

# VILLAGE OF LA GRANGE, ILLINOIS



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2014

**VILLAGE OF LA GRANGE, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Year Ended  
April 30, 2014

Prepared by: the Finance Department

Lou Cipparrone  
Finance Director

Joseph Munizza  
Assistant Finance Director

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**VILLAGE OF LA GRANGE, ILLINOIS**

**PRINCIPAL OFFICIALS**

April 30, 2014

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**BOARD OF TRUSTEES**

Thomas E. Livingston, President

David McCarty

Mark Kuchler

Mark Langan

James Palermo

Jeff Nowak

Bill Holder

**VILLAGE CLERK**

John Burns

**VILLAGE MANAGER**

Robert Pilipszyn

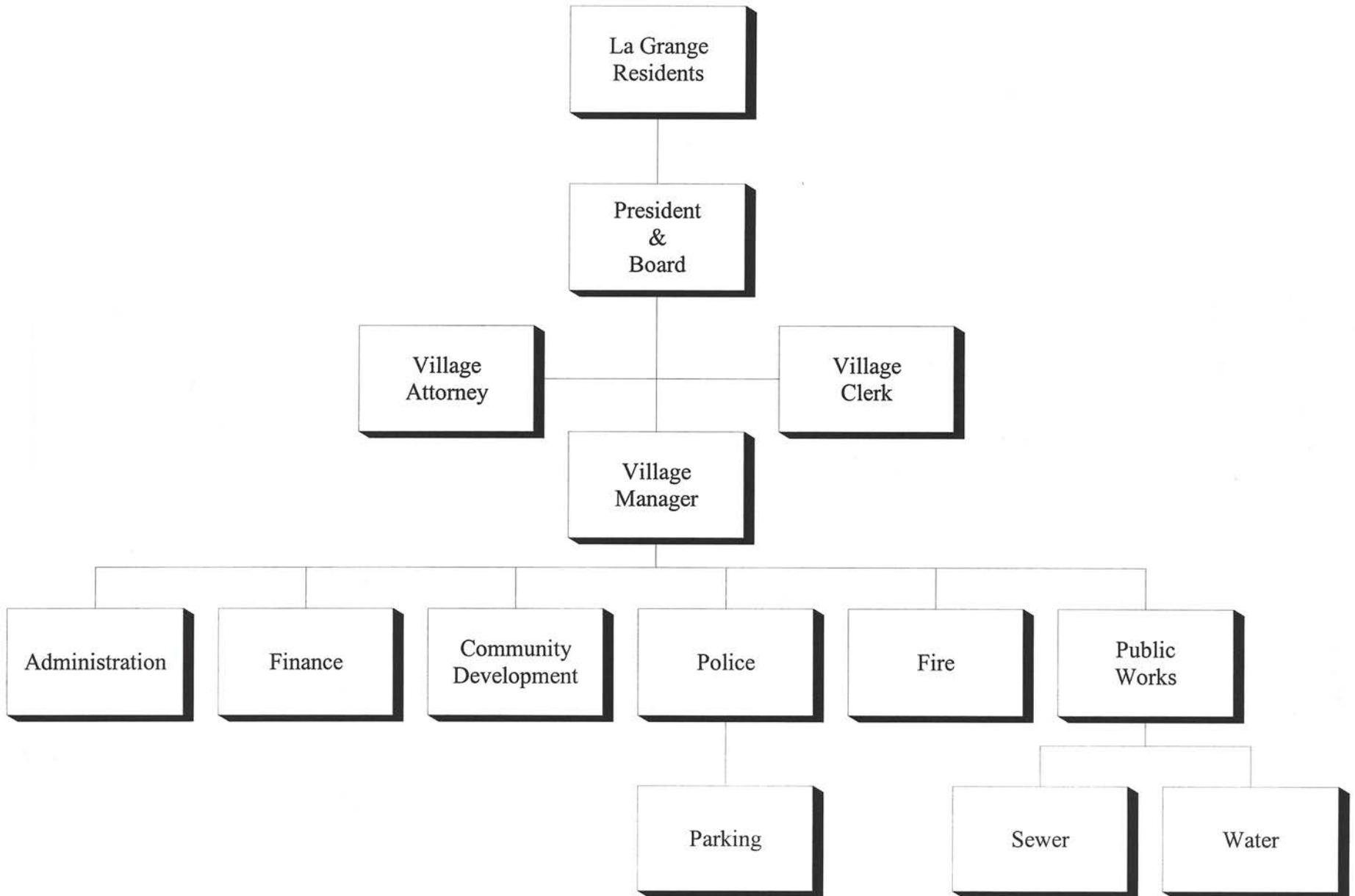
**FINANCE DIRECTOR**

Lou Cipparrone

**ASSISTANT FINANCE DIRECTOR**

Joseph Munizza

Village Of LaGrange  
Organization Chart





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Village of LaGrange  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**April 30, 2013**

Executive Director/CEO

# Village of La Grange

September 8, 2014

The Honorable Thomas E. Livingston, President  
Members of the Board of Trustees  
Village of La Grange, Illinois



State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for fiscal year ended April 30, 2014.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Sikich, LLP has issued an unmodified (“clean”) opinion on the Village of La Grange financial statements for the year ended April 30, 2014. The independent auditor’s report is located at the front of the financial section of this report.

The Village expended less than \$500,000 of federal funds during the year ended April 30, 2014, and therefore is not required to undergo a single audit in conformity with the provisions of the Revised Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, “Audits of State, Local Governments and Nonprofit Organizations.”

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## **Profile of the Government**

The Village of La Grange, incorporated in 1879, is located approximately 14 miles west of Chicago, in the County of Cook; the Village occupies a land area of approximately 2.5 square miles and has a population of approximately 15,600 residents. The Village of La Grange is authorized to levy a property tax on both real and personal property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation.

The Village of La Grange operates under a Board-Manager form of government. La Grange is a non-home rule municipal corporation governed by the Village President and six trustees, who are elected on an at-large basis to serve four-year overlapping terms. The Village Manager serves as the Chief Administrative Officer. The Village Board is responsible for establishing Village policy which, in turn, is implemented on a day-to-day basis by the Village Manager and staff.

The Village of La Grange provides a full range of governmental services. Specifically, 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 evaluated other governmental services to determine whether they should be included in the Village's reporting entity. Excluded from the reporting entity are the various school districts, park districts and township which fall within the Village's boundaries, but which do not meet the criteria for inclusion as set forth by generally accepted accounting principles.

Previously the La Grange Public Library was included in the Village of La Grange's financial reporting entity, as by definition, the library qualified as a "discreetly presented component unit" of the Village. Based on the criteria of Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, there are no component units for which the Village is considered to be financially accountable. Therefore, as of April 30, 2014 the La Grange Public Library issues separate financial statements.

## **Local Economy**

National and state economic instability continues to challenge Village finances. In response to these recessionary conditions and the corresponding fiscal stress placed upon the Village's General Fund, the Village took steps to reduce operating expenses below budget-authorized levels beginning May 1, 2010. At the same time, the Village developed a comprehensive and multi-year cost containment strategy, largely involving a reduction of personnel and operating expenses by \$1,000,000 per year, to stabilize Village finances.

Even with these austerity measures, the Village continues to be challenged by: major operational and capital costs, health care expenditures, required pension contributions, and a State government which continues to introduce legislation threatening local municipal revenues.

Despite these many fiscal pressures, Village finances are stabilizing as we continue to realize the savings from the cost containment plan and as Village revenues return to levels from prior to the recession. It is important to note that although the Village incurred a deficit in FY 2013-14 of approximately \$429,000, this was a planned deficit resulting from a budget amendment of \$670,000 approved by the Village Board early in the fiscal year, primarily relating to the increased scope of the Maple Avenue Relief Sewer project.

In keeping with the Village's practice of conservative fiscal management, it is too early to rely on savings and growth at this time, as being able to lead the Village to sustainable financial health. We believe that we have found the right balance between the need to recognize continued downward pressure on our financial means, yet still provide high quality services to residents including responsive: (1) operations; (2) planning efforts; and (3) capital improvements.

The Village will continue with its conservative financial management by optimizing the value of operating expenditures and capital outlay; controlled spending; making investments and re-investments as appropriate; and facilitating growth.

### **Long-Term Financial Planning**

At year end, fund balance in the General Fund (49.8 percent of General Fund operating expenditures) is slightly below the policy guidelines established by the Village Board of Trustees for budgetary and planning purposes (i.e. between 50 and 75 percent of total General Fund operating expenditures.) As the State's economic forecast anticipates slow economic growth, it is advisable to retain an adequate fund balance for contingencies and emergencies. An adequate fund balance reserve also allows the Village to budget more flexibly in the short-term, maintain liquidity for cash flow requirements, reduce reliance on short-term financing and maintain a strong credit rating.

The Village Board is fiscally conservative and have been careful stewards of taxpayer resources, evidenced by the implementation of the cost containment plan. However, in order to advance specific areas of importance including: maintaining delivery of core services, enhance public safety, pension funding and building reserves, a revenue enhancement is necessary. A 1.0% increase in the Village's Municipal Utility Tax was programmed to become effective May 1, 2014, after being postponed for two consecutive years. In examining options, a Food and Beverage Tax was identified as an alternative source of revenue. This source was determined to be in keeping with prior Village Board discussions because, as a matter of tax policy, the revenue would primarily be generated by non-residents. In addition, this source of revenue was thought to be growth-oriented because it builds on the Village's strength as a regional dining destination. With the implementation of the Food and Beverage Tax, effective May 1, 2014, the Village is projecting a balanced budget (surplus) for four of the next five years.

Separate and apart from the cost containment plan, the Village is analyzing a plan to restructure the Police and Fire Departments. The significance of this operational matter as it relates to financial management is two-fold. First, the thought is to evaluate if department management can operate more efficiently by eliminating a rank or the number of positions within supervisory ranks. Second, Village and departmental management would apply that savings by maintaining or perhaps even increasing the headcount at the front-line service delivery level to improve public safety services to Village residents while remaining entirely budget neutral. A staff report and Board discussion is anticipated on this matter in the next fiscal year.

In addition to this internal analysis of optimizing operations and service delivery, the Village is looking to do the same by regionalizing public safety services with La Grange Park and Western Springs. In 2011, a preliminary study concluded that sufficient compatibility existed between the Villages of La Grange, La Grange Park and Western Springs to share public safety services. A technical study was completed in late 2013 which provides a road map as to how the three communities can establish a combined public safety dispatch center. Each community is currently evaluating the recommendations from that report, and intergovernmental discussions are expected to continue into next fiscal year.

The Village of La Grange has also consistently worked very hard to lessen the burden of property taxes on Village residents and businesses through conservative fiscal management, economic development, and identifying alternative sources of revenue.

Much of the Village's emphasis since 1986 has been on economic development to expand the Village's tax base. A well diversified tax base will create new growth, generating additional property tax revenue not only for the Village, but also to the benefit of other local taxing bodies such as school districts, the park district and the library. Therefore, it is critically important that we continue to protect and preserve our investments in the Central Business District well into the future. The Village Board recognizes this which is why economic development remains a high-order strategic priority for the Village.

The Village also continues to work with the La Grange Business Association (LGBA), especially through their committees representing restaurateurs, retailers, service businesses and building owners on strategies to retain and strengthen the Village's economic vitality. The primary emphasis of this government – business collaboration will continue to be marketing, promotional and special events.

Although a majority of redevelopment in La Grange has occurred within the Central Business District, a considerable amount of commercial reinvestment has also taken place throughout the rest of the Village. Of particular note is the revitalization of the West End Business District. Several established businesses in this district have reinvested because they see the long-term value and growth opportunities in La Grange.

We are able to enjoy and experience steady dining, shopping and theater-going traffic to La Grange because of a combination of factors unique to La Grange: (i) our residents understand the need to support our local businesses; (ii) our local retailers have an entrepreneurial spirit which has sustained them; and (iii) new business owners who have decided to open during these difficult times have placed their confidence in their future success by locating to La Grange.

A renovation of the Stone Avenue train station to restore building integrity commenced in FY 2013-14. Master planning, exploration of grant opportunities, and coordination with regional transportation agencies continues for future phases to enhance the station grounds as a public space and to enhance pedestrian mobility and safety within the station area. Investment in the Stone Avenue train station building and grounds is important as business owners have advised the Village that the iconic station is the focal point for creating a sense of identity and way-finding which separates them from other commercial areas within the Village.

A well-diversified tax base creates new growth, generating additional property tax revenues not only for the Village, but also to the benefit of other local taxing bodies such as school districts, the park district and the library. The Metropolitan YMCA is in the process of selling its land at the northeast corner of La Grange Road and Ogden Avenue, which is the former site of the Rich Port YMCA. An application for a planned-unit development and re-zoning is anticipated to be filed by the end of the year. Should that application move forward and be approved, construction could commence as early as this year, followed by occupancy in 2016. It is premature to make any meaningful and reliable revenue projections with respect to this redevelopment project.

The Village also seeks to supplement property tax and sales tax revenues through the acquisition of grant funding. Over the past five years, the Village has secured approximately \$7.5 million in grants to fund over \$11 million of capital projects, operational activities and equipment that either would not have been possible or would have been implemented at the sole expense of La Grange taxpayers. We must continue to aggressively pursue grant opportunities whenever they become available. Department Heads continue to explore funding opportunities and eligibility

requirements within their respective areas of responsibility for projects, personnel and capital expenditures, consistent with the substance and spirit of our proposed financial plan and the Village Board's strategic priorities.

As the financial condition of our state government has yet to stabilize, we need to remain vigilant and advocate against any legislation which seeks to undermine municipal revenues or shifts the financial responsibility of paying for state programs onto municipalities as an "unfunded mandate".

These are difficult times for everyone, and the Village is sensitive to the financial challenges our residents are experiencing. The Village is attempting to contain its operating costs while at the same time preserving the value of our significant investments in human, economic and capital assets - preserving the quality of life and community vitality that we presently enjoy.

As a result of its thoughtful planning and policy discussions, the current Village Board is strategically thinking about the Village's financial health beyond the scope of the current five-year plan. It is this type of visioning which will preserve and enhance the quality of life for La Grange residents now and into the future.

### **Major Initiatives**

An annual transfer is made from the General Fund to the Capital Projects Fund to support major infrastructure improvements. This transfer may vary based upon available funding in the General Fund after providing funding for annual operating expenditures. Due to the current economic conditions which have negatively impacted State shared revenues, the transfer for capital improvements has been reduced beginning in FY 2009-10. In order to complete proposed capital projects as previously budgeted, annual maintenance programs have been temporarily reduced and/or eliminated. It is anticipated that these short-term reductions in funding will not have a material impact on delivery of services to residents.

Annual transfers from Motor Fuel Tax (MFT) are scheduled to fund the Village's thirty percent local match of future federal Surface Transportation Program (STP) grant projects, future segments of the Maple Avenue Relief Sewer and eligible neighborhood street projects. The Village was also the recipient of over \$2.5 million in grants for the Bluff Avenue / M.A.R.S. project, Neighborhood "H" street resurfacing, Stone Avenue Station rehabilitation, HVAC improvements at all Village facilities and pedestrian signal upgrades. The proposed five-year Capital Improvement Program includes a total of more than \$6.5 million in infrastructure improvement projects and major maintenance programs.

The largest, multi-year project is the reconstruction of Bluff Avenue which includes the installation of new combined sewer, water main, drainage structures, curb/gutter and reconstruction of the street. As part of the larger Maple Avenue Relief Sewer (MARS) initiative, the construction of an outlet sewer was completed in conjunction with the reconstruction of Bluff Avenue. The outlet sewer connects the Bluff Avenue corridor to the deep tunnel connection at Cossitt and East Avenues. The outlet sewer and reconstruction of Bluff Avenue were completed in FY 2011-12. The second stage of MARS, from roughly Bluff Avenue to 6<sup>th</sup> Avenue was completed FY 2013-14, funded by a combination of MFT and capital improvement program funds. Construction for the next stage of MARS is scheduled in FY 2019-20.

During the past fifteen years, the Village has been able to substantially complete the initial phase of the Street Renovation Program which has repaved nearly every street within the Village. The purpose of the Street Resurfacing Program is to plan for the routine resurfacing and repair of neighborhood streets on a defined schedule. A detailed street condition survey was completed which provides for the “next generation” street resurfacing program with the added dimension of having our underground utilities (water & sewer) considered for repairs or replacement at the same time.

As part of the development of this program, a change in policy in the resurfacing program was recommended. Under the recently completed plan, street resurfacing was prioritized on a neighborhood-wide basis. As the street condition survey provides for a reliable set of baseline information, staff recommended taking a more data-driven approach to street resurfacing by allocating resources on a block segment basis through the resurfacing of streets segments with the greatest need within the annual budget allotment. The intent is to maximize available resources by performing work to extend the underlying integrity of the roadway and thus avoid prematurely incurring the cost of street reconstruction.

Based on this revised approach staff recommended the following streets for resurfacing in the five year capital improvement program:

- FY 2013-14 - 41<sup>st</sup> from Dover to Malden; Bell from Dover to Brainard and Park from Arlington to 41<sup>st</sup>: \$378,000 (completed)
- FY 2015-16 - 50<sup>th</sup> from Gilbert to end; Kensington from Maple to Goodman; Maple from Sunset to Blackstone, Blackstone from Maple to Elm, Elm from Sunset to Blackstone and Park from 41<sup>st</sup> to Ogden: \$980,000 (budgeted).

Staff further recommended the street condition survey be updated every five years to note changes in condition and to update the relative ranking of street segments. Additionally, staff plans to make an assessment of our capital maintenance needs such as crack-filling and street patching to see if additional resources will be required to keep streets in good stable condition until such time that resurfacing occurs.

As a separate street project, Cossitt Avenue from Gilbert Avenue to Sunset Avenue is scheduled for reconstruction in FY 2015-16 due to deterioration of the roadway. The Village applied for and received STP funding for this project through the Central Council of Mayors. The Village anticipates that engineering will be completed in FY 2014-15 with construction in FY 2015-16.

Also scheduled as a separate street project is the reconstruction of Kensington Avenue from Cossitt Avenue to Burlington Avenue in FY 2016-17. This section of roadway was considered to be in poor to fair condition in the 2010 Street Condition Survey and a recent visual inspection of this roadway indicated a need for resurfacing in the near future. The Village received additional STP funding from the Central Council of Mayors for this project. Design engineering is scheduled in FY 2014-15 with construction in FY 2016-17.

The Village has programmed resources in the Capital Projects Fund in anticipation of the deforestation effects of the Emerald Ash Borer (EAB). We anticipate that all of the ash trees will need to be replaced and therefore have planned in the budget for the removal and replacement of ash trees over a seven year period beginning in FY 2010-11. The Village has also developed a pilot program for treating approximately 100 healthy white Ash trees to gauge the effectiveness

of the chemical treatments and save some of the most desirable ash tree specimens. We do not advocate any pre-emptive removal of existing Ash tree species in our inventory and will continue to monitor the spread of the EAB and act as a resource to residents.

Several years ago, the Village initiated a sewer rehabilitation program to repair, replace and/or rehabilitate existing mains by lining the sewer with a cured-in-place liner that provides a new structurally sufficient pipe within the existing pipe. This process is less disruptive to residents since it does not require traditional open trench methods for installation.

Due to limited funding, this program was put on hold until sufficient reserves were accumulated to sustain the program on an annual basis. As replacing the Village's aging sewer infrastructure remains an important long term goal, this maintenance activity is planned to resume in FY 2016-17 in the amount of \$100,000 annually. The Village will continue to review the information obtained from the sewer televising program in order to determine if any immediate action is necessary to maintain the functionality of the existing system.

The Village issued a \$2,080,000 alternate revenue bond in FY 2012-13 to fund a water meter replacement program and improvements at the East Avenue Water Pumping Station. The majority of water meters in the Village were 20 to 25 years old and had exceeded their life expectancy. In order to improve the Village's water accountability, the Village engaged a contractor to replace all of the meters throughout the Village in a single year rather than utilizing Village staff to install the water meters over a longer time frame, as was previously proposed. In addition to the replacement of the water meters, new technology was implemented that reads meters without the need for an employee to go to each home.

The Village's pumping station was constructed in 1984. Many of the components within the station have reached the end of their useful life and are in need of replacement. These repairs will support the continued delivery of potable water to residents and reduce operating costs over the long term. Due to the timing of other capital projects and the necessary planning and analysis required to implement the water meter replacement program and pumping station improvements, the projects have been rescheduled in FY 2014-15.

In preparation for the sale of alternate revenue water bonds, the Village requested a meeting with Moody's Investors Services in order to obtain a current bond rating. The Village 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, a Aa2 bond rating was assigned to the Village of La Grange and a stable credit outlook was issued for Village finances. The Aa2 rating is a relatively high bond rating for a non-home rule community. 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.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of La

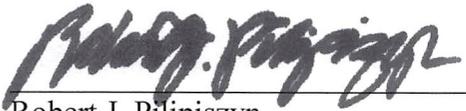
Grange for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended April 30, 2013. This was the eighteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

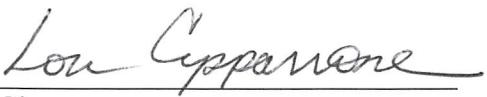
In addition, the Village of La Grange also received the GFOA's Distinguished Budget Presentation Award for its annual Operating and Capital Improvements Budget for FY 2013-14. In order to qualify for the Distinguished Budget Presentation Award, the Village's budget document was judged to be proficient as a policy document, a financial plan, as operations guide and a communication device. The Village has received this notable national award for nineteen consecutive years.

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the efficient and dedicated service of the entire staff of the Finance Department, especially Assistant Finance Director Joe Munizza, who prepared the Financial Statements. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

Finally, we would like to acknowledge Village President Livingston and the Board of Trustees for their leadership and support in planning and conducting the financial affairs of the Village in a responsible and progressive manner.

