Village of La Grange

VILLAGE BOARD MEETING

MONDAY, AUGUST 27, 2012

BOOK 1 of 2

7:30 p.m.

Village Hall Auditorium

53 South La Grange Road

La Grange, IL 60525

Elizabeth M. Asperger
Village President

Thomas Morsch
Village Clerk

53 South La Grange Road P.O. Box 668 La Grange, Illinois 60525 (708) 579-2300 Fax (708) 579-0980

VILLAGE OF LA GRANGE
BOARD OF TRUSTEES REGULAR MEETING

Village Hall Auditorium
53 South La Grange Road
La Grange, IL 60525

AGENDA

Monday, August 27, 2012 – 7:30 p.m.

1. CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE

   Trustee Holder
   Trustee Horvath
   Trustee Kuchler
   Trustee Langan
   Trustee Nowak
   Trustee Palermo
   President Asperger

2. PRESIDENT'S REPORT

   This is an opportunity for the Village President to report on matters of interest or concern to the Village.

   A. Oath of Office – Firefighter Paramedic Bryan Pattison

   B. Proclamation – Community Diversity Group 21st Annual Race Unity Rally

3. PUBLIC COMMENTS REGARDING AGENDA ITEMS

   This is the opportunity for members of the audience to speak about matters that are included on this Agenda.

4. OMNIBUS AGENDA AND VOTE

   Matters on the Omnibus Agenda will be considered by a single motion and vote because they already have been considered fully by the Board at a previous meeting or have been determined to be of a routine nature. Any member of the Board of Trustees may request that an item be moved from the Omnibus Agenda to Current Business for separate consideration.

   A. Ordinance – Variation Side and Rear Yard Regulations for Accessory Structures / Linda and Jack Petersen, 132 S. Kensington Avenue

   B. Award of Contract – Parking Structure Repairs

   C. Award of Contract – 2012 Crack Sealing Program

   D. Ordinance – Disposal of Surplus Property

   E. Minutes of the Village of La Grange Public Hearing and Board of Trustees Regular Meeting Monday, July 9, 2012

F. Consolidated Voucher 120723

G. Consolidated Voucher 120813

H. Consolidated Voucher 120827

5. CURRENT BUSINESS

This agenda item includes consideration of matters being presented to the Board of Trustees for action.

A. Ordinance – Refunding 2004 Library Bond Issue: *Referred to Trustee Holder*

6. MANAGER'S REPORT

This is an opportunity for the Village Manager to report on behalf of the Village Staff about matters of interest to the Village.

7. PUBLIC COMMENTS REGARDING MATTERS NOT ON AGENDA

This is an opportunity for members of the audience to speak about Village related matters that are not listed on this Agenda.

8. EXECUTIVE SESSION

The Board of Trustees may decide, by a roll call vote, to convene in executive session if there are matters to discuss confidentially, in accordance with the Open Meetings Act.

9. TRUSTEE COMMENTS

The Board of Trustees may wish to comment on any matters.

10. ADJOURNMENT

The Village of La Grange is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations so that they can observe and/or participate in this meeting, or who have questions, regarding the accessibility of the meeting or the Village's facilities, should contact the Village's ADA Coordinator at (708) 579-2315 promptly to allow the Village to make reasonable accommodations for those persons.

PRESIDENT'S REPORT

VILLAGE OF LA GRANGE
Fire Department

BOARD REPORT

TO:	Village President, Village Clerk, and Board of Trustees and Village Attorney
FROM:	Robert J. Pilipiszyn, Village Manager and William J. Bryzgalski, Fire Chief
DATE:	August 27, 2012
RE:	**OATH OF OFFICE – FIREFIGHTER/PARAMEDIC BRYAN PATTISON**

With the recent resignation of Firefighter/Paramedic Alan Kinney, a vacancy was created in the La Grange Fire Department. The La Grange Board of Fire and Police Commissioners have appointed Mr. Bryan A. Pattison to the position of Firefighter/Paramedic effective August 27, 2012.

Bryan is a licensed paramedic, state certified firefighter, instructor and fire apparatus engineer. He has 2 years of Fire/EMS experience, most recently as a firefighter/paramedic with the New Lenox Fire Department. He resides in Plainfield, Illinois.

We are pleased to present Bryan A. Pattison to the Village Board and we invite him to step forward so that Village Clerk Thomas Morsch can administer the oath of office.

2-A

VILLAGE OF LA GRANGE
Administrative Offices

BOARD REPORT

TO: Village President, Village Clerk,
Board of Trustees and Village Attorney

FROM: Robert J. Pilipiszyn, Village Manager

DATE: August 27, 2012

RE: **PROCLAMATION - COMMUNITY DIVERSITY GROUP 21st ANNUAL RACE UNITY RALLY**

The CommUNITY Diversity Group will hold its 21st Annual Race Unity Rally in the Village Hall Auditorium on Sunday, September 9, 2012 beginning at 3:00 p.m. The CommUNITY Diversity Group has asked the Village to proclaim Sunday, September 9, 2012 "Race Unity Day" in La Grange.

The unity rally is a recognition and appreciation of the Village's diversity and to celebrate the Village's rich history and contributions made by all of its residents.

It is our recommendation that the Village Board approve the attached proclamation.

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2-B

PROCLAMATION

Village of La Grange
"Race Unity Day"
Sunday, September 9, 2012

WHEREAS, the 21st Annual Race Unity Rally is an event to reaffirm the commitment to achieving race unity in La Grange and surrounding communities; and

WHEREAS, this year, the CommUnity Diversity Group calls the Village together for a joyous weekend celebration of human diversity culminating with Race Unity Day; and

WHEREAS, the concept of unity and diversity is deeply rooted in the fabric of our American society; and

WHEREAS, much progress has been made in the legislative arena, we have much to do yet to bring us together on a personal level; and

WHEREAS, the Race Unity Rally will demonstrate the commitment of the people of the Village of La Grange and surrounding communities to the principle that all are created equal and come together in recognition of the oneness of humanity;

NOW, THEREFORE, I, Elizabeth M. Asperger, President of the Village of La Grange, and we the Board of Trustees of the Village of La Grange do hereby proclaim that Sunday, September 9, 2012, is

"RACE UNITY DAY"

We urge all residents of our community to resolve this day to promote in ourselves, our community, state and nation those qualities and attributes which will generate the recognition that all humanity belongs to one family, to fight prejudice wherever it is found, and to assure that all persons have equal opportunities regardless of their race.

Dated at the Village of La Grange, Illinois this 27th day of August, 2012.

Elizabeth M. Asperger, Village President

Thomas Morsch, Village Clerk

2-B.1

OMNIBUS VOTE

VILLAGE OF LA GRANGE
Community Development Department

BOARD REPORT

TO: Village President, Village Clerk
Board of Trustees and Village Attorney

FROM: Robert J. Pilipiszyn, Village Manager
Patrick D. Benjamin, Community Development Director
Angela M. Mesaros, Assistant Director, Community Development

DATE: August 27, 2012

RE: **ORDINANCE - VARIATION - SIDE AND REAR YARD REGULATIONS FOR ACCESSORY STRUCTURES/LINDA AND JACK PETERSEN, 132 S. KENSINGTON AVENUE.**

Linda and Jack Petersen, owners of the property at 132 S. Kensington, have applied for variations from side and rear yard requirements for accessory structures to replace a one-car detached garage in the rear corner of their property with a new two-car detached garage. According to the Petitioners, the existing garage, constructed in 1926, is too small to accommodate two vehicles. The proposed new two-car 20 ft. by 20 ft. (440 square feet) detached garage would be smaller than the maximum gross floor area, 600 square feet, allowable for a detached garage on a zoning lot similar in size to the subject property.

The subject property is located in the R-4 Single Family district and is slightly wider than typical properties between Brainard and Kensington, and Cossitt to 47th Avenue with a 55-foot width (typical lots are 50 feet wide).

Accessory structures must be setback a minimum of three (3) feet from the side and rear lot lines. Currently, the detached garage is located 1.15 ft from the north side lot line and 1.22 feet from the rear lot line. Due to the proximity of the existing driveway to the side lot line; the petitioners propose to locate the new garage in the opposite corner of the lot. The Petitioners have indicated that the placement of the house on the lot and shape of the house reduces the rear yard; the existing garage is located closer to the lot line than is typical. If they were to move the garage forward to meet the required 3 feet setback from both lot lines, ingress/egress would be even more difficult than it is currently. Even with the proposed variation, access will be tight.

The Petersens seek variations of 2 feet from both the required side and rear setbacks (for a setback of approximately one foot from both lot lines). Subparagraph 14-303E1 (a) (Authorized Variations) allows the reduction of any required yard setback. The requested variations fall within the authorized limits of the Zoning Code.

4-A

On July 19, 2012, the Zoning Board of Appeals held a public hearing on this matter. At the hearing, the neighbor directly to the south of the proposed garage expressed concern about the height, gutter overhang of the garage and potential for stormwater drainage onto her property. After discussion of the potential for drainage issues, Commissioners voted unanimously (with four Commissioners present) to recommend that the variation be granted as requested with the conditions that staff review drainage with neighbor input, that drainage be directed away from the southwest corner property line and that the garage remain one-story with the height restricted to the minimum necessary.

Commissioners voted in favor of this project, because they felt that the location of the house approximately twenty eight feet from the rear lot line and the driveway approximately 7.5 feet from the north (side) lot line creates a hardship and a unique situation. Alternative options were discussed at the hearing, including construction of a garage with a smaller depth, such as 18 feet; and rebuilding the garage in its current location by reconfiguring the layout to fit a larger garage and extending the driveway from the other side. Neither option appeared to be practical. The Commissioners felt that any other option would mean paving practically the entire back yard, and they did not want to cause a loss of green space –with the proposed new location, the existing driveway would be replaced with green space. In addition, Zoning Commissioners agreed that by current standards a depth of 20 feet is the smallest functional two-car garage, and

Staff has prepared the attached ordinance authorizing the variation for your consideration.

VILLAGE OF LA GRANGE

ORDINANCE NO. O-12-____________

AN ORDINANCE GRANTING A ZONING VARIATION
FOR CONSTRUCTION OF A DETACHED GARAGE
AT 132 S. KENSINGTON AVENUE

WHEREAS, Linda and Jack Peterson are the owners (the "Owner") of the property commonly known as 132 S. Kensington Avenue, La Grange, Illinois, and legally described as follows:

> Of Lot 8 (except the North 21.0 feet thereof and the North 26 feet of Lot 9) in Block 1 in Lay and Lyman's Subdivision of the West half of the Southwest quarter of section 14, Township 38 North, Range 12, East of the Third Principal Meridian, in Cook County, Illinois.

(the "Subject Property"); and

WHEREAS, the Owners have applied for a variation from the side and rear yard requirements for accessory structures by Paragraph 3-110-G9 of the La Grange Zoning Code in order to construct a detached garage on the Subject Property; and

WHEREAS, the La Grange Zoning Board of Appeals conducted a public hearing to consider the application on July 19, 2012, pursuant to proper public notice, and recommended in its Findings and Recommendation dated July 19, 2012, that the variation be approved; and

WHEREAS, the President and Board of Trustees have reviewed the record of the public hearing and the Findings and Recommendation of the Zoning Board of Appeals and have determined that the application satisfies the standards set forth in the La Grange Zoning Code for the grant of a variation;

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of La Grange, Cook County and State of Illinois, as follows:

Section 1. Recitals. The foregoing recitals are incorporated into this Ordinance as findings of the President and Board of Trustees.

Section 2. Grant of Variation. The Board of Trustees, pursuant to the authority granted to it by the laws of the State of Illinois and the La Grange Zoning Code, hereby grants to the Owner a variation from the side and rear yard standards for accessory structures of Paragraph 3-110-G9 of the La Grange Zoning Code to reduce the side and rear setbacks required on the Subject Property by 2.0 feet for a detached garage, subject to all of the following conditions:

4-A.2

A. The variation authorizes construction only of a garage with dimensions that do not exceed 20 feet by 20 feet and designed to minimize the garage's maximum height as approved by the Community Development Director.

B. No construction may be undertaken on the subject property except pursuant to a valid Village building permit and Village-approved plans and specifications for the work.

C. As part of a building permit application, the property owner must submit stormwater drainage plans providing that stormwater flow on the subject property is toward the north and away from the southwest corner of the subject property. Those stormwater drainage plans must be approved by the Village Staff prior to any construction on the subject property.

D. All construction activity on the subject property must be undertaken in strict compliance with Village-approved plans, this Ordinance, and all other applicable Village codes and ordinances (the "*Construction Standards*").

E. If any element of the garage is constructed in violation of the Construction Standards, then the variation granted by this Ordinance will be null and void and the Village (1) may order immediate correction of the violation by any necessary means, including partial or total demolition of the garage and (2) may take any other action against the subject property or the property owner authorized by law.

Section 3. Effective Date. This Ordinance will be in full force and effect from and after (a) its passage, approval, and publication in pamphlet form as provided by law, (b) execution by the Owner, and (c) approval by the Village's Director of Community Development of conforming plans for the garage as required by Subsection 2A of this Ordinance.

PASSED this _____ day of ______________ 2012, pursuant to a roll call vote as follows:

AYES: ______________________________

NAYS: ______________________________

ABSENT: ______________________________

APPROVED by me this _____ day of _______________ 2012.

____
Elizabeth M. Asperger, Village President

ATTEST:

____
Thomas Morsch, Village Clerk

4-A.4

FINDINGS OF FACT

ZONING BOARD OF APPEALS
OF THE
VILLAGE OF LA GRANGE

July 19, 2012

President Asperger and
Board of Trustees

RE: **ZONING CASE #592 - VARIATION – 132 S. KENSINGTON AVENUE, REAR AND SIDE YARD REGULATIONS FOR ACCESSORY STRUCTURES, LINDA AND JACK PETERSEN.**

The Zoning Board of Appeals transmits for your consideration its recommendations for a request of zoning variation necessary to construct a detached garage at, 132 S. Kensington Avenue.

I. THE SUBJECT PROPERTY:

The subject property in question is a residential lot, 55 foot width and a depth of 135.75 feet.

II. CHARACTERISTICS OF THE SURROUNDING AREA:

The subject property is located in the R-4 Single Family Residential District.

III. VARIATIONS SOUGHT:

The applicants seek a variation from Paragraph 3-110G9 (Rear and Side Yard Regulations for Accessory Structures) of the Village of La Grange Zoning Code by two feet. SubParagraph 14-303E1a (Authorized Variations) allows the reduction of any required yard setback. The requested variation falls within the authorized limits of the Zoning Code.

IV. THE PUBLIC HEARING:

After due notice, as is required by law, (including legal publication, posting at the subject property and courtesy notices to owners within 250 feet of the subject property) the Zoning Board of Appeals held a public hearing on the proposed variations in the La Grange Village Hall Auditorium on July 19, 2012. Present were Commissioners Rosemary Naseef, Peter O'Connor, Jeff Hoffenberg and Chairperson Ellen Brewin presiding. Also present was Assistant Community Development Director Angela Mesaros. Testimony was given under oath by the applicants. No objectors appeared at the hearing. No written objections have been filed to the proposed variation.

Chairperson Brewin swore in Linda and Jack Petersen, owners of the property at 132 S. Kensington, who presented the application and answered questions from the Commissioners:

4-A.5

- Mr. Petersen stated that they recently inherited 132 S. Kensington; this property has been in his family since it was constructed in 1926. They are moving to La Grange to live at this property from the northwest side of Chicago. They need space to park two cars plus they have four adult children who visit on occasion. The Zoning Code requires two parking spaces on the property.

- The north side driveway currently is seven and a half feet wide. It is restricted by their house at 132 on one side and the wall of the neighbor's driveway on the other. The garage was built in 1926 and is only twelve feet wide, which is narrow and cannot fit today's cars.

- In addition, the house is twenty-five feet from the rear lot line. The house was constructed too close to the garage. The variation would allow them enough room to walk into the back yard to the north with the three foot required setback, the garage would only be four feet off the stoop on the back of the house. Even with the requested variation, they have only seven feet between the garage and the house. The Village Code requires a minimum of ten feet setback between the structures; therefore, they will need additional construction for fire safety as required.

- They believe that a 20 feet by 20 feet (440 square feet) garage is not an unreasonable size for a two car garage; on this size lot a detached garage may be as large as 600 square feet.

- The Petersens plan to use the bricks from the present existing garage to create a brick façade on both the front and back of their newly proposed garage.

- They propose a standard new driveway which would be at a minimum eight feet wide all the way to the back and then expand to a twenty foot wide apron in front of the garage.

Chairperson Brewin solicited questions from the Commissioners:

- Commissioner Naseef asked about the height of the garage and if they propose a dormer. Answer: They have not yet designed the garage. They plan to construct a one-story garage with no dormer.

- Commissioner Naseef asked if the existing driveway would be replaced with green space. Answer: Yes.

- Commissioner O'Connor asked about fire resistance with the construction. Answer: in order to meet the one and a half hour fire barrier, the back door would have to be replaced with a steel door and/or brick wall.

4-A.6

Chairperson Brewin solicited questions and comments from the Audience:

- Dan McCabe, 132 S. Catherine, stated that he has lived at this address for 32 years and that he constructed a similar garage a few years ago and it has made the quality of their property much easier and that he is in agreement with the variation request.

- Karen O'Connor, 134 S. Kensington, stated that she has no objection to the variation request, however she has questions: She stated that the garage will be one foot away from her property to the south and wanted to know the height limitations and whether the overhang could encroach onto her property. Chairperson Brewin asked if it would be possible allow to build over someone else's lot line. Answer: No. She is also concerned with flooding and drainage issues as there are currently issues in the area. She asked if we could restrict the overhang to not hang over her property. Answer: yes. And then she also expressed concerns about drainage. Mr. Petersen stated that they will have a gutter on that part of the project. Ms. Mesaros stated that the Village could condition the variation on height and drainage review.

Under the provisions of the Zoning Ordinance, no variation shall be granted unless the applicant establishes that carrying out the strict letter of the provisions of this code would create a particular hardship or practical difficulty. Such a showing shall require proof that the variation sought satisfies certain conditions. The following facts were found to be evident:

1. Unique Physical Condition:

Most single lots in the R-4 Single Family Residential Zoning District are 50 feet wide. The subject property is 55 feet wide, which is narrower than many properties in the immediate area, between Brainard and Kensington and Cossitt to 47th Avenue. In addition, the placement of the house on the lot and shape of the house reduces the area of the rear yard and the existing garage is located closer to the lot line than is typical.

2. Not Self-Created:

According to the petitioners, the house was constructed in its current location on the property in 1926. The petitioners have made no changes to the property.

3. Denied Substantial Rights:

A two-car garage is a right enjoyed by many residents in La Grange for automobiles and storage. The petitioner wishes to enjoy the same rights as the neighbors and other village residents. The Zoning Code requires a minimum of two parking spaces for single-family residences.

4. Not Merely Special Privilege:

The petitioner seeks only to construct a small two-car detached garage, which would be smaller in size than many garages in La Grange. The proposed garage would be smaller than the maximum allowable gross floor area, 600 square feet, for a garage on a zoning lot similar to the subject property.

5. Code and Plan Purposes:

The Zoning Code requires two parking spaces for every single-family residence, and the Village does not allow overnight parking on the street. Therefore, the petitioner seeks a variance to construct a garage in which to park two vehicles. The proposed garage would be 440 square feet, which is smaller than the maximum allowable gross floor area, 600 square feet, for a garage on zoning lots the size of the petitioner's property.

6. Essential Character of the Area:

A two-car detached garage is in character with the surrounding area.

7. No Other Remedy:

According to the petitioners, the setback variation would allow them to maximize inadequate space in their back yard which creates difficult access for vehicles. Even with the requested variation, access will be limited. The Zoning Code requires a maximum of ten feet between principal and accessory structures. The proposed setback between the petitioners' garage and house would be approximately seven feet, which is the same distance as the existing garage. The Zoning Code requires a 10 foot setback between the principal and accessory structures – as permitted by the Code the Village Manager can make an exception for this limitation if the accessory structure is protected by a fire separation wall. Staff will review the building permit application for compliance with this standard.

Potential remedies include: (1) construction of a garage with a smaller depth, such as 18 feet; and (2) rebuilding the garage in its current location: reconfiguring the layout to fit a larger garage and extending the driveway from the other side. The petitioners believe that neither option is practical: a depth of 20 feet is the smallest, functional 2-car garage on average, and the second option would mean that the back yard would be almost completely paved, which would not meet the maximum lot coverage regulations.

V. FINDINGS AND RECOMMENDATION:

- Commissioner Naseef summarized the standards and concluded that this case meets several of the standards - the garage is already in place a foot and a half away on the north side and

4-A.8

that the new garage would be the same distance at its new location on the south. This property has a unique physical condition because of the location of the house; A two car garage of this size is not excessive and the petitioners would be denied substantial rights if not granted. Commissioner Naseef also stated that she believes there is no other remedy.

- Commissioner Naseef stated that flooding and drainage would need to be addressed by the Village staff. She also said that she is disappointed that foliage and mature trees on the south part of the property will have to be removed; however she understands that the Zoning Board has no control over trees and there is no ordinance governing tree replacement and that the existing driveway needs to be moved due to its proximity to the north property line.

- Commissioner Naseef stated that the Zoning Board has consistently limited the size and height of structures when they are closer to the property line and she believes that a limitation to one-story height should be a condition of this approval.

- Commissioner O'Connor stated that the two car garage would be in compliance with the Code and that the staff review of location and drainage should be a condition.

- Commissioner Hoffenberg stated that he would like to take the condition one step further and ask for special attention to where the water would drain.

There being no further questions or comments from the audience or the Commissioners, a motion was made by Commissioner Naseef and seconded by Commissioner O'Connor that the Zoning Board of Appeals recommend to the Village Board of Trustees approval of the applications submitted with ZBA Case #592 with the condition that staff review drainage with neighbor input, drainage flow away from the south property line, and that the garage be one story of nominal height.

Motion Carried by a roll call vote (4/0/3).

AYE:	O'Connor, Naseef, Hoffenberg and Brewin.
NAY:	None.
ABSENT:	Pappalardo, Brenson, and Finder.

Be it therefore resolved that the Zoning Board of Appeals recommend approval to the Village Board of Trustees of the variation from Paragraph 3-11029, side and rear yard regulations for accessory structures of the Village of La Grange Zoning Code by two feet.

Respectfully submitted:

**Zoning Board of Appeals of the
Village of La Grange**

BY: Ellen P. Brewin
Ellen Brewin, Chairperson

4-A.10

STAFF REPORT

CASE: ZBA #592 – Linda & Jack Petersen, 132 S. Kensington - Side & Rear Yard Regulations for Accessory Structures

BACKGROUND

(Note: This Staff Report is solely based on information presented in the application and on a physical inspection of subject property and environs, and is not influenced by any other circumstance.)

The petitioners, Linda and Jack Petersen, wish to replace an existing one- car detached garage (approximately 12 ft wide by 20 ft deep) with a new two-car detached garage, 20 ft. by 20 ft. (440 square feet) at 132 S. Kensington Avenue. The existing detached garage is located on the north corner of their property with setbacks of 1.15 ft. from the side (north) lot line and 1.22 feet from the rear (west) lot line. The placement of the home on the lot reduces the amount of back yard area that can be improved by a detached accessory structure. Therefore, they do not have an area large enough to meet the required 3 feet side and rear yards and also provide adequate access to the garage.

The Zoning Code allows replacement of an existing garage with a new detached garage in the same location through the administrative adjustment process. However, the existing driveway is only 7.6 feet from the adjacent property and difficult to maneuver. As the house is further from the south property line, the petitioners wish to remove the existing detached garage and driveway and replace with a new garage in the opposite (south) corner of the rear yard in order to allow a wider driveway with better access.

The detached garage would encroach into the required rear and side yard setbacks of 3 ft. by 2 ft. In order to construct a new tow-car detached garage, the petitioner seeks variations from Paragraph 3-110-G9 (Side and Rear Yard Regulations for Accessory Structures) of the Zoning Code. Subparagraph 14-303E1 (a) (Authorized Variations) allows the reduction of any required yard setback. The requested variation falls within the authorized limits of the Zoning Code.

VARIATION STANDARDS

In considering a variation, be guided by the General Standard as outlined in our Zoning Code that "No variation shall be granted pursuant to this Section unless the applicant shall establish that carrying out the strict letter of the provisions of this Code would create a particular hardship or a practical difficulty. Such a showing shall require proof that the variation being sought satisfies each of the standards set forth in this Subsection."

Unique Physical Condition - *"The subject property is exceptional as compared to other lots subject to the same provision by reason of a unique physical condition, including presence of an existing use, structure, or sign, whether conforming or nonconforming; irregular or substandard shape or size; exceptional topographical features; or other extraordinary physical conditions peculiar to and inherent in the subject property that amount to more than a mere inconvenience to the owner and that relate to or arise out of the lot rather than the personal situation of the current owner of the lot."*

Most single lots in the R-4 Single Family Residential Zoning District are 50 feet wide. The subject property is 55 feet wide, which is narrower than many properties in the immediate area, between Brainard and Kensington and Cossitt to 47th Avenue. In addition, the placement of the house on the lot and shape of the house reduces the area of the rear yard and the existing garage is located closer to the lot line than is typical.

Not Self-Created - *"The aforesaid unique physical condition is not the result of any action or inaction of the owner or its predecessors in title and existed at the time of the enactment of the provisions from which a variation is sought or was created by natural forces or was the result of governmental action, other than the adoption of this Code, for which no compensation was paid."*

According to the petitioners, the house was constructed in its current location on the property in 1926. The petitioners have made no changes to the property.

Denied Substantial Rights - *"The carrying out of the strict letter of the provision from which a variation is sought would deprive the owner of the subject property of substantial rights commonly enjoyed by owners of other lots subject to the same provision."*

A two-car garage is a right enjoyed by many residents in La Grange for automobiles and storage. The petitioner wishes to enjoy the same rights as the neighbors and other village residents. The Zoning Code requires a minimum of two parking spaces for single-family residences.

Not Merely Special Privilege - *"The alleged hardship or difficulty is not merely the inability of the owner or occupant to enjoy some special privilege or additional right not available to owners or occupants of other lots subject to the same provision, nor merely an inability to make more money from the use of the subject property; provided, however, that where the standards herein set out exist, the existence of an economic hardship shall not be a prerequisite to the grant of an authorized variation."*

The petitioner seeks only to construct a small two-car detached garage, which would be smaller in size than many garages in La Grange. The proposed garage would be smaller than the maximum allowable gross floor area, 600 square feet, for a garage on a zoning lot similar to the subject property.

Code and Plan Purposes - *"The variation would not result in a use or development of the subject property that would be not in harmony with the general and specific purposes for which this Code and the provision from which a variation is sought were enacted or the general purpose and intent of the Official Comprehensive Plan."*

The Zoning Code requires two parking spaces for every single-family residence, and the Village does not allow overnight parking on the street. Therefore, the petitioner seeks a variance to construct a garage in which to park two vehicles. The proposed garage would be 440 square feet, which is smaller than the maximum allowable gross floor area, 600 square feet, for a garage on zoning lots the size of the petitioner's property.

Essential Character of the Area - *"The variation would not result in a use or development on the subject property that:*

a. *Would be materially detrimental to the public welfare or materially injurious to the enjoyment, use, development, or value of property or improvements permitted in the vicinity; or*

b. *Would materially impair an adequate supply of light and air to the properties and improvements in the vicinity; or*

c. *Would substantially increase congestion in the public streets due to traffic or parking; or*

d. *Would unduly increase the danger of flood or fire; or*

e. *Would unduly tax public utilities and facilitates in the area; or*

f. *Would endanger the public health or safety."*

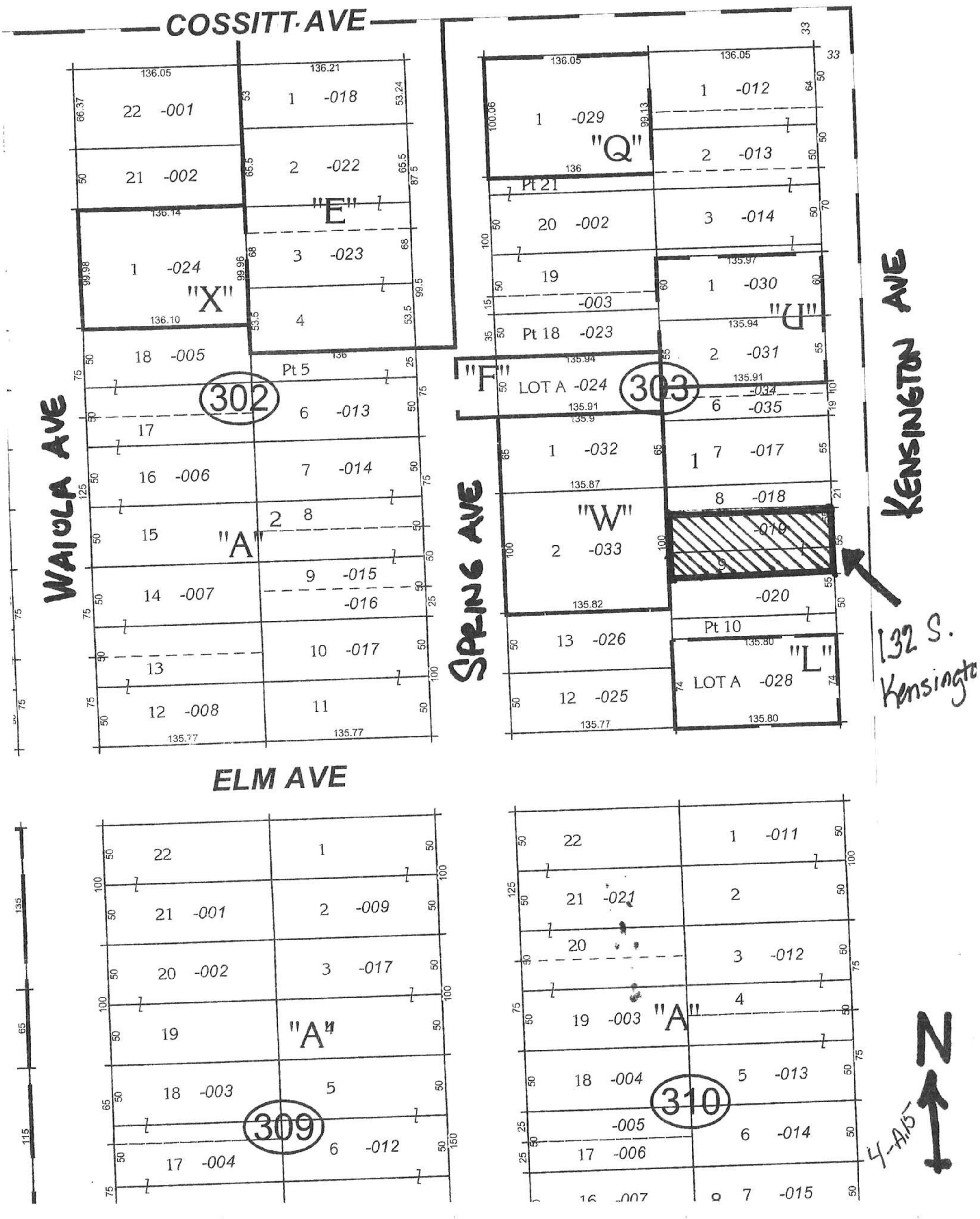
A two-car detached garage is in character with the surrounding area.

No Other Remedy - *"There is no means other than the requested variation by which the alleged hardship or difficulty can be avoided or remedied to a degree sufficient to permit a reasonable use of the subject property."*

According to the petitioners, the setback variation would allow them to maximize inadequate space in their back yard which creates difficult access for vehicles. Even with the requested variation, access will be limited. The Zoning Code requires a maximum of ten feet between principal and accessory structures. The proposed setback between the petitioners' garage and house would be approximately seven feet, which is the same distance as the existing garage. The Zoning Code requires a 10 foot setback between the principal and accessory structures – as permitted by the Code the Village Manager can make an exception for this limitation if the accessory structure is protected by a fire separation wall. Staff will review the building permit application for compliance with this standard.

Potential remedies include: (1) construction of a garage with a smaller depth, such as 18 feet; and (2) rebuilding the garage in its current location: reconfiguring the layout to fit a larger garage and extending the driveway from the other side. The petitioners believe that neither option is practical: a depth of 20 feet is the smallest, functional 2-car garage on average, and the second option would mean that the back yard would be almost completely paved, which would not meet the maximum lot coverage regulations.


COSSITT AVENUE
SPRING AVENUE
KENSINGTON AVENUE
ELM AVENUE
132 S. Kensing



COSSITT AVE
ELM AVE
WAIOLA AVE
SPRING AVE
KENSINGTON AVE
302
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"E"
"X"
"A"
"Q"
"F"
"D"
"W"
"L"
"A"
"A"
LOT A -024
LOT A -028
132 S. Kensington
4-A15
N

APPLICATION FOR ZONING VARIATION

Application # 59
Date Filed: 6/20/11
UARCO #93404

TO THE PRESIDENT AND BOARD OF TRUSTEES
VILLAGE OF LA GRANGE, ILLINOIS

(please type or print)
Application is hereby made by Linda & Jack Petersen
Address: 132 S. Kensington LaGrange Phone: 773-631-3626
Owner of property located at: 5766 N. East Circle Ave, Chicago IL. 60631

Permanent Real Estate Index No:

Present Zoning Classification: R4 Present Use:

Ordinance Provision for Variation from Article # 3-110G9 of Zoning Ordinance, to wit:

Side and Rear Yard Regulations for Accessory Structures

A. Minimum Variation of Zoning requirement necessary to permit the proposed use, construction, or development:

We are requesting a variation of 2 feet, on the West and on the South side of the property.

B. The purpose therefor,

Our purpose is to construct a new detatched garage, and to change the driveway and garage to the South side of the property, where there is more room.

C. The specific feature(s) of the proposed use, construction, or development that require a variation:

There is limited space on the West and South side of the property for a standard garage.

