# VILLAGE OF BURR RIDGE, ILLINOIS

## ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2013

Sikich®

VILLAGE OF BURR RIDGE, ILLINOIS
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# INTRODUCTORY SECTION

VILLAGE OF BURR RIDGE, ILLINOIS

PRINCIPAL OFFICIALS AND OFFICERS

April 30, 2013

| | |
|---|---|
| Robert Sodikoff | Acting Village President |
| Albert Paveza | Trustee |
| Guy Franzese | Trustee |
| Maureen Wott | Trustee |
| Robert Grela | Trustee |
| Leonard Ruzak | Trustee |
| John Manieri | Trustee |
| Karen J. Thomas | Village Clerk |
| Steven S. Stricker | Administrator |
| Lisa Scheiner | Assistant to the Administrator |
| Noel Hastalis | Treasurer |
| Jerry C. Sapp | Director of Finance |
| Paul May | Public Works Director/Village Engineer |
| John W. Madden | Chief of Police |
| Doug Pollock | Community Development Director |

# FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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Naperville, Illinois 60563

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

# INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Board of Trustees
Village of Burr Ridge
Burr Ridge, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Burr Ridge, Illinois, (the Village) as of and for the year ended April 30, 2013, and the related notes to the financial statements, which collectively comprise the Village of Burr Ridge, Illinois' basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Burr Ridge, Illinois' management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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

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

**Auditor's Responsibility**

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Burr Ridge, as of April 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

The Village adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* during the year ended April 30, 2013. Statement No. 63 added new classifications on the statements of position and changed net assets to net position. Statement No. 65 changed the classifications of certain items on the statement of position to the new classifications contained in GASB Statement No 63. Our opinions are not modified with respect to this matter.

**Other Matters**

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and the supplemental data are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Sikich LLP

Naperville, Illinois
August 20, 2013

# GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

**VILLAGE OF BURR RIDGE, ILLINOIS**
**MANAGEMENT'S DISCUSSION AND ANALYSIS**
**APRIL 30, 2013**

This section of the Village of Burr Ridge's Annual Financial Report (AFR) presents discussion and analysis of the Village's financial activities during the Fiscal Year ending April 30, 2013. This should be used in conjunction with the Village's financial statements that follow this section.

## Financial Highlights

The following are some of the highlights to be reviewed in greater detail in this analysis and further presented by this AFR:

- Net position and performance in total – The Village's total net position at April 30, 2013 were $325,001,438, a decrease of $1,834,632.

- Governmental Activity Summary – Net position for governmental activities at April 30, 2013 were $261,032,432, a decrease of $836,401.

- Business-Type Activity Summary – Net position for business-type activities at April 30, 2013 were $63,969,006, a decrease of $998,231.

- General Fund Summary – The Village's General Fund's balance at April 30, 2013 was $4,675,189, an increase of $37,459. General Fund revenues were under budget estimates by $137,418. General Fund expenditures were under the budget by $386,177.

- Capital Assets – Total net capital assets for governmental and business-type activities at April 30, 2013 were $317,524,295, a net decrease for the year of $2,042,379.

## Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village of Burr Ridge's financial section of the AFR. This financial section of the AFR includes four components: 1) independent auditor's report, 2) the basic financial statements, including the MD&A, 3) required supplementary information, and 4) additional supplemental financial information.

The basic financial statements include two kinds of statements that present different views of the Village: government-wide financial statements and fund financial statements. The basic financial statements also include notes to the financial statements.

Government-wide financial statements, including the statement of net position and statement of activities, provide both short and long-term information about the Village's overall financial status.

Fund financial statements focus on individual parts of Village government and report Village operations in more detail than the government-wide financial statements. The fund financial statements describe the Village's governmental funds, proprietary funds, and fiduciary funds. The following table summarizes the major features of the Village's financial statements.

| | | | Fund Statements | |
|---|---|---|---|---|
| Description | Government-Wide Statements | Governmental Funds | Proprietary Funds | Fiduciary Funds |
| Scope | Entire Village government (except Fiduciary Funds) | Activities of the Village that are not proprietary or fiduciary such as public safety | Activities of the Village that operate similar to private business such as Water and Sewer Funds | Activities in which the Village is trustee or agent of another's resources such as pension plans |
| Required financial statements | 1. Statement of net position | 1. Balance sheet | 1. Statement of net position | 1. Statement of fiduciary net position |
| | 2. Statement of activities | 2. Statement of revenues, expenditures and changes in fund balances | 2. Statement of revenues, expenses, and changes in fund net position | 2. Statement of changes in fiduciary net position. |
| | | | 3. Statement of cash flows | |
| Accounting basis | Accrual | Modified Accrual | Accrual | Accrual |
| Measurement Focus | Economic resource | Current financial resources | Economic resource | Economic resource |
| Type of asset & liability information | All assets and liabilities; both financial and capital short and long-term | Assets expected to be used and liabilities that come due during the year or shortly thereafter; no capital assets | All assets and liabilities; both financial and capital short and long-term | All assets and liabilities, both short and long-term. Does not contain capital assets. |
| Type of inflow & outflow information | All revenues and expenses during the year regardless of when cash is received or paid | Revenues for which cash is received during the year or shortly thereafter; expenditures for goods and services that have been received and payment is due during the year or shortly thereafter | All revenues and expenses during the year regardless of when cash is received or paid | All revenues and expenses during the year regardless of when cash is received or paid |

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 that add to a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates governmental funds' current financial resources (short-term available resources) with capital assets and long term obligations using the accrual basis of accounting and economic resources measurement focus.

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 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.

The Governmental Activities reflect the Village's basic services, including police, public works, and general/debt administration. Property taxes, shared state sales, local utility, and shared state income taxes finance the majority of these activities. The Business-type Activities reflect private sector type operations (Water and Sewer funds), where the fee for service typically covers all or most of the cost of operation, excluding depreciation.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is on Major Funds, rather than (the previous model's) fund types.

Governmental funds are presented on a liquid resources basis. This is the manner in which the budget is typically developed. Governmental funds provide a current resources (short-term) view that helps determine whether there are more or fewer current financial resources available to spend for Village operations.

Proprietary funds account for services that are generally fully supported by user fees (i.e. charges to customers). Proprietary funds are presented on a total economic resources basis. Proprietary fund statements, like government-wide financials statements, provide both short and long-term financial information.

Fiduciary funds are presented for certain activities where the Village’s role is that of trustee (i.e. police pension fund) or agent. While fiduciary 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.

While the total column on the business-type fund financial statements is the same as the business-type column at the government-wide financial statement, the governmental major funds total column requires a reconciliation 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 inter-fund 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 (bond and others) into the governmental activities column in the government-wide statements.

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure - roads, bridges, storm sewers, etc.) have not been reported nor depreciated in governmental activities financial statements. This new statement requires that these assets be valued and reported within the governmental activities column of the government-wide statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of assets management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system called the modified approach, which periodically measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Village has chosen to depreciate 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" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

Financial Analysis of the Village as a Whole

The Village implemented the new financial reporting model, GASB Statement No. 34, beginning with the fiscal year that ended April 30, 2005. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Village as a whole. In future years, historical information will be included in these analyses to improve the usefulness of this data.

## Government-Wide Statements

Statement of Net Position

The following table reflects the condensed comparative Statement of Net Position as of April 30, 2013 and 2012. For more detailed information see the Statement of Net Position on page 4.

| VILLAGE OF BURR RIDGE<br>STATEMENT OF NET POSITION<br>AS OF APRIL 30 | | | | | | |
|---|---|---|---|---|---|---|
| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Current & Other Assets | $15,640,093 | $15,670,798 | $6,002,800 | $5,952,178 | $21,642,893 | $21,622,976 |
| Capital Assets | 259,299,468 | 260,159,343 | 58,224,827 | 59,407,331 | 317,524,295 | 319,566,674 |
| Total Assets | 274,939,561 | 275,830,141 | 64,227,627 | 65,359,509 | 339,167,188 | 341,189,650 |
| | | | | | | |
| Deferred Outflow | 66,206 | 0 | 0 | 0 | 66,206 | 0 |
| | | | | | | |
| Current & Other Liabilities | 2,389,284 | 4,046,646 | 213,032 | 341,210 | 2,602,316 | 4,387,856 |
| Long -Term Liablities | 9,979,465 | 9,914,662 | 45,589 | 51,062 | 10,025,054 | 9,965,724 |
| Total Liabilities | 12,368,749 | 13,961,308 | 258,621 | 392,272 | 12,627,370 | 14,353,580 |
| | | | | | | |
| Deferred Inflow | 1,604,586 | 0 | 0 | 0 | 1,604,586 | 0 |
| | | | | | | |
| Net Position: | | | | | | |
| Net Investment in | | | | | | |
| Capital Assets | 251,206,539 | 251,653,206 | 58,224,827 | 59,407,331 | 309,431,366 | 311,060,537 |
| Restricted-Special Projects | 502,520 | 576,457 | - | - | 502,520 | 576,457 |
| Restricted-Debt Service | 3,263,216 | 3,174,970 | - | | 3,263,216 | 3,174,970 |
| Unrestricted | 6,060,157 | 6,464,200 | 5,744,179 | 5,559,906 | 11,804,336 | 12,024,106 |
| Total Net Position | $261,032,432 | $261,868,833 | $63,969,006 | $64,967,237 | $325,001,438 | $326,836,070 |

### Normal Impacts

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

*Net Results Of Activities* – Impacts (increases/decreases) current assets and unrestricted net position.

*Borrowing For Capital* – Increases current assets and long-term debt.

*Spending Borrowed Proceeds On New Capital* – Reduces current assets and increases capital assets. Also, an increase in invested in capital assets and an increase in related net debt will not change the net investment in capital assets.

*Spending Of Non-borrowed Current Assets On New Capital* – (a) Reduces current assets and increases capital assets; and (b) reduces unrestricted net position and increases net investment in capital assets.

*Principal Payment On Debt* – (a) Reduces current assets and reduces long-term debt; and, (b) reduces unrestricted net position and increases net investment in capital assets.

*Reduction Of Capital Assets Through Depreciation* – Reduces capital assets and net investment in capital assets.

## Current Year Impacts

Statement of Activities

The following table reflects the condensed comparative Statement of Activities as of April 30, 2013 and 2012.

| VILLAGE OF BURR RIDGE | | | | | | |
|---|---|---|---|---|---|---|
| STATEMENT OF ACTIVITIES | | | | | | |
| FOR THE YEAR ENDED APRIL 30 | | | | | | |
| | | | | | | |
| | | | | | | |
| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
| Revenue | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Program Revenues: | | | | | | |
| Charges for Service | $1,124,543 | $984,587 | $4,396,059 | $3,513,705 | $5,520,602 | $4,498,292 |
| Operating Grants | 483,354 | 400,986 | | - | 483,354 | 400,986 |
| Capital Grants | 92,195 | 105,706 | | - | 92,195 | 105,706 |
| General Revenue: | | | | | | |
| Property Taxes | 1,764,263 | 1,736,534 | | - | 1,764,263 | 1,736,534 |
| Other Taxes | 4,697,896 | 4,787,717 | | - | 4,697,896 | 4,787,717 |
| Other | 1,621,384 | 1,963,778 | 218,088 | 497,920 | 1,839,472 | 2,461,698 |
| Total Revenue | 9,783,635 | 9,979,308 | 4,614,147 | 4,011,625 | 14,397,782 | 13,990,933 |
| | | | | | | |
| Expenses | | | | | | |
| General Government | 3,074,361 | 3,183,303 | | - | 3,074,361 | 3,183,303 |
| Public Safety | 5,089,056 | 4,854,169 | | - | 5,089,056 | 4,854,169 |
| Public Works | 2,249,908 | 1,792,960 | | - | 2,249,908 | 1,792,960 |
| Interest | 206,711 | 306,081 | | - | 206,711 | 306,081 |
| Water and Sewer | | - | 5,612,378 | 5,010,891 | 5,612,378 | 5,010,891 |
| Total Expense | 10,620,036 | 10,136,513 | 5,612,378 | 5,010,891 | 16,232,414 | 15,147,404 |
| | | | | | | |
| Excess (Deficiency) before contributions | (836,401) | (157,205) | (998,231) | (999,266) | (1,834,632) | (1,156,471) |
| | | | | | | |
| Transfers | | | | | - | - |
| | | | | | | |
| Change in Net Position | ($836,401) | ($157,205) | ($998,231) | ($999,266) | ($1,834,632) | ($1,156,471) |

## Normal Impacts-Changes In Net Position

Reflected below are eight common (basic) impacts on revenues and expenses.

