds from the bond issuance will be used to fund street improvements and the purchase of fire equipment.

Note 12: Joint Venture

The Village is in the process of implementing the Lyons Township Area Communications Center (LTACC), a governmental joint venture with the Villages of La Grange and Western Springs. The joint venture was formed in November 2015 under the *Intergovernmental Cooperation Act* (5 ILCS 220) for the mutual operation of a centralized emergency dispatch system. LTACC is scheduled to commence operations in the latter half of fiscal year 2017. All activities of LTACC are funded by the members based on the intergovernmental agreement. In fiscal year 2016, the Village expended $151,279 from the Emergency Telephone Fund for LTACC implementation costs. For fiscal year 2017, the Village has budgeted $350,000 in the General Fund and $50,000 in the Emergency Telephone Fund for implementation costs and an additional $220,000 in the General Fund for operational costs.

Note 13: GASB Pronouncements

On March 2, 2015, the GASB released Statement No. 72, *Fair Value Measurement and Application*, which would generally require state and local governments to measure investments at fair value. GASB's goal is to enhance comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. This standard expands fair value disclosures to provide comprehensive information for financial statement users about the impact of fair value measurements on a government's financial position. The requirements are effective for financial statements for periods beginning after June 15, 2015, with early application encouraged.

The Village will consider what additional investments may be subject to fair value measurement and if existing internal controls are sufficient. The Village will also consider if current information systems are adequate to provide the information required for the new disclosures and if any valuation specialists may be needed.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 requires governments to report a liability on the face of the financial statements, in accordance with the following:

- Employers that are responsible only for OPEB liabilities for their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability (the difference between the total OPEB liability and the assets accumulated in trust to make the benefit payments).

- Employers that participate in a cost-sharing OPEB plan that is administered through a trust that meets specified criteria will report a liability equal to the employer's proportionate share for the collective OPEB liability for all employers participating in the plan.

- Employers that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability for their own employees.

GASB Statement No. 75 requires more extensive note disclosures and required supplementary information about the OPEB liabilities. GASB Statement No. 75 is effective for fiscal years beginning after June 15, 2017. Therefore, the Statement will be effective for the Village's year ending April 30, 2019.

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, is effective for periods beginning after June 15, 2016, except for certain of its provisions which are effective on or after June 15, 2017. GASB 82 addresses three issues: presentation of payroll-related measures in RSI, selection of assumptions and classification of employer-paid member contributions.

While not effective in the short term, the Village will begin assessing the potential impact on the financial statements of this Statement and begin the process of communicating the impact with those charged with governance and other stakeholders.

Required Supplementary Information

Village of La Grange Park, Illinois
Illinois Municipal Retirement Fund
Required Supplementary Information
Schedule of Changes in the Village's Net Pension Liability and Related Ratios
April 30, 2016

	2016
Total pension liability	
Service costs	$ 183,696
Interest	820,383
Changes in benefit terms	-
Differences between expected and actual experience	(110,821)
Change of assumptions	-
Benefit payments including refunds of member contributions	(529,043)
Net change in total pension liability	364,215
Total pension liability - beginning	11,111,114
	$ 11,475,329
Plan fiduciary net position	
Contributions - Village	$ 167,617
Contributions - members	92,826
Net investment income	(37,038)
Benefit payments including refunds of member contributions	(529,043)
Other (net transfer)	5,212
Net change in plan fiduciary net position	(300,426)
Plan net position - beginning	11,236,325
Plan net position - ending	$ 10,935,899
Village's net pension liability	$ 539,430
Plan fiduciary net position as a percentage of the total pension liability	95.30%
Covered employee payroll	$ 2,241,428
Net pension liability as a percentage of covered employee payroll	24.07%

GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in fiscal year 2016. The table above is as of the measurement date at December 31 of the year prior to the Village's year end.