4-A.16

PLAT OF SURVEY must be submitted with application. The plat should show any existing buildings on the petitioned property as well as any existing buildings on property immediately adjacent. It should also show any proposed new construction in connection with the variation, including landscaping, fencing, etc.

A visual proposal depicting the final plan, including but not limited to detailed renderings and/or plans of what is intended to be built.

1. General Standard. The Petitioner must list below **FACTS AND REASONS** substantially supporting **each** of the following conclusions or the petition for variation cannot be granted. (if necessary, use additional page)

a. State **practical difficulty** or **particular hardship** created for you in carrying out the strict letter of the zoning regulations, to wit:

We would like to have a standard (20'x20') garage, and there is limited space.

b. A reasonable return or use of your property is not possible under the existing regulations, because:

There is limited space for a 2 car garage

c. Your situation is unique (not applicable to other properties within that zoning district or area) in the following respect(s):

The location of the house is set back more than 35 feet from the property line, so there is a small back yard. Currently there is a small 1 car garage, and the current driveway is narrow and difficult to get a car in. Driveway is bordered by neighbor's raised driveway.

2. Unique Physical Condition. The subject property is exceptional as compared to other lots subject to the same provision by reason of a unique physical condition, including presence of an existing use, structure, or sign, whether conforming or nonconforming; irregular or substandard shape or size; exceptional topographical features; or other extraordinary physical conditions peculiar to and inherent in the subject property that amount to more than a mere inconvenience to the owner and that relate to or arise out of the lot rather than the personal situation of the current owner of the lot.

The lot is a standard lot size.

4-A.17

3. Not Self-Created. The aforesaid unique physical condition is not the result of any action or inaction of the owner or its predecessors in title and existed at the time of the enactment of the provisions from which a variation is sought or was created by natural forces or was the result of governmental action, other than the adoption of this Code, for which no compensation was paid

No changes have been made to the outside dimension of the house since it was built in 1926.
House and lot are accurately represented in 1978 plot survey.

4. Denied Substantial Rights. The carrying out of the strict letter of the provision from which a variation is sought would deprive the owner of the subject property of substantial rights commonly enjoyed by owners of other lots subject to the same provision.

It is required that we need 2 parking spaces.

5. Not Merely Special Privilege. The alleged hardship or difficulty is not merely inability of the owner or occupant to enjoy some special privilege or additional right not available to owners or occupants of other lots subject to the same provision, nor merely an inability to make more money from the use of the subject property; provided, however, that where the standards herein set out exist, the existence of an economic hardship shall not be a prerequisite to the grant of an authorized variation.

We would like to construct a 20'x20' standard garage, which is smaller than the maximum allowed on the lot.

6. Code and Plan Purposes. The variation would not result in a use or development of the subject property that would be not in harmony with the general and specific purposes for which this Code and the provision from which a variation is sought were enacted or the general purpose and intent of the Official Comprehensive Plan.

A detatched 2 car garage will maintain the character of the house in the neighborhood, which is consistant with the village's plan.

7. Essential Character of the Area. The variation would not result in a use or development on the subject property that:

(a) Would be materially detrimental to the public welfare or materially injurious to the enjoyment, use, development, or value of property or improvements permitted in the vicinity; or

(b) Would materially impair an adequate supply of light and air to the properties and improvements in the vicinity; or

(c) Would substantially increase congestion in the public streets due to traffic or parking; or

(d) Would unduly increase the danger of flood or fire; or

(e) Would unduly tax public utilities and facilities in the area; or

(f) Would endanger the public health or safety.

—Would not result in any of the above.

8. No Other Remedy. There is no means other than the requested variation by which the alleged hardship or difficulty can be avoided or remedied to a degree sufficient to permit a reasonable use of the subject property.

(1) One remedy would be to build a shorter garage
(2) Other remedy would keep the garage in current location, but move and build a longer driveway.

NOTICE: This application must be filed with the office of the Community Development Director, accompanied by necessary data called for above and the required filing fee of Five Hundred Dollars ($500.00). – pd $100.00 owe $400.00

The applicant must submit seventeen (17) 11 x 17 or 8 ½ x 11 copies of any drawings, plats of survey, etc., required for this application a minimum of thirty days in advance of the public hearing date.

If possible, please submit electronic copies of plans.

The above minimum fee shall be payable at the time of the filing of such request. It is also understood that the applicant shall reimburse the Village any additional costs over and above these minimums, which are incurred by the Village, including but not limited to the following:

(a) Legal Publication (direct cost);

(b) Recording Secretarial Services (direct cost);

(c) Court Reporter (direct cost);

(d) Administrative Review and Preparation (hourly salary times a multiplier sufficient to recover 100 percent of the direct and indirect cost of such service);

(e) Document Preparation and Review (hourly salary times a multiplier sufficient to recover 100 percent of the direct and indirect cost of such service);

(f) Professional and Technical Consultant Services (direct cost);

(g) Legal Review, Consultation, and Advice (direct cost);

(h) Copy Reproduction (direct cost); and

(i) Document Recordation (direct cost); and

(j) Postage Costs (direct cost).

Such additional costs shall be paid by the applicant prior to the Board of Trustees making a decision regarding the request.

I, the undersigned, do hereby certify that I am the owner, or contract purchaser **(Evidence of title or other interest you have in the subject property, date of acquisition of such interest, and the specific nature of such interest must be submitted with application.)** and do hereby certify that the above statements are true and correct to the best of my knowledge.

Linda C. Petersen | 132 S. Kensington Ave La Grange

(Signature of Owner or Contract Purchaser) (Address)

La Grange IL 60525

(City) (State) (Zip Code)

Subscribed and sworn to before me this 20th day of June, 2012.

(Notary Public) (Seal)

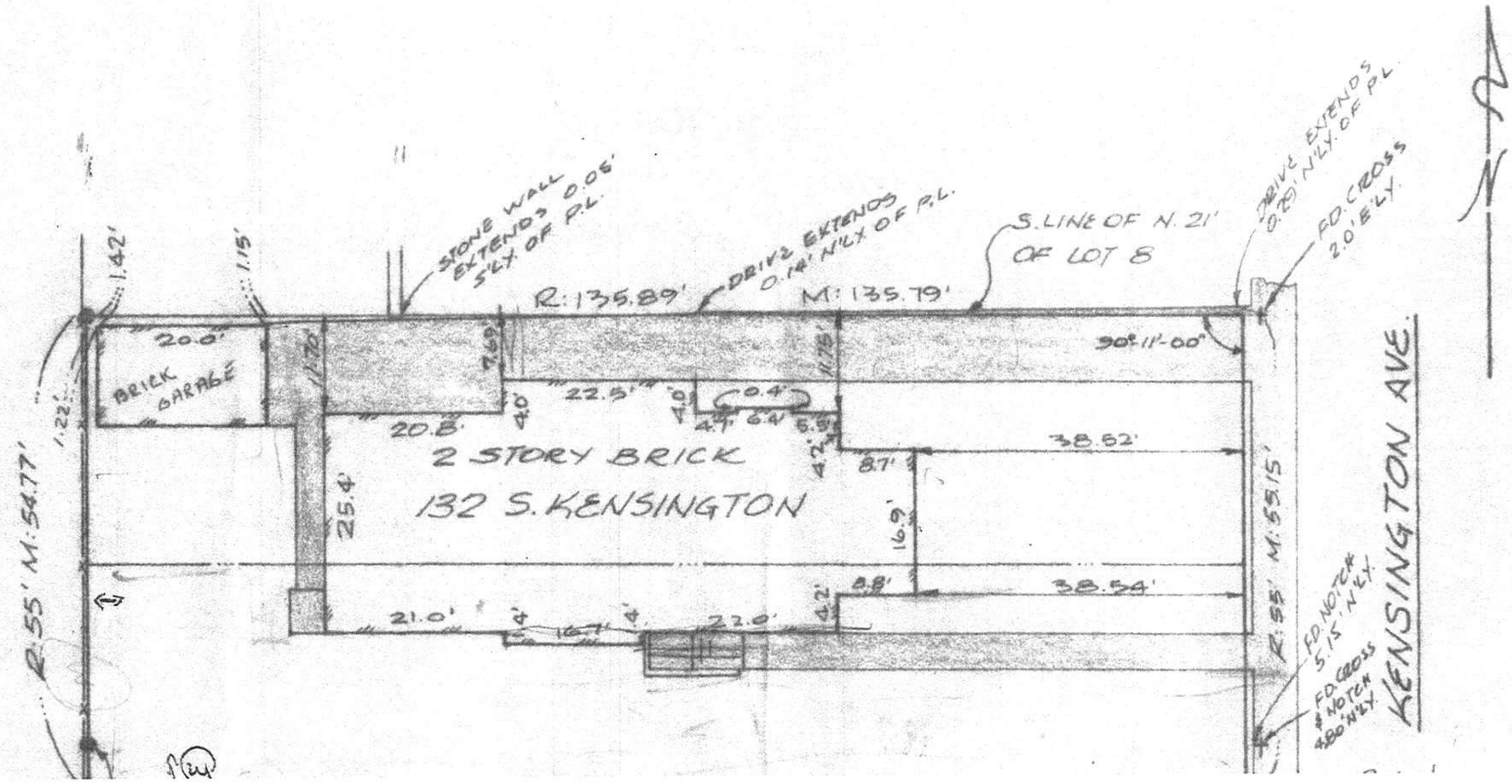
OFFICIAL SEAL
SYLVIA GONZALEZ
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:11/22/14

Enclosures:

4-A.20

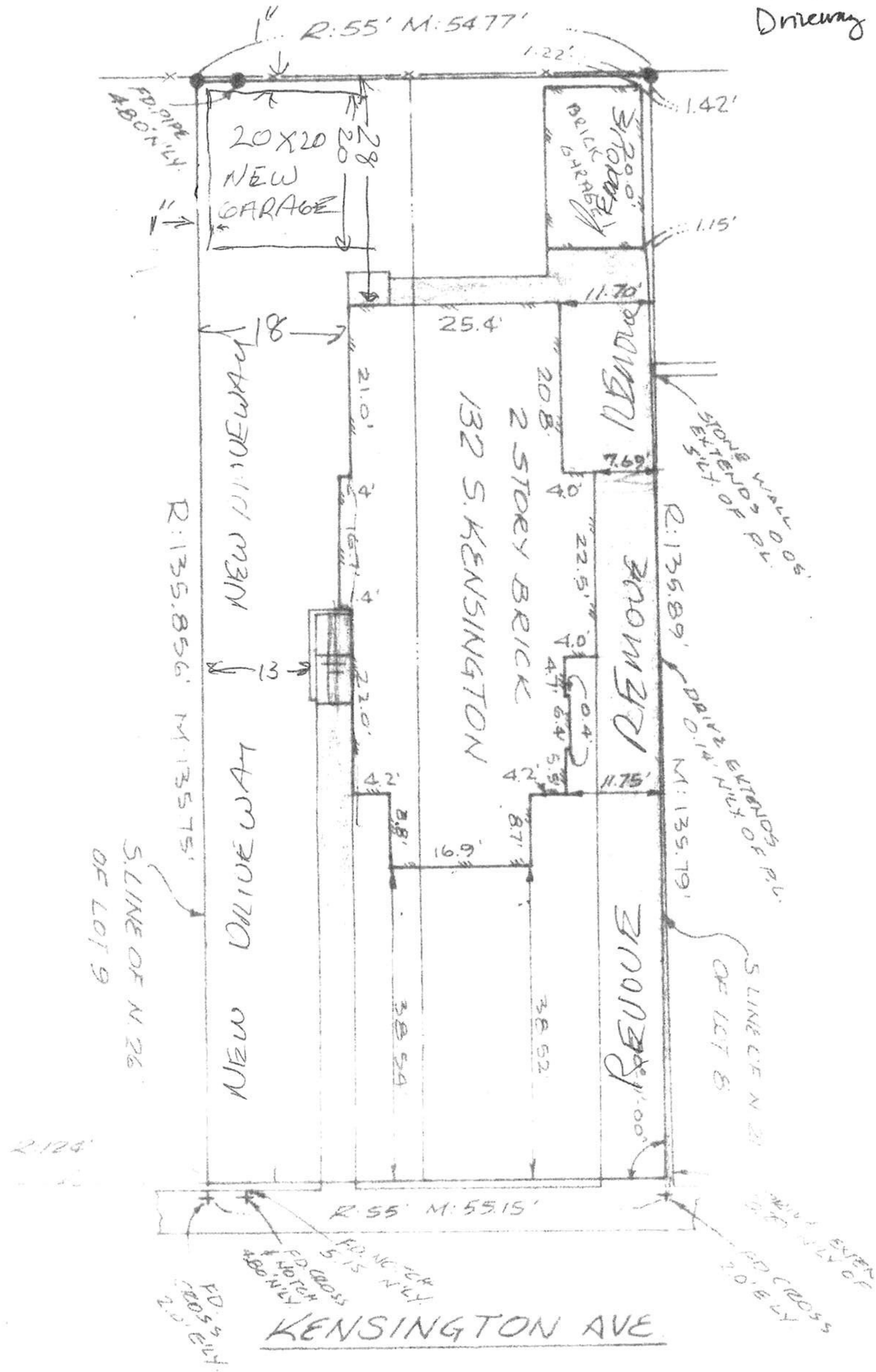
PLAT OF SURVEY

Of Lot 8 (except the North 21.0 feet thereof and the North 26 feet of Lot 9) in Block 1 in Lay and Lyman's Subdivision of the West half of the Southwest quarter of section 14, Township 38 North, Range 12, East of the Third Principal Meridian, in Cook County, Illinois.



4-A-21

ZBA #592
132 S. Kensington
Proposed
New Garage &
Driveway



4-A.22

Existing Detached Garage & Driveway 132 S. Kensington

17-A-33

Location of Proposed Detached Garage & Driveway

132 S. Kensington

VILLAGE OF LA GRANGE
Department of Public Works

BOARD REPORT

TO: Village President, Village Clerk, Board of Trustees, and Village Attorney

FROM: Robert J. Pilipiszyn, Village Manager
Ryan Gillingham, Director of Public Works

DATE: August 27, 2012

RE: **AWARD OF CONTRACT – PARKING STRUCTURE REPAIRS**

The parking structure located at the corner of Harris and 6th Avenues was completed in 2005. A post construction analysis of the structure by the engineering firm Walker Restoration Consultants identified several recommended repairs that were included as part of a settlement agreement associated with the construction. Funds for these repairs were then included in the FY2012-13 budget in the amount of $35,000 and were funded by the settlement.

The recommended repairs identified in the parking structure analysis that remained to be completed included the following items:

1. Repair masonry wall in the southeast staircase
2. Improve drainage at the transition between the structure and slab on grade on the entrance ramp
3. Install guard rails on top level for code compliance
4. Install railing on sidewalk at northeast staircase
5. Cover openings between precast panels

In May 2012, Walker Restoration Consultants was hired to complete the detailed engineering plans and specifications for the above repairs. The engineering work was completed in June and proposals were requested from 12 contractors known to be capable of performing these types of repairs. Four firms submitted proposals as tabulated below:

Description	**Kenna Construction Company**	**Ward Contracting & Building Restoration**	**JLJ Contracting, Inc.**	**J. Gill & Company**
Floor Drain	$4,975.00	$7,280.00	$1,250.00	$15,750.00
Masonry Wall Replacement	$6,975.00	$5,450.00	$9,290.00	$12,925.00
Infill Metal Plates	$1,975.00	$3,150.00	$3,465.00	$4,305.00
Barrier Railing	$2,175.00	$2,750.00	$2,875.00	$3,875.00
Handrail at Concrete Wall – 8.5 ft	$15,400.00	$17,200.00	$21,400.00	$16,984.00

4-B

Handrail at Concrete Wall – 3 ft	$1,475.00	$990.00	$850.00	$2,950.00
Handrail at Southeast Corner	$2,357.00	$3,300.00	$3,450.00	$3,607.00
TOTAL	**$35,332.00**	**$40,120.00**	**$42,580.00**	**$60,396.00**

Kenna Construction Company submitted the low bid in the amount of $35,332, which is slightly above the budgeted amount of $35,000. The low bid is lower than the engineer's estimate to complete the work, which was estimated to range from $56,000 to $70,000. Based on the low proposal, the Village would be able to complete all of the recommended repairs under a single contract this year.

Staff checked references for Kenna Construction and they were positive. Staff recommends the Board award a contract to Kenna Construction in the amount of $35,332 for the repairs to the parking structure based on their proposal, positive references and capability to perform the work.

If approved, the work would be completed this fall. Village staff is planning to perform the construction management for this project, so an agreement with an engineering firm for these services is not required.

In summary, staff recommends waiving the formal bidding process and approving a contract with Kenna Construction in the amount of $35,332 for repairs to the parking structure.

4.B.1

VILLAGE OF LA GRANGE
Public Works Department

BOARD REPORT

TO: Village President, Village Clerk
Board of Trustees, and Village Attorney

FROM: Robert Pilipiszyn, Village Manager
Ryan Gillingham, Director of Public Works

DATE: August 27, 2012

RE: **AWARD OF CONTRACT – 2012 CRACK SEALING PROGRAM**

The FY 2012-13 Capital Improvement budget provides $20,000 to perform crack filling maintenance activities. Crack filling involves routing and cleaning street cracks and applying a hot asphalt product to the cracks. The life expectancy of the street surface is extended by preventing moisture from entering the street and undermining the structure of the roadway.

The streets included in the annual crack filling program are selected based upon the condition of the roadway and an anticipated street resurfacing schedule. Crack filling has been scheduled this year for Area E which is generally bound by Cossitt Avenue to the north, Park Road to the east, Linklater Court to the south and Gilbert Avenue to the west.

The Village solicited quotes for this work from area contractors known to be capable of performing crack sealing. The contractors were asked to provide a proposal on a per-pound unit price basis. Four contractors provided the following proposals:

VENDOR/LOCATION	Cost Per Pound	Estimated Quantity	Estimated Contract Value
S.K.C. Construction / West Dundee, IL	$1.30	15,000 lb	$19,500
Denlar Corporation / Mokena, IL	$1.62	15,000 lb	$24,300
Scodeller Construction, Inc. / Wixon MI, 48393	$2.25	15,000 lb	$33,750
Pavement Systems, Inc. / Blue Island, IL	$4.10	15,000 lb	$61,500
Behm Pavement Maintenance Inc. / Crystal Lake, IL	No Bid	No Bid	No Bid
Fahrner's Asphalt / Plover, WI	No Bid	No Bid	No Bid
Murphy Paving and Sealcoating Inc. / Burr Ridge, IL	No Bid	No Bid	No Bid
FY2012-13 Capital Projects Fund / Crackfill Program line-item			**$20,000**

4-C

The low bid was submitted by S.K.C. Construction. The cost of the work to be performed by S.K.C. Construction is estimated to be $19,500, which is below the budgeted amount of $20,000. The final cost of the project will be based on the actual measured quantity of material installed multiplied by the agreed unit price. The work is anticipated to be performed within the next thirty days.

Last year, S.K.C. Construction performed crack filling maintenance for the Village for the first time. Their service was excellent and they met all of the contractual requirements.

Based on their low quote and our previous positive experience with this contractor, we recommend that the Village Board waive the formal bidding process and authorize staff to enter into a contract with S.K.C. Construction for crack sealing in the amount of $19,500.

4-C.

VILLAGE OF LA GRANGE
Police Department

BOARD REPORT

TO: Village President, Village Clerk,
Board of Trustees and Village Attorney

FROM: Robert J. Pilipiszyn, Village Manager and
Michael A. Holub, Chief of Police

DATE: August 27, 2012

RE: **ORDINANCE – DISPOSAL OF SURPLUS PROPERTY**

The Police Department routinely becomes the custodian of a wide variety of property that is lost, mislaid, abandoned, forfeited or of no further evidentiary value. The Police Department has accumulated a large number of unclaimed bicycles and permission is requested to dispose of them.

State law allows the Village to sell surplus property in a manner that is best for the Village. All unclaimed/recovered property is disposed of in compliance with the Illinois State Statutes, which requires property to be held for at least six (6) months and after all reasonable efforts have been made to return the property to the rightful owner.

The Police Department has experimented with an auction house to dispose of property with limited value such as bicycles, tools and electronics. The results have been mixed – the investment of time and proceeds from the sales of such property is not necessarily an improvement from organizing and conducting a local public auction. Further, we have found that it is more profitable to conduct our own auction for such items and it results in good community relations. Therefore, we intend to conduct a local auction of such surplus items in the near future. Therefore, we intend to conduct a local auction of such surplus items on Saturday, September 22, 2012.

This property disposal request consists of forty (40) bicycles/scooters that have been recovered for various reasons over the past two years by the Police Department. All reports in the surrounding towns have been checked against our bicycle/property list and the six-month time period has lapsed on each piece of property.

The attached list details an inventory of property to be sold upon approval by the Village Board. We recommend that the Village Board authorize the La Grange Police Department to dispose of the items as per the attached ordinance.

4-D

VILLAGE OF LA GRANGE

ORDINANCE NO. ____________

AN ORDINANCE AUTHORIZING DISPOSAL OF PERSONAL PROPERTY OWNED BY THE VILLAGE OF LA GRANGE

WHEREAS, in the opinion of the corporate authorities of the Village Of La Grange, it is no longer necessary, useful, or in the best interests of the Village to retain ownership of the personal property described in this Ordinance; and

WHEREAS, it has been determined by the President and the Board Of Trustees of the Village Of La Grange to dispose of said personal property in the manner described in this Ordinance;

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of La Grange, Cook County and State of Illinois, as follows:

Section 1. Recitals. The foregoing recitals are hereby incorporated into this Ordinance as findings of the President and Board of Trustees.

Section 2. Disposal of Surplus Property. The President and Board Of Trustees find that the personal property described in Exhibit A attached to this Ordinance and by this reference incorporated into this Ordinance (the "Surplus Property") is no longer necessary or useful to the Village, and thus the Village Manager for the Village Of La Grange is hereby authorized to direct the sale or disposal of the Surplus Property in the manner most appropriate to the Village. The Surplus Property shall be sold or disposed of in "as is" condition.

Section 3. Effective Date. This Ordinance shall be in full force and effect from and after its passage, approval, and publication in pamphlet form in the manner provided by law.

PASSED this _____ day of ______________ 2012.

AYES: ____

NAYS: ____

ABSENT: ____

APPROVED this _____ day of ______________ 2012.

By: ________________________________

Elizabeth M. Asperger, Village President

ATTEST:

____

Thomas Morsch, Village Clerk

4-p.1

EXHIBIT A

Auction#	Compl #	Description	Serial #
12-1	11-12737	JOOVY BABY STROLLER	*NO SERIAL #*
12-2	11-8154	FA SLVR BMX STYLE BIKE	U802604046
12-3	11-8832	SCHWINN PURPLE GIRLS	FSD98AT8751
12-4	11-12149	FA BLK BMX STYLE BIKE	U50560159
12-5	11-8452	MONGOOSE CRUSH 20" BLK/BLU MEN'S	ACB10B34516
12-6	11-12865	NEXT PINK GIRLS BIKE	DWCA0205986
12-7	11-12865	****NINTENDO DS (IN BAG ON BIKE)	TW72157376-0
12-8	11-13832	MAGNA 20" SLVR/PURP/BLU GIRLS	67480503
12-9	11-14892	SCHWINN BLUE/WHT MENS	MNG11060751
12-10	11-16148	MONGOOSE BLK/BLU/SLVR BOYS	FSD10CZ6263
12-11	11-11749	SCHWINN BLUE MENS	P000108
12-12	11-12570	RALLY BLUE M-50 MEN'S	R929520241
12-13	11-15845	JAMIS SLVR MEN'S	P1008-8
12-14	11-15521	TREK 830 MEN'S YEL/GRY	F6D00521
12-15	11-12701	SPECIALIZED BOY'S BLUE	WSBC602019677G
12-16	11-13740	CENTERION 12SPD BLUE RACER	N3A6250
12-17	11-12314	MAGNA SLVR/YELLOW BOY'S	TD2088043797
12-18	11-12348	SCHWINN WORLD TRAVLER GRY GIRLS	5078338
12-19	11-8410	GT ALL TERRA TEAL MEN'S	H3D76051A5
12-20	11-10637	DIAMOND BACK RED/BLK MEN'S	04K0012897
12-21	11-11126	SCHWINN BEACH CRUISER YELLOW	KK03J16242
12-22	11-6093	MAGNA GLACIER RED 15 SPD	14746
12-23	11-16877	ROYCE UNION BLU/WHT	L990403881
12-24	11-15142	TREK MOUNTAIN TRL WOMEN'S GRN	GR522524
12-25	11-11631	RALEIGH BLUE MEN'S	P10452
12-26	11-16012	DIAMOND BACK OUTLOOK GRN/BLU	I6D07540
12-27	11-8600	SPECIALIZED BLK MEN'S ****EBAY****	WSBC602143214F
12-28	11-11221	PEVGEOT BLUE	*NO SERIAL #*
12-29	11-10874	MAGNA PURPLE GIRLS	222004
12-30	11-10893	SPECIALIZED BLK/GOLD	P31C33165
12-31	11-16168	MAGNA GLACIER PNT RED MEN'S	501821
12-32	11-12098	MT SHASTA PURPLE	J92085816
12-33	11-12113	KAWASAKI CORDOVA GRN/WHT	UV06030459
12-34	11-11057	DIAMOND BACK OUTLOOK GRY MEN'S	O9S0163488
12-35	11-14715	RAZOR SCOOTER SLVR SPIDER MAN	*NO SERIAL #*
12-36	11-11031	RAZOR SCOOTER BLU/SLVR	*NO SERIAL #*
12-37	11-7779	RAZOR SCOOTER RED	*NO SERIAL #*
12-38	11-11057 #1	SHARPER IMAGE RAZOR TYPE SCOOTER	*NO SERIAL #*
12-39	11-11057 #2	RAZOR SCOOTER SLVR	*NO SERIAL #*
12-40	11-13649	SLITHER DRIFT SCOOTER	*NO SERIAL #*

4-D.2

MINUTES

VILLAGE OF LA GRANGE

PUBLIC HEARING AND BOARD OF TRUSTEES REGULAR MEETING

Village Hall Auditorium
53 South La Grange Road
La Grange, IL 60525

Monday, July 9, 2012 - 7:30 p.m.

1. CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE

The Board of Trustees of the Village of La Grange public hearing and regular meeting was called to order at 7:31 p.m. by President Asperger. On roll call, as read by Village Clerk Thomas Morsch, the following were:

PRESENT: Trustees Holder, Horvath, Kuchler, Langan, Nowak, and Palermo with President Asperger presiding.

ABSENT: None

OTHERS: Village Manager Robert Pilipiszyn
Assistant Village Manager Andrianna Peterson
Village Attorney Mark Burkland
Assistant Community Development Dir. / Planner Angela Mesaros
Finance Director Lou Cipparrone
Public Works Director Ryan Gillingham
Police Chief Mike Holub
Fire Chief Bill Bryzgalski

President Asperger explained that there would be a public hearing prior to the regular Village Board meeting this evening.

2. PUBLIC HEARING – Issuance of General Obligation Alternate Revenue Bonds for Water System Improvements: Referred to President Asperger

President Asperger explained that the Village Board previously conducted two workshops to discuss the water meter replacement program and needed improvements to the water pumping station. General obligation, alternate revenue bonds would be issued to fund the projects and the Village Board has approved Kane, McKenna Capital, Inc. as financial consultants and Chapman and Cutler LLP as bond counsel.

4-E

Adding that an increase in water rates was also approved in April, President Asperger noted that the authorizing ordinance along with a notice of intent to issue bonds was published in a local newspaper in May. Pursuant to state statutes, the adoption of the authorizing ordinance began a 30-day petition period for a modified-form of public referendum which taxpayers could pursue, however this did not transpire.

President Asperger indicated the next step is to conduct this public hearing for purposes of receiving public comment regarding the intent of the Village Board of Trustees to sell general obligation, alternate revenue bonds in an amount not to exceed $2.2 million to pay for the water meter replacement program and improvements to the water pumping station.

President Asperger indicated that notice of this Public Hearing had been posted and published according to State Statute. President Asperger asked if anyone in the audience had any oral or written comments or questions on the issuance of general obligation alternate revenue bonds for water system improvements. There being none, President Asperger inquired of Village Manager Robert Pilipiszyn if any written comments had been received and was informed none.

At 7:36 p.m. with no additional oral or written comments President Asperger closed the public hearing. President Asperger noted that the next step would be for the Village Board to consider the bond ordinance at their August 13, 2012 meeting.

The regular Village Board meeting was convened, with the same Village Officials as the Public Hearing being in attendance.

3. PRESIDENT'S REPORT

Noting the upcoming Art and Craft Fair and Park District Family Fest, President Asperger invited residents to participate and enjoy these special events.

President Asperger announced that the July 23 Village Board meeting is canceled and the next regularly scheduled meeting would be August 13.

A. Presentation of Refinancing Plan by Financial Consultant for Refunding of 2004 Library Bond Issue

President Asperger explained that the Village has been advised that refunding outstanding Library bonds which were issued to fund the construction of the new library building and scheduled to mature in 2024, could incur taxpayers a net interest savings of approximately $450,000. As previously noted the La Grange Public Library is classified as a "municipal library" and as such must seek Village Board approval to refund the bonds.

4-E.1

Referencing correspondence from Jane Byczek President of the Library Board of Trustees, President Asperger noted the Library Board's support of the refunding of the bonds. President Asperger explained the process by which the refinancing would occur and invited Mr. Kevin McCanna from Speer Financial to comment on this item.

Mr. McCanna reiterated the process by which the refinancing and refunding would occur and asked if there were any questions. Trustee Palermo inquired if the Library could elect to use the interest rate savings in some other form of library service. Mr. McCanna responded negatively, indicating that the bonds are for a specific purpose and cannot be placed in an operating level.

President Asperger noted the next step would be for the bond counsel to authorize an ordinance for the Board's consideration at their August 27, 2012 regular meeting. Adding clarification, President Asperger noted that refunding of the Library bonds would not cause any conflicts with the timing and issuance of the alternate revenue bonds for the Village's water meter replacement project.

It was moved by Trustee Langan to support the refinancing plan for financial consultants for refunding of 2004 Library Bond Issue as presented, second by Trustee Holder. Approved by voice vote.

4. PUBLIC COMMENTS REGARDING AGENDA ITEMS

None

5. OMNIBUS AGENDA AND VOTE

A. Resolution – Initiating the Submission of a Public Question to Authorize the Village to Adopt an "Opt-Out" program for the Supply of Electricity to Residential and Small Commercial Retail Customers

B. For-Profit Solicitation – Comcast

C. Minutes of the Village of La Grange Board of Trustees Regular Meeting Monday, June 25, 2012

D. Consolidated Voucher 120709 ($592,658.05)

It was moved by Trustee Langan to approve items A, B, C, and D of the Omnibus Agenda, seconded by Trustee Holder.

Approved by roll call vote.

4-E.2

Ayes:	Trustees Nowak, Kuchler, Langan, Horvath, Palermo, and Holder
Nays:	None
Absent:	None

6. CURRENT BUSINESS

A. Special Event – La Grange Business Association "West End Art Festival" and "An Evening of Art & Jazz": Referred to Trustee Holder

Trustee Holder stated that the Village has received a request from the La Grange Business Association to conduct the 17th Annual "West End Art Festival" on Saturday, September 15 and Sunday, September 16, 2012.

Trustee Holder noted that in addition to the West End Art Festival, the La Grange Business Association will incorporate "An Evening of Art and Jazz" to be held on Friday, September 14.

Trustee Holder explained that it is necessary for the Village to formally approve the temporary closure of Burlington Avenue and portions of Stone and Waiola Avenues for the outdoor display and to waive restrictions for the outdoor display and sale of goods and services in the C-2 Zoning District.

Trustee Holder added that the Village Liquor Commissioner will separately consider a temporary liquor license for the Friday, September 14 event.

It was moved by Trustee Holder that the Village Board authorize the La Grange Business Association to utilize Burlington Avenue from Waiola Avenue to Brainard Avenue for the "West End Art Festival" and "An Evening of Art and Jazz" on September 14, 15 and 16, 2012; that restrictions prohibiting outdoor display and sale of goods and services be waived in conjunction with this event; and that all conditions be satisfied, seconded by Trustee Langan.

Approved by roll call vote.

Ayes:	Trustees Nowak, Kuchler, Langan, Horvath, Palermo, and Holder
Nays:	None
Absent:	None

Trustee Langan expressed thanks to Andrea Barnish who has chaired this successful and rewarding event for numerous years. Trustee Holder added his thanks to Ms. Barnish for the high quality planning and marketing efforts.

4-E.3

7. MANAGER'S REPORT

Village Manager Robert Pilipiszyn announced that the Village has just been advised by the Burlington Northern Santa Fe Railroad that they are scheduling repairs to the railroad crossing at Brainard Avenue beginning on July 23. Manager Pilipiszyn indicated that more detailed information would be posted on the Village website as it becomes available.

8. PUBLIC COMMENTS REGARDING MATTERS NOT ON AGENDA

None

9. EXECUTIVE SESSION

10. TRUSTEE COMMENTS

None

11. ADJOURNMENT

At 7:55 p.m. it moved by Trustee Langan to adjourn, seconded by Trustee Nowak. Approved by voice vote.

Elizabeth M. Asperger, Village President

ATTEST:

Thomas Morsch, Village Clerk

Approved Date:

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4-E.4

VILLAGE OF LA GRANGE
Disbursement Approval by Fund
July 23, 2012
Consolidated Voucher 120723

Fund No.	Fund Name	07/23/12 Voucher	07/20/12 Payroll	Total
01	General	82,133.19	298,451.15	380,584.34
21	Motor Fuel Tax			0.00
22	Foreign Fire Insurance Tax	654.99		654.99
24	ETSB	210.98		210.98
40	Capital Projects	49,760.47		49,760.47
50	Water	243,332.57	42,114.65	285,447.22
51	Parking	4,040.54	23,731.21	27,771.75
60	Equipment Replacement			0.00
70	Police Pension			0.00
75	Firefighters' Pension			0.00
80	Sewer	1,006.56	9,400.46	10,407.02
90	Debt Service			0.00
91	SSA 4A Debt Service			0.00
93	SAA 269			0.00
94	SAA 270			0.00
		381,139.30	373,697.47	754,836.77

We the undersigned Manager and Clerk of the Village of La Grange hereby certify that, to the best of our knowledge and belief, the foregoing items are true and proper charges against the Village and hereby approve their payment.

