

VILLAGE OF LA GRANGE, ILLINOIS



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2012

VILLAGE OF LA GRANGE, ILLINOIS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended
April 30, 2012

Prepared by the Finance Department

Lou Cipparrone
Finance Director

Joseph Munizza
Assistant Finance Director

VILLAGE OF LA GRANGE, ILLINOIS
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VILLAGE OF LA GRANGE, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2012

BOARD OF TRUSTEES

Elizabeth Asperger, President

Michael Horvath

Mark Kuchler

Mark Langan

James Palermo

Jeff Nowak

Bill Holder

VILLAGE CLERK

Thomas Morsch

VILLAGE MANAGER

Robert Pilipszyn

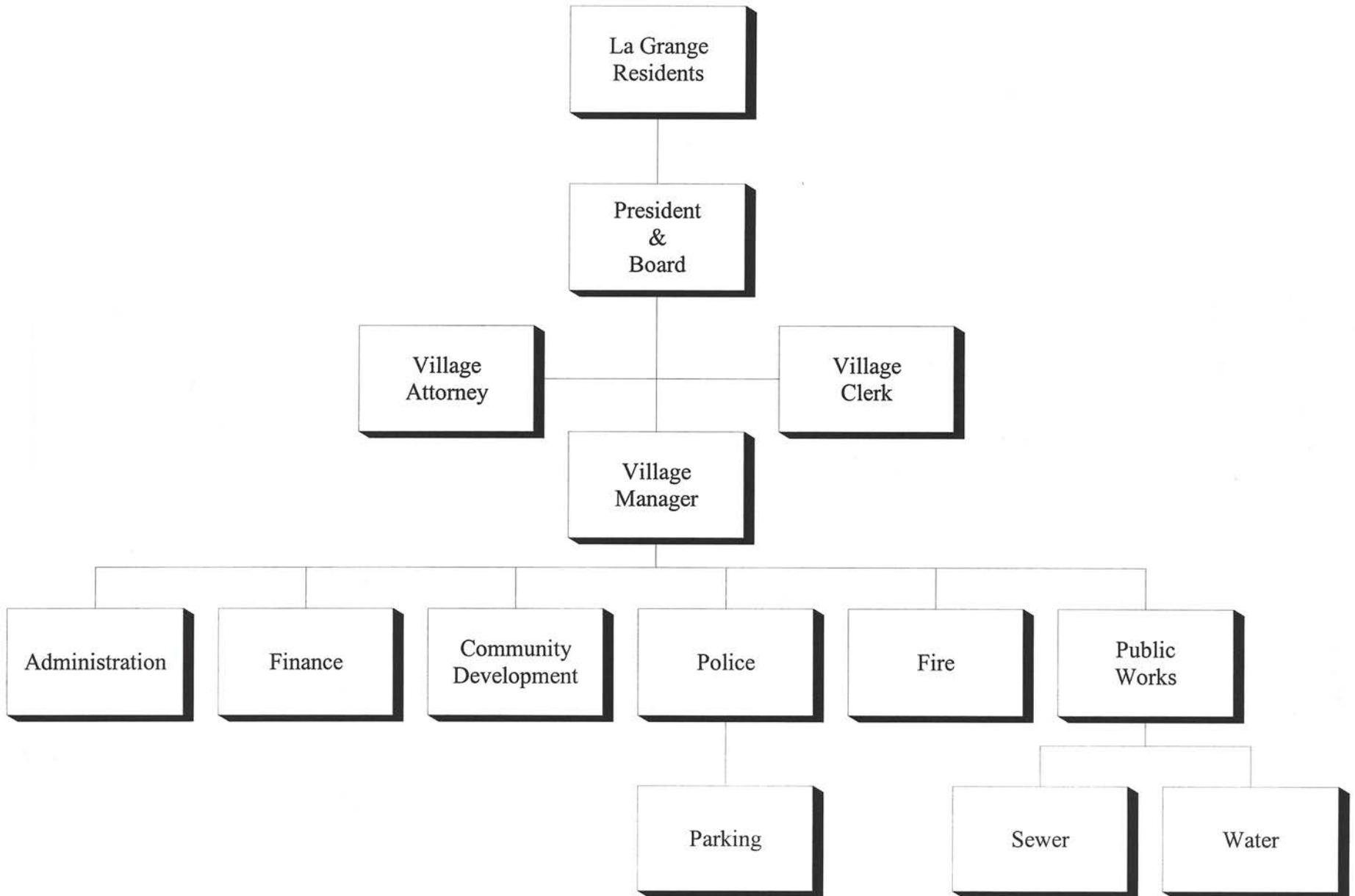
FINANCE DIRECTOR

Lou Cipparrone

ASSISTANT FINANCE DIRECTOR

Joseph Munizza

Village Of LaGrange
Organization Chart



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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Dandison

President

Jeffrey R. Emer

Executive Director

Village of La Grange



September 6, 2012

The Honorable Elizabeth Asperger, 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, 2012.

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 unqualified ("clean") opinion on the Village of La Grange financial statements for the year ended April 30, 2012. 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, 2012, 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. The La Grange Public Library, however, is shown as part of the reporting entity as a discretely presented component unit. The Public Library's financial data is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the Village. The Public Library's Board is elected by the voters of the Village. The Public Library may not issue bonded debt without the Village's approval, and its property taxes are levied by the Village on behalf of the library.

The annual budget is the guiding document for the Village's financial planning and control. The budget process starts in October when Department Heads are required to submit to the Village Manager, a proposed budget for the subsequent fiscal year as well as a projected budget for the next four years. After reviewing budgets with the Department Heads, the Village Manager presents the proposed budget to the Board of Trustees during a workshop in March. A copy of the draft budget is also available to the public at this time. The Village Board is required to hold a public hearing and to adopt the final budget no later than April 30th of each year. The level of budgetary control (i.e. the level at which expenditures cannot legally exceed the budgeted amount) is at the fund level. Revisions of the annual budget that alter the total expenditures of any fund may be approved by a two-thirds vote of the Village Board. The Village Manager may revise the annual budget by changing line items in the same general category without Board approval. Budget-to-actual comparisons are provided in this report for each governmental fund for which an annual budget has been adopted.

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 expenses by \$500,000 per year, to stabilize Village finances.

In addition to the cost containment plan, the Village is continuing with budget contraction including but not limited to the following non-personnel expense reductions: \$200,000 reduction in capital maintenance activities and reduced funding for the part-time police officer program.

Despite these austerity measures, the Village continues to be challenged by a decrease and flattening across our major revenue streams (e.g. — income tax, new growth component of the property tax levy, building permits, etc.) due to macro-economic conditions, and major operational and capital costs, health care expenditures, and required pension contributions in excess of those reduced revenues. Many of these revenue sources are still below actual annual revenue levels prior to the recession. In addition to our cost containment plan, the Village has had to offset the lost revenue with the use of its General Fund reserves. These reserves have yet to be replenished.

Despite these many fiscal pressures, the Village's financial health is well conditioned and is well positioned for an economic recovery. 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. As long as the Village exercises financial discipline by adhering closely to its five-year financial plan, carefully monitors operating expenses and is not quick to further spend reserve funds on new initiatives, the Village should be able to sustain itself during these difficult economic times.

Long-Term Financial Planning

At year end, fund balance in the General Fund (53.8 percent of General Fund operating expenditures) is within 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 flat 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.

In addition to the previously mentioned cost containment plan, the Village continues to examine other strategies to reduce and control future operating expenditures as a means to protect reserves. For example, the Village has partnered with the Village's of La Grange Park and Western Springs and commissioned a joint study to determine if opportunities exist for more cost effective delivery of public safety services. At this time, it appears that a combined dispatch service delivery model holds the most promise.

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.

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.

A renovation of the Stone Avenue train station to restore building integrity is anticipated to commence in 2012. 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.

While the approval of the mixed use development project at the northeast corner of La Grange Road and Ogden Avenue has expired, the Village worked with the YMCA to demolish the shuttered building in 2010, and landscaped the “hard corner” in mid-2011 to improve the walkability and appearance of this gateway intersection. We appreciate the cooperation of the Metro YMCA. This site continues to present a future redevelopment opportunity in La Grange. The vacant, two-story retail space once occupied by Borders is also both a challenge and opportunity for the Village. We continue to work with the cooperative property owner as to identifying potential tenants for the space, while at the same time recognizing limitations as a result of current economic conditions.

The Village continues to partner with the LGBA in coordinating marketing, promotional and special events. The LGBA’s addition of a part-time business coordinator has helped immensely. In response to the protracted economic conditions, the Village has also been and will continue to work with retailers and restaurateurs on retention strategies. In addition, the Village will be working with building owners, brokers, and bankers to strategize on ways to strengthen the Village’s economic vitality.

Despite tenuous economic conditions, we are still experiencing steady dining, shopping and theater-going traffic to La Grange. We are grateful to our residents who have demonstrated their understanding for the need to spend locally; to local retailers for sustaining themselves with determined entrepreneurial spirit; and to new business owners who decided to open during these difficult times and thus have placed their confidence in their future success by locating in La Grange.

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 \$9.7 million in grants to fund over \$18.5 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.

Pension and Other Post-Employment Benefits

Sworn police and fire personnel receive retirement and disability benefits from the La Grange Police Pension Fund and the La Grange Firefighters' Pension Fund, respectively. Both pension plans are single-employer plans administered by local boards of trustees. The defined benefits and employer and employee contribution levels are governed by Illinois state statutes. Police and Fire plan participants are required to contribute 9.91 percent and 9.455 percent of their base salaries, respectively. The Village is required to contribute the remaining amount necessary to finance the plans as determined by an independent actuary.

The State of Illinois recently approved pension reform legislation which includes several significant amendments : 1) funding changes for police and fire pension funds; 2) creation of a second tier of benefits for new hires effective January 1, 2011; and 3) expansion of the investment authority for pension funds. Funding changes include extending the amortization period of unfunded pension liabilities from the year 2033 to 2040. In addition, the pension reform legislation requires the calculation of a new minimum employer contribution (or floor), utilizing a specific actuarial cost method, Projected Unit Credit and 90% funding.

However, as actual funding can occur utilizing various cost methods or funding percentages, it was the consensus of the Village, Police and Fire Pension Boards to continue to use of the current actuarial cost method, Entry Age Normal, as it is designed to provide more stable employer contributions in amounts that increase at the same rate as the employer's payroll; and to continue to fund at 100% as this has been a long standing priority for the Village of La Grange.

Due to the recent funding changes from pension reform legislation, the Village had the opportunity to reduce the pension interest rate assumption from 7.5% to 7.0%, without creating an additional financial burden on the Village budget.

As of April 30, 2011 which is the latest available actuarial valuation date, the percent funded status for the Police and Firefighter Pension Fund's are 58.4 percent and 46.4 percent, respectively. The percent funded status decreased for the Police Pension Fund as lower investment returns are expected on a go forward basis, due to the change in the actuarial assumption for interest rates. The actuarial valuation for April 30, 2012 was not available prior to the auditors completing their fieldwork.

Pension funds across the State are still attempting to recover from the impact of significant investment losses in FY 2008-09 resulting from unprecedented negative returns in the equities market. As long as the Village remains committed to fund the required annual contributions (tax

levies) as determined by the independent actuarial valuations, the Police and Fire Pension Funds will reach the statutory requirements within the required timeframe.

Full-time and part-time employees, other than sworn police officers and firefighters, who work at least 1,000 hours per year, are covered by the Illinois Municipal Retirement Fund (IMRF), a state-wide pension plan. IMRF acts as a common investment and administrative agent for local governments in Illinois. Benefit provisions and funding requirements are estimated by state statutes. Employees participating in IMRF are required to contribute 4.5 percent of their annual salary and the Village is required to contribute the remaining amounts necessary to fund employee defined benefits.

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 \$10 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 next stage of MARS, from roughly Bluff Avenue to La Grange Road, is scheduled in FY 2013-14, funded by a combination of MFT and capital improvement program funds.

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 recommends the following streets for resurfacing in the five year capital improvement program:

- FY 2013-14 - 41st from Dover to Malden; Bell from Dover to Brainard and Park from Arlington to 41st: \$378,000
- FY 2015-16 - 50th 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 Newberry from Shawmut to end: \$930,000.

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 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.

Two new maintenance programs were recently included in the Capital Projects budget. The first program addresses a new threat to the urban forest which has appeared in the Chicago area called the Emerald Ash Borer (EAB.) This beetle attacks all species of ash trees by burrowing into the tree and disrupting the nutrient supply to the tree. EAB infestation is always fatal to the tree. The EAB had been found in surrounding communities and is most likely just a matter of time before the beetle was found in La Grange. After we requested and set several EAB traps from the Illinois Department of Natural Resources, the presence of the beetle was found in a single location; no damage to the host tree was observed.

We anticipate that all of the ash trees will need to be replaced and therefore have planned in the budget for the replacement of these trees over an eight year period beginning in FY 2011-12. Currently, there is no known treatment to inhibit the EAB from infesting a tree. There are several treatments that will protect a tree for a 2-3 year period, but they are currently cost prohibitive and unproven for long term prevention. We hope that a curative treatment will be discovered before the EAB reaches the Village. 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.

The second is 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 2015-16 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.

In summary, the Village intends to continue with its robust plan for the maintenance and replacement of its infrastructure, subject to available funding.

Awards and Acknowledgements

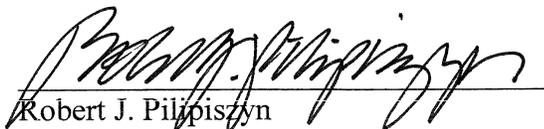
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of La Grange for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended April 30, 2011. This was the sixteenth 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 2011-12. 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 seventeen 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.

In addition, we would like to acknowledge President Asperger 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



1415 W. Diehl Road, Suite 400 • Naperville, IL 60563

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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of La Grange, Illinois, as of and for the year ended April 30, 2012, which collectively comprise the Village of La Grange, Illinois' basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of La Grange, Illinois' management. 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of La Grange, Illinois, as of April 30, 2012, 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.

The Village of La Grange, Illinois adopted GASB Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during the year ended April 30, 2012. The statement changed the classifications of governmental fund balances and clarified the definitions of existing fund types. The adoption of this statement had no effect on any of the Village of La Grange, Illinois' governmental funds' assets or liabilities nor was there any effect to the total amount of any of the Village of La Grange, Illinois' governmental fund balances as of and for the year ended April 30, 2012.

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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of La Grange, Illinois' basic financial statements. The combining and individual fund financial statements and schedules, 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 of La Grange, Illinois. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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
July 6, 2012

A handwritten signature in black ink, appearing to read "Sibich LLP". The signature is written in a cursive, flowing style.

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

VILLAGE OF LA GRANGE, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2012

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 Assets* presents information on all of the Village's assets and liabilities, with the difference of the two reported as net assets. The focus of the Statement of Net Assets (the "Unrestricted Net Assets") 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 assets 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 assets 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 by the

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

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 Assets 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 assets, 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 Assets:

Table 1
Statement of Net Assets
As of April 30, 2012

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other Assets	\$18,992,851	\$19,355,836	\$3,007,634	\$2,947,546	\$22,000,485	\$22,303,382
Capital Assets	27,754,844	25,138,688	19,130,919	19,561,148	46,885,763	44,699,836
Total Assets	46,747,695	44,494,524	22,138,553	22,508,694	68,886,248	67,003,218
Long term liabilities	2,475,254	2,701,717	207,610	195,451	2,682,864	2,897,168
Other Liabilities	6,570,747	6,535,992	447,195	399,446	7,017,942	6,935,438
Total Liabilities	9,046,001	9,237,709	654,805	594,897	9,700,806	9,832,606
Net Assets:						
Invested in capital assets,						
Net of debt	26,159,844	23,308,688	19,130,919	19,561,148	45,290,763	42,869,836
Restricted	1,971,413	2,436,668	-	-	1,971,413	2,436,668
Unrestricted	9,570,437	9,511,459	2,352,829	2,352,649	11,923,266	11,864,108
Total Net Assets	\$37,701,694	\$35,256,815	\$21,483,748	\$21,913,797	\$59,185,442	\$57,170,612

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

The Village's total net assets increased from \$57,170,612 in 2011 to \$59,185,442 in 2012 which is an increase in net assets of \$2,014,830. The increase in total net assets for Governmental Activities of approximately \$2,444,879 is primarily due to capitalized assets from grant funded construction projects and equipment purchases, being partially offset by current and other assets decreasing due to expenses exceeding revenues in the Motor Fuel Tax Fund and Debt Service Fund. Motor Fuel Tax funds were utilized to fund construction projects. The Debt Service Fund included a one-time transfer to the General Fund to support Village operations, pursuant to bond ordinance covenants. Total net assets for Business Type Activities decreased by approximately \$430,000 due to depreciation expense exceeding capitalized assets.

By far, the largest portion of the Village's total net assets (76.5%) reflects its 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 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 assets for governmental activities reflect the portion of net assets that can be used to finance day-to-day operations. Restricted net assets represent 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. Restricted Net Assets decreased as Motor Fuel Tax funds were utilized for the Bluff Avenue/MARS construction project.