Respectfully submitted,

  
\_\_\_\_\_  
Robert J. Pilipiszyn  
Village Manager

  
\_\_\_\_\_  
Lou Cipparrone  
Finance Director/Treasurer



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Certified Public Accountants & Advisors  
*Members of American Institute of Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

The Honorable President  
Members of the Village Board  
Village of La Grange, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of La Grange, Illinois, (the Village) as of and for the year ended April 30, 2014, which collectively comprise the Village's basic financial statements as listed in the table of contents, and the related notes to financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of La Grange, Illinois, as of April 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules and supplemental data, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village. The combining and individual fund financial statements and schedules and supplemental data are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical information listed in the table of contents was not audited by us and, accordingly, we do not express an opinion thereon.



Naperville, Illinois  
August 22, 2014

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

VILLAGE OF LA GRANGE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2014

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The Village of La Grange's (the "Village") discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter and the Village's financial statements.

**USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT**

In accordance with Generally Accepted Accounting Principles (GAAP), the Village's financial statements present two kinds of statements, each with a different view of the Village's finances. The financial statement's focus is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Village's accountability.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government.

The *Statement of Net Position* presents information on all of the Village's assets and liabilities, with the difference of the two reported as net position. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates governmental funds' using the current financial resources measurement focus (short-term spendable resources) with capital assets and long term obligations using the accrual basis of accounting and economic resources measurement focus. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The *Statement of Activities* presents information showing how the Village's net position changed during the fiscal year. The Statement of Activities is focused on both the gross and net cost of various activities (including governmental and business-type) which are supported

VILLAGE OF LA GRANGE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various government services and/or subsidy to various business-type activities.

Both statements distinguish functions of the Village that are primarily supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental Activities reflect the Village's basic services, including police, fire, public works, community development, finance and administration. Property taxes, local sales tax, local utility tax and shared state income, replacement and local use taxes finance the majority of these services. The Business-type Activities reflect private sector type operations (Water, Sewer, and Parking funds), where the fee for service typically covers all or most of the cost of operation, including depreciation.

### **Fund Financial Statements**

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

The *governmental funds* focus is on sources and uses of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the fund financial statement allows the demonstration of sources and uses and/or budgeting compliance associated therewith.

*Proprietary funds* provide the same type of information (private sector operations) as the government-wide business-type financial statements, only in more detail. The proprietary fund statements provide separate information for the Water, Sewer and Parking operations, all of which are considered to be major funds of the Village. Individual fund data for the Village's internal service fund, which accounts for the replacement of vehicles and equipment on a pay-as-you-go basis, can be found elsewhere in the report.

The fund financial statements also allow the Village to address its *fiduciary funds* (Police and Fire Pensions). While these funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the government-wide financial statements.

### **Other Information**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. In

VILLAGE OF LA GRANGE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's progress in funding its obligation to provide pension benefits to employees.

While the total column on the proprietary fund financial statements is the same as the business-type activities column in the government-wide financial statement, the governmental funds total column requires reconciliation with the governmental activities column in the government-wide financial statements because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement.

The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-Wide Statements).

**GOVERNMENT-WIDE STATEMENTS**

As mentioned earlier, the Statement of Net Position may serve over time as a useful indicator of the Village's financial position. At the end of the current fiscal year, the Village is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The following table reflects the condensed Statement of Net Position:

**Table 1**  
**Statement of Net Position**  
**As of April 30, 2014**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and Other assets	\$24,566,609	\$27,110,444	\$4,152,589	\$5,258,168	\$28,719,198	\$32,368,612
Capital Assets	29,341,672	27,129,269	20,408,584	19,432,640	49,750,256	46,561,909
<b>Total Assets</b>	<b>53,908,281</b>	<b>54,239,713</b>	<b>24,561,173</b>	<b>24,690,808</b>	<b>78,469,454</b>	<b>78,930,521</b>
Long term liabilities	8,185,497	8,891,072	2,213,861	2,313,882	10,399,358	11,075,375
Other liabilities	834,014	746,925	592,226	860,026	1,426,240	1,816,530
Deferred Inflows	6,609,827	6,471,546	-	-	6,609,827	6,471,546
<b>Total Liabilities and Deferred Inflows</b>	<b>15,629,338</b>	<b>16,109,543</b>	<b>2,806,087</b>	<b>3,173,908</b>	<b>18,435,425</b>	<b>19,363,451</b>
Net Position:						
Net Investment in						
Capital Assets	28,236,672	25,774,269	20,408,584	19,432,640	48,645,256	45,206,909
Restricted	874,911	2,215,428	-	-	874,911	2,215,428
Unrestricted	9,167,360	10,140,474	1,346,502	2,084,260	10,513,862	12,224,734
<b>Total Net Position</b>	<b>\$38,278,943</b>	<b>\$38,130,171</b>	<b>\$21,755,086</b>	<b>\$21,516,900</b>	<b>\$60,034,029</b>	<b>\$59,647,071</b>

VILLAGE OF LA GRANGE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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The Village's total net position increased from \$59,647,071 in 2013 to \$60,034,029 in 2014 which is an increase in net position of \$386,958. The increase in Total Net Position for Governmental Activities of approximately \$148,772 is primarily due to revenues exceeding expenses in the Motor Fuel Tax being substantially offset by expenses exceeding revenues in the General and Capital Projects Funds.

In addition, Net Investment in Capital Assets increased due to the completion of the \$2.2 million Maple Avenue Relief Sewer Project-Phase II, which was primarily offset by a decrease in Restricted and Unrestricted Net Position to fund the project.

Total Net Position for Business Type Activities increased by \$238,186 primarily due to receipt of two IEPA Green Infrastructure Grants which partially funded the reconstruction and installation of permeable pavers at the parking lot (#13) located at the corner of Brainard and Burlington Avenues. In addition, Net Investment in Capital Assets increased due to completion of the Water Meter Replacement project and reconstruction of the parking lot. The increase in capital assets was offset by a decrease in Unrestricted Net Position to fund the projects.

By far, the largest portion of the Village's total net position (81.0%) reflects its net investment in capital assets (such as land, buildings, machinery, equipment and infrastructure) less any related outstanding debt used to acquire those assets. The Village uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the Village's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Investment in capital assets, net of debt also provides useful information that can be used for trend analysis to determine if the Village is properly replacing aging infrastructure, including: streets and water and sewer mains.

The Village's unrestricted net position for governmental activities reflects the portion of net position that can be used to finance day-to-day operations. Restricted net position represents funds which are subject to limitations on how they may be used. These funds primarily reflect State Motor Fuel Tax funds restricted for maintenance of roadways. As noted above, Restricted Net Position decreased as Motor Fuel Tax reserves were utilized to fund the Maple Avenue Relief Sewer Project.

The following table reflects the change in net position resulting from revenues and expenses of the Village's governmental and business-type activities.

VILLAGE OF LA GRANGE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

**Table 2**  
**Change in Net Position**  
**For the Fiscal Year Ended April 30, 2014**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>REVENUES</b>						
<b>Program Revenues</b>						
Charges for Services	\$1,621,488	\$1,731,670	\$5,688,309	\$5,475,528	\$7,309,797	\$7,248,786
Operating Grants/Contr.	509,317	470,836	-	-	509,317	439,166
Capital Grants/Contr.	73,051	136,931	383,743	40,135	456,794	168,601
<b>General Revenues</b>						
Property Taxes	6,347,857	6,134,683	-	-	6,347,857	6,134,683
Other Taxes	4,915,950	4,650,778	-	-	4,915,950	4,650,778
Other	277,392	439,618	2,926	7,219	280,318	446,837
<b>Total Revenues</b>	<b>\$13,745,055</b>	<b>\$13,564,516</b>	<b>\$6,074,978</b>	<b>\$5,522,882</b>	<b>\$19,820,033</b>	<b>\$19,087,398</b>
<b>EXPENSES</b>						
General Government	2,198,577	2,235,538	-	-	2,198,577	2,235,538
Public Safety	8,218,014	8,363,505	-	-	8,218,014	8,363,505
Highways & Streets	3,013,072	2,364,485	-	-	3,013,072	2,364,485
Interest	47,620	56,512	-	-	47,619	56,512
Water & Sewer	-	-	4,942,845	4,589,091		
Parking	-	-	1,012,947	1,016,639	1,012,947	1,016,639
<b>Total Expenses</b>	<b>13,477,283</b>	<b>13,020,040</b>	<b>5,955,792</b>	<b>5,605,730</b>	<b>19,433,074</b>	<b>18,625,770</b>
<b>Increase / (Decrease)</b>						
Before Transfers	267,772	544,476	119,186	( 82,848)	386,958	461,628
Transfers	(119,000)	(116,000)	119,000	116,000	-	-
<b>Change in Net Position</b>	<b>\$148,772</b>	<b>\$ 428,476</b>	<b>\$238,186</b>	<b>\$33,152</b>	<b>\$386,956</b>	<b>\$461,628</b>

**Governmental Activities**

Charges for Services, which include revenues from Village fines, licenses and permits, decreased due to prior year receipts including several significant commercial building permits issued to La Grange Memorial Hospital.

Operating Grants and Contributions reflect annual Motor Fuel Tax receipts, traffic safety/tobacco enforcement grants, and a Staffing for Adequate Fire and Emergency Response (SAFER) grant. Capital Grants and Contributions reflect federal and state funding for the renovation of Stone Avenue Station, signal project on Willow Springs Road, reconstruction of Bluff Avenue and HVAC/energy efficiency improvements at Village Hall. Grant funding varies annual due to availability and timing of projects.

VILLAGE OF LA GRANGE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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Property taxes continue to be the Village's largest revenue source generating \$6,347,857 which represents 46.2% of total governmental activity revenue. Property tax revenue reflects the allowable increase under the Property Tax Limitation Act which is restricted to five percent, or the percent of increase in the national Consumer Price Index (CPI), whichever is less. The Village's 2012 property tax levy, which was collected in fiscal year 2014, included a CPI increase of 1.7 percent.

Other Taxes include sales tax revenues combined with State shared revenues (income tax, local use tax and replacement tax) local utility taxes and franchise fee revenues, total \$4,915,950 which represents 35.8% of the total governmental activity revenue. Other taxes in 2014 reflect significant increases in sales tax receipts and State shared revenues (income, replacement and local use taxes). Sales tax receipts were consistently higher than one year ago as local restaurants and retailers continue to offset the lost sales tax from the closing of Borders in 2011. However, the Illinois Municipal League reported that FY 2014 income tax and replacement tax receipts include a one-time increase due to individuals and corporations reporting capital gain income in anticipation of significant changes in federal tax policy.

Other Revenues reflect investment income, reimbursements for; damaged property, training and prosecution services, and other miscellaneous revenues. Reimbursements for prosecution services decreased in FY 2014 due to a significant amount of fees being recovered during the previous fiscal year, primarily from two court ordered demolitions.

The Village realizes the importance of offering competitive compensation and benefit packages for the recruitment and retention of employees. General Government expenses in 2014 include an annual general wage adjustment of salaries which is tied directly to the allowable increase under the Property Tax Limitation Act. Salary expenses also include an average merit increase of 2.75% merit based upon annual performance evaluation.

General Government expenses decreased in 2014 primarily due to a reduction of legal services for personnel issues and labor law. During the previous fiscal year the Village incurred significant legal expenses related to a police union arbitration case and negotiation of a first time bargaining agreement with telecommunication operators.

Public Safety expenses reflect annual wage increases pursuant to collective bargaining agreements for Police and Fire employees. Public Safety expenses decreased in 2014 due to a reduction in Asset Forfeiture Fund expenses from the previous fiscal year. Significant Asset Forfeiture expenses incurred by the Police Department during 2013 included the purchase of a communications safety trailer and license plate recognition hardware.

Highway & Streets expenses reflect annual wage increases pursuant to the collective bargaining agreement for Public Works employees. Expenses also increased due to additional overtime for snow plowing and salt usage in 2014 resulting from frequent and severe winter storms. In addition, Highway and Streets includes maintenance projects which vary annually and are fully expensed in the year of completion rather than capitalized as an asset and depreciated over the estimated useful life.

VILLAGE OF LA GRANGE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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It is important to note that in response to recent recessionary conditions, beginning in 2010, the Village implemented a comprehensive and multi-year cost containment strategy, largely involving a reduction of personnel expenses. Cost containment efforts include maintaining one full-time vacancy within the Village's three largest operating departments — Police, Fire and Public Works, elimination/reduction of part-time positions, negotiated wage concessions with collective bargaining units and non-union employees, and increased employee contributions towards health insurance. In addition, the Village has reduced annual funding for annual maintenance programs and future infrastructure projects.

Interest expenses decreased in 2014 due to reduced outstanding debt resulting from annual principal payments. No new debt was issued in fiscal year 2014. Transfers from governmental activities to business-like activities reflect the annual transfer from the General Fund to the Parking Fund to fund additional costs associated with the general maintenance and operations of the parking structure.

**Business-Type Activities**

Charges for Services increased significantly in 2014 primarily to due to a 6 percent increase in the Village's water rate and a 10 percent increase in the Village's sewer rate, both effective May 1, 2013. The water rate increase was necessary to "pass on" the City of Chicago 15% water rate increase. Please note the Village rate increases are significantly less than the City of Chicago rate increases as they are primarily applied to the cost of the water purchased in the Water Fund, which is just one component of the total expenses for providing water to residents.

The sewer rate increase was necessary to provide funding for projected operations and capital expenses, and to rebuild sewer reserves. Sewer fees are based on cubic feet of water used multiplied by a separate sewer rate. Therefore, an increase in the water rate does not affect sewer fees.

Charges for Services also reflect additional revenue due to a \$5 per month increase in residential/commuter parking decals and parking fines, effective May 1, 2013. Increases in parking decals and fines were necessary to offset rising personnel costs for enforcement and maintenance of Village lots. These increases are in keeping with the parking study which recommended parking decal increases scheduled in smaller increments on consistent intervals (four to five years) rather than larger increases with less frequency.

Capital Grants and Contributions reflect receipt of the IEPA Green Infrastructure grants for reconstruction of parking lot #13, which were primarily received in in FY 2014.

Water and Sewer expenses increased due to a water rate increase from the City of Chicago of 15%, effective January 1, 2014. The City of Chicago also plans to increase water rates by an additional 15% in next year, starting January 1, 2015. As it is the Village's policy to "pass on" water rate increases from the City of Chicago, subsequent increases in Village water rates are anticipated.

VILLAGE OF LA GRANGE, ILLINOIS  
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

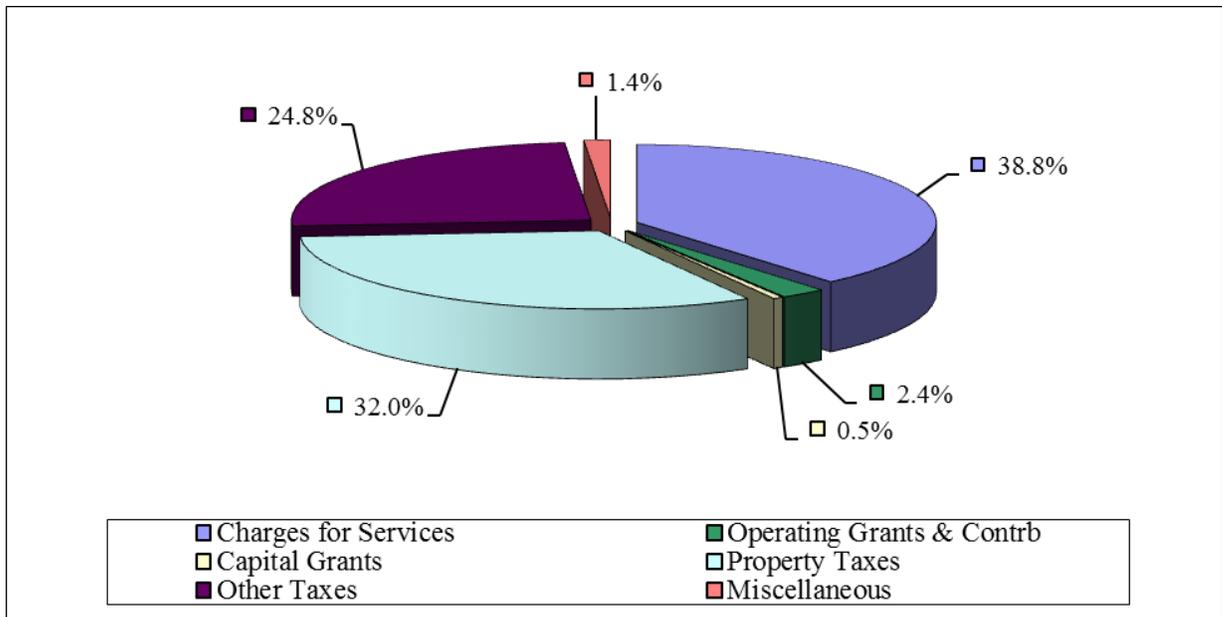
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Please note the water rate increase does not take into account any increase in revenues due to improved water accuracy resulting from the completion of the water meter replacement project. Should revenues increase due to improved meter accuracy, future water rate increases could be reduced or eliminated to reflect the additional revenue. Water rates will continue to be reviewed on an annual basis.

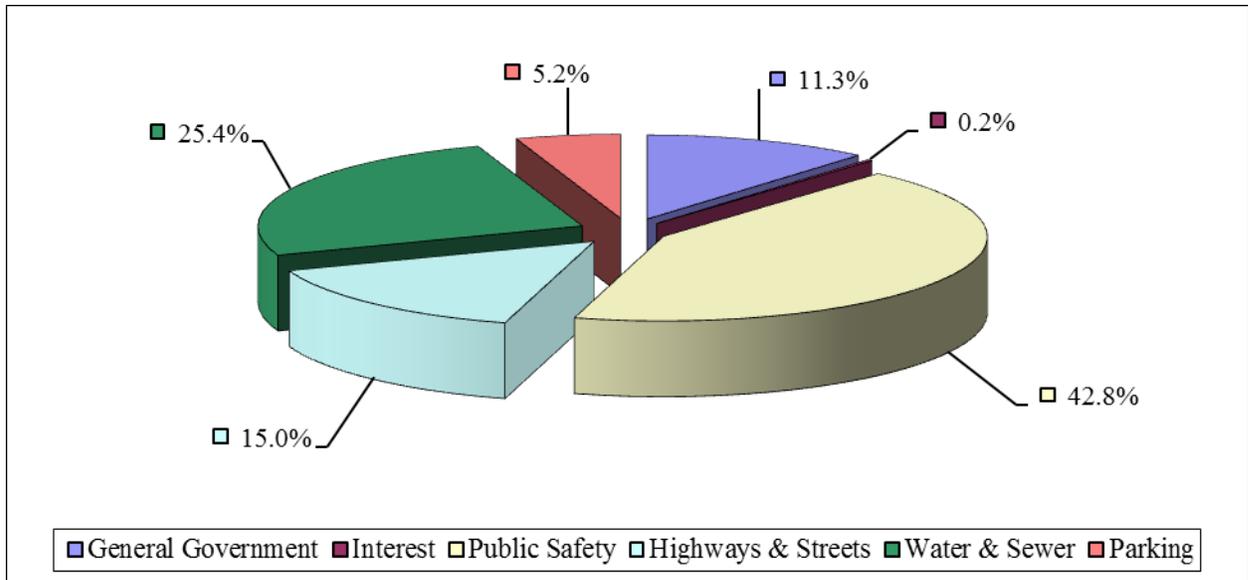
Water expenses also increased due to annual wage increases pursuant to the collective bargaining agreement for union employees, and overtime and maintenance costs required to repair a record number of water main breaks due to the severe winter conditions.

The following charts reflect revenues by source and expenses by function for governmental and business-type activities for the fiscal year ended April 30, 2014:

**Governmental and Business-Type Activities  
Revenues by Source  
Fiscal Year Ended April 30, 2014**



**Governmental and Business-Type Activities  
Expenses by Function  
Fiscal Year Ended April 30, 2014**



**FUND FINANCIAL ANALYSIS**

As noted earlier, the Village of La Grange uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. A fund is separate accounting entity with a self-balancing set of accounts that comprise its assets, liability, fund equity, revenues and expenditures.

The focus of the Village of La Grange's governmental fund types, which includes the General Fund, is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of net resources available for spending at the end of a fiscal year. The Village's proprietary fund types, which are those funds which operate similar to a business, provide the same type of information found in the government-wide financial statements, but in more detail.

**Governmental Funds**

The **General Fund** is the main operating fund of the Village of La Grange. The Village experienced fiscal stress within the General Fund created by a decrease and flattening of major revenue streams (e.g. income tax, sales tax, building permits, etc.) due to macro-economic conditions and major operating expenditures (such as salaries, health insurance, and police and fire pension contributions) in excess of those reduced revenues. Reserve funds have been utilized to offset prior operating deficits; sustaining Village operations over the past several years.

VILLAGE OF LA GRANGE, ILLINOIS  
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

So as not to further deplete reserve funds below target levels, the Village implemented a multi-year cost containment plan beginning in 2010, focused on reduction of personnel expenses. As part of the ongoing cost containment plan, during the subsequent fiscal year the Village also proposes to continue to examine other strategies to reduce and control future operating expenditures as a means to protect reserves.

Despite these many fiscal pressures, Village finances are stabilizing. It is important to note that last fiscal year (2013) the Village recorded the first surplus in the General Fund in over five years, primarily due to the success of the cost containment plan and several Village revenues approaching levels from prior to the recession. Although the General Fund incurred a deficit in FY 2014 of approximately \$429,000, this was a planned deficit resulting from a budget amendment of \$670,000 approved by the Village Board early in the fiscal year, primarily relating to the increased scope of the Maple Avenue Relief Sewer project.

Throughout the course of the fiscal year additional budget amendments were necessary to reflect estimated actual expenditures exceeding budget estimates including: 1) professional services for court-ordered demolition of a foreclosed property; 2) increased overtime in the Police Department due to temporary vacancies and extended leaves of absence from work related injuries, and increased repairs and maintenance for department vehicles; 3) increased full-time salaries in the Fire Department due to a delayed retirement and receipt of federal funding for a firefighter/paramedic for two years, effective January 1, 2014; and 4) increased overtime and snow and ice control expenditures relating to the frequency and severity of winter storm conditions.