Village Manager

Village Clerk

President

Trustee

Trustee

Trustee

Trustee

Trustee

Trustee

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VILLAGE OF LA GRANGE

Disbursement Approval by Fund
August 13, 2012
Consolidated Voucher 120813

Fund No.	Fund Name	08/13/12 Voucher	08/03/12 Payroll	Total
01	General	202,305.77	271,471.23	473,777.00
21	Motor Fuel Tax			0.00
22	Foreign Fire Insurance Tax	102.34		102.34
24	ETSB	4,763.74		4,763.74
40	Capital Projects	33,318.02		33,318.02
50	Water	240,095.43	40,227.98	280,323.41
51	Parking	14,637.99	23,419.90	38,057.89
60	Equipment Replacement	676.98		676.98
70	Police Pension			0.00
75	Firefighters' Pension			0.00
80	Sewer	3,225.72	9,233.36	12,459.08
90	Debt Service			0.00
91	SSA 4A Debt Service			0.00
93	SAA 269			0.00
94	SAA 270			0.00
		499,125.99	344,352.47	843,478.46

We the undersigned Manager and Clerk of the Village of La Grange hereby certify that, to the best of our knowledge and belief, the foregoing items are true and proper charges against the Village and hereby approve their payment.

Village Manager

Village Clerk

President

Trustee

Trustee

Trustee

Trustee

Trustee

Trustee

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VILLAGE OF LA GRANGE

Disbursement Approval by Fund
August 27, 2012
Consolidated Voucher 120827

Fund No.	Fund Name	08/27/12 Voucher	08/17/12 Payroll	Total
01	General	93,508.81	289,721.97	383,230.78
21	Motor Fuel Tax			0.00
22	Foreign Fire Insurance Tax	352.32		352.32
24	ETSB	15,593.00		15,593.00
27	Drug Enforcement	781.00		781.00
40	Capital Projects	0.00		0.00
50	Water	6,492.13	39,906.39	46,398.52
51	Parking	2,632.26	23,457.38	26,089.64
60	Equipment Replacement			0.00
70	Police Pension			0.00
75	Firefighters' Pension			0.00
80	Sewer	506.86	9,919.93	10,426.79
90	Debt Service			0.00
91	SSA 4A Debt Service			0.00
93	SAA 269			0.00
94	SAA 270			0.00
		119,866.38	363,005.67	482,872.05

We the undersigned Manager and Clerk of the Village of La Grange hereby certify that, to the best of our knowledge and belief, the foregoing items are true and proper charges against the Village and hereby approve their payment.

Village Manager

Village Clerk

President

Trustee

Trustee

Trustee

Trustee

Trustee

Trustee

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Village of La Grange

VILLAGE BOARD MEETING

MONDAY, AUGUST 27, 2012

BOOK 2 of 2

7:30 p.m.

Village Hall Auditorium

53 South La Grange Road

La Grange, IL 60525

Elizabeth M. Asperger
Village President

Thomas Morsch
Village Clerk

53 South La Grange Road P.O. Box 668 La Grange, Illinois 60525 (708) 579-2300 Fax (708) 579-0980

CURRENT BUSINESS

VILLAGE OF LA GRANGE
Finance Department

BOARD REPORT

TO: Village President, Village Clerk,
Board of Trustees and Village Attorney

FROM: Robert J. Pilipiszyn, Village Manager,
Lou Cipparrone, Finance Director

DATE: August 23, 2012

RE: **ORDINANCE - REFUNDING 2004 LIBRARY BOND ISSUE**

At the July 5, 2012 board meeting, the Village's financial consultant, Kevin McCanna, from Speer Financial, Inc. presented a refinancing plan for refunding the 2004 general obligation library bonds, which were issued to fund construction of the new library building. The library bonds mature through December 1, 2024 and carry an average interest rate of 4.0%. Due to current market rate conditions, a preliminary analysis reflected that by refunding the outstanding bonds, Village residents could incur a net interest savings of approximately $450,000 over the remaining life of the issue. It was the consensus of the Village Board to support the refinancing plan.

The La Grange Public Library is classified as a "municipal library" rather than as a separate public library district; as such, it does not have its own authority to issue bonds. Instead, the Library must secure approval of the Village Board to issue and/or refund debt. As such, the Village needs to adopt an authorizing bond ordinance for the refunding issue. The Village will not incur any expenses related to the refunding as the consulting contracts will be included as part of the Library refunding issue.

Speer Financial presented the refinancing plan to the La Grange Library Board of Trustees at their June 19, 2012 board meeting. The Library Board is also supportive of refunding the 2004 Library Bonds.

The refunding process is similar to refinancing a home mortgage. New bonds (Series 2012) will be sold at a lower interest rate to pay off the outstanding Series 2004 bonds. However, the Series 2004 bonds cannot be paid off until December 1, 2013, which is the first available call date. Therefore, the proceeds from the Series 2012 issue will be held in escrow, invested in US treasury securities, until such time the Series 2004 bonds can be called.

In preparation for the issuance of the refunding bonds and the upcoming sale of $2.1 million Alternate Revenue Water Bonds, Series 2012A, the Village requested a meeting with Moody's Investors Services in order to obtain a current bond rating for these issues. The Village

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President, staff and the Village's financial consultants met with Moody's to discuss financial operations, economic development initiatives, management and current/future debt.

As a result of this meeting and further analysis by Moody's, we are pleased to report that Moody's assigned a Aa2 rating to the Village of La Grange and a stable credit outlook was issued for the G.O Library Refunding Bonds, Series 2012B. This bond rating recognizes strong financial conditions despite modest operating deficits in recent years characterized by healthy reserve levels, manageable debt burden with limited future borrowing plans. Moody's also notes that despite a substantial decline in assessed valuation in 2012, reflected by the triennial reassessment, the Village's tax base is expected to remain stable over the long-term due to its affluent tax base and proximately to Chicago.

Speer Financial prepared and distributed the Official Statement and Notice of Sale to financial institutions, underwriters, investors and local banks. Notice of the competitive sale of the bond issue and key information were also published in industry newspapers and websites.

Bids from the financial institutions will be received as part of an electronic on-line auction held at 10:00 am on Monday, August 27, 2012. The necessary information will be forwarded to the Village's bond counsel, Chapman & Cutler, LLP, who will prepare the final ordinance to issue bonds based on the low bid received. By adopting the final ordinance to issue bonds, the Village Board will accept the low bid as submitted as part of the ordinance. The entire process must take place during the course of Monday, August 27, 2012, as the interest rates stated in the bids received are only valid for a one-day period.

Attached for your review is a draft ordinance and escrow agreement for the Library refunding issue as prepared by bond counsel, and a copy of the Official Statement. Kevin McCanna will be present at the Village Board meeting on Monday, August 27, 2012 to make a full presentation regarding the issuance of the refunding bonds, bids received, terms and conditions, and to answer any questions or concerns.

The Village has the authority to issue up to $10 million of bank qualified, tax exempt bonds within a calendar year. The Village is also well below our legal debt margin limit of 8.625% of current EAV. As such, the refunding of the Library bonds will not cause any conflicts with the timing and issuance of the current $2.1 million alternate revenue bonds for the water meter replacement project.

We recommend that the Village Board adopt the ordinance authorizing the issuance of $6,365,000 General Obligation Refunding Bonds, Series 2012B.

username:users/finance/librarybonds-refunding-ordinance.brd.doc

ORDINANCE NO. ________________

AN ORDINANCE providing for the issuance of $6,365,000 General Obligation Refunding Bonds, Series 2012B, of the Village of La Grange, Cook County, Illinois, and providing for the levy and collection of a direct annual tax sufficient for the payment of the principal of and interest on said bonds.

* * *

WHEREAS, the Village of La Grange, Cook County, Illinois (the *"Village"*), has heretofore issued and has outstanding its General Obligation Library Bonds, Series 2004, dated December 15, 2004 (the *"Prior Bonds"*); and

WHEREAS, it is necessary and desirable to refund a portion of the Prior Bonds (said portion of the Prior Bonds to be refunded being referred to herein as the *"Refunded Bonds"*) in order to realize debt service savings for the Village; and

WHEREAS, the Refunded Bonds shall be fully described in the Escrow Agreement referred to in Section 12 hereof and are presently outstanding and unpaid and are binding and subsisting legal obligations of the Village; and

WHEREAS, the President and Board of Trustees of the Village (the *"Board"*) has determined that in order to refund the Refunded Bonds, it is necessary and in the best interests of the Village to borrow $6,365,000 at this time and issue bonds of the Village therefor; and

WHEREAS, the bonds to be issued hereunder shall be payable from a direct annual ad valorem tax levied against all taxable property in the Village, without limitation as to rate or amount; and

WHEREAS, the Property Tax Extension Limitation Law of the State of Illinois, as amended (the *"PTELL"*), imposes certain limitations on the *"aggregate extension"* of certain property taxes levied by the Village, but provides that the definition of *"aggregate extension"* applicable to the Village contained in Section 18-185 of the Property Tax Code of the State of Illinois, as amended, does not include extensions "made for any taxing district to pay interest or

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principal on bonds issued to refund or continue to refund the bonds issued after October 1, 1991 that were approved by referendum"; and

WHEREAS, the Board does hereby find and determine that the Refunded Bonds issued after October 1, 1991 and were approved by referendum; and

WHEREAS, the County Clerk of The County of Cook, Illinois (the *"County Clerk"*), is therefore authorized to extend and collect said tax so levied for the payment of the bonds authorized hereby without limitation as to rate or amount; and

WHEREAS, in accordance with the terms of the Refunded Bonds, the Refunded Bonds may be called for redemption in advance of their maturity, and it is necessary and desirable to make such call for the redemption of the Refunded Bonds on their earliest possible call date, and provide for the giving of proper notice to the registered owners of the Refunded Bonds:

NOW, THEREFORE, Be It Ordained by the President and Board of Trustees of the Village of La Grange, Cook County, Illinois, as follows:

Section 1. Incorporation of Preambles. The Board hereby finds that all of the recitals contained in the preambles to this Ordinance are full, true and correct and does incorporate them into this Ordinance by this reference.

Section 2. Authorization. It is hereby found and determined that the Board has been authorized by law to borrow the sum of $6,365,000 upon the credit of the Village and as evidence of such indebtedness to issue bonds of the Village in said amount, the proceeds of said bonds to be used for the purpose of refunding the Refunded Bonds, and it is necessary and for the best interests of the Village that there be issued at this time $6,365,000 of the bonds so authorized.

Section 3. Bond Details. There be borrowed on the credit of and for and on behalf of the Village the sum of $6,365,000 for the purpose aforesaid; and that bonds of the Village shall be issued in said amount and shall be designated "General Obligation Refunding Bonds, Series

2012B" (the *"Bonds"*). The Bonds shall be dated the date of delivery thereof, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of $5,000 each and authorized integral multiples thereof (but no single Bond shall represent installments of principal maturing on more than one date), shall be numbered 1 and upward, and the Bonds shall become due and payable serially (subject to prior redemption as hereinafter set forth) on December 1 of each of the years, in the amounts and bearing interest per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2012	$	%
2013		%
2014		%
2015		%
2016		%
2017		%
2018		%
2019		%
2020		%
2021		%
2022		%
2023		%
2024		%

The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 1 and December 1 of each year, commencing on December 1, 2012. Interest on each Bond shall be paid by check or draft of U.S. Bank National Association, Chicago, Illinois, as bond registrar and paying agent (the *"Bond Registrar"*), payable upon presentation in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date. The

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principal of the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar.

The seal of the Village shall be affixed to or printed on each of the Bonds and the Bonds shall be signed by the manual or facsimile signature of the President and be attested by the manual or facsimile signature of the Village Clerk, and in case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Bond Registrar as authenticating agent of the Village and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by the Bond Registrar if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 4. Registration of Bonds; Persons Treated as Owners. (a) *General.* The Village shall cause books (the *"Bond Register"*) for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the principal corporate trust office of the Bond Registrar, which is hereby constituted and appointed the registrar of the Village for the Bonds. The Village is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the Village for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by, the registered owner or his or her attorney duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations. The execution by the Village of any fully registered Bond shall constitute full and due authorization of such Bond and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, *provided, however,* the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month next preceding the interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the Village or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

(b) *Global Book-Entry System.* The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds determined as described in Section 3 hereof. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of Cede & Co., or any successor thereto (*"Cede"*), as nominee of The Depository Trust Company, New York, New York, and its successors and assigns (*"DTC"*). All of the outstanding Bonds shall be registered in the Bond Register in the name of Cede, as nominee of DTC, except as hereinafter provided. The President, the Village Clerk and the Finance Director of the Village and the Bond Registrar are each authorized to execute and deliver, on behalf of the Village, such letters to or agreements with DTC as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the *"Representation Letter"*), which Representation Letter may provide for the payment of principal of or interest on the Bonds by wire transfer.

With respect to Bonds registered in the Bond Register in the name of Cede, as nominee of DTC, the Village and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a *"DTC Participant"*) or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Village and the Bond Registrar shall have no responsibility or obligation with respect to

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(i) the accuracy of the records of DTC, Cede or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to the principal of or interest on the Bonds. The Village and the Bond Registrar may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective registered owners of the Bonds, as shown in the Bond Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Village's obligations with respect to payment of the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of a Bond as shown in the Bond Register, shall receive a Bond evidencing the obligation of the Village to make payments of principal and interest with respect to any Bond. Upon delivery by DTC to the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions in Section 3 hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the 15th day of the month next preceding the applicable interest payment date, the name "Cede" in this Ordinance shall refer to such new nominee of DTC.

In the event that (i) the Village determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (ii) the agreement among the Village, the Bond Registrar and DTC evidenced by the Representation Letter shall be terminated for any reason or (iii) the Village determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Village shall notify DTC and DTC Participants of the availability through DTC of certificated Bonds and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede, as nominee of DTC. At that time, the Village may determine that the Bonds shall be registered in the name of and deposited with such other depository operating a universal book-entry system, as may be acceptable to the Village, or such depository's agent or designee, and if the Village does not select such alternate universal book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 4(a) hereof.

Notwithstanding any other provisions of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the name provided in the Representation Letter.

Section 5. Redemption. The Bonds maturing on and after December 1, 2021, shall be subject to redemption prior to maturity at the option of the Village as a whole, or in part in integral multiples of $5,000 in any order of their maturity as determined by the Village (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 2020, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

The Bonds shall be redeemed only in the principal amount of $5,000 and integral multiples thereof. The Village shall, at least forty-five (45) days prior to the redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar) notify the Bond Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar from the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; *provided* that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any $5,000 Bond or $5,000 portion of a Bond shall be as likely to be called for redemption as any other such $5,000 Bond or $5,000 portion. The Bond Registrar shall make such selection upon the earlier of the irrevocable deposit of funds with an escrow agent sufficient to pay the redemption price of the Bonds to be redeemed or the time of the giving of official notice of redemption.

The Bond Registrar shall promptly notify the Village in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Section 6. Redemption Procedure. Unless waived by any holder of Bonds to be redeemed, notice of the call for any such redemption shall be given by the Bond Registrar on behalf of the Village by mailing the redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All notices of redemption shall state:

(1) the redemption date,

(2) the redemption price,

(3) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Bond Registrar, and

(6) such other information then required by custom, practice or industry standard.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the option of the Village shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the Village, state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the Village shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of redemption shall have been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the Village shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered holder a new Bond or Bonds of the same maturity in the amount of the unpaid principal.

If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption. All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued.

Section 7. Form of Bond. The Bonds shall be in substantially the following form; *provided, however,* that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then paragraph [2] and the legend, "See Reverse Side for Additional Provisions", shall be omitted and paragraphs [6] through [11] shall be inserted immediately after paragraph [1]:

(Form of Bond - Front Side)

REGISTERED
No. ______

REGISTERED
$________

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF COOK

VILLAGE OF LA GRANGE

GENERAL OBLIGATION REFUNDING BOND, SERIES 2012B

See Reverse Side for
Additional Provisions

Interest Rate: ____%	Maturity Date: December 1, 20___	Dated Date: September 25, 2012	CUSIP _______

Registered Owner: CEDE & CO.

Principal Amount:

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the Village of La Grange, Cook County, Illinois (the *"Village"*), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above on June 1 and December 1 of each year, commencing December 1, 2012, and until said Principal Amount is paid. The principal of this Bond is payable in lawful money of the United States of America at the principal corporate trust office of U.S. Bank National Association, Chicago, Illinois, as bond registrar and paying agent (the *"Bond Registrar"*). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on the registration books of the Village

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maintained by the Bond Registrar at the close of business on the 15th day of the month next preceding the interest payment date and shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar. For the prompt payment of this Bond, both principal and interest, at maturity, the full faith, credit and resources of the Village are hereby irrevocably pledged.

[2] Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as if set forth at this place.

[3] It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law; that the indebtedness of the Village, including the issue of Bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a direct annual tax sufficient to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

[4] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[5] IN WITNESS WHEREOF, said Village of La Grange, Cook County, Illinois, by its President and Board of Trustees, has caused this Bond to be executed by the manual or duly authorized facsimile signature of its President and attested by the manual or duly authorized facsimile signature of its Village Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

____
President, Village of La Grange,
Cook County, Illinois

[SEAL]

ATTEST:

____
Village Clerk, Village of La Grange,
Cook County, Illinois

Date of Authentication: __________, 20__

CERTIFICATE
OF
AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned ordinance and is one of the General Obligation Refunding Bonds, Series 2012B, of the Village of LaGrange, Cook County, Illinois.

U.S. BANK NATIONAL ASSOCIATION,
as Bond Registrar

By ______________________________
Authorized Officer

Bond Registrar and Paying Agent:
U.S. Bank National Association,
Chicago, Illinois

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[Form of Bond - Reverse Side]

VILLAGE OF LA GRANGE

COOK COUNTY, ILLINOIS

GENERAL OBLIGATION REFUNDING BOND, SERIES 2012B

[6] This Bond is issued by the Village for the purpose of refunding certain outstanding bonds of the Village, in full compliance with and as authorized by the provisions of the Illinois Municipal Code, and all laws amendatory thereof and supplementary thereto, and the Local Government Debt Reform Act, as amended, and is authorized by an ordinance duly and properly adopted by the President and Board of Trustees of the Village, all as provided by law.

[7] Bonds of the issue of which this Bond is one maturing on and after December 1, 2021, are subject to redemption prior to maturity at the option of the Village as a whole, or in part in integral multiples of $5,000 in any order of their maturity as determined by the Village (less than all the Bonds of a single maturity to be selected by lot by the Bond Registrar), on December 1, 2020, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

[8] Notice of any such redemption shall be sent by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books of the Village maintained by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar. When so called for redemption, this Bond will cease to bear interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

[9] This Bond is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in

Chicago, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the authorizing ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[10] The Bonds are issued in fully registered form in the denomination of $5,000 each or authorized integral multiples thereof. This Bond may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations upon the terms set forth in the authorizing ordinance. The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month next preceding the interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

[11] The Village and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the Village nor the Bond Registrar shall be affected by any notice to the contrary.

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto ____________________

____
(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint ______________________

____

attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: ______________________________   ______________________________

Signature guaranteed: ______________________________

NOTICE: The signature on this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Section 8. Sale of Bonds. The Bonds hereby authorized shall be executed as in this Ordinance provided as soon after the passage hereof as may be, and thereupon be deposited with the Treasurer of the Village, and be by said Treasurer delivered to ____________________, the purchaser thereof (the *"Purchaser"*), upon receipt of the purchase price therefor, the same being $______________________, plus accrued interest to date of delivery; the contract for the sale of the Bonds heretofore entered into (the *"Purchase Contract"*) is in all respects ratified, approved and confirmed, it being hereby found and determined that the Bonds have been sold at such price and bear interest at such rates that neither the true interest cost (yield) nor the net interest rate received upon such sale exceed the maximum rate otherwise authorized by Illinois law and that the Purchase Contract is in the best interests of the Village and that no person holding any office of the Village, either by election or appointment, is in any manner financially interested directly in his or her own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract.

The use by the Purchaser of any Preliminary Official Statement and any final Official Statement relating to the Bonds (the *"Official Statement"*) is hereby ratified, approved and authorized; the execution and delivery of the Official Statement is hereby authorized; and the officers of the Board are hereby authorized to take any action as may be required on the part of the Village to consummate the transactions contemplated by the Purchase Contract, this Ordinance, said Preliminary Official Statement, the Official Statement and the Bonds.

Section 9. Tax Levy. In order to provide for the collection of a direct annual tax sufficient to pay the interest on the Bonds as it falls due, and also to pay and discharge the principal thereof at maturity, there be and there is hereby levied upon all the taxable property within the Village a direct annual tax for each of the years while the Bonds or any of them are outstanding, in amounts sufficient for that purpose, and that there be and there is hereby levied upon all of the taxable property in the Village, the following direct annual tax, to-wit:

FOR THE YEAR	A TAX SUFFICIENT TO PRODUCE THE SUM OF:	
2012	$	for principal and interest up to and including December 1, 2013
2013	$	for principal and interest
2014	$	for principal and interest
2015	$	for principal and interest
2016	$	for principal and interest
2017	$	for principal and interest
2018	$	for principal and interest
2019	$	for principal and interest
2020	$	for principal and interest
2021	$	for principal and interest
2022	$	for principal and interest
2023	$	for principal and interest

Principal or interest maturing at any time when there are not sufficient funds on hand from the foregoing tax levy to pay the same shall be paid from the general funds of the Village, and the fund from which such payment was made shall be reimbursed out of the taxes hereby levied when the same shall have been collected.

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The Village covenants and agrees with the purchasers and the holders of the Bonds that so long as any of the Bonds remain outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to levy and collect the foregoing tax levy and the Village and its officers will comply with all present and future applicable laws in order to assure that the foregoing taxes will be levied, extended and collected as provided herein and deposited in the fund established to pay the principal of and interest on the Bonds.

Section 10. Filing of Ordinance and Certificate of Reduction of Taxes. Forthwith upon the passage of this Ordinance, the Village Clerk is hereby directed to file a certified copy of this Ordinance with the County Clerk, and it shall be the duty of the County Clerk to annually in and for each of the years 2012 to 2023, inclusive, ascertain the rate necessary to produce the tax herein levied, and extend the same for collection on the tax books against all of the taxable property within the Village in connection with other taxes levied in each of said years such annual tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general corporate purposes of the Village, and when collected, the taxes hereby levied shall be placed to the credit of a special fund to be designated "General Obligation Bond and Interest Fund of 2012" (the *"Bond Fund"*), which taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying the principal of and interest on the Bonds.

The President, Village Clerk and Village Treasurer be and the same are hereby directed to prepare and file with the County Clerk a Certificate of Reduction of Taxes Heretofore Levied for the Payment of Bonds showing the Refunded Bonds and directing the abatement of the taxes heretofore levied for the years 2012 to 2023, inclusive, to pay the Refunded Bonds.

Section 11. Use of Taxes Heretofore Levied. All proceeds received or to be received from any taxes heretofore levied to pay principal and interest on the Refunded Bonds, including the proceeds received or to be received from the taxes levied for the year 2011 for such purpose, shall be used to pay the principal of and interest on the Refunded Bonds and to the extent that such proceeds are not needed for such purpose because of the establishment of the escrow referred to in Section 12 hereof, the same shall be deposited into the Bond Fund and used to pay principal and interest on the Bonds in accordance with all of the provisions of this Ordinance.

Section 12. Use of Bond Proceeds. Accrued interest received on the delivery of the Bonds is hereby appropriated for the purpose of paying first interest due on the Bonds and is hereby ordered deposited into the Bond Fund. Simultaneously with the delivery of the Bonds, the principal proceeds of the Bonds, together with any premium received from the sale of the Bonds and such additional amounts as may be necessary from the general funds of the Village, are hereby appropriated to pay the costs of issuance of the Bonds and for the purpose of refunding the Refunded Bonds.

That portion thereof not needed to pay such costs of issuance is hereby ordered deposited in escrow pursuant to an escrow agreement, in the form now before the Board (the *"Escrow Agreement"*) and attached hereto as *Exhibit A*, to be entered into between the Village and U.S. Bank National Association, Chicago, Illinois, as escrow agent (the *"Escrow Agent"*), and made a part hereof by this reference, or with such changes therein as shall be approved by the officers of the Village executing the Escrow Agreement, such execution to constitute evidence of the approval of such changes, for the purpose of refunding the Refunded Bonds. The Board approves the form, terms and provisions of the Escrow Agreement and directs the President and Village Clerk of the Village to execute, attest and deliver the Escrow Agreement in the name and on behalf of the Village. Amounts in the escrow may be used to purchase U.S. Treasury

Securities—State and Local Government Series (the *"Government Securities"*), in each case sufficient to provide for the refunding of the Refunded Bonds. The Escrow Agent and the Village's financial advisor, Speer Financial, Inc., Chicago, Illinois, are each hereby authorized to act as agent for the Village in the purchase of the Government Securities.

At the time of issuance of the Bonds, the costs of issuance of the Bonds may be paid by the Purchaser on behalf of the Village from the proceeds of the Bonds.

Section 13. Call of the Refunded Bonds. In accordance with the redemption provisions of the ordinance authorizing the issuance of the Refunded Bonds, the Village does hereby make provision for the payment of and does hereby call (subject only to the delivery of the Bonds) the Refunded Bonds for redemption on December 1, 2013.

Section 14. Non-Arbitrage and Tax-Exemption. The Village hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Internal Revenue Code of 1986, as amended, or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The Village acknowledges that, in the event of an examination by the Internal Revenue Service (the *"IRS"*) of the exemption from federal income taxation for interest paid on the Bonds, under present rules, the Village is treated as the "taxpayer" in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the IRS in connection with such an examination.

The Village also agrees and covenants with the purchasers and holders of the Bonds from time to time outstanding that, to the extent possible under Illinois law, it will comply with whatever federal tax law is adopted in the future which applies to the Bonds and affects the tax-exempt status of the Bonds.

The Board hereby authorizes the officials of the Village responsible for issuing the Bonds, the same being the President, Village Clerk and Village Treasurer, to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest in the Bonds will be exempt from federal income taxation. In connection therewith, the Village and the Board further agree: (a) through their officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Bonds and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the Village in such compliance.

Section 15. Designation of Issue. The Village hereby designates each of the Bonds as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Code.

Section 16. Registered Form. The Village agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

Section 17. List of Bondholders. The Bond Registrar shall maintain a list of the names and addresses of the holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

Section 18. Duties of Bond Registrar. If requested by the Bond Registrar, the President and Village Clerk are authorized to execute the Bond Registrar's standard form of agreement between the Village and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which may include the following:

(a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;

(b) to maintain a list of Bondholders as set forth herein and to furnish such list to the Village upon request, but otherwise to keep such list confidential;

(c) to give notice of redemption of Bonds as provided herein;

(d) to cancel and/or destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;

(e) to furnish the Village at least annually a certificate with respect to Bonds cancelled and/or destroyed; and

(f) to furnish the Village at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

Section 19. Continuing Disclosure Undertaking. The President is hereby authorized, empowered and directed to execute and deliver a Continuing Disclosure Undertaking under Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the *"Continuing Disclosure Undertaking"*). When the Continuing Disclosure Undertaking is executed and delivered on behalf of the Village as herein provided, the Continuing Disclosure Undertaking will be binding on the Village and the officers, employees and agents of the Village, and the officers, employees and agents of the Village are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedy for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order to cause the Village to comply with its obligations under the Continuing Disclosure Undertaking.

Section 20. Municipal Bond Insurance. In the event the payment of principal and interest on the Bonds is insured pursuant to a municipal bond insurance policy (the *"Municipal Bond Insurance Policy"*) issued by a bond insurer (the *"Bond Insurer"*), and as long as such Municipal Bond Insurance Policy shall be in full force and effect, the Village and the Bond Registrar agree to comply with such usual and reasonable provisions regarding presentment and payment of the Bonds, subrogation of the rights of the Bondholders to the Bond Insurer when holding Bonds, amendment hereof, or other terms, as approved by the President on advice of counsel, his approval to constitute full and complete acceptance by the Village of such terms and provisions under authority of this section.

Section 21. Record-Keeping Policy and Post-Issuance Compliance Matters. It is necessary and in the best interest of the Village to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the Bonds and other debt obligations of the Village, the interest on which is excludable from "gross income" for federal income tax purposes (including the Bonds, the *"Tax-Exempt Obligations"*). Further, it is necessary and in the best interest of the Village that (i) the Board adopt policies with respect to record-keeping and (ii) the Compliance Officer (as hereinafter defined) shall at least annually review the Village's Contracts (as hereinafter defined) to determine whether the Tax-Exempt Obligations comply with the federal tax requirements applicable to each issue of the Tax-Exempt Obligations.

(a) *Compliance Officer Is Responsible for Records.* The Treasurer of the Village (the *"Compliance Officer"*) is hereby designated as the keeper of all records of the Village with respect to each issue of the Tax-Exempt Obligations, and such officer shall report to the Board at least annually that he/she has all of the required records in his/her possession, or is taking appropriate action to obtain or recover such records.

(b) *Closing Transcripts.* For each issue of Tax-Exempt Obligations, the Compliance Officer shall receive, and shall keep and maintain, a true, correct and complete counterpart of each and every document and agreement delivered in connection with the issuance of the Tax-Exempt Obligations, including without limitation (i) the proceedings of the Village authorizing the Tax-Exempt Obligations, (ii) any offering document with respect to the offer and sale of the Tax-Exempt Obligations, (iii) any legal opinions with respect to the Tax-Exempt Obligations delivered by any lawyers, and (iv) all written representations of any person delivered in connection with the issuance and initial sale of the Tax-Exempt Obligations.

(c) *Arbitrage Rebate Liability.* The Compliance Officer shall review the agreements of the Village with respect to each issue of Tax-Exempt Obligations and shall prepare a report for the Board stating whether or not the Village has any rebate liability to the U.S. Treasury, and setting forth any applicable exemptions that each issue of Tax-Exempt Obligations may have from rebate liability. Such report shall be updated annually and delivered to the Board.

(d) *Recommended Records.* The Compliance Officer shall review the records related to each issue of Tax-Exempt Obligations and shall determine what requirements the Village must meet in order to maintain the tax-exemption of interest paid on the Tax-Exempt Obligations. The Compliance Officer shall then prepare a list of the contracts, requisitions, invoices, receipts and other information that may be needed in order to establish that the interest paid on the Tax-Exempt Obligations is entitled to be excluded from "gross income" for federal income tax purposes. Notwithstanding any other policy of the Village, such retained records shall be kept for as long as the Tax-Exempt Obligations relating to such records (and any obligations issued to refund the Tax-Exempt Obligations) are outstanding, plus three years, and shall at least include:

(i) complete copies of the bond transcripts delivered when any issue of Tax-Exempt Obligations is initially issued and sold;

(ii) copies of account statements showing the disbursements of all bond proceeds for their intended purposes;

(iii) copies of account statements showing all investment activity of any and all accounts in which the proceeds of any issue of Tax-Exempt Obligations has been held;

(iv) copies of all bid requests and bid responses used in the acquisition of any special investments used for the proceeds of any issue of Tax-Exempt Obligations, including any swaps, swaptions, or other financial derivatives entered into in order to establish that such instruments were purchased at *fair market value*;

(v) copies of any subscriptions to the U.S. Treasury for the purchase of State and Local Government Series (SLGS) obligations;

(vi) any calculations of liability for *arbitrage rebate* that is or may become due with respect to any issue of Tax-Exempt Obligations, and any calculations prepared to show that no arbitrage rebate is due, together, if applicable, with account statements or cancelled checks showing the payment of any rebate amounts to the U.S. Treasury together with any applicable IRS Form 8038-T; and

(vii) copies of all contracts and agreements of the Village, including any leases (the *"Contracts"*), with respect to the use of any property owned by the Village and acquired or financed with the proceeds of the Tax-Exempt Obligations, any part of which property is used by a private person at any time when such Tax-Exempt Obligations are or have been outstanding.

(e) *IRS Examination.* In the event the IRS commences an examination of any issue of Tax-Exempt Obligations, the Compliance Officer shall inform the Board of such event, and is authorized to respond to inquiries of the IRS, and to hire outside, independent professional counsel to assist in the response to the examination.

(f) *Annual Review.* The Compliance Officer shall conduct an annual review of the Contracts and other records to determine for each issue of Tax-Exempt Obligations then outstanding whether each such issue complies with the federal tax requirements applicable to such issue, including restrictions on private business use, private payments and private loans. The Compliance Officer is expressly authorized, without further official action of the Board, to hire outside, independent professional counsel to assist in such review. To the extent that any violations or potential violations of federal tax requirements are discovered incidental to such review, the Compliance Officer may make recommendations or take such actions as the Compliance Officer shall reasonably deem necessary to assure the timely correction of such violations or potential violations through remedial actions described in the United States Treasury Regulations, or the Tax Exempt Bonds Voluntary Closing Agreement Program described in Treasury Notice 2009-31 or similar program instituted by the IRS.