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

Table 2
Change in Net Assets
For the Fiscal Year Ended April 30, 2012

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
REVENUES						
Program Revenues:						
Charges for Services	\$1,649,171	\$1,548,151	\$4,500,619	\$4,294,739	\$6,149,790	5,842,890
Operating Grant and Contr.	453,001	463,735	-	-	453,001	463,735
Capital grant and Contr.	2,316,228	1,947,291	-	-	2,316,228	1,947,291
General Revenues:						
Property Taxes	5,958,771	5,873,311	-	-	5,958,771	5,873,311
Other Taxes	4,330,699	4,225,566	-	-	4,330,699	4,225,566
Other	367,245	285,676	6,849	15,303	374,094	300,979
Total Revenues	15,075,115	14,343,730	4,507,468	4,310,042	19,582,583	18,653,772

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

Table 2 (continued)
Change in Net Assets
For the Fiscal Year Ended April 30, 2012

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
EXPENSES						
General Government	2,177,656	2,219,004	-	-	2,177,656	2,219,004
Public Safety	8,124,562	8,211,120	-	-	8,124,562	8,211,120
Highways and Streets	2,162,386	3,188,321	-	-	2,162,386	3,188,321
Economic Development	-	-	-	-	-	-
Interest	65,632	73,343	-	-	65,632	73,343
Water & Sewer	-	-	4,065,282	4,073,017	4,065,282	4,073,017
Parking	-	-	972,235	989,517	972,235	989,517
Total Expenses	12,530,236	13,691,788	5,037,517	5,062,534	17,567,753	18,754,322
Increase / (Decrease) before transfers	2,544,879	651,942	(530,049)	(752,493)	2,014,830	(100,551)
Transfers	(100,000)	(100,000)	100,000	100,000	-	-
Change in Net Assets	\$2,444,879	\$551,942	\$(430,049)	\$(652,493)	2,014,830	(\$100,551)

Governmental Activities

Charges for Services include revenues from Village fines, licenses and permits. Operating Grants and Contributions reflect annual Motor Fuel Tax receipts. Capital Grants and Contributions reflect federal Surface Transportation Program (STP) grants which funded 70 percent of the cost of the Bluff Avenue street reconstruction and Maple Avenue Relief Sewer (M.A.R.S.) projects. Capital Grants and Contributions increased significantly due to the timing of grant funding received for Phase II & III of the Bluff Avenue/M.A.R.S. project.

Property taxes continue to be the Village's largest revenue source generating \$5,958,771 which represents 39.5% 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 2010 property tax levy, which was collected in fiscal year 2012, included a CPI increase of 2.7 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 \$4,330,699 which represents 28.7% of the total governmental activity revenue.

Other Revenues reflect investment interest income, reimbursement for damage property, training and prosecution services, and other miscellaneous revenues.

The Village realizes the importance of offering competitive compensation and benefit packages for the recruitment and retention of employees. General Government expenses in

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

2012 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. The cost of providing employee health insurance has increased significantly over the last several years due to general market trends and claims experience. Health insurance premiums increased by 7.5 percent in 2012.

It is important to note that in response to recent recessionary conditions, the Village has implemented a comprehensive and multi-year cost containment strategy, largely involving a reduction of personnel expenses. Cost containment efforts which resulted in a reduction of General Government and Public Safety expenses in 2012, include the following:

- Maintain one full-time vacancy within the Village's three largest operating departments — Police, Fire and Public Works
- Increased the employee contribution toward monthly group health insurance premiums from 0% for single coverage, and 7.5% for family coverage to 10.0% of total premiums. Several significant plan design changes were also enacted to reduce the provider's renewal rate down to the Village's 7.5% budget assumption for group health insurance expenses.
- Elimination of two part-time positions, one in the Public Works Department and the other in the Finance Department.
- Mid-term wage concession by the Fire Union to reduce their scheduled general wage increase from 3.0% to 2.3%.
- Mid-term wage concession by the Public Works Union to reduce their scheduled general wage increase from 2.75% to 2.0%.
- No salary increases (general wage adjustment and merit pay) for the Village's management team — Village Manager, Assistant Village Manager, Finance Director, Director of Community Development, Director of Public Works, Police Chief and Fire Chief; second consecutive year for the Village Manager.
- General wage increase for all non-union employees was adjusted downward from 2.7% (which would have coincided with the property tax cap pursuant to compensation policy) to 2.0%.

Highway and Streets reflect decreased expenses in 2012 due to several large maintenance projects being completed in the prior fiscal year, including the Area H street resurfacing project. Maintenance projects are fully expensed in the year of completion rather than capitalized as an asset and depreciated over the estimated useful life.

Interest expenses decreased in 2012 due to reduced outstanding debt resulting from annual principal payments. No new debt was issued in fiscal year 2012. Transfers from governmental activities to business-like activities in 2011 reflect the annual transfer from the

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

General Fund to the Parking Fund to fund additional costs associated with the general maintenance and operations of the parking structure.

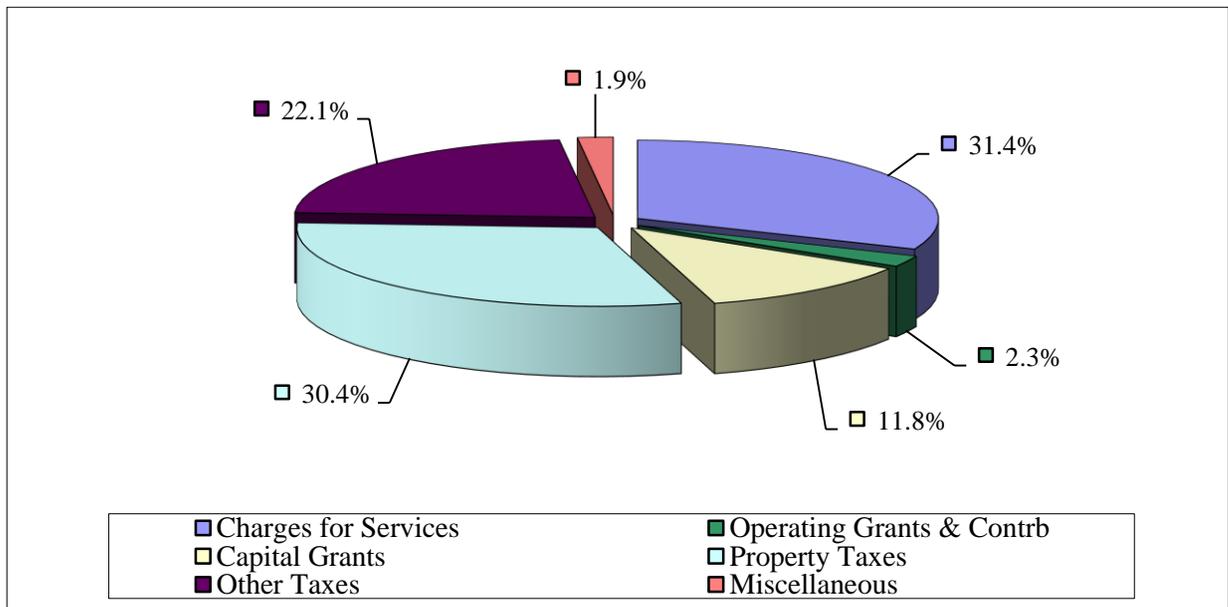
Business-Type Activities

Charges for Services increased significantly in 2012 due to a 10 percent increase in the Village’s water rate, effective May 1, 2011. The increase was necessary to provide additional funding for operations, maintenance and infrastructure replacement of the Village’s water distribution system. 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.

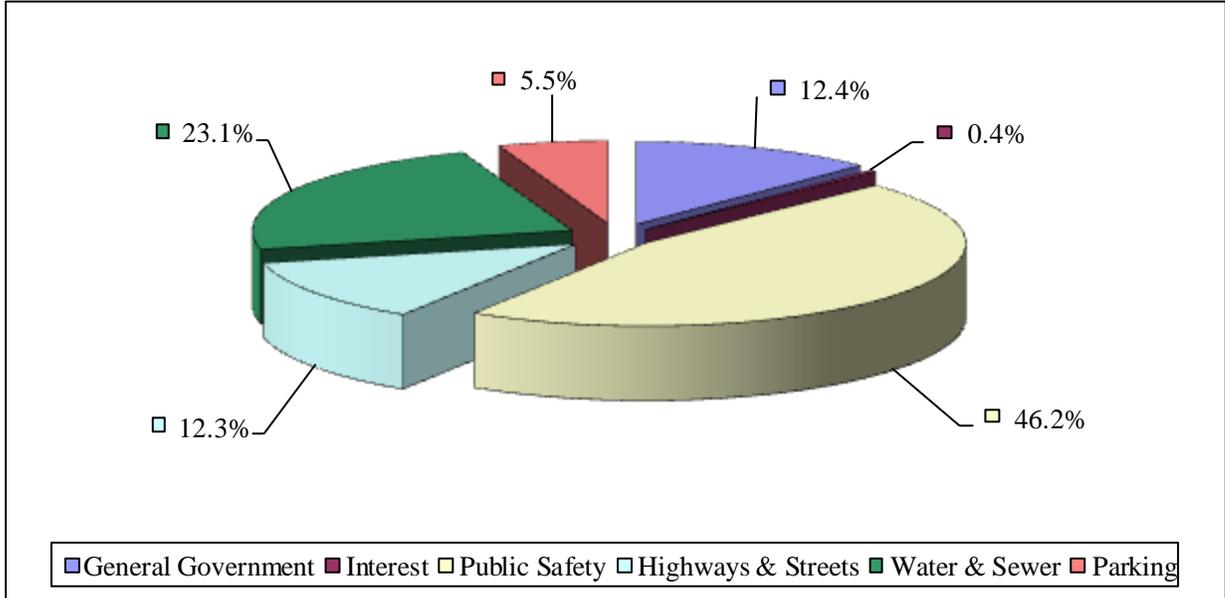
Expenses reflect a 25% water rate increase from the City of Chicago, effective January 1, 2012. The significant rate increase was primarily offset by lower than normal water usage during the wet spring/summer months of 2011, resulting in less water being purchased during the fiscal year. The City of Chicago also announced increases to water rates in the amounts of 15%, 15% and 15% over the next three years starting January 1, 2013. 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. However, the Village is in the process of replacing all existing water meters which may result in additional revenue. As such, the Village will reevaluate the need for subsequent water rate increases on an annual basis.

The following charts reflect revenues by source and expenses by function for governmental and business-type activities for the fiscal year ended April 30, 2012:

**Governmental and Business-Type Activities
Revenues by Source
Fiscal Year Ended April 30, 2012**



**Governmental and Business-Type Activities
Expenses by Function
Fiscal Year Ended April 30, 2012**



FUND FINANCIAL ANALYSIS

As noted earlier, the Village of La Grange uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. 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.

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.

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

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

At the end of fiscal year 2012, the General Fund reflected a decrease in fund balance of \$95,306. Various budget adjustments were approved due to estimated actual expenditures exceeding budget estimates. It is important to note, had the Village not taken cost containment measures, the General Fund deficit would have increased significantly.

General Fund budget amendments included: 1) special legal services required for matters involving prosecution of property maintenance cases; 2) professional services to amend site development guidelines related to grading and drainage; 3) increase in full-time salaries in the Fire Department due to the payment of accrued leave to firefighter who retired early in the fiscal year, increased overtime due to a vacancy and duty related injury, and increased repairs and maintenance for department vehicles.

Table 3 – General Fund Budgetary Highlights

	Original Budget	Amended Budget	Actual
Revenues and Transfers In			
Taxes	\$ 9,190,500	\$ 9,190,500	\$ 9,002,328
Licenses & Permits	1,080,965	1,080,965	1,062,973
Other	1,788,328	1,788,328	1,982,102
Transfers In	210,000	210,000	210,000
Total	\$ 12,269,793	\$ 12,269,793	\$ 12,257,403
Expenditures and Transfers Out			
General Government	(2,072,598)	(2,097,598)	(2,078,237)
Public Safety	(7,865,669)	(7,900,669)	(7,785,698)
Highways and Streets	(1,727,477)	(1,727,477)	(1,688,774)
Transfers Out	(800,000)	(800,000)	(800,000)
Total	\$ (12,465,744)	\$ (12,525,744)	\$ (12,352,709)
Changes in Fund Balance	\$ (195,951)	\$ (255,951)	\$ (95,306)

Tax revenues were under budget primarily due to the severity and length of the State’s economic recession. Property tax receipts decreased 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. Municipal utility taxes were also under budget due to unusually mild winter conditions.

Although municipal sales and non-home rule sales tax revenues were only slightly over budget during the fiscal year, it is important to note that sales tax revenues were originally projected to be under budget due to the closing of Borders in September, 2011. However, sales tax receipts from new retailers and restaurants more than made up for the lost sales tax from the loss of this large retail store.

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

Other Revenues were over budget primarily due to receipt of a portion of the settlement from the parking structure litigation (general contractor bankruptcy proceedings), and a reimbursement from FEMA for snow removal operations during the severe winter storm in February 2011. In addition, the Village received unanticipated reimbursements for damaged property, prosecution services and training costs. Ambulance fees were also over budget due to negotiated agreements with neighboring municipalities to begin billing for mutual aid ambulance calls. Partially offsetting the increase in other revenue was a decrease in investment earnings resulting from short-term interest rates remaining at less than one half of one percent.

General Government expenditures were under budget primarily due to the retirement of the cashier/receptionist in the Finance Department, with the position remaining vacant. In addition, Administration health insurance costs decreased to an employee electing changes in health insurance coverage.

Public Safety expenditures ended the year under budget due to the retirement of a police officer earlier than anticipated, net of payment of accrued leave; and employees electing changes in health insurance coverage. In addition, staffing for several special details was reduced due to grant requirements. Expenditures also reflect a decrease in employer contributions (ie. tax levies) resulting from impact of the lower than projected new growth figure and home foreclosures reducing property tax collections

Highway and Street Expenditures were under budget primarily due to due to reduced overtime and salt expenditures resulting from the unusually mild winter conditions, a decrease in leaf disposal costs due to favorable bids, and the postponement of the street sign replacement project. The Village also eliminated contractual wrapping of the trees on LaGrange Road for the Holiday Walk, 2011, as it was determined the lights could be replaced every other year without causing damage to the trees. Partially offsetting the reduced expenditures was the hiring of a General Utility Worker position six months earlier than anticipated due to the early retirement of the police officer.

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 \$200,000. 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 \$100,000 to partially fund operations and maintenance of Village lots and the parking structure.

Transfers Out expenditures do not reflect the establishment of a new **Asset Forfeiture Fund** to account for Federal Drug Enforcement Agency (DEA) distributions. Funds received during previous fiscal years, in the amount of \$262,519, were transferred to this special revenue fund at fiscal year-end. Previously these funds were incorporated into the General Fund for reporting purposes only.

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

The **Capital Projects Fund** includes reserves in the amount of approximately \$886,000 to replace aging infrastructure throughout the Village and the unforeseen contingency costs associated with the aggressive neighborhood street renovations projects and complex street reconstruction projects to be undertaken in the near future. Fund Balance increased in 2012 as planned capital projects were postponed due to other Village priorities.

Proprietary Funds

Net assets of the **Water, Sewer and Parking Funds** at year end totaled \$21,483,748. Net Assets decreased during the year by \$430,049 due to operating expenses, which includes depreciation expense of \$658,115, exceeding operating revenues. 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, 2012 is \$46,885,763. 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.

Table 4
Capital Assets
Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities			Total	
	2012	2011	2012	2011	2012	2011	
Non-Depreciable Assets							
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	5,882,376	3,653,422	-	-	5,882,376	3,847,421	
Other Capital Assets							
Buildings	2,249,882	2,280,729	7,811,643	8,007,826	9,961,525	10,288,555	
Improvements	923,035	981,672	-	-	923,035	981,672	
Street Infrastructure	7,365,996	7,553,206	-	-	7,365,996	7,553,206	
Storm Sewers	430,000	451,911	-	-	430,000	451,911	

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

Table 4 (cont.)
Capital Assets
Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Equipment	2,888,310	2,102,502	35,848	37,149	2,924,158	2,139,649
Water System	-	-	7,484,064	7,868,287	7,484,064	7,868,284
Sewer System	-	-	2,211,792	2,071,918	2,211,792	2,071,919
Parking Improvements	-	-	216,837	11,234	216,837	11,235
Total	\$27,754,844	\$25,138,688	\$19,130,919	\$19,561,148	\$46,885,763	\$44,699,836

Total Capital Assets for Governmental Activities reflect an increase in Construction in Progress. Construction in Progress in 2012 and 2011 for both Governmental Activities and Business-type Activities reflects engineering and construction for the Bluff Avenue street reconstruction project and the Maple Avenue Relief Sewer (M.A.R.S.) project. Equipment capital assets also increased due to the replacement of the HVAC systems at Village Hall and Public Works. Total Capital Assets for Business-Type Activities decreased due to depreciation expense exceeding capitalized assets.

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 \$8,400,000 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 \$61,236,720; 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	
	2012	2011	2012	2011	2012	2011
General Obligation Bonds (ARS Refunding Bonds Series 2005)	1,595,000	1,830,000	-	-	1,595,000	1,830,000
Village only Totals	1,595,000	1,830,000	-	-	1,595,000	1,830,000
General Obligation bonds Series 2004 Library Bonds	6,805,000	7,200,000	-	-	6,805,000	7,200,000
Village & Library Totals	\$ 8,400,000	\$ 9,030,000	-	-	\$ 8,400,000	\$9,030,000

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.