**Table 3**  
**General Fund Budgetary Highlights**  
**Fiscal Year Ended April 30, 2014**

	Original Budget	Amended Budget	Actual
<b>Revenues and Transfers In</b>			
Taxes	\$ 9,790,997	\$ 9,790,997	\$ 9,721,895
Intergovernmental	1,478,052	1,478,052	1,610,890
Licenses & Permits	1,165,901	1,165,901	1,160,668
Other	373,100	373,100	509,236
Transfers In	50,000	50,000	50,000
<b>Total</b>	<b>\$ 12,858,050</b>	<b>\$ 12,858,050</b>	<b>\$ 13,052,689</b>
<b>Expenditures and Transfers Out</b>			
General Government	(2,139,324)	(2,149,324)	(2,105,235)
Public Safety	(7,993,478)	(8,130,478)	(7,961,844)
Highways and Streets	(1,824,243)	(1,924,243)	(1,925,600)
Transfers Out	(819,000)	(1,489,000)	(1,489,000)
<b>Total</b>	<b>\$ (12,776,045)</b>	<b>\$ (13,693,045)</b>	<b>\$ (13,481,679)</b>
<b>Changes in Fund Balance</b>	<b>\$ 82,005</b>	<b>\$ (834,995)</b>	<b>\$ (428,990)</b>

VILLAGE OF LA GRANGE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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Tax revenues were under budget primarily due to prior year tax credits from property assessment appeals and home foreclosures. In addition, the Village experienced lower than estimated new growth, which resulted in Cook County automatically lowering the Village's tax levy. Simplified Telecommunication taxes were also under budget primarily due to continued bundling of phone services and elimination of residential/business phone lines.

Substantially offsetting the decrease in tax revenues was a significant increase in Sales Tax. Monthly sales tax receipts were consistently higher than one year ago as newly opened restaurants and retailers continue to offset the lost sales tax from the closing of Borders in September, 2011.

Intergovernmental revenues were over budget due to a significant increase in Income Tax receipts. However, the Illinois Municipal League has reported that 2014 income tax receipts reflect a one-time increase due to individuals and corporations reporting capital gain income in anticipation of significant changes in federal tax policy. Intergovernmental revenues also include partial receipt of a Staffing for Adequate Fire and Emergency Response (SAFER) grant from the Federal Emergency Management Agency (FEMA). The SAFER grant provides funding for 2-years in order to help maintain the number of trained "front-line" firefighters.

Licenses and Permits were under budget primarily due to a decrease in fines for village and compliance violations resulting from temporary vacancies within the Police Department from retirements, extended leaves due to illness/work-related injuries, redirected officer patrols, and parking compliance. The decreased revenues were primarily offset by an increase in the number of permits issued for new residential construction projects, a new multi-family building and several commercial permits at 1 N. La Grange Road and La Grange Memorial Hospital.

Other Revenue was over budget primarily due to unanticipated reimbursements for damaged property, prosecution services and training costs. Other Revenue also included several miscellaneous items including reimbursements for Gordon Park redevelopment costs, professional consulting fees pertaining to electric aggregation, sidewalk replacement for School District 102 and AT&T VRAD landscaping fees. Partially offsetting the increase in other revenue was a decrease in investment earnings resulting from the reduction of General Fund reserves and short-term interest rates remaining at less than one half of one percent.

General Government expenditures were under budget primarily due to a reduction in liability insurance premium and deductibles. Through a concerted effort to reduce employee accidents and liability claims, the Village received an experience credit for the second consecutive year, which decreased the current annual contribution to IRMA. In addition, General Government health insurance premiums decreased resulting from changes in coverage.

Public Safety expenditures are under budget primarily due to temporary vacancies created by the retirement of five police officers during the fiscal year. In order to maintain enforcement efforts, vacancies were filled as quickly as possible. Expenditures also reflect a decrease in required repairs and maintenance of Fire Department vehicles, and reduced training expenditures as the Fire Department was able to take advantage of available grant funded training opportunities.

VILLAGE OF LA GRANGE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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Partially offsetting the reduced expenditures was an increase in overtime expenditures resulting from police officers covering shifts as the newly hired replacement officers were being trained. Additional overtime was also necessary as a result of extended leaves of absence due to illness and work related injuries.

Transfers Out includes a transfer to the Capital Projects Fund in the amount of \$700,000 to support infrastructure replacement, debt service and maintenance programs. Due to the economic recession which negatively impacted revenues in the General Fund, this transfer was previously reduced by \$300,000. In order to complete capital projects as planned, annual maintenance programs were reduced and/or eliminated. Transfers out also includes an annual transfer to the Parking fund of \$119,000 to partially fund operations and maintenance of Village lots and the parking structure.

Transfer Out also reflects the aforementioned budget amendment utilizing reserve funds in the amount of \$640,000 for the Maple Avenue Relief Sewer (M.A.R.S.) and \$30,000 for the Village Hall roof project. The budget amendment provided for the extension of the MARS project up to 6<sup>th</sup> Avenue due to economies of scale which reduced the unit cost per lineal foot. The budget amendment for the roof project was necessary due to an increase in materials cost and the complexity of the project regarding pedestrian accessibility to Village Hall.

### **Motor Fuel Tax Fund**

The Motor Fuel Tax (MFT) Fund provides for the construction or resurfacing of public rights-of-way within the Village and for maintenance of streets and sidewalks, including sweeping, cleaning, and snow and ice control. MFT funds are distributed by the State on a per capita basis and are derived from a tax on the privilege of operating motor vehicles upon highways, based on the consumption of motor fuel.

Motor Fuel Tax Fund reserves of approximately \$600,000 reflect the accumulation of funds to finance the Village's 30 percent share of the reconstruction of "feeder" streets in conjunction with the State's 70 percent funding from Surface Transportation Project grants and the Maple Avenue Relief Sewer (M.A.R.S.) Project. Future years' reserves will be used to fund additional capital projects.

Motor Fuel Tax reserves decreased in 2014 by approximately \$1.35 million due to transfers out of \$1.8 million to the Capital Project Fund for M.A.R.S, exceeding annual MFT revenue of \$450,000.

### **Capital Projects Fund**

The Capital Projects Fund was established to ensure that the Village infrastructure is maintained or replaced to an acceptable level and to account for the acquisition, construction, or replacement of fixed assets of government funds with fund revenues derived primarily from transfers from the General and Motor Fuel Tax Funds, as well as from bond proceeds.

The Capital Projects Fund includes reserves in the amount of approximately \$140,000 to replace aging infrastructure throughout the Village and for unforeseen contingency costs associated with the aggressive neighborhood street renovations projects and complex street reconstruction projects to be undertaken in the near future. Due to the nature of the Capital Projects Fund which is to build reserves for future infrastructure projects, in years with significant construction, this fund may incur large deficits with small reserve balances.

Capital Project Fund reserves decreased by approximately \$550,000 in 2014 as construction expenditures and transfers out of \$3.8 million exceeded grant funds and transfer-in from the General and Motor Fuel Tax Funds of \$3.25 million. Significant infrastructure projects included; M.A.R.S.; street renovation projects on 41<sup>st</sup> Street, Dover and Park Avenues; tree removal and planting resulting from the Emerald Ash Borer spreading rapidly throughout the Village; and debt service payment for the 2005 Streetlight Refunding bonds.

### **Proprietary Funds**

Net position of the **Water, Sewer and Parking Funds** at year end totaled \$21,755,086. Net Position increased during the year by \$238,186 due to operating revenues exceeding operating expenses, which includes depreciation expense of \$757,959. The Parking Fund includes an annual transfer from the General Fund to provide funding for additional costs associated with the general maintenance and operations of the parking structure.

## **CAPITAL ASSETS**

The Village of La Grange's investment in capital assets for its governmental and business-type activities as of April 30, 2014 is \$49,750,256. This investment in capital assets includes land, buildings, improvements, equipment and street infrastructure as reflected in Table 4.

The Village depreciates assets over their useful life. If a road project is considered maintenance – a recurring cost that does not extend the road's original useful life or expand its capacity – the cost of the project will be expensed. An "overlay" or resurfacing of a road will be considered maintenance whereas a "rebuild" or reconstruction of a road will be capitalized.

Construction in Progress, a non-depreciable asset, represents the cost of initial stages of a multi-year construction project which has been started but not yet completed. When the project is finished, the cost of the project is reclassified and recorded as a depreciable capital asset.

VILLAGE OF LA GRANGE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

**Table 4**  
**Capital Assets**  
**Net of Accumulated Depreciation**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Non-Depreciable Assets</b>						
Land & Right of Way	\$8,115,246	\$8,115,246	\$1,370,735	\$1,370,735	\$9,485,981	\$9,485,981
Construction in Progress	2,844,502	400,545	112,951	785,534	2,957,453	1,186,079
<b>Other Capital Assets</b>						
Buildings	1,890,689	2,019,033	7,413,957	7,615,460	10,007,311	9,634,493
Improvements	911,188	864,398	-	-	911,188	864,398
Street Infrastructure	12,815,196	12,801,446	-	-	12,815,196	12,801,447
Storm Sewers	507,954	532,403	-	-	507,954	532,403
Equipment	2,256,897	2,396,198	17,532	24,433	2,274,429	2,420,630
Water System	-	-	8,345,838	7,099,841	8,345,838	7,099,841
Sewer System	-	-	2,274,262	2,333,927	2,274,262	2,333,927
Parking Improvements	-	-	873,309	202,710	170,644	202,710
<b>Total</b>	<b>\$29,341,672</b>	<b>\$27,129,269</b>	<b>\$20,408,584</b>	<b>\$19,432,640</b>	<b>\$49,750,256</b>	<b>\$46,561,909</b>

Total Capital Assets for Governmental Activities reflect a significant increase in Construction in Progress due to the substantial completion of the Maple Avenue Relief Sewer (M.A.R.S.) project - Phase II. Final close out costs for this phase of the M.A.R.S. project will occur during the subsequent fiscal year with the asset being placed into service at that time. Equipment capital assets decreased as depreciation expenses exceeded Equipment Replacement Fund purchases during the fiscal year.

Total Capital Assets for Business-Type Activities reflect a significant transfer from Construction in Progress to Water System assets due to the completion of the water meter replacement project. Parking Improvement assets increased due to reconstruction of parking lot #13, located at the corner of Brainard and Burlington Avenues.

Additional information on the Village's capital assets can be found in the Notes to the Financial Statements, note # 4.

### LONG-TERM DEBT

At the end of the current fiscal year, the Village of La Grange has total bonded debt and notes outstanding of \$9,205,000 all of which is backed by the full faith and credit of the Village.

State statutes limit the amount of general obligation bond debt a governmental entity may issue to 8.625 percent of its total equalized assessed valuation. The current estimated debt limit for the Village is \$52,452,388; as such, the Village is currently significantly under the outstanding general obligation debt limit.

VILLAGE OF LA GRANGE, ILLINOIS  
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

**Table 5**  
**Outstanding Bonds**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds (ARS Refunding Bonds Series 2005)	\$1,105,000	\$1,355,000	-	-	\$1,105,000	\$1,355,000
Alternate Revenue Bonds Series 2012A Water Meter	-	-	1,995,000	2,080,000	1,995,000	2,080,000
<b>Village Only Totals</b>	<b>1,105,000</b>	<b>1,135,000</b>	<b>1,995,000</b>	<b>2,080,000</b>	<b>3,100,000</b>	<b>3,435,000</b>
General Obligation Bonds Series 2012B Refunding	6,105,000	6,155,000	-	-	6,105,000	6,155,000
<b>Library Only Totals</b>	<b>6,105,000</b>	<b>6,135,000</b>	<b>-</b>	<b>-</b>	<b>6,105,000</b>	<b>6,155,000</b>
<b>Village &amp; Library Totals</b>	<b>\$7,210,000</b>	<b>\$7,510,000</b>	<b>\$1,995,000</b>	<b>\$2,080,000</b>	<b>\$9,205,000</b>	<b>\$9,590,000</b>

The Village issued \$3.9 million of general obligation (alternate revenue source) bonds in 1998 for the replacement of streetlights throughout the Village. The accelerated replacement of street lights was completed over a three-year period and replaced the pay-as-you-go program, which was scheduled to be completed over a 20-year period. The 1998 Streetlight bonds were refunded in December, 2005 due to favorable interest rates. The bond refunding resulted in interest savings in excess of \$100,000 over the remaining life of the issue. The final maturity date of the outstanding debt was not extended as a result of the refunding.

In order to address ongoing water accountability issues, the Village issue \$2.08 million of alternate revenue bonds in 2012 to fund a water meter replacement program and improvements at the water pumping station. The Village elected to issue bonds rather than complete the projects on a pay-as-you-go basis in order to address the ongoing water accountability issue in a timely fashion, utilize new meter and pumping station technologies, bill residents for actual water usage in an equitable manner and financial conditions were such that the Village benefited by financing these projects with municipal bonds while interest rates were at historical lows.

Pursuant to GASB 61, the La Grange Public Library is a legally separate entity from the Village and is excluded in the Village’s financial statements. However, the La Grange Public Library may not issue bonded debt without the Village’s approval and property taxes are levied by the Village on behalf of the Library. Therefore, while a general obligation of the Village, principal and interest pertaining to the \$6.2 million General Obligation Refunding Library Bonds, Series 2012B is to be repaid with Library’s tax levies. The outstanding Library Bonds are offset by an intergovernmental receivable in the Statement of Net Position.

The General Obligation Library Bonds, Series 2004 which were approved via voter referendum were issued to fund construction of a new municipal library building. The 2004 Library bonds were refunded in August, 2012 due to favorable interest rates. The bond refunding resulted in interest savings in excess of \$750,000 over the remaining life of the issue. The final maturity date of the outstanding debt was not extended as a result of the refunding.

In preparation for the issuance of the Library Refunding bonds and the sale of \$2.08 million Alternate Revenue Water Bonds, the Village requested a meeting with Moody's Investors Services in order to obtain a current bond rating for these issues. The Village 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, a Aa2 rating was assigned to the Village of La Grange general obligation bonds and a stable credit outlook was issued. 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.

Additional information on the Village's long-term debt can be found in the Notes to the Financial Statements, note # 6.

### **ECONOMIC FACTORS**

The Village's composition is primarily residential with small commercial and industrial components. The property tax revenue derived from the current housing stock is extremely stable. The Village has also experienced an increase in residential housing due to construction of new single family residences and additions. This has provided economic growth to the property tax base. The commercial sector is stable as well as it is based on the purchase of food and other necessary household items. Due to the utilization of a Tax Increment Financing (TIF) District, the commercial sector base has increased in the last several years with the revitalization of the downtown central business district.

### **CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Lou Cipparrone, Finance Director, Village of La Grange, 53 S. La Grange Rd, La Grange, Illinois 60525.

VILLAGE OF LA GRANGE, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2014

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,897,855	\$ 2,039,128	\$ 4,936,983
Investments	11,068,665	1,211,662	12,280,327
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	3,263,629	-	3,263,629
Accounts	257,259	899,616	1,156,875
Accrued interest	21,375	2,183	23,558
Due from other governments	7,015,027	-	7,015,027
Due from fiduciary funds	23,764	-	23,764
Prepaid expenses	1,092	-	1,092
Net pension asset	17,943	-	17,943
Capital assets, not being depreciated	10,959,748	1,483,686	12,443,434
Capital assets being depreciated (net of accumulated depreciation)	18,381,924	18,924,898	37,306,822
<b>Total assets</b>	<b>53,908,281</b>	<b>24,561,173</b>	<b>78,469,454</b>
<b>LIABILITIES</b>			
Accounts payable	318,549	265,265	583,814
Accrued payroll	112,018	40,568	152,586
Accrued interest payable	17,409	18,429	35,838
Deposits	289,910	5,749	295,659
Unearned revenues			
Other	92,625	262,215	354,840
Due to fiduciary funds	3,503	-	3,503
Noncurrent liabilities			
Due within one year	876,500	108,073	984,573
Due in more than one year	7,308,997	2,105,788	9,414,785
<b>Total liabilities</b>	<b>9,019,511</b>	<b>2,806,087</b>	<b>11,825,598</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned property tax	6,609,827	-	6,609,827
<b>Total liabilities and deferred inflows of resources</b>	<b>15,629,338</b>	<b>2,806,087</b>	<b>18,435,425</b>
<b>NET POSITION</b>			
Net investment in capital assets	28,236,672	20,408,584	48,645,256
Restricted for maintenance of roadways	599,065	-	599,065
Restricted for public safety	83,023	-	83,023
Restricted for drug forfeiture	192,823	-	192,823
Unrestricted	9,167,360	1,346,502	10,513,862
<b>TOTAL NET POSITION</b>	<b>\$ 38,278,943</b>	<b>\$ 21,755,086</b>	<b>\$ 60,034,029</b>

See accompanying notes to financial statements.

**VILLAGE OF LA GRANGE, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2014

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants	Capital Grants
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 2,198,577	\$ 724,989	\$ -	\$ -
Public safety	8,218,014	566,141	57,641	-
Highways and streets	3,013,072	330,358	451,676	73,051
Interest	47,620	-	-	-
Total governmental activities	13,477,283	1,621,488	509,317	73,051
Business-Type Activities				
Water	4,466,056	4,489,392	-	-
Sewer	476,789	440,218	-	-
Parking	1,012,947	758,699	-	383,743
Total business-type activities	5,955,792	5,688,309	-	383,743
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 19,433,075</b>	<b>\$ 7,309,797</b>	<b>\$ 509,317</b>	<b>\$ 456,794</b>

	<b>Net (Expense) Revenue and Change in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	
	\$ (1,473,588)	\$ -	\$ (1,473,588)
	(7,594,232)	-	(7,594,232)
	(2,157,987)	-	(2,157,987)
	(47,620)	-	(47,620)
	<u>(11,273,427)</u>	<u>-</u>	<u>(11,273,427)</u>
	-	23,336	23,336
	-	(36,571)	(36,571)
	-	129,495	129,495
	<u>-</u>	<u>116,260</u>	<u>116,260</u>
	<u>(11,273,427)</u>	<u>116,260</u>	<u>(11,157,167)</u>
General Revenues			
Taxes			
Property	6,347,857	-	6,347,857
Replacement	273,355	-	273,355
Sales, local use	2,017,625	-	2,017,625
Utility	535,888	-	535,888
Telecommunications	573,794	-	573,794
Shared income	1,515,288	-	1,515,288
Investment income	30,948	2,926	33,874
Miscellaneous	246,444	-	246,444
Transfers	(119,000)	119,000	-
Total	<u>11,422,199</u>	<u>121,926</u>	<u>11,544,125</u>
CHANGE IN NET POSITION	148,772	238,186	386,958
NET POSITION, MAY 1	<u>38,130,171</u>	<u>21,516,900</u>	<u>59,647,071</u>
<b>NET POSITION, APRIL 30</b>	<u>\$ 38,278,943</u>	<u>\$ 21,755,086</u>	<u>\$ 60,034,029</u>

See accompanying notes to financial statements.

**VILLAGE OF LA GRANGE, ILLINOIS**

GOVERNMENTAL FUNDS  
BALANCE SHEET

April 30, 2014

	<b>General</b>	<b>Motor Fuel Tax</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,622,640	\$ 115,500	\$ 325,809	\$ 10,509	\$ 295,457	\$ 2,369,915
Investments	7,859,449	452,961	-	-	-	8,312,410
Receivables (net, where applicable, of allowances for uncollectibles)						
Property taxes	3,263,629	-	-	-	-	3,263,629
Accounts	257,259	-	-	-	-	257,259
Accrued interest	16,351	1,937	-	-	-	18,288
Other	1,092	-	-	-	-	1,092
Due from other governments	878,560	28,667	-	6,105,000	2,800	7,015,027
Due from other funds	22,411	-	-	-	-	22,411
Due from fiduciary funds	23,764	-	-	-	-	23,764
<b>TOTAL ASSETS</b>	<b>\$ 13,945,155</b>	<b>\$ 599,065</b>	<b>\$ 325,809</b>	<b>\$ 6,115,509</b>	<b>\$ 298,257</b>	<b>\$ 21,283,795</b>

	General	Motor Fuel Tax	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 121,047	\$ -	\$ 185,590	\$ -	\$ -	\$ 306,637
Accrued payroll	112,018	-	-	-	-	112,018
Deposits	289,910	-	-	-	-	289,910
Other	92,625	-	-	-	-	92,625
Due to fiduciary funds	3,503	-	-	-	22,411	25,914
Total liabilities	619,103	-	185,590	-	22,411	827,104
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues - Library	-	-	-	6,105,000	-	6,105,000
Unavailable property tax revenues	6,609,827	-	-	-	-	6,609,827
Total deferred inflows of resources	6,609,827	-	-	6,105,000	-	12,714,827
Total liabilities and deferred inflows of resources	7,228,930	-	185,590	6,105,000	22,411	13,541,931
<b>FUND BALANCES</b>						
Restricted for maintenance of roadways	-	599,065	-	-	-	599,065
Restricted for public safety	-	-	-	-	83,023	83,023
Restricted for drug forfeiture	-	-	-	-	192,823	192,823
Assigned for economic development	747,885	-	-	-	-	747,885
Assigned for capital projects	-	-	140,219	-	-	140,219
Assigned for debt service	-	-	-	10,509	-	10,509
Unassigned	5,968,340	-	-	-	-	5,968,340
Total fund balances	6,716,225	599,065	140,219	10,509	275,846	7,741,864
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 13,945,155</b>	<b>\$ 599,065</b>	<b>\$ 325,809</b>	<b>\$ 6,115,509</b>	<b>\$ 298,257</b>	<b>\$ 21,283,795</b>

See accompanying notes to financial statements.