**Revenues**

*Economic Condition* – Reflects a declining, stable or growing economic environment and has a substantial impact on state income, sales, telecommunications and utility tax revenues as well as public spending habits for items such as building permits and user fees including volumes of usage.

*Increase/Decrease In Village Approved Rates* – While certain tax rates are set by statute, the Village Board has authority to impose and periodically increase/decrease rates (water, sewer, building permit fees, vehicle stickers etc.). The Village's property taxes are subject to tax caps which generally limit Village increases to the lesser of Consumer Price Index or 5.0%.

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

*Market Impacts On Investment Income* – The Village's investment portfolio is managed with an approach utilizing competitive pricing, laddered maturities up to one year for term investments, and diversity of investments. Market conditions may cause investment income to fluctuate more than would occur with more short-term composition.

**Expenses**

*Changes In Programs* – Within the functional expense categories (General Government, Public Safety, Public Works, etc.) individual programs may be added, deleted or expanded to meet changing community needs.

*Changes In Authorized Personnel* **–** Changes in service demand may cause the Village Board to increase/decrease authorized staffing.

*Salary Increases (annual adjustments and step increases)* – The Village strives to maintain a competitive salary range position in the marketplace.

*Inflation* – While overall inflation appears to be modest, the Village is a major consumer of certain commodities and services which typically experience inflation at a rate that can be significantly different from CPI. Examples of such items include insurance, fuel, electricity and operating supplies.

## Current Year Impacts

## FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

### Governmental Funds

At April 30, 2013, the governmental funds reported a combined fund balance of $11,102,412. This is a .15% increase from the beginning of the year balance of $11,085,375.

### Major Governmental Funds

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund at the end of the fiscal year is $4,675,189, which exceeds the Village's required fund balance reserve policy.

Total revenues were under budget by $137,418, total expenses were also under budget by $386,177. This surplus allowed a budget amendment to occur, to transfer $250,000 from the General Fund to the Capital Projects Fund, to help fund future projects.

| VILLAGE OF BURR RIDGE<br>GENERAL FUND BUDGETARY HIGHLIGHTS<br>APRIL 30, 2013 | | | |
|---|---|---|---|
| | Original Budget | Amended Budget | Actual |
| Revenues & Transfers | | | |
| Taxes | $ 5,541,590 | $ 5,541,590 | $ 5,383,858 |
| Intergovernmental | 904,460 | 904,460 | 990,933 |
| Other | 1,546,550 | 1,546,550 | 1,492,841 |
| Sale of capital assets | 15,000 | 15,000 | 2,550 |
| Total | 8,007,600 | 8,007,600 | 7,870,182 |
| | | | |
| Expenditures & Transfers | | | |
| Expenditures | 7,834,170 | 7,834,170 | 7,447,993 |
| Transfers | 134,730 | 384,730 | 384,730 |
| Total | 7,968,900 | 8,218,900 | 7,832,723 |
| | | | |
| Change in Fund Balance | $38,700 | ($211,300) | $37,459 |

## Capital Assets

As of April 30, 2013, the Village's Governmental Funds had invested $259,299,468 in a variety of capital assets and infrastructure, as reflected in the following table.

| VILLAGE OF BURR RIDGE<br>GOVERNMENTAL FUNDS CHANGE IN NET CAPITAL ASSETS<br>APRIL 30, 2013 | | | |
|---|---|---|---|
| | Beginning Balance | Net Additions/ Deletions | Ending Balance |
| Non Depreciable Assets | | | |
| Land | $ 1,705,533 | | $ 1,705,533 |
| Land Right of Way | 214,262,950 | | 214,262,950 |
| Construction in progress | 719,923 | (250,363) | 469,560 |
| | | | |
| Depreciable Assets | | | |
| Streets | 56,815,640 | | 56,815,640 |
| Buildings | 9,971,597 | | 9,971,597 |
| Improvements other than building | 1,429,371 | 627,072 | 2,056,443 |
| Equipment | 1,080,528 | 349,745 | 1,430,273 |
| Vehicles | 1,545,052 | 121,149 | 1,666,201 |
| Accumulated Depreciation on Capital Assets | (27,371,251) | (1,707,478) | (29,078,729) |
| Capital Assets | $260,159,343 | ($859,875) | $259,299,468 |

The most significant capital outlay additions during the current year was the completion of the Madison Street intersection and traffic light installation. There was $172,100 invested in APEX 7000 Portable Radios for Emergency Dispatching. Also, three vehicles were purchased, two Ford Explorers & one Ford Taurus for Police, and a Ford F-350 for Public Works. The Village is continuing the expansion of its wireless network, and has made upgrades to the Audio/Visual technology used in the board room and conference room.

## Debt Outstanding

As of April 30, 2013, the Village had $7,850,000 in outstanding bonded debt service. The existing schedule extends through Fiscal Year 2017. The Village has a legal debt limit of $30,749,042 which is 2.875% of assessed valuation. The Village has used $7,850,000 of this limit leaving a legal debt margin of $22,899,042. The Village's General obligation bonds are rated Aa2 by Moody's Investor Rating Service.

## Economic Factors

The Village of Burr Ridge is conveniently located approximately 19 miles from the Chicago Loop just off of I-55 and County Line Road. Burr Ridge is an affluent community, well known for its homes and quiet residential subdivisions. The Village includes a carefully planned mix of 5 office parks and limited retail area. The Village Center has a variety of retail shops and restaurants, as well as luxury lofts and condominiums.

The Village relies heavily on Property, Sales, and Utility Taxes to provide services to its residents and businesses. The past few years there has been flat revenue growth in the General Fund which is the source for the majority of day-to-day service delivery. Lower levels in Sales Tax and Telecommunication Taxes continue to be a concern of Village management.

The Village completed the Decennial Census in 2010 and the results indicate that the Village's population has decreased 6.2% from 11,259 to 10,559. The number of housing units in the Village has grown 9.05% from 3,933 to 4,289. The number of people per household decreased slightly from 2.96 to 2.46. This new count will result in a reduction in the state income and motor fuel tax revenues, although it is not expected to be significant.

## 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 Jerry C. Sapp, Finance Director, Village of Burr Ridge, 7660 County Line Road, Burr Ridge, Illinois 60527.

VILLAGE OF BURR RIDGE, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2013

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| ASSETS | | | |
| Cash and investments | $ 10,922,291 | $ 6,740,730 | $ 17,663,021 |
| Receivables (net, where applicable, of allowances for uncollectibles) | | | |
| Property taxes | 1,285,781 | - | 1,285,781 |
| Accounts | 97,302 | 496,247 | 593,549 |
| Intergovernmental | 878,860 | - | 878,860 |
| Accrued interest | 100,353 | 66,901 | 167,254 |
| Other | 165,225 | - | 165,225 |
| Deposits | 806,127 | 83,076 | 889,203 |
| Due to/from other funds | 1,384,154 | (1,384,154) | - |
| Capital assets not being depreciated | 216,438,043 | 48,000 | 216,486,043 |
| Capital assets being depreciated | 42,861,425 | 58,176,827 | 101,038,252 |
| Total assets | 274,939,561 | 64,227,627 | 339,167,188 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Unamortized loss on refunding | 66,206 | - | 66,206 |
| Total deferred outflows of resources | 66,206 | - | 66,206 |
| Total assets and deferred outflows of resources | 275,005,767 | 64,227,627 | 339,233,394 |
| LIABILITIES | | | |
| Accounts payable | 309,222 | 181,829 | 491,051 |
| Accrued payroll | 169,092 | 30,303 | 199,395 |
| Accrued interest payable | 62,160 | - | 62,160 |
| Other unearned revenues | 38,901 | - | 38,901 |
| Deposits payable | 1,809,909 | 900 | 1,810,809 |
| Noncurrent liabilities | | | |
| Due within one year | 486,606 | 4,559 | 491,165 |
| Due in more than one year | 9,492,859 | 41,030 | 9,533,889 |
| Total liabilities | 12,368,749 | 258,621 | 12,627,370 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unearned revenue - property taxes | 1,604,586 | - | 1,604,586 |
| Total deferred inflows of resources | 1,604,586 | - | 1,604,586 |
| Total liabilities and deferred inflows of resources | 13,973,335 | 258,621 | 14,231,956 |
| NET POSITION | | | |
| Net investment in capital assets | 251,206,539 | 58,224,827 | 309,431,366 |
| Restricted for | | | |
| Special projects | 502,520 | - | 502,520 |
| Debt service | 3,263,216 | - | 3,263,216 |
| Unrestricted | 6,060,157 | 5,744,179 | 11,804,336 |
| TOTAL NET POSITION | $ 261,032,432 | $ 63,969,006 | $ 325,001,438 |

See accompanying notes to financial statements.

VILLAGE OF BURR RIDGE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2013

| FUNCTIONS/PROGRAMS | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants | Program Revenues: Capital Grants |
|---|---|---|---|---|
| PRIMARY GOVERNMENT | | | | |
| Governmental Activities | | | | |
| General government | $ 3,074,361 | $ 901,469 | $ 170,672 | $ 92,195 |
| Public safety | 5,089,056 | 223,074 | 985 | - |
| Public works | 2,249,908 | - | 311,697 | - |
| Interest and fiscal charges | 206,711 | - | - | - |
| Total governmental activities | 10,620,036 | 1,124,543 | 483,354 | 92,195 |
| Business-Type Activities | | | | |
| Water | 5,139,364 | 4,125,224 | - | - |
| Sewer | 473,014 | 270,835 | - | - |
| Total business-type activities | 5,612,378 | 4,396,059 | - | - |
| TOTAL PRIMARY GOVERNMENT | $ 16,232,414 | $ 5,520,602 | $ 483,354 | $ 92,195 |

| | Net (Expense) Revenue and Change in Net Position | | |
|---|---|---|---|
| | Primary Government | | |
| | Governmental Activities | Business-Type Activities | Total |
| | $ (1,910,025) | $ - | $ (1,910,025) |
| | (4,864,997) | - | (4,864,997) |
| | (1,938,211) | - | (1,938,211) |
| | (206,711) | - | (206,711) |
| | (8,919,944) | - | (8,919,944) |
| | - | (1,014,140) | (1,014,140) |
| | - | (202,179) | (202,179) |
| | - | (1,216,319) | (1,216,319) |
| | (8,919,944) | (1,216,319) | (10,136,263) |
| General Revenues | | | |
| Taxes | | | |
| Property and replacement | 1,764,263 | - | 1,764,263 |
| Sales | 2,288,072 | - | 2,288,072 |
| Telecommunications | 737,693 | - | 737,693 |
| Utility | 1,177,932 | - | 1,177,932 |
| Hotel/motel | 494,199 | - | 494,199 |
| State shared income tax | 951,583 | - | 951,583 |
| Investment income | 291,554 | 200,583 | 492,137 |
| Miscellaneous | 378,247 | 17,505 | 395,752 |
| Total | 8,083,543 | 218,088 | 8,301,631 |
| CHANGE IN NET POSITION | (836,401) | (998,231) | (1,834,632) |
| NET POSITION, MAY 1 | 261,868,833 | 64,967,237 | 326,836,070 |
| NET POSITION, APRIL 30 | $ 261,032,432 | $ 63,969,006 | $ 325,001,438 |

See accompanying notes to financial statements.

