

Village of Lemont



Comprehensive Annual Financial Report

For the Year Ended
April 30, 2006



VILLAGE OF LEMONT, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED APRIL 30, 2006

Submitted by:
Jean M. Nona
Treasurer



**VILLAGE OF LEMONT, ILLINOIS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED APRIL 30, 2006**

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INTRODUCTORY SECTION

VILLAGE OF LEMONT, ILLINOIS

**Principal Officials
April 30, 2006**

LEGISLATIVE

John F. Piazza, Mayor

Trustees

Debby Blatzer

Ronald Stapleton

Brian Reaves

Clifford Miklos

Peter Coules

Jeanette Virgilio

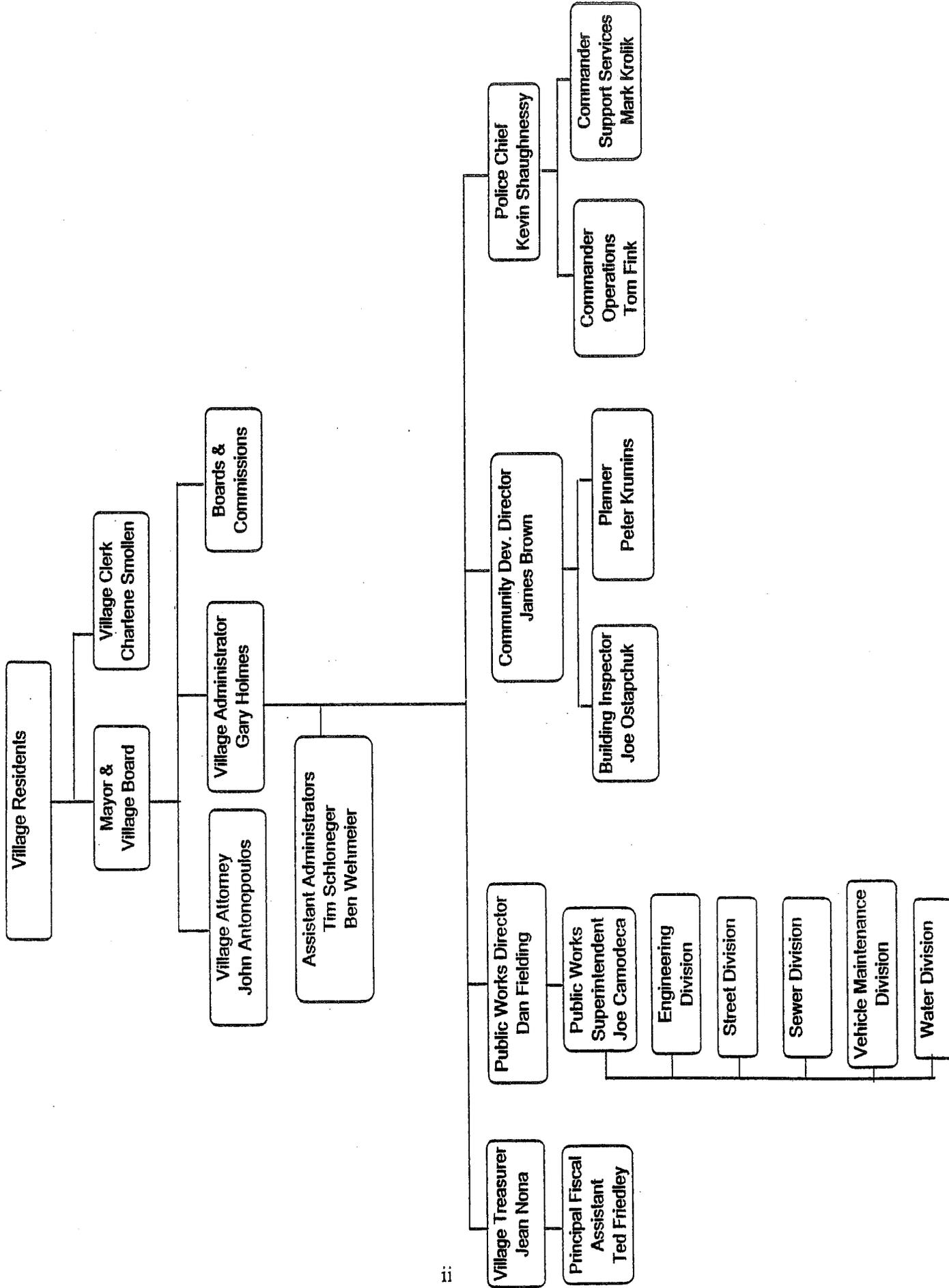
ADMINISTRATIVE

Village Clerk - Charlene Smollen

Village Administrator - Gary Holmes

Village Treasurer - Jean Nona

VILLAGE OF LEMONT ORGANIZATIONAL CHART



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FINANCIAL SECTION

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To the Mayor and Members of the Board of Trustees
Village of Lemont, Illinois