## VILLAGE OF LA GRANGE, ILLINOIS

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

April 30, 2014

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	\$ 7,741,864
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	29,341,672
Less Internal Service Fund	(1,524,273)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds	(7,210,000)
Accrued compensated absences	(640,929)
Interest payable is not reported in the governmental funds	(17,409)
Net pension asset (Police Pension) is shown as an asset on the statement of net position	17,943
Net pension obligation (Fire Pension) is shown as a liability on the statement of net position	(60,936)
Net pension obligation (IMRF) is shown as a liability on the statement of net position	(113,053)
Net other postemployment benefits obligation is shown as a liability on the statement of net position	(160,579)
Intergovernmental receivable from the Library is not unearned revenue on the statement of net position	6,105,000
The total net position of the internal service fund are included in the governmental activities in the statement of net position	<u>4,799,643</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 38,278,943</u></u>

See accompanying notes to financial statements.

**VILLAGE OF LA GRANGE, ILLINOIS**

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

For the Year Ended April 30, 2014

	<b>General</b>	<b>Motor Fuel Tax</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>						
Taxes	\$ 9,721,895	\$ -	\$ -	\$ -	\$ 26,624	\$ 9,748,519
Intergovernmental	1,610,890	451,676	73,051	-	29,699	2,165,316
Charges for services	-	-	366	-	150,237	150,603
Fines, licenses and permits	1,160,668	-	-	-	-	1,160,668
Investment income	27,467	3,339	32	2	-	30,840
Miscellaneous	481,769	-	7,232	-	108	489,109
<b>Total revenues</b>	<b>13,002,689</b>	<b>455,015</b>	<b>80,681</b>	<b>2</b>	<b>206,668</b>	<b>13,745,055</b>
<b>EXPENDITURES</b>						
Current						
General government	2,105,235	-	-	-	-	2,105,235
Public safety	7,961,844	-	-	-	168,571	8,130,415
Highways and streets	1,925,600	-	-	-	-	1,925,600
Capital outlay	-	-	3,489,358	-	-	3,489,358
Debt service						
Principal retirement	-	-	-	250,000	-	250,000
Interest and fiscal charges	-	-	-	51,545	-	51,545
<b>Total expenditures</b>	<b>11,992,679</b>	<b>-</b>	<b>3,489,358</b>	<b>301,545</b>	<b>168,571</b>	<b>15,952,153</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,010,010</b>	<b>455,015</b>	<b>(3,408,677)</b>	<b>(301,543)</b>	<b>38,097</b>	<b>(2,207,098)</b>

	<b>General</b>	<b>Motor Fuel Tax</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	\$ 50,000	\$ -	\$ 3,153,629	\$ 301,545	\$ -	\$ 3,505,174
Transfers (out)	(1,489,000)	(1,783,629)	(301,545)	-	(50,000)	(3,624,174)
Total other financing sources (uses)	(1,439,000)	(1,783,629)	2,852,084	301,545	(50,000)	(119,000)
NET CHANGE IN FUND BALANCES	(428,990)	(1,328,614)	(556,593)	2	(11,903)	(2,326,098)
FUND BALANCES, MAY 1	7,145,215	1,927,679	696,812	10,507	287,749	10,067,962
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 6,716,225</b>	<b>\$ 599,065</b>	<b>\$ 140,219</b>	<b>\$ 10,509</b>	<b>\$ 275,846</b>	<b>\$ 7,741,864</b>

See accompanying notes to financial statements.

## 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, 2014

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<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ (2,326,098)</b>
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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	3,272,895
Less internal services funds	(388,428)

Capital assets are depreciated on the statement of activities	(1,060,492)
Less internal services funds disposed capital assets	438,867

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	250,000
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The change in compensated absences is shown as an expense on the statement of activities	22,503
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Accrual of interest is reported as interest expense on the statement of activities	3,925
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The change in the net pension asset/obligation is shown as an expense on the statement of activities	(36,167)
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The change in the net pension obligation (IMRF) is shown as an expense on the statement of activities	(2,369)
--	---------

The change in the net other postemployment benefits payable (OPEB) is shown as an expense on the statement of activities	(27,871)
---	----------

Internal service funds are reported separately in the fund financial statements	<u>2,007</u>
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<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 148,772</u></u></b>
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See accompanying notes to financial statements.

VILLAGE OF LA GRANGE, ILLINOIS

PROPRIETARY FUNDS  
STATEMENT OF NET POSITION

April 30, 2014

	Water	Parking	Sewer	Total	Internal Service Equipment Replacement
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 1,332,612	\$ 706,457	\$ 59	\$ 2,039,128	\$ 527,940
Investments	466,762	744,900	-	1,211,662	2,756,255
Receivables					
Accounts	822,436	-	77,180	899,616	-
Accrued interest	610	1,573	-	2,183	3,087
Due from sewer fund	12,000	-	-	12,000	-
Total current assets	2,634,420	1,452,930	77,239	4,164,589	3,287,282
<b>NONCURRENT ASSETS</b>					
Capital assets					
Not being depreciated	133,848	1,349,838	-	1,483,686	-
Being depreciated, at cost	16,831,918	12,050,921	4,281,381	33,164,220	5,233,245
Less accumulated depreciation	(8,462,480)	(3,772,309)	(2,004,533)	(14,239,322)	(3,708,972)
Net capital assets	8,503,286	9,628,450	2,276,848	20,408,584	1,524,273
Total assets	11,137,706	11,081,380	2,354,087	24,573,173	4,811,555
<b>CURRENT LIABILITIES</b>					
Accounts payable	265,179	55	31	265,265	11,912
Accrued payroll	25,291	7,687	7,590	40,568	-
Due to water fund	-	-	12,000	12,000	-
Deposits	5,749	-	-	5,749	-
Unearned decals	-	262,215	-	262,215	-
Interest payable	18,429	-	-	18,429	-
Bonds payable	85,000	-	-	85,000	-
Compensated absences payable	15,568	4,732	2,773	23,073	-
Total current liabilities	415,216	274,689	22,394	712,299	11,912
<b>NONCURRENT LIABILITIES</b>					
Other postemployment benefits payable	9,039	2,909	3,457	15,405	-
Net pension obligation	33,916	22,612	11,305	67,833	-
Bonds payable	1,916,521	-	-	1,916,521	-
Compensated absences payable	70,919	21,559	13,551	106,029	-
Total noncurrent liabilities	2,030,395	47,080	28,313	2,105,788	-
Total liabilities	2,445,611	321,769	50,707	2,818,087	11,912
<b>NET POSITION</b>					
Net investment in capital assets	8,503,286	9,628,450	2,276,848	20,408,584	1,524,273
Unrestricted	188,809	1,131,161	26,532	1,346,502	3,275,370
<b>TOTAL NET POSITION</b>	<b>\$ 8,692,095</b>	<b>\$ 10,759,611</b>	<b>\$ 2,303,380</b>	<b>\$ 21,755,086</b>	<b>\$ 4,799,643</b>

See accompanying notes to financial statements.

**VILLAGE OF LA GRANGE, ILLINOIS**

PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION

For the Year Ended April 30, 2014

	<u>Water</u>	<u>Parking</u>	<u>Sewer</u>	<u>Total</u>	<u>Internal Service Equipment Replacement</u>
<b>OPERATING REVENUES</b>					
Water sales	\$ 4,375,358	\$ -	\$ -	\$ 4,375,358	\$ -
Sewer fees	-	-	433,018	433,018	-
Water meter installation	45,966	-	-	45,966	-
Sewer connection fees	-	-	7,200	7,200	-
Delinquent penalties	48,512	-	-	48,512	-
Fire lines	12,143	-	-	12,143	-
Parking meter collections	-	83,108	-	83,108	-
Parking decal sales	-	487,233	-	487,233	-
Parking fines	-	188,358	-	188,358	-
Charges for services	-	-	-	-	431,236
Miscellaneous income	7,413	-	-	7,413	-
Total operating revenues	<u>4,489,392</u>	<u>758,699</u>	<u>440,218</u>	<u>5,688,309</u>	<u>431,236</u>
<b>OPERATING EXPENSES</b>					
Personnel services	1,366,921	703,150	311,592	2,381,663	-
Supplies and materials	38,010	15,031	8,658	61,699	-
Contractual services	2,478,882	56,043	37,693	2,572,618	-
Other	70,011	10,474	56,509	136,994	-
Depreciation	467,373	228,249	62,337	757,959	438,867
Total operating expenses	<u>4,421,197</u>	<u>1,012,947</u>	<u>476,789</u>	<u>5,910,933</u>	<u>438,867</u>
OPERATING INCOME (LOSS)	<u>68,195</u>	<u>(254,248)</u>	<u>(36,571)</u>	<u>(222,624)</u>	<u>(7,631)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment income	2,046	874	6	2,926	8,088
Interest expense	(44,859)	-	-	(44,859)	-
Gain on sale of investments	-	-	-	-	1,550
Total non-operating revenues (expenses)	<u>(42,813)</u>	<u>874</u>	<u>6</u>	<u>(41,933)</u>	<u>9,638</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>25,382</u>	<u>(253,374)</u>	<u>(36,565)</u>	<u>(264,557)</u>	<u>2,007</u>
CONTRIBUTIONS	<u>-</u>	<u>383,743</u>	<u>-</u>	<u>383,743</u>	<u>-</u>
<b>TRANSFERS</b>					
Transfers in	-	119,000	-	119,000	-
Transfers (out)	-	-	-	-	-
Total transfers	<u>-</u>	<u>119,000</u>	<u>-</u>	<u>119,000</u>	<u>-</u>
CHANGE IN NET POSITION	<u>25,382</u>	<u>249,369</u>	<u>(36,565)</u>	<u>238,186</u>	<u>2,007</u>
NET POSITION, MAY 1	<u>8,666,713</u>	<u>10,510,242</u>	<u>2,339,945</u>	<u>21,516,900</u>	<u>4,797,636</u>
NET POSITION, APRIL 30	<u>\$ 8,692,095</u>	<u>\$ 10,759,611</u>	<u>\$ 2,303,380</u>	<u>\$ 21,755,086</u>	<u>\$ 4,799,643</u>

See accompanying notes to financial statements.

VILLAGE OF LA GRANGE, ILLINOIS

PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2014

	Water	Parking	Sewer	Total	Internal Service Equipment Replacement
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 4,345,150	\$ 785,444	\$ 435,177	\$ 5,565,771	\$ -
Payments to suppliers	(2,344,812)	(72,077)	(64,218)	(2,481,107)	-
Payments to employees	(1,384,997)	(696,636)	(291,922)	(2,373,555)	-
Receipts (payments) to internal service funds	(46,310)	(10,295)	(39,110)	(95,715)	443,148
Net cash from operating activities	569,031	6,436	39,927	615,394	443,148
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal paid on bonds	(85,000)	-	-	(85,000)	-
Interest paid on bonds	(45,930)	-	-	(45,930)	-
Grants	-	383,743	-	383,743	-
Acquisition of capital assets	(1,612,417)	(632,578)	-	(2,244,995)	(386,878)
Net cash from capital and related financing activities	(1,743,347)	(248,835)	-	(1,992,182)	(386,878)
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Payment to other funds	-	-	(80,000)	(80,000)	-
Transfers in (out)	-	119,000	-	119,000	-
Net cash from noncapital and related financing activities	-	119,000	(80,000)	39,000	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments	(745,833)	(746,137)	-	(1,491,970)	(2,164,676)
Proceeds from sale of investments	745,236	1,145,637	-	1,890,873	2,144,833
Interest received	1,968	2,596	6	4,570	8,722
Net cash from investing activities	1,371	402,096	6	403,473	(11,121)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,172,945)	278,697	(40,067)	(934,315)	45,149
CASH AND CASH EQUIVALENTS, MAY 1	2,505,557	427,760	40,126	2,973,443	482,791
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 1,332,612	\$ 706,457	\$ 59	\$ 2,039,128	\$ 527,940
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 68,195	\$ (254,248)	\$ (36,571)	\$ (222,624)	\$ (7,631)
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation	467,373	228,249	62,337	757,959	438,867
Miscellaneous nonoperating receipts	-	(383,743)	-	(383,743)	-
Changes in assets and liabilities					
Accounts receivable	(144,242)	-	(5,041)	(149,283)	-
Accounts payable	195,781	(824)	(468)	194,489	11,912
Accrued payroll	15,795	1,728	5,244	22,767	-
Deferred revenue	-	26,745	-	26,745	-
Due to/from other funds	(12,000)	-	12,000	-	-
Other post employment benefits	3,107	1,000	1,188	5,295.00	-
Net pension obligation - IMRF	710	474	237	1,421	-
Compensated absences	(25,688)	3,312	1,001	(21,375)	-
NET CASH FROM OPERATING ACTIVITIES	\$ 569,031	\$ (377,307)	\$ 39,927	\$ 231,651	\$ 443,148
<b>NONCASH ITEMS</b>					
Amortization	\$ (362)	\$ -	\$ -	\$ (362)	\$ -

See accompanying notes to financial statements.

VILLAGE OF LA GRANGE, ILLINOIS

FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION

April 30, 2014

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	<b>Pension Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 577,440	\$ 2
Investments, at fair value		
U.S. Government and agency securities	2,846,066	-
Insurance contracts	11,237,497	-
Stocks	8,757,502	-
Corporate bonds	2,741,113	-
Municipal bonds	302,057	-
Receivables		
Assessments	-	41,063
Accrued interest	42,195	-
Due from General Fund	1,000	2,503
	<hr/>	<hr/>
Total assets	26,504,870	\$ 43,568
<b>LIABILITIES</b>		
Due to the General Fund	-	\$ 23,764
Due to bondholders	-	19,803
Due to property owners	-	1
	<hr/>	<hr/>
Total liabilities	-	\$ 43,568
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>		
	<hr/> <hr/>	<hr/> <hr/>
	\$ 26,504,870	

See accompanying notes to financial statements.

**VILLAGE OF LA GRANGE, ILLINOIS**

**FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

For the Year Ended April 30, 2014

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**ADDITIONS**

Contributions	
Employer contributions	\$ 1,606,485
Employee contributions	364,874
Other	<u>39</u>
Total contributions	<u>1,971,398</u>
Investment income	
Net appreciation in fair value of investments	2,195,774
Interest	<u>258,491</u>
Total investment income	2,454,265
Less investment expense	<u>(123,382)</u>
Net investment income	<u>2,330,883</u>
Total additions	<u>4,302,281</u>

**DEDUCTIONS**

Benefits and refunds	2,850,113
Administrative expenses	4,000
Miscellaneous	<u>20,589</u>
Total deductions	<u>2,874,702</u>

NET INCREASE 1,427,579

**NET POSITION HELD IN TRUST FOR  
PENSION BENEFITS**

May 1	<u>25,077,291</u>
April 30	<u><u>\$ 26,504,870</u></u>

See accompanying notes to financial statements.

# VILLAGE OF LA GRANGE, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

April 30, 2014

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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.

Based on the criteria of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, there are no component units for which the Village is considered to be financially accountable.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

a. Reporting Entity (Continued)

Police Pension Employees Retirement System (Continued)

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.

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 restricted and committed monies (special revenue funds), the acquisition and construction of capital assets (capital projects funds) and the accumulation of restricted, committed or assigned resources for the payment of principal and interest on 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.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

b. Fund Accounting (Continued)

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).

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 position 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.

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.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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 has elected to report this as a major fund.

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.

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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 60-day availability period (90 days for sales tax) 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.

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

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

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

h. Capital Assets (Continued)

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.

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

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 are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

j. Long-Term Obligations (Continued)

In the fund financial statements, governmental funds recognize bond premiums and discounts, 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 and expenses.

k. Fund Balance/Net Position

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 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 when deemed necessary or desirable 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.

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 position is legally restricted by outside parties for a specific purpose. Net position has not been restricted by enabling legislation adopted by the Village. Net investment in capital assets, represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

1. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**2. CASH 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 Pension Fund and the Firefighters' Pension Fund 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 Government 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 Illinois Metropolitan Investment Fund (IMET).

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 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.

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.

**2. CASH AND INVESTMENTS (Continued)**

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.

b. Village Investments

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 15-month period. The investment policy limits the maximum maturity length of investments in the general fund and the special revenue funds to 15 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.

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 IMET 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.

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

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**2. CASH AND INVESTMENTS (Continued)**

b. Village Investments (Continued)

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.

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 Fund 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 Pension and Firefighters' Pension Funds' deposits may not be returned to them. The Police Pension 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 Pension and Firefighters' Pension Funds' deposits with financial institutions.

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

**2. CASH AND INVESTMENTS (Continued)**

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, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury obligations	\$ 1,462,663	\$ 278,297	\$ 1,036,146	\$ 148,220	\$ -
U.S. agency obligations	499,387	26	419,831	9,926	69,604
Corporate bonds	1,830,320	38,319	1,102,777	689,224	-
Municipal bonds	225,382	30,186	158,157	37,039	-
<b>TOTAL</b>	<b>\$ 4,017,752</b>	<b>\$ 346,828</b>	<b>\$ 2,716,911</b>	<b>\$ 884,409</b>	<b>\$ 69,604</b>

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 AA, 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.

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.

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

**2. CASH AND INVESTMENTS (Continued)**

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, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury obligations	\$ 663,929	\$ 108,998	\$ 510,937	\$ 43,994	\$ -
U.S. agency obligations	220,087	-	210,271	6,616	3,200
Corporate bonds	910,793	6,022	568,776	335,995	-
Municipal bonds	76,675	10,062	56,045	10,568	-
<b>TOTAL</b>	<b>\$ 1,871,484</b>	<b>\$ 125,082</b>	<b>\$ 1,346,029</b>	<b>\$ 397,173</b>	<b>\$ 3,200</b>

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 U.S. Government or securities issued by agencies of the U.S. Government that are explicitly or implicitly guaranteed by the U.S. Government. The U.S. agency obligations are rated AA and the money market funds are rated AAA. 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 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.

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

**3. RECEIVABLES**

Property taxes for 2013 attach as an enforceable lien on January 1, 2013 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, 2014 and August 1, 2014 and are payable in two installments, on or about March 1, 2014 and September 1, 2014. 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 2014 tax levy, which attached as an enforceable lien on property as of January 1, 2014, has not been recorded as a receivable as of April 30, 2014, as the tax has not yet been levied by the Village and will not be levied until December 2014 and, therefore, the levy is not measurable at April 30, 2014.

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

GOVERNMENTAL ACTIVITIES	
Library	\$ 6,105,000
Income taxes	238,039
Sales taxes	457,456
Utility taxes	183,065
MFT allotment	28,667
9-1-1 fees	2,800
	<hr/>
TOTAL	\$ 7,105,027
	<hr/> <hr/>

**4. CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2014 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
	<hr/>			
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Construction in progress	\$ 400,545	\$ 2,443,957	\$ -	\$ 2,844,502
Land	539,948	-	-	539,948
Land right of way	7,575,298	-	-	7,575,298
Total capital assets not being depreciated	<hr/> 8,515,791	2,443,957	-	<hr/> 10,959,748
Capital assets being depreciated				
Buildings	5,898,888	-	-	5,898,888
Improvements	2,530,018	107,670	-	2,637,688
Street infrastructure	17,313,942	322,151	22,091	17,614,002
Storm sewers	1,822,410	-	-	1,822,410
Equipment	6,499,697	399,117	209,252	6,689,562
Total capital assets being depreciated	<hr/> 34,064,955	828,938	231,343	<hr/> 34,662,550

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

**4. CAPITAL ASSETS (Continued)**

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES (Continued)</b>				
Less accumulated depreciation for				
Buildings	\$ 3,879,855	\$ 128,344	\$ -	\$ 4,008,199
Improvements	1,665,620	60,880	-	1,726,500
Street infrastructure	4,512,496	308,401	22,091	4,798,806
Storm sewers	1,290,007	24,449	-	1,314,456
Equipment	4,103,499	538,418	209,252	4,432,665
Total accumulated depreciation	<u>15,451,477</u>	<u>1,060,492</u>	<u>231,343</u>	<u>16,280,626</u>
Total capital assets being depreciated, net	<u>18,613,478</u>	<u>(231,554)</u>	<u>209,252</u>	<u>18,381,924</u>
<b>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET</b>	<u>\$ 27,129,269</u>	<u>\$ 2,212,403</u>	<u>\$ 209,252</u>	<u>\$ 29,341,672</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 1,370,735	\$ -	\$ -	\$ 1,370,735
Construction in progress	785,534	57,213	729,796	112,951
Total capital assets not being depreciated	<u>2,156,269</u>	<u>57,213</u>	<u>729,796</u>	<u>1,483,686</u>
Capital assets being depreciated				
Building and building improvements	9,386,936	-	-	9,386,936
Water distribution system	15,227,759	1,703,821	655,596	16,275,984
Sewer distribution system	4,246,653	-	-	4,246,653
Parking improvements	1,989,545	702,665	-	1,989,545
Equipment	562,437	-	-	562,437
Total capital assets being depreciated	<u>31,413,330</u>	<u>2,406,486</u>	<u>655,596</u>	<u>33,164,220</u>
Less accumulated depreciation for				
Building and building improvements	1,771,476	201,503	-	1,972,979
Water distribution system	8,127,918	457,824	655,596	7,930,146
Sewer distribution system	1,912,726	59,665	-	1,972,391
Parking improvements	1,786,835	32,066	-	1,818,901
Equipment	538,004	6,901	-	544,905
Total accumulated depreciation	<u>14,136,959</u>	<u>757,959</u>	<u>655,596</u>	<u>14,239,322</u>
Total capital assets being depreciated, net	<u>17,276,371</u>	<u>1,648,527</u>	<u>-</u>	<u>18,924,898</u>
<b>BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET</b>	<u>\$ 19,432,640</u>	<u>\$ 1,705,740</u>	<u>\$ 729,796</u>	<u>\$ 20,408,584</u>

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

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**4. CAPITAL ASSETS (Continued)**

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 82,531
Public safety	418,046
Highways and streets	<u>559,915</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENT ACTIVITIES	<u>\$ 1,060,492</u>

**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.

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.