VILLAGE OF BURR RIDGE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2013

| | General | Capital Improvements | Debt Service | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| ASSETS | | | | | |
| Cash and investments | $ 3,908,881 | $ 1,282,489 | $ 3,326,648 | $ 2,127,261 | $ 10,645,279 |
| Receivables (net, where applicable, of allowances for uncollectibles) | | | | | |
| Property taxes | 869,968 | - | 415,813 | - | 1,285,781 |
| Accounts | 97,302 | - | - | - | 97,302 |
| Intergovernmental | 860,701 | - | - | 18,159 | 878,860 |
| Accrued interest | 50,176 | 3,345 | 30,105 | 13,382 | 97,008 |
| Other | 104,501 | - | - | 60,724 | 165,225 |
| Deposits | 806,127 | - | - | - | 806,127 |
| Due from other funds | 1,414,847 | - | - | - | 1,414,847 |
| TOTAL ASSETS | $ 8,112,503 | $ 1,285,834 | $ 3,772,566 | $ 2,219,526 | $ 15,390,429 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts payable | $ 168,296 | $ 2,890 | $ - | $ 60,439 | $ 231,625 |
| Accrued payroll | 169,010 | - | - | - | 169,010 |
| Other unearned revenues | 442,194 | - | - | - | 442,194 |
| Due to other funds | - | - | - | 30,693 | 30,693 |
| Deposits payable | 1,562,578 | 247,331 | - | - | 1,809,909 |
| Total liabilities | 2,342,078 | 250,221 | - | 91,132 | 2,683,431 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue | 1,095,236 | - | 509,350 | - | 1,604,586 |
| Total liabilities and deferred inflows of resources | 3,437,314 | 250,221 | 509,350 | 91,132 | 4,288,017 |
| FUND BALANCES | | | | | |
| Restricted | | | | | |
| Debt service | - | - | 3,263,216 | - | 3,263,216 |
| Specific purpose | - | - | - | 502,520 | 502,520 |
| Unrestricted | | | | | |
| Committed | - | - | - | 1,636,735 | 1,636,735 |
| Assigned | | | | | |
| Capital Improvements Fund | - | 1,035,613 | - | - | 1,035,613 |
| Unassigned | | | | | |
| General Fund | 4,675,189 | - | - | - | 4,675,189 |
| Special Revenue Funds | - | - | - | (10,861) | (10,861) |
| Total fund balances | 4,675,189 | 1,035,613 | 3,263,216 | 2,128,394 | 11,102,412 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | $ 8,112,503 | $ 1,285,834 | $ 3,772,566 | $ 2,219,526 | $ 15,390,429 |

See accompanying notes to financial statements.

VILLAGE OF BURR RIDGE, ILLINOIS

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

April 30, 2013

| | | |
|---|---|---|
| FUND BALANCES OF GOVERNMENTAL FUNDS | $ | 11,102,412 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds | | 259,299,468 |
| Less Internal Service Fund capital assets | | (372,792) |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds | | |
| Bonds payable | | (1,915,000) |
| Loans payable | | (242,929) |
| Debt certificates payable | | (5,935,000) |
| Unamortized discounts on long-term debt are other financing uses in governmental funds in the year of issuance but are capitalized and amortized on the statement of net position | | (119,294) |
| The unamortized loss on refunding is reported as a reduction of liabilities on the statement of net position | | 66,206 |
| Accrued interest on long-term debt is reported as a liability on the statement of net position | | (62,160) |
| Compensated absences payable is not due and payable in the current period and, therefore, is not reported in governmental funds | | (284,282) |
| Certain revenues (deposits in public entity risk pool) that are deferred in the governmental funds are recognized as revenue in the governmental activities | | 403,293 |
| The net position of the internal service fund are included in the governmental activities in the statement of net position | | 575,470 |
| The postemployment benefits payable is not a current financial obligation and is, therefore, not reported in the governmental funds | | (304,679) |
| The net pension obligation is not a current financial obligation and is, therefore, not reported in the governmental funds | | (1,178,281) |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | $ | 261,032,432 |

See accompanying notes to financial statements.

VILLAGE OF BURR RIDGE, ILLINOIS

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

For the Year Ended April 30, 2013

| | General | Capital Improvements | Debt Service | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Taxes | $ 5,383,858 | $ - | $ 495,733 | $ - | $ 5,879,591 |
| Licenses and permits | 387,773 | - | - | - | 387,773 |
| Intergovernmental | 990,933 | 92,195 | 23,172 | 848,896 | 1,955,196 |
| Charges for services | 513,695 | - | - | 74,799 | 588,494 |
| Fines and forfeits | 148,275 | - | - | - | 148,275 |
| Investment income | 151,093 | 10,029 | 90,262 | 40,174 | 291,558 |
| Developers contributions | - | 221,548 | - | - | 221,548 |
| Miscellaneous | 292,005 | - | - | 19,195 | 311,200 |
| Total revenues | 7,867,632 | 323,772 | 609,167 | 983,064 | 9,783,635 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | 1,903,310 | - | - | 322,987 | 2,226,297 |
| Public safety | 4,404,786 | - | - | 337,404 | 4,742,190 |
| Public works | 1,139,897 | - | - | 6,127 | 1,146,024 |
| Capital outlay | - | 669,048 | - | 418,758 | 1,087,806 |
| Debt service | | | | | |
| Principal | - | - | 470,172 | - | 470,172 |
| Interest and fiscal charges | - | - | 199,747 | - | 199,747 |
| Total expenditures | 7,447,993 | 669,048 | 669,919 | 1,085,276 | 9,872,236 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 419,639 | (345,276) | (60,752) | (102,212) | (88,601) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from sale of capital assets | 2,550 | - | - | - | 2,550 |
| Transfers in | - | 250,000 | 45,910 | 134,730 | 430,640 |
| Transfers (out) | (384,730) | - | - | (45,910) | (430,640) |
| Issuance of bonds | - | - | 5,935,000 | - | 5,935,000 |
| Payment to escrow agent | - | - | (5,951,206) | - | (5,951,206) |
| Premium on issuance of bonds | - | - | 119,294 | - | 119,294 |
| Total other financing sources (uses) | (382,180) | 250,000 | 148,998 | 88,820 | 105,638 |
| NET CHANGE IN FUND BALANCES | 37,459 | (95,276) | 88,246 | (13,392) | 17,037 |
| FUND BALANCES, MAY 1 | 4,637,730 | 1,130,889 | 3,174,970 | 2,141,786 | 11,085,375 |
| FUND BALANCES, APRIL 30 | $ 4,675,189 | $ 1,035,613 | $ 3,263,216 | $ 2,128,394 | $ 11,102,412 |

See accompanying notes to financial statements.

VILLAGE OF BURR RIDGE, 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, 2013

| | | |
|---|---|---|
| NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | | $ 17,037 |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities | $ 863,476 | |
| Less Internal Service Fund additions | (123,266) | 740,210 |
| Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds | | |
| Depreciation expense | (1,723,350) | |
| Less Internal Service Fund depreciation | 98,240 | (1,625,110) |
| Sale of capital assets are reported as proceeds in governmental funds but as a gain (loss) from sale on the statement of activities | | - |
| The issuance of long-term debt is reported as an other financing source in governmental funds but as an in increase in principal outstanding on the statement of net position | | |
| Issuance of long-term debt | (5,935,001) | |
| Premium on issuance of long-term debt | (119,294) | (6,054,295) |
| The payment to escrow agent for the refunding of long-term debt is reported as an other financing source use in the governmental funds but as | | |
| A decrease of principal outstanding in the statement of net position | | 5,885,000 |
| Loss on refunding amortized over the life of the bonds | | 66,206 |
| The repayment of principal on 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 | | 470,172 |
| The change in the accrual of interest on long-term debt is reported as an expense on the statement of activities | | (24,842) |
| The change in compensated absences payable is shown as an expense on the statement of activities | | (8,414) |
| Discount on bonds issued is reported as an other financing use in governmental funds | | (6,964) |
| Certain revenues that are deferred in the governmental funds are recognized as revenue in the governmental activities | | 66,856 |
| The change in net position of internal service funds is reported in governmental activities on the statement of activities | | (11,953) |
| The change in postemployment benefits payable is not a current financial obligation and is, therefore, not reported in the governmental funds | | (107,514) |
| The change in net pension obligation is not a current financial resource and, therefore, is not reported in the governmental funds | | (242,790) |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | | $ (836,401) |

See accompanying notes to financial statements.

VILLAGE OF BURR RIDGE, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

April 30, 2013

| | Business-Type Activities | | | Governmental Activities |
|---|---|---|---|---|
| | Water | Sewer | Total | Internal Service |
| CURRENT ASSETS | | | | |
| Cash | $ - | $ 241,522 | $ 241,522 | $ 277,012 |
| Investments | 5,033,706 | 1,465,502 | 6,499,208 | - |
| Receivables (net where applicable, of allowances for uncollectibles) | | | | |
| Accounts | 459,300 | 36,947 | 496,247 | - |
| Accrued interest | 50,176 | 16,725 | 66,901 | 3,345 |
| Deposits with IPBC terminal reserve | 63,323 | 19,753 | 83,076 | - |
| Total current assets | 5,606,505 | 1,780,449 | 7,386,954 | 280,357 |
| CAPITAL ASSETS | | | | |
| Capital assets not being depreciated | 48,000 | - | 48,000 | - |
| Capital assets being depreciated | 48,385,540 | 9,791,287 | 58,176,827 | 372,792 |
| Net capital assets | 48,433,540 | 9,791,287 | 58,224,827 | 372,792 |
| Total assets | 54,040,045 | 11,571,736 | 65,611,781 | 653,149 |
| CURRENT LIABILITIES | | | | |
| Accounts payable | 179,513 | 2,316 | 181,829 | 77,597 |
| Due to other funds | 1,384,154 | - | 1,384,154 | - |
| Accrued payroll | 24,060 | 6,243 | 30,303 | 82 |
| Deposits payable | 900 | - | 900 | - |
| Compensated absences payable | 3,450 | 1,109 | 4,559 | - |
| Total current liabilities | 1,592,077 | 9,668 | 1,601,745 | 77,679 |
| LONG-TERM LIABILITIES | | | | |
| Compensated absences payable | 31,051 | 9,979 | 41,030 | - |
| Total long-term liabilities | 31,051 | 9,979 | 41,030 | - |
| Total liabilities | 1,623,128 | 19,647 | 1,642,775 | 77,679 |
| NET POSITION | | | | |
| Net investment in capital assets | 48,433,540 | 9,791,287 | 58,224,827 | 372,792 |
| Unrestricted | 3,983,377 | 1,760,802 | 5,744,179 | 202,678 |
| TOTAL NET POSITION | $ 52,416,917 | $ 11,552,089 | $ 63,969,006 | $ 575,470 |

See accompanying notes to financial statements.

VILLAGE OF BURR RIDGE, ILLINOIS

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

For the Year Ended April 30, 2013

| | Business-Type Activities | | | Governmental Activities |
|---|---|---|---|---|
| | Water | Sewer | Total | Internal Service |
| OPERATING REVENUES | | | | |
| Charges for services | $ 4,070,476 | $ 246,835 | $ 4,317,311 | $ 194,755 |
| Total operating revenues | 4,070,476 | 246,835 | 4,317,311 | 194,755 |
| OPERATING EXPENSES | | | | |
| Cost of sales and services | | | | |
| Personal services | 674,566 | 201,958 | 876,524 | 3,522 |
| Contractual services | 523,562 | 46,161 | 569,723 | 89,694 |
| Commodities | 2,765,865 | 163 | 2,766,028 | 20,825 |
| Repairs and maintenance | 170,104 | 12,500 | 182,604 | 4,456 |
| Total operating expenses | 4,134,097 | 260,782 | 4,394,879 | 118,497 |
| OPERATING INCOME (LOSS) BEFORE DEPRECIATION | (63,621) | (13,947) | (77,568) | 76,258 |
| DEPRECIATION | 1,005,267 | 212,232 | 1,217,499 | 98,240 |
| OPERATING INCOME (LOSS) | (1,068,888) | (226,179) | (1,295,067) | (21,982) |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Tap on connection fees | 54,748 | 24,000 | 78,748 | - |
| Rental income | 17,505 | - | 17,505 | - |
| Investment income | 150,437 | 50,146 | 200,583 | 10,029 |
| Total nonoperating revenues (expenses) | 222,690 | 74,146 | 296,836 | 10,029 |
| CHANGE IN NET POSITION | (846,198) | (152,033) | (998,231) | (11,953) |
| NET POSITION, MAY 1 | 53,263,115 | 11,704,122 | 64,967,237 | 587,423 |
| NET POSITION, APRIL 30 | $ 52,416,917 | $ 11,552,089 | $ 63,969,006 | $ 575,470 |

See accompanying notes to financial statements.