(g) *Training.* The Compliance Officer shall undertake to maintain reasonable levels of knowledge concerning the rules related to tax-exempt bonds (and build America bonds and tax credit bonds to the extent the Village has outstanding build America bonds or tax-credit bonds) so that such officer may fulfill the duties described in this Section. The Compliance Officer may consult with counsel, attend conferences and presentations of trade groups, read materials posted on various web sites, including the web site of the Tax-Exempt Bond function of the IRS, and use other means to maintain such knowledge. Recognizing that the Compliance Officer may not be fully knowledgeable in this area, the Compliance Officer may consult with outside counsel, consultants and experts to assist him or her in exercising his or her duties hereunder. The Compliance Officer will endeavor to make sure that the Village's staff is aware of the need for continuing compliance. The Compliance Officer will provide copies of this Resolution and the Tax Exemption Certificate and Agreement or other applicable tax documents for each series of Tax-Exempt Obligations then currently outstanding (the *"Tax Agreements"*) to staff members who may be responsible for taking actions described in such documents. The Compliance Officer will review this Resolution and each of the Tax Agreements periodically to determine if there are portions that need further explanation and, if so, will attempt to obtain such explanation from counsel or from other experts, consultants or staff.

(h) *Amendment and Waiver*. The Village may amend this Section and any provision of this Section may be waived, without the consent of the holders of any Tax-Exempt Obligations and as authorized by passage of a resolution by the Board.

Section 22. *Severability*. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

Section 23. Repeal. All ordinances, resolutions or parts thereof in conflict herewith be and the same are hereby repealed, and this Ordinance shall be in full force and effect forthwith upon its adoption.

ADOPTED: August 27, 2012

AYES: ____________________

____

NAYS: ____________________

ABSENT: ____________________

____

President, Village of La Grange,
Cook County, Illinois

Attest:

____

Village Clerk, Village of La Grange,
Cook County, Illinois

Recorded in the Village records on August 27, 2012.

EXHIBIT A

FORM OF ESCROW AGREEMENT

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Escrow Agreement

This Escrow Agreement, dated as of September 25, 2012, but actually executed on the date witnessed hereinbelow, by and between the Village of La Grange, Cook County, Illinois (the *"Village"*), and U.S. Bank National Association, a national banking association having trust powers, organized and operating under the laws of the State of Illinois, located in Chicago, Illinois (the *"Escrow Trustee"*), in consideration of the mutual promises and agreements herein set forth:

Witnesseth:

Article I

Definitions

The following words and terms used in this Agreement shall have the following meanings unless the context or use clearly indicates another or different meaning:

Section 1.01. *"Agreement"* means this Agreement between the Village and the Escrow Trustee.

Section 1.02. *"Board"* means the President and Board of Trustees of the Village.

Section 1.03. *"Bonds"* means the $6,365,000 General Obligation Refunding Bonds, Series 2012B, authorized to be issued by the Bond Ordinance.

Section 1.04. *"Bond Ordinance"* means Ordinance Number ___________ passed by the Board on the 27th day of August, 2012, authorizing the issue of the Bonds.

Section 1.05. *"Code"* means Section 148 of the Internal Revenue Code of 1986, and all lawful regulations promulgated thereunder.

Section 1.06. *"Escrow Account"* means the trust account established under this Agreement by the deposit of the Government Securities and the beginning cash.

Section 1.07. *"Escrow Trustee"* means U.S. Bank National Association, a national banking association having trust powers, organized and operating under the laws of the State of Illinois, located in Chicago, Illinois, not individually but in the capacity for the uses and purposes hereinafter mentioned, or any successor thereto.

Section 1.08. *"Government Securities"* means the non-callable direct obligations of or non-callable obligations guaranteed by the full faith and credit of the United States of America as to principal and interest deposited hereunder as more particularly described in *Exhibit A* to this Agreement.

Section 1.09. *"Paying Agent"* means U.S. Bank National Association, Chicago, Illinois, as successor to LaSalle Bank National Association, Chicago, Illinois, as bond registrar and paying agent for the Refunded Bonds, and any successor thereto.

Section 1.10. *"Refunded Bonds"* means the outstanding bonds of the Village as follows:

(a) $5,965,000 General Obligation Library Bonds, Series 2004, dated December 15, 2004, being a portion of the bonds outstanding from an issue in the original principal amount of $9,320,000, fully registered and without coupons, due serially on December 1 of the years, in the amounts and bearing interest at the rates per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2014	$445,000	3.50%
2015	465,000	3.60%
2016	480,000	3.70%
2017	495,000	3.80%
2018	515,000	3.90%
2019	535,000	4.00%
2020	560,000	4.10%
2021	580,000	4.20%
2022	605,000	4.20%
2023	630,000	4.30%
2024	655,000	4.30%

Section 1.11. *"Treasurer"* means the Treasurer of the Village.

Section 1.12. *"Village"* means the Village of La Grange, Cook County, Illinois.

ARTICLE II

CREATION OF ESCROW

Section 2.01. The Village by the Bond Ordinances has authorized the issue and delivery of the Bonds, proceeds of which, together with certain funds of the Village on hand and legally available for such purpose, are to be used to refund the Refunded Bonds by the deposit on demand and to purchase on behalf of the Village the Government Securities. Such deposit and securities will provide all moneys necessary to pay the principal of and interest on the Refunded Bonds when due and upon redemption prior to maturity.

Section 2.02. The Village deposits $____________ from the proceeds of the Bonds for the purchase of the Government Securities and the funding of a beginning cash escrow deposit on demand in the amount of $_____. The beginning deposit and the Government Securities are held in an irrevocable trust fund account for the Village to the benefit of the holders of the Refunded Bonds to pay the principal of and interest on the Refunded Bonds when due and upon redemption prior to maturity.

Section 2.03. The Escrow Trustee and the Village have each received the report of Sikich LLP, Certified Public Accountants, Naperville, Illinois, attached hereto as *Exhibit B* (the *"Verification Report"*), that the principal of and income and profit to be received from the Government Securities, when paid at maturity, and the cash held in accordance with Section 2.02 hereof, will be sufficient, at all times pending the final payment of the Refunded Bonds, to pay all interest on and all principal of the Refunded Bonds when due and upon redemption prior to maturity, as evidenced by said Report.

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ARTICLE III

COVENANTS OF ESCROW TRUSTEE

The Escrow Trustee covenants and agrees with the Village as follows:

Section 3.01. The Escrow Trustee will hold the Government Securities and all interest income or profit derived therefrom and all uninvested cash in an irrevocable segregated and separate trust fund account for the sole and exclusive benefit of the holders of the Refunded Bonds until final payment thereof.

Section 3.02. The beginning cash escrow deposit shall not be invested by the Escrow Trustee. Otherwise, the Escrow Trustee will reinvest all available uninvested balances (rounded to an even $100) in the Escrow Account on deposit from time to time, whenever said balances exceed $1,000, and acknowledges that the schedule of amounts available for reinvestment appears in the cash flow tables in the Verification Report. Investments so made shall be in direct obligations of or obligations guaranteed by the full faith and credit of the United States of America and shall be scheduled to mature on or prior to the next succeeding interest payment date on the Refunded Bonds on which such proceeds will be needed to pay the principal of or interest on the Refunded Bonds. Such investments shall, to the extent possible, be in zero-yield obligations issued directly by the Bureau of Public Debt of the United States Treasury (currently designated *"U. S. Treasury Securities—State and Local Government Series Certificates of Indebtedness, Notes or Bonds"*) (*"SLGS"*). Such investments shall be made only to the extent permitted by, and shall be made in accordance with, the applicable statutes, rules and regulations governing such investments issued by the Bureau of Public Debt. The Escrow Trustee expressly recognizes that under current regulations all SLGS must be subscribed for not less than 5 days nor more than 60 days prior to date of issuance.

If the Department of the Treasury (or the Bureau of Public Debt) of the United States suspends the sale of SLGS causing the Escrow Trustee to be unable to purchase SLGS, then the

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Escrow Trustee will take the following actions. On the date it would have purchased SLGS had it been able to do so, the Escrow Trustee will purchase direct obligations of or obligations guaranteed by the full faith and credit of the United States maturing no more than 90 days after the date of purchase (the *"Alternate Investment"*). The purchase price of the Alternate Investment shall be as close as possible to the principal amount of the SLGS that would have been purchased on such date if they had been available for purchase. The Escrow Trustee will purchase each Alternate Investment at a price no higher than the fair market value of the Alternate Investment and will maintain records demonstrating compliance with this requirement. On the maturity of each Alternate Investment, the Escrow Trustee shall pay the difference between the total of the receipts on the Alternate Investment and the purchase price of the Alternate Investment to the Village with a notice to the Village that such amount must be paid to the Internal Revenue Service pursuant to Rev. Proc. 95-47 or successor provisions including any finalized version of Prop. Treas. Reg. Section 1.148-5(c). If the Alternate Investment matures more than 14 days prior to the next succeeding interest payment date on the Refunded Bonds on which such proceeds will be needed to pay principal of or interest on the Refunded Bonds, the Escrow Trustee shall treat such amounts as an uninvested balance available for reinvestment and shall take all reasonable steps to invest such amounts in SLGS (or additional Alternate Investments as provided in this Section).

The Escrow Trustee shall hold balances not so invested in the Escrow Account on demand and in trust for the purposes hereof and shall secure same in accordance with applicable Illinois law for the securing of public funds.

Section 3.03. The Escrow Trustee will take no action in the investment or securing of the proceeds of the Government Securities which would cause the Bonds to be classified as "arbitrage bonds" under the Code, *provided,* it shall be under no duty to affirmatively inquire whether the Government Securities as deposited are properly invested under the Code; and, *provided, further,* it may rely on all specific directions in this Agreement in the investment or reinvestment of balances held hereunder.

Section 3.04. The Escrow Trustee will promptly collect the principal, interest or profit from the Government Securities and promptly apply the same as necessary to the payment of principal and interest on the Refunded Bonds when due upon redemption prior to maturity, as herein provided.

Section 3.05. The Escrow Trustee will remit to the Paying Agent, in good funds on or before each interest payment or redemption date on the Refunded Bonds, moneys sufficient to pay such principal, interest and redemption price as will meet the requirements for the retirement of the Refunded Bonds, and such remittances shall fully release and discharge the Escrow Trustee from any further duty or obligation thereto under this Agreement.

Section 3.06. The Escrow Trustee will make no payment of fees, charges or expenses due or to become due, of the Paying Agent or the bond registrar and paying agent on the Bonds, and the Village either paid such fees, charges and expenses in advance as set forth in Section 3.07 hereof or covenants to pay the same as they become due.

Section 3.07. The charges, fees and expenses of the Escrow Trustee (other than any charges, fees and expenses incurred pursuant to Section 3.08 hereof) have been paid in advance, and all charges, fees or expenses of the Escrow Trustee in carrying out any of the duties, terms or provisions of this Agreement shall be paid solely therefrom. The Escrow Trustee is also providing bond registrar and paying agent services for the Bonds, and the acceptance fee and first annual fee of the Escrow Trustee for such bond registrar and paying agent services have been paid in advance, and all remaining charges, fees or expenses of the Escrow Trustee for such services shall be paid by the Village upon receipt of invoices therefor.

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Section 3.08. The Village has called the Refunded Bonds for redemption and payment prior to maturity on December 1, 2013. The Escrow Trustee will cause the Paying Agent to provide for and give timely notice of the call for redemption of such Refunded Bonds. In the event the Escrow Trustee determines that the Paying Agent will not give such timely notice, the Escrow Trustee will give such notice. The form and time of the giving of such notice regarding such Refunded Bonds shall be as specified in the resolution authorizing the issuance of the Refunded Bonds. The Village shall reimburse the Escrow Trustee for any actual out of pocket expenses incurred in the giving of such notice, but the failure of the Village to make such payment shall not in any respect whatsoever relieve the Escrow Trustee from carrying out any of the duties, terms or provisions of this Agreement.

The Escrow Trustee shall also give notice of the call of the Refunded Bonds, on or before the date the notice of such redemption is given to the holders of the Refunded Bonds, to the Municipal Securities Rulemaking Board (the *"MSRB"*) through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. Information with respect to procedures for submitting notice can be found at https://msrb.org.

Section 3.09. The Escrow Trustee has all the powers and duties herein set forth with no liability in connection with any act or omission to act hereunder, except for its own negligence or willful breach of trust, and shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to enter any appearance in any suit, action or proceeding in which it may be defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall be deemed to have failed to take any such action, unless and until it shall have been indemnified by the Village to its satisfaction against any and all costs and expenses, outlays, counsel fees and other disbursements, including its own reasonable fees, and if any judgment, decree or recovery be obtained by the Escrow Trustee, payment of all sums due it, as aforesaid, shall be a first charge against the amount of any such judgment, decree or recovery.

Section 3.10. The Escrow Trustee may in good faith buy, sell or hold and deal in any of the Bonds or the Refunded Bonds.

Section 3.11. The Escrow Trustee will submit to the Treasurer a statement within forty-five (45) days after June 2 and December 2 of each calendar year, commencing December 2, 2012, itemizing all moneys received by it and all payments made by it under the provisions of this Agreement during the preceding six (6) month period (or, for the first period, from the date of delivery of the Bonds to December 2, 2012), and also listing the Government Securities on deposit therewith on the date of said report, including all moneys held by it received as interest on or profit from the collection of the Government Securities.

Section 3.12. If at any time it shall appear to the Escrow Trustee that the available proceeds of the Government Securities and deposits on demand in the Escrow Account will not be sufficient to make any payment due to the holders of any of the Refunded Bonds, the Escrow Trustee shall notify the Treasurer and the Board, not less than five (5) days prior to such date, and the Village agrees that it will from any funds legally available for such purpose make up the anticipated deficit so that no default in the making of any such payment will occur.

ARTICLE IV

COVENANTS OF VILLAGE

The Village covenants and agrees with the Escrow Trustee as follows:

Section 4.01. The Escrow Trustee shall have no responsibility or liability whatsoever for (a) any of the recitals of the Village herein, (b) the performance of or compliance with any

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covenant, condition, term or provision of the Bond Ordinances, and (c) any undertaking or statement of the Village hereunder or under the Bond Ordinances.

Section 4.02. All payments to be made by, and all acts and duties required to be done by, the Escrow Trustee under the terms and provisions of this Agreement, shall be made and done by the Escrow Trustee without any further direction or authority of the Village or the Treasurer.

Section 4.03. The Village will take no action regarding the proceeds of the Bonds which would cause the Bonds to be classified as "arbitrage bonds" under the Code, and the Village will take any and all further action necessary to ensure that adequate provision is made for the payment of the Refunded Bonds and that neither the Refunded Bonds nor the Bonds are classified as "arbitrage bonds" under the Code.

ARTICLE V

AMENDMENTS, REINVESTMENT OF FUNDS, IRREVOCABILITY OF AGREEMENT

Section 5.01. Except as provided in Section 5.04 hereof, all of the rights, powers, duties and obligations of the Escrow Trustee hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Trustee and shall be binding on any successor to the Escrow Trustee during the term of this Agreement.

Section 5.02. Except as provided in Section 5.04 hereof, all of the rights, powers, duties and obligations of the Village hereunder shall be irrevocable and shall not be subject to amendment by the Village and shall be binding on any successor to the officials now comprising the Board during the term of this Agreement.

Section 5.03. Except as provided in Section 5.04 hereof, all of the rights, powers, duties and obligations of the Treasurer hereunder shall be irrevocable and shall not be subject to amendment by the Treasurer and shall be binding on any successor to said official now in office during the term of this Agreement.

Section 5.04. This Agreement may be amended or supplemented, and the Government Securities or any portion thereof may be sold, redeemed, invested or reinvested, in any manner provided (any such amendment, supplement, or direction to sell, redeem, invest or reinvest to be referred to as a *"Subsequent Action"*), upon submission to the Escrow Trustee of each of the following:

(1) Certified copy of proceedings of the Board authorizing the Subsequent Action and copy of the document effecting the Subsequent Action signed by duly designated officers of the Village.

(2) An opinion of nationally recognized bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds that the Subsequent Action has been duly authorized by the Board and will not adversely affect the tax-exempt status of the interest on the Bonds or the Refunded Bonds nor violate the covenants of the Village not to cause the Bonds or the Refunded Bonds to become "arbitrage bonds" under the Code, and that the Subsequent Action does not materially adversely affect the legal rights of the holders of the Bonds and the Refunded Bonds.

(3) An opinion of a firm of nationally recognized independent certified public accountants or consultants nationally recognized as having an expertise in the area of refunding escrows that the amounts (which will consist of cash or deposits on demand held in trust or receipts from non-callable direct obligations of or non-callable obligations guaranteed by the full faith and credit of the United States of America, all of which shall be held hereunder) available or to be available for payment of the Refunded Bonds will remain sufficient to pay when due all principal and interest on the Refunded Bonds after the taking of the Subsequent Action.

ARTICLE VI

MERGER, CONSOLIDATION OR RESIGNATION OF ESCROW TRUSTEE

Any banking association or corporation into which the Escrow Trustee may be merged, converted or with which the Escrow Trustee may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Escrow Trustee shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Escrow Trustee shall be transferred, shall succeed to all the Escrow Trustee's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. The Escrow Trustee may at any time resign as Escrow Trustee under this Agreement by giving 30 days' written notice to the Village, and such resignation shall take effect upon the appointment of a successor Escrow Trustee by the Village. The Village may select as successor Escrow Trustee any financial institution with capital, surplus and undivided profits of at least $75,000,000 and having a corporate trust office within the State of Illinois, and which is authorized to maintain trust accounts for municipal corporations in Illinois under applicable law.

ARTICLE VII

NOTICES TO THE VILLAGE, THE TREASURER AND THE ESCROW TRUSTEE

Section 7.01. All notices and communications to the Village and the Board shall be addressed in writing to: Village of La Grange, 53 South La Grange Road, La Grange, Illinois 60525.

Section 7.02. All notices and communications to the Treasurer shall be addressed in writing to: Village Treasurer, Village of La Grange, 53 South La Grange Road, La Grange, Illinois 60525.

Section 7.03. All notices and communications to the Escrow Trustee shall be addressed in writing to: Corporate Trust Department, U.S. Bank National Association, 209 South LaSalle Street – Suite 300, Chicago, Illinois 60604.

ARTICLE VIII

TERMINATION OF AGREEMENT

Section 8.01. That, upon final disbursement of funds sufficient to pay the principal and interest of the Refunded Bonds as hereinabove provided for, the Escrow Trustee will transfer any balance remaining in the Escrow Account to the Treasurer with due notice thereof mailed to the Board, and thereupon this Agreement shall terminate.

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IN WITNESS WHEREOF, the Village of La Grange, Cook County, Illinois, has caused this Agreement to be signed in its name by the President and to be attested by the Village Clerk; and U.S. Bank National Association, Chicago, Illinois, not individually, but in the capacity as hereinabove described, has caused this Agreement to be signed in its corporate name by one of its officers and attested by one of its officers under its corporate seal hereunto affixed, all as of the 25th day of September, 2012.

VILLAGE OF LA GRANGE, COOK COUNTY, ILLINOIS

By ______________________________
President

Attest:

____
Village Clerk

U.S. BANK NATIONAL ASSOCIATION
Chicago, Illinois

By ______________________________
Its ______________________________

Attest:

____
Its ______________________________

[BANK SEAL]

This Escrow Agreement received and acknowledged by me this 25th day of September, 2012.

____
Village Treasurer

EXHIBIT A

GOVERNMENT SECURITIES

EXHIBIT B

VERIFICATION REPORT

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New Issue
Date of Sale: Monday, August 27, 2012
10:00 - 10:15 A.M., C.D.T.
(Open Speer Auction)

Investment Rating:
Moody's Investors Service ... Aa2
(Affirmed)

Official Statement

*Subject to compliance by the Village with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel ("Bond Counsel"), under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "**TAX EXEMPTION**" herein for a more complete discussion. The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "**QUALIFIED TAX-EXEMPT OBLIGATIONS**" herein.*

$6,365,000*

VILLAGE OF LA GRANGE

Cook County, Illinois

General Obligation Refunding Bonds, Series 2012B

Dated Date of Delivery | **Book-Entry** | **Bank Qualified** | **Due Serially December 1, 2012-2024**

The $6,365,000* General Obligation Refunding Bonds, Series 2012B (the "Bonds"), are being issued by the Village of La Grange, Cook County, Illinois (the "Village"). Interest is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2012. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on December 1, in the years and amounts as detailed herein.

AMOUNTS*, MATURITIES, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS

Principal Amount*	Due Dec. 1	Interest Rate	Yield or Price	CUSIP Number	Principal Amount*	Due Dec. 1	Interest Rate	Yield or Price	CUSIP Number
$ 45,000	2012	%	%		$560,000	2019	%	%	
75,000	2013	%	%		575,000	2020	%	%	
520,000	2014	%	%		585,000	2021	%	%	
530,000	2015	%	%		600,000	2022	%	%	
535,000	2016	%	%		615,000	2023	%	%	
540,000	2017	%	%		635,000	2024	%	%	
550,000	2018	%	%						

Any consecutive maturities may be aggregated into no more than five term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

OPTIONAL REDEMPTION

Bonds due December 1, 2012-2020, inclusive, are non-callable. Bonds due December 1, 2021-2024, inclusive, are callable in whole or in part on any date on or after December 1, 2020, at a price of par plus accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the Village and within any maturity by lot. See "**OPTIONAL REDEMPTION**" herein.

PURPOSE, LEGALITY AND SECURITY

Bond proceeds will be used to advance refund the Village's outstanding General Obligation Library Bonds, Series 2004 and to pay the costs of issuance of the Bonds. See "**PLAN OF FINANCING**" herein.

In the opinion of Bond Counsel, the Bonds are valid and legally binding upon the Village and are payable from any funds of the Village legally available for such purpose, and all taxable property in the Village is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

This Official Statement is dated August 15, 2012, and has been prepared under the authority of the Village. An electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Official Statement Sales Calendar". Additional copies may be obtained from Mr. Lou Cipparrone, Finance Director, Village of La Grange, 53 S. La Grange Rd., La Grange, Illinois 60525, or from the Independent Public Finance Consultants to the Village:

Established 1954

Speer Financial, Inc.

INDEPENDENT PUBLIC FINANCE CONSULTANTS

ONE NORTH LASALLE STREET, SUITE 4100 • CHICAGO, ILLINOIS 60602
Telephone: (312) 346-3700; Facsimile: (312) 346-8833
www.speerfinancial.com

Subject to change.

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For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the Village from time to time (collectively, the "Official Statement"), may be treated as an Official Statement with respect to the Bonds described herein that is deemed near final as of the date hereof (or the date of any such supplement or correction) by the Village.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the Village, shall constitute a "Final Official Statement" of the Village with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference.

No dealer, broker, salesman or other person has been authorized by the Village to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Village. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the Village and, while believed to be reliable, is not guaranteed as to completeness. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE VILLAGE SINCE THE RESPECTIVE DATES THEREOF.

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

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BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, including the Official Notice of Sale and the Official Bid Form, which are provided for the convenience of potential investors and which should be reviewed in their entirety by potential investors.

Issuer:	Village of La Grange, Cook County, Illinois.
Issue:	$6,365,000* General Obligation Refunding Bonds, Series 2012B.
Dated Date:	Date of delivery (expected to be on or about September 25, 2012).
Interest Due:	Each June 1 and December 1, commencing December 1, 2012.
Principal Due:	Serially each December 1, commencing December 1, 2012 through 2024, as detailed on the front page of this Official Statement.
Optional Redemption:	Bonds maturing on or after December 1, 2021, are callable at the option of the Village on any date on or after December 1, 2020, at a price of par plus accrued interest. See **"OPTIONAL REDEMPTION"** herein.
Authorization:	By vote of the President and Board of Trustees of the Village and pursuant to the provisions of the Illinois Municipal Code, as amended, and the Local Government Debt Reform Act of the State of Illinois, as amended.
Security:	The Bonds will constitute valid and legally binding obligations of the Village payable both as to principal and interest from ad valorem taxes levied against all taxable property therein without limitation as to rate or amount.
Credit Rating:	The credit rating for the Bonds is "Aa2" from Moody's Investors Service, New York, New York ("Moody's").
Purpose:	Bonds proceeds will be used to advance refund the Village's outstanding General Obligation Library Bonds, Series 2004 and to pay the costs of issuance of the Bonds. See **"PLAN OF FINANCING"** herein.
Tax Exemption:	Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, will provide an opinion as to the tax exemption of the interest on the Bonds as discussed under **"TAX EXEMPTION"** in this Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes. See also **APPENDIX C** for the proposed form of Bond Counsel opinion.
Bank Qualification:	The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See **"QUALIFIED TAX-EXEMPT OBLIGATIONS"** herein.
Bond Registrar/Paying Agent/ Escrow Agent:	U.S. Bank National Association, Chicago, Illinois.
Verifier Agent:	Sikich LLP, Certified Public Accountants, Naperville, Illinois.
Delivery:	The Bonds are expected to be delivered on or about September 25, 2012.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Bonds. See **APPENDIX B** herein.
Denomination:	$5,000 or integral multiples thereof.
Financial Advisor:	Speer Financial, Inc., Chicago, Illinois.

**Subject to change.*

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VILLAGE OF LA GRANGE
Cook County, Illinois

Board of Trustees

Elizabeth Asperger
President

Bill Holder
Michael Horvath
Mark Kuchler

Mark Langan
Jeff Nowak
Jim Palermo

Officials

Lou Cipparrone
Village Treasurer and Finance Director

Robert Pilipiszyn
Village Manager

Thomas Morsch
Village Clerk

Mark Burkland, Esq.
Village Attorney

AUTHORIZATION AND SECURITY

The General Obligation Refunding Bonds, Series 2012B (the "Bonds"), are being issued pursuant to a bond ordinance adopted by the President and Board of Trustees (the "Village Board") of the Village on the 27th day of August, 2012 (the "Ordinance"). The Bonds constitute valid and legally binding full faith and credit general obligations of the Village, payable from ad valorem taxes levied on all taxable property in the Village, without limitation as to rate or amount. The Bond Ordinance provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the Village in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds. The Bond Ordinance will be filed with the County Clerk of The County of Cook, Illinois (the "County Clerk"), and will serve as authorization to the County Clerk to extend and collect the property taxes as set forth in the Bond Ordinance.

THE VILLAGE

The Village of La Grange, Illinois (the "Village") is located in the west central part of Cook County, approximately 14 miles west of the Chicago "Loop" business district. Adjoining communities include La Grange Park to the north, Western Springs to the west, Brookfield to the east, and Countryside to the south. The Village is predominantly a residential community, with supporting commercial areas along La Grange Road, and on Burlington and Hillgrove Avenues paralleling the Burlington Railroad. There is also some light industry in the east and northeast portions of the Village.

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The Village was incorporated in 1879 and has an area of approximately 2.5 square miles. The 2010 U.S. Census reported a population of 15,550, and the 2000 Census reported 15,608, a decrease of 0.37%. The Village is virtually surrounded by incorporated communities, with little opportunity for future annexation. Village officials estimate that the Village is over 99% developed.

The Village is recognized for its housing stock which is primarily made up of single-family homes ranging in price from $150,000 to over $500,000. The historic district which surrounds the central business area is listed on the National Register of Historic Places, and features many restored Victorian, Queen Anne, Vernacular (farmhouses), Colonial and Prairie School style homes.

Organization and Services

The Village is a non-home rule municipality governed by a Board-Manger form of government. The seven member Village Board is comprised of a President and six trustees elected at large for four-year staggered terms. The Village Clerk is also elected at large for a four-year term. The Village Board appoints a Manager, Treasurer, Attorney, Police Chief, Fire Chief, and Building Commissioner. Appointment of other department heads and administration of the day-to-day operation of the Village is the responsibility of the Village Manager. The Village Board meets on the second and forth Monday of each month at La Grange Village Hall.

The Village has approximately 99 full-time employees and 21 part-time employees, not including employees of the Village Library. Public safety services are provided by 35 police personnel and 27 fire personnel. Four unions represent 19 patrol officers and 15 firefighters and lieutenants. Patrol officers are affiliated with the Fraternal Order of Police, and their contract expired on April 30, 2011 with ongoing negotiations. Telecommunications personnel are also represented by the Fraternal Order of Police with the first contract under negotiation. The firefighters and lieutenants are represented by the International Association of Firefighters with a contract expiring on April 30, 2014. Department of Public Works employees are represented by the International Union of Operating Engineers with a contract expiring on April 30, 2013.

The Village provides a full range of government services. Specially the Village provides police and fire protection, water and sewer utilities, construction and maintenance of roadways and infrastructure, code enforcement, planning, zoning, inspection services, economic development, finance and general administrative services. The Village's water supply is purchased wholesale from the City of Chicago, with the Village responsible for distribution, maintenance of water mains, and billing. Sanitary sewerage treatment service is provided by the Metropolitan Water Reclamation District, with the Village responsible for maintaining local sanitary sewer and storm sewer mains. The Village has a fire insurance rating of 4. Garbage collection is provided by independent contractors.

An extensive municipal parking system is administered by the Village, with over 1,300 on-street and off-street public parking spaces. Most of the spaces are in the Village's central business district area or near the two Metra/Burlington Northern (West Line) commuter stations. The majority of parking spaces are leased monthly.

Transportation

The Village's strategic location has the advantage of being easily accessible from every direction. Four State highways penetrate and cross its boundaries on two major routes: Route 12, 20 and 45 (LA Grange/Mannheim Road) and Route 34 (Ogden Avenue). La Grange Road, the main street through the center of the Village, boasts 26,000 cars traveling on a daily basis. Interstate 290, Interstate 55 and the Tri-State Tollway (294) provide easy vehicular access to La Grange. O'Hare International Airport, Midway Airport and the Chicago Loop are each only 30 minutes away. Public transportation is provided by the Burlington Northern Commuter Rail System, which has approximately 5,000 passengers daily from the La Grange Road Train Station and the Stone Avenue Station. Amtrak and PACE bus service also serve the area. Rail freight service is provided by the Indiana Harbor Belt and the Burlington Northern/Sante Fe Railway.

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Community Life

Area hospitals serving residents include La Grange Memorial Hospital, Loyola University Health System in Maywood, and Adventist Hinsdale Hospital in Hinsdale. La Grange Memorial is a Level II Trauma Center and has approximately 270 beds. Recreational facilities and activities for Village residents are provided by the Park District of La Grange, a separate unit of government. The district operates 10 park sites which cover over 75 acres. Recreation programs include cultural arts, athletics, team sports, special events, and instructional activities.

The Chamber of Commerce and the La Grange Business Association host several annual and weekly events in the Village. The Chamber of Commerce has hosted the La Grange Pet Parade on the first Sunday in June for over 50 years. Over 10,000 people have attended this event in prior years. Other events include a Farmers Market, West End Arts Festival, the Halloween Walk and Christmas Walk.

Education

The Village is served by an educational system anchored by Lyons Township High School District 204, which was accredited in 1905. Located approximately 15 miles west of Chicago's Loop, Lyons Township high school serves the communities of La Grange, Western Springs, Burr Ridge, Countryside, Hodgkins, Indian Head Park, La Grange Highlands, La Grange Park, McCook, and parts of Brookfield, Willow Springs, and Hinsdale. Its staff of approximately 480 teachers serves an enrollment of approximately 3,885 students. The Village also has six elementary schools and two junior high schools with a combined teaching staff of over 2,500 additional students. There are also several private schools in the area. Village residents also have the opportunity to pursue advanced education, including vocational programs, college transfer courses, and continued education programs, at the College of DuPage, Community College District Number 502. The College of DuPage has an enrollment of over 31,000 students and offers a wide variety of technical and professional courses.

The La Grange Public Library

The Village takes pride in its new La Grange Public Library facility, for which the Village issued over $9,300,000 in bonds in 2004. The Bonds will advance refund a portion of the outstanding General Obligation Bonds, Series 2004.

The Library is part of the Village, with the Village Board approving the Library's annual budget and property tax levy, and taking responsibility for payment of the Library employees' pension obligations. The Library is administered by a seven-member board elected at large for staggered four-year terms. There are approximately 11,500 residents and 650 non-residents holding library cards.

SOCIOECONOMIC INFORMATION

Population

Name of Entity	1980	1990	2000	2010	% Change 2000-2010
Village of La Grange	15,445	15,362	15,608	15,550	(0.37%)
Cook County	5,253,655	5,105,067	5,376,741	5,194,675	(3.39%)
State of Illinois	11,462,518	11,430,602	12,419,293	12,830,632	3.31%

Note: (1) U.S. Bureau of the Census, 2010 Census.

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Following are lists of large employers located in the Village and in the surrounding area.

Major Village Employers*(1)*

Name	Product/Service	Approximate Employment
Electro-Motive Diesel, Inc.	Diesel and Electric Locomotives and Engines	2,400
La Grange Memorial Hospital	Surgical and Medical Services	1,300
Grayhill, Inc.	Corporate Headquarters and Electronic Components	600
Central Blacktop Co., Inc.	Asphalt Paving Mixtures and Blocks	125
Duback Electrical Maintenance Corp.	Electrical Contractors	100
Subcon Packing & Assembly	Contract Industrial Packaging and Assembly	100
Horton's Home Furnishings	Seasonal Lighting, Fixtures, Home Furnishings and Hardware	85
Lyons & Pinner Electric Cos.	Electrical Construction and Maintenance	75
First National Bank of La Grange	Banking Services	60
Musser	Musical Instruments	51

Note: (1) Source: 2012 Illinois Manufacturers Directory, 2012 Illinois Services Directory and a selective telephone survey.

Major Area Employers*(1)*

Location	Name	Product/Service	Approximate Employment
Berwyn	MacNeal Hospital	General Hospital	2,200
Broadview	Garda Cash Logistics	Armored Transport Services	550
Broadview	Robert Bosch, LLC	Company Headquarters and Rebuilt Automotive Electrical Products	500
Broadview	Elkay Mfg. Co.	Stainless Steel Sinks	450
Berwyn	Campagna-Turano Bakery, Inc.	Corporate Headquarters and Breads, Rolls, Pastries	300
Broadview	Mullins Food Products	Barbecue Sauce, Ketchup, Salad Dressing and Mayonnaise	300
Broadview	Principal Mfg. Corp.	Precision Stampings	260
Broadview	B.L. Downey Company LLC	Protective Plastic Coatings	220
Broadview	Lehigh Direct	Commercial Printing	210
Broadview	BT Trucking, Inc.	Dry Goods Transportation Services	150
Broadview	Headly Mfg. Co.	Drawn Metal Stampings	150

Note: (1) Source: 2012 Illinois Manufacturers Directory, 2012 Illinois Services Directory and a selective telephone survey.