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

**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
\$6,205,000 2012B General Obligation Refunding Library Bonds, due in annual installments of \$50,000 to \$600,000 from September 25, 2012 to December 1, 2024, interest from 2.000% to 2.125%.	Debt Service \$ 6,155,000	\$ -	\$ 50,000	\$ 6,105,000	\$ 500,000
\$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 1,355,000	-	250,000	1,105,000	260,000
<b>TOTAL GENERAL OBLIGATION BONDS</b>	<b>\$ 7,510,000</b>	<b>\$ -</b>	<b>\$ 300,000</b>	<b>\$ 7,210,000</b>	<b>\$ 760,000</b>

\* While a general obligation of the Village, the principal and interest is to be repaid with the Library's tax levy paid to the Village.

Utility taxes are pledged for the retirement of the General Obligation Bonds (Alternate Revenue Source) Series 2005. Property tax levies have been abated to date. During the current fiscal year, the pledge of utility and telecommunication taxes of \$301,545 was approximately 27.2% of total utility and telecommunication tax revenues.

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

**6. LONG-TERM DEBT (Continued)**

a. General Obligation Bonds (Continued)

Business-Type Activities

	Fund Debt Retired by	Balances May 1	Issuances	Reductions	Balances April 30	Current Portion
\$2,080,000 Alternate Revenue Bonds Series 2012A dated September 25, 2012 due in annual installments from \$85,000 to \$135,000 plus interest from 2.00% to 2.70% through December 1, 2032.	Water	\$ 2,080,000	\$ -	\$ 85,000	\$ 1,995,000	\$ 85,000
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>		<b>\$ 2,080,000</b>	<b>\$ -</b>	<b>\$ 85,000</b>	<b>\$ 1,995,000</b>	<b>\$ 85,000</b>

Water fee revenues are pledged for the retirement of the General Obligation Bonds (Alternate Revenue Source) Series 2012A. Property tax levies have been abated to date. During the current fiscal year, the pledge of water fees of \$130,930 was approximately 2.99% of water fee revenue.

b. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending April 30,	Governmental Type Alternate Revenue Bonds	
	Principal	Interest
2015	\$ 260,000	\$ 42,295
2016	270,000	32,545
2017	280,000	22,285
2018	295,000	11,505
<b>TOTAL</b>	<b>\$ 1,105,000</b>	<b>\$ 108,630</b>

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending April 30,	Governmental Type Library G.O. Bonds		Business-Type Water G.O. Bonds	
	Principal	Interest	Principal	Interest
2015	\$ 500,000	\$ 122,850	\$ 85,000	\$ 44,230
2016	515,000	112,850	90,000	42,530
2017	525,000	102,550	90,000	40,730
2018	530,000	92,050	90,000	38,930
2019	545,000	81,450	90,000	37,130
2020	555,000	70,550	95,000	35,330

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

**6. LONG-TERM DEBT (Continued)**

b. Debt Service Requirements to Maturity (Continued)

Fiscal Year Ending April 30,	Governmental Type		Business-Type	
	Library G.O. Bonds		Water G.O. Bonds	
	Principal	Interest	Principal	Interest
2021	\$ 570,000	\$ 59,450	\$ 95,000	\$ 33,430
2022	575,000	48,050	95,000	31,530
2023	590,000	36,550	100,000	29,630
2024	600,000	24,750	100,000	27,630
2025	600,000	12,750	105,000	25,630
2026	-	-	110,000	23,530
2027	-	-	110,000	21,220
2028	-	-	115,000	18,745
2029	-	-	115,000	16,100
2030	-	-	120,000	13,340
2031	-	-	125,000	10,340
2032	-	-	130,000	7,090
2033	-	-	135,000	3,645
<b>TOTAL</b>	<b>\$ 6,105,000</b>	<b>\$ 763,850</b>	<b>\$ 1,995,000</b>	<b>\$ 500,740</b>

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	\$ 7,510,000	\$ -	\$ 300,000	\$ 7,210,000	\$ 760,000
Net pension obligation - IMRF	110,684	2,369	-	113,053	-
Net pension obligation - fire pension	44,248	16,615	-	60,936	-
Other postemployment benefit*	132,708	27,871	-	160,579	-
Compensated absences payable*	663,432	-	22,503	640,929	116,500
<b>TOTAL</b>	<b>\$ 8,461,072</b>	<b>\$ 46,928</b>	<b>\$ 322,503</b>	<b>\$ 8,185,497</b>	<b>\$ 876,500</b>

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

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

**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
General obligation bonds	\$ 2,080,000	\$ -	\$ 85,000	\$ 1,995,000	\$ 85,000
Unamortized bond premium	6,883	-	362	6,521	-
Net pension obligation - IMRF	66,412	1,421	-	67,833	-
Other postemployment benefit	12,731	2,674	-	15,405	-
Compensated absences payable	150,477	-	21,375	129,102	23,073
<b>TOTAL</b>	<b>\$ 2,316,503</b>	<b>\$ 4,095</b>	<b>\$ 106,737</b>	<b>\$ 2,213,861</b>	<b>\$ 108,073</b>

**7. INDIVIDUAL FUND DISCLOSURES**

Transfers between funds during the year were as follows:

Primary Government

Fund	Transfers In	Transfers Out
General	\$ 50,000	\$ 1,489,000
Motor Fuel Tax	-	1,783,629
Emergency Telephone Systems Board	-	50,000
Capital Projects	3,153,629	301,545
Parking	119,000	-
Debt Service	301,545	-
<b>TOTAL ALL FUNDS</b>	<b>\$ 3,624,174</b>	<b>\$ 3,624,174</b>

- \$1,370,000 transferred to the Capital Projects Fund from the General Fund. This transfer represents the General Fund's portion of infrastructure maintenance and improvements.
- \$119,000 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.

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

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**7. INDIVIDUAL FUND DISCLOSURES (Continued)**

Primary Government (Continued)

- \$1,783,629 transferred to the Capital Projects Fund from the Motor Fuel Tax Fund. This transfer is for funding infrastructure maintenance and improvements.
- \$301,545 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.

Receivable Fund	Payable Fund	Amount
General	Foreign Fire Insurance	\$ 750
General	Asset Forfeiture	21,661
TOTAL		<u>\$ 22,411</u>
General	Fiduciary	<u>\$ 23,764</u>

- All relate to operating activity for the 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 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

**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

contributions for all three plans are governed by Illinois Compiled Statutes (ILCS) 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 online at [www.imrf.org](http://www.imrf.org).

All employees (other than those covered by the Police or Firefighters' Pension Plans or the Sheriff's Law Enforcement Personnel Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 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.

a. Plan Descriptions

Illinois Municipal Retirement Fund (IMRF)

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 4.5% 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, 2013 and 2014 was 13.12% and 13.04%, respectfully, of covered payroll.

Sheriff's Law Enforcement Personnel (SLEP)

SLEP provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, having accumulated at least 20 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 2.5% of their final rate of earnings, for each year of credited service up to 32 years or 80% of their final rate of earnings. For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies.

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

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Sheriff's Law Enforcement Personnel (SLEP) (Continued)

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 50 (reduced benefits) or after age 55 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5% of their final rate of earnings, for each year of credited service up to 30 years of service to a maximum of 75%.

SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 6.5% of their annual salary to SLEP. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution rate for the calendar year 2013 and 2014 was 17.03% and 17.13%, respectively, 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, 2014, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	33
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	
Vested	22
Nonvested	4
	<hr/>
TOTAL	<hr/> <u>59</u>

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older 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 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of

**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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% of the original pension and 3% compounded annually thereafter.

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

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 plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. For the year ended April 30, 2014, the Village's contribution was 46.88% 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, 2014, the Firefighters' Pension Plan membership consisted of:

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

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Retirees and beneficiaries currently receiving benefits	27
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	
Vested	11
Nonvested	8
	8
TOTAL	46

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older 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 at the date of retirement. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten 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 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 be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2% 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 ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on January 1<sup>st</sup> after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

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

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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 plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past services costs for the Firefighters' Pension Plan. For the year ended April 30, 2014, the Village's contribution was 66.16% of covered payroll.

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 significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of plan net position for either the Police or Firefighters' Pension Plans. Information for the IMRF is not available.

Plan	Organization	Amount
Police Pension	Transamerica	\$ 1,688,357
	Met Life	1,018,967
	ING Golden Select	884,497
	Nationwide	825,233
	Pacific Life Insurance	1,880,492
	Manulife Financial	1,070,201
	Kemper Scudder	10,386
		<u>\$ 7,378,133</u>

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

**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

Significant Investments (Continued)

Plan	Organization	Amount
Firefighters' Pension	ING Golden Select	\$ 828,715
	Pacific Life Insurance	1,292,924
	Nationwide	523,893
	Transamerica	1,000,716
	Putnam Allstate Advisor	
	Met Life Bullet	<u>213,116</u>
		<u>\$ 3,859,364</u>

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, 2011	December 31, 2011	April 30, 2013	April 30, 2013
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	5 Year Smoothed Market	5 Year Smoothed Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	30 Years, Open	30 Years, Open	29 Years, Closed	29 Years, Closed

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

**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

c. Annual Pension Costs (Continued)

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Significant actuarial assumptions				
a) Rate of return on present and future assets	7.50% Compounded Annually	7.50% Compounded Annually	7.0% Compounded Annually	7.0% 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 10.00%	.40% to 10.00%	4.0% to 6.1%	4.0% to 5.5%
d) Postretirement benefit increases	3.00%	3.00%	3.00%	3.00%

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)	2012	\$ 564,406	\$ 19,005
	2013	568,993	20,634
	2014	601,969	22,920
Employer contributions	2012	\$ 503,448	\$ 19,005
	2013	552,046	20,634
	2014	597,234	22,920
Percentage of APC contributed	2012	89.20%	100.00%
	2013	97.02%	100.00%
	2014	99.21%	100.00%
NPO (asset)	2012	\$ 204,423	\$ -
	2013	221,370	-
	2014	226,105	-

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

**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

c. Annual Pension Costs (Continued)

Trend Information (Continued)

	For Fiscal Year	Police Pension	Firefighters' Pension
Annual pension cost (APC)	2012	\$ 789,262	\$ 794,693
	2013	793,008	770,870
	2014	833,182	809,470
Employer contributions	2012	\$ 774,579	\$ 773,196
	2013	780,213	761,155
	2014	813,703	792,782
Percentage of APC contributed	2012	98.14%	97.29%
	2013	98.39%	98.74%
	2014	97.56%	98.06%
NPO (asset)	2012	\$ (50,217)	\$ 34,533
	2013	(37,422)	44,248
	2014	(17,943)	60,936

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, 2014 were as follows:

	Illinois Municipal Retirement*	Police Pension	Firefighters' Pension
Annual required contributions	\$ 597,234	\$ 834,026	\$ 808,473
Interest on net pension obligation	16,603	(2,620)	3,097
Adjustment to annual required contribution	(11,868)	1,776	(2,100)
Annual pension cost	601,969	833,182	809,470
Contributions made	597,234	813,703	792,782
Decrease in net pension obligation (asset)	4,735	19,479	16,688
Net pension obligation (asset), beginning of year	221,370	(37,422)	44,248
<b>NET PENSION OBLIGATION (ASSET), END OF YEAR</b>	<b>\$ 226,105</b>	<b>\$ (17,943)</b>	<b>\$ 60,936</b>

\* A portion of the IMRF net pension obligation is allocated to the LaGrange Public Library.

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

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

c. Annual Pension Costs (Continued)

Net Pension Obligation (Continued)

In an effort to contain 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, 2014 for IMRF and April 30, 2014 for Police and Firefighters' Pension Funds were as follows:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Actuarial accrued liability (AAL)	\$ 13,685,055	\$ 384,479	\$ 30,364,396	\$ 23,354,689
Actuarial value of plan assets	10,399,730	309,949	16,345,109	9,517,744
Unfunded actuarial accrued liability (UAAL)	3,285,325	74,530	14,019,287	13,836,945
Funded ratio (actuarial value of plan assets/AAL)	75.99%	80.62%	53.83%	40.75%
Covered payroll (active plan members)	\$ 4,460,937	\$ 133,108	\$ 2,169,964	\$ 1,523,231
UAAL as a percentage of covered payroll	73.65%	55.99%	646.06%	908.39%

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.

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

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

d. Summary Financial Statements

Schedule of Net Position as of April 30, 2014.

	Police Pension	Firefighters' Pension	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 338,621	\$ 238,819	\$ 577,440
Investments			
U.S. Government and agency securities	1,962,050	884,016	2,846,066
Insurance contracts	7,378,133	3,859,364	11,237,497
Equities	4,920,240	3,837,262	8,757,502
Corporate bonds	1,830,320	910,793	2,741,113
Municipal bonds	225,382	76,675	302,057
Receivables			
Accrued interest	29,645	12,550	42,195
Due from general fund	1,000		
	<hr/>		
Total assets	16,685,391	9,819,479	26,504,870
<b>LIABILITIES</b>			
Due to general fund	-	-	-
	<hr/>		
Total liabilities	-	-	-
	<hr/>		
<b>NET POSITION</b>	<b>\$ 16,686,391</b>	<b>\$ 9,819,479</b>	<b>\$ 26,504,870</b>

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

**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

d. Summary Financial Statements (Continued)

Schedule of Changes in Net Position for the year ended April 30, 2014.

	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 813,703	\$ 792,782	\$ 1,606,485
Employee	211,426	153,448	364,874
Miscellaneous	20	19	39
Total contributions	<u>1,025,149</u>	<u>946,249</u>	<u>1,971,398</u>
Investment Income			
Net appreciation in fair value of investments	1,355,963	839,811	2,195,774
Interest income	173,131	85,360	258,491
Less investment expense	<u>(73,750)</u>	<u>(49,632)</u>	<u>(123,382)</u>
Net investment income	<u>1,455,344</u>	<u>875,539</u>	<u>2,330,883</u>
Total additions	<u>2,480,493</u>	<u>1,821,788</u>	<u>4,302,281</u>
<b>DEDUCTIONS</b>			
Benefits and refunds	1,634,674	1,215,439	2,850,113
Administrative expenses	2,000	2,000	4,000
Miscellaneous	<u>10,418</u>	<u>10,171</u>	<u>20,589</u>
Total deductions	<u>1,647,092</u>	<u>1,227,610</u>	<u>2,874,702</u>
NET INCREASE (DECREASE)	833,401	594,178	1,427,579
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>			
May 1	<u>15,851,990</u>	<u>9,225,301</u>	<u>25,077,291</u>
April 30	<u>\$ 16,685,391</u>	<u>\$ 9,819,479</u>	<u>\$ 26,504,870</u>

**10. OTHER POSTEMPLOYMENT BENEFITS**

a. Plan Description

In addition to providing the pension benefits described, the Village provides other 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, 2013, membership consisted of:

Retirees and beneficiaries currently receiving benefits	10
Terminated employees entitled to benefits but not yet receiving them	-
Active employees - vested	62
Active employees - nonvested	34
	<hr/>
TOTAL	106
	<hr/>
Participating employers	1
	<hr/>

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.

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

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

e. Annual OPEB Costs and Net OPEB Obligation

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 2014 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
2012	\$ 46,318	\$ 16,863	36.40%	\$ 115,492
2013	46,809	16,863	36.03%	145,438
2014	47,309	16,863	35.65%	175,983

The net OPEB obligation as of April 30, 2014 was calculated as follows:

Annual required contribution	\$ 44,884
Interest on net OPEB obligation	7,272
Adjustment to annual required contribution	<u>(4,847)</u>
Annual OPEB cost	47,309
Contributions made	<u>16,863</u>
Increase in net OPEB obligation	30,446
Net OPEB obligation, beginning of year	<u>145,438</u>
<b>NET OPEB OBLIGATION, END OF YEAR</b>	<b><u>\$ 175,884</u></b>

Funded Status and Funding Progress: The funded status of the Plan as of April 30, 2012 was as follows:

Actuarial accrued liability (AAL)	\$ 835,685
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	835,685
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 7,952,848
UAAL as a percentage of covered payroll	10.51%

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

e. 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 April 30, 2013 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included an investment rate of return of 5%, projected salary increases of 5% and an initial healthcare cost trend rate of 8% with an ultimate healthcare inflation rate of 6%. Both rates include a 3% 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, 2014 was 30 years.

**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF LA GRANGE, ILLINOIS**

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Taxes			
Property	\$ 6,471,546	\$ 6,471,546	\$ 6,321,233
Sales	1,879,451	1,879,451	2,017,625
Other	1,440,000	1,440,000	1,383,037
Intergovernmental	1,478,052	1,478,052	1,610,890
Fines, licenses and permits	1,165,901	1,165,901	1,160,668
Investment income	40,000	40,000	27,467
Miscellaneous	333,100	333,100	481,769
Total revenues	12,808,050	12,808,050	13,002,689
<b>EXPENDITURES</b>			
General government	2,139,324	2,149,324	2,105,235
Public safety	7,993,478	8,130,478	7,961,844
Highways and streets	1,824,243	1,924,243	1,925,600
Total expenditures	11,957,045	12,204,045	11,992,679
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	851,005	604,005	1,010,010
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in			
ETSB Fund	50,000	50,000	50,000
Transfers (out)			
Capital Projects Fund	(700,000)	(1,370,000)	(1,370,000)
Parking Fund	(119,000)	(119,000)	(119,000)
Total other financing sources (uses)	(769,000)	(1,439,000)	(1,439,000)
NET CHANGE IN FUND BALANCE	\$ 82,005	\$ (834,995)	(428,990)
FUND BALANCE, MAY 1			7,145,215
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 6,716,225</b>

(See independent auditor's report.)

**VILLAGE OF LA GRANGE, ILLINOIS**

**MOTOR FUEL TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended April 30, 2014

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
State motor fuel tax	\$ 445,000	\$ 445,000	\$ 451,676
Investment income	5,000	5,000	3,339
Total revenues	450,000	450,000	455,015
<b>EXPENDITURES</b>			
None	-	-	-
Total expenditures	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	450,000	450,000	455,015
<b>OTHER FINANCING SOURCES</b>			
Transfers (out)			
Capital Projects Fund	(2,248,260)	(2,248,260)	(1,783,629)
Total other financing sources (uses)	(2,248,260)	(2,248,260)	(1,783,629)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1,798,260)</b>	<b>\$ (1,798,260)</b>	<b>(1,328,614)</b>
<b>FUND BALANCE, MAY 1</b>			<b>1,927,679</b>
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 599,065</b>

(See independent auditor's report.)

**VILLAGE OF LA GRANGE, ILLINOIS**

**ILLINOIS MUNICIPAL RETIREMENT FUND  
REQUIRED SUPPLEMENTARY INFORMATION**

April 30, 2014

Schedule of Funding Progress

<b>Calendar Year</b>	<b>(1) Actuarial Value of Assets</b>	<b>(2) Actuarial Liability (AAL) Entry-Age</b>	<b>(3) Funded Ratio (1) / (2)</b>	<b>(4) Unfunded AAL (UAAL) (2) - (1)</b>	<b>(5) Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll (4) / (5)</b>
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%
2011	9,262,764	13,061,674	70.92%	3,798,910	4,259,317	89.19%
2012	9,401,695	13,090,552	71.82%	3,688,857	4,257,448	86.64%
2013	10,399,730	13,685,055	75.99%	3,285,325	4,460,937	73.65%

Schedule of Employer Contributions

<b>Fiscal Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage Contributed</b>
2009	\$ 372,465	\$ 372,465	100.00%
2010	422,810	422,810	100.00%
2011*	452,152	554,883	81.49%
2012*	503,448	561,337	89.69%
2013*	552,046	564,620	97.77%
2014	597,234	597,234	100.00%

\* The Village has elected to participate in IMRF's optional phase-in plan.

(See independent auditor's report.)

**VILLAGE OF LA GRANGE, ILLINOIS**

**SHERIFF'S LAW ENFORCEMENT PERSONNEL  
REQUIRED SUPPLEMENTARY INFORMATION**

April 30, 2014

Schedule of Funding Progress

<b>Calendar Year</b>	<b>(1) Actuarial Value of Assets</b>	<b>(2) Actuarial Liability (AAL) Entry-Age</b>	<b>(3) Funded Ratio (1) / (2)</b>	<b>(4) Unfunded AAL (UAAL) (2) - (1)</b>	<b>(5) Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll (4) / (5)</b>
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%
2011	228,323	295,413	77.29%	67,090	121,461	55.24%
2012	266,698	335,996	79.38%	69,298	124,151	55.82%
2013	309,949	384,479	80.62%	74,530	133,108	55.99%

Schedule of Employer Contributions

<b>Fiscal Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage Contributed</b>
2009	\$ 14,618	\$ 14,618	100.00%
2010	17,026	17,026	100.00%
2011	18,797	18,797	100.00%
2012	19,005	19,005	100.00%
2013	20,634	20,634	100.00%

(See independent auditor's report.)

**VILLAGE OF LA GRANGE, ILLINOIS**  
**POLICE PENSION FUND**  
**REQUIRED SUPPLEMENTARY INFORMATION**

April 30, 2014

Schedule of Funding Progress

<b>Actuarial Valuation Date April 30,</b>	<b>(1) Actuarial Value of Assets</b>	<b>(2) Actuarial Accrued Liability (AAL) Entry-Age</b>	<b>(3) Funded Ratio (1) / (2)</b>	<b>(4) Unfunded AAL (UAAL) (2) - (1)</b>	<b>(5) Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll (4) / (5)</b>
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%
2011	15,543,656	26,610,209	58.41%	11,066,553	2,171,946	509.52%
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	\$ 16,345,109	\$ 30,364,396	53.83%	14,019,287	2,169,964	646.06%

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

Schedule of Employer Contributions

<b>Fiscal Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage Contributed</b>
2009	\$ 482,475	\$ 488,890	98.69%
2010	563,847	564,934	99.81%
2011	812,318	823,760	98.61%
2012	774,579	790,945	97.93%
2013	780,213	794,310	98.23%
2014	813,703	834,026	97.56%

(See independent auditor's report.)