Although the La Grange Public Library is a legally separate entity from the Village it is included in the Village’s financial statements as a discretely presented component unit. The Library may not issue bonded debt without the Village’s approval, and its property taxes are levied by the Village on behalf of the library. 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 Village’s bond rating of Aa3 was affirmed by Moody’s Investors Services as part of the \$9,320,000 Series 2004 Library bond issue. As stated by Moody’s, this rating reflects the steady growth in the Village’s mature tax base, sound financial operations that allow for significant pay-as-you-go financing, adequate reserves, modest levels of direct debt owing to substantial current funding of projects, and the ability to operate well within a limited resource environment.

The Village is in the process of refunding the outstanding General Obligation, Library bonds, Series 2004 due to the current low interest rate environment. The Village also anticipates issuing \$2.2 million of General Obligation, alternate revenue bonds to fund a water meter replacement program to address ongoing water accountability, and for infrastructure and technology improvements at the Village’s water pumping station.

The Village has requested a meeting with Moody's Investors Services in order to obtain a current bond rating for these pending bond issues. The Village will meet Moody's to discuss financial operations, economic development initiatives, management and current/future debt.

Additional information on the Village's long-term debt can be found in the Notes to the Financial Statements, notes # 6 and #11.

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 ASSETS

April 30, 2012

	Governmental Activities	Business-Type Activities	Total	Component Unit Library
ASSETS				
Cash and cash equivalents	\$ 5,221,044	\$ 1,163,404	\$ 6,384,448	\$ 3,439,677
Investments	9,234,061	1,159,763	10,393,824	-
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	3,110,654	-	3,110,654	1,312,032
Accounts	38,784	680,719	719,503	-
Accrued interest	20,156	3,748	23,904	-
Due from other governments	1,093,300	-	1,093,300	-
Due from fiduciary funds	224,067	-	224,067	-
Prepaid expenses	568	-	568	5,096
Deferred costs	-	-	-	115,477
Net pension asset	50,217	-	50,217	-
Net other postemployment benefit asset	-	-	-	2,404
Capital assets, not being depreciated	13,997,622	1,370,735	15,368,357	94,418
Capital assets being depreciated (net of accumulated depreciation)	13,757,222	17,760,184	31,517,406	7,925,135
Total assets	46,747,695	22,138,553	68,886,248	12,894,239
LIABILITIES				
Accounts payable	192,758	184,220	376,978	4,113
Accrued payroll	91,496	13,236	104,732	26,602
Accrued interest payable	25,127	-	25,127	114,190
Deposits	-	5,749	5,749	-
Unearned revenues				
Property tax	6,240,336	-	6,240,336	2,691,745
Other	12,240	243,990	256,230	-
Due to component unit	8,790	-	8,790	-
Noncurrent liabilities				
Due within one year	367,349	43,737	411,086	460,763
Due in more than one year	2,107,905	163,873	2,271,778	6,485,617
Total liabilities	9,046,001	654,805	9,700,806	9,783,030
NET ASSETS				
Invested in capital assets, net of related debt	26,159,844	19,130,919	45,290,763	1,164,821
Restricted for maintenance of roadways	1,485,123	-	1,485,123	-
Restricted for public safety	223,665	-	223,665	-
Restricted for drug forfeiture	262,625	-	262,625	-
Unrestricted	9,570,437	2,352,829	11,923,266	1,946,388
TOTAL NET ASSETS	\$ 37,701,694	\$ 21,483,748	\$ 59,185,442	\$ 3,111,209

See accompanying notes to financial statements.

VILLAGE OF LA GRANGE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2012

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants	Capital Grants
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 2,177,656	\$ 606,493	\$ -	\$ -
Public safety	8,124,562	698,118	1,100	-
Highways and streets	2,162,386	344,560	451,901	2,316,228
Interest	65,632	-	-	-
Total governmental activities	12,530,236	1,649,171	453,001	2,316,228
Business-Type Activities				
Water	3,608,282	3,418,705	-	-
Sewer	457,000	379,483	-	-
Parking	972,235	702,431	-	-
Total business-type activities	5,037,517	4,500,619	-	-
TOTAL PRIMARY GOVERNMENT	\$ 17,567,753	\$ 6,149,790	\$ 453,001	\$ 2,316,228
COMPONENT UNIT - LIBRARY				
Culture and recreation	\$ 2,128,132	\$ 35,303	\$ -	\$ -
Interest	290,842	-	-	-
TOTAL COMPONENT UNIT - LIBRARY	\$ 2,418,974	\$ 35,303	\$ -	\$ -

	Net (Expense) Revenue and Change in Net Assets			
	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		Library
	\$ (1,571,163)	\$ -	\$ (1,571,163)	\$ -
	(7,425,344)	-	(7,425,344)	-
	950,303	-	950,303	-
	(65,632)	-	(65,632)	-
	(8,111,836)	-	(8,111,836)	-
	-	(189,577)	(189,577)	-
	-	(77,517)	(77,517)	-
	-	(269,804)	(269,804)	-
	-	(536,898)	(536,898)	-
	(8,111,836)	(536,898)	(8,648,734)	-
	-	-	-	(2,092,829)
	-	-	-	(290,842)
	-	-	-	(2,383,671)
General Revenues				
Taxes				
Property	5,958,771	-	5,958,771	2,619,396
Replacement	240,920	-	240,920	18,767
Sales, local use	1,809,302	-	1,809,302	-
Utility	477,806	-	477,806	-
Telecommunications	535,368	-	535,368	-
Shared income	1,267,303	-	1,267,303	-
Investment income	32,302	6,849	39,151	6,670
Miscellaneous	334,943	-	334,943	33,613
Transfers	(100,000)	100,000	-	-
Total	10,556,715	106,849	10,663,564	2,678,446
CHANGE IN NET ASSETS	2,444,879	(430,049)	2,014,830	294,775
NET ASSETS, MAY 1	35,256,815	21,913,797	57,170,612	2,816,434
NET ASSETS, APRIL 30	\$ 37,701,694	\$ 21,483,748	\$ 59,185,442	\$ 3,111,209

See accompanying notes to financial statements.

VILLAGE OF LA GRANGE, ILLINOIS

GOVERNMENTAL FUNDS
BALANCE SHEET

April 30, 2012

	General	Motor Fuel Tax	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 2,739,976	\$ 860,994	\$ 990,836	\$ 10,500	\$ 489,927	\$ 5,092,233
Investments	5,895,711	593,047	-	-	-	6,488,758
Receivables (net, where applicable, of allowances for uncollectibles)						
Property taxes	3,110,654	-	-	-	-	3,110,654
Accounts	38,784	-	-	-	-	38,784
Accrued interest	13,984	893	-	-	-	14,877
Other	568	-	-	-	-	568
Due from other governments	1,045,553	30,189	13,558	-	4,000	1,093,300
Due from other funds	5,977	-	-	-	-	5,977
Due from fiduciary funds	224,067	-	-	-	-	224,067
TOTAL ASSETS	\$ 13,075,274	\$ 1,485,123	\$ 1,004,394	\$ 10,500	\$ 493,927	\$ 16,069,218

	General	Motor Fuel Tax	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 72,719	\$ -	\$ 118,379	\$ -	\$ 1,660	\$ 192,758
Accrued payroll	91,496	-	-	-	-	91,496
Unearned revenues						
Property tax	6,240,336	-	-	-	-	6,240,336
Other	12,240	-	-	-	-	12,240
Due to component unit	8,790	-	-	-	-	8,790
Due to other funds	-	-	-	-	5,977	5,977
Total liabilities	6,425,581	-	118,379	-	7,637	6,551,597
FUND BALANCES						
Restricted for maintenance of roadways	-	1,485,123	-	-	-	1,485,123
Restricted for public safety	-	-	-	-	223,665	223,665
Restricted for drug forfeiture	-	-	-	-	262,625	262,625
Assigned for economic development	747,885	-	-	-	-	747,885
Assigned for capital projects	-	-	886,015	-	-	886,015
Assigned for debt service	-	-	-	10,500	-	10,500
Unassigned	5,901,808	-	-	-	-	5,901,808
Total fund balances	6,649,693	1,485,123	886,015	10,500	486,290	9,517,621
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,075,274	\$ 1,485,123	\$ 1,004,394	\$ 10,500	\$ 493,927	\$ 16,069,218

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 ASSETS

April 30, 2012

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 9,517,621
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	27,754,844
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds	(1,595,000)
Accrued compensated absences	(638,127)
Interest payable is not reported in the governmental funds	(25,127)
Net pension asset is shown as an asset on the statement of net assets	50,217
Net pension obligation (Fire pension) is shown as a liability on the statement of net assets	(34,533)
Net pension obligation (IMRF) is shown as a liability on the statement of net assets	(102,211)
Net other postemployment benefits obligation is shown as a liability on the statement of net assets	(105,383)
The unrestricted net assets of the internal service fund are included in the governmental activities in the statement of net assets	<u>2,879,393</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 37,701,694</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, 2012

	General	Motor Fuel Tax	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 9,002,328	\$ -	\$ -	\$ -	\$ 19,839	\$ 9,022,167
Intergovernmental	1,414,150	451,901	594,694	-	19,607	2,480,352
Charges for services	-	-	1,190	-	277,043	278,233
Fines, licenses and permits	1,062,973	-	-	-	-	1,062,973
Investment income	27,285	4,269	175	78	-	31,807
Miscellaneous	540,667	-	38,368	-	495	579,530
Total revenues	12,047,403	456,170	634,427	78	316,984	13,455,062
EXPENDITURES						
Current						
General government	2,078,237	-	-	-	-	2,078,237
Public safety	7,785,698	-	-	-	217,364	8,003,062
Highways and streets	1,688,774	-	-	-	-	1,688,774
Capital outlay	-	-	1,478,342	-	-	1,478,342
Debt service						
Principal retirement	-	-	-	235,000	-	235,000
Interest and fiscal charges	-	-	-	68,765	-	68,765
Total expenditures	11,552,709	-	1,478,342	303,765	217,364	13,552,180
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	494,694	456,170	(843,915)	(303,687)	99,620	(97,118)

	General	Motor Fuel Tax	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 210,000	\$ -	\$ 1,500,622	\$ 143,765	\$ -	\$ 1,854,387
Transfers (out)	(1,062,519)	(800,622)	(303,765)	-	212,519	(1,954,387)
Total other financing sources (uses)	(852,519)	(800,622)	1,196,857	143,765	212,519	(100,000)
NET CHANGE IN FUND BALANCES	(357,825)	(344,452)	352,942	(159,922)	312,139	(197,118)
FUND BALANCES, MAY 1	7,007,518	1,829,575	533,073	170,422	174,151	9,714,739
FUND BALANCES, APRIL 30	\$ 6,649,693	\$ 1,485,123	\$ 886,015	\$ 10,500	\$ 486,290	\$ 9,517,621

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, 2012

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (197,118)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, they are capitalized in the statement of activities	1,979,824
Less internal services funds	(595,529)
Contributions of capital assets are reported as revenue on the statement of activities	1,620,053
Capital assets are depreciated on the statement of activities	(983,721)
Less internal services funds	512,547
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	235,000
The change in compensated absences is shown as an expense on the statement of activities	70,315
Accrual of interest is reported as interest expense on the statement of activities	3,133
The change in the net pension asset/obligation is shown as an expense on the statement of activities	(36,180)
The change in the net pension obligation (IMRF) is shown as an expense on the statement of activities	(30,478)
The change in the net other postemployment benefits payable (OPEB) is shown as an expense on the statement of activities	(26,877)
Internal service funds are reported separately in the fund financial statements	<u>(106,090)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 2,444,879</u>

See accompanying notes to financial statements.

VILLAGE OF LA GRANGE, ILLINOIS

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS

April 30, 2012

	Water	Parking	Sewer	Total	Internal Service Equipment Replacement
CURRENT ASSETS					
Cash and cash equivalents	\$ 275,142	\$ 785,341	\$ 102,921	\$ 1,163,404	\$ 128,811
Investments	317,663	842,100	-	1,159,763	2,745,303
Receivables					
Accounts	609,884	-	70,835	680,719	-
Accrued interest	303	3,445	-	3,748	5,279
Total current assets	1,202,992	1,630,886	173,756	3,007,634	2,879,393
NONCURRENT ASSETS					
Capital assets					
Not being depreciated	20,897	1,349,838	-	1,370,735	-
Being depreciated, at cost	15,783,694	11,348,255	4,101,381	31,233,330	5,070,386
Less accumulated depreciation	(8,258,836)	(3,333,750)	(1,880,560)	(13,473,146)	(3,053,059)
Net capital assets	7,545,755	9,364,343	2,220,821	19,130,919	2,017,327
Total assets	8,748,747	10,995,229	2,394,577	22,138,553	4,896,720
CURRENT LIABILITIES					
Accounts payable	146,897	27,136	10,187	184,220	-
Accrued payroll	6,945	4,550	1,741	13,236	-
Deposits	5,749	-	-	5,749	-
Unearned revenue	-	243,990	-	243,990	-
Compensated absences payable	43,737	-	-	43,737	-
Total current liabilities	203,328	275,676	11,928	490,932	-
NONCURRENT LIABILITIES					
Other postemployment benefits payable	5,932	1,909	2,269	10,110	-
Net pension obligation	30,664	20,443	10,221	61,328	-
Compensated absences payable	55,141	20,788	16,506	92,435	-
Total noncurrent liabilities	91,737	43,140	28,996	163,873	-
Total liabilities	295,065	318,816	40,924	654,805	-
NET ASSETS					
Invested in capital assets	7,545,755	9,364,343	2,220,821	19,130,919	2,017,327
Unrestricted	907,927	1,312,070	132,832	2,352,829	2,879,393
TOTAL NET ASSETS	\$ 8,453,682	\$ 10,676,413	\$ 2,353,653	\$ 21,483,748	\$ 4,896,720

See accompanying notes to financial statements.

VILLAGE OF LA GRANGE, ILLINOIS

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

For the Year Ended April 30, 2012

	Water	Parking	Sewer	Total	Internal Service Equipment Replacement
OPERATING REVENUES					
Water sales	\$ 3,321,610	\$ -	\$ -	\$ 3,321,610	\$ -
Sewer fees	-	-	373,883	373,883	-
Water meter installation	38,940	-	-	38,940	-
Sewer connection fees	-	-	5,600	5,600	-
Delinquent penalties	42,869	-	-	42,869	-
Fire lines	12,370	-	-	12,370	-
Parking meter collections	-	81,678	-	81,678	-
Parking decal sales	-	441,255	-	441,255	-
Parking fines	-	144,528	-	144,528	-
Charges for services	-	-	-	-	515,117
Miscellaneous income	2,916	34,970	-	37,886	-
Total operating revenues	3,418,705	702,431	379,483	4,500,619	515,117
OPERATING EXPENSES					
Personnel services	1,237,576	687,878	286,077	2,211,531	-
Supplies and materials	30,527	11,937	7,186	49,650	-
Contractual services	1,859,151	48,669	33,646	1,941,466	-
Other	84,998	18,908	72,849	176,755	258,386
Depreciation	396,030	204,843	57,242	658,115	512,547
Total operating expenses	3,608,282	972,235	457,000	5,037,517	770,933
OPERATING INCOME (LOSS)	(189,577)	(269,804)	(77,517)	(536,898)	(255,816)
NONOPERATING REVENUES (EXPENSES)					
Investment income	1,628	4,630	591	6,849	12,153
Gain on sale of capital assets	-	-	-	-	137,573
Total nonoperating revenues (expenses)	1,628	4,630	591	6,849	149,726
INCOME (LOSS) BEFORE TRANSFERS	(187,949)	(265,174)	(76,926)	(530,049)	(106,090)
TRANSFERS	-	100,000	-	100,000	-
CHANGE IN NET ASSETS	(187,949)	(165,174)	(76,926)	(430,049)	(106,090)
NET ASSETS, MAY 1	8,641,631	10,841,587	2,430,579	21,913,797	5,002,810
NET ASSETS, APRIL 30	\$ 8,453,682	\$ 10,676,413	\$ 2,353,653	\$ 21,483,748	\$ 4,896,720

See accompanying notes to financial statements.

VILLAGE OF LA GRANGE, ILLINOIS

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2012

	Water	Parking	Sewer	Total	Internal Service Equipment Replacement
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 3,335,097	\$ 698,706	\$ 380,124	\$ 4,413,927	\$ -
Payments to suppliers	(1,923,225)	(34,557)	(64,849)	(2,022,631)	(258,386)
Payments to employees	(1,234,599)	(677,112)	(278,716)	(2,190,427)	-
(Receipts) payments to internal service funds	(45,055)	(18,908)	(38,747)	(102,710)	515,117
Net cash from operating activities	132,218	(31,871)	(2,188)	98,159	256,731
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of capital assets	-	-	-	-	137,573
Acquisition of capital assets	(6,895)	(214,096)	(6,895)	(227,886)	(595,529)
Net cash from capital and related financing activities	(6,895)	(214,096)	(6,895)	(227,886)	(457,956)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES					
Payment to other funds	(442,000)	-	(194,000)	(636,000)	-
Transfers in	-	100,000	-	100,000	-
Net cash from noncapital and related financing activities	(442,000)	100,000	(194,000)	(536,000)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(101,868)	(1,293,500)	-	(1,395,368)	(2,351,844)
Proceeds from sale of investments	591,272	1,290,700	200,000	2,081,972	2,586,176
Interest received	7,359	4,616	765	12,740	18,917
Net cash from investing activities	496,763	1,816	200,765	699,344	253,249
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	180,086	(144,151)	(2,318)	33,617	52,024
CASH AND CASH EQUIVALENTS, MAY 1	95,056	929,492	105,239	1,129,787	76,787
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 275,142	\$ 785,341	\$ 102,921	\$ 1,163,404	\$ 128,811
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ (189,577)	\$ (269,804)	\$ (77,517)	\$ (536,898)	\$ (255,816)
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation	396,030	204,843	57,242	658,115	512,547
Changes in assets and liabilities					
Accounts receivable	(83,608)	-	641	(82,967)	-
Accounts payable	6,396	26,049	10,085	42,530	-
Accrued payroll	4,654	3,078	1,212	8,944	-
Deferred revenue	-	(3,725)	-	(3,725)	-
Other post employment benefits	1,513	487	579	2,579	-
Net pension obligation - IMRF	9,144	6,096	3,048	18,288	-
Compensated absences	(12,334)	1,105	2,522	(8,707)	-
NET CASH FROM OPERATING ACTIVITIES	\$ 132,218	\$ (31,871)	\$ (2,188)	\$ 98,159	\$ 256,731

See accompanying notes to financial statements.