The following tables show employment by industry and by occupation for the Village, Cook County (the "County") and the State of Illinois (the "State") as reported by the U.S. Census Bureau 2006-2010 American Community Survey 5-year estimated values.

Employment By Industry*(1)*

	The Village		Cook County		State of Illinois	
Classification	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining	17	0.2%	4,148	0.2%	65,279	1.1%
Construction	360	5.1%	131,640	5.4%	361,528	6.0%
Manufacturing	870	12.3%	276,278	11.3%	789,606	13.0%
Wholesale Trade	341	4.8%	75,727	3.1%	207,774	3.4%
Retail Trade	460	6.5%	238,350	9.8%	657,040	10.8%
Transportation and Warehousing, and Utilities	228	3.2%	153,867	6.3%	356,345	5.9%
Information	228	3.2%	63,038	2.6%	140,821	2.3%
Finance and Insurance, and Real Estate and Rental and Leasing	839	11.8%	216,696	8.9%	475,856	7.8%
Professional, Scientific, and Management, Administrative, and Waste Management Services	1,129	15.9%	321,414	13.2%	657,479	10.8%
Educational Services and Health Care and Social Assistance	1,626	22.9%	520,589	21.3%	1,312,067	21.6%
Arts, Entertainment and Recreation and Accommodation and Food Services	558	7.9%	224,993	9.2%	518,641	8.6%
Other Services, Except Public Administration	268	3.8%	120,052	4.9%	288,895	4.8%
Public Administration	175	2.5%	92,197	3.8%	231,517	3.8%
Total	7,099	100.0%	2,438,989	100.0%	6,062,848	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2006 to 2010.

Employment By Occupation*(1)*

Classification	The Village Number	The Village Percent	Cook County Number	Cook County Percent	State of Illinois Number	State of Illinois Percent
Management, Business, Science and Arts	3,701	52.1%	896,923	36.8%	2,159,236	35.6%
Service	663	9.3%	413,833	17.0%	989,889	16.3%
Sales and Office	1,890	26.6%	627,277	25.7%	1,566,966	25.8%
Natural Resources, Construction, and Maintenance	278	3.9%	169,093	6.9%	490,469	8.1%
Production, Transportation, and Material Moving	567	8.0%	331,863	13.6%	856,288	14.1%
Total	7,099	100.0%	2,438,989	100.0%	6,062,848	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2006 to 2010.

Annual Average Unemployment Rates*(1)*

Calendar Year	The Village	Cook County	State of Illinois
2002	4.6%	7.3%	6.5%
2003	4.7%	7.3%	6.7%
2004	4.4%	6.6%	6.2%
2005	4.2%	6.5%	5.8%
2006	3.1%	4.7%	4.6%
2007	3.5%	5.1%	5.1%
2008	4.4%	6.5%	6.4%
2009	7.2%	10.3%	10.0%
2010	7.4%	10.5%	10.5%
2011	7.1%	10.4%	9.8%
2012(2)	N/A	9.0%	8.4%

Notes: (1) Illinois Department of Employment Security.
(2) Preliminary rates for the month of May 2012.

Building Permits

Village Building Permits*(1)*
(Excludes the Value of Land)

Fiscal Year	Residential Construction	Commercial Construction	Total
2001	$15,730,732	$ 4,081,229	$19,811,961
2002	14,635,407	4,147,051	18,782,458
2003	11,804,823	1,312,185	13,117,008
2004	17,823,077	11,635,075	29,458,152
2005	19,059,644	43,674,661	62,734,305
2006	28,469,826	5,937,248	34,407,074
2007	11,473,136	2,464,772	13,937,908
2008	15,817,517	1,051,347	16,868,864
2009	9,053,159	1,443,000	10,496,159
2010	4,248,625	2,937,518	7,186,143
2011	6,395,133	1,718,323	8,113,456

Note: (1) Source: The Village.

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Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the Village's owner-occupied homes was $456,700. This compares to $265,800 for the County and $202,500 for the State. The following table represents the five year average market value of specified owner-occupied units for the Village, the County and the State at the time of the 2006-2010 American Community Survey.

Specified Owner-Occupied Units*(1)*

	The Village		Cook County		State of Illinois	
Value	Number	Percent	Number	Percent	Number	Percent
Under $50,000	41	0.9%	28,961	2.5%	216,017	6.5%
$50,000 to $99,999	54	1.2%	51,677	4.4%	450,834	13.7%
$100,000 to $149,999	151	3.4%	110,071	9.4%	455,940	13.8%
$150,000 to $199,999	287	6.4%	173,572	14.8%	505,936	15.3%
$200,000 to $299,999	471	10.5%	313,923	26.8%	723,366	21.9%
$300,000 to $499,999	1,544	34.6%	325,712	27.8%	643,537	19.5%
$500,000 to $999,999	1,795	40.2%	135,426	11.6%	250,844	7.6%
$1,000,000 or more	123	2.8%	30,649	2.6%	54,217	1.6%
Total	4,466	100.0%	1,169,991	100.0%	3,300,691	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2006 to 2010.

Mortgage Status*(1)*

	The Village		Cook County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Housing Units with a Mortgage	3,143	70.4%	837,562	71.6%	2,296,372	69.6%
Housing Units Without a Mortgage	1,323	29.6%	332,429	28.4%	1,004,319	30.4%
Total	4,466	100.0%	1,169,991	100.0%	3,300,691	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2006 to 2010.

Income

Per Capita Personal Income for the Ten Highest Income Counties in the State*(1)*

Rank	County	2006-2010
1	Lake County	$38,120
2	DuPage County	37,849
3	McHenry County	31,838
4	Monroe County	31,091
5	Kendall County	30,565
6	Will County	29,811
7	Kane County	29,480
8	Woodford County	29,475
9	**Cook County**	**29,335**
10	Sangamon County	28,394

Note: (1) Source: U.S. Bureau of the Census. 2006-2010 American Community 5-Year Estimates.

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The following shows the median family income for counties in the Chicago metropolitan area.

Median Family Income*(1)*

Ill. County	Estimated Family Income(2)
DuPage County	$92,423
Lake County	91,693
Kendall County	87,309
McHenry County	86,698
Will County	85,488
Kane County	77,998
Grundy County	75,000
Cook County	65,039

Notes: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2006 to 2010.
(2) In 2010 inflation adjusted numbers.

The U.S. Census Bureau 5-year estimated values reported that the Village had a median family income of $114,741. This compares to $65,039 for the County and $68,236 for the State. The following table represents the distribution of family incomes for the Village, the County and the State at the time of the 2006-2010 American Community Survey.

Median Family Income*(1)*

	The Village		Cook County		State of Illinois	
Value	Number	Percent	Number	Percent	Number	Percent
Under $10,000	52	1.3%	63,235	5.3%	131,278	4.2%
$10,000 to $14,999	81	2.0%	40,475	3.4%	87,888	2.8%
$15,000 to $24,999	85	2.1%	102,805	8.5%	228,903	7.2%
$25,000 to $34,999	179	4.4%	105,304	8.8%	264,029	8.4%
$35,000 to $49,999	303	7.4%	151,905	12.6%	401,825	12.7%
$50,000 to $74,999	550	13.5%	218,425	18.2%	622,596	19.7%
$75,000 to $99,999	456	11.2%	170,406	14.2%	492,434	15.6%
$100,000 to $149,999	899	22.0%	191,527	15.9%	538,135	17.0%
$150,000 to $199,999	615	15.1%	74,431	6.2%	199,365	6.3%
$200,000 or more	859	21.1%	84,908	7.1%	195,094	6.2%
Total	4,079	100.0%	1,203,421	100.0%	3,161,547	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2006 to 2010.

The U.S. Census Bureau 5-year estimated values reported that the Village had a median household income of $94,629. This compares to $53,942 for the County and $55,735 for the State. The following table represents the distribution of household incomes for the Village, the County and the State at the time of the 2006-2010 American Community Survey.

Median Household Income*(1)*

	The Village		Cook County		State of Illinois	
Value	Number	Percent	Number	Percent	Number	Percent
Under $10,000	142	2.6%	157,532	8.1%	327,492	6.9%
$10,000 to $14,999	232	4.3%	97,369	5.0%	230,008	4.8%
$15,000 to $24,999	234	4.3%	203,561	10.5%	483,034	10.1%
$25,000 to $34,999	346	6.4%	185,026	9.6%	463,776	9.7%
$35,000 to $49,999	509	9.4%	257,985	13.3%	644,024	13.5%
$50,000 to $74,999	811	14.9%	349,011	18.0%	896,686	18.8%
$75,000 to $99,999	599	11.0%	240,948	12.4%	630,368	13.2%
$100,000 to $149,999	990	18.2%	249,666	12.9%	642,112	13.5%
$150,000 to $199,999	682	12.5%	92,166	4.8%	229,128	4.8%
$200,000 or more	891	16.4%	103,217	5.3%	223,323	4.7%
Total	5,436	100.0%	1,936,481	100.0%	4,769,951	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2006 to 2010.

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Retail Activity

Following is a summary of the Village's sales tax receipts as collected and disbursed by the State of Illinois.

Retailers' Occupation, Service Occupation and Use Tax*(1)*

State Fiscal Year Ending June 30	State Sales Tax Distributions(2)	Annual Percent Change + (-)
2003	$1,089,122	38.52%(3)
2004	1,063,215	(2.38%)
2005	1,070,161	0.65%
2006	1,162,888	8.66%
2007	1,213,695	4.37%
2008	1,235,746	1.82%
2009	1,276,424	3.29%
2010	1,168,370	(8.47%)
2011	1,223,227	4.70%
2012	1,332,074	8.90%
Growth from 2003 to 2012		22.31%

Notes: (1) Source: Illinois Department of Revenue.
(2) Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailers' Occupation, Service Occupation and Use Tax, collected on behalf of the Village, less a State administration fee. The municipal 1% includes tax receipts from the sale of food and drugs which are not taxed by the State.
(3) Percentage change based on 2002 sales tax distributions of $786,233.

PLAN OF FINANCING

The Bond proceeds will be used to fund an escrow to advance refund the Village's outstanding General Obligation Library Bonds, Series 2004 (the "Refunded Bonds"), as listed below, and to pay the costs of issuance of the Bonds.

General Obligation Library Bonds, Series 2004*(1)*

Maturities	Outstanding Amount	Amount Refunded	Redemption Price	Redemption Date
12/1/2012	$ 410,000	$ 0	N/A	N/A
12/1/2013	430,000	0	N/A	N/A
12/1/2014	445,000	445,000	100.00%	12/1/2013
12/1/2015	465,000	465,000	100.00%	12/1/2013
12/1/2016	480,000	480,000	100.00%	12/1/2013
12/1/2017	495,000	495,000	100.00%	12/1/2013
12/1/2018	515,000	515,000	100.00%	12/1/2013
12/1/2019	535,000	535,000	100.00%	12/1/2013
12/1/2020	560,000	560,000	100.00%	12/1/2013
12/1/2021	580,000	580,000	100.00%	12/1/2013
12/1/2022	605,000	605,000	100.00%	12/1/2013
12/1/2023	630,000	630,000	100.00%	12/1/2013
12/1/2024	655,000	655,000	100.00%	12/1/2013
Total	$6,805,000	$5,965,000		

Note: (1) Subject to change.

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Bond proceeds will be used to purchase direct full faith and credit obligations of the United States of America (the "Government Securities"), the principal of which together with interest to be earned thereon will be sufficient (i) to pay when due the interest on the Refunded Bonds as stated above, and (ii) to pay principal of the Refunded Bonds on the redemption date.

The Government Securities will be held in an escrow account (the "Escrow Agreement") created pursuant to an escrow agreement (the "Escrow Agreement"), between the Village and U.S. Bank National Association, Chicago, Illinois, as Escrow Agent (the "Escrow Agent").

The accuracy of (a) the mathematical computations regarding the adequacy of the maturing principal of and interest earnings on the Government Securities together with an initial cash deposit in the Escrow Account to pay the debt service described above on the Refunded Bonds, and (b) the mathematical computations supporting the conclusion that the Bonds are not "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") will be verified by Sikich LLP, Certified Public Accountants, Naperville, Illinois (the "Verification Agent"). Such verification shall be based upon information supplied by the Underwriter (as hereinafter defined).

DEBT INFORMATION

After issuance of the Bonds and refunding of the Refunded Bonds, the Village will have outstanding $8,800,000* principal amount of general obligation debt.

The Village intends to issue approximately $2,200,000 of water and sewer system supported debt within the next month.

General Obligation Bonded Debt*(1)*
(Principal Only)

Calendar Year	Outstanding GO Debt(2)	The Bonds(3)	Less: The Refunded Bonds(3)	Total GO Debt(3)	Cumulative Principal Retired(3) Amount	Percent
2012	$ 650,000	$ 45,000	$ 0	$ 695,000	$ 695,000	7.90%
2013	680,000	75,000	0	755,000	1,450,000	16.48%
2014	705,000	520,000	(445,000)	780,000	2,230,000	25.34%
2015	735,000	530,000	(465,000)	800,000	3,030,000	34.43%
2016	760,000	535,000	(480,000)	815,000	3,845,000	43.69%
2017	790,000	540,000	(495,000)	835,000	4,680,000	53.18%
2018	515,000	550,000	(515,000)	550,000	5,230,000	59.43%
2019	535,000	560,000	(535,000)	560,000	5,790,000	65.80%
2020	560,000	575,000	(560,000)	575,000	6,365,000	72.33%
2021	580,000	585,000	(580,000)	585,000	6,950,000	78.98%
2022	605,000	600,000	(605,000)	600,000	7,550,000	85.80%
2023	630,000	615,000	(630,000)	615,000	8,165,000	92.78%
2024	655,000	635,000	(655,000)	635,000	8,800,000	100.00%
Total	$8,400,000	$6,365,000	$(5,965,000)	$8,800,000		

Notes: (1) Source: The Village.
(2) Includes the Village's outstanding General Obligation Bonds, Series 2004 and 2005 Bonds.
(3) Subject to change.

**Subject to change.*

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Detailed Overlapping Bonded Debt*(1)*
(As of June 8, 2012)

Taxing Body	Outstanding Debt	Applicable to the Village Percent(2)	Applicable to the Village Amount
Cook County	$3,709,260,000	0.42%	$15,578,892
Cook County Forest Preserve District	94,885,000	0.42%	398,517
Metropolitan Water Reclamation District	2,300,335,115	0.43%	9,891,441
Lyons Township High School District No. 204	2,410,000	20.93%	504,413
School District No. 102	23,829,346	47.78%	11,385,662
School District No. 106	4,650,000	7.20%	334,800
Community College District No. 502	236,095,000	1.53%	3,612,254
Total Overlapping Bonded Debt			$41,705,978

Notes: (1) Source: Cook County Clerk. Includes alternate revenue bonds.
(2) Overlapping debt percentages based on 2011 EAV.

Statement of Bonded Indebtedness*(1)*
(As of June 8, 2012)

	Amount Applicable	Ratio To Equalized Assessed	Ratio To Estimated Actual	Per Capita (2010 Census 15,550)
Village EAV of Taxable Property, 2011	$ 642,803,563	100.00%	33.33%	$ 41,337.85
Estimated Actual Value, 2011	$1,928,410,689	300.00%	100.00%	$124,013.55
Direct Bonded and Certificated Debt:(2)				
General Obligation Bonded Debt	$ 8,800,000	1.37%	0.46%	$ 565.92
Less: Bonds Payable From Other Sources	(1,595,000)	(0.25%)	(0.08%)	(102.57)
Net Direct Bonded and Certificated Debt	$ 7,205,000	1.12%	0.37%	$ 463.34
Total Overlapping Bonded Debt	$ 41,705,978	6.49%	2.16%	$ 2,682.06
Total Direct and Overlapping Bonded and Certificated Debt(2)	$ 48,910,978	7.61%	2.54%	$ 3,145.40

Notes: (1) Source: the Village.
(2) Subject to change.

Legal Debt Margin*(1)*

2011 Village Equalized Assessed Valuation		$642,803,563
Statutory Debt Limitation (8.625% of EAV)		$ 55,441,807
General Obligation Debt:		
Series 2004	$ 6,805,000	
Series 2005(2)	1,595,000	
The Bonds(3)	6,365,000	
Less: The Refunded Bonds(3)	(5,965,000)	
Total General Obligation Debt(3)	$ 8,800,000	
Total Applicable Debt		$ 6,805,000
Legal Debt Margin		$ 48,636,807

Notes: (1) Source: The Village.
(2) The Series 2005 Bonds are "alternate bonds" under Illinois statutes, and do not count against the 8.625% of EAV debt limit for general obligation bonded debt, so long as the debt service levy for such bonds is abated annually and not extended.
(3) Subject to change.

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PROPERTY ASSESSMENT AND TAX INFORMATION

For the 2010 levy year, the Village's EAV was comprised of approximately 84.75% residential, 9.67% commercial, 5.50% industrial and 0.07% railroad valuations.

Village Equalized Assessed Valuation(1)

Property Class	Levy Years 2007	2008(2)	2009	2010	2011
Residential	$519,735,586	$612,239,451	$659,634,278	$662,256,327	Detail Not Available
Commercial	36,339,481	39,233,415	79,941,557	75,586,633	
Industrial	45,642,872	49,040,791	45,670,865	43,014,350	
Railroad	423,061	468,882	534,963	532,201	
Total	$602,141,000	$700,982,539	$785,781,663	$781,389,511	$642,803,563
Percent Change + (-)	5.64%(3)	16.42%	12.10%	(0.56%)	(17.74%)

Notes: (1) Source: Cook County Clerk.
(2) Reassessment years.
(3) Percentage change based on 2006 EAV of $569,968,189.

Representative Tax Rates(1)
(Per $100 EAV)

Village Rates:	Levy Years 2007	2008	2009	2010	2011	Maximum Allowable
Corporate	$0.0850	$0.0819	$0.0542	$0.0723	$0.0959	$0.4375
Bonds and Interest	0.0560	0.0000	0.0000	0.0000	0.0000	No Limit
Police Pension	0.0811	0.0807	0.1037	0.1004	0.1230	No Limit
Fire Pension	0.0901	0.0848	0.0974	0.1008	0.1192	No Limit
IMRF	0.0302	0.0293	0.0291	0.0321	0.0420	No Limit
Street & Bridge	0.0442	0.0387	0.0344	0.0359	0.0436	0.1000
Fire Protection	0.2043	0.1789	0.1624	0.1636	0.2031	0.6000
Police Protection	0.2043	0.1789	0.1624	0.1636	0.2031	0.6000
Social Security	0.0309	0.0285	0.0267	0.0272	0.0340	No Limit
Ambulance Service	0.0498	0.0429	0.0377	0.0380	0.0465	0.2500
Forestry	0.0255	0.0224	0.0203	0.0204	0.0254	0.0500
Library	0.2814	0.2546	0.2417	0.2417	0.3107	0.6000
Library Bonds & Interest	0.1194	0.1024	0.0918	0.0918	0.1117	No Limit
Total	$1.3022	$1.1240	$1.0630	$1.0890	$1.3590	

Note: (1) Source: Cook County Clerk.

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Tax Extensions and Collections*(1)*
(Includes Road and Bridge Levy)

Levy Year	Collection Year	Tax Extensions	Total Collected(2)	Percent Collected
2006	2007	$5,180,586	$5,095,523	98.36%
2007	2008	5,427,546	5,333,447	98.27%
2008	2009	5,362,830	5,289,104	98.63%
2009	2010	5,784,985	5,658,630	97.82%
2010	2011	5,899,491	5,820,464	98.66%
2011	2012	6,016,641	------In Collection------	

Notes: (1) Source: Cook County Treasurer and the Village.
(2) Includes distributions made plus taxes withheld for objections and paid under protest and non-current distributions including investment earnings. Court ordered abatements and unpaid taxes due to forfeitures and/or litigation are not included.

Principal Taxpayers*(1)*

Taxpayer Name	Business/Service	2011 EAV(2)
LaGrange Crossing LLC	Real Property	$ 7,117,991
Burcor Properties	Investment Company	4,783,115
Elm Creek Property Management	Real Property	4,127,153
Sambell LaGrange	Nursing Home	4,063,454
Grayhill Manufacturing Company	Manufacturing	4,012,588
MML Properties LLC	Real Property	3,867,733
Jackson Storage Properties, L.P	Real Property	2,598,176
SBC Ameritech	Telecommunications	2,394,826
ICG Ore	Real Property	2,071,203
Grozich LLC	Real Property	1,852,600
Total		$29,770,848
Top Ten Taxpayers as a Percent of the Village's 2011 EAV ($642,803,563)		4.63%

Note: (1) Source: The Village.
(2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2011 EAV is the most current available.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Real Property Assessment

The County Assessor (the "Assessor") is responsible for the assessment of all taxable real property within Cook County (the "County"), including that in the Village, except for certain railroad property and pollution control facilities, which are assessed directly by the Illinois Department of Revenue (the "Department of Revenue"). For triennial reassessment purposes, Cook County is divided into three districts: west and south suburbs (the "South Tri"), north and northwest suburbs (the "North Tri"), and the City of Chicago (the "City Tri"). The Village is located in the west and south suburbs and was reassessed for the 2008 tax levy year.

Real property in the County is separated into classes for assessment purposes. After the County Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the "Assessed Valuation") for the parcel. Prior to the 2009 tax levy year, the classification percentages ranged from 16% for certain residential, commercial and industrial property to 36% and 38%, respectively, for other industrial and commercial property. On September 17, 2008, the Cook County Board of Commissioners approved changes to the property classification ordinance. The changes reduced the percentages used to calculate the assessed value of real property in the County for real estate tax purposes. These reductions take effect in the 2009 tax levy year. Such new classification percentages range from 10% for certain residential, commercial and industrial property to 25% for other industrial and commercial property.

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Property is classified for assessment into six basic categories, each of which is assessed (beginning with the 2009 tax levy year) at various percentages of fair market value as follows: Class 1) unimproved real estate - 10%; Class 2) residential - 10%; Class 3) rental-residential - 16%, in tax year 2009, 13% in assessment year 2010, and 10% in assessment year 2011 and subsequent years; Class 4) not-for-profit - 25%; Class 5a) commercial - 25%; Class 5b) industrial - 25%. There are also seven additional categories. Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties within the County may qualify for a Class 6b assessment level, which assessment level is 10% for the first 10 years and for any subsequent 10-year renewal periods. However, if the incentive is not renewed, the 6b assessment level is 15% in year 11 and 20% in year 12, hereafter reverting to Class 5b. Real estate, which is to be used for industrial or commercial purposes where such real estate has undergone environmental testing and remediation, may be eligible for a Class C assessment level. The Class C assessment level for industrial properties is 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5b. Class C commercial properties are assessed at 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5a. Commercial properties that are newly constructed or substantially rehabilitated and are within an area determined to be an area in need of commercial development may be classified as Class 7a or 7b property, and will then be assessed at a level of 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5a. Certain commercial and industrial properties located in zones determined to be in need of substantial revitalization or in an enterprise community could be eligible for Class 8 assessments. The Class 8 assessment level for industrial properties is 10% for the first 10 years and for any subsequent 10-year renewal periods. If the incentive is not renewed, the Class 8 assessment level for industrial properties is 15% in year 11 and 20% in year 12, thereafter reverting to Class 5b. The Class 8 assessment level for commercial properties is 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5a. Substantially rehabilitated or new construction multi-family residential properties within certain target areas, empowerment or enterprise zones may be eligible for Class 9 categorization. The Class 9 assessment level is 10% for an initial 10-year period, renewable upon application for additional 10-year periods. When the Class 9 assessment level expires, the assessment level reverts to the applicable classification. Rental-residential (Class 3) properties subject to a Section 8 contract that has been renewed under the "Mark Up To Market" option may qualify for a Class S assessment level. The Class S assessment level is 10% for the term of the Section 8 contract renewal under the Mark Up To Market option, and for any additional terms of renewal of the Section 8 contract under the Mark Up To Market option. When the Class S assessment level expires, the assessment level reverts to Class 3. Substantially rehabilitated properties which are designated as Class 3, Class 4, Class 5a or Class 5b and which qualify as Landmark or Contributing buildings may qualify for a Class L assessment level. The Class L assessment level for Class 3, 4 or 5b properties is 10% for the first 10 years and for any subsequent 10-year renewal periods. If the incentive is not renewed, the Class L assessment level is 15% in year 11 and 20% in year 12, thereafter reverting to Class 3, 4 or 5b. Class L commercial properties are assessed at 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5a.

The Assessor has established procedures enabling taxpayers to contest their proposed Assessed Valuations. Once the Assessor certifies its final Assessed Valuations, a taxpayer can seek review of its assessment by appealing to the Cook County Board of Review, which consists of three commissioners elected by the voters of the County. The Board of Review has the power to adjust the Assessed Valuations set by the Assessor.

Owners of residential property having six or fewer units and owners of real estate other than residential property with six or fewer units are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the "PTAB"), a statewide administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of PTAB to either the Circuit Court of Cook County or the Illinois Appellate Court under the Illinois Administrative Review Law.

As an alternative to seeking review of Assessed Valuations by PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court of Cook County similar to the previous judicial review procedure but with a different standard of proof than that previously required. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct any factual error, and thus reduce the amount of taxes due, by issuing a Certificate of Error. Certificates of Error are not issued in cases where the only issue is the opinion of the valuation of the property.

Equalization

After the County Assessor has established the Assessed Valuation for each parcel for a given year, and following any revisions by the Board of Review or PTAB, the Illinois Department of Revenue is required by statute to review the Assessed Valuations. The Illinois Department of Revenue establishes an equalization factor (the "Equalization Factor"), commonly called the "multiplier," for each county to make all valuations uniform among the 102 counties in the State. Under State law, the aggregate of the assessments within each county is to be equalized at 33-1/3% of the estimated fair cash value of real property located within the county prior to any applicable exemptions. One multiplier is applied to all property in Cook County, regardless of its assessment category, except for some farmland property which is not subject to equalization.

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the equalized assessed valuation (the "EAV") of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body's jurisdiction, plus the valuation of property assessed directly by the State, constitutes the total real estate tax base for the taxing body and is the figure used to calculate tax rates (the "Assessment Base"). The following table sets forth the Equalization Factor for Cook County for the last 10 tax levy years.

Tax Levy Year	Equalization Factor
2002	2.4689
2003	2.4598
2004	2.5757
2005	2.7320
2006	2.7076
2007	2.8439
2008	2.9786
2009	3.3701
2010	3.3000
2011	2.9706

Exemptions

Public Act 95-644, effective October 17, 2007, made changes to and added a number of property tax exemptions taken by residential property owners. These changes are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes ("Residential Property") may be reduced by $5,000 for assessment years 2004 through assessment year 2007. Additionally, the reduction may be $5,500 for assessment year 2008, and $6,000 for assessment years 2009 and forward (the "General Homestead Exemption").

The Alternative General Homestead Exemption (the "Alternative General Homestead Exemption") caps EAV increases for homeowners (who also reside on the property as their principal place of residence) at 7% a year, up to a certain maximum each year as defined by the statute. Any amount of increase that exceeds the maximum exemption as defined is added to the 7% increase and is part of that property's taxable EAV. Homes that do not increase by at least 7% a year are entitled, in the alternative, to the General Homestead Exemption as discussed above.

The Base Year for purposes of calculation of the Alternative General Homestead Exemption is 2002 for properties located in the City Tri, 2003 for properties located in the North Tri and 2004 for properties located in the South Tri. The Base Homestead Value is the EAV of the homestead property minus the General Homestead Exemption for that year: $4,500 for years prior to 2004; $5,000 for 2004 through 2007; $5,500 for 2008 and $6,000 for the year 2009 and thereafter.

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For properties in the City Tri, the Alternative General Homestead Exemption cannot exceed $33,000 for assessment year 2006 (except as noted below), $26,000 for assessment year 2007, $20,000 for assessment year 2008 and $6,000 thereafter. For properties in the North Tri, the Alternative General Homestead Exemption cannot exceed $20,000 for assessment year 2006, $33,000 for assessment year 2007, $26,000 for assessment year 2008, $20,000 for assessment year 2009 and $6,000 thereafter. For properties in the South Tri, the Alternative General Homestead Exemption cannot exceed $20,000 for assessment years 2006 and 2007, $33,000 for assessment year 2008, $26,000 for assessment year 2009, $20,000 for assessment year 2010 and $6,000 thereafter.

Furthermore, only in the City Tri and only for assessment year 2006, the maximum exemption amount may be increased to: (i) $40,000, provided that the EAV of the property for assessment year 2006 exceeds the EAV of that property for assessment year 2002 by an amount equal to or greater than 100%, or (ii) $35,000 provided that the EAV of the property for assessment year 2006 exceeds the EAV of that property for assessment year 2002 by an amount greater than 80% but not more than 100%.

Finally, the Long-Time Occupant Homestead Exemption applies to those counties subject to the Alternative General Homestead Exemption, including Cook County. Beginning with assessment year 2007 and thereafter, the EAV of homestead property of a taxpayer who has owned the property for at least 10 years (or 5 years if purchased with certain government assistance) and who has a household income of $100,000 or less ("Qualified Homestead Property") may increase by no more than 10% per year. If the taxpayer's annual income is $75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties. Individuals applying for this exemption must comply with the following guidelines: (i) continuously occupy their property for 10 years, as of January 1st of the assessment year, and occupy such property as their principal residence or, (ii) continuously occupy their property as their principal place of residence for 5 years, as of January 1st of the assessment year, provided that the property was purchased with certain government assistance.

In addition, the Homestead Improvement Exemption ("Homestead Improvement Exemption") applies to residential properties that have been improved and to properties that have been rebuilt in the two years following a catastrophic event. The exemption is limited to $45,000 through December 31, 2003, and $75,000 per year beginning January 1, 2004, and thereafter, to the extent the assessed value is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption ("Senior Citizens Homestead Exemption") operates annually to reduce the EAV on a senior citizen's home by $3,500 in all counties. In addition, for assessment year 2008 and thereafter, the maximum reduction is $4,000 for all counties. Furthermore, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the Senior Citizens Homestead Exemption must be granted a prorata exemption for the assessment year based on the number of days during the assessment year that the property is occupied as a residence by a person eligible for the exemption.

A Senior Citizens Assessment Freeze Homestead Exemption ("Senior Citizens Assessment Freeze Homestead Exemption") freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of the maximum income limitation. The maximum income limitation is $50,000 for assessment years 2006 and 2007; for assessment years 2008 and after, the maximum income limitation is $55,000. In general, the exemption grants qualifying senior citizens an exemption based upon a "freeze" of their home's Assessed Valuation.

Another exemption, available to disabled veterans, may be applied annually to exempt up to $70,000 of the Assessed Valuation of property owned and used exclusively by such veterans or their spouses for residential purposes. However, individuals claiming exemption under the Disabled Persons' Homestead Exemption ("Disabled Persons' Homestead Exemption") or the hereinafter defined Disabled Veterans Standard Homestead Exemption cannot claim the aforementioned exemption.

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Also, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals.

Furthermore, beginning with assessment year 2007, the Disabled Persons' Homestead Exemption provides an annual homestead exemption in the amount of $2,000 for property that is owned and occupied by certain persons with a disability. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Veterans Standard Homestead Exemption cannot claim the Disabled Persons' Homestead Exemption.

In addition, the Disabled Veterans Standard Homestead Exemption ("Disabled Veterans Standard Homestead Exemption") provides disabled veterans an annual homestead exemption starting with assessment year 2007 and thereafter. Specifically, (i) those veterans with a service-connected disability of 75% are granted an exemption of $5,000 and (ii) those veterans with a service-connected disability of less than 75%, but at least 50%, are granted an exemption of $2,500. Furthermore, the veteran's surviving spouse is entitled to the benefit of the exemption, provided that the spouse has legal or beneficial title of the homestead, resides permanently on the homestead and does not remarry. Moreover, if the property is sold by the surviving spouse, then an exemption amount not to exceed the amount specified by the current property tax roll may be transferred to the spouse's new residence, provided that it is the spouse's primary residence and the spouse does not remarry. However, individuals claiming exemption as a disabled veteran or claiming an exemption under the Disabled Persons' Homestead Exemption cannot claim the aforementioned exemption.

Also, beginning with assessment year 2007, the Returning Veterans' Homestead Exemption ("Returning Veterans' Homestead Exemption") is available for property owned and occupied as the principal residence of a veteran in the assessment year the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a homestead exemption of $5,000, which is applicable in all counties. In order to apply for this exemption, the individual must pay real estate taxes on the property, own the property or have either a legal or an equitable interest in the property, subject to some limitations. Those individuals eligible for this exemption may claim the exemption in addition to other homestead exemptions, unless otherwise noted.

Tax Levy

As part of the annual budgetary process of governmental units (the "Units") with power to levy taxes in the County, proceedings are adopted by the designated body for each Unit each year in which it determines to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the County Clerk and the County Treasurer. After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit. The Cook County Clerk uses the prior year's EAV to compute the taxing district's maximum allowable levy. The maximum levy that can be raised for a Unit is the maximum tax rate for that Unit multiplied by the prior year, EAV for all property currently in the district. The prior year's EAV includes the prior year's EAV plus the EAV of any new property, the current year value of any annexed property, and any recovered tax increment value, minus any disconnected property for the current year under the Property Tax Extension Limitation Law ("Limitation Law"). The tax rate for a Unit is computed by dividing the lesser of the maximum allowable levy or the actual levy by the current year's EAV.

Property Tax Extension Limitation Law

The Limitation Law is applied after the prior year EAV limitation. The Limitation Law limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home rule units. The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes, unlimited as to rate and amount, cannot be issued by the affected taxing bodies unless they are approved by referendum (such as the Bonds), are alternate bonds or are for certain refunding purposes.