VILLAGE OF BURR RIDGE, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2013

| | Business-Type Activities | | | Governmental Activities |
|---|---|---|---|---|
| | Water | Sewer | Total | Internal Service |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers and users | $ 4,133,880 | $ 253,682 | $ 4,387,562 | $ - |
| Receipts from interfund services transactions | (221,810) | - | (221,810) | 194,755 |
| Payments to suppliers | (3,592,189) | (58,219) | (3,650,408) | (44,146) |
| Payments to employees | (684,152) | (206,629) | (890,781) | (3,440) |
| Net cash from operating activities | (364,271) | (11,166) | (375,437) | 147,169 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Tap on connection fees | 54,748 | 24,000 | 78,748 | - |
| Rental income | 17,505 | - | 17,505 | - |
| Net cash from noncapital financing activities | 72,253 | 24,000 | 96,253 | - |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Capital assets purchased | (34,995) | - | (34,995) | (123,266) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Purchase of investments | 172,801 | 15,934 | 188,735 | - |
| Interest received | 154,212 | 51,404 | 205,616 | 10,281 |
| Net cash from investing activities | 327,013 | 67,338 | 394,351 | 10,281 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | - | 80,172 | 80,172 | 34,184 |
| CASH AND CASH EQUIVALENTS, MAY 1 | - | 161,350 | 161,350 | 242,828 |
| CASH AND CASH EQUIVALENTS, APRIL 30 | $ - | $ 241,522 | $ 241,522 | $ 277,012 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Operating income (loss) | $ (1,068,888) | $ (226,179) | $ (1,295,067) | $ (21,982) |
| Adjustments to reconcile operating income (loss) to net cash from operating activities | | | | |
| Depreciation | 1,005,267 | 212,232 | 1,217,499 | 98,240 |
| (Increase) decrease in | | | | |
| Accounts receivables | 63,404 | 6,848 | 70,252 | - |
| Deposits | (10,212) | (2,446) | (12,658) | - |
| Increase (decrease) in | | | | |
| Accounts payable | (132,658) | 604 | (132,054) | 70,829 |
| Accrued payroll | 3,836 | 38 | 3,874 | 82 |
| Deposits payable | - | - | - | - |
| Due to other funds | (221,810) | - | (221,810) | - |
| Compensated absences payable | (3,210) | (2,263) | (5,473) | - |
| NET CASH FROM OPERATING ACTIVITIES | $ (364,271) | $ (11,166) | $ (375,437) | $ 147,169 |

See accompanying notes to financial statements.

VILLAGE OF BURR RIDGE, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

April 30, 2013

| | Police Pension | Agency |
|---|---|---|
| ASSETS | | |
| Cash and cash equivalents | $ 368,010 | $ 126,114 |
| Investments | | |
| U.S. Treasury securities | 1,610,628 | - |
| U.S. agency securities | 3,564,102 | - |
| Equity securities | 7,160,585 | - |
| State and local obligations | 713,171 | - |
| Receivables | | |
| Accounts | - | 9,023 |
| Accrued interest | 41,283 | - |
| Total assets | 13,457,779 | $ 135,137 |
| LIABILITIES | | |
| Accounts payable | | |
| Due to others | 139 | $ 135,137 |
| Total liabilities | 139 | $ 135,137 |
| NET POSITION HELD IN TRUST FOR PENSION BENEFITS | $ 13,457,640 | |

See accompanying notes to financial statements.

VILLAGE OF BURR RIDGE, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
POLICE PENSION FUND

For the Year Ended April 30, 2013

| | |
|---|---|
| ADDITIONS | |
| Contributions | |
| Employer | $ 484,639 |
| Employee | 213,111 |
| Total contributions | 697,750 |
| Investment income | |
| Net appreciation in fair value of investments | 790,615 |
| Interest | 391,066 |
| Total investment income | 1,181,681 |
| Less investment expense | (31,786) |
| Net investment income | 1,149,895 |
| Total additions | 1,847,645 |
| DEDUCTIONS | |
| Benefits and refunds | 686,707 |
| Administration | 9,981 |
| Total deductions | 696,688 |
| NET INCREASE | 1,150,957 |
| NET POSITION HELD IN TRUST FOR PENSION BENEFITS | |
| May 1 | 12,306,683 |
| April 30 | $ 13,457,640 |

See accompanying notes to financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Burr Ridge, Illinois (the Village) are in accordance with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as 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 following is a summary of the significant accounting policies of the Village.

### a. Reporting Entity

The Village is a municipal corporation established under Illinois Compiled Statutes (ILCS) governed by an elected Mayor and Board of Trustees. The Village has defined its reporting entity in accordance with GASB Statement No. 14. Management has determined that there are no component units that are required to be included in the financial statements of the Village.

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 Mayor, one elected pension beneficiary and two elected police employees 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 of the 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.

### b. Fund Accounting

The Village uses funds to report its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

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 committed and restricted monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds committed, restricted or assigned for 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 for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The Village utilizes pension trust funds which are generally used to account for assets that the Village holds in a fiduciary capacity. The Village utilizes an agency fund to account for assets collected and held for payment of special assessments, which are not debt of the Village.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and standard revenues 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 general operating fund of the Village and is used to account for all financial resources of the Village unless accounted for in another fund.

The Capital Improvements Fund is used to account for monies restricted, committed or assigned for the Village's major capital projects.

The Debt Service Fund is used to accumulate monies restricted for the payment of principal and interest of the General Obligations Bonds.

The Village reports the following major enterprise funds:

The Water Fund accounts for the provision of water services to the residents and businesses of the Village financed by user fees.

The Sewer Fund accounts for the provision of sewer services to the residents and businesses of the Village financed by user fees.

Additionally, the Village reports the following internal service fund:

The Information Technology Fund is used to account for the acquisition of technology equipment and for technology related services to other departments of the Village. This fund is reported as part of the governmental activities on the government-wide financial statements as it provides services to the Village's governmental funds/activities.

The Village reports a pension trust fund as a fiduciary fund to account for the Police Pension Fund. The Village reports the Special Assessment Fund, an agency fund, to account for assets held for the payment of special assessment bonds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund (except agency funds which do not have a measurement focus) financial statements. 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. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as nonoperating.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for income, sales and telecommunication taxes which use a 120-day period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales taxes (owed to the state at year end), motor fuel taxes, simplified telecommunications taxes, franchise taxes, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permit revenue are considered to be measurable and available only when cash is received by the Village.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures/expenses recorded. In the other, monies are virtually unrestricted as to purpose of expenditure/expense and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports unearned revenue on its financial statements. Unearned revenues arise when a 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 or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures/expenses. 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. Deposits and Investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits, investments in Illinois Funds (Illinois Public Treasurers Investment Pool) and Illinois Metropolitan Investment Fund (IMET), and short-term investments with original maturities of three months or less from the date of acquisition. Investments in Illinois Funds, a money market pool created by the Illinois State Legislature under the control of the Illinois State Treasurer, is reported at $1 per share value, which equals the Village's fair value of the pool.

Investments with a maturity of one year or greater at the time of purchase and all investments of the pension trust fund are stated at fair value. Fair value has been based on quoted market prices at April 30 for debt and equity securities and mutual funds.

f. Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

g. Property Taxes

Property taxes attach as an enforceable lien on January 1 of each year. They are levied in December of the subsequent fiscal year by passage of a Tax Levy Ordinance. Tax bills are prepared by Cook County and issued on or about February 1 and August 1, and are payable in two installments, on or about March 1 and September 1. Tax bills are prepared by DuPage County on or about May 1 and

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Property Taxes (Continued)

are payable in two installments on or about June 1 and September 1. The Counties collect such taxes and remit them periodically. Property tax revenues are recognized in the year intended to finance. The 2012 taxes are intended to finance the 2014 fiscal year and are not considered available for current operations and are, therefore, shown as a receivable and unavailable revenue. The 2013 tax levy has not been recorded as a receivable at April 30, 2013, as the tax attached as a lien on property as of January 1, 2013; however, the tax will not be levied until December 2013 and, accordingly, is not measurable at April 30, 2013.

h. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost in excess $10,000 and 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.

The costs of normal maintenance and repairs, including street overlays 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 are depreciated using the straight-line method over the following estimated useful lives:

| | |
|---|---|
| Buildings | 40 years |
| Improvements | 40 years |
| Equipment | 5-15 years |
| Vehicles | 5-10 years |
| Streets | 50 years |
| Water system | 40 years |
| Sanitary sewer lines | 40 years |

The Village will report its infrastructure on a prospective basis.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Compensated Absences

Vested or accumulated vacation leave and compensatory time off that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements, and the remainder is reported in governmental activities. Vested or accumulated vacation leave and compensatory time off of proprietary funds and governmental activities at the government-wide level is recorded as an expense and liability 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 sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

k. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable 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 District'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 Finance Director through the approved fund balance policy of the Village. Any residual fund balance in the General Fund is reported as unassigned.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Fund Balance/Net Position (Continued)

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

The Village will maintain fund balance in the General Fund to fund operations for a period of at least three months. The cash flow target in the General Fund will be adjusted annually with the adoption of the annual budget and is calculated as three months (25%) of General Fund expenditures with the exception of transfers to capital projects.

In addition, a portion of fund balance will be assigned for capital improvement and replacement projects. These funds will be assigned in the General Fund.

It is also the policy of the Village to assign a portion of fund balance in the amount of debt service payments for governmental debt for the following year. These funds may be assigned in either the General Fund or the Debt Service Fund.

In the government-wide financial statements, restricted net position are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the Village's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset.

l. Interfund Transactions

Interfund services transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services transactions and reimbursements, are reported as transfers.

m. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Deferred Inflows/Outflows

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

2. RECEIVABLES

The following receivables are included in intergovernmental receivables on the statement of net position at April 30, 2013:

| | |
|---|---|
| GOVERNMENTAL ACTIVITIES | |
| Court fines | $ 3,342 |
| Sales tax | 539,559 |
| Income tax | 153,706 |
| Motor fuel tax | 18,159 |
| Telecommunications | 164,094 |
| TOTAL GOVERNMENTAL ACTIVITIES | $ 878,860 |

The following receivables are included in other receivables on the statement of net position at April 30, 2013:

| | |
|---|---|
| GOVERNMENTAL ACTIVITIES | |
| Franchise fees | $ 10,868 |
| Utility tax | 93,831 |
| Hotel/motel tax | 55,399 |
| E911 surcharge receivable | 5,325 |
| TOTAL GOVERNMENTAL ACTIVITIES | $ 165,423 |

## 3. DEPOSITS AND INVESTMENTS

### a. Village Deposits and Investments

The Village's investment policy authorizes the Village to invest in deposits/ investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agency, Government National Mortgage Association (GNMAs), money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, the IMET and Illinois Funds

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State of Illinois to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investment could be sold.

IMET is a non-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, which is the price for which the investment could be sold.

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 objectives of the policy are, in order of priority, safety of principal, liquidity and rate of return.

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust fund. In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust fund are held separately from those of other funds.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 102% of the fair market value of the funds secured, with the collateral held by the Village, an independent third party or the Federal Reserve Bank of Chicago.

## 3. DEPOSITS AND INVESTMENTS (Continued)

### a. Village Deposits and Investments (Continued)

Investments

The following table presents the investments and maturities of the Village's debt securities as of April 30, 2013:

| | | Investment Maturities in Years | | | |
|---|---|---|---|---|---|
| | Fair Value | Less Than 1 | 1-5 | 6-10 | Greater than 10 |
| U.S. agency securities | $ 11,110,007 | $ 737,497 | $ 4,238,290 | $ 4,640,161 | $ 1,494,059 |
| U.S. Treasury securities | - | - | - | - | - |
| State and local obligations | 3,889,419 | 102,571 | 1,330,252 | 2,309,758 | 146,838 |
| Negotiable CD | 110,204 | - | 110,204 | - | - |
| TOTAL | $ 15,109,630 | $ 840,068 | $ 5,678,746 | $ 6,949,919 | $ 1,640,897 |

In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

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 investing in external investment pools. The U.S. agency obligations are all rated AA+. The state and local obligations are rated from AA- to AAA.

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 investments be limited to the safest types of securities invested with pre-qualified institutions, broker/dealers, intermediaries and advisors and soundly diversified. IMET and Illinois Funds are not subject to custodial credit risk.

Concentration of credit risk is the risk that the Village has a high percentage of their investments invested in one type of investment. At April 30, 2013, the Village had greater than 5% of its overall portfolio invested in U.S. Treasury and U.S. agency obligations. The Village's investment policy requires diversification of investment to avoid unreasonable risk but has no set percentage limits.

3. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Deposits and Investments

The Police Pension Fund's investment policy authorizes the Police Pension Fund to invest in all investments allowed by the Illinois Pension Code contained in Chapter 40 of Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, interest bearing obligations of the U.S. Treasury and U.S. agencies, interest bearing bonds of the State of Illinois or any county, township or municipal corporation of the State of Illinois, direct obligations of the State of Israel, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. agencies, separate accounts managed by life insurance companies, mutual funds, common and preferred stock and Illinois Funds (created by the Illinois State Legislature under the control of the State Treasurer that maintains a $1 per share value which is equal to the participants fair value).

It is the policy of the Police Pension Fund to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the cash flow demands of the Police Pension Fund 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 objectives of the policy are, in order of priority, safety of principal, rate of return, public trust and liquidity.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Police Pension Fund's deposits may not be returned to it. The Police Pension Fund's investment policy requires pledging of collateral for all investments in excess of federal depository insurance, at an amount not less than 100% of the fair market value of the funds secured, with the collateral held by the Village, an independent third party or the Federal Reserve Bank of Chicago.

Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2013:

| | | Investment Maturities in Years | | | |
|---|---|---|---|---|---|
| | Fair Value | Less Than 1 | 1-5 | 6-10 | Greater than 10 |
| U.S. Treasury securities | $ 1,610,628 | $ - | $ 367,036 | $ 1,243,592 | $ - |
| U.S. agency securities | 3,564,102 | 152,785 | 1,230,616 | 2,126,455 | 54,246 |
| State and local obligations | 713,171 | 50,991 | 138,769 | 523,411 | - |
| TOTAL | $ 5,887,901 | $ 203,776 | $ 1,736,421 | $ 3,893,458 | $ 54,246 |

## 3. DEPOSITS AND INVESTMENTS (Continued)

### b. Police Pension Deposits and Investments (Continued)

Investments (Continued)

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 all reasonably anticipated operating requirements while providing a reasonable rate of return based on the current market.

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 U.S. Treasury and U.S. agency obligations and other highly rated obligations. U.S. Treasury Securities are rated AA in the amount of $1,610,628. U.S. agency securities in the amount of $3,564,102 are rated AA+. The state and local obligations are rated Aa2 in the amount of $713,171.

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 held by a third party agent.

Concentration of credit risk is the risk that the Police Pension Fund has a high percentage of their investments invested in one type of investment. The Police Pension Fund's investment policy requires diversification of investment to avoid unreasonable risk. At April 30, 2013, the Police Pension Fund had greater than 5% of its overall portfolio invested in U.S. Treasury and U.S. agency obligations. The Police Pension Fund's investment policy requires diversification of investment to avoid unreasonable risk but has no set percentage limits.

## 4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2013 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| GOVERNMENTAL ACTIVITIES | | | | |
| Capital assets not being depreciated | | | | |
| Land | $ 1,705,533 | $ - | $ | $ 1,705,533 |
| Land right of way | 214,262,950 | - | - | 214,262,950 |
| Construction in progress | 719,923 | 376,708 | 627,071 | 469,560 |
| Total capital assets not being depreciated | 216,688,406 | 376,708 | 627,071 | 216,438,043 |

## 4. CAPITAL ASSETS (Continued)

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| GOVERNMENTAL ACTIVITIES (Continued) | | | | |
| Capital assets being depreciated | | | | |
| Streets | $ 56,815,640 | $ - | $ - | $ 56,815,640 |
| Buildings | 9,971,597 | - | - | 9,971,597 |
| Improvements other than building | 1,429,371 | 627,072 | - | 2,056,443 |
| Equipment | 1,080,528 | 349,745 | - | 1,430,273 |
| Vehicles | 1,545,052 | 137,021 | 15,872 | 1,666,201 |
| Total capital assets being depreciated | 70,842,188 | 1,113,838 | 15,872 | 71,940,154 |
| Less accumulated depreciation for | | | | |
| Streets | 23,034,346 | 1,130,987 | - | 24,165,333 |
| Buildings | 2,269,036 | 249,290 | - | 2,518,326 |
| Improvements other than building | 281,290 | 51,411 | - | 332,701 |
| Equipment | 568,534 | 150,440 | - | 718,974 |
| Vehicles | 1,218,045 | 141,222 | 15,872 | 1,343,395 |
| Total accumulated depreciation | 27,371,251 | 1,723,350 | 15,872 | 29,078,729 |
| Total capital assets being depreciated, net | 43,470,937 | (609,512) | - | 42,861,425 |
| GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET | $ 260,159,343 | $ (232,804) | $ 627,071 | $ 259,299,468 |

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| BUSINESS-TYPE ACTIVITIES | | | | |
| Capital assets not being depreciated | | | | |
| Land | $ 48,000 | $ - | $ - | $ 48,000 |
| Construction in progress - sewer | - | - | - | - |
| Total capital assets not being depreciated | 48,000 | - | - | 48,000 |
| Capital assets being depreciated | | | | |
| Buildings | 6,321,153 | - | - | 6,321,153 |
| Equipment | 137,000 | - | - | 137,000 |
| Vehicles | 113,471 | 34,995 | - | 148,466 |
| Water systems | 63,850,374 | - | - | 63,850,374 |
| Sanitary sewer lines | 14,307,569 | - | - | 14,307,569 |
| Total capital assets being depreciated | 84,729,567 | 34,995 | - | 84,764,562 |
| Less accumulated depreciation for | | | | |
| Buildings | 3,065,084 | 140,436 | - | 3,205,520 |
| Equipment | 48,325 | 13,700 | - | 62,025 |
| Vehicles | 76,310 | 13,492 | - | 89,802 |
| Water systems | 17,787,792 | 851,339 | - | 18,639,131 |
| Sanitary sewer lines | 4,392,725 | 198,532 | - | 4,591,257 |
| Total accumulated depreciation | 25,370,236 | 1,217,499 | - | 26,587,735 |
| Total capital assets being depreciated, net | 59,359,331 | (1,182,504) | - | 58,176,827 |
| BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET | $ 59,407,331 | $ (1,182,504) | $ - | $ 58,224,827 |

4. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government for the year ended April 30, 2013, as follows:

| | |
|---|---|
| GOVERNMENTAL ACTIVITIES | |
| General government | $ 1,314,589 |
| Public safety | 243,009 |
| Public works | 165,752 |
| TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES * | $ 1,723,350 |

* Depreciation expense excludes depreciation of the Internal Service Fund's capital assets of $98,240.

5. INTERFUND ACCOUNTS

a. Interfund transfers between funds for the year ended April 30, 2013 were as follows:

| | Transfers In | Transfers Out |
|---|---|---|
| General | | |
| Capital Improvement | $ - | $ 250,000 |
| Nonmajor/Equipment Replacement | - | 134,730 |
| Total General | - | 384,730 |
| Debt Service | | |
| Nonmajor/Hotel/Motel | 45,910 | - |
| Total Debt Service | 45,910 | - |
| Capital Projects | | |
| Capital Improvement | 250,000 | - |
| Total Capital Projects | 250,000 | - |
| Nonmajor | | |
| Hotel/Motel | - | 45,910 |
| Equipment Replacement | 134,730 | - |
| Total Nonmajor | 134,730 | 45,910 |
| TOTAL | $ 430,640 | $ 430,640 |

The purpose of significant transfers is as follows:

- $134,730 transferred from the General Fund to the Equipment Replacement Fund to use for future vehicle, equipment and public improvement purchases. This transfer will not be repaid.

5. INTERFUND ACCOUNTS (Continued)

a. (Continued)

- $250,000 transferred from the General Fund to the Capital Improvement Fund. These funds will be used to offset a needed transfer from the General Fund to the Capital Projects Fund in fiscal year 2014-15.

b. Interfund receivables between funds for the year ended April 30, 2013 were as follows:

| Fund | Due From | Due To |
|---|---|---|
| General | $ 1,414,847 | $ - |
| Nonmajor/MFT | - | 27,357 |
| Nonmajor/Places of Eating | - | 3,336 |
| Water | - | 1,384,154 |
| TOTAL | $ 1,414,847 | $ 1,414,847 |

- $1,384,154 due to the General Fund from the Water Fund to finance short-term cash shortfalls. This will be repaid within one year.

- $27,357 due to the General Fund from the Motor Fuel Tax Fund to finance short-term cash shortfalls. This will be repaid within one year.

- $3,336 due to General Fund from the Place of Eating Tax Fund to finance short-term cash shortfalls

6. LONG-TERM DEBT

a. General Obligation Bonds and Certificates

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

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

## 6. LONG-TERM DEBT (Continued)

### a. General Obligation Bonds and Certificates (Continued)

| | Fund Debt Retired by | Balances May 1 | Issuances | Reductions/ Refunding | Balances April 30 | Current Portion |
|---|---|---|---|---|---|---|
| $5,650,000 General Obligation Refunding Bonds, Series 2003, dated May 15, 2003 due in annual installments of $275,000 to $505,000, plus fixed interest at 2.75% to 3.10% through December 30, 2016. | Debt Service | $ 2,350,000 | $ - | $ 435,000 | $ 1,915,000 | $ 450,000 |
| $5,395,000 General Obligation Refunding Bonds, Series 2012, dated May 2, 2012 due at maturity, plus fixed interest at 1.75% through December 15, 2017. | Debt Service | - | 5,935,000 | - | 5,935,000 | - |
| TOTAL GENERAL OBLIGATION BONDS | | $ 2,350,000 | $ 5,935,000 | $ 435,000 | $ 7,850,000 | $ 450,000 |

The Village issues taxable debt certificates to provide funds for the acquisition and construction of major capital facilities.

Taxable debt certificates currently outstanding are as follows:

| | Fund Debt Retired by | Balances May 1 | Issuances | Reductions | Balances April 30 | Current Portion |
|---|---|---|---|---|---|---|
| $5,885,000 Taxable Debt Certificates, Series 2009, dated September 15, 2009 due at maturity, plus fixed interest at 2.250% through December 15, 2012. | Debt Service | $ 5,885,000 | $ - | $ 5,885,000 | $ - | $ - |
| TOTAL TAXABLE DEBT CERTIFICATES | | $ 5,885,000 | $ - | $ 5,885,000 | $ - | $ - |

Promissory notes are direct obligations and pledge the full faith and credit of the Village. Promissory notes currently outstanding are as follows:

## 6. LONG-TERM DEBT (Continued)

### a. General Obligation Bonds and Certificates (Continued)

| | Fund Debt Retired by | Balances May 1 | Issuances | Reductions | Balances April 30 | Current Portion |
|---|---|---|---|---|---|---|
| $375,000 Promissory Note, Series 2008, dated December 12, 2008 due in annual installments of $30,547 to $44,602, plus fixed interest at 3.98% through December 30, 2018. | Hotel/ Motel Tax | $ 278,102 | $ - | $ 35,173 | $ 242,929 | $ 36,606 |
| TOTAL GENERAL OBLIGATION BONDS | | $ 278,102 | $ - | $ 35,173 | $ 242,929 | $ 36,606 |

### b. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

| Fiscal Year Ending April 30, | Principal | Interest | Total |
|---|---|---|---|
| 2014 | $ 450,000 | $ 59,365 | $ 509,365 |
| 2015 | 470,000 | 45,415 | 515,415 |
| 2016 | 490,000 | 30,845 | 520,845 |
| 2017 | 505,000 | 15,655 | 520,655 |
| TOTAL | $ 1,915,000 | $ 151,280 | $ 2,066,280 |

| Fiscal Year Ending April 30, | Principal | Interest | Total |
|---|---|---|---|
| 2014 | $ - | $ 103,863 | $ 103,863 |
| 2015 | - | 103,863 | 103,863 |
| 2016 | - | 103,863 | 103,863 |
| 2017 | - | 103,863 | 103,863 |
| 2018 | 5,935,000 | 103,863 | 6,038,863 |
| TOTAL | $ 5,935,000 | $ 519,315 | $ 6,454,315 |

## 6. LONG-TERM DEBT (Continued)

### b. Debt Service Requirements to Maturity (Continued)

| Fiscal Year Ending April 30, | Promissory Note Principal | Interest | Total |
|---|---|---|---|
| 2014 | $ 36,606 | $ 9,308 | $ 45,914 |
| 2015 | 38,079 | 7,835 | 45,914 |
| 2016 | 39,609 | 6,305 | 45,914 |
| 2017 | 41,187 | 4,727 | 45,914 |
| 2018 | 42,856 | 3,058 | 45,914 |
| 2019 | 44,592 | 1,332 | 45,924 |
| TOTAL | $ 242,929 | $ 32,565 | $ 275,505 |