VILLAGE OF LA GRANGE, ILLINOIS
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET ASSETS

April 30, 2012

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 663,992	\$ 2
Investments, at fair value		
U.S. Government and agency securities	3,400,851	-
Insurance contracts	12,982,284	-
Stocks	5,691,461	-
Corporate bonds	1,442,585	-
Municipal bonds	89,503	-
Receivables		
Assessments	-	51,599
Accrued interest	41,974	-
	24,312,650	\$ 51,601
Total assets		
LIABILITIES		
Due to the General Fund	194,736	\$ 29,331
Due to bondholders	-	22,269
Due to property owners	-	1
	194,736	\$ 51,601
Total liabilities		
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ 24,117,914	

See accompanying notes to financial statements.

VILLAGE OF LA GRANGE, ILLINOIS

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

For the Year Ended April 30, 2012

ADDITIONS

Contributions

Employer contributions	\$ 1,547,775
Employee contributions	348,903
Other	<u>185</u>

Total contributions	<u>1,896,863</u>
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Investment income

Net appreciation in fair value of investments	133,098
Interest	<u>212,386</u>

Total investment income	345,484
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Less investment expense	<u>(79,643)</u>
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Net investment income	<u>265,841</u>
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Total additions	<u>2,162,704</u>
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DEDUCTIONS

Benefits and refunds	2,617,233
Administrative expenses	4,000
Miscellaneous	<u>17,689</u>

Total deductions	<u>2,638,922</u>
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NET INCREASE (DECREASE)	(476,218)
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NET ASSETS HELD IN TRUST FOR
PENSION BENEFITS

May 1	<u>24,594,132</u>
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April 30	<u><u>\$ 24,117,914</u></u>
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See accompanying notes to financial statements.

VILLAGE OF LA GRANGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

April 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

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

Discretely Presented Component Unit

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

La Grange Public Library

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

The Village's financial statements include pension trust funds:

Police Pension Employees Retirement System

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

Firefighters' Pension Employees Retirement System

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting

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

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

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

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

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

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

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. Interfund services provided and used are not eliminated for this purpose. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely, to a significant extent, on fees and charges for support.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The Village reports the following major governmental funds:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the Village reports the following funds:

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, with the exception of the agency funds which do not have a measurement focus. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period. The Village recognizes property taxes when they become both measurable and available in the period intended to finance. A 90 day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

e. Cash and Investments

Cash and Cash Equivalents

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

Investments

Investments are stated at fair value.

f. Short-Term Interfund Receivables/Payables

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

g. Prepaid Items/Expenses

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets

Capital assets which include property, plant, equipment, intangible assets and infrastructure assets (e.g., roads, bridges and storm sewers) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$10,000 for furniture, equipment and vehicles and \$100,000 for building, building improvements and infrastructure plus an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Compensated Absences

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

j. Long-Term Obligations

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

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

k. Fund Balance/Net Assets

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village's Board of Trustees, which is considered the Village's highest level of decision making authority. Formal actions include resolutions and ordinances approved by the Board. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Village Manager by the Village Board of Trustees. Any residual fund balance is reported as unassigned.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Fund Balance/Net Assets (Continued)

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

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

2. DEPOSITS AND INVESTMENTS

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

The Village's investment policy authorizes the Village to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds and IMET.

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

2. DEPOSITS AND INVESTMENTS (Continued)

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

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

a. Village Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance. At April 30, 2012, the Village had bank balances of \$16,032 that were uninsured and uncollateralized.

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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

b. Village Investments (Continued)

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in short-term commercial paper rated A+ to AAA by Standard and Poor's. Illinois Funds and the Illinois Metropolitan Investment Fund are rated AAA by Standard and Poor's.

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

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

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

Diversification by Financial Institution

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

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

b. Village Investments (Continued)

Diversification by Financial Institution (Continued)

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

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

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

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

d. Police Pension Fund Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2012:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury obligations	\$ 2,332,007	\$ 600,090	\$ 893,319	\$ 838,598	\$ -
U.S. agency obligations	447,154	-	239,523	93,314	114,317
Corporate bonds	1,076,603	-	885,341	191,262	-
Municipal bonds	68,490	-	30,764	37,726	-
TOTAL	\$ 3,924,254	\$ 600,090	\$ 2,048,947	\$ 1,160,900	\$ 114,317

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 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. 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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

d. Police Pension Fund Investments (Continued)

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

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

e. Firefighters' Pension Fund Investments

The following table presents the investments and maturities of the Firefighters' Pension Fund's debt securities as of April 30, 2012:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury obligations	\$ 492,681	\$ -	\$ 284,631	\$ 208,050	\$ -
U.S. agency obligations	129,009	-	82,301	40,114	6,594
Corporate bonds	365,982	-	289,130	76,852	-
Municipal bonds	21,013	-	10,255	10,758	-
TOTAL	\$ 1,008,685	\$ -	\$ 666,317	\$ 335,774	\$ 6,594

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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

e. Firefighters' Pension Fund Investments (Continued)

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

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

3. RECEIVABLES

Property taxes for 2011 attach as an enforceable lien on January 1, 2011 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, 2012 and August 1, 2012 and are payable in two installments, on or about March 1, 2012 and September 1, 2012. 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 2012 tax levy, which attached as an enforceable lien on property as of January 1, 2012, has not been recorded as a receivable as of April 30, 2012, as the tax has not yet been levied by the Village and will not be levied until December 2012 and, therefore, the levy is not measurable at April 30, 2012.

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

GOVERNMENTAL ACTIVITIES	
Income taxes	\$ 463,817
Sales taxes	412,743
Utility taxes	168,993
MFT allotment	30,189
9-1-1 fees	4,000
Grants	<u>13,558</u>
TOTAL	<u>\$ 1,093,300</u>

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

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2012 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Construction in progress	\$ 3,653,422	\$ 2,450,770	\$ 221,816	\$ 5,882,376
Land	539,948	-	-	539,948
Land right of way	7,575,298	-	-	7,575,298
Total capital assets not being depreciated	11,768,668	2,450,770	221,816	13,997,622
Capital assets being depreciated				
Buildings	5,898,888	-	-	5,898,888
Improvements	2,530,018	-	-	2,530,018
Street infrastructure	11,633,273	-	-	11,633,273
Storm sewers	1,695,557	-	-	1,695,557
Equipment	5,546,892	1,370,923	453,596	6,464,219
Total capital assets being depreciated	27,304,628	1,370,923	453,596	28,221,955
Less accumulated depreciation for				
Buildings	3,618,159	130,848	-	3,749,007
Improvements	1,548,346	58,637	-	1,606,983
Street infrastructure	4,080,067	187,209	-	4,267,276
Storm sewers	1,243,646	21,912	-	1,265,558
Equipment	3,444,390	585,115	453,596	3,575,909
Total accumulated depreciation	13,934,608	983,721	453,596	14,464,733
Total capital assets being depreciated, net	13,370,020	387,202	-	13,757,222
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET				
	\$ 25,138,688	\$ 2,837,972	\$ 221,816	\$ 27,754,844
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 1,370,735	\$ -	\$ -	\$ 1,370,735
Construction in progress	193,999	-	193,999	-
Total capital assets not being depreciated	1,564,734	-	193,999	1,370,735
Capital assets being depreciated				
Building and building improvements	9,386,936	-	-	9,386,936
Water distribution system	15,227,759	-	-	15,227,759
Sewer distribution system	3,872,654	193,999	-	4,066,653
Parking improvements	1,775,449	214,096	-	1,989,545
Equipment	548,647	13,790	-	562,437
Total capital assets being depreciated	30,811,445	421,885	-	31,233,330

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

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES (Continued)				
Less accumulated depreciation for				
Building and building improvements	\$ 1,379,110	\$ 196,183	\$ -	\$ 1,575,293
Water distribution system	7,359,472	384,223	-	7,743,695
Sewer distribution system	1,800,736	54,125	-	1,854,861
Parking improvements	1,764,215	8,493	-	1,772,708
Equipment	511,498	15,091	-	526,589
Total accumulated depreciation	<u>12,815,031</u>	<u>658,115</u>	<u>-</u>	<u>13,473,146</u>
 Total capital assets being depreciated, net	 <u>17,996,414</u>	 <u>(236,230)</u>	 <u>-</u>	 <u>17,760,184</u>
 BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	 <u>\$ 19,561,148</u>	 <u>\$ (236,230)</u>	 <u>\$ 193,999</u>	 <u>\$ 19,130,919</u>

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

GOVERNMENTAL ACTIVITIES

General government	\$ 87,242
Public safety	410,970
Highways and streets	<u>485,509</u>

TOTAL DEPRECIATION EXPENSE - GOVERNMENT ACTIVITIES \$ 983,721

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.

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

5. RISK MANAGEMENT (Continued)

Intergovernmental Risk Management Agency (IRMA) (Continued)

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

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

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

6. LONG-TERM DEBT

a. General Obligation Bonds

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

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

	Fund Debt Retired by	Balances May 1	Issuances	Reductions	Balances April 30	Current Portion
\$2,785,000 Alternate Revenue Refunding Bonds dated December 22, 2005 due in annual installments from \$135,000 to \$295,000 plus interest from 3.20% to 3.90% through December 1, 2017.	Debt Service	\$ 1,830,000	\$ -	\$ 235,000	\$ 1,595,000	\$ 240,000
TOTAL GENERAL OBLIGATION BONDS		\$ 1,830,000	\$ -	\$ 235,000	\$ 1,595,000	\$ 240,000

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.

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

6. LONG-TERM DEBT (Continued)

b. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending April 30,	Alternate Revenue Bonds	
	Principal	Interest
2013	\$ 240,000	\$ 60,305
2014	250,000	51,545
2015	260,000	42,295
2016	270,000	32,545
2017	280,000	22,285
2018	295,000	11,505
TOTAL	<u>\$ 1,595,000</u>	<u>\$ 220,480</u>

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	\$ 1,830,000	\$ -	\$ 235,000	\$ 1,595,000	\$ 240,000
Net pension obligation - IMRF	71,733	30,478	-	102,211	-
Net pension obligation - fire pension	13,036	21,497	-	34,533	-
Other postemployment benefit*	78,506	26,877	-	105,383	-
Compensated absences payable*	708,442	-	70,315	638,127	127,349
TOTAL	<u>\$ 2,701,717</u>	<u>\$ 78,852</u>	<u>\$ 305,315</u>	<u>\$ 2,475,254</u>	<u>\$ 367,349</u>

* 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
Net pension obligation - IMRF	\$ 43,040	\$ 18,288	\$ -	\$ 61,328	\$ -
Other postemployment benefit	7,531	2,579	-	10,110	-
Compensated absences payable	144,880		8,708	136,172	43,737
TOTAL	\$ 195,451	\$ 20,867	\$ 8,708	\$ 207,610	\$ 43,737

7. INDIVIDUAL FUND DISCLOSURES

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

Primary Government

Fund	Transfers In	Transfers Out
General	\$ 210,000	\$ 1,062,519
Motor Fuel Tax	-	800,622
Emergency Telephone Systems Board	-	50,000
Asset Forfeiture	262,519	-
Capital Projects	1,500,622	303,765
Debt Service	303,765	160,000
Parking	100,000	-
TOTAL ALL FUNDS	\$ 2,376,906	\$ 2,376,904

- \$700,000 transferred to the Capital Projects Fund from the General Fund. This transfer represents the General Fund's portion of infrastructure maintenance and improvements.
- \$100,000 transferred to the Parking Fund from the General Fund. This transfer funds the additional costs associated with the general maintenance and operations of the parking structure.
- \$50,000 transferred to the General Fund from the Emergency Telephone Systems Board Fund. This transfer is to offset the costs of personnel attributable directly to the operation of the emergency telephone system.

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

7. INDIVIDUAL FUND DISCLOSURES (Continued)

a. (Continued)

- \$800,622 transferred to the Capital Projects Fund from the Motor Fuel Tax Fund. This transfer is for funding infrastructure maintenance and improvements.
- \$303,765 transferred to the Debt Service Fund from the Capital Projects Fund. This transfer is for funding the Alternate Revenue Bonds. The bonds were issued to fund the completion of the residential street light program.

b. Due From/To Other Funds

Primary Government

Receivable Fund	Payable Fund	Amount
General	Foreign Fire Ins.	\$ 770
General	Asset Forfeiture	<u>5,207</u>
TOTAL		<u>\$ 5,977</u>

- \$770 and \$5,207 due from the Foreign Fire Insurance and Asset Forfeiture Funds, respectively, to the General Fund relates to operating activity from both funds. These amounts will be repaid within one year.

8. CONTINGENT LIABILITIES

a. Litigation

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

b. Grants

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

9. EMPLOYEE RETIREMENT SYSTEMS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan and the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by Illinois Compiled Statutes (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 on-line at www.imrf.org.

a. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police or Firefighters' Pension Plans or SLEP) 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.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution for the year ended December 31, 2011 was 11.46% of covered payroll.

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

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 2.50% 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.

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 2011 was 15.45% 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, 2011, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	32
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	
Vested	20
Nonvested	7
	<hr/>
TOTAL	<u>59</u>

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

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 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 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 the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% 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, 2012, the Village's contribution was 37.40% of covered payroll.

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the Firefighters' Pension Plan as a pension trust fund. At April 30, 2011, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	27
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	
Vested	10
Nonvested	9
	<hr/>
TOTAL	<hr/> <hr/> 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 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 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 3.00% compounded annually thereafter.

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 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 the January 1st 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 3.00% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

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, 2012, the Village's contribution was 53.84% 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.

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

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

Plan	Organization	Amount
Police Pension	Transamerica	\$ 1,409,782
	Met Life	955,661
	ING Golden Select	1,836,312
	Nationwide	683,214
	Pacific Life Insurance	1,607,093
	Manulife Financial	845,563
	Kemper Scudder	9,894
		<u>\$ 7,347,519</u>

Plan	Organization	Amount
Firefighters' Pension	ING Golden Select	\$ 1,792,767
	Pacific Life Insurance	1,199,536
	Nationwide	433,720
	Transamerica	967,728
	Putnam Allstate Advisor	762,283
	Met Life Bullet	478,731
		<u>\$ 5,634,765</u>

Administrative Costs

Administrative costs for both the Police and Firefighters' Pension Plans are financed primarily through investment earnings.

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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, 2009	December 31, 2009	April 30, 2011	April 30, 2011
Actuarial cost method	Entry-age Normal	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	5 Year Smoothed Market	Market Value	Market Value
Amortization method	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed
Amortization period	30 Years, Open	30 Years, Open	30 Years, Closed	30 Years, Closed
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%	.40% to 10%	2.00%	2.00%
d) Postretirement benefit increases	3.00%	3.00%	3.00%	3.00%

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs (Continued)

Trend Information

Trend information gives an indication of the progress in accumulating sufficient assets to pay benefits when due.

	For Fiscal Year	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel
Annual pension cost (APC)	2010	\$ 422,810	\$ 17,026
	2011	555,736	18,797
	2012	564,406	19,005
Employer contributions	2010	\$ 422,810	\$ 17,026
	2011	452,152	18,797
	2012	503,448	19,005
Percentage of APC contributed	2010	100.00%	100.00%
	2011	81.36%	100.00%
	2012	89.20%	100.00%
NPO (asset)	2010	\$ -	\$ -
	2011	143,465	-
	2012	204,423	-
	For Fiscal Year	Police Pension	Firefighters' Pension
Annual pension cost (APC)	2010	\$ 564,934	\$ 593,567
	2011	822,408	773,527
	2012	789,262	794,693
Employer contributions	2010	\$ 563,847	\$ 587,972
	2011	812,318	760,590
	2012	774,579	773,196
Percentage of APC contributed	2010	99.81%	99.06%
	2011	98.77%	98.33%
	2012	98.14%	97.29%
NPO (asset)	2010	\$ (74,598)	\$ (5,389)
	2011	(64,900)	13,036
	2012	(50,217)	34,533

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs (Continued)

Net Pension Obligation

The Village's annual pension cost and net pension obligation to the Police and Firefighters' Pension Funds for the year ended April 30, 2012 were as follows:

	Illinois Municipal Retirement*	Police Pension	Firefighters' Pension
Annual required contributions	\$ 561,337	\$ 790,945	\$ 794,355
Interest on net pension obligation	10,760	(4,543)	913
Adjustment to annual required contribution	(7,691)	2,860	(574)
Annual pension cost	564,406	789,262	794,693
Contributions made	503,448	774,579	773,196
Decrease in net pension obligation (asset)	60,958	14,683	21,497
Net pension obligation (asset), beginning of year	143,465	(64,900)	13,036
NET PENSION OBLIGATION (ASSET), END OF YEAR	\$ 204,423	\$ (50,217)	\$ 34,533

* A portion of the Illinois Municipal Retirement Fund net pension obligation is allocated to the LaGrange Public Library.