**VILLAGE OF LA GRANGE, ILLINOIS**

**FIREFIGHTERS' PENSION FUND  
REQUIRED SUPPLEMENTARY INFORMATION**

April 30, 2014

Schedule of Funding Progress

<b>Actuarial Valuation Date April 30,</b>	<b>(1) Actuarial Value of Assets</b>	<b>(2) Actuarial Accrued Liability (AAL) Entry-Age</b>	<b>(3) Funded Ratio (1) / (2)</b>	<b>(4) Unfunded AAL (UAAL) (2) - (1)</b>	<b>(5) Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll (4) / (5)</b>
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%
2011	9,050,478	19,504,709	46.40%	10,454,231	1,412,819	739.96%
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	\$ 9,517,744	\$ 23,354,689	40.75%	13,836,945	1,523,231	908.39%

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

Schedule of Employer Contributions

<b>Fiscal Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage Contributed</b>
2009	\$ 536,622	\$ 542,901	98.84%
2010	587,972	593,567	99.06%
2011	760,590	773,525	98.33%
2012	773,196	794,355	97.34%
2013	761,155	769,974	98.85%
2014	792,782	808,473	98.06%

(See independent auditor's report.)

**VILLAGE OF LA GRANGE, ILLINOIS**

**OTHER POSTEMPLOYMENT BENEFITS PLAN  
REQUIRED SUPPLEMENTARY INFORMATION**

April 30, 2014

Schedule of Funding Progress

<b>Actuarial Valuation Date April 30,</b>	<b>(1) Actuarial Value of Assets</b>	<b>(2) Actuarial Accrued Liability (AAL) Entry-Age</b>	<b>(3) Funded Ratio (1) / (2)</b>	<b>(4) Unfunded AAL (UAAL) (2) - (1)</b>	<b>(5) Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll (4) / (5)</b>
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
2012	-	835,685	0.00%	835,685	7,712,414	10.84%
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	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.

Schedule of Employer Contributions

<b>Fiscal Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage Contributed</b>
2009	\$ 16,863	\$ 45,427	37.12%
2010	16,863	44,884	37.57%
2011	16,863	44,884	37.57%
2012	16,863	44,884	37.57%
2013	N/A	N/A	N/A
2014	N/A	N/A	N/A

(See independent auditor's report.)

**VILLAGE OF LA GRANGE, ILLINOIS**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

April 30, 2014

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**1. BUDGETS**

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for the General, Special Revenue, Debt Service, Capital Projects, Enterprise, Internal Service and Pension Trust Funds. All annual appropriations lapse at fiscal year end.

All departments of the Village submit requests for appropriation to the Village Manager so that a budget may be prepared. The budget is prepared by fund, function and activity and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget.

The budget may be amended by the governing body. The Village Manager is authorized to transfer budgeted amounts between departments within any fund; however, any adjustments that alter the total expenditures of any fund must be approved by the governing body.

Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, one supplementary appropriation was necessary.

**2. EXPENDITURES IN EXCESS OF BUDGET**

Fund	Excess
Foreign Fire Insurance Tax	\$ 1,027

## **MAJOR GOVERNMENTAL FUNDS**

General Fund - The chief operating fund of the Village, which accounts for all activities of the general government except for those accounted for in another fund.

Motor Fuel Tax Fund - A special revenue fund established to account for the municipal portion of motor fuel tax revenues collected and distributed by the State of Illinois, which are restricted to pay for street improvements, maintenance and repairs.

The Capital Projects Fund - Established to account 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 - Established to account for resources that are used to repay general long-term debt obligations.

VILLAGE OF LA GRANGE, ILLINOIS

GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>TAXES</b>			
Property	\$ 6,334,556	\$ 6,334,556	\$ 6,191,292
Property - road and bridge Replacement	136,990	136,990	129,941
Sales and local use - NHR	240,000	240,000	273,355
Municipal utility	1,879,451	1,879,451	2,017,625
Simplified telecommunication	525,000	525,000	535,888
	675,000	675,000	573,794
Total taxes	<u>9,790,997</u>	<u>9,790,997</u>	<u>9,721,895</u>
<b>INTERGOVERNMENTAL</b>			
Shared income tax	1,409,452	1,409,452	1,515,288
Grants - State of Illinois	1,100	1,100	1,100
Grants - IDOT - highway maintenance	67,500	67,500	67,660
Grants	-	-	26,842
Total intergovernmental	<u>1,478,052</u>	<u>1,478,052</u>	<u>1,610,890</u>
<b>FINES, LICENSES AND PERMITS</b>			
Vehicle	230,000	230,000	225,619
Animal	10,000	10,000	10,120
Business	30,000	30,000	34,169
Liquor	35,000	35,000	42,600
Elevator inspection fees	6,000	6,000	14,450
Building permits	300,000	300,000	343,700
Filing/zoning fees	7,500	7,500	3,250
Contractor licensing fees	55,000	55,000	58,775
Fire - plan review fees	1,000	1,000	1,950
Franchise fee - Comcast cable	225,000	225,000	232,375
Sprint antenna lease	38,901	38,901	38,901
Village violation fines	85,000	85,000	51,754
Compliance violation fines	55,000	55,000	40,392
Circuit court fines	55,000	55,000	32,225
Pound fees	2,000	2,000	350
False alarm fines	5,000	5,000	3,750
DUI fines	3,000	3,000	5,289
Alarm user fees	19,000	19,000	18,509
Accident reports	3,500	3,500	2,490
Total fines, licenses and permits	<u>1,165,901</u>	<u>1,165,901</u>	<u>1,160,668</u>
<b>INVESTMENT INCOME</b>	<u>40,000</u>	<u>40,000</u>	<u>27,467</u>
<b>MISCELLANEOUS</b>			
Auction proceeds	1,000	1,000	734
Pistol range fees	2,000	2,000	1,725
Administration refuse credit	25,000	25,000	18,006
Commercial refuse license	25,000	25,000	30,000
Ambulance transport fees	220,000	220,000	244,745
La Grange Road depot - sublet	3,600	3,600	3,900
Miscellaneous	56,500	56,500	182,659
Total miscellaneous	<u>333,100</u>	<u>333,100</u>	<u>481,769</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in			
Emergency Telephone Systems Board Fund	50,000	50,000	50,000
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 12,858,050</u>	<u>\$ 12,858,050</u>	<u>\$ 13,052,689</u>

(See independent auditor's report.)

VILLAGE OF LA GRANGE, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>GENERAL GOVERNMENT</b>			
Personnel	\$ 1,258,757	\$ 1,258,757	\$ 1,237,364
Supplies and materials	40,650	40,650	41,039
Operations and contractual	796,021	806,021	787,359
Capital outlay	43,896	43,896	39,473
Total general government	2,139,324	2,149,324	2,105,235
<b>PUBLIC SAFETY</b>			
Personnel	7,252,698	7,317,698	7,269,851
Supplies and materials	124,600	124,600	108,342
Operations and contractual	391,604	436,604	367,149
Capital outlay	224,576	251,576	216,502
Total public safety	7,993,478	8,130,478	7,961,844
<b>HIGHWAYS AND STREETS</b>			
Personnel	1,075,099	1,110,099	1,101,077
Supplies and materials	82,400	82,400	95,149
Operations and contractual	524,120	589,120	591,953
Capital outlay	142,624	142,624	137,421
Total highways and streets	1,824,243	1,924,243	1,925,600
Total expenditures	11,957,045	12,204,045	11,992,679
<b>TRANSFERS</b>			
Transfer to Capital Projects Fund	700,000	1,370,000	1,370,000
Transfer to Parking Fund	119,000	119,000	119,000
Total transfers	819,000	1,489,000	1,489,000
<b>TOTAL EXPENDITURES AND TRANSFERS</b>	<b>\$ 12,776,045</b>	<b>\$ 13,693,045</b>	<b>\$ 13,481,679</b>

(See independent auditor's report.)

**VILLAGE OF LA GRANGE, ILLINOIS**

**CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended April 30, 2014

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Intergovernmental			
Grant proceeds	\$ 1,471,020	\$ 1,471,020	\$ 73,051
Contribution from property owners	500	500	366
Investment income	500	500	32
Miscellaneous	5,000	5,000	7,232
	<hr/>	<hr/>	<hr/>
Total revenues	1,477,020	1,477,020	80,681
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Capital outlay			
Resurfacing	3,374,013	3,374,013	2,924,092
Other	1,340,000	1,340,000	565,266
	<hr/>	<hr/>	<hr/>
Total expenditures	4,714,013	4,714,013	3,489,358
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,236,993)	(3,236,993)	(3,408,677)
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in			
General Fund	700,000	1,370,000	1,370,000
Motor Fuel Tax Fund	2,248,260	2,248,260	1,783,629
Transfers (out)			
Debt Service Fund	(301,545)	(301,545)	(301,545)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	2,646,715	3,316,715	2,852,084
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ (590,278)	\$ 79,722	(556,593)
	<hr/>	<hr/>	<hr/>
FUND BALANCE, MAY 1			696,812
			<hr/>
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 140,219</b>
			<hr/>

(See independent auditor's report.)

**VILLAGE OF LA GRANGE, ILLINOIS**

**DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended April 30, 2014

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Investment income	\$ 25	\$ 25	\$ 2
Total revenues	25	25	2
<b>EXPENDITURES</b>			
Debt service			
Principal	250,000	250,000	250,000
Interest and fiscal charges	51,545	51,545	51,545
Total expenditures	301,545	301,545	301,545
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(301,520)	(301,520)	(301,543)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in			
Capital Projects Fund	301,545	301,545	301,545
Total other financing sources (uses)	301,545	301,545	301,545
<b>NET CHANGE IN FUND BALANCE</b>	\$ 25	\$ 25	2
<b>FUND BALANCE, MAY 1</b>			10,507
<b>FUND BALANCE, APRIL 30</b>			\$ 10,509

(See independent auditor's report.)

## **NONMAJOR GOVERNMENTAL FUNDS**

Foreign Fire Insurance Tax Fund - A special revenue fund established to account for the collection of the restricted State Foreign Fire Insurance Tax revenues and related expenditures to provide equipment, materials and services necessary to support the core functions and essential activities of the Fire Department.

Emergency Telephone Systems Board (ETSB) Fund - A special revenue fund established to account for all operations of the restricted E-911 emergency telephone service revenues and services provided by the Village.

Asset Forfeiture Fund - A special revenue fund established to account for the restricted revenues received through asset forfeiture programs and the related expenditures.

VILLAGE OF LA GRANGE, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET

April 30, 2014

	<b>Foreign Fire Insurance Tax</b>	<b>Emergency Telephone Systems Board</b>	<b>Asset Forfeiture</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 51,620	\$ 29,353	\$ 214,484	\$ 295,457
Receivables				
Due from other governments	-	2,800	-	2,800
<b>TOTAL ASSETS</b>	<b>\$ 51,620</b>	<b>\$ 32,153</b>	<b>\$ 214,484</b>	<b>\$ 298,257</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	750	-	21,661	22,411
Total liabilities	750	-	21,661	22,411
<b>FUND BALANCES</b>				
Restricted for public safety	50,870	32,153	-	83,023
Restricted for drug forfeiture	-	-	192,823	192,823
Total fund balances	50,870	32,153	192,823	275,846
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 51,620</b>	<b>\$ 32,153</b>	<b>\$ 214,484</b>	<b>\$ 298,257</b>

(See independent auditor's report.)

VILLAGE OF LA GRANGE, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Foreign Fire Insurance Tax		Emergency Telephone Systems Board		Asset Forfeiture		Total Nonmajor Governmental Funds
	Budget	Actual	Budget	Actual	Budget	Actual	
<b>REVENUES</b>							
Taxes	\$ 19,000	\$ 26,624	\$ -	\$ -	\$ -	\$ -	\$ 26,624
Charges for services	-	-	142,000	150,237	-	-	150,237
Asset forfeiture	-	-	-	-	-	29,699	29,699
Investment income	50	10	100	4	500	94	108
Total revenues	19,050	26,634	142,100	150,241	500	29,793	206,668
<b>EXPENDITURES</b>							
Public safety	32,800	33,827	131,600	110,216	25,500	24,528	168,571
Total expenditures	32,800	33,827	131,600	110,216	25,500	24,528	168,571
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(13,750)	(7,193)	10,500	40,025	(25,000)	5,265	38,097
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in (out) General Fund	-	-	(50,000)	(50,000)	-	-	(50,000)
Total other financing sources (uses)	-	-	(50,000)	(50,000)	-	-	(50,000)
NET CHANGE IN FUND BALANCES	<u>\$ (13,750)</u>	<u>(7,193)</u>	<u>\$ (39,500)</u>	<u>(9,975)</u>	<u>\$ (25,000)</u>	5,265	(11,903)
FUND BALANCES, MAY 1		<u>58,063</u>		<u>42,128</u>		<u>187,558</u>	<u>287,749</u>
<b>FUND BALANCES, APRIL 30</b>		<u>\$ 50,870</u>		<u>\$ 32,153</u>		<u>\$ 192,823</u>	<u>\$ 275,846</u>

(See independent auditor's report.)

## **PROPRIETARY FUNDS**

Water Fund - An enterprise fund established to account for all operations of the water utility services provided by the Village.

Parking Fund - An enterprise fund established to account for all operations of village parking lots and meters.

Sewer Fund - An enterprise fund established to account for all operations of the sewer utility services provided by the Village.

Equipment Replacement Fund - An internal service fund established to account for all vehicle and equipment replacement activities of the Village.

VILLAGE OF LA GRANGE, ILLINOIS

PROPRIETARY FUNDS  
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 BUDGET AND ACTUAL - BUDGETARY BASIS

For the Year Ended April 30, 2014

	Enterprise Funds						Internal Service	
	Water		Parking		Sewer		Equipment Replacement	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>OPERATING REVENUES</b>								
Water sales	\$ 4,295,000	\$ 4,375,358	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer fees	-	-	-	-	450,000	433,018	-	-
Water meter installation	35,000	45,966	-	-	-	-	-	-
Sewer connection fees	-	-	-	-	6,000	7,200	-	-
Delinquent penalties	45,000	48,512	-	-	-	-	-	-
Fire lines	12,000	12,143	-	-	-	-	-	-
Parking meter collections	-	-	90,000	83,108	-	-	-	-
Parking decal sales	-	-	510,000	487,233	-	-	-	-
Parking fines	-	-	167,500	188,358	-	-	-	-
Charges for services	-	-	-	-	-	-	431,236	431,236
Miscellaneous revenue	100	7,413	623,027	383,743	-	-	-	-
Total operating revenues	4,387,100	4,489,392	1,390,527	1,142,442	456,000	440,218	431,236	431,236
<b>OPERATING EXPENSES</b>								
Personnel services	1,368,865	1,366,921	717,703	703,150	302,694	311,592	-	-
Supplies and materials	34,300	38,010	19,400	15,031	8,500	8,658	-	-
Contractual services	2,477,755	2,422,489	72,907	54,653	26,469	37,693	-	-
Capital outlay	1,187,310	1,171,338	972,822	643,052	83,110	56,509	802,000	388,428
Other	144,130	141,393	-	1,390	-	-	-	-
Total operating expenses	5,212,360	5,140,151	1,782,832	1,417,276	420,773	414,452	802,000	388,428
OPERATING INCOME (LOSS)	(825,260)	(650,759)	(392,305)	(274,834)	35,227	25,766	(370,764)	42,808

	Enterprise Funds						Internal Service	
	Water		Parking		Sewer		Equipment Replacement	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>NON-OPERATING REVENUES (EXPENSES)</b>								
Investment income	\$ 10,000	\$ 2,046	\$ 5,000	\$ 874	\$ 100	\$ 6	\$ 20,000	\$ 8,088
Interest expense	-	(44,859)	-	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-	-	-	1,550
Total non-operating revenues (expenses)	10,000	(42,813)	5,000	874	100	6	20,000	9,638
INCOME (LOSS) BEFORE TRANSFERS	(815,260)	(693,572)	(387,305)	(273,960)	35,327	25,772	(350,764)	52,446
TRANSFERS	-	-	119,000	119,000	-	-	-	-
<b>CHANGE IN NET POSITION - BUDGETARY BASIS</b>	<u>\$ (815,260)</u>	<u>(693,572)</u>	<u>\$ (268,305)</u>	<u>(154,960)</u>	<u>\$ 35,327</u>	<u>25,772</u>	<u>\$ (350,764)</u>	<u>52,446</u>
<b>ADJUSTMENTS TO GAAP BASIS</b>								
Depreciation		(467,373)		(228,249)		(62,337)		(438,867)
Capital assets capitalized		1,101,327		632,578		-		388,428
Bonds payable		85,000		-		-		-
Total adjustments to GAAP basis		718,954		404,329		(62,337)		(50,439)
CHANGE IN NET POSITION		25,382		249,369		(36,565)		2,007
NET POSITION, MAY 1		8,666,713		10,510,242		2,339,945		4,797,636
<b>NET POSITION, APRIL 30</b>		<u>\$ 8,692,095</u>		<u>\$ 10,759,611</u>		<u>\$ 2,303,380</u>		<u>\$ 4,799,643</u>

(See independent auditor's report.)

## **FIDUCIARY FUNDS**

Police Pension Fund - A pension trust fund established to account for pensions paid for police officers.

Firefighters' Pension Fund - A pension trust fund established to account for pensions paid for firefighters.

Special Assessment #269 Fund - An agency fund established to account for bonds issued and the collection of special assessments to service these bonds, which are used to pay for the benefited owner's portion of costs associated with the construction of street improvements.

Special Assessment #270 Fund - An agency fund established to account for bonds issued and the collection of special assessments to service these bonds, which are used to pay for the benefited owner's portion of costs associated with the construction of street improvements.

**VILLAGE OF LA GRANGE, ILLINOIS**

FIDUCIARY FUNDS  
COMBINING STATEMENT OF NET POSITION

April 30, 2014

	Pension Trust		Total Pension Trust	Agency		Total Agency
	Police	Firefighters'		Special	Special	
	Pension	Pension		Assessment #269	Assessment #270	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 338,621	\$ 238,819	\$ 577,440	\$ 1	\$ 1	\$ 2
Investments, at fair value						
U.S. Government and agency securities	1,962,050	884,016	2,846,066	-	-	-
Insurance contracts	7,378,133	3,859,364	11,237,497	-	-	-
Stocks	4,920,240	3,837,262	8,757,502	-	-	-
Corporate bonds	1,830,320	910,793	2,741,113	-	-	-
Municipal bonds	225,382	76,675	302,057	-	-	-
Receivables						
Assessments	-	-	-	41,063	-	41,063
Accrued interest	29,645	12,550	42,195	-	-	-
Due from General Fund	1,000	-	1,000	-	2,503	2,503
Total assets	16,685,391	9,819,479	26,504,870	41,064	2,504	43,568
<b>LIABILITIES</b>						
Due to General Fund	-	-	-	23,764	-	23,764
Due to bondholders	-	-	-	17,300	2,503	19,803
Due to property owners	-	-	-	-	1	1
Total liabilities	-	-	-	41,064	2,504	43,568
<b>NET POSITION</b>	\$ 16,685,391	\$ 9,819,479	\$ 26,504,870	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

**VILLAGE OF LA GRANGE, ILLINOIS**

**PENSION TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION**

For the Year Ended April 30, 2014

	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 813,703	\$ 792,782	\$ 1,606,485
Employee	211,426	153,448	364,874
Other	20	19	39
Total contributions	1,025,149	946,249	1,971,398
Investment income			
Net appreciation in fair value of investments	1,355,963	839,811	2,195,774
Interest	173,131	85,360	258,491
Total investment income	1,529,094	925,171	2,454,265
Less investment expense	(73,750)	(49,632)	(123,382)
Net investment income	1,455,344	875,539	2,330,883
Total additions	2,480,493	1,821,788	4,302,281
<b>DEDUCTIONS</b>			
Benefits and refunds	1,634,674	1,215,439	2,850,113
Administrative expenses	2,000	2,000	4,000
Miscellaneous	10,418	10,171	20,589
Total deductions	1,647,092	1,227,610	2,874,702
NET INCREASE	833,401	594,178	1,427,579
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>			
May 1	15,851,990	9,225,301	25,077,291
April 30	\$ 16,685,391	\$ 9,819,479	\$ 26,504,870

See accompanying notes to financial statements.

VILLAGE OF LA GRANGE, ILLINOIS

AGENCY FUNDS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Year Ended April 30, 2014

	Balances May 1	Additions	Deductions	Balances April 30
<b>Special Assessment #269</b>				
<b>ASSETS</b>				
Cash and investments	\$ 1	\$ -	\$ -	\$ 1
Assessments receivable	41,265	-	202	41,063
<b>TOTAL ASSETS</b>	<b>\$ 41,266</b>	<b>\$ -</b>	<b>\$ 202</b>	<b>\$ 41,064</b>
<b>LIABILITIES</b>				
Due to General Fund	\$ 23,764	\$ -	\$ -	\$ 23,764
Due to bondholders	17,502	-	202	17,300
<b>TOTAL LIABILITIES</b>	<b>\$ 41,266</b>	<b>\$ -</b>	<b>\$ 202</b>	<b>\$ 41,064</b>
<b>Special Assessment #270</b>				
<b>ASSETS</b>				
Cash and investments	\$ 1	\$ -	\$ -	\$ 1
Assessments receivable	2,083	-	2,083	-
Due from General fund	-	2,503		2,503
<b>TOTAL ASSETS</b>	<b>\$ 2,084</b>	<b>\$ 2,503</b>	<b>\$ 2,083</b>	<b>\$ 2,504</b>
<b>LIABILITIES</b>				
Due to bondholders	\$ 2,083	\$ 420	\$ -	\$ 2,503
Due to property owners	1	-	-	1
<b>TOTAL LIABILITIES</b>	<b>\$ 2,084</b>	<b>\$ 420</b>	<b>\$ -</b>	<b>\$ 2,504</b>
<b>All Funds</b>				
<b>ASSETS</b>				
Cash and investments	\$ 2	\$ -	\$ -	\$ 2
Assessments receivable	43,348	-	2,285	41,063
Due from General Fund	-	2,503	-	2,503
<b>TOTAL ASSETS</b>	<b>\$ 43,350</b>	<b>\$ 2,503</b>	<b>\$ 2,285</b>	<b>\$ 43,568</b>
<b>LIABILITIES</b>				
Due to General Fund	\$ 23,764	\$ -	\$ -	\$ 23,764
Due to bondholders	19,585	420	202	19,803
Due to property owners	1	-	-	1
<b>TOTAL LIABILITIES</b>	<b>\$ 43,350</b>	<b>\$ 420</b>	<b>\$ 202</b>	<b>\$ 43,568</b>

See accompanying notes to financial statements.