### c. Legal Debt Margin

| | |
|---|---|
| EQUALIZED ASSESSED VALUATION (2012 ACTUAL) | $ 1,069,531,894 |
| Statutory debt limitation (2.875% of assessed valuation) | $ 30,749,042 |
| Less amount of debt applicable to debt limit | |
| General Obligation Refunding Bond Series 2003 | 1,915,000 |
| General Obligation Refunding Bond Series 2012 | 5,935,000 |
| LEGAL DEBT MARGIN | $ 22,899,042 |

### d. Changes in General Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended April 30, 2013:

| | Balances May 1 | Additions | Retirements /Refunding | Balances April 30 | Current Portion |
|---|---|---|---|---|---|
| GOVERNMENTAL ACTIVITIES | | | | | |
| General Obligation Bonds Series 2003 | $ 2,350,000 | $ - | $ 435,000 | $ 1,915,000 | $ 450,000 |
| General Obligation Bonds Series 2012 | - | 5,935,000 | - | 5,935,000 | - |
| Taxable Debt Certificates Series 2009 | 5,885,000 | - | 5,885,000 | - | - |
| Unamortized (discount) on bonds payable | (6,964) | 6,964 | - | - | - |
| Unamortized premium on bonds payable | - | 119,294 | - | 119,294 | - |

## 6. LONG-TERM DEBT (Continued)

### d. Changes in General Long-Term Liabilities (Continued)

| | Balances May 1 | Additions | Retirements /Refunding | Balances April 30 | Current Portion |
|---|---|---|---|---|---|
| GOVERNMENTAL ACTIVITIES (Continued) | | | | | |
| Promissory Note | $ 278,102 | $ - | $ 35,173 | $ 242,929 | $ 36,606 |
| Compensated absences | 275,868 | 36,282 | 27,868 | 284,282 | 28,428 |
| Net pension obligation | 935,491 | 242,790 | - | 1,178,281 | - |
| Other postemployment benefit payable | 197,165 | 107,514 | - | 304,679 | - |
| TOTAL | $ 9,914,662 | $6,447,844 | $ 6,383,041 | $ 9,979,465 | $ 515,034 |
| Business-Type Activities | | | | | |
| Compensated absences | $ 51,062 | $ - | $ 5,473 | $ 45,589 | $ 4,559 |

### e. Refunding

On May 5, 2012, the Village issued $5,935,000 Series 2012 General Obligation Refunding, to restructure and extend the maturity by five years, $5,885,000 of Taxable Debt Certificates Series 2009. The proceeds of the bonds were placed in an irrevocable trust to provide all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. The defeased bonds were called and retired on December 15, 2012. Because the intention of the refunding was to restructure and extend the debt, no economic gain or loss is reported.

## 7. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees, employee health and natural disasters. The Village has joined risk pools to protect itself from losses as follows:

Intergovernmental Personnel Benefit Cooperative (IPBC)

The Village participated in the Intergovernmental Personnel Benefit Cooperative (IPBC). The IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs, (primarily medical, dental and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi governments and nonprofit public service entities.

7. RISK MANAGEMENT (Continued)

The IPBC acts as an administrative agency to receive, process and pay such claims as may come within the benefit program of each member.

One representative from each member group serves on the IPBC board and each board member has one vote on the board. None of its members have any direct equity interest in IPBC.

The Village, along with IPBC's other members, has a contractual obligation to fund any deficit of IPBC attributable to a membership year during which it was a member. Supplemental contributions may be required to fund these deficits. There have been no required supplemental contributions during any of the past three years.

IPBC offers a PPO and HMO plan for its members. All IPBC indemnity medical and HMO claims are subject to an individual stop loss of $50,000. The cooperative agreement provides that the plan will be self-sustaining through member premiums.

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 Cooperation Statute to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration, extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first $1,000 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 the 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 a member. Supplemental contributions may be required to fund these deficits. There have been no required supplemental contributions during any of the past three years.

## 7. RISK MANAGEMENT (Continued)

| | |
|---|---|
| Automobile Liability | $10,000,000 per occurrence |
| General Liability | $10,000,000 per occurrence |
| Public Officials Liability | $10,000,000 per occurrence |
| Police Professional Liability | $10,000,000 per occurrence |
| Employee Benefits Liability | $10,000,000 per occurrence |
| Workers' Compensation | $151,500,000 per occurrence |
| First Party Property | $250,000,000 per occurrence |
| Employer's Liability | $1,000,000 per occurrence |
| Boiler/Machinery | $50,000,000 per occurrence |
| Fidelity and Crime | |
| a. Employee Theft | $5,000,000 blanket limit |
| b. Forgery or Alteration | $5,000,000 blanket limit |
| c. Computer Fraud | $5,000,000 blanket limit |
| d. Credit Card Forgery | $5,000,000 blanket limit |
| e. Nonfaithful Performance | $2,500,000 blanket limit |
| Public Officials Bond | Blanket statutory requirements |

## 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 which 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 two defined benefit pension plans: the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system, and the Police Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all plans are governed by ILCS and can only be amended by the Illinois General Assembly. Neither of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for IMRF as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

## 9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

### a. Plan Descriptions

Illinois Municipal Retirement Fund

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

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

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution rate for the calendar year ended 2012 was 13.23% 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, 2013, the Police Pension Plan membership consisted of:

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

| | |
|---|---|
| Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them | 15 |
| Inactive members | 1 |
| Current employees | |
| Vested | 16 |
| Nonvested | 10 |
| TOTAL | 42 |

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.

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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 as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village has until the year 2033 to fully fund the past service cost for the Police Pension Plan. For the year ended April 30, 2013, the Village's contribution was 23.45% of covered payroll.

b. 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 position for the Police Pension Plan. Information for the IMRF is not available.

c. Annual Pension Costs

Employer contributions have been determined as follows:

| | Illinois Municipal Retirement | Police Pension |
|---|---|---|
| Actuarial valuation date | December 31, 2012 | April 30, 2013 |
| Actuarial cost method | Entry-age Normal | Entry-age Normal |
| Asset valuation method | 5 Year Smoothed Market | 4 Year Smoothed Market |
| Amortization method | Level Percentage of Payroll | Level Percentage of Payroll |
| Amortization period | 23 Years, Closed | 23.17 Years, Closed |

## 9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

### c. Annual Pension Costs (Continued)

| Significant actuarial assumptions | Illinois Municipal Retirement | Police Pension |
|---|---|---|
| a) Rate of return on present and future assets | 7.50% Compounded Annually | 7.25% Compounded Annually |
| b) Projected salary increase attributable to inflation | 4.00% Compounded Annually | 5.00% Compounded Annually |
| c) Additional projected salary increases - seniority/merit | .40 to 10.0% | Not Available |

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

| | For Fiscal Year | Illinois Municipal Retirement | Police Pension |
|---|---|---|---|
| Annual pension cost (APC) | 2011 | $ 218,648 | $ 712,366 |
| | 2012 | 216,027 | 678,257 |
| | 2013 | 235,191 | 727,429 |
| Actual contribution | 2011 | $ 215,849 | $ 570,105 |
| | 2012 | 216,027 | 553,333 |
| | 2013 | 235,191 | 484,639 |
| Percentage of APC contributed | 2011 | 98.72% | 80.03% |
| | 2012 | 100.00% | 81.58% |
| | 2013 | 100.00% | 66.62% |
| NPO (asset) | 2011 | $ 2,799 | $ 810,567 |
| | 2012 | - | 935,491 |
| | 2013 | - | 1,178,281 |

Funded Status and Funding Progress

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs (Continued)

The funded status of the plans as of December 31, 2012 for the IMRF and April 30, 2013 for the Police Pension Plan were as follows. The actuarial assumptions used to determine the funded status of the Police Pension Plan are the same actuarial assumptions used to determine the employer APC of the plan as disclosed in Note 9c.

| | Illinois Municipal Retirement | Police Pension |
|---|---|---|
| Actuarial accrued liability (AAL) | $ 6,902,098 | $ 18,789,814 |
| Actuarial value of plan assets | 5,549,356 | 13,291,012 |
| Unfunded actuarial accrued liability (UAAL) | 1,352,742 | 5,498,246 |
| Funded ratio (actuarial value of plan assets/AAL) | 80.40% | 70.74% |
| Covered payroll (active plan members) | $ 1,712,684 | $ 2,066,534 |
| UAAL as a percentage of covered payroll | 78.98% | 266.06% |

The net pension obligation (asset) for the year ended April 30, 2013 has been calculated as follows:

| | Illinois Municipal Retirement | Police Pension |
|---|---|---|
| Annual required contribution | $ 235,191 | $ 713,135 |
| Interest on net pension obligation | - | 67,823 |
| Adjustment to annual required contribution | - | (53,529) |
| Annual pension cost | 235,191 | 727,429 |
| Contributions made | 235,191 | 484,639 |
| Increase (decrease) in net pension obligation (asset) | - | 242,790 |
| Net pension obligation, beginning of year | - | 935,491 |
| NET PENSION OBLIGATION, END OF YEAR | $ - | $ 1,178,281 |

## 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 two retirement plans. The retirees pay the blended premium. Upon a retiree becoming eligible for Medicare, the amount payable under the Village's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both.

### c. Membership

At April 30, 2013, membership consisted of:

| | |
|---|---|
| Retirees and beneficiaries currently receiving benefits | 6 |
| Terminated employees entitled to benefits but not yet receiving them | - |
| Active employees - vested | 46 |
| Active employees - nonvested | - |
| TOTAL | 52 |
| Participating employers | 1 |

### d. Funding Policy

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2013 was as follows (information for year ended April 30, 2008 is not available as an actuarial valuation was performed for the first time as of May 1, 2008):

| Fiscal Year Ended | Annual OPEB Cost | Employer Contributions | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|---|---|---|---|---|
| April 30, 2011 | $ 83,796 | $ 18,234 | 21.76% | $ 132,913 |
| April 30, 2012 | 83,663 | 19,411 | 23.20% | 197,165 |
| April 30, 2013 | 127,652 | 20,138 | 15.78% | 304,679 |

The net OPEB obligation as of April 30, 2013 was calculated as follows:

| | |
|---|---|
| Annual required contribution | $ 127,652 |
| Interest on net OPEB obligation | 8,872 |
| Adjustment to annual required contribution | (8,871) |
| Annual OPEB cost | 127,653 |
| Contributions made | 20,139 |
| Increase in net OPEB obligation | 107,514 |
| Net OPEB obligation, beginning of year | 197,165 |
| NET OPEB OBLIGATION, END OF YEAR | $ 304,679 |

Funded Status and Funding Progress: The funded status of the Plan as of April 30, 2013 was as follows:

| | |
|---|---|
| Actuarial accrued liability (AAL) | $ 1,799,537 |
| Actuarial value of plan assets | - |
| Unfunded actuarial accrued liability (UAAL) | 1,799,537 |
| Funded ratio (actuarial value of plan assets/AAL) | 0% |
| Covered payroll (active plan members) | $ 4,401,016 |
| UAAL as a percentage of covered payroll | 40.89% |

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 May 1, 2012 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included an investment rate of return of 4.5%, projected salary increases of 5.0% and an initial healthcare cost trend rate of 9.0% with an ultimate healthcare inflation rate of 5.0%. 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.

# REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF BURR RIDGE, ILLINOIS

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

For the Year Ended April 30, 2013

| | Original Budget | Final Budget | Actual | Variance Over (Under) |
|---|---|---|---|---|
| REVENUES | | | | |
| Taxes | $ 5,541,590 | $ 5,541,590 | $ 5,383,858 | $ (157,732) |
| Licenses and permits | 317,330 | 317,330 | 387,773 | 70,443 |
| Intergovernmental | 904,460 | 904,460 | 990,933 | 86,473 |
| Charges for services | 484,420 | 484,420 | 513,695 | 29,275 |
| Fines and forfeits | 155,000 | 155,000 | 148,275 | (6,725) |
| Investment income | 275,000 | 275,000 | 151,093 | (123,907) |
| Miscellaneous | 314,800 | 314,800 | 292,005 | (22,795) |
| Total revenues | 7,992,600 | 7,992,600 | 7,867,632 | (124,968) |
| EXPENDITURES | | | | |
| General government | 1,999,765 | 1,999,765 | 1,903,310 | (96,455) |
| Public safety | 4,491,960 | 4,491,960 | 4,404,786 | (87,174) |
| Public works | 1,342,445 | 1,342,445 | 1,139,897 | (202,548) |
| Total expenditures | 7,834,170 | 7,834,170 | 7,447,993 | (386,177) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 158,430 | 158,430 | 419,639 | 261,209 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from sale of capital assets | 15,000 | 15,000 | 2,550 | (12,450) |
| Transfers (out) | (134,730) | (384,730) | (384,730) | - |
| Total other financing sources (uses) | (119,730) | (369,730) | (382,180) | (12,450) |
| NET CHANGE IN FUND BALANCE | $ 38,700 | $ (211,300) | 37,459 | $ 248,759 |
| FUND BALANCE, MAY 1 | | | 4,637,730 | |
| FUND BALANCE, APRIL 30 | | | $ 4,675,189 | |

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2013

Schedule of Funding Progress

| Actuarial Valuation Date December 31, | (1) Actuarial Value of Assets | (2) Actuarial Accrued Liability (AAL) Entry-Age Normal | Funded Ratio (1) / (2) | (4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1) | (5) Covered Payroll | UAAL as a Percentage of Covered Payroll (4) / (5) |
|---|---|---|---|---|---|---|
| 2012 | $ 5,549,356 | $ 6,902,098 | 80.40% | $ 1,352,742 | $ 1,712,684 | 78.98% |
| 2011 | 4,901,546 | 6,459,644 | 75.88% | 1,558,098 | 1,700,749 | 91.61% |
| 2010 | 4,431,251 | 6,016,241 | 73.65% | 1,584,990 | 1,749,182 | 90.61% |
| 2009 | 4,307,989 | 5,775,302 | 74.59% | 1,467,313 | 2,002,510 | 73.27% |
| 2008 | 3,906,638 | 5,476,054 | 71.34% | 1,569,416 | 1,971,506 | 79.60% |
| 2007 | 4,003,013 | 4,953,532 | 80.81% | 950,519 | 1,941,547 | 48.96% |

Schedule of Employer Contributions

| Fiscal Year | Employer Contributions | Annual Required Contribution (ARC) | Percentage Contributed |
|---|---|---|---|
| 2013 | $ 235,191 | $ 235,191 | 100.00% |
| 2012 | 216,027 | 216,027 | 100.00% |
| 2011 | 215,849 | 218,648 | 98.72% |
| 2010 | 214,413 | 214,413 | 100.00% |
| 2009 | 230,272 | 230,272 | 100.00% |
| 2008 | 235,898 | 235,898 | 100.00% |

VILLAGE OF BURR RIDGE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
POLICE PENSION FUND

April 30, 2013

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 (Overfunded) AAL (UAAL) (2) - (1) | (5) Covered Payroll | UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5) |
|---|---|---|---|---|---|---|
| 2012 | $ 13,291,568 | $ 18,789,814 | 70.74% | $ 5,498,246 | $ 2,066,534 | 266.06% |
| 2011 | 12,131,012 | 17,591,245 | 68.96% | 5,460,233 | 2,024,827 | 269.66% |
| 2010 | 11,428,082 | 16,096,932 | 71.00% | 4,668,850 | 2,128,445 | 219.35% |
| 2009 | 10,513,849 | 15,017,269 | 70.01% | 4,503,420 | 2,086,282 | 215.86% |
| 2008 | 9,825,170 | 13,375,000 | 73.46% | 3,549,830 | 1,972,195 | 179.99% |
| 2007 | 9,337,970 | 12,530,879 | 74.52% | 3,192,909 | 1,864,068 | 171.29% |

Schedule of Employer Contributions

| Fiscal Year April 30, | Employer Contributions | Annual Required Contribution (ARC) | Percentage Contributed |
|---|---|---|---|
| 2013 | $ 484,639 | $ 713,135 | 67.96% |
| 2012 | 553,333 | 660,788 | 83.74% |
| 2011 | 570,105 | 704,238 | 80.95% |
| 2010 | 463,791 | 597,123 | 77.67% |
| 2009 | 468,730 | 515,891 | 90.86% |
| 2008 | 366,376 | 505,521 | 72.47% |

VILLAGE OF BURR RIDGE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2013

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 (Overfunded) AAL (UAAL) (2) - (1) | (5) Covered Payroll | UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5) |
|---|---|---|---|---|---|---|
| 2012 | $ - | $ 1,799,537 | 0.00% | $ 1,799,537 | 4,401,016 | 40.89% |
| 2011 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2010 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2009 | - | 953,779 | 0.00% | 953,779 | 3,947,458 | 24.16% |

Schedule of Employer Contributions

| Fiscal Year April 30, | Employer Contributions | Annual Required Contribution (ARC) | Percentage Contributed |
|---|---|---|---|
| 2013 | $ 20,138 | $ 127,652 | 15.78% |
| 2012 | 19,411 | 83,932 | 23.13% |
| 2011 | 18,234 | 83,932 | 21.72% |
| 2010 | 16,581 | 83,932 | 19.76% |

(See independent auditor's report.)

## STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

a. Budgetary Information

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Village Administrator submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.

2. Hearings are conducted.

3. The Budget Ordinance is legally enacted.

4. The Budget Ordinance may be amended by the Board of Trustees.

5. The budget is adopted on an accrual/modified accrual basis which is consistent with GAAP.

The Village operates under the Budget Act in lieu of appropriations. Annual budgets are adopted for the general, special revenue, debt service, capital projects, enterprise, internal service and pension trust funds.

The level of control (level at which expenditures may not exceed budget) is the Fund. The Village Administrator, as Budget Director, has the authority to amend the budget within the individual fund. Budgets lapse at year end.

b. Budget and Actual Expenditures/Expenses

Actual fund expenditures/expenses for the fiscal year greater than budgeted amounts at the legal level of budgetary control are as follows:

| Fund | Expenditure/ Expense Budget | Actual Expenditures/ Expenses |
|---|---|---|
| Emergency 911 | $ 111,235 | $ 274,470 |
| Places of Eating Tax | 50,500 | 53,336 |

SUPPLEMENTAL DATA

VILLAGE OF BURR RIDGE, ILLINOIS

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

For the Year Ended April 30, 2013

| | Original Budget | Final Budget | Actual |
|---|---|---|---|
| REVENUES | | | |
| Investment income | $ 20,000 | $ 20,000 | $ 10,029 |
| Intergovernmental | 100,000 | 100,000 | 92,195 |
| Developer contributions | 365,705 | 365,705 | 221,548 |
| Total revenues | 485,705 | 485,705 | 323,772 |
| EXPENDITURES | | | |
| Capital outlay | 1,127,610 | 1,127,610 | 940,563 |
| Less reimbursement | | | |
| Motor Fuel Tax | (335,700) | (335,700) | (271,515) |
| Total expenditures | 791,910 | 791,910 | 669,048 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (306,205) | (306,205) | (345,276) |
| OTHER FINANCING SOURCES (USES) | | | |
| Bond proceeds | 362,000 | 362,000 | - |
| Transfers in | - | 250,000 | 250,000 |
| Total other financing sources (uses) | 362,000 | 612,000 | 250,000 |
| NET CHANGE IN FUND BALANCE | $ 55,795 | $ 305,795 | (95,276) |
| FUND BALANCE, MAY 1 | | | 1,130,889 |
| FUND BALANCE, APRIL 30 | | | $ 1,035,613 |

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

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

For the Year Ended April 30, 2013

| | Original and Final Budget | Actual |
|---|---|---|
| REVENUES | | |
| Taxes | $ 507,850 | $ 495,733 |
| Intergovernmental | 23,170 | 23,172 |
| Investment income | 116,710 | 90,262 |
| Total revenues | 647,730 | 609,167 |
| EXPENDITURES | | |
| Debt service | | |
| Principal | 500,340 | 470,172 |
| Interest and fiscal charges | 337,270 | 199,747 |
| Total expenditures | 837,610 | 669,919 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (189,880) | (60,752) |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers in | 90,545 | 45,910 |
| Issuance of bonds | - | 5,935,000 |
| Payment to escrow agent | - | (5,951,206) |
| Premium on issuance of bonds | - | 119,294 |
| Total other financing sources (uses) | 90,545 | 148,998 |
| NET CHANGE IN FUND BALANCE | $ (99,335) | 88,246 |
| FUND BALANCE, MAY 1 | | 3,174,970 |
| FUND BALANCE, APRIL 30 | | $ 3,263,216 |

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2013

| | Special Revenue | | | | Capital Projects | | | Total |
|---|---|---|---|---|---|---|---|---|
| | Emergency 911 | Motor Fuel Tax | Hotel/Motel | Places of Eating | Sidewalks/ Pathways | Storm Water Management | Equipment Replacement | Governmental Funds |
| ASSETS | | | | | | | | |
| Cash and investments | $ 141,889 | $ - | $ 309,201 | $ - | $ 526,111 | $ 82,845 | $ 1,067,215 | $ 2,127,261 |
| Receivables (net, where applicable, of allowances for uncollectibles) | | | | | | | | |
| Intergovernmental | - | 18,159 | - | - | - | - | - | 18,159 |
| Accrued interest | 1,673 | 1,673 | 1,673 | - | 3,345 | 1,673 | 3,345 | 13,382 |
| Other | 5,325 | - | 55,399 | - | - | - | - | 60,724 |
| TOTAL ASSETS | $ 148,887 | $ 19,832 | $ 366,273 | $ - | $ 529,456 | $ 84,518 | $ 1,070,560 | $ 2,219,526 |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| LIABILITIES | | | | | | | | |
| Accounts payable | $ 6,381 | $ - | $ 6,259 | $ - | $ - | $ - | $ 47,799 | $ 60,439 |
| Due to other funds | - | 27,357 | - | 3,336 | - | - | - | 30,693 |
| Total liabilities | 6,381 | 27,357 | 6,259 | 3,336 | - | - | 47,799 | 91,132 |
| FUND BALANCES | | | | | | | | |
| Restricted | | | | | | | | |
| Specific purpose | 142,506 | - | 360,014 | - | - | - | - | 502,520 |
| Unrestricted | | | | | | | | |
| Committed | - | - | - | - | 529,456 | 84,518 | 1,022,761 | 1,636,735 |
| Unassigned | | | | | | | | |
| Special revenue funds | - | (7,525) | - | (3,336) | - | - | - | (10,861) |
| Total fund balances (deficit) | 142,506 | (7,525) | 360,014 | (3,336) | 529,456 | 84,518 | 1,022,761 | 2,128,394 |
| TOTAL LIABILITIES AND FUND BALANCES | $ 148,887 | $ 19,832 | $ 366,273 | $ - | $ 529,456 | $ 84,518 | $ 1,070,560 | $ 2,219,526 |

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

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

For the Year Ended April 30, 2013

| | Special Revenue | | | | Capital Projects | | | Total |
|---|---|---|---|---|---|---|---|---|
| | Emergency 911 | Motor Fuel Tax | Hotel/Motel | Places of Eating | Sidewalks/ Pathways | Storm Water Management | Equipment Replacement | Governmental Funds |
| REVENUES | | | | | | | | |
| Intergovernmental | $ - | $ 304,697 | $ 494,199 | $ 50,000 | $ - | $ - | $ - | $ 848,896 |
| Charges for services | 74,799 | - | - | - | - | - | - | 74,799 |
| Investment income | 5,015 | 5,071 | 5,015 | - | 10,029 | 5,015 | 10,029 | 40,174 |
| Miscellaneous | - | - | - | - | - | 19,195 | - | 19,195 |
| Total revenues | 79,814 | 309,768 | 499,214 | 50,000 | 10,029 | 24,210 | 10,029 | 983,064 |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General government | - | - | 269,651 | 53,336 | - | - | - | 322,987 |
| Public safety | 274,470 | - | 62,934 | - | - | - | - | 337,404 |
| Public works | - | 564 | - | - | - | 5,563 | - | 6,127 |
| Capital outlay | - | 271,515 | - | - | 83,311 | 564 | 63,368 | 418,758 |
| Total expenditures | 274,470 | 272,079 | 332,585 | 53,336 | 83,311 | 6,127 | 63,368 | 1,085,276 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (194,656) | 37,689 | 166,629 | (3,336) | (73,282) | 18,083 | (53,339) | (102,212) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in | - | - | - | - | - | - | 134,730 | 134,730 |
| Transfers (out) | - | - | (45,910) | - | - | - | - | (45,910) |
| Total other financing sources (uses) | - | - | (45,910) | - | - | - | 134,730 | 88,820 |
| NET CHANGE IN FUND BALANCES | (194,656) | 37,689 | 120,719 | (3,336) | (73,282) | 18,083 | 81,391 | (13,392) |
| FUND BALANCES (DEFICIT), MAY 1 | 337,162 | (45,214) | 239,295 | - | 602,738 | 66,435 | 941,370 | 2,141,786 |
| FUND BALANCES (DEFICIT), APRIL 30 | $ 142,506 | $ (7,525) | $ 360,014 | $ (3,336) | $ 529,456 | $ 84,518 | $ 1,022,761 | $ 2,128,394 |