In an effort to retain retirement costs, beginning in 2010, IMRF offered members an opportunity to phase-in contribution rate increases. The phase-in plan provides municipalities the flexibility to moderate the significant increases in the employer contribution rate while maintaining the commitment to fully fund the pension plan over a reasonable time period. The Village is participating in the phase-in funding option, resulting in a temporary NPO.

The funded status and funding progress of the plans as of December 31, 2011 for IMRF and April 30, 2011 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)	\$ 13,061,674	\$ 295,413	\$ 26,610,209	\$ 19,504,709
Actuarial value of plan assets	9,262,764	228,323	15,543,656	9,050,478
Unfunded actuarial accrued liability (UAAL)	3,798,910	67,090	11,066,553	10,454,231
Funded ratio (actuarial value of plan assets/AAL)	70.92%	77.29%	58.41%	46.40%
Covered payroll (active plan members)	\$ 4,259,317	\$ 121,461	\$ 2,171,946	\$ 1,412,819
UAAL as a percentage of covered payroll	89.19%	55.24%	509.52%	740.96%

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs (Continued)

Net Pension Obligation (Continued)

See the schedules of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the plans.

d. Summary Financial Statements

Schedule of Net Assets as of April 30, 2012.

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 495,850	\$ 168,142	\$ 663,992
Investments			
U.S. Government and agency securities	2,779,161	621,690	3,400,851
Insurance contracts	7,347,519	5,634,765	12,982,284
Equities	3,564,351	2,127,110	5,691,461
Corporate bonds	1,076,603	365,982	1,442,585
Municipal bonds	68,490	21,013	89,503
Receivables			
Accrued interest	33,721	8,253	41,974
	<u>15,365,695</u>	<u>8,946,955</u>	<u>24,312,650</u>
LIABILITIES			
Due to general fund	<u>106,527</u>	<u>88,209</u>	<u>194,736</u>
	<u>106,527</u>	<u>88,209</u>	<u>194,736</u>
NET ASSETS	<u>\$ 15,259,168</u>	<u>\$ 8,858,746</u>	<u>\$ 24,117,914</u>

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 Assets for the year ended April 30, 2012.

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 774,579	\$ 773,196	\$ 1,547,775
Employee	210,126	138,777	348,903
Miscellaneous	71	114	185
Total contributions	984,776	912,087	1,896,863
Investment Income			
Net appreciation in fair value of investments	89,799	43,919	133,098
Interest income	154,948	57,438	212,386
Less investment expense	(51,437)	(28,206)	(79,643)
Net investment income	192,690	73,151	265,841
Total additions	1,177,466	985,238	2,162,704
DEDUCTIONS			
Benefits and refunds	1,451,251	1,165,982	2,617,233
Administrative expenses	2,000	2,000	4,000
Miscellaneous	8,702	8,987	17,689
Total deductions	1,461,953	1,176,969	2,638,922
NET INCREASE (DECREASE)	(284,487)	(191,731)	(476,218)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
May 1	15,543,655	9,050,477	24,594,132
April 31	\$ 15,259,168	\$ 8,885,746	\$ 24,117,914

10. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan (the Plan). The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan. The Plan does not issue a separate report. The activity of the Plan is reported in the Village's governmental and business-type activities.

b. Benefits Provided

The Village provides pre and post-Medicare postretirement health insurance to retirees, their spouses and dependents (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under one of the Village's three retirement plans. The retirees pay the blended premium. Upon a retiree becoming eligible for Medicare, the amount payable under the Village's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both.

c. Membership

At April 30, 2012, 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

The Village first had an actuarial valuation performed for the Plan as of May 1, 2009 to determine the funded status of the Plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2012. 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 2012 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
2010	\$ 45,363	\$ 16,863	37.20%	\$ 57,064
2011	45,835	16,863	36.80%	86,037
2012	46,318	16,863	36.40%	115,492

The net OPEB obligation as of April 30, 2012 was calculated as follows:

Annual required contribution	\$ 44,884
Interest on net OPEB obligation	4,302
Adjustment to annual required contribution	(2,868)
	46,318
Annual OPEB cost	46,318
Contributions made	16,863
	29,455
Increase in net OPEB obligation	29,455
Net OPEB obligation, beginning of year	86,037
	115,492
NET OPEB OBLIGATION, END OF YEAR	\$ 115,492

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)	\$ 7,133,744
UAAL as a percentage of covered payroll	11.71%

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, 2012 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included an investment rate of return of 5.0%, projected salary increases of 5.0% and an initial healthcare cost trend rate of 8.0% with an ultimate healthcare inflation rate of 6.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2012 was 30 years.

11. SUBSEQUENT EVENTS

The Village will be issuing General Obligation Alternate Revenue Bonds for Water System Improvements. The Village will sell revenue bonds in an amount not to exceed \$2,200,000 with a 20-year life with interest in August 2012.

12. COMPONENT UNIT - LA GRANGE PUBLIC LIBRARY

a. Financial Information

Separate financial statements for the Library are not issued.

b. Deposits

In accordance with the Library's investment policy, the Library's monetary assets may be placed in all instruments permitted by the Illinois Public Funds Investment Act. This act permits deposits and investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

c. Library Investments

In accordance with its investment policy, the Library limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a three-month period by utilizing Illinois Funds.

The Library limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in Illinois Funds. Illinois Funds is rated AAA by Standard and Poor's.

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

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

12. COMPONENT UNIT - LA GRANGE PUBLIC LIBRARY (Continued)

d. Receivables

Property taxes for 2011 attach as an enforceable lien on January 1, 2011 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, 2012 and July 1, 2012 and are payable in two installments, on or about March 1, 2012 and September 1, 2012. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at three percent of the tax levy and 5% of the debt service levy to reflect actual collection experience.

The 2012 tax levy, which attached as an enforceable lien on property as of January 1, 2012, has not been recorded as a receivable as of April 30, 2012, as the tax has not yet been levied by the Village and will not be levied until December 2012 and, therefore, the levy is not measurable at April 30, 2012.

e. Capital Assets

The following is a summary of the capital asset activity for the year ended April 30, 2012:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land and land improvements	\$ 94,418	\$ -	\$ -	\$ 94,418
Total capital assets not being depreciated	94,418	-	-	94,418
Capital assets being depreciated				
Buildings	8,823,555	-	-	8,823,555
Furniture and fixtures	244,223	-	-	244,223
Office equipment	47,000	-	-	47,000
Total capital assets being depreciated	9,114,778	-	-	9,114,778
Less accumulated depreciation for				
Buildings	884,152	221,487	-	1,105,639
Machinery and equipment	48,844	12,211	-	61,055
Vehicles	19,244	3,705	-	22,949
Total accumulated depreciation	952,240	237,403	-	1,189,643
Total capital assets being depreciated, net	8,162,538	(237,403)	-	7,925,135
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 8,256,956	\$ (237,403)	\$ -	\$ 8,019,553

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

12. COMPONENT UNIT - LA GRANGE PUBLIC LIBRARY (Continued)

e. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the governmental activities as follows:

GOVERNMENTAL ACTIVITIES	
Culture and recreation	\$ 237,403
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 237,403

f. Long-Term Debt

1) Bonds payable at April 30, 2012 are comprised of the following:

General Obligation Bonds

\$9,320,000 2004 General Obligation Library Bonds, due in annual installments of \$335,000 to \$655,000 from January 1, 2003 to December 1, 2024, interest from 3.0% to 4.3%. While a general obligation of the Village, the principal and interest is to be repaid with the Library's tax levy. \$ 6,805,000

2) Debt Service to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	General Obligation Library Bonds	
	Principal	Interest
2013	\$ 410,000	\$ 274,055
2014	430,000	256,630
2015	445,000	238,355
2016	465,000	222,780
2017	480,000	206,040
2018	495,000	188,280
2019	515,000	169,470
2020	535,000	149,385
2021	560,000	127,985
2022	580,000	105,025
2023	605,000	80,665
2024	630,000	55,255
2025	655,000	28,165
TOTAL	\$ 6,805,000	\$ 2,102,090

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

12. COMPONENT UNIT - LA GRANGE PUBLIC LIBRARY (Continued)

f. Long-Term Debt (Continued)

3) Changes in Long-Term Debt

Changes in long-term debt during the year ended April 30, 2012 is as follows:

	Balances May 1	Additions	Deletions	Balances April 30	Current Portion
General obligation bonds	\$ 7,200,000	\$ -	\$ 395,000	\$ 6,805,000	\$ 410,000
Net pension obligation - IMRF	28,693	12,192	-	40,885	-
Unamortized premium	53,557	-	3,826	49,731	-
Compensated absences	48,563	50,763	48,563	50,763	50,763
TOTAL	\$ 7,330,813	\$ 62,955	\$ 447,389	\$ 6,946,379	\$ 460,763

g. Annual OPEB Costs and Net OPEB Obligation

The Village first had an actuarial valuation performed for the Plan as of May 1, 2009 to determine the funded status of the Plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2012. The Library's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2012 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
April 30, 2010	\$ 2,418	\$ 3,014	124.65%	\$ (1,133)
April 30, 2011	2,359	3,014	127.76%	(1,788)
April 30, 2012	2,398	3,014	125.7%	(2,404)

The net OPEB obligation as of April 30, 2012 was calculated as follows:

Annual required contribution	\$ 2,427
Interest on net OPEB obligation	(89)
Adjustment to annual required contribution	60
	<hr/>
Annual OPEB cost	2,398
Contributions made	3,014
	<hr/>
Decrease in net OPEB obligation	(616)
Net OPEB obligation, beginning of year	(1,788)
	<hr/>
NET OPEB OBLIGATION (ASSET), END OF YEAR	\$ (2,404)

12. COMPONENT UNIT - LA GRANGE PUBLIC LIBRARY (Continued)

g. Annual OPEB Costs and Net OPEB Obligation (Continued)

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

Actuarial accrued liability (AAL)	\$	47,665
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)		47,665
Funded ratio (actuarial value of plan assets/AAL)		-%
Covered payroll (active plan members)	\$	-
UAAL as a percentage of covered payroll		-%

See the schedules of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the plan.

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

Actuarial methods and assumptions - projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the May 1, 2012 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included an investment rate of return of 5.0%, projected salary increases of 5.0% and an initial healthcare cost trend rate of 8.0% with an ultimate healthcare inflation rate of 6.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the Village has not advanced 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, 2012 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, 2012

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 6,125,020	\$ 6,125,020	\$ 5,938,932
Sales	1,751,478	1,751,478	1,809,302
Other	1,314,002	1,314,002	1,254,094
Intergovernmental	1,385,228	1,385,228	1,414,150
Fines, licenses and permits	1,080,965	1,080,965	1,062,973
Investment income	75,000	75,000	27,285
Miscellaneous	328,100	328,100	540,667
Total revenues	<u>12,059,793</u>	<u>12,059,793</u>	<u>12,047,403</u>
EXPENDITURES			
General government	2,072,598	2,097,598	2,078,237
Public safety	7,865,669	7,900,669	7,785,698
Highways and streets	1,727,477	1,727,477	1,688,774
Total expenditures	<u>11,665,744</u>	<u>11,725,744</u>	<u>11,552,709</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>394,049</u>	<u>334,049</u>	<u>494,694</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			
ETSB Fund	50,000	50,000	50,000
Debt Service Fund	160,000	160,000	160,000
Transfers (out)			
Asset Forfeiture	-	-	(262,519)
Capital Projects Fund	(700,000)	(700,000)	(700,000)
Parking Fund	(100,000)	(100,000)	(100,000)
Total other financing sources (uses)	<u>(590,000)</u>	<u>(590,000)</u>	<u>(852,519)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (195,951)</u>	<u>\$ (255,951)</u>	<u>(357,825)</u>
FUND BALANCE, MAY 1			<u>7,007,518</u>
FUND BALANCE, APRIL 30			<u>\$ 6,649,693</u>

(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, 2012

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
State motor fuel tax	\$ 405,000	\$ 405,000	\$ 451,901
Investment income	4,000	4,000	4,269
Total revenues	<u>409,000</u>	<u>409,000</u>	<u>456,170</u>
EXPENDITURES			
None			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>409,000</u>	<u>409,000</u>	<u>456,170</u>
OTHER FINANCING SOURCES			
Transfers (out)			
Capital Projects Fund	<u>(1,525,203)</u>	<u>(1,525,203)</u>	<u>(800,622)</u>
Total other financing sources (uses)	<u>(1,525,203)</u>	<u>(1,525,203)</u>	<u>(800,622)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,116,203)</u>	<u>\$ (1,116,203)</u>	<u>(344,452)</u>
FUND BALANCE, MAY 1			<u>1,829,575</u>
FUND BALANCE, APRIL 30			<u>\$ 1,485,123</u>

(See independent auditor's report.)

VILLAGE OF LA GRANGE, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2012

Schedule of Funding Progress

Calendar Year	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2006	\$ 9,543,307	\$ 9,853,367	96.85%	\$ 310,060	\$ 3,330,775	9.31%
2007	10,446,779	11,131,041	93.85%	684,262	3,704,026	18.47%
2008	7,189,854	10,764,452	66.79%	3,574,598	3,949,910	90.50%
2009	8,190,145	12,034,081	68.06%	3,843,936	4,220,084	91.09%
2010	8,552,699	12,248,866	69.82%	3,696,167	4,186,745	88.28%
2011	9,262,764	13,061,674	70.92%	3,798,910	4,259,317	89.19%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2007	\$ 345,735	\$ 345,735	100.00%
2008	353,614	353,614	100.00%
2009	372,465	372,465	100.00%
2010	422,810	422,810	100.00%
2011*	452,152	554,883	81.49%
2012*	503,448	561,337	89.69%

* 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, 2012

Schedule of Funding Progress

Calendar Year	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2007	\$ 115,296	\$ 126,503	91.14%	\$ 11,207	\$ 109,914	10.20%
2008	141,527	176,021	80.40%	34,494	113,828	30.30%
2009	163,287	219,347	74.44%	56,060	121,334	46.20%
2010	194,523	261,895	74.28%	67,372	125,974	53.48%
2011	228,323	295,413	77.29%	67,090	121,461	55.24%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2007	\$ 15,311	\$ 15,311	100.00%
2008	17,023	17,023	100.00%
2009	14,618	14,618	100.00%
2010	17,026	17,026	100.00%
2011	18,797	18,797	100.00%
2012	19,005	19,005	100.00%

(See independent auditor's report.)

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

April 30, 2012

Schedule of Funding Progress

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2006	\$ 14,973,591	\$ 20,051,960	74.67%	\$ 5,078,369	\$ 1,735,564	292.61%
2007	15,821,318	20,937,302	75.57%	5,115,984	1,920,639	266.37%
2008	15,482,324	21,921,736	70.63%	6,439,411	2,016,671	319.31%
2009	12,755,497	23,129,888	55.15%	10,374,391	2,088,122	496.83%
2010	14,405,306	23,911,338	60.24%	9,506,032	2,112,137	450.07%
2011	15,543,656	26,610,209	58.41%	11,066,553	2,171,946	509.52%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2007	\$ 530,333	\$ 532,305	99.63%
2008	459,277	471,380	97.43%
2009	482,475	488,890	98.69%
2010	563,847	564,934	99.81%
2011	812,318	823,760	98.61%
2012	774,579	790,945	97.93%

(See independent auditor's report.)

VILLAGE OF LA GRANGE, ILLINOIS
 FIREFIGHTERS' PENSION FUND
 REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2012

Schedule of Funding Progress

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (OAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2006	\$ 8,776,758	\$ 14,062,301	62.41%	\$ 5,285,543	\$ 1,185,318	445.92%
2007	9,219,172	15,335,206	60.12%	6,116,034	1,240,865	492.88%
2008	8,994,331	15,919,958	56.50%	6,925,627	1,302,908	531.55%
2009	7,518,844	17,125,131	43.91%	9,606,287	1,243,750	772.36%
2010	8,452,039	17,622,336	47.96%	9,170,297	1,428,538	641.94%
2011	9,050,478	19,504,709	46.40%	10,454,231	1,412,819	739.96%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2007	\$ 482,634	\$ 471,556	102.35%
2008	476,960	486,327	98.07%
2009	536,622	542,901	98.84%
2010	587,972	593,567	99.06%
2011	760,590	773,525	98.33%
2012	773,196	794,355	97.34%

(See independent auditor's report.)

VILLAGE OF LA GRANGE, ILLINOIS

OTHER POSTEMPLOYMENT BENEFITS PLAN
REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2012

Schedule of Funding Progress

Actuarial Valuation Date April 30,	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Percentage Funded (1) / (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Underfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) / (5)
2009	\$ -	\$ 501,973	0.00%	\$ 501,973	\$ 7,133,744	7.04%
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	-	835,685	0.00%	835,685	7,133,744	11.71%

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

Information for prior years is not available as the Village's first actuarial valuation was performed April 30, 2009 and the Village did not have an actuarial valuation performed as of April 30, 2010 or April 30, 2011.