Village of La Grange Park, Illinois

Police Pension Fund

Required Supplementary Information

Schedule of Changes in the Village's Net Pension Liability and Related Ratios

April 30, 2016

	2016	2015
Total pension liability		
Service costs	$ 362,320	$ 383,311
Interest	1,652,345	1,592,380
Changes in benefit terms	-	-
Differences between expected and actual experience	(700,839)	45,889
Change of assumptions	-	-
Benefit payments including refunds of member contributions	(1,167,361)	(1,120,540)
Net change in total pension liability	146,465	901,040
Total pension liability - beginning	23,826,282	22,925,242
	$ 23,972,747	$ 23,826,282
Plan fiduciary net position		
Contributions - Village	$ 803,853	$ 764,804
Contributions - members	187,661	174,138
Net investment income	(148,858)	778,039
Benefit payments including refunds of member contributions	(1,167,361)	(1,120,540)
Other (net transfer)	(47,024)	(38,066)
Net change in plan fiduciary net position	(371,729)	558,375
Plan net position - beginning	13,459,077	12,900,702
Plan net position - ending	$ 13,087,348	$ 13,459,077
Village's net pension liability	$ 10,885,399	$ 10,367,205
Plan fiduciary net position as a percentage of the total pension liability	54.59%	56.49%
Covered employee payroll	$ 1,839,235	$ 1,780,085
Net pension liability as a percentage of covered employee payroll	591.84%	582.40%

GASB Statement Nos. 67 and 68 require the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of GASB Statement No. 67 are not required to be presented in this schedule. The pronouncement was adopted in fiscal year 2015. The table above is as of the measurement date at December 31 of the year prior to the Village's year end.

Village of La Grange Park, Illinois

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Village Contributions

April 30, 2016

Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
4/30/2016	$ 178,289	$ 178,289	$ -	$ 1,812,078	9.84%

Notes to the Required Supplementary Information

Valuation date	Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2015 Contribution Rates

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	28-years closed period
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	4.00%
Price inflation	3.00% approximate; no explicit price inflation assumption is used in this valuation.
Salary increases	4.40% to 16.00%, including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.
Other	There were no benefit changes during the year.

Information above based on valuation assumptions used in the December 31, 2013, actuarial valuation; note two year lag between valuation and rate setting.

GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in 2016. The table above is as of the Village's fiscal year end.

Village of La Grange Park, Illinois

Police Pension Fund

Required Supplementary Information

Schedule of Village Contributions

April 30, 2016

Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
4/30/2016	$ 812,453	$ 803,853	$ (8,600)	$ 1,839,235	43.71%
4/30/2015	769,518	764,804	(4,714)	1,780,085	42.96%
4/30/2014	759,861	725,134	(34,727)	1,753,976	41.34%
4/30/2013	785,079	670,360	(114,719)	1,709,011	39.23%
4/30/2012	729,058	816,586	87,528	1,602,967	50.94%
4/30/2011	708,185	647,965	(60,220)	1,596,983	40.57%
4/30/2010	751,408	508,193	(243,215)	1,637,457	31.04%
4/30/2009	613,102	526,376	(86,726)	1,604,379	32.81%
4/30/2008	527,413	449,681	(77,732)	1,522,274	29.54%
4/30/2007	524,044	552,450	28,406	1,485,284	37.19%

Methods and Assumptions Used to Determine 2016 Contribution Rates

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25-years closed period.
Asset valuation method	5-year smoothed market
Wage growth	4.00%
Price inflation	2.00%
Salary increases	3.12% to 6.86%, including inflation.
Investment rate of return	7.00%
Retirement age	<=49 0%
	50-54 20%
	55-59 25%
	60-62 33%
	63-69 50%
	>=70 100%
Mortality	RP-2000 Combined Healthy Mortality with a blue collar adjustment

Village of La Grange Park, Illinois
Police Pension Fund
Required Supplementary Information
Schedule of Investment Returns
April 30, 2016

Year Ending April 30,	Annual Money-Weighted Rate of Return, Net of Investment Expense
2016	(1.1)%
2015	6.1%

GASB Statement No. 67 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in 2015.