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The use of prior year EAV's to limit the allowable tax levy may reduce tax rates for funds that are at or near their maximum rates in districts with rising EAVs. These reduced rates and all other rates for those funds subject to the Limitation Law are added together, which results in the aggregate preliminary rate. The aggregate preliminary rate is then compared to the limiting rate. If the limiting rate is more than the aggregate preliminary rate, there is no further reduction in rates due to the Limitation Law. If the limiting rate is less than the aggregate preliminary rate, the aggregate preliminary rate is further reduced to the limiting rate. In all cases, taxes are extended using current year EAV under Section 18-140 of the Property Tax Code.

In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations. Local governments, including the Village, can issue limited tax bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law.

Extensions

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The County Clerk extends the tax by entering the tax (determined by multiplying the total tax rate by the EAV of that parcel for the current assessment year) in the books prepared for the County Collector (the "Warrant Books") along with the tax rates, the Assessed Valuation and the EAV. The Warrant Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

Collections

Property taxes are collected by the County Collector, who is also the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. The first installment is equal to one-half of the prior years' tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead equal to one-half of the corrected prior year's tax bill. The second installment is for the balance of the current year's tax bill, and is based on the then current tax year levy, assessed value and Equalization Factor, and reflects any changes from the prior year in those factors. The following table sets forth the second installment penalty date for the last 10 tax levy years in Cook County; the first installment penalty date has been March 1 for all such years.

Tax Levy Year	Second Installment Penalty Date
2002	October 1, 2003
2003	November 15, 2004
2004	November 2, 2005
2005	September 1, 2006
2006	December 3, 2007
2007	November 3, 2008
2008	December 1, 2009
2009	December 13, 2010
2010	November 1, 2011
2011	August 1, 2012

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It is possible that the changes to the assessment appeals process described above will cause delays similar to those experienced in past years in preparation and mailing of the second installment in future years. The County may provide for tax bills to be payable in four installments instead of two. However, the County has not required payment of tax bills in four installments. During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the Village promptly credits the taxes received to the funds for which they were levied.

At the end of each collection year, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court orders resulting from the application for judgment provides for an Annual Tax Sale (the "Annual Tax Sale") of unpaid taxes shown on that year's Warrant Books. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. In each such public sale, the collector can use any "automated means." Unpaid taxes accrue penalties at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 12% for each six-month period after the sale. If no redemption is made within the applicable redemption period (ranging from six months to two and one-half years depending on the type and occupancy of the property) and the tax buyer files a petition in the Circuit Court, notifying the necessary parties in accordance with the applicable law, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

The Scavenger Sale (the "Scavenger Sale"), like the Annual Tax Sale, is a sale of unpaid taxes. The Scavenger Sale is held every two years on all property on which two or more years' taxes are delinquent. The sale price of the unpaid taxes is the amount bid at such sale, which may be less than the amount of delinquent taxes. Redemption periods vary from six months to two and a half years depending upon the type and occupancy of the property.

Truth in Taxation Law

Legislation known as the Truth in Taxation Law (the "Law") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels.

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FINANCIAL INFORMATION

Investment Policy

The purpose of the investment policy of the Village is to establish cash management and investment guidelines for Village officials responsible for the stewardship of these funds. Specific objectives include:

1) Safety and preservation of principal is the foremost objective of this Investment Policy.
2) The Village shall diversify its investments to avoid incurring unreasonable risks regarding specific security types and/or individual financial institutions.
3) The investment portfolio shall remain sufficiently liquid to enable the Fund to meet all operating requirements which may be reasonably anticipated.
4) The investment portfolio of the Village, except for the pension funds, shall be designed with the objective of regularly exceeding the average return of three month U.S. Treasury Bills. The investment program shall seek to augment returns above this threshold, consistent with risk limitations identified herein and prudent investment principles.
5) Assets of the pension funds shall be invested in securities which, over the term of an economic cycle, equal or exceed market-average rates of return for comparable portfolios or categories of assets.
6) In managing its investment portfolio, Village officials shall avoid any transaction that might impair public confidence in the Government of the Village. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Financial Reports

The Village's financial statements are audited annually by certified public accountants. The Village's financial statements are completed on a modified accrual basis of accounting consistent with generally accepted accounting principles applicable to governmental entities. See **APPENDIX A** for more detail.

No Consent or Updated Information Requested of the Auditor

The tables and excerpts (collectively, the "Excerpted Financial Information") contained in this **"FINANCIAL INFORMATION"** section and in **APPENDIX A** are from the audited financial statements of the Village, including the audited financial statements for the fiscal year ended April 30, 2011 (the "2011 Audit"). The 2011 Audit has been prepared by Sikich LLP, Certified Public Accountants, Naperville, Illinois (the "Auditor"), and approved by formal action of the Board of Education. The Village has not requested the Auditor to update information contained in the Excerpted Financial Information; nor has the Village requested that the Auditor consent to the use of the Excerpted Financial Information in this Final Official Statement. Other than as expressly set forth in this Final Official Statement, the financial information contained in the Excerpted Financial Information has not been updated since the date of the 2011 Audit. The inclusion of the Excerpted Financial Information in this Final Official Statement in and of itself is not intended to demonstrate the fiscal condition of the Village since the date of the 2011 Audit. Questions or inquiries relating to financial information of the Village since the date of the 2011 Audit should be directed to the Village.

Summary Financial Information

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. See **APPENDIX A** for excerpts of the Village's 2011 fiscal year audit.

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Village Municipal Utility Tax*(1)*

Fiscal Year	Amount
2004	$518,635
2005	525,999
2006	616,230
2007	555,717
2008	589,944
2009	587,064
2010	476,791
2011	525,432

Note: (1) Source: the Village.

Statement of Net Assets*(1)(2)*

	Audited as of April 30				
	2007	2008	2009	2010	2011
ASSETS:					
Cash and Cash Equivalents	$ 6,489,005	$ 6,766,281	$ 7,941,391	$ 3,962,778	$ 3,993,068
Investments	13,244,942	14,409,321	12,481,978	12,093,877	10,180,917
Receivables (net of allowances for uncollectibles)					
Property Taxes	4,339,280	4,535,684	4,646,282	2,911,814	3,195,435
Accounts	105,693	126,872	89,501	320,241	253,164
Accrued Interest	401,006	315,744	222,089	63,220	38,486
Notes	175,187	45,162	4,804	0	0
Due From Other Governments	699,920	744,942	4,040,182	1,056,521	923,415
Due From Fiduciary Funds	0	894	0	30,156	29,331
Due To/From Other Funds	0	0	0	0	636,000
Prepaid Expenses	0	0	0	2,850	41,120
Net Pension Asset	98,186	109,684	90,734	79,987	64,900
Capital Assets, Not Being Depreciated	8,285,195	8,488,404	8,519,104	10,195,012	11,768,668
Capital Assets Being Depreciated (net of accumulated depreciation)	13,984,832	13,769,657	13,364,850	13,326,365	13,370,020
Total Assets	$47,823,246	$49,312,645	$51,400,915	$44,042,821	$44,494,524
LIABILITIES:					
Accounts Payable	$ 310,256	$ 383,888	$ 400,426	$ 525,225	$ 366,109
Accrued Payroll	141,976	260,614	215,267	1,363	16,070
Accrued Interest Payable	159,989	126,177	63,188	31,492	28,260
Deposits	153,789	185,046	703,509	99,690	0
Deferred Revenues					
Property Tax	7,928,237	8,167,702	8,382,179	5,954,184	6,125,134
Other	0	0	0	5,622	0
Due to Fiduciary Funds	33	0	0	0	0
Due to Component Unit	0	0	0	0	419
Noncurrent Liabilities					
Due Within One Year	2,045,668	2,255,562	1,193,859	301,399	304,353
Due In More than One Year	8,309,066	6,160,948	3,612,642	2,418,973	2,397,364
Total Liabilities	$19,049,014	$17,539,937	$14,571,070	$ 9,337,948	$ 9,237,709
NET ASSETS:					
Invested In Capital Assets, Net of Related Debt	$19,045,027	$19,493,061	$19,623,954	$21,471,377	$23,308,688
Restricted For Maintenance of Roadways	2,295,216	1,809,185	2,277,455	1,361,426	1,829,575
Restricted For Economic Development	0	0	0	0	0
Restricted For Public Safety	114,316	163,072	243,191	278,690	174,151
Restricted For Debt Service	160,783	169,393	169,527	170,189	170,422
Reserved for Drug Forfeiture	0	0	109,441	221,110	262,520
Unrestricted	7,158,890	10,147,997	14,406,277	11,202,081	9,511,459
TOTAL NET ASSETS	$28,774,232	$31,782,708	$36,829,845	$34,704,873	$35,256,815

Notes: (1) Source: the Village.
(2) For governmental activities only.

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Statement of Activities*(1)(2)*

	Audited Fiscal Year Ending April 30				
	2007	2008	2009	2010	2011
FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT					
Governmental Activities(3):					
General Government	$(1,231,947)	$ (1,503,021)	$(1,676,021)	$ (1,896,825)	$(1,649,571)
Public Safety	(6,095,969)	(6,291,061)	(6,546,184)	(6,758,559)	(7,545,180)
Highways and Streets	(1,318,651)	(2,474,274)	(2,059,607)	(1,484,454)	(464,517)
Municipal Buildings	0	0	0	0	0
Economic Development	(99,775)	(96,275)	2,036,525	(5,575,820)	0
Interest	(432,004)	(353,797)	(241,819)	(92,357)	(73,343)
Total Primary Government	$(9,178,346)	$(10,718,428)	$(8,487,106)	$(15,808,015)	$(9,732,611)
General Revenues					
Taxes					
Property	$ 7,598,116	$ 7,704,022	$ 8,028,635	$ 8,423,435	$ 5,873,311
Replacement	259,923	296,449	271,436	240,262	267,063
Income	1,315,496	1,437,081	1,422,120	1,239,647	1,216,904
Sales, Local Use	1,651,702	1,733,078	1,707,932	1,585,276	1,687,782
Utility Taxes	555,717	589,944	587,064	476,791	525,432
Telecommunications	568,658	614,080	612,056	569,607	528,385
Franchise Fees	150,015	164,010	170,372	0	0
Gain From the Sale of Property	0	0	0	0	0
TIF Surplus Distribution	0	0	0	747,885	0
Intergovernmental	(100,000)	(160,028)	(100,000)	(100,000)	(100,000)
Investment Income	751,162	691,733	467,220	143,462	68,239
Contributions	(765,632)	0	0	0	0
Miscellaneous	368,376	656,535	367,408	356,678	217,437
Total	$12,353,533	$ 13,726,904	$13,534,243	$ 13,683,043	$10,284,553
CHANGE IN NET ASSETS	$ 3,175,187	$ 3,008,476	$ 5,047,137	$ (2,124,972)	$ 551,942
NET ASSETS, MAY 1	25,599,045	28,774,232	31,782,708	36,829,845	34,704,873
NET ASSETS, APRIL 30	$28,774,232	$ 31,782,708	$36,829,845	$ 34,704,873	$35,256,815

Notes: (1) Source: the Village.
(2) For governmental activities only.
(3) Expenses net of program revenues of charges for services and operating grants and contributions.

General Fund
Balance Sheet

	Audited as of April 30				
	2007	2008	2009	2010	2011
ASSETS:					
Cash and investments	$ 9,882,097	$10,116,388	$10,374,684	$ 9,345,422	$ 8,979,761
Receivables (net)					
Property Taxes	2,781,646	2,893,341	2,921,927	2,911,814	3,195,435
Accounts	68,606	90,613	83,155	289,457	78,805
Accrued Interest	259,430	216,541	127,744	40,076	23,864
Other	0	1,201	6,346	2,850	41,120
Due from Other Governments	694,016	739,142	771,814	1,018,068	887,101
Due from Component Unit	0	0	0		
Due from Fiduciary Funds	0	894	0	30,156	0
Prepaid items	0	0	0	0	0
Due from other funds	0	47,464	46,254	750	64,331
Total Assets	$13,685,795	$14,105,584	$14,331,924	$13,638,593	$13,270,417
LIABILITIES:					
Accounts payable	$ 114,011	$ 117,521	$ 94,562	$ 220,170	$ 121,276
Accrued payroll	141,976	260,614	215,267	1,363	16,070
Accrued interest payable	0	0	0	0	0
Deposits	153,789	185,046	703,509	99,690	0
Deferred revenues - property tax	5,012,987	5,246,702	5,522,179	5,954,184	6,125,134
Due to component unit	0	0	0	5,622	419
Due to other funds	0	0	0	960	0
Total Liabilities	$ 5,422,763	$ 5,809,883	$ 6,535,517	$ 6,281,989	$ 6,262,899
FUND EQUITY:					
Reserved for Drug Forfeiture	$ 0	$ 0	$ 109,441	$ 221,110	$ 262,520
Assigned for Economic Development	0	0	0	747,885	747,885
Unreserved and Undesignated	8,263,032	8,295,701	7,686,966	6,387,609	5,997,113
Total Fund Equity	8,263,032	8,295,701	7,796,407	7,356,604	7,007,518
Total Liabilities and Fund Equity	$13,685,795	$14,105,584	$14,331,924	$13,638,593	$13,270,417

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General Fund
Revenues and Expenditures

	Audited Fiscal Year Ending April 30				
	2007	2008	2009	2010	2011
REVENUES:					
Taxes	$ 8,559,520	$ 9,559,959	$ 9,759,457	$ 9,593,620	$10,077,856
Intergovernmental	66,557	82,379	177,903	182,077	181,347
Fines, Licenses and Permits	1,005,086	1,056,762	932,583	949,402	1,050,567
Investment Income	446,107	433,700	306,847	139,369	61,340
Miscellaneous	491,044	564,508	512,800	1,176,387	360,912
Total Revenues	$10,568,314	$11,697,308	$11,689,590	$12,040,855	$11,732,022
EXPENDITURES:					
General Government	$ 1,878,139	$ 2,221,861	$ 2,209,157	$ 2,321,048	$ 2,113,519
Pension Contributions	0	0	0	0	0
Public Safety	6,205,002	6,597,216	6,861,922	7,347,412	7,546,971
Transportation and Public Works	1,494,714	1,739,512	2,017,805	1,812,198	1,677,999
Building Department	0	0	0	0	0
Public Buildings	0	0	0	0	0
Total Expenditures	$ 9,577,855	$10,558,589	$11,088,884	$11,480,658	$11,338,489
Excess of Revenue Received Over (Under) Expenditures Disbursed	$ 990,459	$ 1,138,719	$ 600,706	$ 560,197	$ 393,533
OTHER FINANCING SOURCES (USES):					
Operating Transfers In	$ 0	$ 0	$ 0	$ 0	$ 57,381
Operating Transfers (Out)	(1,100,000)	(1,106,050)	(1,100,000)	(1,000,000)	(800,000)
Total Other Financing Sources (Uses)	$(1,100,000)	$(1,106,050)	$(1,100,000)	$(1,000,000)	$ (742,619)
Excess of Revenue Collected and Other Financing Sources Over (Under) Expenses Paid & Other Uses	$ (109,541)	$ 32,669	$ (499,294)	$ (439,803)	$ (349,086)
Beginning General Fund Balance	$ 8,372,573	$ 8,263,032	$ 8,295,701	$ 7,796,407	$ 7,356,605
Ending General Fund Balance	$ 8,263,032	$ 8,295,701	$ 7,796,407	$ 7,356,605	$ 7,007,521

EMPLOYEE RETIREMENT AND OTHER POSTEMPLOYMENT BENEFITS OBLIGATIONS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan and the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for IMRF as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police or Firefighters' Plans or SLEP) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

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Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution for the year ended December 31, 2010 was 10.42% of covered payroll.

Sheriff's Law Enforcement Personnel (SLEP)

Sheriff's Law Enforcement Personnel (SLEP), having accumulated at least 30 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.50% of their final rate of earnings, for each year of credited service up to 20 years, 2.00% of their final earnings rate for the next 10 years of credited service, and 1.00% for each year thereafter. For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies. SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by state statutes. SLEP members are required to contribute 6.50% of their annual salary to SLEP. The Village is required to contribute the remaining amounts necessary to fund the SLEP as specified by statute. The employer contribution rate for the calendar year 2010 was 14.65% of covered payroll.

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Police Pension Plan as a pension trust fund. At April 30, 2010, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	29
Terminated employees entitled to benefits but not yet receiving them	2
Current Employees:	
Vested	27
Nonvested	0
Total:	58

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to 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 annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Police Pension Plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village has until the year 2033 to fully fund the past service costs for the Police Pension Plan. For the year ended April 30, 2010, the Village's contribution was 26.70% of covered payroll.

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the Firefighters' Pension Plan as a pension trust fund. At April 30, 2010, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	26
Terminated employees entitled to benefits but not yet receiving them	0
Current Employees:	
Vested	10
Nonvested	10
Total:	46

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by 1/12 of 2.50% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75.00% of such monthly salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching the age of at least 55 by 3.00% of the original pension and 3.00% compounded annually thereafter.

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village has until the year 2033 to fully fund the past services costs for the Firefighters' Pension Plan. For the year ended April 30, 2010, the Village's contribution was 41.16% of covered payroll.

See **APPENDIX A** herein for a discussion of the Village's employee retirement and other postemployment benefits obligations.

REGISTRATION, TRANSFER AND EXCHANGE

See also **APPENDIX B** for information on registration, transfer and exchange of book-entry bonds. The Bonds will be initially issued as book-entry bonds.

The Village shall cause books (the "Bond Register") for the registration and for the transfer of the Bonds to be kept at the principal office maintained for the purpose of the Bond Registrar in Chicago, Illinois. The Village will authorize to be prepared, and the Bond Registrar shall keep custody of, multiple bond blanks executed by the Village for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Bond Ordinance. Upon surrender for transfer or exchange of any Bond at the principal office maintained for the purpose of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owner's attorney duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the registered owner, transferee or transferees (as the case may be) a new fully registered Bond or Bonds of the same maturity and interest rate of authorized denominations, for a like aggregate principal amount.

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The execution by the Village of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less Bonds previously paid.

The Bond Registrar shall not be required to transfer or exchange any Bond following the close of business on the 15th day of the month next preceding any interest payment date on such Bond (known as the record date), nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bonds shall be made only to or upon the order of the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the Village or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Village has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the Village's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the Village with respect to certain material facts within the Village's knowledge and upon the mathematical computation of the yield on the Bonds and the yield on certain investments by the Verifier. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the "Code"), includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax-exempt interest, including interest on the Bonds.

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Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

If the Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Village complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

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There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the Village as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State of Illinois income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

See **APPENDIX C** for a proposed form of Bond Counsel opinion for the Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Subject to the Village's compliance with certain covenants, in the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

CONTINUING DISCLOSURE

The Village will enter into a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934. No person, other than the Village, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below under **"THE UNDERTAKING."**

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There have been no instances in the previous five years in which the Village failed to comply, in all material respects, with any undertaking previously entered into by it pursuant to the Rule. A failure by the Village to comply with the Undertaking will not constitute a default under the Bond Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See **"THE UNDERTAKING - Consequences of Failure of the Village to Provide Information."** The Village must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule.

THE UNDERTAKING

The following is a brief summary of certain provisions of the Undertaking of the Village and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the Village.

Annual Financial Information Disclosure

The Village covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements, if any (as described below) to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. The Village is required to deliver such information within 210 days after the last day of the Village's fiscal year (currently on April 30). If Audited Financial Statements are not available when the Annual Financial Information is filed, the Village will file unaudited financial statements. The Village will submit Audited Financial Statements to the MSRB's Electronic Municipal Market Access ("EMMA") system within 30 days after availability to the Village. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

"Annual Financial Information" means

1. The table under the heading of **Retailers' Occupation, Service Occupation and Use Tax** within this Official Statement;
2. All of the tables under the heading **PROPERTY ASSESSMENT AND TAX INFORMATION** within this Official Statement;
3. All of the tables under the heading **DEBT INFORMATION** within this Official Statement; and
4. All of the tables under the heading **FINANCIAL INFORMATION** within this Official Statement.

"Audited Financial Statements" means financial statements of the Village as audited annually by independent certified public accountants. Audited Financial Statements are expected to continue to be prepared according to Generally Accepted Accounting Principles as applicable to governmental units (i.e., as subject to the pronouncements of the Governmental Accounting Standards Board and subject to any express requirements of State law).

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Reportable Events Disclosure

The Village covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. The "Events" are:

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Village*
13. The consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Consequences of Failure of the Village to Provide Information

The Village shall give notice in a timely manner to the MSRB of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the Village to comply with any provision of the Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Village to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Bond Ordinance, and the sole remedy under the Undertaking in the event of any failure of the Village to comply with the Undertaking shall be an action to compel performance.

* *This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Village in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Village, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Village.*

Amendment; Waiver

Notwithstanding any other provision of the Undertaking, the Village by ordinance authorizing such amendment or waiver, may amend the Undertaking, and any provision of the Undertaking may be waived, if:

(a) (i) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including, without limitation, pursuant to a "no-action" letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Village, or type of business conducted; or

(ii) The Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the Village (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority approves or requires Annual Financial Information or notices of a Reportable Event to be filed with a central post office, governmental agency or similar entity other than the MSRB or in lieu of the MSRB, the Village shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending the Undertaking.

Termination of Undertaking

The Undertaking shall be terminated if the Village shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Ordinance. The Village shall give notice to the MSRB in a timely manner if this paragraph is applicable.

Additional Information

Nothing in the Undertaking shall be deemed to prevent the Village from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a Reportable Event, in addition to that which is required by the Undertaking. If the Village chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by the Undertaking, the Village shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

Dissemination of Information; Dissemination Agent

When filings are required to be made with the MSRB in accordance with the Undertaking, such filings are required to be made through its EMMA system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

The Village may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

OPTIONAL REDEMPTION

Bonds due December 1, 2012-2020, inclusive, are non-callable. Bonds due December 1, 2021-2024, inclusive, are callable in whole or in part on any date on or after December 1, 2020, at a price of par plus accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the Village and within any maturity by lot.

The Bond Registrar will give notice of redemption, identifying the Bonds (or portions thereof) to be redeemed, by mailing a copy of the redemption notice by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond (or portion thereof) to be redeemed at the address shown on the registration books maintained by the Bond Registrar. Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed are received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the Village, state that said redemption will be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the Village will not redeem such Bonds, and the Bond Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the Village will deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on the date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Bond Ordinance, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Bond Registrar at the redemption price.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Village taken with respect to the issuance or sale thereof.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel (the "Bond Counsel"), who has been retained by, and acts as, Bond Counsel to the Village. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP, has, at the request of the Village, reviewed only those portions of this Official Statement involving the description of the Bonds, the security for the Bonds (excluding forecasts, projections, estimates or any other financial or economic information in connection therewith), the description of the federal tax exemption of interest on the Bonds and the "bank-qualified" status of the Bonds. This review was undertaken solely at the request and for the benefit of the Village and did not include any obligation to establish or confirm factual matters set forth herein.

5-A.79

OFFICIAL STATEMENT AUTHORIZATION

This Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the Village, and all expressions of opinion, whether or not so stated, are intended only as such.

INVESTMENT RATING

The credit rating on the Bonds is "Aa2" from Moody's Investors Service, New York, New York ("Moody's"). No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. Generally, rating agencies base their ratings on such information and materials and investigations, studies and assumptions by the respective rating agency. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds. The Village and the Underwriters have undertaken no responsibility either to bring to the attention of the registered owners of the Bonds any proposed change in or withdrawal of such rating or to oppose any such revision or withdrawal (other than to comply with any applicable continuing disclosure requirements). An explanation of the significance of investment ratings may be obtained from the rating agency: Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone 212-553-1658.

UNDERWRITING

The Bonds were offered for sale by the Village at a public, competitive sale on August 27, 2012. The best bid submitted at the sale was submitted by ____________________ (the "Underwriter"). The Village awarded the contract for sale of the Bonds to the Underwriter at a price of $___________. The Underwriter has represented to the Village that the Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the addendum to this Official Statement.

FINANCIAL ADVISOR

The Village has engaged Speer Financial, Inc. as financial advisor (the "Financial Advisor") in connection with the issuance and sale of the Bonds. The Financial Advisor is a Registered Municipal Advisor in accordance with the rules of the Municipal Securities Rulemaking Board (the "MSRB"). The Financial Advisor will not participate in the underwriting of the Bonds. The financial information included in the Official Statement has been compiled by the Financial Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Financial Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Bonds. The Financial Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, nor is the Financial Advisor obligated by the Village's continuing disclosure undertaking.

5-A.80

CERTIFICATION

We have examined this Official Statement dated August 15, 2012, for the $6,365,000* General Obligation Refunding Bonds, Series 2012B, believe it to be true and correct and will provide to the purchaser of the Bonds at the time of delivery a certificate confirming to the purchaser that to the best of our knowledge and belief information in the Official Statement was at the time of acceptance of the bid for the Bonds and, including any addenda thereto, was at the time of delivery of the Bonds true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

/s/ **LOU CIPPARRONE**
Finance Director
VILLAGE OF LA GRANGE
Cook County, Illinois

/s/ **ELIZABETH ASPERGER**
President
VILLAGE OF LA GRANGE
Cook County, Illinois

**Subject to change.*

5-A.81

APPENDIX A

VILLAGE OF LA GRANGE
COOK COUNTY, ILLINOIS

EXCERPTS OF FISCAL YEAR 2011 AUDITED FINANCIAL STATEMENTS

5-A.82

VILLAGE OF LA GRANGE, ILLINOIS

STATEMENT OF NET ASSETS

April 30, 2011

	Governmental Activities	Business-Type Activities	Total	Component Unit Library
ASSETS				
Cash and cash equivalents	$ 3,993,068	$ 1,129,787	$ 5,122,855	$ 3,181,538
Investments	10,180,917	1,846,367	12,027,284	-
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	3,195,435	-	3,195,435	1,354,728
Accounts	253,164	597,752	850,916	5,064
Accrued interest	38,486	9,640	48,126	-
Due from other governments	923,415	-	923,415	-
Due from other funds	29,331	-	29,331	
Due to/from other funds	636,000	(636,000)	-	-
Prepaid expenses	41,120	-	41,120	22,599
Deferred costs	-	-	-	124,359
Net pension asset	64,900	-	64,900	-
Net other postemployment benefit asset	-	-	-	1,788
Capital assets, not being depreciated	11,768,668	1,564,734	13,333,402	94,418
Capital assets being depreciated (net of accumulated depreciation)	13,370,020	17,996,414	31,366,434	8,162,538
Total assets	44,494,524	22,508,694	67,003,218	12,947,032
LIABILITIES				
Accounts payable	366,109	141,691	507,800	1,124
Accrued payroll	16,070	4,291	20,361	21,488
Accrued interest payable	28,260	-	28,260	121,184
Deposits	-	5,749	5,749	-
Unearned revenues				
Property tax	6,125,134	-	6,125,134	2,655,989
Other	-	247,715	247,715	-
Due to component unit	419	-	419	-
Noncurrent liabilities				
Due within one year	304,353	34,853	339,206	443,563
Due in more than one year	2,397,364	160,598	2,557,962	6,887,250
Total liabilities	9,237,709	594,897	9,832,606	10,130,598
NET ASSETS				
Invested in capital assets, net of related debt	23,308,688	19,561,148	42,869,836	1,003,399
Restricted for maintenance of roadways	1,829,575	-	1,829,575	-
Restricted for public safety	174,151	-	174,151	-
Restricted for debt service	170,422	-	170,422	-
Restricted for drug forfeiture	262,520	-	262,520	-
Unrestricted	9,511,459	2,352,649	11,864,108	1,813,035
TOTAL NET ASSETS	$ 35,256,815	$ 21,913,797	$ 57,170,612	$ 2,816,434

See accompanying notes to financial statements.

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VILLAGE OF LA GRANGE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2011

FUNCTIONS/PROGRAMS	Program Revenues: Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Program Revenues: Capital Grants	Net (Expense) Revenue and Change in Net Assets – Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit: Library
PRIMARY GOVERNMENT								
Governmental Activities								
General government	$ 2,219,004	$ 569,433	$ -	$ -	$ (1,649,571)	$ -	$ (1,649,571)	$ -
Public safety	8,211,120	664,840	1,100	-	(7,545,180)	-	(7,545,180)	-
Highways and streets	3,188,321	313,878	462,635	1,947,291	(464,517)	-	(464,517)	-
Interest	73,343	-	-	-	(73,343)	-	(73,343)	-
Total governmental activities	13,691,788	1,548,151	463,735	1,947,291	(9,732,611)	-	(9,732,611)	-
Business-Type Activities								
Water	3,612,540	3,216,520	-	-	-	(396,020)	(396,020)	-
Sewer	460,477	396,770	-	-	-	(63,707)	(63,707)	-
Parking	989,517	681,449	-	-	-	(308,068)	(308,068)	-
Total business-type activities	5,062,534	4,294,739	-	-	-	(767,795)	(767,795)	-
TOTAL PRIMARY GOVERNMENT	$ 18,754,322	$ 5,842,890	$ 463,735	$ 1,947,291	(9,732,611)	(767,795)	(10,500,406)	-
COMPONENT UNIT - LIBRARY								
Culture and recreation	$ 2,054,752	$ 37,783	$ -	$ -	-	-	-	(2,016,969)
Interest	306,992	-	-	-	-	-	-	(306,992)
TOTAL COMPONENT UNIT - LIBRARY	$ 2,361,744	$ 37,783	$ -	$ -	-	-	-	(2,323,961)
General Revenues								
Taxes								
Property					5,873,311	-	5,873,311	2,684,328
Replacement					267,063	-	267,063	26,716
Income					1,216,904	-	1,216,904	-
Sales, local use					1,687,782	-	1,687,782	-
Utility					525,432	-	525,432	-
Telecommunications					528,385	-	528,385	-
Investment income					68,239	15,303	83,542	5,402
Miscellaneous					217,437	-	217,437	32,067
Transfers					(100,000)	100,000	-	-
Total					10,284,553	115,303	10,399,856	2,748,513
CHANGE IN NET ASSETS					551,942	(652,492)	(100,550)	424,552
NET ASSETS, MAY 1					34,704,873	22,566,289	57,271,162	2,391,882
NET ASSETS, APRIL 30					$ 35,256,815	$ 21,913,797	$ 57,170,612	$ 2,816,434

See accompanying notes to financial statements.

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VILLAGE OF LA GRANGE, ILLINOIS

GOVERNMENTAL FUNDS
BALANCE SHEET

April 30, 2011

	General	Motor Fuel Tax	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 2,801,380	$ 771,881	$ 664	$ 170,422	$ 171,934	$ 3,916,281
Investments	6,178,381	1,022,900	-	-	-	7,201,281
Receivables (net, where applicable, of allowances for uncollectibles)						
Property taxes	3,195,435	-	-	-	-	3,195,435
Accounts	78,805	-	174,359	-	-	253,164
Accrued interest	23,864	2,580	-	-	-	26,444
Other	41,120	-	-	-	-	41,120
Due from other governments	887,101	32,214	-	-	4,100	923,415
Due from other funds	64,331		636,000	-	-	700,331
Due from fiduciary funds	-	-	-	-	-	-
TOTAL ASSETS	$ 13,270,417	$ 1,829,575	$ 811,023	$ 170,422	$ 176,034	$ 16,257,471

	General	Motor Fuel Tax	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 121,276	$ -	$ 242,950	$ -	$ 1,883	$ 366,109
Accrued payroll	16,070	-	-	-	-	16,070
Unearned revenues						
Property tax	6,125,134	-	-	-	-	6,125,134
Due to component unit	419	-	-	-	-	419
Due to other funds	-		35,000	-	-	35,000
Total liabilities	6,262,899	-	277,950	-	1,883	6,542,732
FUND BALANCES						
Restricted for maintenance of roadways	-	1,829,575	-	-	-	1,829,575
Restricted for public safety	-	-	-	-	174,151	174,151
Restricted for debt service	-	-	-	170,422	-	170,422
Restricted for drug forfeiture	262,520	-	-	-	-	262,520
Assigned for economic development	747,885	-	-	-	-	747,885
Assigned for capital projects	-	-	533,073	-	-	533,073
Unassigned	5,997,113	-	-	-	-	5,997,113
Total fund balances	7,007,518	1,829,575	533,073	170,422	174,151	9,714,739
TOTAL LIABILITIES AND FUND BALANCES	$ 13,270,417	$ 1,829,575	$ 811,023	$ 170,422	$ 176,034	$ 16,257,471

See accompanying notes to financial statements.

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VILLAGE OF LA GRANGE, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS

April 30, 2011

FUND BALANCES OF GOVERNMENTAL FUNDS	$ 9,714,739
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	25,138,688
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds	(1,830,000)
Accrued compensated absences	(708,442)
Interest payable is not reported in the governmental funds	(28,260)
Net pension asset is shown as an asset on the statement of net assets	64,900
Net pension obligation (Fire pension) is shown as a liability on the statement of net assets	(13,036)
Net pension obligation (IMRF) is shown as a liability on the statement of net assets	(71,733)
Net other postemployment benefits obligation is shown as a liability on the statement of net assets	(78,506)
The unrestricted net assets of the internal service fund are included in the governmental activities in the statement of net assets	3,068,465
NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ 35,256,815

See accompanying notes to financial statements.