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 16,863	\$ 45,427	37.12%
2010	16,863	44,884	37.57%
2011	16,863	44,884	37.57%
2012	16,863	72,065	23.40%

Information for prior years is not available as the Village's first actuarial valuation was performed May 1, 2009.

(See independent auditor's report.)

VILLAGE OF LA GRANGE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2012

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, four supplementary appropriations were necessary.

The following funds actual expenditures exceeded the fund's appropriations:

Fund	Appropriations	Actual
Asset Forfeiture	\$ -	\$ 19,877
General	12,525,744	12,615,228

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, 2012

	Original Budget	Final Budget	Actual
TAXES			
Property	\$ 6,000,695	\$ 6,000,695	\$ 5,816,655
Property - road and bridge	124,325	124,325	122,277
Replacement	214,002	214,002	240,920
Sales and local use - NHR	1,751,478	1,751,478	1,809,302
Municipal utility	550,000	550,000	477,806
Simplified telecommunication	550,000	550,000	535,368
Total taxes	9,190,500	9,190,500	9,002,328
INTERGOVERNMENTAL			
Shared income tax	1,248,670	1,248,670	1,267,303
Grants - State of Illinois	1,100	1,100	1,100
Grants - IDOT - highway maintenance	64,500	64,500	63,873
Grants	70,958	70,958	81,874
Total intergovernmental	1,385,228	1,385,228	1,414,150
FINES, LICENSES AND PERMITS			
Vehicle	245,000	245,000	233,458
Animal	10,000	10,000	9,996
Business	30,000	30,000	30,307
Liquor	35,000	35,000	46,750
Elevator inspection fees	6,000	6,000	6,900
Building permits	250,000	250,000	253,089
Filing/zoning fees	7,500	7,500	900
Contractor licensing fees	48,000	48,000	56,633
Fire - plan review fees	1,000	1,000	1,960
Franchise fee - Comcast cable	180,000	180,000	208,818
Sprint antenna lease	35,965	35,965	35,966
Village violation fines	90,000	90,000	66,285
Compliance violation fines	60,000	60,000	41,290
Circuit court fines	50,000	50,000	41,287
Pound fees	2,000	2,000	650
False alarm fines	5,000	5,000	4,475
DUI fines	3,000	3,000	2,634
Alarm user fees	19,000	19,000	19,355
Accident reports	3,500	3,500	2,220
Total fines, licenses and permits	1,080,965	1,080,965	1,062,973
INVESTMENT INCOME			
	75,000	75,000	27,285
MISCELLANEOUS			
Auction proceeds	1,000	1,000	768
Pistol range fees	2,000	2,000	-
Administration refuse credit	25,000	25,000	43,299
Commercial refuse license	25,000	25,000	30,000
Ambulance transport fees	215,000	215,000	234,019
La Grange Road depot - sublet	3,600	3,600	2,700
Miscellaneous	56,500	56,500	229,881
Total miscellaneous	328,100	328,100	540,667
OTHER FINANCING SOURCES (USES)			
Transfers in			
Emergency Telephone Systems Board Fund	50,000	50,000	50,000
Debt Service Fund	160,000	160,000	160,000
Total other financing sources (uses)	210,000	210,000	210,000
TOTAL REVENUES	\$ 12,269,793	\$ 12,269,793	\$ 12,257,403

(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, 2012

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Personnel	\$ 1,202,852	\$ 1,202,852	\$ 1,182,589
Supplies and materials	38,950	38,950	33,791
Operations and contractual	780,776	805,776	823,712
Capital outlay	50,020	50,020	38,145
Total general government	<u>2,072,598</u>	<u>2,097,598</u>	<u>2,078,237</u>
PUBLIC SAFETY			
Personnel	7,115,611	7,145,611	7,044,360
Supplies and materials	98,200	98,200	111,864
Operations and contractual	376,202	381,202	370,688
Capital outlay	275,656	275,656	258,786
Total public safety	<u>7,865,669</u>	<u>7,900,669</u>	<u>7,785,698</u>
HIGHWAYS AND STREETS			
Personnel	960,977	960,977	965,000
Supplies and materials	57,000	57,000	66,917
Operations and contractual	569,212	569,212	524,239
Capital outlay	140,288	140,288	132,618
Total highways and streets	<u>1,727,477</u>	<u>1,727,477</u>	<u>1,688,774</u>
Total expenditures	<u>11,665,744</u>	<u>11,725,744</u>	<u>11,552,709</u>
TRANSFERS			
Transfer to Asset Forfeiture Fund	-	-	262,519
Transfer to Capital Projects Fund	700,000	700,000	700,000
Transfer to Parking Fund	100,000	100,000	100,000
Total transfers	<u>800,000</u>	<u>800,000</u>	<u>1,062,519</u>
TOTAL EXPENDITURES AND TRANSFERS	<u>\$ 12,465,744</u>	<u>\$ 12,525,744</u>	<u>\$ 12,615,228</u>

(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, 2012

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Grant proceeds	\$ 1,747,566	\$ 1,747,566	\$ 594,694
Contribution from property owners	600	600	1,190
Investment income	2,000	2,000	175
Miscellaneous	5,000	5,000	38,368
Total revenues	<u>1,755,166</u>	<u>1,755,166</u>	<u>634,427</u>
EXPENDITURES			
Capital outlay			
Resurfacing	1,341,768	1,341,768	727,551
Other	2,244,000	2,244,000	750,791
Total expenditures	<u>3,585,768</u>	<u>3,585,768</u>	<u>1,478,342</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,830,602)</u>	<u>(1,830,602)</u>	<u>(843,915)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			
General Fund	700,000	700,000	700,000
Motor Fuel Tax Fund	1,525,203	1,525,203	800,622
Transfers (out)			
Debt Service Fund	(303,765)	(303,765)	(303,765)
Total other financing sources (uses)	<u>1,921,438</u>	<u>1,921,438</u>	<u>1,196,857</u>
NET CHANGE IN FUND BALANCE	<u>\$ 90,836</u>	<u>\$ 90,836</u>	352,942
FUND BALANCE, MAY 1			<u>533,073</u>
FUND BALANCE, APRIL 30			<u>\$ 886,015</u>

(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, 2012

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 100	\$ 100	\$ 78
Total revenues	<u>100</u>	<u>100</u>	<u>78</u>
EXPENDITURES			
Debt service			
Principal	235,000	235,000	235,000
Interest and fiscal charges	68,765	68,765	68,765
Total expenditures	<u>303,765</u>	<u>303,765</u>	<u>303,765</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(303,665)</u>	<u>(303,665)</u>	<u>(303,687)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			
Capital Projects Fund	303,765	303,765	303,765
Transfers (out)			
General Fund	(160,000)	(160,000)	(160,000)
Total other financing sources (uses)	<u>143,765</u>	<u>143,765</u>	<u>143,765</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (159,900)</u></u>	<u><u>\$ (159,900)</u></u>	<u>(159,922)</u>
FUND BALANCE, MAY 1			<u>170,422</u>
FUND BALANCE, APRIL 30			<u><u>\$ 10,500</u></u>

(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 State Foreign Fire Insurance Tax 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 E-911 emergency telephone service provided by the Village.

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

VILLAGE OF LA GRANGE, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

April 30, 2012

	Foreign Fire Insurance Tax	Emergency Telephone Systems Board	Asset Forfeiture	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 47,170	\$ 174,925	\$ 267,832	\$ 489,927
Receivables				
Other	-	4,000	-	4,000
TOTAL ASSETS	\$ 47,170	\$ 178,925	\$ 267,832	\$ 493,927
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ 1,660	\$ -	\$ 1,660
Due to other funds	770	-	5,207	5,977
Total liabilities	770	1,660	5,207	7,637
FUND BALANCES				
Restricted for public safety	46,400	177,265	262,625	486,290
Total fund balances	46,400	177,265	262,625	486,290
TOTAL LIABILITIES AND FUND BALANCES	\$ 47,170	\$ 178,925	\$ 267,832	\$ 493,927

See accompanying notes to financial statements.

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, 2012

	Foreign Fire Insurance Tax		Emergency Telephone Systems Board		Asset Forfeiture		Total Nonmajor Governmental Funds
	Budget	Actual	Budget	Actual	Budget	Actual	
REVENUES							
Taxes	\$ 17,000	\$ 19,839	\$ -	\$ -	\$ -	\$ -	\$ 19,839
Charges for services	-	-	230,000	277,043	-	-	277,043
Asset forfeiture	-	-	-	-	-	19,607	19,607
Investment income	275	26	1,600	93	-	376	495
Total revenues	17,275	19,865	231,600	277,136	-	19,983	316,984
EXPENDITURES							
Public safety	29,450	15,896	205,343	181,591	-	19,877	217,364
Total expenditures	29,450	15,896	205,343	181,591	-	19,877	217,364
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(12,175)	3,969	26,257	95,545	-	106	99,620
OTHER FINANCING SOURCES (USES)							
Transfers in (out)							
General Fund	-	-	(50,000)	(50,000)	-	262,519	212,519
Total other financing sources (uses)	-	-	(50,000)	(50,000)	-	262,519	212,519
NET CHANGE IN FUND BALANCES	\$ (12,175)	3,969	\$ (23,743)	45,545	\$ -	262,625	312,139
FUND BALANCES, MAY 1		42,431		131,720		-	174,151
FUND BALANCES, APRIL 30		\$ 46,400		\$ 177,265		\$ 262,625	\$ 486,290

(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 ASSETS
 BUDGET AND ACTUAL - BUDGETARY BASIS

For the Year Ended April 30, 2012

	Enterprise Funds						Internal Service	
	Water		Parking		Sewer		Equipment Replacement	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
OPERATING REVENUES								
Water sales	\$ 3,525,000	\$ 3,321,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer fees	-	-	-	-	410,000	373,883	-	-
Water meter installation	20,000	38,940	-	-	-	-	-	-
Sewer connection fees	-	-	-	-	6,000	5,600	-	-
Delinquent penalties	37,000	42,869	-	-	-	-	-	-
Fire lines	11,000	12,370	-	-	-	-	-	-
Parking meter collections	-	-	100,000	81,678	-	-	-	-
Parking decal sales	-	-	446,000	441,255	-	-	-	-
Parking fines	-	-	165,000	144,528	-	-	-	-
Charges for services	-	-	-	-	-	-	515,117	515,117
Miscellaneous revenue	100	2,916	-	34,970	-	-	-	-
Total operating revenues	3,593,100	3,418,705	711,000	702,431	416,000	379,483	515,117	515,117
OPERATING EXPENSES								
Personnel services	1,279,228	1,237,576	685,999	687,878	279,542	286,077	-	-
Supplies and materials	30,300	30,527	14,500	11,937	6,500	7,186	-	-
Contractual services	1,897,326	1,853,156	92,416	47,769	37,116	33,646	-	-
Capital outlay	2,388,555	91,893	293,408	233,004	87,247	79,744	961,900	853,915
Other	9,700	5,995	-	900	-	-	-	-
Total operating expenses	5,605,109	3,219,147	1,086,323	981,488	410,405	406,653	961,900	853,915
OPERATING INCOME (LOSS)	(2,012,009)	199,558	(375,323)	(279,057)	5,595	(27,170)	(446,783)	(338,798)

	Enterprise Funds						Internal Service	
	Water		Parking		Sewer		Equipment Replacement	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
NONOPERATING REVENUES (EXPENSES)								
Investment income	\$ 4,000	\$ 1,628	\$ 16,000	\$ 4,630	\$ 1,400	\$ 591	\$ 33,000	\$ 12,153
Bond proceeds	2,300,000	-	-	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-	-	-	137,573
Total nonoperating revenues (expenses)	2,304,000	1,628	16,000	4,630	1,400	591	33,000	149,726
INCOME (LOSS) BEFORE TRANSFERS	291,991	201,186	(359,323)	(274,427)	6,995	(26,579)	(413,783)	(189,072)
TRANSFERS	-	-	100,000	100,000	-	-	-	-
CHANGE IN NET ASSETS - BUDGETARY BASIS	<u>\$ 291,991</u>	<u>201,186</u>	<u>\$ (259,323)</u>	<u>(174,427)</u>	<u>\$ 6,995</u>	<u>(26,579)</u>	<u>\$ (413,783)</u>	<u>(189,072)</u>
ADJUSTMENTS TO GAAP BASIS								
Depreciation		(396,030)		(204,843)		(57,242)		(512,547)
Capital assets capitalized		<u>6,895</u>		<u>214,096</u>		<u>6,895</u>		<u>595,529</u>
Total adjustments to GAAP basis		<u>(389,135)</u>		<u>9,253</u>		<u>(50,347)</u>		<u>82,982</u>
CHANGE IN NET ASSETS		(187,949)		(165,174)		(76,926)		(106,090)
NET ASSETS, MAY 1		<u>8,641,631</u>		<u>10,841,587</u>		<u>2,430,579</u>		<u>5,002,810</u>
NET ASSETS, APRIL 30		<u>\$ 8,453,682</u>		<u>\$ 10,676,413</u>		<u>\$ 2,353,653</u>		<u>\$ 4,896,720</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 ASSETS

April 30, 2012

	Pension Trust		Total Pension Trust	Agency		Total Agency
	Police Pension	Firefighters' Pension		Special Assessment #269	Special Assessment #270	
ASSETS						
Cash and cash equivalents	\$ 495,850	\$ 168,142	\$ 663,992	\$ 1	\$ 1	\$ 2
Investments, at fair value						
U.S. Government and agency securities	2,779,161	621,690	3,400,851	-	-	-
Insurance contracts	7,347,519	5,634,765	12,982,284	-	-	-
Stocks	3,564,351	2,127,110	5,691,461	-	-	-
Corporate bonds	1,076,603	365,982	1,442,585	-	-	-
Municipal bonds	68,490	21,013	89,503	-	-	-
Receivables						
Assessments	-	-	-	49,516	2,083	51,599
Accrued interest	33,721	8,253	41,974	-	-	-
Total assets	15,365,695	8,946,955	24,312,650	49,517	2,084	51,601
LIABILITIES						
Due to General Fund	106,527	88,209	194,736	29,331	-	29,331
Due to bondholders	-	-	-	20,186	2,083	22,269
Due to property owners	-	-	-	-	1	1
Total liabilities	106,527	88,209	194,736	49,517	2,084	51,601
NET ASSETS	\$ 15,259,168	\$ 8,858,746	\$ 24,117,914	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

VILLAGE OF LA GRANGE, ILLINOIS

PENSION TRUST FUNDS
 COMBINING STATEMENT OF CHANGES IN NET ASSETS

For the Year Ended April 30, 2012

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 774,579	\$ 773,196	\$ 1,547,775
Employee	210,126	138,777	348,903
Other	71	114	185
Total contributions	984,776	912,087	1,896,863
Investment income			
Net appreciation in fair value of investments	89,179	43,919	133,098
Interest	154,948	57,438	212,386
Total investment income	244,127	101,357	345,484
Less investment expense	(51,437)	(28,206)	(79,643)
Net investment income	192,690	73,151	265,841
Total additions	1,177,466	985,238	2,162,704
DEDUCTIONS			
Benefits and refunds	1,451,251	1,165,982	2,617,233
Administrative expenses	2,000	2,000	4,000
Miscellaneous	8,702	8,987	17,689
Total deductions	1,461,953	1,176,969	2,638,922
NET INCREASE (DECREASE)	(284,487)	(191,731)	(476,218)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
May 1	15,543,655	9,050,477	24,594,132
April 30	\$ 15,259,168	\$ 8,858,746	\$ 24,117,914

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, 2012

Special Assessment #269

ASSETS

Cash and investments	\$	1	\$	-	\$	-	\$	1
Assessments receivable		49,516		-		-		49,516
TOTAL ASSETS	\$	49,517	\$	-	\$	-	\$	49,517

LIABILITIES

Due to General Fund	\$	29,331	\$	-	\$	-	\$	29,331
Due to bondholders		20,186		-		-		20,186
TOTAL LIABILITIES	\$	49,517	\$	-	\$	-	\$	49,517

Special Assessment #270

ASSETS

Cash and investments	\$	1	\$	-	\$	-	\$	1
Assessments receivable		2,083		-		-		2,083
TOTAL ASSETS	\$	2,084	\$	-	\$	-	\$	2,084

LIABILITIES

Due to bondholders	\$	2,083	\$	-	\$	-	\$	2,083
Due to property owners		1		-		-		1
TOTAL LIABILITIES	\$	2,084	\$	-	\$	-	\$	2,084

All Funds

ASSETS

Cash and investments	\$	2	\$	-	\$	-	\$	2
Assessments receivable		51,599		-		-		51,599
TOTAL ASSETS	\$	51,601	\$	-	\$	-	\$	51,601

LIABILITIES

Due to General Fund	\$	29,331	\$	-	\$	-	\$	29,331
Due to bondholders		22,269		-		-		22,269
Due to property owners		1		-		-		1
TOTAL LIABILITIES	\$	51,601	\$	-	\$	-	\$	51,601

See accompanying notes to financial statements.