Village of La Grange Park, Illinois
Retirees Health Plan
Required Supplementary Information
Schedule of Funding Progress
April 30, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Level Percent of Pay (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percentage of Covered Payroll ((b-a)/c)
4/30/2016	$ -	$ 1,712,950	$ 1,712,950	0.0%	$ 2,965,807	57.76%
4/30/2015	-	1,712,950	1,712,950	0.0%	2,965,807	57.76%
4/30/2014	-	1,712,950	1,712,950	0.0%	2,965,807	57.76%

Village of La Grange Park, Illinois

Retirees Health Plan

Required Supplementary Information

Schedule of Village Contributions

April 30, 2016

Year Ended	Annual Required Contribution	Percentage Contributed
4/30/2016	$ 141,169	66.24%
4/30/2015	141,169	63.67%
4/30/2014	141,169	61.79%

Village of La Grange Park, Illinois

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

Year Ended April 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property taxes	$ 3,305,000	$ 3,305,000	$ 3,418,325	$ 113,325
Other local taxes	1,625,000	1,625,000	1,539,060	(85,940)
Licenses and permits	575,500	575,500	721,938	146,438
Intergovernmental	1,658,700	1,658,700	1,754,611	95,911
Charges for services	459,800	459,800	527,765	67,965
Fines and forfeitures	180,500	180,500	206,866	26,366
Interest and investment income	15,000	15,000	6,203	(8,797)
Miscellaneous	354,000	354,000	777,523	423,523
Total revenues	8,173,500	8,173,500	8,952,291	778,791
Expenditures				
Current				
General government	1,247,425	1,247,425	1,128,438	118,987
Public safety	5,439,985	5,439,985	5,302,309	137,676
Highways and streets	1,338,480	1,355,980	1,338,997	16,983
Debt service				
Principal	12,500	12,500	12,500	-
Total expenditures	8,038,390	8,055,890	7,782,244	273,646
Excess of Revenues over Expenditures	135,110	117,610	1,170,047	1,052,437
Other Financing Sources (Uses)				
Transfers in	38,000	38,000	38,000	-
Transfers out	(200,000)	(200,000)	(200,000)	-
Total other financing sources (uses)	(162,000)	(162,000)	(162,000)	-
Net Change in Fund Balance	$ (26,890)	$ (44,390)	1,008,047	$ 1,052,437
Fund Balance, Beginning of Year, Previously Reported			4,143,556	
Restatement (Note 10)			114,644	
Fund Balance, End of Year			$ 5,266,247	

Supplementary Information – Combining and Individual Fund Financial Statements and Schedules

Governmental Fund Types

Village of La Grange Park, Illinois
Nonmajor Governmental Funds
Combining Balance Sheet
April 30, 2016

	Special Revenue				
	Motor Fuel Tax	Emergency 911	Working Cash	Foreign Fire	Total
Assets					
Cash	$ 271,836	$ 152,012	$ 158,741	$ 22,842	$ 605,431
Receivables					
Intergovernmental	30,903	80,524	-	-	111,427
Grants	1,330	-	-	-	1,330
Due from other funds	19,673	-	-	-	19,673
Total assets	$ 323,742	$ 232,536	$ 158,741	$ 22,842	$ 737,861
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ -	$ 43,558	$ -	$ -	$ 43,558
Fund Balances					
Restricted					
Public safety	-	188,978	-	22,842	211,820
Highways and streets	323,742	-	-	-	323,742
Working cash	-	-	158,741	-	158,741
Total fund balances	323,742	188,978	158,741	22,842	694,303
Total liabilities and fund balances	$ 323,742	$ 232,536	$ 158,741	$ 22,842	$ 737,861