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EMERGENCY 911 FUND

For the Year Ended April 30, 2013

| | Final Budget | Actual |
|---|---|---|
| REVENUES | | |
| Charges for services | $ 67,050 | $ 74,799 |
| Investment income | 5,355 | 5,015 |
| Total revenues | 72,405 | 79,814 |
| EXPENDITURES | | |
| Current | | |
| Public safety | 111,235 | 274,470 |
| Total expenditures | 111,235 | 274,470 |
| NET CHANGE IN FUND BALANCE | $ (38,830) | (194,656) |
| FUND BALANCE, MAY 1 | | 337,162 |
| FUND BALANCE, APRIL 30 | | $ 142,506 |

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

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

For the Year Ended April 30, 2013

| | Final Budget | Actual |
|---|---|---|
| REVENUES | | |
| Intergovernmental | $ 329,930 | $ 304,697 |
| Investment income | 6,520 | 5,071 |
| Total revenues | 336,450 | 309,768 |
| EXPENDITURES | | |
| Current | | |
| Public works | 750 | 564 |
| Capital outlay | | |
| Reimbursement to Capital Improvement Fund | 335,700 | 271,515 |
| Total expenditures | 336,450 | 272,079 |
| NET CHANGE IN FUND BALANCE | $ - | 37,689 |
| FUND BALANCE (DEFICIT), MAY 1 | | (45,214) |
| FUND BALANCE (DEFICIT), APRIL 30 | | $ (7,525) |

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL TAX FUND

For the Year Ended April 30, 2013

| | Final Budget | Actual |
|---|---|---|
| REVENUES | | |
| Intergovernmental | $ 416,530 | $ 494,199 |
| Investment income | 5,355 | 5,015 |
| Total revenues | 421,885 | 499,214 |
| EXPENDITURES | | |
| Current | | |
| General government | 270,750 | 269,651 |
| Public safety | 78,325 | 62,934 |
| Total expenditures | 349,075 | 332,585 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 72,810 | 166,629 |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers (out) | (90,545) | (45,910) |
| Total other financing sources (uses) | (90,545) | (45,910) |
| NET CHANGE IN FUND BALANCE | $ (17,735) | 120,719 |
| FUND BALANCE, MAY 1 | | 239,295 |
| FUND BALANCE, APRIL 30 | | $ 360,014 |

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

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

For the Year Ended April 30, 2013

| | Final Budget | Actual |
|---|---|---|
| REVENUES | | |
| Investment income | $ 1,500 | $ - |
| Taxes | 50,000 | 50,000 |
| Total revenues | 51,500 | 50,000 |
| EXPENDITURES | | |
| General government | | |
| Marketing | 50,000 | 53,336 |
| Bank fees | 500 | - |
| Total expenditures | 50,500 | 53,336 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 1,000 | (3,336) |
| NET CHANGE IN FUND BALANCE | $ 1,000 | (3,336) |
| FUND BALANCE, MAY 1 | | - |
| FUND BALANCE, APRIL 30 | | $ (3,336) |

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SIDEWALKS/PATHWAY FUND

For the Year Ended April 30, 2013

| | Final Budget | Actual |
|---|---|---|
| REVENUES | | |
| Investment income | $ 25,000 | $ 10,029 |
| Miscellaneous | 47,500 | - |
| Total revenues | 72,500 | 10,029 |
| EXPENDITURES | | |
| Capital outlay | 334,300 | 83,311 |
| Total expenditures | 334,300 | 83,311 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (261,800) | (73,282) |
| NET CHANGE IN FUND BALANCE | $ (261,800) | (73,282) |
| FUND BALANCE, MAY 1 | | 602,738 |
| FUND BALANCE, APRIL 30 | | $ 529,456 |

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STORM WATER MANAGEMENT FUND

For the Year Ended April 30, 2013

| | Final Budget | Actual |
|---|---|---|
| REVENUES | | |
| Investment income | $ 4,160 | $ 5,015 |
| Miscellaneous | 25,000 | 19,195 |
| Total revenues | 29,160 | 24,210 |
| EXPENDITURES | | |
| Current | | |
| Public works | 21,000 | 5,563 |
| Capital outlay | 750 | 564 |
| Total expenditures | 21,750 | 6,127 |
| NET CHANGE IN FUND BALANCE | $ 7,410 | 18,083 |
| FUND BALANCE, MAY 1 | | 66,435 |
| FUND BALANCE, APRIL 30 | | $ 84,518 |

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

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

For the Year Ended April 30, 2013

| | Final Budget | Actual |
|---|---|---|
| REVENUES | | |
| Investment income | $ 24,910 | $ 10,029 |
| Total revenues | 24,910 | 10,029 |
| EXPENDITURES | | |
| Capital outlay | 63,800 | 63,368 |
| Total expenditures | 63,800 | 63,368 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (38,890) | (53,339) |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers (out) | 134,730 | 134,730 |
| Total other financing sources (uses) | 134,730 | 134,730 |
| NET CHANGE IN FUND BALANCE | $ 95,840 | 81,391 |
| FUND BALANCE, MAY 1 | | 941,370 |
| FUND BALANCE, APRIL 30 | | $ 1,022,761 |

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND

For the Year Ended April 30, 2013

| | Balances May 1 | Additions | Deletions | Balances April 30 |
|---|---|---|---|---|
| ASSETS | | | | |
| Cash and cash equivalents | $ 100,532 | $ 25,582 | $ - | $ 126,114 |
| Accounts receivable | 5,770 | 3,253 | - | 9,023 |
| TOTAL ASSETS | $ 106,302 | $ 28,835 | $ - | $ 135,137 |
| LIABILITIES | | | | |
| Due to bondholders | $ 106,302 | $ 28,835 | $ - | $ 135,137 |
| TOTAL LIABILITIES | $ 106,302 | $ 28,835 | $ - | $ 135,137 |

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

SCHEDULE OF DEBT SERVICE REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS OF 2003

April 30, 2013

| | |
|---|---|
| Date of Issue | May 15, 2003 |
| Date of Maturity | December 30, 2016 |
| Authorized Issue | $ 5,650,000 |
| Denomination of Bonds | $ 5,000 |
| Interest Rates | 2.75% - 3.10% |
| Interest Dates | June 30 and December 30 |
| Principal Maturity Date | December 30 |
| Payable at | Bank of America |

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

| | | Tax Levy | | | Interest Due on | | | |
|---|---|---|---|---|---|---|---|---|
| Tax Year | Fiscal Year | Principal | Interest | Totals | June 30 | Amount | December 30 | Amount |
| 2012 | 2014 | $ 450,000 | $ 59,365 | $ 509,365 | 2013 | $ 29,682 | 2013 | $ 29,683 |
| 2013 | 2015 | 470,000 | 45,415 | 515,415 | 2014 | 22,707 | 2014 | 22,708 |
| 2014 | 2016 | 490,000 | 30,845 | 520,845 | 2015 | 15,422 | 2015 | 15,423 |
| 2015 | 2017 | 505,000 | 15,655 | 520,655 | 2016 | 7,827 | 2016 | 7,828 |
| | | $ 1,915,000 | $ 151,280 | $ 2,066,280 | | $ 75,638 | | $ 75,642 |

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

SCHEDULE OF DEBT SERVICE REQUIREMENTS
PROMISSORY NOTE OF 2008

April 30, 2013

| | |
|---|---|
| Date of Issue | December 12, 2008 |
| Date of Maturity | December 30, 2018 |
| Authorized Issue | $ 375,000 |
| Interest Rates | 3.980% |
| Interest Dates | June 30 and December 30 |
| Principal Maturity Date | December 30 |
| Payable at | Burr Ridge Bank and Trust |

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

| | Payment Schedule | | | Interest Due on | | | |
|---|---|---|---|---|---|---|---|
| Fiscal Year | Principal | Interest | Totals | June 30 | Amount | December 30 | Amount |
| 2014 | $ 36,606 | $ 9,307 | $ 45,913 | 2014 | $ 4,821 | 2014 | $ 4,486 |
| 2015 | 38,077 | 7,836 | 45,913 | 2015 | 4,095 | 2015 | 3,741 |
| 2016 | 39,608 | 6,305 | 45,913 | 2016 | 3,339 | 2016 | 2,966 |
| 2017 | 41,186 | 4,727 | 45,913 | 2017 | 2,567 | 2017 | 2,160 |
| 2018 | 42,854 | 3,058 | 45,912 | 2018 | 1,736 | 2018 | 1,322 |
| 2019 | 44,598 | 1,332 | 45,930 | 2019 | 885 | 2019 | 447 |
| | $ 242,929 | $ 32,565 | $ 275,494 | | $ 17,443 | | $ 15,122 |

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

SCHEDULE OF DEBT SERVICE REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS OF 2012

April 30, 2013

| | |
|---|---|
| Date of Issue | May 2, 2012 |
| Date of Maturity | December 15, 2017 |
| Authorized Issue | $ 5,935,000 |
| Denomination of Bonds | $ 5,000 |
| Interest Rates | 1.75% |
| Interest Dates | June 15 and December 15 |
| Principal Maturity Date | December 15 |
| Payable at | US Bank |

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

| | Payment Schedule | | | Interest Due on | | | |
|---|---|---|---|---|---|---|---|
| Fiscal Year | Principal | Interest | Totals | June 30 | Amount | December 30 | Amount |
| 2014 | $ - | $ 103,863 | $ 103,863 | 2013 | $ 51,931 | 2013 | $ 51,932 |
| 2015 | - | 103,863 | 103,863 | 2014 | 51,931 | 2014 | 51,932 |
| 2016 | - | 103,863 | 103,863 | 2015 | 51,931 | 2015 | 51,932 |
| 2017 | - | 103,863 | 103,863 | 2016 | 51,931 | 2016 | 51,932 |
| 2018 | 5,935,000 | 103,863 | 6,038,863 | 2017 | 51,931 | 2017 | 51,932 |
| | $ 5,935,000 | $ 519,315 | $ 6,454,315 | | $ 259,655 | | $ 259,660 |

(See independent auditor's report.)

OTHER SUPPLEMENTAL DATA

VILLAGE OF BURR RIDGE, ILLINOIS

SCHEDULE OF GENERAL FUND OPERATING BUDGET

For the Year Ended April 30, 2013

| | Budget | Actual |
|---|---|---|
| REVENUES | $ 7,992,600 | $ 7,867,632 |
| Proceeds from the sale of capital assets | 15,000 | 2,550 |
| Total revenues | 8,007,600 | 7,870,182 |
| EXPENDITURES BEFORE IPBC ALLOCATION, BUT INCLUDING TRANSFERS TO OTHER FUNDS | | |
| Boards and commissions | 355,880 | 288,098 |
| Administration | 451,870 | 465,526 |
| Community development | 429,875 | 451,893 |
| Finance | 281,800 | 268,841 |
| Central services | 551,290 | 527,494 |
| Police | 4,495,860 | 4,462,223 |
| Public works | 1,469,895 | 1,276,975 |
| Building and grounds | 182,430 | 165,146 |
| Total expenditures | 8,218,900 | 7,906,196 |
| NET OPERATING SURPLUS | $ (211,300) | (36,014) |
| Reduction of IPBC reserves | | 73,473 |
| NET CHANGE IN FUND BALANCE | | $ 37,459 |

(See independent auditor's report.)