COMPONENT UNIT - LIBRARY

VILLAGE OF LA GRANGE, ILLINOIS

COMPONENT UNIT - LIBRARY
STATEMENT OF NET ASSETS AND BALANCE SHEET

April 30, 2012

	Balance Sheet	Adjustments	Statement of Net Assets
ASSETS			
Cash	\$ 3,439,677	\$ -	\$ 3,439,677
Receivables			
Property taxes	1,312,032	-	1,312,032
Prepaid items	5,096	-	5,096
Deferred bond issuance costs	-	115,477	115,477
Net other postemployment benefit asset	-	2,404	2,404
Capital assets			
Not being depreciated	-	94,418	94,418
Being depreciated	-	7,925,135	7,925,135
TOTAL ASSETS	\$ 4,756,805	\$ 8,137,434	\$ 12,894,239
LIABILITIES AND FUND BALANCE/NET ASSETS			
LIABILITIES			
Accounts payable	\$ 4,113	\$ -	\$ 4,113
Accrued payroll	26,602	-	26,602
Accrued interest payable	-	114,190	114,190
Unearned/deferred property taxes	2,691,745	-	2,691,745
Due within one year			
Bonds payable	-	410,000	410,000
Compensated absences payable	-	50,763	50,763
Due in more than one year			
Net pension obligation - IMRF	-	40,885	40,885
Bonds payable	-	6,395,000	6,395,000
Unamortized bond premium	-	49,732	49,732
Total liabilities	2,722,460	7,060,570	9,783,030
FUND BALANCE/NET ASSETS			
Net assets			
Invested in capital assets, net of related debt	-	1,164,821	1,164,821
Nonspendable for prepaid items	5,096	(5,096)	-
Unassigned fund balance/net assets	2,029,249	(82,861)	1,946,388
Total fund balance/net assets	2,034,345	1,076,864	3,111,209
TOTAL LIABILITIES AND FUND BALANCE/NET ASSETS	\$ 4,756,805	\$ 8,137,434	\$ 12,894,239

See accompanying notes to financial statements.

VILLAGE OF LA GRANGE, ILLINOIS

COMPONENT UNIT - LIBRARY
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2012

	Original and Final Budget	Actual	Adjustments	Statement of Activities
REVENUES				
Taxes				
Property taxes - current	\$ 2,655,989	\$ 2,619,396	\$ -	\$ 2,619,396
Replacement taxes	16,116	18,767	-	18,767
Fines and forfeits	31,000	35,303	-	35,303
Investment income	10,000	6,670	-	6,670
Miscellaneous				
Donations	5,000	3,391	-	3,391
Other	10,507	30,222	-	30,222
Total revenues	2,728,612	2,713,749	-	2,713,749
EXPENDITURES/EXPENSES				
Culture and recreation	2,042,770	1,878,890	249,242	2,128,132
Principal	395,000	395,000	(395,000)	-
Interest	290,842	290,842	-	290,842
Total expenditures/expenses	2,728,612	2,564,732	(145,758)	2,418,974
NET CHANGE IN FUND BALANCE/NET ASSETS	\$ -	149,017	145,758	294,775
FUND BALANCE/NET ASSETS, MAY 1		1,885,328	931,106	2,816,434
FUND BALANCE/NET ASSETS, APRIL 30		\$ 2,034,345	\$ 1,076,864	\$ 3,111,209

(See independent auditor's report.)

SUPPLEMENTAL DATA

VILLAGE OF LA GRANGE, ILLINOIS

SCHEDULE OF INSURANCE IN FORCE

April 30, 2012

Insured	Description of Coverage	Limits of Coverage	Expiration Date of Policy
Village of La Grange	General Liability	\$10,000,000	12/31/12
	-Professional Liability		
	-Police Professional		
	-Employee Benefits		
	-Abuse/Molestation		
	Auto Liability	\$10,000,000	12/31/12
	-Uninsured/Underinsured Motorist	\$500,000	
	Public Officials Liability	\$10,000,000	12/31/12
	-Wrongful Acts		
	-Employment Practices		
	Workers' Compensation	Statutory	12/31/12
	-Employer's Liability	\$2,500,000	
	First Party Property - All Risk	\$250,000,000	12/31/12
	Crime		12/31/12
	-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	\$2,000,000		
Public Officials Bonds	Statutory	12/31/12	
Village of La Grange Public Library	Property - building	\$8,423,340	4/30/2012
	Property - contents	\$5,770,170	4/30/2012
	Automobile	\$1,000,000	4/30/2012
	General liability	\$1,000,000 per occurrence	4/30/2012
		\$2,000,000 aggregate	4/30/2012
	Crime		
	Employee dishonesty	\$50,000	4/30/2012
	Forgery or alteration	\$50,000	4/30/2012
	Theft, disappearance and destruction	\$10,000	4/30/2012
	Workers' compensation	\$500,000	4/30/2012
	Boiler and machinery	\$1,000,000	4/30/2012

(See independent auditor's report.)

VILLAGE OF LA GRANGE, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
2005 ALTERNATE REVENUE REFUNDING BONDS

April 30, 2012

Date of Issue	June 1, 2006
Date of Maturity	December 1, 2017
Authorized Issue	\$ 2,785,000
Denomination of Bonds	\$ 5,000
Interest Rates	3.20% - 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

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2011	\$ 240,000	\$ 60,305	\$ 300,305	2012	\$ 30,153	2012	\$ 30,152
2012	250,000	51,545	301,545	2013	25,773	2013	25,772
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>\$ 1,595,000</u>	<u>\$ 220,480</u>	<u>\$ 1,815,480</u>		<u>\$ 110,243</u>		<u>\$ 110,237</u>

(See independent auditor's report.)

STATISTICAL SECTION

This part of the Village's 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>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have been changed over time.	79-86
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	87-92
Debt Capacity 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.	93-97
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	98-99
Operating Information 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.	100-102

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Village implemented GASB Statement No. 34 in 2004; schedules presenting government-wide information include information beginning in that year.

VILLAGE OF LA GRANGE, ILLINOIS

NET ASSETS BY COMPONENT

Last Nine Fiscal Years

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012
GOVERNMENTAL ACTIVITIES									
Invested in capital assets net of related debt	\$ 15,307,433	\$ 15,656,941	\$ 18,930,507	\$ 19,045,027	\$ 19,493,061	\$ 19,623,954	\$ 21,471,377	\$ 23,308,688	\$ 26,159,844
Restricted	4,376,702	2,690,783	2,135,944	2,570,315	2,141,650	2,799,614	2,031,415	2,436,668	#REF!
Unrestricted	5,670,647	9,679,324	4,532,594	7,158,890	10,147,997	14,406,277	11,202,081	9,511,459	9,570,437
TOTAL GOVERNMENTAL ACTIVITIES	\$ 25,354,782	\$ 28,027,048	\$ 25,599,045	\$ 28,774,232	\$ 31,782,708	\$ 36,829,845	\$ 34,704,873	\$ 35,256,815	#REF!
BUSINESS-TYPE ACTIVITIES									
Invested in capital assets net of related debt	\$ 12,050,626	\$ 12,950,634	\$ 20,269,210	\$ 20,417,117	\$ 19,942,728	\$ 20,093,344	\$ 19,588,533	\$ 19,561,148	\$ 19,130,919
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	3,524,257	2,977,233	3,216,791	3,730,552	3,691,422	3,204,708	2,977,756	2,352,649	2,352,829
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 15,574,883	\$ 15,927,867	\$ 23,486,001	\$ 24,147,669	\$ 23,634,150	\$ 23,298,052	\$ 22,566,289	\$ 21,913,797	\$ 21,483,748
PRIMARY GOVERNMENT									
Invested in capital assets net of related debt	\$ 27,358,059	\$ 28,607,575	\$ 39,199,717	\$ 39,462,144	\$ 39,435,789	\$ 39,717,298	\$ 41,059,910	\$ 42,869,836	\$ 45,290,763
Restricted	4,376,702	2,690,783	2,135,944	2,570,315	2,141,650	2,799,614	2,031,415	2,436,668	#REF!
Unrestricted	9,194,904	12,656,557	7,749,385	10,889,442	13,839,419	17,610,985	14,179,837	11,864,108	11,923,266
TOTAL PRIMARY GOVERNMENT	\$ 40,929,665	\$ 43,954,915	\$ 49,085,046	\$ 52,921,901	\$ 55,416,858	\$ 60,127,897	\$ 57,271,162	\$ 57,170,612	#REF!

Data Source

Audited Financial Statements

VILLAGE OF LA GRANGE, ILLINOIS

CHANGE IN NET ASSETS

Last Nine Fiscal Years

Fiscal Year	2004	2005	2006
EXPENSES			
Governmental activities			
General government	\$ 1,768,632	\$ 1,590,186	\$ 1,845,464
Public safety	5,426,684	5,860,890	6,119,447
Highways and streets	1,891,727	2,413,158	2,464,050
Economic development	25,940	961,240	13,063
Interest	406,753	420,036	506,152
Total governmental activities expenses	9,519,736	11,245,510	10,948,176
Business-type activities			
Water	3,017,602	2,825,014	2,863,831
Sewer	-	302,694	329,252
Parking	642,094	624,712	742,020
Total business-type activities expenses	3,659,696	3,752,420	3,935,103
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 13,179,432	\$ 14,997,930	\$ 14,883,279
PROGRAM REVENUES			
Governmental activities			
Charges for services			
General government	\$ 944,325	\$ 941,040	\$ 732,123
Public safety	404,968	520,864	535,871
Highways and streets	291,437	289,781	258,926
Operating grants and contributions	547,480	570,739	509,208
Capital grants and contributions	75,162	-	1,483,176
Total governmental activities program revenues	2,263,372	2,322,424	3,519,304
Business-type activities			
Charges for services			
Water	3,049,273	2,779,585	2,943,231
Sewer	-	425,389	459,666
Parking	625,946	653,966	638,705
Operating grants and contributions	-	-	-
Capital grants and contributions	-	-	-
Total business-type activities program revenues	3,675,219	3,858,940	4,041,602
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 5,938,591	\$ 6,181,364	\$ 7,560,906

	2007	2008	2009	2010	2011	2012
\$	1,937,230	\$ 2,308,329	\$ 2,304,578	\$ 2,403,960	\$ 2,219,004	\$ 2,177,656
	6,642,436	6,905,170	7,211,128	7,464,482	8,211,120	8,124,562
	2,017,568	3,304,975	2,829,506	3,502,763	3,188,321	2,162,386
	99,775	150,253	1,195,475	5,575,820	-	-
	432,004	353,797	241,819	92,357	73,343	65,632
	11,129,013	13,022,524	13,782,506	19,039,382	13,691,788	12,530,236
	2,892,482	3,157,557	3,167,287	3,412,349	3,612,540	3,608,282
	379,052	489,657	492,746	454,813	460,477	457,000
	871,378	939,593	947,992	987,368	989,517	972,235
	4,142,912	4,586,807	4,608,025	4,854,530	5,062,534	5,037,517
\$	15,271,925	\$ 17,609,331	\$ 18,390,531	\$ 23,893,912	\$ 18,754,322	\$ 17,567,753
\$	855,298	\$ 969,318	\$ 763,975	\$ 507,135	\$ 569,433	\$ 606,493
	534,768	587,665	664,944	694,998	664,840	698,118
	246,045	261,949	262,899	269,777	313,878	344,560
	464,571	462,184	442,249	428,546	463,735	453,001
	-	126,962	3,331,705	1,330,911	1,947,291	2,316,228
	2,100,682	2,408,078	5,465,772	3,231,367	3,959,177	4,418,400
	2,687,286	2,657,000	3,034,837	2,938,394	3,216,520	3,418,705
	434,711	447,297	413,261	408,242	396,770	379,483
	652,490	637,171	641,122	645,361	681,449	702,431
	-	-	-	-	-	-
	-	-	-	-	-	-
	3,774,487	3,741,468	4,089,220	3,991,997	4,294,739	4,500,619
\$	5,875,169	\$ 6,149,546	\$ 9,554,992	\$ 7,223,364	\$ 8,253,916	\$ 8,919,019

VILLAGE OF LA GRANGE, ILLINOIS

CHANGE IN NET ASSETS (Continued)

Last Nine Fiscal Years

Fiscal Year	2004	2005	2006
NET (EXPENSES) REVENUES			
Governmental activities	\$ (7,256,364)	\$ (8,923,086)	\$ (7,428,872)
Business-type activities	15,523	106,520	106,499
TOTAL PRIMARY GOVERNMENT NET (EXPENSES) REVENUES	\$ (7,240,841)	\$ (8,816,566)	\$ (7,322,373)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS			
Governmental activities			
Taxes			
Property	\$ 5,918,478	\$ 6,253,695	\$ 7,310,714
Sales	1,305,869	1,304,241	1,424,058
Utility	518,635	525,999	616,230
Other	1,793,357	1,992,829	2,140,818
Investment earnings	165,706	264,467	541,186
Gain from the sale of property	62,051	-	-
Tif surplus distribution	-	-	-
Miscellaneous	455,807	504,121	308,435
Transfers	-	750,000	(7,340,572)
Total governmental activities	10,219,903	11,595,352	5,000,869
Business-type activities			
Investment earnings	43,196	56,776	102,850
Miscellaneous	3,512	222,952	8,213
Contributions	-	716,736	-
Transfers	-	(750,000)	7,340,572
Total business-type activities	46,708	246,464	7,451,635
TOTAL PRIMARY GOVERNMENT CHANGE IN NET ASSETS	\$ 10,266,611	\$ 11,841,816	\$ 12,452,504
Governmental activities	\$ 2,963,539	\$ 2,672,266	\$ (2,428,003)
Business-type activities	62,231	352,984	7,558,134
TOTAL PRIMARY GOVERNMENT CHANGE IN NET ASSETS	\$ 3,025,770	\$ 3,025,250	\$ 5,130,131

Data Source

Audited Financial Statements

2007	2008	2009	2010	2011	2012
\$ (9,028,331)	\$ (10,614,446)	\$ (8,316,734)	\$ (15,808,015)	\$ (9,732,611)	\$ (8,111,836)
(368,425)	(845,339)	(518,805)	(862,533)	(767,795)	(536,898)
\$ (9,396,756)	\$ (11,459,785)	\$ (8,835,539)	\$ (16,670,548)	\$ (10,500,406)	\$ (8,648,734)
\$ 7,598,116	\$ 7,704,022	\$ 8,028,635	\$ 8,423,435	\$ 5,873,311	\$ 5,958,771
1,651,702	1,733,078	1,707,932	1,585,276	1,687,782	1,809,302
555,717	589,944	587,064	476,791	525,432	477,806
2,144,077	2,347,610	2,305,612	2,049,516	2,012,352	776,288
751,162	691,733	467,220	143,462	68,239	32,302
-	-	-	-	-	-
-	-	-	747,885	-	-
368,376	656,535	367,408	356,678	217,437	334,943
(865,632)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
12,203,518	13,622,922	13,363,871	13,683,043	10,284,553	9,289,412
164,461	168,117	82,556	30,770	15,303	6,849
-	3,675	151	-	-	-
765,632	60,028	-	-	-	-
100,000	100,000	100,000	100,000	100,000	100,000
1,030,093	331,820	182,707	130,770	115,303	106,849
\$ 13,233,611	\$ 13,954,742	\$ 13,546,578	\$ 13,813,813	\$ 10,399,856	\$ 9,396,261
\$ 3,175,187	\$ 3,008,476	\$ 5,047,137	\$ (2,124,972)	\$ 551,942	\$ 1,177,576
661,668	(513,519)	(336,098)	(731,763)	(652,492)	(430,049)
\$ 3,836,855	\$ 2,494,957	\$ 4,711,039	\$ (2,856,735)	\$ (100,550)	\$ 747,527

VILLAGE OF LA GRANGE, ILLINOIS
 FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
GENERAL FUND										
Reserved/restricted	\$ -	\$ -	\$ 4,064	\$ 2,342	\$ -	\$ -	\$ 109,441	\$ 221,110	\$ 262,520	\$ -
Assigned for economic development	-	-	-	-	-	-	-	747,885	747,885	747,885
Unreserved/unassigned	7,756,501	8,022,501	8,280,219	8,370,231	8,263,032	8,295,701	7,686,966	6,387,609	5,997,113	5,901,808
TOTAL GENERAL FUND	\$ 7,756,501	\$ 8,022,501	\$ 8,284,283	\$ 8,372,573	\$ 8,263,032	\$ 8,295,701	\$ 7,796,407	\$ 7,356,604	\$ 7,007,518	\$ 6,649,693
ALL OTHER GOVERNMENTAL FUNDS										
Reserved/restricted	\$ -	\$ 4,260,890	\$ 5,957,189	\$ 4,270,833	\$ 5,369,600	\$ 5,405,719	\$ 7,177,304	\$ 1,817,676	\$ 2,174,148	\$ 1,981,913
Unreserved/assigned, reported in										
Special Revenue Funds	2,804,128	-	-	-	-	-	-	-	-	-
Debt Service Funds	118,233	-	-	-	-	-	-	-	-	-
Capital Project Funds	994,857	1,376,440	846,936	(148,058)	404,005	948,656	1,210,242	963,773	533,073	886,015
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 3,917,218	\$ 5,637,330	\$ 6,804,125	\$ 4,122,775	\$ 5,773,605	\$ 6,354,375	\$ 8,387,546	\$ 2,781,449	\$ 2,707,221	\$ 2,867,928

Data Source

Audited Financial Statements

VILLAGE OF LA GRANGE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2003	2004	2005	2006
REVENUES				
Taxes	\$ 9,082,933	\$ 9,536,340	\$ 10,089,912	\$ 11,504,355
Licenses and permits	750,240	892,242	1,186,116	1,061,222
Intergovernmental	448,301	520,658	683,948	790,150
Charges for services	-	7,754	73,803	4,490
Investment income	315,234	164,177	261,037	533,690
Miscellaneous	959,133	1,080,755	708,304	567,231
Total revenues	11,555,841	12,201,926	13,003,120	14,461,138
EXPENDITURES				
General government	2,511,220	1,717,903	1,685,933	1,749,674
Public safety	4,576,854	5,382,334	5,623,998	6,087,869
Highways and streets	1,209,181	1,321,571	1,339,215	1,469,547
Economic development	61,643	25,940	961,240	7,353,634
Capital outlay	2,125,554	495,995	1,303,175	2,709,028
Debt service				
Principal	340,000	945,000	975,000	1,765,991
Interest	904,690	389,122	440,046	424,772
Other charges	-	-	-	25,619
Total expenditures	11,729,142	10,277,865	12,328,607	21,586,134
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(173,301)	1,924,061	674,513	(7,124,996)
OTHER FINANCING SOURCES (USES)				
Transfers in	3,235,100	2,077,621	2,791,582	3,717,221
Transfers (out)	(2,584,521)	(2,077,621)	(2,041,582)	(3,717,221)
Bonds/notes issued	-	-	-	7,285,000
Payment to escrow agent	-	-	-	(2,751,342)
Sale of capital assets	-	62,051	-	-
Total other financing sources (uses)	650,579	62,051	750,000	4,533,658
NET CHANGE IN FUND BALANCES	\$ 477,278	\$ 1,986,112	\$ 1,424,513	\$ (2,591,338)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	12.08%	16.26%	13.82%	14.63%

Note: Income taxes were reclassified from taxes to intergovernmental.