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VILLAGE OF LA GRANGE, ILLINOIS

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

For the Year Ended April 30, 2011

	General	Motor Fuel Tax	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 10,077,856	$ -	$ -	$ -	$ 21,016	$ 10,098,872
Intergovernmental	181,347	462,635	865,596	-	-	1,509,578
Charges for services	-	-	419	-	236,733	237,152
Fines, licenses and permits	1,050,567	-	-	-	-	1,050,567
Investment income	61,340	5,514	780	233	375	68,242
Miscellaneous	360,912	-	7,335	-	-	368,247
Total revenues	11,732,022	468,149	874,130	233	258,124	13,332,658
EXPENDITURES						
Current						
General government	2,113,519	-	-	-	-	2,113,519
Public safety	7,546,971	-	-	-	312,653	7,859,624
Highways and streets	1,677,999	-	-	-	-	1,677,999
Economic development	-	-	-	-	-	-
Capital outlay	-	-	1,708,255	-	-	1,708,255
Debt service						
Principal retirement	-	-	-	220,000	-	220,000
Interest and fiscal charges	-	-	-	76,575	-	76,575
Total expenditures	11,338,489	-	1,708,255	296,575	312,653	13,655,972
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	393,533	468,149	(834,125)	(296,342)	(54,529)	(323,314)

	General	Motor Fuel Tax	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)						
Transfers in	$ 57,381	$ -	$ 700,000	$ 296,575	$ -	$ 1,053,956
Transfers (out)	(800,000)	-	(296,575)	-	(57,381)	(1,153,956)
Total other financing sources (uses)	(742,619)	-	403,425	296,575	(57,381)	(100,000)
NET CHANGE IN FUND BALANCES	(349,086)	468,149	(430,700)	233	(111,910)	(423,314)
FUND BALANCES, MAY 1	7,356,604	1,361,426	963,773	170,189	286,061	10,138,053
FUND BALANCES, APRIL 30	$ 7,007,518	$ 1,829,575	$ 533,073	$ 170,422	$ 174,151	$ 9,714,739

See accompanying notes to financial statements.

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VILLAGE OF LA GRANGE, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2011

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ (423,314)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, they are capitalized in the statement of activities	1,607,331
Less internal services funds	(1,029,878)
Contributions of capital assets are reported as revenue on the statement of activities	1,011,069
Capital assets are depreciated on the statement of activities	(1,001,089)
Less internal services funds	517,376
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	220,000
The change in compensated absences is shown as an expense on the statement of activities	(90,138)
Accrual of interest is reported as interest expense on the statement of activities	3,232
The change in the net pension asset/obligation is shown as an expense on the statement of activities	(28,123)
The change in the net pension obligation (IMRF) is shown as an expense on the statement of activities	(71,733)
The change in the net other postemployment benefits payable (OPEB) is shown as an expense on the statement of activities	(26,437)
Internal service funds are reported separately in the fund financial statements	(136,354)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ 551,942

See accompanying notes to financial statements.

5-A-88

VILLAGE OF LA GRANGE, ILLINOIS

PROPRIETARY FUNDS STATEMENT OF NET ASSETS

April 30, 2011

	Water	Parking	Sewer	Total	Internal Service Equipment Replacement
CURRENT ASSETS					
Cash and cash equivalents	$ 95,056	$ 929,492	$ 105,239	$ 1,129,787	$ 76,787
Investments	807,067	839,300	200,000	1,846,367	2,979,636
Receivables					
Accounts	526,276	-	71,476	597,752	-
Accrued interest	6,034	3,431	175	9,640	12,042
Total current assets	1,434,433	1,772,223	376,890	3,583,546	3,068,465
NONCURRENT ASSETS					
Capital assets					
Not being depreciated	20,896	1,349,838	194,000	1,564,734	-
Being depreciated, at cost	15,776,799	11,134,161	3,900,485	30,811,445	4,928,453
Less accumulated depreciation	(7,862,805)	(3,128,908)	(1,823,318)	(12,815,031)	(2,994,108)
Net capital assets	7,934,890	9,355,091	2,271,167	19,561,148	1,934,345
Total assets	9,369,323	11,127,314	2,648,057	23,144,694	5,002,810
CURRENT LIABILITIES					
Accounts payable	140,501	1,088	102	141,691	-
Accrued payroll	2,290	1,472	529	4,291	-
Due to capital projects fund	442,000	-	194,000	636,000	-
Deposits	5,749	-	-	5,749	-
Unearned revenue		247,715	-	247,715	-
Compensated absences payable	34,853	-	-	34,853	-
Total current liabilities	625,393	250,275	194,631	1,070,299	-
NONCURRENT LIABILITIES					
Other postemployment benefits payable	4,419	1,422	1,690	7,531	-
Net pension obligation	21,520	14,347	7,173	43,040	-
Compensated absences payable	76,360	19,683	13,984	110,027	-
Total noncurrent liabilities	102,299	35,452	22,847	160,598	-
Total liabilities	727,692	285,727	217,478	1,230,897	-
NET ASSETS					
Invested in capital assets	7,934,890	9,355,091	2,271,167	19,561,148	1,934,345
Unrestricted	706,741	1,486,496	159,412	2,352,649	3,068,465
TOTAL NET ASSETS	$ 8,641,631	$ 10,841,587	$ 2,430,579	$ 21,913,797	$ 5,002,810

See accompanying notes to financial statements.

VILLAGE OF LA GRANGE, ILLINOIS

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS

For the Year Ended April 30, 2011

	Water	Parking	Sewer	Total	Internal Service Equipment Replacement
OPERATING REVENUES					
Water sales	$ 3,130,783	$ -	$ -	$ 3,130,783	$ -
Sewer fees	-	-	391,170	391,170	-
Water meter installation	33,011	-	-	33,011	-
Sewer connection fees	-	-	5,600	5,600	-
Delinquent penalties	39,365	-	-	39,365	-
Fire lines	11,925	-	-	11,925	-
Parking meter collections	-	90,121	-	90,121	-
Parking decal sales	-	456,578	-	456,578	-
Parking fines	-	134,750	-	134,750	-
Charges for services	-	-	-	-	309,642
Miscellaneous income	1,436	-	-	1,436	34,306
Total operating revenues	3,216,520	681,449	396,770	4,294,739	343,948
OPERATING EXPENSES					
Personnel services	1,225,988	671,206	284,585	2,181,779	-
Supplies and materials	26,381	12,854	6,382	45,617	-
Contractual services	1,869,273	68,152	31,978	1,969,403	-
Other	98,849	19,245	84,256	202,350	76,676
Depreciation	392,049	218,060	53,276	663,385	517,376
Total operating expenses	3,612,540	989,517	460,477	5,062,534	594,052
OPERATING INCOME (LOSS)	(396,020)	(308,068)	(63,707)	(767,795)	(250,104)
NONOPERATING REVENUES (EXPENSES)					
Investment income	8,729	5,118	1,456	15,303	35,850
Gain on sale of capital assets	-	-	-	-	77,900
Total nonoperating revenues (expenses)	8,729	5,118	1,456	15,303	113,750
INCOME (LOSS) BEFORE TRANSFERS	(387,291)	(302,950)	(62,251)	(752,492)	(136,354)
TRANSFERS	-	100,000	-	100,000	-
CHANGE IN NET ASSETS	(387,291)	(202,950)	(62,251)	(652,492)	(136,354)
NET ASSETS, MAY 1	9,028,922	11,044,537	2,492,830	22,566,289	5,139,164
NET ASSETS, APRIL 30	$ 8,641,631	$ 10,841,587	$ 2,430,579	$ 21,913,797	$ 5,002,810

See accompanying notes to financial statements.

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VILLAGE OF LA GRANGE, ILLINOIS

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2011

	Water	Parking	Sewer	Total	Internal Service Equipment Replacement
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 3,184,953	$ 668,654	$ 396,770	$ 4,250,377	$ 34,306
Payments to suppliers	(1,967,387)	(83,253)	(84,670)	(2,135,310)	(76,676)
Payments to employees	(1,206,703)	(653,281)	(277,290)	(2,137,274)	-
(Receipts) payments to internal service funds	(45,055)	(18,368)	(36,097)	(99,520)	309,642
Net cash from operating activities	(34,192)	(86,248)	(1,287)	(121,727)	267,272
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of capital assets	-	-	-	-	77,900
Acquisition of capital assets	-	-	-	-	(1,061,175)
Net cash from capital and related financing activities	-	-	-	-	(983,275)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES					
Transfers in	-	100,000	-	100,000	-
Net cash from noncapital and related financing activities	-	100,000	-	100,000	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(104,111)	(349,300)	(200,000)	(653,411)	(2,200,934)
Proceeds from sale of investments	98,779	349,000	200,000	647,779	2,734,289
Interest received	4,821	5,676	1,665	12,162	38,670
Net cash from investing activities	(511)	5,376	1,665	6,530	572,025
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(34,703)	19,128	378	(15,197)	(143,978)
CASH AND CASH EQUIVALENTS, MAY 1	129,759	910,364	104,861	1,144,984	220,765
CASH AND CASH EQUIVALENTS, APRIL 30	$ 95,056	$ 929,492	$ 105,239	$ 1,129,787	$ 76,787
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	$ (396,020)	$ (308,068)	$ (63,707)	$ (767,795)	$ (250,104)
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation	392,049	218,060	53,276	663,385	517,376
Changes in assets and liabilities					
Accounts receivable	(31,566)	-	5,257	(26,309)	-
Accounts payable	(17,407)	(1,371)	(3,306)	(22,084)	-
Accrued payroll	1,872	1,367	320	3,559	-
Deferred revenue	-	(12,795)	-	(12,795)	-
Other post employment benefits	1,488	479	569	2,536	-
Compensated absences	15,392	16,080	6,304	37,776	-
NET CASH FROM OPERATING ACTIVITIES	$ (34,192)	$ (86,248)	$ (1,287)	$ (121,727)	$ 267,272

See accompanying notes to financial statements.

VILLAGE OF LA GRANGE, ILLINOIS

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS

April 30, 2011

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	$ 1,042,084	$ 2
Investments, at fair value		
U.S. Government and agency securities	5,259,414	-
Insurance contracts	13,221,803	-
Stocks	5,050,163	-
Receivables		
Assessments	-	51,599
Accrued interest	20,668	-
Total assets	24,594,132	$ 51,601
LIABILITIES		
Accounts payable		$ -
Due to the general fund	-	29,331
Due to bondholders	-	22,269
Due to property owners	-	1
Total liabilities	-	$ 51,601
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	$ 24,594,132	

See accompanying notes to financial statements.

VILLAGE OF LA GRANGE, ILLINOIS

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

For the Year Ended April 30, 2011

ADDITIONS	
Contributions	
Employer contributions	$ 1,572,908
Employee contributions	350,552
Other	259
Total contributions	1,923,719
Investment income	
Net appreciation in fair value of investments	578,206
Interest	1,862,036
Total investment income	2,440,242
Less investment expense	(61,817)
Net investment income	2,378,425
Total additions	4,302,144
DEDUCTIONS	
Benefits and refunds	2,538,651
Administrative expenses	4,000
Miscellaneous	22,705
Total deductions	2,565,356
NET INCREASE	1,736,788
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
May 1	22,857,344
April 30	$ 24,594,132

See accompanying notes to financial statements.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of La Grange, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

a. Reporting Entity

The Village was incorporated June 11, 1879. The Village is a municipal corporation governed by an elected seven-member board. The Village operates under a Board-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, water and sanitation, public improvements, planning and zoning and general administrative services. As required by generally accepted accounting principles, these financial statements present the Village (the primary government) and its component units. The component units discussed below are included in the Village's reporting entity because of the significance of their operational or financial relationship with the Village.

Discretely Presented Component Unit

The component unit column in the financial statements include the financial data of the Village's component unit. It is reported in a separate column to emphasize that it is legally separate from the Village.

La Grange Public Library

The La Grange Public Library (the Library) is governed by the La Grange Public Library Board of Trustees (the Library Board of Trustees) elected by the voters of the Village. The Library Board of Trustees selects management staff, establishes budgets and otherwise directs the affairs of the Library. The Library may not issue bonded debt without the Village's approval. The Library receives most of its funding through property taxes levied by the Village on behalf of the Library. Separate financial statements are not issued.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

The Village's financial statements include pension trust funds:

Police Pension Employees Retirement System

The Village's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one pension beneficiary elected by the membership and two police employees elected by the membership constitute the pension board. The Village and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund. No separate stand-alone financial statements are issued by PPERS.

Firefighters' Pension Employees Retirement System

The Village's firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one pension beneficiary elected by the membership and two firefighter employees elected by the membership constitute the pension board. The Village and FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, FPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's firefighters because of the fiduciary nature of such activities. FPERS is reported as a pension trust fund. No separate stand-alone financial statements are issued by FPERS.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting

The Village uses funds to report on its financial position and the changes in its financial position and cash flows. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds) and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or the other departments or agencies primarily within the Village (internal service funds). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds*, the Village has chosen to apply all GASB pronouncements as well as those pronouncements of the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989 to account for enterprise funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Village. When these assets are held under the terms of a formal trust agreement, a pension trust fund is used. Agency funds generally are used to account for assets that the Village holds on behalf of others as their agent.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. Interfund services provided and used are not eliminated for this purpose. 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.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expense 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 enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

- The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.
- The Motor Fuel Tax Fund accounts for the operation of certain street maintenance programs and to fund specific capital projects as authorized by the Illinois Department of Transportation. The Village has elected to report the Motor Fuel Tax Fund as a major fund.
- The Capital Projects Fund accounts for the costs of various infrastructure improvements to village property. These costs are financed by transfers from the General and Motor Fuel Tax Funds, grants and bond proceeds.
- The Debt Service Fund accounts for resources that are used to repay general long-term debt obligations.

The Village reports the following major proprietary funds:

- The Water Fund accounts for the activities of the water operations.
- The Sewer Fund accounts for the activities of the sewer operations.
- The Parking Fund accounts for the activities of the parking lots and meters.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

Additionally, the Village reports the following funds:

- The Internal Service Equipment Replacement Fund is used to accumulate monies for the future replacement of equipment. Financing is provided by payments from the General, ETSB, Water, Parking and Sewer Funds.
- Pension Funds are used to account for the Police and Firefighters' Pension activities.
- Agency Funds are used to account for noncommitment debt of the special service areas and special assessments.

d. Measurement Focus, Basis of Accounting and Financial Statement 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, with the exception of the agency funds which do not have a measurement focus. Revenues and additions are recorded when earned, and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). 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. The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period. The Village recognizes property taxes when they become both measurable and available in the period intended to finance. A 90 day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, interest revenue and charges for services. Sales and income taxes owed to and fines collected by the State of Illinois at year end on behalf of the Village also are recognized as revenue. Permit revenues are not susceptible to accrual because generally they are not measurable until received in cash.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations.

The Village reports unearned revenue on its financial statements. Unearned revenues arise when potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability for unearned revenue is removed from the financial statements and revenue is recognized.

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Village's proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are stated at fair value.

f. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the financial statements. Short-term interfund loans, if any, are classified as "interfund receivables/payables."

g. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets

Capital assets which include property, plant, equipment, intangible assets and infrastructure assets (e.g., roads, bridges and storm sewers) 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, individual cost of more than $10,000 for furniture, equipment and vehicles and $100,000 for building, building improvements and infrastructure plus an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In the case of the initial capitalization of general infrastructure assets, (i.e., those reported by governmental activities) the Village chose to include all such items regardless of their acquisition date. The Village was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the Village constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the Village values these capital assets at the estimated fair value of the item at the date of its donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset 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 business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Building and building improvements	10 - 50
Improvements	10 - 35
Water distribution system	10 - 40
Sewer distribution system	40
Vehicles, equipment and furniture	2 - 25
Intangible assets	5-10
Infrastructure	50

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Compensated Absences

Vested or accumulated vacation and sick leave of proprietary funds and governmental activities is recorded as an expense and liability of those funds as the benefits accrue to employees.

j. Long-Term Obligations

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

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 uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

k. Fund Balance/Net Assets

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. 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. None of the restricted fund balance result from enabling legislation adopted by the Village. 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 resolutions and 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 Manager by the Village Board of Trustees. Any residual fund balance is reported as unassigned.

The Village's flow of funds assumption prescribes that the 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. Additionally, if different levels of unrestricted funds are available for spending the Village considers committed funds to be expended first followed by assigned and then unassigned funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Fund Balance/Net Assets (Continued)

The Village has established fund balance reserve policies for its general fund. The General Fund targets six months of operating expenditures as unassigned fund balance. The Special Revenue, Capital Projects and Debt Service Funds do not have established fund balance limits due to the nature of the transactions accounted for in these funds.

In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. Net assets have not been restricted by enabling legislation adopted by the Village. Invested in capital assets, net of related debt, represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets.

2. DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust funds. Each fund's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds. The investments are governed by three separate investment policies; one policy for the Village adopted by the Village Board and one policy each for the Police and Firefighters' Pension Funds approved by their respective boards.

The Village's investment policy authorizes the Village to make deposits/invest 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 agreements to repurchase these same obligations, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds and IMET.

The Illinois Funds is an investment pool which was created by the Illinois State Legislature under the control of the State Comptroller that maintains a $1 per share value which is equal to the participants fair value and the Illinois Metropolitan Investment Fund (IMET), a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

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2. DEPOSITS AND INVESTMENTS (Continued)

The Police and Firefighters' Pension Funds can invest in the same securities as the Village, plus the following: certain non-U.S. obligations (corporate debt securities), Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political divisions, Illinois insurance company general and separate accounts, mutual funds and equity securities.

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statues governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

a. Village Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance. At April 30, 2011, the Village had bank balances of $11,250 that were uninsured and uncollateralized.

b. Village Investments

The following table presents the investments and maturities of the Village's debt securities as of April 30, 2011:

Investment Type	Fair Value	Investment Maturities (in Years) Less than 1	1 - 5	6 - 10	More than 10
Illinois Funds	$ 4,785,936	$ 4,785,936	$ -	$ -	$ -
Illinois Metropolitan Investment Fund	1,934,045	1,934,045	-	-	-
TOTAL	$ 6,719,881	$ 6,719,881	$ -	$ -	$ -

In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a fifteen month period. The investment policy limits the maximum maturity length of investments in the general fund and the special revenue funds to fifteen months from date of purchase. Investments in other funds may be purchased with maturities to match future projects or liability requirements. In addition, the policy requires the Village to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Village Investments (Continued)

The Village 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 short-term commercial paper rated A+ to AAA by Standard and Poor's. Illinois Funds and the Illinois Metropolitan Investment Fund are rated AAA by Standard and Poor's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third-party acting as the Village's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the Village's name. Illinois Funds and the money market mutual fund are not subject to custodial credit risk.

Concentration of credit risk - The Village's investment policy limits investments to the amount of the portfolio that can be invested in any one investment vehicle as follows:

Diversification by Instrument	Percent of Portfolio
U.S. Treasury obligations (bills, notes and bonds)	100%
U.S. government agency securities and instrumentalities of government sponsored corporations	50%
Bankers acceptances (BAs)	25%
Repurchase agreements (REPOs) (monies in the public funds or other money market funds are not to be included in this limitation)	25%
Certificates of deposit (CDs) commercial banks/savings and loans	100%
Certificates of deposit (CDs) credit unions	100%
Illinois Public Funds (or similar types of investments/money market pools)	50%
Commercial paper (CP)	10%

Diversification by Financial Institution

Bankers Acceptances (BAs) - no more than 25% of the total portfolio with any one institution.

Repurchase Agreements (REPOs) - no more than 25% of the total portfolio with any one institution.

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VILLAGE OF LA GRANGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Village Investments (Continued)

Diversification by Financial Institution (Continued)

Certificates of Deposit (CDs) - Commercial banks, savings and loan association, credit unions - no more than 50% of the total portfolio with any one institution.

Local Government Investment Pool - The Illinois Public Funds or similar type of investment/money market pools - no more than 50%.

c. Police and Firefighters' Pension Funds Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Police and Firefighters' Pension Funds' deposits may not be returned to them. The Police and Firefighters' Pension Funds' investment policies do not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Police and Firefighters' Pension Funds' deposits with financial institutions.

d. Police Pension Fund Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2011:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury obligations	$ 1,902,905	$ 299,781	$ 775,506	$	$ 827,618
U.S. agency obligations	2,378,722	689	1,621	8,584	2,367,828
TOTAL	$ 4,281,627	$ 300,470	$ 777,127	$ 8,584	$ 3,195,446

In accordance with its investment policy, the Police Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The investment policy does not limit the maximum maturity length of investments in the Police Pension Fund.

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 or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. The U.S. Treasury and U.S. agency obligations are rated AAA, the money market funds are rated AAA and the bond mutual funds are rated AAA. Illinois Funds is rated AAA by Standard and Poor's.

2. DEPOSITS AND INVESTMENTS (Continued)

d. Police Pension Fund Investments (Continued)

Custodial credit risk for investments 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 possession of an outside party. To limit its exposure, the Police Pension Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third-party acting as the Police Pension Fund's agent separate from where the investment was purchased in the Police Pension Fund's name. Illinois Funds, insurance contracts and bond mutual funds are not subject to custodial credit risk.

Concentration of credit risk - The Police Pension Fund's investment policy limits the amount of the portfolio that can be invested in any one investment vehicle to 50% of the portfolio.

e. Firefighters' Pension Fund Investments

The following table presents the investments and maturities of the Firefighters' Pension Fund's debt securities as of April 30, 2011:

Investment Type	Fair Value	Investment Maturities (in Years) Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury obligations	$ 237,853	$ -	$	$ 107,383	$ 130,470
U.S. agency obligations	739,934	-	831	6,367	732,736
TOTAL	$ 977,787	$ -	$ 831	$ 113,750	$ 863,206

In accordance with its investment policy, the Firefighters' Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The investment policy does not limit the maximum maturity length of investments in the Firefighters' Pension Fund.

The Firefighters' 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 or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. The U.S. agency obligations are rated AAA and the money market funds are rated AAA. Illinois Funds is rated AAA by Standard and Poor's.

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2. DEPOSITS AND INVESTMENTS (Continued)

e. Firefighters' Pension Fund Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Firefighters' Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Firefighters' Pension Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third-party acting as the Firefighters' Pension Fund's agent separate from where the investment was purchased in the Firefighters' Pension Fund's name. Illinois Funds, insurance contracts and bond mutual funds are not subject to custodial credit risk.

Concentration of credit risk - The Firefighters' Pension Fund's investment policy limits the amount of the portfolio that can be invested in any one investment vehicle to 50% of the portfolio.

3. RECEIVABLES

Property taxes for 2010 attach as an enforceable lien on January 1, 2010 on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1, 2011 and August 1, 2011 and are payable in two installments, on or about March 1, 2011 and September 1, 2011. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 3% of the tax levy and 5% of the debt service levy to reflect actual collection experience.

The 2011 tax levy, which attached as an enforceable lien on property as of January 1, 2011, has not been recorded as a receivable as of April 30, 2011, as the tax has not yet been levied by the Village and will not be levied until December 2011 and, therefore, the levy is not measurable at April 30, 2011.

The following receivables are included in due from other governments on the statement of net assets:

GOVERNMENTAL ACTIVITIES	
Income taxes	$ 312,163
Sales taxes	394,534
Utility taxes	180,404
MFT allotment	32,214
9-1-1 fees	4,100
TOTAL	$ 923,415

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2011 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Construction in progress	$ 2,079,766	$ 1,573,656	$ -	$ 3,653,422
Land	539,948	-	-	539,948
Land right of way	7,575,298	-	-	7,575,298
Total capital assets not being depreciated	10,195,012	1,573,656	-	11,768,668
Capital assets being depreciated				
Buildings	5,898,888	-	-	5,898,888
Improvements	2,530,018	-	-	2,530,018
Street infrastructure	11,633,273	-	-	11,633,273
Storm sewers	1,695,557	-	-	1,695,557
Equipment	4,902,899	1,044,744	400,751	5,546,892
Total capital assets being depreciated	26,660,635	1,044,744	400,751	27,304,628
Less accumulated depreciation for				
Buildings	3,487,311	130,848	-	3,618,159
Improvements	1,489,709	58,637	-	1,548,346
Street infrastructure	3,869,806	210,261	-	4,080,067
Storm sewers	1,221,734	21,912	-	1,243,646
Equipment	3,265,710	579,431	400,751	3,444,390
Total accumulated depreciation	13,334,270	1,001,089	400,751	13,934,608
Total capital assets being depreciated, net	13,326,365	43,655	-	13,370,020
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 23,521,377	$ 1,617,311	$ -	$ 25,138,688

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	$ 1,370,735	$ -	$ -	$ 1,370,735
Construction in progress	241,404	194,000	241,405	193,999
Total capital assets not being depreciated	1,612,139	194,000	241,405	1,564,734
Capital assets being depreciated				
Building and building improvements	9,386,936	-	-	9,386,936
Water distribution system	14,666,759	561,000	-	15,227,759
Sewer distribution system	3,750,249	122,405	-	3,872,654
Parking improvements	1,775,449	-	-	1,775,449
Equipment	548,647	-	-	548,647
Total capital assets being depreciated	30,128,040	683,405	-	30,811,445

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4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES (Continued)				
Less accumulated depreciation for				
Building and building improvements	$ 1,177,605	$ 201,505	$ -	$ 1,379,110
Water distribution system	6,987,582	371,890	-	7,359,472
Sewer distribution system	1,749,775	50,961	-	1,800,736
Parking improvements	1,742,673	21,542	-	1,764,215
Equipment	494,011	17,487	-	511,498
Total accumulated depreciation	12,151,646	663,385	-	12,815,031
Total capital assets being depreciated, net	17,976,394	20,020	-	17,996,414
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	$ 19,588,533	$ 214,020	$ 241,405	$ 19,561,148

Depreciation expense was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES	
General government	$ 88,200
Public safety	437,708
Highways and streets	475,181
TOTAL DEPRECIATION EXPENSE - GOVERNMENT ACTIVITIES	$ 1,001,089

5. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets and omissions; injuries to employees; illnesses of employees; and natural disasters.

The Village purchases medical insurance from a private insurance company and participates in a municipal risk management pool for general liability coverage. Premiums have been displayed as expenditures/expenses in appropriate funds. The amount of settlements did not exceed the insurance coverage for each of the past three fiscal years.

Intergovernmental Risk Management Agency (IRMA)

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

5. RISK MANAGEMENT (Continued)

Intergovernmental Risk Management Agency (IRMA) (Continued)

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first $2,500 of each occurrence and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

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

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

6. LONG-TERM DEBT

a. General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general government activities. These bonds, therefore, are reported in the proprietary funds if they are expected to be repaid from proprietary revenues.

General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

	Fund Debt Retired by	Balances May 1	Issuances	Reductions	Balances April 30	Current Portion
$2,785,000 Alternate Revenue Refunding Bonds dated December 22, 2005 due in annual installments from $135,000 to $295,000 plus interest from 3.20% to 3.90% through December 1, 2017.	Debt Service	$ 2,050,000	$ -	$ 220,000	$ 1,830,000	$ 235,000
TOTAL GENERAL OBLIGATION BONDS		$ 2,050,000	$ -	$ 220,000	$ 1,830,000	$ 235,000

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6. LONG-TERM DEBT (Continued)

b. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending April 30,	Alternate Revenue Bonds Principal	Alternate Revenue Bonds Interest
2012	$ 235,000	$ 68,765
2013	240,000	60,305
2014	250,000	51,545
2015	260,000	42,295
2016	270,000	32,545
2017	280,000	22,285
2018	295,000	11,505
TOTAL	$ 1,830,000	$ 289,245

c. Other Changes in Long-Term Debt

Changes in other governmental activities long-term liabilities during the fiscal year were as follows:

Governmental Activities

	Balances May 1	Additions	Retirements	Balances April 30	Current Portion
General obligation bonds	$ 2,050,000	$ -	$ 220,000	$ 1,830,000	$ 235,000
Net pension obligation - IMRF	-	71,733	-	71,733	-
Net pension obligation – fire pension	(5,389)	18,425	-	13,036	-
Other postemployment benefit*	52,069	26,437	-	78,506	-
Compensated absences payable*	618,302	108,702	18,562	708,442	69,353
TOTAL	$ 2,714,982	$ 225,297	$ 238,562	$ 2,701,717	$ 304,353

* The Village's General Fund has historically been used to retire the compensated absences and other postemployment benefit liabilities.

6. LONG-TERM DEBT (Continued)

c. Other Changes in Long-Term Debt (Continued)

Business-Type Activities

	Balances May 1	Additions	Retirements	Balances April 30	Current Portion
Net pension obligation - IMRF	$ -	$ 43,040	$ -	$ 43,040	$ -
Other postemployment benefit	4,995	2,536	-	7,531	-
Compensated absences payable	150,143	1,733	6,996	144,880	34,853
TOTAL	$ 155,138	$ 47,309	$ 6,996	$ 195,451	$ 34,853

7. INDIVIDUAL FUND DISCLOSURES

a. Transfers between funds during the year were as follows:

Primary Government

Fund	Transfers In	Transfers Out
General	$ 57,381	$ 800,000
Emergency Telephone Systems Board	-	50,000
Tax Increment Financing	-	7,381
Capital Projects	700,000	296,575
Debt Service	296,575	-
Parking	100,000	-
TOTAL ALL FUNDS	$ 1,153,956	$ 1,153,956

- $700,000 transferred to the Capital Projects Fund from the General Fund. This transfer represents the General Fund's portion of infrastructure maintenance and improvements.

- $100,000 transferred to the Parking Fund from the General Fund. This transfer funds the additional costs associated with the general maintenance and operations of the parking structure.

- $50,000 transferred to the General Fund from the Emergency Telephone Systems Board Fund. This transfer is to offset the costs of personnel attributable directly to the operation of the emergency telephone system.

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VILLAGE OF LA GRANGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. INDIVIDUAL FUND DISCLOSURES (Continued)

a. (Continued)

- $296,575 transferred to the Debt Service Fund from the Capital Projects Fund. This transfer is for funding the Alternate Revenue Bonds. The bonds were issued to fund the completion of the residential street light program.

b. Due From/To Other Funds

Primary Government

Receivable Fund	Payable Fund	Amount
Capital Projects	Water	$ 442,000
Capital Projects	Sewer	194,000
TOTAL		$ 636,000

- $442,000 and $194,000 due from the Water and Sewer Funds, respectively, to the Capital Projects Fund relates to projects financed from the Capital Fund to be reimbursed by the Water and Sewer Funds. These amounts will be repaid within one year.

8. CONTINGENT LIABILITIES

a. Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

b. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Village expects such amounts, if any, to be immaterial.

9. EMPLOYEE RETIREMENT SYSTEMS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan and the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for IMRF as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

a. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police or Firefighters' Plans or SLEP) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution for the year ended December 31, 2010 was 10.42% of covered payroll.

Sheriff's Law Enforcement Personnel (SLEP)

Sheriff's Law Enforcement Personnel (SLEP), having accumulated at least 30 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.50% of their final rate of earnings, for each year of credited service up to 20 years, 2.00% of their final earnings rate for the next 10 years of credited service, and 1.00% for each year thereafter. For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies. SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by state statutes. SLEP members are required to contribute 6.50% of their annual salary to SLEP. The Village is required to contribute the remaining amounts necessary to fund the SLEP as specified by statute. The employer contribution rate for the calendar year 2010 was 14.65% of covered payroll.

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9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Police Pension Plan as a pension trust fund. At April 30, 2010, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	29
Terminated employees entitled to benefits but not yet receiving them	2
Current employees	
Vested	27
Nonvested	-
TOTAL	58

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to 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 annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Police Pension Plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village has until the year 2033 to fully fund the past service costs for the Police Pension Plan. For the year ended April 30, 2010, the Village's contribution was 26.70% of covered payroll.

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the Firefighters' Pension Plan as a pension trust fund. At April 30, 2010, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	26
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	
Vested	10
Nonvested	10
TOTAL	46

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by 1/12 of 2.50% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75.00% of such monthly salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching the age of at least 55 by 3.00% of the original pension and 3.00% compounded annually thereafter.

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village has until the year 2033 to fully fund the past services costs for the Firefighters' Pension Plan. For the year ended April 30, 2010, the Village's contribution was 41.16% of covered payroll.

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9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

Method Used to Value Investments

Investments are reported at fair value. Investment income is recognized as earned. Gains and losses on sales and exchanges of fixed income securities are recognized on the transaction date.

Significant Investments

There are no significant investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5.00% or more of plan net assets for either the Police or Firefighters' Pension Plans. Information for the IMRF is not available.

Plan	Organization	Amount
Police Pension	Transamerica	$ 1,466,465
	Met Life	925,660
	ING Golden Select	1,749,579
	Nationwide	802,839
	Pacific Life Insurance	1,611,425
	Manulife Financial	882,433
	Kemper Scudder	9,660
		$ 7,448,061

Plan	Organization	Amount
Firefighters' Pension	ING Golden Select	$ 1,705,529
	Pacific Life Insurance	1,315,487
	Nationwide	509,626
	Transamerica	1,006,148
	Putnam Allstate Advisor	773,250
	Met Life Bullet	463,702
		$ 5,773,742

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

Administrative Costs

Administrative costs for both the Police and Firefighters' Pension Plans are financed primarily through investment earnings.

c. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Actuarial valuation date	December 31, 2008	December 31, 2008	April 30, 2010	April 30, 2010
Actuarial cost method	Entry-age Normal	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	5 Year Smoothed Market	Market Value	Market Value
Amortization method	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed
Amortization period	30 Years, Open	30 Years, Open	23 Years, Closed	23 Years, Closed
Significant actuarial assumptions a) Rate of return on present and future assets	7.50% Compounded Annually	7.50% Compounded Annually	7.50% Compounded Annually	7.50% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	4.00% Compounded Annually	3.00% Compounded Annually	3.00% Compounded Annually
c) Additional projected Salary increases - seniority/merit	.40% to 10%	.40% to 10%	2.00%	2.00%
d) Postretirement benefit increases	3.00%	3.00%	3.00%	3.00%

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9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs (Continued)

Trend Information

Trend information gives an indication of the progress in accumulating sufficient assets to pay benefits when due.