## **SUPPLEMENTAL DATA**

**VILLAGE OF LA GRANGE, ILLINOIS**

**SCHEDULE OF INSURANCE IN FORCE**

April 30, 2014

<b>Insured</b>	<b>Description of Coverage</b>	<b>Limits of Coverage</b>	<b>Expiration Date of Policy</b>
Village of La Grange	General Liability	\$10,000,000	12/31/14
	-Professional Liability		
	-Police Professional		
	-Employee Benefits		
	-Abuse/Molestation		
	Auto Liability	\$10,000,000	12/31/14
	-Uninsured/Underinsured Motorist	\$500,000	
	Public Officials Liability	\$10,000,000	12/31/14
	-Wrongful Acts		
	-Employment Practices		
	Workers' Compensation	Statutory	12/31/14
	-Employer's Liability	\$2,500,000	
	First Party Property - All Risk	\$250,000,000	12/31/14
	Crime		12/31/14
	-Employee Theft	\$5,000,000	
	-Forgery, Alteration and Counterfeit Currency	\$5,000,000	
-Credit Card Forgery	\$5,000,000		
-Computer Fraud	\$5,000,000		
-Non-Faithful Performance	\$2,500,000		
Public Officials Bonds	Statutory	12/31/14	

(See independent auditor's report.)

**VILLAGE OF LA GRANGE, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS  
2005 ALTERNATE REVENUE REFUNDING BONDS**

April 30, 2014

Date of Issue	December 22, 2005
Date of Maturity	December 1, 2017
Authorized Issue	\$ 2,785,000
Denomination of Bonds	\$ 5,000
Interest Rates	3.20% to 3.90%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	First National Bank of La Grange

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Tax Levy Year</b>	<b>Tax Levy</b>			<b>Interest Due on</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>June 1</b>	<b>Amount</b>	<b>December 1</b>	<b>Amount</b>
2013	\$ 260,000	\$ 42,295	\$ 302,295	2014	\$ 21,148	2014	\$ 21,147
2014	270,000	32,545	302,545	2015	16,273	2015	16,272
2015	280,000	22,285	302,285	2016	11,143	2016	11,142
2016	295,000	11,505	306,505	2017	5,753	2017	5,752
	<u>\$ 1,105,000</u>	<u>\$ 108,630</u>	<u>\$ 1,213,630</u>		<u>\$ 54,317</u>		<u>\$ 54,313</u>

(See independent auditor's report.)

**VILLAGE OF LA GRANGE, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS  
2012A ALTERNATE REVENUE BONDS**

April 30, 2014

Date of Issue	September 25, 2012
Date of Maturity	December 1, 2032
Authorized Issue	\$ 2,080,000
Denomination of Bonds	\$ 5,000
Interest Rates	2.00% to 2.70%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2013	\$ 85,000	\$ 44,230	\$ 129,230	2014	\$ 22,115	2014	\$ 22,115
2014	90,000	42,530	132,530	2015	21,265	2015	21,265
2015	90,000	40,730	130,730	2016	20,365	2016	20,365
2016	90,000	38,930	128,930	2017	19,465	2017	19,465
2017	90,000	37,130	127,130	2018	18,565	2018	18,565
2018	95,000	35,330	130,330	2019	17,665	2019	17,665
2019	95,000	33,430	128,430	2020	16,715	2020	16,715
2020	95,000	31,530	126,530	2021	15,765	2021	15,765
2021	100,000	29,630	129,630	2022	14,815	2022	14,815
2022	100,000	27,630	127,630	2023	13,815	2023	13,815
2023	105,000	25,630	130,630	2024	12,815	2024	12,815
2024	110,000	23,530	133,530	2025	11,765	2025	11,765
2025	110,000	21,220	131,220	2026	10,610	2026	10,610
2026	115,000	18,745	133,745	2027	9,373	2027	9,372
2027	115,000	16,100	131,100	2028	8,050	2028	8,050
2028	120,000	13,340	133,340	2029	6,670	2029	6,670
2029	125,000	10,340	135,340	2030	5,170	2030	5,170
2030	130,000	7,090	137,090	2031	3,545	2031	3,545
2031	135,000	3,645	138,645	2032	1,823	2032	1,822
	<u>\$ 1,995,000</u>	<u>\$ 500,740</u>	<u>\$ 2,495,740</u>		<u>\$ 250,371</u>		<u>\$ 250,369</u>

(See independent auditor's report.)

## STATISTICAL SECTION

This part of the Village of La Grange, Illinois' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information displays about the Village's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have been changed over time.	74-81
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	82-87
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	88-92
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	93-94
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	95-97

Data Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

VILLAGE OF LA GRANGE, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>GOVERNMENTAL ACTIVITIES</b>										
Net investment in capital assets	\$ 15,656,941	\$ 18,930,507	\$ 19,045,027	\$ 19,493,061	\$ 19,623,954	\$ 21,471,377	\$ 23,308,688	\$ 26,159,844	\$ 25,774,269	\$ 28,236,672
Restricted	2,690,783	2,135,944	2,570,315	2,141,650	2,799,614	2,031,415	2,436,668	1,971,413	2,215,428	874,911
Unrestricted	9,679,324	4,532,594	7,158,890	10,147,997	14,406,277	11,202,081	9,511,459	9,570,437	10,140,473	9,167,360
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 28,027,048</b>	<b>\$ 25,599,045</b>	<b>\$ 28,774,232</b>	<b>\$ 31,782,708</b>	<b>\$ 36,829,845</b>	<b>\$ 34,704,873</b>	<b>\$ 35,256,815</b>	<b>\$ 37,701,694</b>	<b>\$ 38,130,170</b>	<b>\$ 38,278,943</b>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net investment in capital assets	\$ 12,950,634	\$ 20,269,210	\$ 20,417,117	\$ 19,942,728	\$ 20,093,344	\$ 19,588,533	\$ 19,561,148	\$ 19,130,919	\$ 19,432,640	\$ 20,408,584
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	2,977,233	3,216,791	3,730,552	3,691,422	3,204,708	2,977,756	2,352,649	2,352,829	2,084,260	1,346,502
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 15,927,867</b>	<b>\$ 23,486,001</b>	<b>\$ 24,147,669</b>	<b>\$ 23,634,150</b>	<b>\$ 23,298,052</b>	<b>\$ 22,566,289</b>	<b>\$ 21,913,797</b>	<b>\$ 21,483,748</b>	<b>\$ 21,516,900</b>	<b>\$ 21,755,086</b>
<b>PRIMARY GOVERNMENT</b>										
Net investment in capital assets	\$ 28,607,575	\$ 39,199,717	\$ 39,462,144	\$ 39,435,789	\$ 39,717,298	\$ 41,059,910	\$ 42,869,836	\$ 45,290,763	\$ 45,206,909	\$ 48,645,256
Restricted	2,690,783	2,135,944	2,570,315	2,141,650	2,799,614	2,031,415	2,436,668	1,971,413	2,215,428	874,911
Unrestricted	12,656,557	7,749,385	10,889,442	13,839,419	17,610,985	14,179,837	11,864,108	11,923,266	12,224,733	10,513,862
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 43,954,915</b>	<b>\$ 49,085,046</b>	<b>\$ 52,921,901</b>	<b>\$ 55,416,858</b>	<b>\$ 60,127,897</b>	<b>\$ 57,271,162</b>	<b>\$ 57,170,612</b>	<b>\$ 59,185,442</b>	<b>\$ 59,647,070</b>	<b>\$ 60,034,029</b>

Data Source

Audited Financial Statements

**VILLAGE OF LA GRANGE, ILLINOIS**

CHANGE IN NET POSITION

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>EXPENSES</b>			
Governmental activities			
General government	\$ 1,590,186	\$ 1,845,464	\$ 1,937,230
Public safety	5,860,890	6,119,447	6,642,436
Highways and streets	2,413,158	2,464,050	2,017,568
Economic development	961,240	13,063	99,775
Interest	420,036	506,152	432,004
Total governmental activities expenses	<u>11,245,510</u>	<u>10,948,176</u>	<u>11,129,013</u>
Business-type activities			
Water	2,825,014	2,863,831	2,892,482
Sewer	302,694	329,252	379,052
Parking	624,712	742,020	871,378
Total business-type activities expenses	<u>3,752,420</u>	<u>3,935,103</u>	<u>4,142,912</u>
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<u>\$ 14,997,930</u>	<u>\$ 14,883,279</u>	<u>\$ 15,271,925</u>
<b>PROGRAM REVENUES</b>			
Governmental activities			
Charges for services			
General government	\$ 941,040	\$ 732,123	\$ 855,298
Public safety	520,864	535,871	534,768
Highways and streets	289,781	258,926	246,045
Operating grants and contributions	570,739	509,208	464,571
Capital grants and contributions	-	1,483,176	-
Total governmental activities program revenues	<u>2,322,424</u>	<u>3,519,304</u>	<u>2,100,682</u>
Business-type activities			
Charges for services			
Water	2,779,585	2,943,231	2,687,286
Sewer	425,389	459,666	434,711
Parking	653,966	638,705	652,490
Operating grants and contributions	-	-	-
Capital grants and contributions	-	-	-
Total business-type activities program revenues	<u>3,858,940</u>	<u>4,041,602</u>	<u>3,774,487</u>
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<u>\$ 6,181,364</u>	<u>\$ 7,560,906</u>	<u>\$ 5,875,169</u>

	2008	2009	2010	2011	2012	2013	2014
\$	2,308,329	\$ 2,304,578	\$ 2,403,960	\$ 2,219,004	\$ 2,177,656	\$ 2,235,538	\$ 2,198,577
	6,905,170	7,211,128	7,464,482	8,211,120	8,124,562	8,363,505	8,218,014
	3,304,975	2,829,506	3,502,763	3,188,321	2,162,386	2,364,485	3,013,072
	150,253	1,195,475	5,575,820	-	-	-	-
	353,797	241,819	92,357	73,343	65,632	56,512	47,620
	13,022,524	13,782,506	19,039,382	13,691,788	12,530,236	13,020,040	13,477,283
	3,157,557	3,167,287	3,412,349	3,612,540	3,608,282	4,151,600	4,466,056
	489,657	492,746	454,813	460,477	457,000	437,491	476,789
	939,593	947,992	987,368	989,517	972,235	1,016,639	1,012,947
	4,586,807	4,608,025	4,854,530	5,062,534	5,037,517	5,605,730	5,955,792
\$	17,609,331	\$ 18,390,531	\$ 23,893,912	\$ 18,754,322	\$ 17,567,753	\$ 18,625,770	\$ 19,433,075
\$	969,318	\$ 763,975	\$ 507,135	\$ 569,433	\$ 606,493	\$ 844,036	\$ 724,989
	587,665	664,944	694,998	664,840	698,118	547,589	566,141
	261,949	262,899	269,777	313,878	344,560	340,045	330,358
	462,184	442,249	428,546	463,735	453,001	439,166	509,317
	126,962	3,331,705	1,330,911	1,947,291	2,316,228	168,601	73,051
	2,408,078	5,465,772	3,231,367	3,959,177	4,418,400	2,339,437	2,203,856
	2,657,000	3,034,837	2,938,394	3,216,520	3,418,705	4,362,179	\$ 4,489,392
	447,297	413,261	408,242	396,770	379,483	423,676	440,218
	637,171	641,122	645,361	681,449	702,431	729,808	1,142,442
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	3,741,468	4,089,220	3,991,997	4,294,739	4,500,619	5,515,663	6,072,052
\$	6,149,546	\$ 9,554,992	\$ 7,223,364	\$ 8,253,916	\$ 8,919,019	\$ 7,855,100	\$ 8,275,908

VILLAGE OF LA GRANGE, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>NET (EXPENSES) REVENUE</b>			
Governmental activities	\$ (8,923,086)	\$ (7,428,872)	\$ (9,028,331)
Business-type activities	106,520	106,499	(368,425)
<b>TOTAL PRIMARY GOVERNMENT NET (EXPENSES) REVENUE</b>	<b>\$ (8,816,566)</b>	<b>\$ (7,322,373)</b>	<b>\$ (9,396,756)</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>			
Governmental activities			
Taxes			
Property	\$ 6,253,695	\$ 7,310,714	\$ 7,598,116
Sales	1,304,241	1,424,058	1,651,702
Utility	525,999	616,230	555,717
Other	1,992,829	2,140,818	2,144,077
Shared Income	-	-	-
Investment income	264,467	541,186	751,162
Gain from the sale of property	-	-	-
Tif surplus distribution	-	-	-
Miscellaneous	504,121	308,435	368,376
Transfers	750,000	(7,340,572)	(865,632)
Total governmental activities	<u>11,595,352</u>	<u>5,000,869</u>	<u>12,203,518</u>
Business-type activities			
Investment earnings	56,776	102,850	164,461
Miscellaneous	222,952	8,213	-
Contributions	716,736	-	765,632
Transfers	(750,000)	7,340,572	100,000
Total business-type activities	<u>246,464</u>	<u>7,451,635</u>	<u>1,030,093</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 11,841,816</b>	<b>\$ 12,452,504</b>	<b>\$ 13,233,611</b>
<b>CHANGE IN NET POSITION</b>			
Governmental activities	\$ 2,672,266	\$ (2,428,003)	\$ 3,175,187
Business-type activities	352,984	7,558,134	661,668
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ 3,025,250</b>	<b>\$ 5,130,131</b>	<b>\$ 3,836,855</b>

Data Source

Audited Financial Statements

<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ (10,614,446)	\$ (8,316,734)	\$ (15,808,015)	\$ (9,732,611)	\$ (8,111,836)	\$ (10,680,603)	\$ (11,273,427)
(845,339)	(518,805)	(862,533)	(767,795)	(536,898)	(90,067)	116,260
<u>\$ (11,459,785)</u>	<u>\$ (8,835,539)</u>	<u>\$ (16,670,548)</u>	<u>\$ (10,500,406)</u>	<u>\$ (8,648,734)</u>	<u>\$ (10,770,670)</u>	<u>\$ (11,157,167)</u>
\$ 7,704,022	\$ 8,028,635	\$ 8,423,435	\$ 5,873,311	\$ 5,958,771	\$ 6,134,683	\$ 6,347,857
1,733,078	1,707,932	1,585,276	1,687,782	1,809,302	1,927,842	2,017,625
589,944	587,064	476,791	525,432	477,806	492,357	535,888
2,347,610	2,305,612	2,049,516	2,012,352	776,288	829,205	847,149
-	-	-	-	1,267,303	1,401,374	1,515,288
691,733	467,220	143,462	68,239	32,302	31,973	30,948
-	-	-	-	-	-	-
-	-	747,885	-	-	-	-
656,535	367,408	356,678	217,437	334,943	407,645	246,444
(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(116,000)	(119,000)
<u>13,622,922</u>	<u>13,363,871</u>	<u>13,683,043</u>	<u>10,284,553</u>	<u>10,556,715</u>	<u>11,109,079</u>	<u>11,422,199</u>
168,117	82,556	30,770	15,303	6,849	7,219	2,926
3,675	151	-	-	-	-	-
60,028	-	-	-	-	-	-
100,000	100,000	100,000	100,000	100,000	116,000	119,000
<u>331,820</u>	<u>182,707</u>	<u>130,770</u>	<u>115,303</u>	<u>106,849</u>	<u>123,219</u>	<u>121,926</u>
<u>\$ 13,954,742</u>	<u>\$ 13,546,578</u>	<u>\$ 13,813,813</u>	<u>\$ 10,399,856</u>	<u>\$ 10,663,564</u>	<u>\$ 11,232,298</u>	<u>\$ 11,544,125</u>
\$ 3,008,476	\$ 5,047,137	\$ (2,124,972)	\$ 551,942	\$ 2,444,879	\$ 428,476	\$ 148,772
(513,519)	(336,098)	(731,763)	(652,492)	(430,049)	33,152	238,186
<u>\$ 2,494,957</u>	<u>\$ 4,711,039</u>	<u>\$ (2,856,735)</u>	<u>\$ (100,550)</u>	<u>\$ 2,014,830</u>	<u>\$ 461,628</u>	<u>\$ 386,958</u>

**VILLAGE OF LA GRANGE, ILLINOIS**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>GENERAL FUND</b>										
Reserved/restricted	\$ 4,064	\$ 2,342	\$ -	\$ -	\$ 109,441	\$ 221,110	\$ 262,520	\$ -	\$ -	\$ -
Assigned for economic development	-	-	-	-	-	747,885	747,885	747,885	747,885	747,885
Unreserved/unassigned	8,280,219	8,370,231	8,263,032	8,295,701	7,686,966	6,387,609	5,997,113	5,901,808	6,397,330	5,968,340
<b>TOTAL GENERAL FUND</b>	<b>\$ 8,284,283</b>	<b>\$ 8,372,573</b>	<b>\$ 8,263,032</b>	<b>\$ 8,295,701</b>	<b>\$ 7,796,407</b>	<b>\$ 7,356,604</b>	<b>\$ 7,007,518</b>	<b>\$ 6,649,693</b>	<b>\$ 7,145,215</b>	<b>\$ 6,716,225</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Reserved/restricted	\$ 5,957,189	\$ 4,270,833	\$ 5,369,600	\$ 5,405,719	\$ 7,177,304	\$ 1,817,676	\$ 2,174,148	\$ 1,981,913	\$ 2,215,428	\$ 874,911
Unreserved/assigned, reported in										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Debt Service Funds	-	-	-	-	-	-	-	-	10,507	10,509
Capital Project Funds	846,936	(148,058)	404,005	948,656	1,210,242	963,773	533,073	886,015	696,812	140,219
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 6,804,125</b>	<b>\$ 4,122,775</b>	<b>\$ 5,773,605</b>	<b>\$ 6,354,375</b>	<b>\$ 8,387,546</b>	<b>\$ 2,781,449</b>	<b>\$ 2,707,221</b>	<b>\$ 2,867,928</b>	<b>\$ 2,922,747</b>	<b>\$ 1,025,639</b>

Data Source

Audited Financial Statements

**VILLAGE OF LA GRANGE, ILLINOIS**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>REVENUES</b>			
Taxes	\$ 10,089,912	\$ 11,504,355	\$ 11,960,303
Licenses and permits	1,186,116	1,061,222	1,005,086
Intergovernmental	683,948	790,150	622,774
Charges for services	73,803	4,490	92,342
Investment income	261,037	533,690	744,105
Miscellaneous	708,304	567,231	503,879
<b>Total revenues</b>	<b>13,003,120</b>	<b>14,461,138</b>	<b>14,928,489</b>
<b>EXPENDITURES</b>			
General government	1,685,933	1,749,674	1,878,139
Public safety	5,623,998	6,087,869	6,429,965
Highways and streets	1,339,215	1,469,547	1,494,714
Economic development	961,240	7,353,634	865,407
Capital outlay	1,303,175	2,709,028	365,292
Debt service			
Principal	975,000	1,765,991	1,792,209
Interest	440,046	424,772	459,132
Other charges	-	25,619	-
<b>Total expenditures</b>	<b>12,328,607</b>	<b>21,586,134</b>	<b>13,284,858</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>674,513</b>	<b>(7,124,996)</b>	<b>1,643,631</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	2,791,582	3,717,221	3,070,016
Transfers (out)	(2,041,582)	(3,717,221)	(3,170,016)
Bonds/notes issued	-	7,285,000	-
Payment to escrow agent	-	(2,751,342)	-
Sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<b>750,000</b>	<b>4,533,658</b>	<b>(100,000)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 1,424,513</b>	<b>\$ (2,591,338)</b>	<b>\$ 1,543,631</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>13.82%</b>	<b>14.63%</b>	<b>21.48%</b>

Note: Income taxes were reclassified from taxes to intergovernmental.

Data Source

Audited Financial Statements

2008	2009	2010	2011	2012	2013	2014
\$ 12,379,089	\$ 12,572,204	\$ 12,535,018	\$ 10,098,872	\$ 9,022,167	\$ 9,384,053	\$ 9,748,519
1,056,762	932,583	949,402	1,050,567	1,062,973	1,241,513	1,160,668
868,921	3,918,841	818,416	1,509,578	2,480,352	2,074,969	2,165,316
3,867	257,985	245,379	237,152	278,233	159,631	150,603
686,667	465,282	167,452	68,242	31,807	31,826	30,840
809,961	528,012	1,210,271	368,247	579,530	647,524	489,109
15,805,267	18,674,907	15,925,938	13,332,658	13,455,062	13,539,516	13,745,055
2,221,861	2,209,157	2,321,048	2,113,519	2,078,237	2,135,751	2,105,235
6,835,548	7,057,583	7,575,382	7,859,624	8,003,062	8,100,937	8,130,415
1,745,562	2,017,805	1,812,198	1,677,999	1,688,774	1,719,244	1,925,600
319,410	1,195,475	5,575,820	-	-	-	-
1,587,401	573,839	2,453,339	1,708,255	1,478,342	641,938	3,489,358
1,994,437	3,682,363	2,010,000	220,000	235,000	240,000	250,000
387,609	304,808	124,051	76,575	68,765	60,305	51,545
-	-	-	-	-	-	-
15,091,828	17,041,030	21,871,838	13,655,972	13,552,180	12,898,175	15,952,153
713,439	1,633,877	(5,945,900)	(323,314)	(97,118)	641,341	(2,207,098)
4,088,400	4,666,171	4,367,701	1,053,956	1,854,387	1,000,305	3,505,174
(4,188,400)	(4,766,171)	(4,467,701)	(1,153,956)	(1,954,387)	(1,091,305)	(3,624,174)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(91,000)	(119,000)
\$ 613,439	\$ 1,533,877	\$ (6,045,900)	\$ (423,314)	\$ (197,118)	\$ 550,341	\$ (2,326,098)
20.50%	31.68%	11.32%	2.55%	2.56%	2.51%	2.48%

**VILLAGE OF LA GRANGE, ILLINOIS**

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Railroad Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
2004	\$ 369,950,841	\$ 30,444,985	\$ 42,100,262	\$ 360,926	\$ 442,857,014	1.2690	\$ 1,328,571,042
2005	488,848,094	35,494,867	47,006,177	350,788	571,699,926	1.3315	1,715,099,778
2006	488,870,503	35,293,781	45,438,649	365,256	569,968,189	1.3032	1,709,904,567
2007	519,735,586	36,339,481	45,642,872	423,061	602,141,000	1.1240	1,806,423,000
2008	612,239,451	39,233,415	49,040,791	468,882	700,982,539	1.0629	2,102,947,617
2009	659,634,278	79,941,557	45,670,865	534,963	785,781,663	1.0629	2,357,344,989
2010	662,256,327	75,586,633	43,014,350	532,201	781,389,511	1.0978	2,344,168,533
2011	538,810,551	64,623,012	38,708,391	661,609	642,803,563	1.3588	1,928,410,689
2012	504,019,265	60,361,764	35,589,759	672,843	600,643,631	1.4900	1,801,930,893
2013	475,130,449	57,584,946	34,383,299	680,396	567,779,090	1.6080	1,703,337,270

Note: Property in the Village is reassessed each year. Property is assessed at 33% of actual value.