Village of La Grange Park, Illinois

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended April 30, 2016

	Special Revenue				
	Motor Fuel Tax	Emergency 911	Working Cash	Foreign Fire	Total
Revenues					
Other taxes	$ -	$ 35,408	$ -	$ 11,177	$ 46,585
Intergovernmental	347,336	100,580	-	-	447,916
Interest and investment income	309	872	298	-	1,479
Miscellaneous	20,322	29,406	-	-	49,728
Total revenues	367,967	166,266	298	11,177	545,708
Expenditures					
Current					
Public safety	-	297,107	-	25,561	322,668
Highways and streets	311,251	-	-	-	311,251
Total expenditures	311,251	297,107	-	25,561	633,919
Excess (Deficiency) of Revenues Over Expenditures	56,716	(130,841)	298	(14,384)	(88,211)
Other Financing Uses					
Transfers out	-	(38,000)	-	-	(38,000)
Net Change in Fund Balance	56,716	(168,841)	298	(14,384)	(126,211)
Fund Balance, Beginning of Year	267,026	357,819	158,443	37,226	820,514
Fund Balance, End of Year	$ 323,742	$ 188,978	$ 158,741	$ 22,842	$ 694,303

Village of La Grange Park, Illinois

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

Year Ended April 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$ 330,000	$ 330,000	$ 347,336	$ 17,336
Interest and investment income	200	200	309	109
Miscellaneous	24,000	24,000	20,322	(3,678)
Total revenues	354,200	354,200	367,967	13,767
Expenditures				
Current				
Highways and streets	339,200	339,200	311,251	27,949
Net Change in Fund Balance	$ 15,000	$ 15,000	56,716	$ (14,182)
Fund Balance, Beginning of Year			267,026	
Fund Balance, End of Year			$ 323,742	

Village of La Grange Park, Illinois

Emergency 911

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

Year Ended April 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Other local taxes	$ 55,000	$ 55,000	$ 35,408	$ (19,592)
Intergovernmental	75,000	75,000	100,580	25,580
Interest and investment income	200	200	872	672
Miscellaneous	20,000	20,000	29,406	9,406
Total revenues	150,200	150,200	166,266	16,066
Expenditures				
Current				
Public safety	203,500	343,500	297,107	46,393
Excess (Deficiency) of Revenues Over Expenditures	(53,300)	(193,300)	(130,841)	(30,327)
Other Financing Uses				
Transfers out	(38,000)	(38,000)	(38,000)	-
Net Change in Fund Balance	$ (91,300)	$ (231,300)	(168,841)	$ (30,327)
Fund Balance, Beginning of Year			357,819	
Fund Balance, End of Year			$ 188,978	

Village of La Grange Park, Illinois

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

Year Ended April 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Interest and investment income	$ 200	$ 200	$ 441	$ 241
Miscellaneous	150,000	150,000	203,605	53,605
Total revenues	150,200	150,200	204,046	53,846
Expenditures				
Current				
General government	217,900	247,900	198,721	49,179
Public safety	108,000	154,000	149,618	4,382
Highways and streets	301,100	301,100	289,966	11,134
Total expenditures	627,000	703,000	638,305	64,695
Excess (Deficiency) of Revenues Over Expenditures	(476,800)	(552,800)	(434,259)	(10,849)
Other Financing Sources				
Transfers in	240,000	240,000	240,000	-
Net Change in Fund Balance	$ (236,800)	$ (312,800)	(194,259)	$ (10,849)
Fund Balance, Beginning of Year			380,734	
Fund Balance, End of Year			$ 186,475	

Other Supplemental Information –
Computation of Legal Debt Margin

Village of La Grange Park, Illinois
Computation of Legal Debt Margin (Unaudited)
April 30, 2016

	2015 Tax Levy Year
Assessed Valuation	$ 308,453,194
Statutory Debt Limitation - Percent of Assessed Valuation	8.625%
Legal Debt Margin	$ 26,604,088