	For Fiscal Year	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel
Annual pension cost (APC)	2009	$ 372,465	$ 14,618
	2010	422,810	17,026
	2011	555,736	18,797
Employer contributions	2009	$ 372,465	$ 14,618
	2010	422,810	17,026
	2011	452,152	18,797
Percentage of APC contributed	2009	100.00%	100.00%
	2010	100.00%	100.00%
	2011	81.36%	100.00%
NPO (asset)	2009	$ -	$ -
	2010	-	-
	2011	143,465	-

	For Fiscal Year	Police Pension	Firefighters' Pension
Annual pension cost (APC)	2009	$ 488,890	$ 542,901
	2010	564,934	593,567
	2011	822,408	773,527
Employer contributions	2009	$ 482,475	$ 536,622
	2010	563,847	587,972
	2011	812,318	760,590
Percentage of APC contributed	2009	98.69%	98.84%
	2010	99.81%	99.06%
	2011	98.77%	98.33%
NPO (asset)	2009	$ (79,311)	$ (11,423)
	2010	(74,598)	(5,389)
	2011	(64,900)	13,036

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs (Continued)

Net Pension Obligation

The Village's annual pension cost and net pension obligation to the Police and Firefighters' Pension Funds for the year ended April 30, 2011 were as follows:

	Illinois Municipal Retirement*	Police Pension	Firefighters' Pension
Annual required contributions	$ 554,883	$ 823,760	$ 773,525
Interest on net pension obligation	2,991	(5,624)	7
Adjustment to annual required contribution	(2,138)	4,272	(5)
Annual pension cost	555,736	822,408	773,527
Contributions made	452,152	812,318	760,590
(Increase) decrease in net pension obligation (asset)	103,584	10,090	12,937
Net pension obligation (asset), beginning of year	39,881	(74,990)	99
NET PENSION OBLIGATION (ASSET), END OF YEAR	$ 143,465	$ (64,900)	$ 13,036

* A portion of the Illinois Municipal Retirement Fund net pension obligation is allocated to the LaGrange Public Library.

In an effort to retain retirement costs, beginning in 2010, IMRF offered members an opportunity to phase-in contribution rate increases. The phase-in plan provides municipalities the flexibility to moderate the significant increases in the employer contribution rate while maintaining the commitment to fully fund the pension plan over a reasonable time period. The Village is participating in the phase-in funding option, resulting in a temporary NPO.

The funded status and funding progress of the plans as of December 31, 2010 for IMRF and April 30, 2010 for Police and Firefighters' Pension Funds were as follows:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Fire Pension
Actuarial accrued liability (AAL)	$ 12,248,866	$ 261,895	$ 23,911,338	$ 17,622,336
Actuarial value of plan assets	8,552,699	194,523	14,405,306	8,452,039
Unfunded actuarial accrued liability (UAAL)	3,696,167	67,372	9,506,032	9,170,297
Funded ratio (actuarial value of plan assets/AAL)	69.82%	74.28%	60.2%	48%
Covered payroll (active plan members)	$ 4,186,745	$ 125,974	$ 2,112,137	$ 1,428,538
UAAL as a percentage of covered payroll	88.28%	53.48%	450.1%	641.9%

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9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs (Continued)

Net Pension Obligation (Continued)

See the schedules of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the plans.

d. Summary Financial Statements

Schedule of Net Assets as of April 30, 2011.

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	$ 836,190	$ 205,894	$ 1,042,084
Investments			
U.S. Government and agency securities	4,281,627	977,787	5,259,414
Municipal bonds			
Insurance contracts	7,448,061	5,773,742	13,221,803
Equities	2,961,348	2,088,815	5,050,163
Receivables			
Accrued interest	16,429	4,239	20,668
Total assets	15,543,655	9,050,477	24,594,132
LIABILITIES			
Accounts payable	-	-	-
Total liabilities	-	-	-
NET ASSETS	$ 15,543,655	$ 9,050,477	$ 24,594,132

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

d. Summary Financial Statements (Continued)

Schedule of Changes in Net Assets for the year ended April 30, 2011.

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	$ 812,318	$ 760,590	$ 1,572,908
Employee	213,588	136,964	350,552
Miscellaneous	132	127	259
Total contributions	1,026,038	897,681	1,923,719
Investment Income			
Net appreciation in fair value of investments	287,187	291,019	578,206
Interest income	1,266,586	595,450	1,862,036
Less investment expense	(38,388)	(23,429)	(61,817)
Net investment income	1,515,385	863,040	2,378,425
Miscellaneous income	-	-	-
Total additions	2,541,423	1,760,721	4,302,144
DEDUCTIONS			
Benefits and refunds	1,391,452	1,147,199	2,538,651
Administrative expenses	2,000	2,000	4,000
Miscellaneous	9,622	13,083	22,705
Total deductions	1,403,074	1,162,282	2,565,356
NET INCREASE	1,138,349	598,439	1,736,788
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
May 1	14,405,306	8,452,038	22,857,344
April 31	$ 15,543,655	$ 9,050,477	$ 24,594,132

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10. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan (the Plan). The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan. The Plan does not issue a separate report. The activity of the Plan is reported in the Village's governmental and business-type activities.

b. Benefits Provided

The Village provides pre and post Medicare postretirement health insurance to retirees, their spouses and dependents (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under one of the Village's three retirement plans. The retirees pay the blended premium. Upon a retiree becoming eligible for Medicare, the amount payable under the Village's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both.

c. Membership

At April 30, 2009, membership consisted of:

Retirees and beneficiaries currently receiving benefits	8
Terminated employees entitled to benefits but not yet receiving them	-
Active employees - vested	59
Active employees - nonvested	37
TOTAL	104
Participating employers	1

d. 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.

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Annual OPEB Costs and Net OPEB Obligation

The Village first had an actuarial valuation performed for the Plan as of May 1, 2008 to determine the funded status of the Plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2011. Because 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 annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2011 and the two preceding years was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2009	$ 45,427	$ 16,863	37.10%	$ 28,564
April 30, 2010	45,363	16,863	37.20%	57,064
April 30, 2011	45,835	16,863	36.80%	86,037

The net OPEB obligation as of April 30, 2011 was calculated as follows:

Annual required contribution	$ 44,884
Interest on net OPEB obligation	2,853
Adjustment to annual required contribution	(1,902)
Annual OPEB cost	45,835
Contributions made	16,863
Increase in net OPEB obligation	28,973
Net OPEB obligation, beginning of year	57,064
NET OPEB OBLIGATION, END OF YEAR	$ 86,037

Funded Status and Funding Progress: The funded status of the Plan as of April 30, 2009 was as follows:

Actuarial accrued liability (AAL)	$ 501,973
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	501,973
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	$ 7,133,744
UAAL as a percentage of covered payroll	7.04%

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10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Annual OPEB Costs and Net OPEB Obligation (Continued)

See the schedules of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the plan.

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 financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities 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 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 short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the May 1, 2009 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included an investment rate of return of 5.0%, projected salary increases of 5.0% and an initial healthcare cost trend rate of 8.0% with an ultimate healthcare inflation rate of 6.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2009 was 30 years.

11. SUBSEQUENT EVENTS

In August 2011, Standard and Poor's reduced its rating of the U.S. Government securities from AAA to AA+. This in turn lead to a similar change in rating for IMET.

12. COMPONENT UNIT - LA GRANGE PUBLIC LIBRARY

a. Financial Information

Separate financial statements for the Library are not issued.

b. Deposits

In accordance with the Library's investment policy, the Library's monetary assets may be placed in all instruments permitted by the Illinois Public Funds Investment Act. This act permits deposits and 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 agreements 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 Illinois Funds.

c. Library Investments

The following table presents the investments and maturities of the Library's debt securities as of April 30, 2011:

Investment Type	Fair Value	Investment Maturities (in Years) Less than 1	1 - 5	6 - 10	More than 10
Illinois Funds	$ 2,364,197	$ 2,364,197	$ -	$ -	$ -
TOTAL	$ 2,364,197	$ 2,364,197	$ -	$ -	$ -

In accordance with its investment policy, the Library limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a three-month period by utilizing Illinois Funds.

The Library 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 Illinois Funds. Illinois Funds is rated AAA by Standard and Poor's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Library will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Library's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third-party acting as the Library's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the Library's name. Illinois Funds and the money market mutual fund are not subject to custodial credit risk.

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VILLAGE OF LA GRANGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. COMPONENT UNIT - LA GRANGE PUBLIC LIBRARY (Continued)

d. Receivables

Property taxes for 2010 attach as an enforceable lien on January 1, 2010 on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1, 2011 and July 1, 2011 and are payable in two installments, on or about March 1, 2011 and September 1, 2011. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at three percent of the tax levy and 5% of the debt service levy to reflect actual collection experience.

The 2011 tax levy, which attached as an enforceable lien on property as of January 1, 2011, has not been recorded as a receivable as of April 30, 2011, as the tax has not yet been levied by the Village and will not be levied until December 2011 and, therefore, the levy is not measurable at April 30, 2011.

e. Capital Assets

The following is a summary of the capital asset activity for the year ended April 30, 2011:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land and land improvements	$ 94,418	$ -	$ -	$ 94,418
Total capital assets not being depreciated	94,418	-	-	94,418
Capital assets being depreciated				
Buildings	8,823,555		-	8,823,555
Furniture and fixtures	244,223	-	-	244,223
Office equipment	38,543	8,457	-	47,000
Total capital assets being depreciated	9,106,321	8,457	-	9,114,778
Less accumulated depreciation for				
Buildings	662,665	221,487	-	884,152
Machinery and equipment	36,633	12,211	-	48,844
Vehicles	15,539	3,705	-	19,244
Total accumulated depreciation	714,837	237,403	-	952,240
Total capital assets being depreciated, net	8,391,484	(228,946)	-	8,162,538
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 8,485,902	$ (228,946)	$ -	$ 8,256,956

12. COMPONENT UNIT - LA GRANGE PUBLIC LIBRARY (Continued)

e. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the governmental activities as follows:

GOVERNMENTAL ACTIVITIES	
Culture and recreation	$ 237,403
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	$ 237,403

f. Long-Term Debt

1) Bonds payable at April 30, 2011 are comprised of the following:

General Obligation Bonds

$9,320,000 2004 General Obligation Library Bonds, due in annual installments of $335,000 to $655,000 from January 1, 2003 to December 1, 2024, interest from 3.0% to 4.3%. While a general obligation of the Village, the principal and interest is to be repaid with the Library's tax levy.	$ 7,200,000

2) Debt Service to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	General Obligation Library Bonds Principal	Interest
2012	$ 395,000	$ 290,842
2013	410,000	274,055
2014	430,000	256,630
2015	445,000	238,355
2016	465,000	222,780
2017	480,000	206,040
2018	495,000	188,280
2019	515,000	169,470
2020	535,000	149,385
2021	560,000	127,985
2022	580,000	105,025
2023	605,000	80,665
2024	630,000	55,255
2025	655,000	28,165
TOTAL	$ 7,200,000	$ 2,392,932

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12. COMPONENT UNIT - LA GRANGE PUBLIC LIBRARY (Continued)

f. Long-Term Debt (Continued)

3) Changes in Long-Term Debt

Changes in long-term debt during the year ended April 30, 2011 is as follows:

	Balances May 1	Additions	Deletions	Balances April 30	Current Portion
General obligation bonds	$ 7,580,000	$ -	$ 380,000	$ 7,200,000	$ 395,000
Net pension obligation - IMRF	-	28,693	-	28,693	-
Unamortized premium	57,383	-	3,826	53,557	-
Compensated absences	42,874	48,563	42,874	48,563	48,563
TOTAL	$ 7,680,257	$ 77,256	$ 426,700	$ 7,330,813	$ 443,563

g. Annual OPEB Costs and Net OPEB Obligation

The Village first had an actuarial valuation performed for the Plan as of May 1, 2008 to determine the funded status of the Plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2011. The Library's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2011 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
April 30, 2009	$ 2,477	$ 3,014	121.70%	$ (537)
April 30, 2010	2,418	3,014	124.65%	(1,133)
April 30, 2011	2,359	3,014	127.76%	(1,788)

The net OPEB obligation as of April 30, 2011 was calculated as follows:

Annual required contribution	$ 2,378
Interest on net OPEB obligation	(57)
Adjustment to annual required contribution	38
Annual OPEB cost	2,359
Contributions made	3,014
Decrease in net OPEB obligation	(655)
Net OPEB obligation, beginning of year	(1,133)
NET OPEB OBLIGATION (ASSET), END OF YEAR	$ (1,788)

12. COMPONENT UNIT - LA GRANGE PUBLIC LIBRARY (Continued)

g. Annual OPEB Costs and Net OPEB Obligation (Continued)

Funded Status and Funding Progress: The funded status of the Plan as of April 30, 2011 was as follows:

Actuarial accrued liability (AAL)	$	25,827
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)		25,827
Funded ratio (actuarial value of plan assets/AAL)		-%
Covered payroll (active plan members)	$	-
UAAL as a percentage of covered payroll		-%

See the schedules of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the plan.

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 financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities 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 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 short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the May 1, 2009 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included an investment rate of return of 5.0%, projected salary increases of 5.0% and an initial healthcare cost trend rate of 8.0% with an ultimate healthcare inflation rate of 6.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2011 was 30 years.

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VILLAGE OF LA GRANGE, ILLINOIS

ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS

April 30, 2011

Calendar Year	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2005	$ 8,243,309	$ 8,911,487	92.50%	$ 668,178	$ 3,248,871	20.57%
2006	9,543,307	9,853,367	96.85%	310,060	3,330,775	9.31%
2007	10,446,779	11,131,041	93.85%	684,262	3,704,026	18.47%
2008	7,189,854	10,764,452	66.79%	3,574,598	3,949,910	90.50%
2009	8,190,145	12,034,081	68.06%	3,843,936	4,220,084	91.09%
2010	8,552,699	12,248,866	69.82%	3,696,167	4,186,745	88.28%

VILLAGE OF LA GRANGE, ILLINOIS

SHERIFF'S LAW ENFORCEMENT PERSONNEL
SCHEDULE OF FUNDING PROGRESS

April 30, 2011

Calendar Year	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2007	$ 115,296	$ 126,503	91.14%	$ 11,207	$ 109,914	10.20%
2008	141,527	176,021	80.40%	34,494	113,828	30.30%
2009	163,287	219,347	74.44%	56,060	121,334	46.20%
2010	194,523	261,895	74.28%	67,372	125,974	53.48%

Note: The Village implemented the Sheriff's Law Enforcement Personnel Plan for the year ended December 31, 2007, therefore, information for prior years is not available.

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VILLAGE OF LA GRANGE, ILLINOIS

POLICE PENSION FUND
SCHEDULE OF FUNDING PROGRESS

April 30, 2011

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2005	$ 12,881,409	$ 19,177,261	67.17%	$ 6,295,852	$ 1,652,918	380.89%
2006	14,973,591	20,051,960	74.67%	5,078,369	1,735,564	292.61%
2007	15,821,318	20,937,302	75.57%	5,115,984	1,920,639	266.37%
2008	15,482,324	21,921,736	70.63%	6,439,411	2,016,671	319.31%
2009	12,755,497	23,129,888	55.15%	10,374,391	2,088,122	496.83%
2010	14,405,306	23,911,338	60.24%	9,506,032	2,112,137	450.07%

VILLAGE OF LA GRANGE, ILLINOIS

FIREFIGHTERS' PENSION FUND
SCHEDULE OF FUNDING PROGRESS

April 30, 2011

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2005	$ 7,560,450	$ 13,334,072	56.70%	$ 5,773,622	$ 1,092,198	528.62%
2006	8,776,758	14,062,301	62.41%	5,285,543	1,185,318	445.92%
2007	9,219,172	15,335,206	60.12%	6,116,034	1,240,865	492.88%
2008	8,994,331	15,919,958	56.50%	6,925,627	1,302,908	531.55%
2009	7,518,844	17,125,131	43.91%	9,606,287	1,243,750	772.36%
2010	8,452,039	17,622,336	47.96%	9,170,297	1,428,538	641.94%

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VILLAGE OF LA GRANGE, ILLINOIS

OTHER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS

April 30, 2011

Actuarial Valuation Date April 30,	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Percentage Funded (1) / (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Underfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) / (5)
2009	$ -	$ 501,973	0.00%	$ 501,973	$ 7,133,744	7.04%
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A

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

Information for prior years is not available as the Village's first actuarial valuation was performed April 30, 2009 and the Village did not have an actuarial valuation performed as of April 30, 2010 or April 30, 2011.

VILLAGE OF LA GRANGE, ILLINOIS

ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS

April 30, 2011

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2006	$ 302,515	$ 302,515	100.00%
2007	345,735	345,735	100.00%
2008	353,614	353,614	100.00%
2009	372,465	372,465	100.00%
2010	422,810	422,810	100.00%
2011*	452,152	554,883	81.49%

* The Village has elected to participate in IMRF's optional phase-in plan.

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VILLAGE OF LA GRANGE, ILLINOIS

SHERIFF'S LAW ENFORCEMENT PERSONNEL
SCHEDULE OF EMPLOYER CONTRIBUTIONS

April 30, 2011

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2007	$ 15,311	$ 15,311	100.00%
2008	17,023	17,023	100.00%
2009	14,618	14,618	100.00%
2010	17,026	17,026	100.00%
2011	18,797	18,797	100.00%

Note: The Village implemented the Sheriff's Law Enforcement Personnel Plan for the year ended April 30, 2007, therefore, information for prior years is not available.

VILLAGE OF LA GRANGE, ILLINOIS

POLICE PENSION FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS

April 30, 2011

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2006	$ 441,849	$ 449,786	98.24%
2007	530,333	532,305	99.63%
2008	459,277	471,380	97.43%
2009	482,475	488,890	98.69%
2010	563,847	564,934	99.81%
2011	812,318	823,760	98.61%

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VILLAGE OF LA GRANGE, ILLINOIS

FIREFIGHTERS' PENSION FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS

April 30, 2011

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2006	$ 420,926	$ 428,130	98.32%
2007	482,634	471,556	102.35%
2008	476,960	486,327	98.07%
2009	536,622	542,901	98.84%
2010	587,972	593,567	99.06%
2011	760,590	773,525	98.33%

VILLAGE OF LAGRANGE, ILLINOIS

OTHER POSTEMPLOYMENT BENEFIT PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS

April 30, 2011

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	$ 16,863	$ 45,427	37.12%
2010	16,863	44,884	37.57%
2011	16,863	44,884	37.57%

Information for prior years is not available as the Village's first actuarial valuation was performed May 1, 2008.

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APPENDIX B
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Village or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The Village may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

APPENDIX C
PROPOSED FORM OF OPINION OF BOND COUNSEL
[LETTERHEAD OF CHAPMAN AND CUTLER LLP]
[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the *"Proceedings"*) of the President and Board of Trustees of the Village of La Grange, Cook County, Illinois (the *"Village"*), passed preliminary to the issue by the Village of its fully registered General Obligation Refunding Bonds, Series 2012 (the *"Bonds"*), to the amount of $_____,000, dated _______________ 2012, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2012	$	%
2013		%
2014		%
2015		%
2016		%
2017		%
2018		%
2019		%
2020		%
2021		%
2022		%
2023		%
2024		%

the Bonds due on or after December 1, 20__, being subject to redemption prior to maturity at the option of the Village as a whole or in part in any order of their maturity as determined by the Village (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 20__, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the Village, and all taxable property in the Village is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

5-A.117

It is our opinion that, subject to the Village's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the *"Code"*), but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such Village covenants could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering our opinion on tax exemption, we have relied on the mathematical computation of the yield on the Bonds and the yield on certain investments by Sikich LLP, Naperville, Illinois.

It is also our opinion that the Bonds are "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the Village with respect to certain material facts within the Village's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

5-A.118

OFFICIAL BID FORM
(Open Speer Auction)

Village of La Grange
53 S. La Grange Rd.
La Grange, Illinois 60525

August 27, 2012
Speer Financial, Inc.

President and Board of Trustees:

For the $6,365,000* General Obligation Refunding Bonds, Series 2012B (the "Bonds"), of the Village of La Grange, Cook County, Illinois (the "Village"), as described in the annexed Official Notice of Sale, which is expressly made a part of this bid, we will pay you $____________________ (no less than $6,314,080) for Bonds bearing interest as follows (each rate a multiple of 1/8 or 1/100 of 1%). The dated date and delivery date for the Bonds is expected to be on or about September 25, 2012. **The discount is subject to adjustment allowing the same $__________ gross spread per $1,000 bond as bid herein.**

MATURITIES* - DECEMBER 1

$ 45,000	2012	______%	$535,000	2016	______%	$585,000	2021	______%
75,000	2013	______%	540,000	2017	______%	600,000	2022	______%
520,000	2014	______%	550,000	2018	______%	615,000	2023	______%
530,000	2015	______%	560,000	2019	______%	635,000	2024	______%
			575,000	2020	______%			

Any consecutive maturities may be aggregated into no more than five term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

Maturities: _______ *Term Maturity* _______ *Maturities:* _______ *Term Maturity* _______ *Maturities:* _______ *Term Maturity* _______

Maturities: _______ *Term Maturity* _______ *Maturities:* _______ *Term Maturity* _______

The Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois. The Village will pay for the legal opinion. The underwriter agrees to **apply for CUSIP numbers within 24 hours** and pay the fee charged by the CUSIP Service Bureau and will accept the Bonds with the CUSIP numbers as entered on the Bonds.

As evidence of our good faith, we have wire transferred or enclosed herewith a check or Surety Bond payable to the order of the Treasurer of the Village in the amount of **TWO PERCENT OF PAR** (the "Deposit") under the terms provided in your Official Notice of Sale. Attached hereto is a list of members of our account on whose behalf this bid is made.

Form of Deposit
Check One:

Certified/Cashier's Check [ ]
Financial Surety Bond [ ]
Wire Transfer [ ]

Amount: $127,300

Account Manager Information

Name ______________________________

Address ______________________________

By ______________________________

City ______________ State/Zip ______________

Direct Phone (______) ______________________

FAX Number (______) ______________________

E-Mail Address ______________________________

Bidders Option Insurance

We have purchased insurance from:

Name of Insurer
(Please fill in)

____

Premium: ____________

Maturities: **(Check One)**

[__] ____________ **Years**

[__] All

The foregoing bid was accepted and the Bonds sold by the Village on August 27, 2012, and receipt is hereby acknowledged of the good faith Deposit which is being held in accordance with the terms of the annexed Official Notice of Sale.

VILLAGE OF LA GRANGE, COOK COUNTY, ILLINOIS

____
Village President

**Subject to change.*

---------------------- NOT PART OF THE BID ----------------------
(Calculation of true interest cost)

	Bid	Post Sale Revision
Gross Interest	$	$
Less Premium/Plus Discount	$	$
True Interest Cost	$	$
True Interest Rate	%	%
BOND YEAR DOLLARS	46,181.92	$
AVERAGE LIFE	7.256 Years	Years

5-A.119

OFFICIAL NOTICE OF SALE

$6,365,000*

VILLAGE OF LA GRANGE

Cook County, Illinois

General Obligation Refunding Bonds, Series 2012B

(Open Speer Auction)

The Village of La Grange, Cook County, Illinois (the "Village"), will receive **open auction** electronic bids on the SpeerAuction ("*SpeerAuction"*) website address "www.SpeerAuction.com" for its $6,365,000* General Obligation Refunding Bonds, Series 2012B (the "Bonds"), on an all or none basis between 10:00 A.M. and 10:15 A.M., C.D.T., Monday, August 27, 2012. To bid, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the Village's sale (as described below). Award will be made or all bids rejected at a meeting of the Village Board on that date. The Village reserves the right to change the date or time for receipt of bids. Any such change shall be made not less than twenty-four (24) hours prior to the revised date and time for receipt of the bids for the Bonds and shall be communicated by publishing the changes in the Amendments Page of the SpeerAuction webpage and through *Thompson Municipal News*.

The Bonds will constitute valid and legally binding obligations of the Village payable both as to principal and interest from ad valorem taxes levied against all taxable property therein without limitation as to rate or amount.

Bidding Details

Bidders should be aware of the following bidding details associated with the sale of the Bonds.

(1) All bids must be submitted on the SpeerAuction website at www.SpeerAuction.com. **No telephone, telefax or personal delivery bids will be accepted.** The use of SpeerAuction shall be at the bidder's risk and expense and the Village shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bid. Any questions regarding bidding on the SpeerAuction website should be directed to the Auction Administrator, Grant Street Group, at (412) 391-5555 x 370.

(2) If any new bid in the auction becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such bid was received by SpeerAuction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two minutes.

(3) Bidders may change and submit bids as many times as they like during the bidding time period; provided, however, each and any bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid, when compared to the immediately preceding bid of such bidder. In the event that the revised bid does not produce a lower TIC with respect to a bid, the prior bid will remain valid.

(4) The last bid submitted by a bidder before the end of the bidding time period will be compared to all other final bids submitted by others to determine the winning bidder or bidders.

(5) During the bidding, no bidder will see any other bidder's bid, but bidders will be able to see the ranking of their bid relative to other bids (i.e., "Leader", "Cover", "3rd" etc.)

(6) On the Auction Page, bidders will be able to see whether a bid has been successfully submitted.

Rules of SpeerAuction

Bidders must comply with the Rules of SpeerAuction in addition to the requirements of this Official Notice of Sale. To the extent there is a conflict between the Rules of SpeerAuction and this Official Notice of Sale, this Official Notice of Sale shall control.

**Subject to change.*

5-A.120

Rules

(1) A bidder ("Bidder") submitting a winning bid ("Winning Bid") is irrevocably obligated to purchase the Bonds at the rates and prices of the winning bid, if acceptable to the Village, as set forth in the related Official Notice of Sale. Winning Bids are not officially awarded to Winning Bidders until formally accepted by the Village.

(2) Neither the Village, Speer Financial, Inc., nor Grant Street Group (the "Auction Administrator") is responsible for technical difficulties that result in the loss of the Bidder's internet connection with SpeerAuction, slowness in transmission of bids, or other technical problems.

(3) If for any reason a Bidder is disconnected from the Auction Page during the auction after having submitted a Winning Bid, such bid is valid and binding upon such Bidder, unless the Village exercises its right to reject bids, as set forth herein.

(4) Bids which generate error messages are not accepted until the error is corrected and the bid is received prior to the deadline.

(5) Bidders accept and agree to abide by all terms and conditions specified in the Official Notice of Sale (including amendments, if any) related to the auction.

(6) Neither the Village, Speer Financial, Inc., nor the Auction Administrator is responsible to any bidder for any defect or inaccuracy in the Official Notice of Sale, amendments, or Preliminary Official Statement as they appear on SpeerAuction.

(7) Only Bidders who request and receive admission to an auction may submit bids. SpeerAuction and the Auction Administrator reserve the right to deny access to SpeerAuction website to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.

(8) Neither the Village, Speer Financial, Inc., nor the Auction Administrator is responsible for protecting the confidentiality of a Bidder's SpeerAuction password.

(9) If two bids submitted in the same auction by two or more different Bidders result in same True Interest Cost, the first confirmed bid received by SpeerAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in True Interest Cost.

(10) Bidders must compare their final bids to those shown on the Observation Page immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Page they must report them to the Auction Administrator within 15 minutes after the bidding time period ends. Regardless of the final results reported by SpeerAuction, Bonds are definitively awarded to the winning bidder only upon official award by the Village. If, for any reason, the Village fails to: (i) award Bonds to the winner reported by SpeerAuction, or (ii) deliver Bonds to winning bidder at settlement, neither the Village, Speer Financial, Inc., nor the Auction Administrator will be liable for damages.

The Village reserves the right to reject all proposals, to reject any bid proposal not conforming to this Official Notice of Sale, and to waive any irregularity or informality with respect to any proposal. Additionally, the Village reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thompson Municipal News*.

The Bonds will be in fully registered form in the denominations of $5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, to which principal and interest payments on the Bonds will be paid. Individual purchases will be in book-entry only form. Interest on each Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such bond is registered at the close of business on the fifteenth day of the month next preceding an interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar in Chicago, Illinois. Semiannual interest is due June 1 and December 1 of each year commencing December 1, 2012, and is payable by U.S. Bank National Association, Chicago, Illinois (the "Bond Registrar"). The Bonds are dated as of the date of delivery (expected to be on or about September 25, 2012).

If the winning bidder is not a direct participant of DTC and does not have clearing privileges with DTC, the Bonds will be issued as Registered Bonds in the name of the purchaser. At the request of such winning bidder, the Village will assist in the timely conversion of the Registered Bonds into book-entry bonds with DTC as described herein.

MATURITIES* - DECEMBER 1

$ 45,000	2012	$535,000	2016	$585,000	2021
75,000	2013	540,000	2017	600,000	2022
520,000	2014	550,000	2018	615,000	2023
530,000	2015	560,000	2019	635,000	2024
		575,000	2020		

Any consecutive maturities may be aggregated into no more than five term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

Bonds due December 1, 2012-2020, inclusive, are non-callable. Bonds due December 1, 2021-2024, inclusive, are callable in whole or in part on any date on or after December 1, 2020, at a price of par plus accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the Village and within any maturity by lot.

**Subject to change.*

5-A.121

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The rates bid shall be in non-descending order. The differential between the highest rate bid and the lowest rate bid shall not exceed two percent (2%). All bids must be for all of the Bonds, must be for not less than $6,314,080.

Award of the Bonds: The Bonds will be awarded on the basis of true interest cost, determined in the following manner. True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Bonds from the payment dates thereof to the dated date and to the bid price. For the purpose of calculating true interest cost, the Bonds shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage.

The Bonds will be awarded to the bidder complying with the terms of this Official Notice of Sale whose bid produces the lowest true interest cost rate to the Village as determined by the Village's Financial Advisor, which determination shall be conclusive and binding on all bidders; *provided*, that the Village reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

The premium or discount, if any, is subject to pro rata adjustment if the maturity amounts of the Bonds are changed, allowing the same dollar amount of gross spread per $1,000 bond as submitted on the Official Bid Form and assuming a delivery date of September 25, 2012.

The true interest cost of each bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the Village's Financial Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The Village or its Financial Advisor will notify the bidder to whom the Bonds will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8 and G-11. The winning bidder will be required to pay the standard MSRB charge for Bonds purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association ("SIFMA") will be required to pay SIFMA's standard charge per bond.

Each bid shall be accompanied by a certified or cashier's check on, or a wire transfer from, a solvent bank or trust company or a Financial Surety Bond for **TWO PERCENT OF PAR** payable to the Treasurer of the Village as evidence of good faith of the bidder (the "Deposit"). The Deposit of the successful bidder will be retained by the Village pending delivery of the Bonds and all others will be promptly returned. Should the successful bidder fail to take up and pay for the Bonds when tendered in accordance with this Notice of Sale and said bid, said Deposit shall be retained as full and liquidated damages to the Village caused by failure of the bidder to carry out the offer of purchase. Such Deposit will otherwise be applied on the purchase price upon delivery of the Bonds. No interest on the Deposit will accrue to the purchaser.

If a wire transfer is used for the Deposit, it must be sent according to the following wire instructions:

Amalgamated Bank of Chicago
Corporate Trust
One West Monroe
Chicago, IL 60603
ABA # 071003405
Credit To: 3281 Speer Bidding Escrow
RE: Village of La Grange, Cook County, Illinois
bid for the $6,365,000* General Obligation Refunding Bonds, Series 2012B

The wire shall arrive in such account no later than 30 minutes prior to the date and time of the sale of the Bonds. Contemporaneously with such wire transfer, the bidder shall send an email to biddingescrow@aboc.com with the following information: (1) indication that a wire transfer has been made, (2) the amount of the wire transfer, (3) the issue to which it applies, and (4) the return wire instructions if such bidder is not awarded the Bonds. The Village and any bidder who chooses to wire the Deposit hereby agree irrevocably that Speer Financial, Inc. ("Speer") shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: (i) if the bid is not accepted, Speer shall, at its expense, promptly return the Deposit amount to the unsuccessful bidder; (ii) if the bid is accepted, the Deposit shall be forwarded to the Village; (iii) Speer shall bear all costs of maintaining the escrow account and returning the funds to the bidder; (iv) Speer shall not be an insurer of the Deposit amount and shall have no liability except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and (v) income earned on the Deposit, if any, shall be retained by Speer.

If a Financial Surety Bond is used for the Deposit, it must be from an insurance company licensed to issue such a bond in the State of Illinois and such bond must be submitted to Speer prior to the opening of the bids. The Financial Surety Bond must identify each bidder whose deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to a bidder using a Financial Surety Bond, then that purchaser is required to submit its Deposit to the Village in the form of a certified or cashier's check or wire transfer as instructed by Speer, or the Village not later than 3:00 P.M. on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the Village to satisfy the Deposit requirement.

**Subject to change.*

The Village covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the Village for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter. There have been no instances in the previous five years in which the Village failed to comply, in all material respects, with any undertaking previously entered into by it pursuant to the Rule.

The Underwriter's obligation to purchase the Bonds shall be conditioned upon the Village delivering the Undertaking on or before the date of delivery of the Bonds.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the Village in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder consents to and waives any conflict of interest arising from any adverse position to the Village in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

The Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about September 25, 2012. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the Village except failure of performance by the purchaser, the Village may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Bonds will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the Village, shall constitute a "Final Official Statement" of the Village with respect to the Bonds, as that term is defined in the Rule. By awarding the Bonds to any underwriter or underwriting syndicate, the Village agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded, up to 100 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The Village shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the Village it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful bidder agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The Village will, at its expense, deliver the Bonds to the purchaser in New York, New York, through the facilities of DTC and will pay for the bond attorney's opinion. At the time of closing, the Village will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Bonds: (1) the unqualified opinion of Chapman and Cutler LLP, Chicago, Illinois, stating that the Bonds are lawful and enforceable obligations of the Village in accordance with their terms, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion; (2) the opinion of said attorneys that the interest on the Bonds is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Bonds; and (3) a no litigation certificate by the Village.

The Village intends to designate the Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Village has authorized the printing and distribution of an Official Statement containing pertinent information relative to the Village and the Bonds. Copies of such Official Statement or additional information may be obtained from Mr. Lou Cipparrone, Finance Director, Village of La Grange, 53 S. La Grange Rd., La Grange, Illinois 60525; telephone (708) 579-2300 or an electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Official Statements Sales Calendars/Competitive" from the Independent Public Finance Consultants to the Village, Speer Financial, Inc., One North LaSalle Street, Suite 4100, Chicago, Illinois 60602, telephone (312) 346-3700.

/s/ **LOU CIPPARRONE**
Finance Director
VILLAGE OF LA GRANGE
Cook County, Illinois

/s/ **ELIZABETH ASPERGER**
President
VILLAGE OF LA GRANGE
Cook County, Illinois