Data Source

Office of the County Clerk

VILLAGE OF LA GRANGE, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013**
<b>VILLAGE DIRECT RATES*</b>										
General	0.8694	0.6943	0.7492	0.7310	0.6010	0.5345	0.5345	0.6938	0.7649	0.7692
Police Pension	0.1012	0.0942	0.0834	0.0811	0.0810	0.0970	0.0970	0.1229	0.1377	0.1762
Fire Pension	0.0964	0.0835	0.0860	0.0901	0.0850	0.0974	0.0974	0.1191	0.1334	0.1746
Library	0.4930	0.3970	0.4129	0.4010	0.3570	0.3340	0.3340	0.4230	0.4540	0.4880
Total Direct Rate	1.5600	1.2690	1.3315	1.3032	1.1240	1.0629	1.0629	1.3588	1.4900	1.6080
<b>OVERLAPPING RATES*</b>										
La Grange Park District	0.3520	0.3590	0.4210	0.4070	0.3540	0.3330	0.3450	0.4160	0.4480	0.4800
County of Cook/Health Facilities	0.1410	0.1220	0.1030	0.4460	0.4150	0.3940	0.3940	0.4620	0.5310	0.5310
Forest Preserve District of Cook County	0.0590	0.0600	0.0570	0.0530	0.0510	0.0490	0.0510	0.0580	0.0630	0.0690
Consolidated Elections	-	-	-	0.0120	-	0.0210	-	0.0250	-	0.0310
Township of Lyons	0.0350	0.0360	0.0330	0.0330	0.0460	0.0470	0.0480	0.0590	0.0630	0.0680
General Assistance Lyons	0.0020	0.0020	0.0030	0.0030	0.0020	0.0020	0.0020	0.0030	0.0030	0.0030
Road and Bridge Lyons	0.0370	0.0370	0.0340	0.0340	0.0320	0.0330	0.0330	0.0410	0.0440	0.0480
Lyons Mental Health	0.0880	0.0900	0.0810	0.0810	0.0740	0.0760	0.0780	0.0950	0.1030	0.1120
Suburban T B Sanitarium	0.0040	0.0010	0.0050	-	-	-	-	-	-	-
Metro Water Reclamation Dist. of Greater Chicago	0.3610	0.3470	0.2840	0.2630	0.2520	0.2610	0.2740	0.3200	0.3700	0.4170
Des Plaines Valley Mosquito Abatement District	0.0120	0.0120	0.0120	0.0120	0.0120	0.0110	0.0110	0.0140	0.0150	0.0160
La Grange Highlands Sanitary District	0.2210	0.2190	0.1950	0.1950	0.1770	0.1770	0.1860	0.2420	0.2700	0.2940
South Lyons Sanitary District	0.1010	0.0980	0.0910	0.0900	0.0810	0.0880	0.0950	0.1140	0.1240	0.1360
School District #102	3.2980	3.3750	2.9390	2.8830	2.7040	2.5590	2.6290	3.2490	3.6220	3.8770
School District #105	2.0540	2.3420	2.3780	2.3220	2.1350	2.3830	2.4920	2.9870	3.2830	3.5810
School District #106	3.0930	3.0640	2.6150	2.5590	2.3420	2.2490	2.3190	2.9990	3.2610	3.5370
Lyons Township High School #204	1.9140	1.8930	1.6570	1.6170	1.4820	1.4910	1.5450	1.9220	2.1290	2.3120
DuPage Community College District #502	0.2270	0.2250	0.2060	0.2080	0.1930	0.2040	0.2110	0.2480	0.2760	0.3230
La Grange Special Service Area #7	-	0.2190	0.2040	0.1550	0.1480	0.1320	0.1440	0.1700	0.1990	0.2090

\* Property tax rates are per \$100 of assessed valuation

\*\*2013 tax rates are estimated

Data Source

Cook County Clerk's Office

VILLAGE OF LA GRANGE, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
La Grange Rd Investor	\$ 4,790,244	1	0.75%	\$ 7,609,207	1	1.72%
Columbia/LG Memorial Hospital	3,763,526	2	0.59%	6,681,718	2	1.51%
Sambell La Grange	2,263,570	3	0.35%	3,016,264	6	0.68%
Burcor Properties	3,704,648	4	0.58%	4,823,507	4	1.09%
CNC	3,466,065	5	0.54%	3,911,312	5	0.88%
Grayhill Manufacturing Co.	3,595,877	6	0.56%	6,253,329	3	1.41%
SBC/Ameritech	2,146,121	7	0.33%	2,407,794	8	0.54%
Bank One	1,856,107	8	0.29%	-	-	0.00%
Grozich, LLC	1,660,205	9	0.26%	2,236,351	9	0.50%
DPA Management	871,967	10	0.14%	1,758,786	10	0.40%
D.R. Brooks, B&B Investments	-	-	0.00%	2,666,800	7	0.60%
<b>TOTAL</b>	<b>\$ 28,118,330</b>		<b>4.39%</b>	<b>\$ 41,365,068</b>		<b>9.33%</b>

Data Source

Office of the County Clerk

**VILLAGE OF LA GRANGE, ILLINOIS**

**PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Levy Years

Levy Year	Tax Levied	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 4,719,149	\$ 2,137,996	45.30%	\$ 2,549,648	\$ 4,687,644	99.33%
2005	4,915,684	2,206,774	44.89%	2,673,959	4,880,733	99.29%
2006	5,180,586	2,320,565	44.79%	2,774,958	5,095,523	98.36%
2007	5,427,546	2,446,303	45.07%	2,887,144	5,333,447	98.27%
2008	5,362,830	2,544,434	47.45%	2,744,670	5,289,104	98.63%
2009	5,784,985	2,949,638	50.99%	2,708,992	5,658,630	97.82%
2010	5,942,227	2,840,177	47.80%	2,963,117	5,803,294	97.66%
2011	6,016,641	3,036,978	50.48%	2,885,675	5,922,653	98.44%
2012	6,222,668	3,135,806	50.39%	2,990,339	6,126,145	98.45%
2013	6,359,126	3,242,876	51.00%	-	3,242,876	51.00%

Data Source

Village records

VILLAGE OF LA GRANGE, ILLINOIS

SALES TAX BY CATEGORY

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
General merchandise	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Food	176,371	204,827	217,012	235,537	257,825	262,831	262,087	276,748	300,635	305,961
Drinking and eating places	246,232	244,501	256,971	258,766	268,963	260,860	313,646	333,052	377,267	393,813
Apparel	19,468	23,992	27,986	24,120	22,801	17,875	14,319	16,392	15,874	10,165
Furniture and H.H. and Radio	108,059	112,483	109,393	92,077	79,960	56,782	74,627	78,104	73,059	123,445
Lumber, building hardware	19,732	20,934	18,076	12,867	12,510	42,981	32,267	34,566	36,066	43,387
Automobile and filling stations	65,303	64,523	69,975	75,846	88,979	80,924	118,401	121,218	121,233	120,054
Drugs and miscellaneous retail	238,780	257,632	277,016	279,326	275,379	225,938	224,771	227,733	218,440	210,677
Agriculture and all others	160,916	183,959	179,305	223,038	218,312	222,628	187,929	196,243	210,123	231,160
Manufacturers	28,355	(42,689)	7,154	12,117	8,782	12,390	13,422	14,302	14,704	17,257
<b>TOTAL</b>	<b>\$ 1,063,216</b>	<b>\$ 1,070,162</b>	<b>\$ 1,162,888</b>	<b>\$ 1,213,694</b>	<b>\$ 1,233,511</b>	<b>\$ 1,183,209</b>	<b>\$ 1,241,469</b>	<b>\$ 1,298,358</b>	<b>\$ 1,367,401</b>	<b>\$ 1,455,919</b>
Village direct sales tax rate	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%

Data Source

Illinois Department of Revenue

**VILLAGE OF LA GRANGE, ILLINOIS**

**DIRECT AND OVERLAPPING SALES TAX RATES**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>DIRECT</b>										
Village of La Grange	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	-	-
<b>OVERLAPPING</b>										
State of Illinois	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Cook County	0.75%	0.75%	1.00%	1.25%	1.75%	1.75%	1.00%	0.75%	0.75%	0.75%
Regional Transportation authority	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.00%	1.00%	1.00%	1.00%
Village of La Grange	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Total overlapping	8.00%	8.00%	8.25%	8.50%	9.00%	9.00%	8.00%	7.75%	7.75%	7.75%
<b>TOTAL SALES TAX RATE</b>	<b>8.25%</b>	<b>8.25%</b>	<b>8.50%</b>	<b>8.75%</b>	<b>9.25%</b>	<b>9.25%</b>	<b>8.25%</b>	<b>8.00%</b>	<b>7.75%</b>	<b>7.75%</b>

Data Source

Illinois Department of Revenue

VILLAGE OF LA GRANGE, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Tax Increment Revenue Bonds	Installment Notes Payable	General Obligation Bonds				
2005	\$ 3,930,000	\$ -	\$ 4,800,000	\$ -	\$ -	\$ 8,730,000	0.40%	\$ 34,887
2006	3,610,000	-	7,919,009	-	-	11,529,009	0.30%	34,887
2007	3,225,000	-	6,511,800	-	-	9,736,800	0.36%	34,887
2008	2,765,000	-	4,977,363	-	-	7,742,363	0.45%	34,887
2009	2,260,000	-	1,800,000	-	-	4,060,000	0.86%	34,887
2010	2,050,000	-	-	-	-	2,050,000	1.70%	34,887
2011	1,830,000	-	-	-	-	1,830,000	1.91%	34,887
2012	1,595,000	-	-	-	-	1,595,000	2.19%	34,887
2013	1,355,000	-	-	2,080,000	-	3,435,000	1.02%	34,887
2014	1,105,000	-	-	1,995,000	-	3,100,000	1.13%	34,887

\* See the schedule of Demographic and Economic Information on page 93 for personal income and population data.

Note: Details of the Village's outstanding debt can be found in the notes to financial statements.

Personal income is the per capita income times the population.

**VILLAGE OF LA GRANGE, ILLINOIS**

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available In Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property*</b>	<b>Per Capita</b>
2005	\$ 3,930,000	\$ 127,528	\$ 3,802,472	0.30%	\$ 244.53
2006	3,610,000	144,564	3,465,436	0.26%	222.86
2007	3,225,000	160,783	3,064,217	0.18%	196.32
2008	2,765,000	169,393	2,595,607	0.14%	166.30
2009	2,260,000	169,527	2,090,473	0.10%	133.94
2010	2,050,000	170,189	1,879,811	0.08%	120.44
2011	1,830,000	170,422	1,659,578	0.07%	106.33
2012	1,595,000	10,500	1,584,500	0.07%	101.52
2013	3,435,000	10,507	3,424,493	0.18%	219.41
2014	3,100,000	10,509	3,089,491	0.17%	197.94

\* See the schedule of Assessed Value and Actual Value of Taxable Property on page 82 for property value data.

Note: Details of the Village's outstanding debt can be found in the notes to financial statements.

**VILLAGE OF LA GRANGE, ILLINOIS**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

April 30, 2014

<b>Governmental Unit</b>	<b>Gross Debt</b>	<b>Percentage Debt Applicable to the Village of La Grange (1)</b>	<b>Village of La Grange Share of Debt</b>
Village of La Grange	\$ 1,105,000	100.00%	\$ 1,105,000
Cook County	3,616,435,000	0.45%	16,273,958
Cook County Forest Preserve	187,950,000	0.45%	845,775
Metropolitan Water Reclamation District	2,168,368,889	0.46%	9,974,497
Township of Lyons	8,070,000	16.37%	1,321,059
Lyons Township High School #204	11,535,000	21.02%	2,424,657
DuPage Community College District #502	322,425,000	1.45%	4,675,163
La Grange Public Library	6,105,000	100.00%	6,105,000
Park District of La Grange	9,155,000	98.26%	8,995,703
School District #102	32,016,810	66.70%	21,355,212
School District #105	27,405,000	7.69%	2,107,445
School District #106	3,400,000	7.45%	253,300
	<u>6,392,865,699</u>		<u>74,331,769</u>
<b>TOTAL</b>	<u>\$ 6,393,970,699</u>		<u>\$ 75,436,769</u>

(1) Determined by ratio of assessed valuation of property subject to taxation in the Village to valuation of property subject to taxation in overlapping unit.

VILLAGE OF LA GRANGE, ILLINOIS

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Debt limit	\$ 38,196,417	\$ 49,309,119	\$ 49,869,744	\$ 49,936,006	\$ 60,459,744	\$ 64,987,869	\$ 68,420,543	\$ 68,041,720	\$ 56,088,682	\$ 52,452,388
Total net debt applicable to limit	10,370,000	9,805,000	9,220,000	8,600,000	7,945,000	7,580,000	7,200,000	6,805,000	6,585,000	6,105,000
<b>LEGAL DEBT MARGIN</b>	<b>\$ 27,826,417</b>	<b>\$ 39,504,119</b>	<b>\$ 40,649,744</b>	<b>\$ 41,336,006</b>	<b>\$ 52,514,744</b>	<b>\$ 57,407,869</b>	<b>\$ 61,220,543</b>	<b>\$ 61,236,720</b>	<b>\$ 49,503,682</b>	<b>\$ 46,347,388</b>
<b>TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT</b>	<b>27.15%</b>	<b>19.88%</b>	<b>18.49%</b>	<b>17.22%</b>	<b>13.14%</b>	<b>11.66%</b>	<b>10.52%</b>	<b>10.00%</b>	<b>11.74%</b>	<b>11.64%</b>

Equalized assessed valuation of taxable real property	<u>\$ 600,643,631</u>
Estimated true value of taxable real property	<u>1,801,930,893</u>
Direct general obligation bonded debt payable from property taxes - Library	<u>6,105,000</u>
Legal debt limit 8.625% of EAV	52,452,388
Encumbered legal debt limit	<u>6,105,000</u>
<b>UNENCUMBERED LEGAL DEBT LIMIT</b>	<b><u>\$ 46,347,388</u></b>

VILLAGE OF LA GRANGE, ILLINOIS

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Alternate Revenue Bonds						Special Assessment Bonds 269/270			
	Water Charges and Other	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
2005	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ 116,590	\$ 81,000	\$ 11,336	\$ 1.26
2006	-	-	-	-	-	N/A	76,113	61,000	10,478	1.06
2007	-	-	-	-	-	N/A	45,561	59,000	7,109	0.69
2008	-	-	-	-	-	N/A	47,442	38,000	5,196	1.10
2009	-	-	-	-	-	N/A	35,097	25,000	3,441	1.23
2010	-	-	-	-	-	N/A	23,782	68,000	2,516	0.34
2011	-	-	-	-	-	N/A	825	-	-	-
2012	-	-	-	-	-	N/A	-	-	-	-
2013	4,364,631	3,640,948	723,683	-	27,195	26.61	-	-	-	-
2014	4,491,438	3,953,824	537,614	85,000	45,930	11.71	-	-	-	-

Note: Details of the Village's outstanding debt can be found in the notes to financial statements. Water Charges and Other includes investment earnings but not tap-on fees. Operating expenses do not include interest or depreciation.

# VILLAGE OF LA GRANGE, ILLINOIS

## DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income</b>	<b>Per Capita Personal Income (1)</b>	<b>Unemployment Rate (2)</b>
2014	15,550	\$ 542,492,850	\$ 34,887	7.50%
2013	15,550	542,492,850	34,887	7.30%
2012	15,550	542,492,850	34,887	7.10%
2011	15,550	542,492,850	34,887	7.40%
2010	15,608	544,516,296	34,887	7.30%
2009	15,608	544,516,296	34,887	4.40%
2008	15,608	544,516,296	34,887	3.40%
2007	15,608	544,516,296	34,887	3.10%
2006	15,608	544,516,296	34,887	4.20%
2005	15,608	544,516,296	34,887	4.30%

(1) U.S. Bureau of Census. Data based on 2010 and 2000 Census.

(2) Illinois Department of Employment Security.

**VILLAGE OF LA GRANGE, ILLINOIS**

**PRINCIPAL EMPLOYERS**

Current Year and Nine Years Ago

<b>Employer</b>	<b>2014</b>			<b>2005</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total Village Population</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total Village Population</b>
Adventist/La Grange Hospital	1,000	1	6.41%	1,000	1	6.41%
Lyons Township High School	650	2	4.16%	650	2	4.16%
Grayhill	400	3	2.56%	400	3	2.56%
School District 105	180	4	1.15%	180	4	1.15%
Meadowbrook Manor	125	5	0.80%	125	5	0.80%
Lexington Health Care Center	102	6	0.65%	102	7	0.65%
Village of La Grange	105	7	0.67%	116	6	0.74%
JP Morgan Chase	75	8	0.48%	75	8	0.48%
Musser	60	9	0.38%	60	9	0.38%
Billet Specialties, Inc	55	10	0.35%	-	-	0.00%
First National Bank of La Grange			0.00%	55	10	0.35%

Data Source

Village records

**VILLAGE OF LA GRANGE, ILLINOIS**

**FULL-TIME EQUIVALENT EMPLOYEES**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>GENERAL GOVERNMENT</b>										
Administration	4	4	4	4	4	4	4	4	4	4
Finance	5	5	5	5	5	5	5	5	5	5
Community development	5	5	5	5	6	6	6	6	6	6
<b>PUBLIC SAFETY</b>										
Police										
Officers	34	34	34	34	35	35	35	35	35	35
Civilians-parking	3	3	3	3	3	3	3	3	3	3
Fire										
Firefighters and officers	20	20	20	21	21	21	21	21	21	21
Civilians										
<b>PUBLIC WORKS</b>										
Public works	14	14	14	14	14	14	14	14	14	14
Water	9	9	9	9	9	9	9	9	9	9
Sewer	2	2	2	2	2	2	2	2	2	2
<b>Total</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>97</b>	<b>99</b>	<b>99</b>	<b>99</b>	<b>99</b>	<b>99</b>	<b>99</b>

Data Source

Village budget office

VILLAGE OF LA GRANGE, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>PUBLIC SAFETY</b>										
Police										
Index/non-index crimes cleared	160	139	131	110	111	152	149	131	134	134
Parking violations	11,824	10,968	9,200	9,168	9,319	7,381	7,654	8,361	6,386	7,330
Traffic violations	3,092	2,310	2,488	2,107	1,643	2,049	2,580	1,619	1,427	1,274
Fire										
Emergency responses	1,965	2,074	2,009	2,027	1,941	1,832	2,022	1,901	1,878	1,930
Fire prevention activity	1,399	703	703	306	500	542	860	822	818	1,089
<b>PUBLIC WORKS</b>										
Street sweeping (miles)	4,750	4,557	4,839	4,203	4,209	3,988	3,570	4,607	4,916	3,622
Snow/ice control (hours)	840	1,110	331	1,147	1,517	1,213	1,191	609	993	2,116
<b>WATER</b>										
Water main breaks	30	42	47	73	35	41	33	30	65	59
Average daily consumption (gal.)	1,379,043	1,491,719	1,318,699	1,296,690	1,279,532	1,196,218	1,195,318	1,168,813	1,235,199	1,197,755
Service leaks	14	13	44	19	12	2	9	14	11	36
<b>SEWER</b>										
Catch basins repaired/replaced	22	75	33	28	9	119	384	345	374	308

Data Source

Village budgets and various Village departments

**VILLAGE OF LA GRANGE, ILLINOIS**

**CAPITAL ASSETS STATISTICS**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>PUBLIC SAFETY</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	6	6	6	7	7	7	7	7	7	7
Fire										
Fire stations	1	1	1	1	1	1	1	1	1	1
Fire engines	2	2	2	2	2	2	2	2	2	2
Ambulances	2	2	2	2	2	2	2	2	2	2
Aerial ladder truck	1	1	1	1	1	1	1	-	-	-
<b>PUBLIC WORKS</b>										
Collector streets (miles)	8	8	8	8	8	8	8	8	8	8
Residential streets (miles)	45	45	45	45	45	45	45	45	45	45
Streetlights	1,796	1,796	1,796	1,796	1,796	1,796	1,796	1,796	1,796	1,796
Traffic signals	17	17	17	17	17	17	17	17	17	17
<b>WATER</b>										
Water mains (miles)	70	70	70	70	70	70	70	70	70	70
Fire hydrants	560	560	560	560	560	560	560	560	560	560
<b>WASTEWATER</b>										
Sanitary sewers (miles)	39	39	39	39	39	39	39	39	39	39
Storm sewers (miles)	8	8	8	8	8	8	8	8	8	8

Data Source

Various Village departments