Data Source

Audited Financial Statements

2007	2008	2009	2010	2011	2012
\$ 11,960,303	\$ 12,379,089	\$ 12,572,204	\$ 12,535,018	\$ 10,098,872	\$ 9,022,167
1,005,086	1,056,762	932,583	949,402	1,050,567	1,062,973
622,774	868,921	3,918,841	818,416	1,509,578	2,480,352
92,342	3,867	257,985	245,379	237,152	278,233
744,105	686,667	465,282	167,452	68,242	31,807
503,879	809,961	528,012	1,210,271	368,247	579,530
14,928,489	15,805,267	18,674,907	15,925,938	13,332,658	13,455,062
1,878,139	2,221,861	2,209,157	2,321,048	2,113,519	2,078,237
6,429,965	6,835,548	7,057,583	7,575,382	7,859,624	8,003,062
1,494,714	1,745,562	2,017,805	1,812,198	1,677,999	1,688,774
865,407	319,410	1,195,475	5,575,820	-	-
365,292	1,587,401	573,839	2,453,339	1,708,255	1,478,342
1,792,209	1,994,437	3,682,363	2,010,000	220,000	235,000
459,132	387,609	304,808	124,051	76,575	68,765
-	-	-	-	-	-
13,284,858	15,091,828	17,041,030	21,871,838	13,655,972	13,552,180
1,643,631	713,439	1,633,877	(5,945,900)	(323,314)	(97,118)
3,070,016	4,088,400	4,666,171	4,367,701	1,053,956	1,854,387
(3,170,016)	(4,188,400)	(4,766,171)	(4,467,701)	(1,153,956)	(1,954,387)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
\$ 1,543,631	\$ 613,439	\$ 1,533,877	\$ (6,045,900)	\$ (423,314)	\$ (197,118)
21.48%	20.50%	31.68%	11.32%	2.55%	2.56%

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
2001	\$ 248,388,284	\$ 32,686,261	\$ 36,014,190	\$ 639,846	\$ 317,728,581	1.3070	\$ 953,185,743
2002	347,995,834	36,844,395	40,577,653	758,643	426,176,525	1.4200	1,278,529,575
2003	349,081,445	35,398,446	40,350,155	384,898	425,214,944	1.5600	1,275,644,832
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

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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011**
VILLAGE DIRECT RATES*										
General	0.9063	0.9024	0.8694	0.6943	0.7492	0.7310	0.6010	0.5345	0.5345	0.5596
Police Pension	0.0680	0.0917	0.1012	0.0942	0.0834	0.0811	0.0810	0.0970	0.0970	0.0991
Fire Pension	0.0747	0.0919	0.0964	0.0835	0.0860	0.0901	0.0850	0.0974	0.0974	0.0961
Library	0.2580	0.3340	0.4930	0.3970	0.4129	0.4010	0.3570	0.3340	0.3340	0.3430
Total Direct Rate	1.3070	1.4200	1.5600	1.2690	1.3315	1.3032	1.1240	1.0629	1.0629	1.0978
OVERLAPPING RATES*										
La Grange Park District	0.2980	0.3520	0.3520	0.3590	0.4210	0.4070	0.3540	0.3330	0.3330	0.3450
County of Cook/Health Facilities	0.1560	0.1410	0.1410	0.1220	0.1030	0.4460	0.4150	0.3940	0.3940	0.4230
Forest Preserve District of Cook County	0.0610	0.0590	0.0590	0.0600	0.0570	0.0530	0.0510	0.0490	0.0490	0.0510
Consolidated Elections	-	0.0290	-	-	-	0.0120	-	0.0210	0.0210	-
Township of Lyons	0.0330	0.0350	0.0350	0.0360	0.0330	0.0330	0.0460	0.0470	0.0470	0.0480
General Assistance Lyons	0.0050	0.0020	0.0020	0.0020	0.0030	0.0030	0.0020	0.0020	0.0020	0.0020
Road and Bridge Lyons	0.0350	0.0370	0.0370	0.0370	0.0340	0.0340	0.0320	0.0330	0.0330	0.0330
Lyons Mental Health	0.0850	0.0880	0.0880	0.0900	0.0810	0.0810	0.0740	0.0760	0.0760	0.0780
Suburban T B Sanitarium	0.0060	0.0040	0.0040	0.0010	0.0050	-	-	-	-	-
Metro Water Reclamation Dist. of Greater Chicago	0.3710	0.3610	0.3610	0.3470	0.2840	0.2630	0.2520	0.2610	0.2610	0.2740
Des Plaines Valley Mosquito Abatement District	0.0110	0.0120	0.0120	0.0120	0.0120	0.0120	0.0120	0.0110	0.0110	0.0110
La Grange Highlands Sanitary District	0.2660	0.2210	0.2210	0.2190	0.1950	0.1950	0.1770	0.1770	0.1770	0.1860
South Lyons Sanitary District	0.0970	0.1010	0.1010	0.0980	0.0910	0.0900	0.0810	0.0880	0.0880	0.0950
School District #102	3.1830	3.2980	3.2980	3.3750	2.9390	2.8830	2.7040	2.5590	2.5590	2.6290
School District #105	1.9910	2.0540	2.0540	2.3420	2.3780	2.3220	2.1350	2.3830	2.3830	2.4920
School District #106	2.9530	3.0930	3.0930	3.0640	2.6150	2.5590	2.3420	2.2490	2.2490	2.3190
Lyons Township High School #204	1.8510	1.9140	1.9140	1.8930	1.6570	1.6170	1.4820	1.4910	1.4910	1.5450
DuPage Community College District #502	0.2170	0.2270	0.2270	0.2250	0.2060	0.2080	0.1930	0.2040	0.2040	0.2110
La Grange Special Service Area #4a	1.4410	-	-	-	-	-	-	-	-	-
La Grange Special Service Area #7	-	-	-	0.2190	0.2040	0.1550	0.1480	0.1320	0.1320	0.1440

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

**2011 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	2012			2003		
	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	\$ 8,089,699	1	1.03%	\$ -		0.00%
Columbia/LG Memorial Hospital	5,874,772	2	0.75%	3,208,914	1	0.75%
Burcor Properties	5,460,731	3	0.69%	963,981	5	0.23%
Grayhill Manufacturing Co.	4,538,358	4	0.58%	1,577,046	3	0.37%
CNC	4,167,227	5	0.53%	2,141,191	2	0.50%
Sambell La Grange	3,699,307	6	0.47%	949,998	6	0.22%
SBC/Ameritech	2,660,945	7	0.34%	779,336	7	0.18%
Bank One	2,257,596	8	0.29%	-		0.00%
Grozich, LLC	2,058,809	9	0.26%	-		0.00%
Campap	1,957,039	10	0.25%	-		0.00%
DPA Management	-			580,712	8	0.14%
Bank One	-		0.00%	454,860	10	0.11%
Nicor	-		0.00%	522,522	9	0.12%
D.R. Brooks, B&B Investments	-		0.00%	1,057,411	4	0.25%
	<u>\$ 40,764,483</u>		<u>5.19%</u>	<u>\$ 12,235,971</u>		<u>2.62%</u>

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
2001	\$ 4,458,021	\$ 2,049,046	45.96%	\$ 2,384,764	\$ 4,433,810	99.46%
2002	4,332,096	1,969,415	45.46%	2,303,041	4,272,456	98.62%
2003	4,640,642	2,107,849	45.42%	2,482,807	4,590,656	98.92%
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%

Data Source

Village records

VILLAGE OF LA GRANGE, ILLINOIS

SALES TAX BY CATEGORY

Last Ten Fiscal Years

Fiscal Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General merchandise	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Food	71,470	141,317	176,371	204,827	217,012	235,537	257,825	262,831	262,087	276,748
Drinking and eating places	202,945	228,286	246,232	244,501	256,971	258,766	268,963	260,860	313,646	333,052
Apparel	11,094	16,290	19,468	23,992	27,986	24,120	22,801	17,875	14,319	16,392
Furniture & H.H. & Radio	101,920	102,822	108,059	112,483	109,393	92,077	79,960	56,782	74,627	78,104
Lumber, building hardware	24,914	22,450	19,732	20,934	18,076	12,867	12,510	42,981	32,267	34,566
Automobile and filling stations	67,582	63,855	65,303	64,523	69,975	75,846	88,979	80,924	118,401	121,218
Drugs and miscellaneous retail	144,880	214,767	238,780	257,632	277,016	279,326	275,379	225,938	224,771	227,733
Agriculture and all others	151,366	180,321	160,916	183,959	179,305	223,038	218,312	222,628	187,929	196,243
Manufacturers	10,064	119,015	28,355	(42,689)	7,154	12,117	8,782	12,390	13,422	14,302
TOTAL	\$ 786,235	\$ 1,089,123	\$ 1,063,216	\$ 1,070,162	\$ 1,162,888	\$ 1,213,694	\$ 1,233,511	\$ 1,183,209	\$ 1,241,469	\$ 1,298,358
Village direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Data Source

Illinois Department of Revenue

VILLAGE OF LA GRANGE, ILLINOIS
DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Fiscal Years

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
DIRECT										
Village of La Grange	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	-	-	-	-
OVERLAPPING										
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	1.00%	1.25%	1.75%	1.75%	1.00%	0.75%	0.75%	0.75%	0.75%	0.75%
Regional Transportation authority	1.25%	1.25%	1.25%	1.25%	1.00%	1.00%	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	8.25%	8.50%	9.00%	9.00%	8.00%	7.75%	7.75%	7.75%	7.75%	7.75%
TOTAL SALES TAX RATE	8.50%	8.75%	9.25%	9.25%	8.25%	8.00%	7.75%	7.75%	7.75%	7.75%

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	Installment Notes Payable	Capital Leases			
2003	\$ 4,650,000	\$ -	\$ 6,000,000	\$ -	\$ -	\$ -	\$ 10,650,000	0.33%	\$ 34,887
2004	4,305,000	-	5,400,000	-	-	-	9,705,000	0.36%	34,887
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

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

* See the schedule of Demographic and Economic Statistics on page 98 for personal income and population data.

Personal income is the largest sole source income type, usually either property or sales tax. In the case of special districts, it may be fees.

VILLAGE OF LA GRANGE, ILLINOIS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
2003	\$ 4,650,000	\$ 118,233	\$ 4,531,767	0.48%	\$ 129.90
2004	4,305,000	122,052	4,182,948	0.33%	119.90
2005	3,930,000	127,528	3,802,472	0.30%	108.99
2006	3,610,000	144,564	3,465,436	0.26%	99.33
2007	3,225,000	160,783	3,064,217	0.18%	87.83
2008	2,765,000	169,393	2,595,607	0.14%	74.40
2009	2,260,000	169,527	2,090,473	0.10%	59.92
2010	2,050,000	170,189	1,879,811	0.08%	53.88
2011	1,830,000	170,422	1,659,578	0.07%	47.57
2012	1,595,000	10,500	1,584,500	0.07%	45.42

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

* See the schedule of Assessed Value and Actual Value of Taxable Property on page 87 for property value data.

VILLAGE OF LA GRANGE, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

April 30, 2012

Governmental Unit	Gross Debt	Percentage Debt Applicable to the Village of La Grange (1)	Village of La Grange Share of Debt
Village of La Grange	\$ 1,595,000	100.00%	\$ 1,595,000
Cook County	3,814,460,000	0.41%	15,639,286
Cook County Forest Preserve	101,935,000	0.41%	417,934
Metropolitan Water Reclamation District	2,495,259,000	0.42%	10,480,088
Lyons Township High School #204	7,565,000	0.20%	15,130
School District #106	5,363,012	10.15%	544,346
School District #102	<u>39,175,000</u>	48.40%	<u>18,960,700</u>
	<u>6,463,757,012</u>		<u>46,057,484</u>
TOTAL	<u><u>\$ 6,465,352,012</u></u>		<u><u>\$ 47,652,484</u></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

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 36,757,898	\$ 36,757,725	\$ 38,196,417	\$ 49,309,119	\$ 49,869,744	\$ 49,936,006	\$ 60,459,744	\$ 64,987,869	\$ 68,420,543	\$ 68,041,720
Total net debt applicable to limit	1,475,000	1,275,000	10,370,000	9,805,000	9,220,000	8,600,000	7,945,000	7,580,000	7,200,000	6,805,000
LEGAL DEBT MARGIN	\$ 35,282,898	\$ 35,482,725	\$ 27,826,417	\$ 39,504,119	\$ 40,649,744	\$ 41,336,006	\$ 52,514,744	\$ 57,407,869	\$ 61,220,543	\$ 61,236,720
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	4.01%	3.47%	27.15%	19.88%	18.49%	17.22%	13.14%	11.66%	10.52%	10.00%

VILLAGE OF LA GRANGE, ILLINOIS

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Water System Improvement 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	
2003	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ 102,212	\$ 78,000	\$ 24,601	\$ 1
2004	-	-	-	-	-	N/A	124,253	139,000	17,669	0.79
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	-	-	-	-

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

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (1)	Unemployment Rate (2)
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%
2004	15,608	544,516,296	34,887	4.70%
2003	15,608	544,516,296	34,887	4.60%

(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

Employer	2012			2003		
	Number of Employees	Rank	Percentage of Total Village Population	Number of Employees	Rank	Percentage of Total Village Population
Adventist/La Grange Hospital	1,100	1	7.05%	1,000	1	6.41%
Lyons Township High School	600	2	3.84%	650	2	4.16%
Grayhill	525	3	3.36%	400	3	2.56%
School District 105	200	4	1.28%	180	4	1.15%
Meadowbrook Manor	150	5	0.96%	125	5	0.80%
Lexington Health Care Center	109	6	0.70%	102	7	0.65%
Village of La Grange	107	7	0.69%	116	6	0.74%
JP Morgan Chase	65	8	0.42%	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	55		0.35%	55	10	0.35%

Data Source

Village records

VILLAGE OF LA GRANGE, ILLINOIS
 FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
GENERAL GOVERNMENT										
Administration	4	4	4	4	4	4	4	4	4	4
Finance	5	5	5	5	5	5	5	5	5	5
Community development	4	4	5	5	5	5	6	6	6	6
PUBLIC SAFETY										
Police										
Officers	33	33	34	34	34	34	35	35	35	35
Civilians-parking	3	3	3	3	3	3	3	3	3	3
Fire										
Firefighters and officers	19	20	20	20	20	21	21	21	21	21
Civilians										
PUBLIC WORKS										
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
	93	94	96	96	96	97	99	99	99	99

Data Source

Village budget office

VILLAGE OF LA GRANGE, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
PUBLIC SAFETY										
Police										
Index/non-index crimes cleared	232	186	160	139	131	110	111	152	149	131
Parking violations	12,717	11,725	11,824	10,968	9,200	9,168	9,319	7,381	7,654	8,361
Traffic violations	4,470	3,990	3,092	2,310	2,488	2,107	1,643	2,049	2,580	1,619
Fire										
Emergency responses	1,879	1,968	1,965	2,074	2,009	2,027	1,941	1,832	2,022	1,901
Fire prevention activity	1,007	1,173	1,399	703	703	306	500	542	860	822
PUBLIC WORKS										
Street sweeping (miles)	4,171	4,567	4,750	4,557	4,839	4,203	4,209	3,988	3,570	4,607
Snow/ice control (hours)	983	700	840	1,110	331	1,147	1,517	1,213	1,191	609
WATER										
Water main breaks	25	27	30	42	47	73	35	41	33	30
Average daily consumption (gal.)	1,511,710	1,400,447	1,379,043	1,491,719	1,318,699	1,296,690	1,279,532	1,196,218	1,195,318	1,168,813
Service leaks	10	7	14	13	44	19	12	2	9	14
SEWER										
Catch basins repaired/replaced	-	10	22	75	33	28	9	119	384	345

Data Source

Village budgets and various Village departments

VILLAGE OF LA GRANGE, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	6	6	6	6	6	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	1	1	-
PUBLIC WORKS										
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
WATER										
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
WASTEWATER										
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