INDEPENDENT AUDITORS' REPORT

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 Lemont, Illinois as of and for the year then ended April 30, 2006, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Lemont, Illinois as of April 30, 2006, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2006, on our consideration of the internal control over financial reporting of the Village of Lemont, Illinois' and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



The management's discussion and analysis, budgetary comparison information and other required supplementary information on pages vii through xviii and 44 through 49, are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the management's discussion and analysis and other required supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Village of Lemont, Illinois. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Mulcahy, Pawlitsch, Salvador & Co., LTD.



To the Mayor and Members of the Board of Trustees
Village of Lemont, Illinois

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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 Lemont, Illinois as of and for the year ended April 30, 2006, which collectively comprise the basic financial statements of the Village of Lemont, Illinois, and have issued our report thereon dated September 15, 2006. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Village of Lemont, Illinois are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain immaterial instances of noncompliance that we have reported to management of the Village of Lemont, Illinois in a separate letter dated September 15, 2006.

This report is intended solely for the information of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mulcahy, Pawritsch, Salvador & Co., LTD.



MANAGEMENT DISCUSSION AND ANALYSIS

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VILLAGE OF LEMONT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2006

The management of the Village of Lemont ("Village") presents this discussion and analysis to provide its readers with a narrative overview and analysis of the Village's financial activities for the year ended April 30, 2006.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of the greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the Required Supplementary Information that is provided in addition to the MD&A.

Financial Highlights

- The assets of the Village exceeded its liabilities at the close of this year by \$139,215,403 (net assets). Of this amount, \$9,332,530 (unrestricted net assets) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The governmental funds reported combined ending fund balances of \$8,154,214, of which \$7,010,432 was unreserved and is available for spending at the Village's discretion (unreserved fund balance).
- At the end of the fiscal year, unreserved fund balance for the General Fund was \$2,925,184, or twenty six percent (26%) of total General Fund expenditures.
- The Village's long-term debt decreased by \$617,955 during this year due to principal payments exceeding additions.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. These basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village of Lemont's finances, in a manner similar to a private-sector business. The government wide financial statement can be found on pages 1 – 3 of this report.

The statement of net assets presents information of all the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, i.e. uncollected taxes and earned but unused vacation leave.

Government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Village's governmental activities include police protection, crime prevention, community planning and zoning, building inspection and safety, street building and maintenance, traffic control, street lighting and storm water control. The business-type activity of the Village includes waterworks and sewerage services and commuter parking lot availability.

Fund Financial Statements

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

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Village's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains thirteen (13) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditure, and changes in fund balances for the General Fund, TIF/Main Street Debt Service Fund, TIF/Main Street Capital Projects Fund, Road Improvement Fund, Debt Service Fund and Public Works Building Capital Projects Fund. Data from the other seven (7) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the Village's full report.

The Village adopts an annual Appropriation Ordinance (Budget) for all of the governmental funds. A budgetary comparison statement for these funds has been provided to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 4-11 of this report.

Proprietary Fund. The Village maintains two proprietary funds. The funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Villages uses the enterprise fund to account for its Waterworks and Sewerage System and Parking Lot activity.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the waterworks and sewerage, which is considered the only major fund. The basic proprietary fund financial statement can be found on pages 12 – 14 of this report.

Fiduciary Funds. A Fiduciary fund is used to account for resources held for the pension benefit payments to qualified police personnel. This fund is not reflected in the government-wide financial statement because the resources of this fund are not available to support the Village's own programs. The accounting used for the fiduciary fund is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 15 – 16 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 – 43 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also represents certain required supplementary information. Required supplementary information can be found on pages 44 – 49 of this report. The combining statements referred to earlier in connection with non-major governmental funds and proprietary funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statement and schedules can be found on pages 50 – 69 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the government’s financial position. The following tables show that as of April 30, 2006 and 2005, the Village’s assets exceeded liabilities by \$139,215,403 and \$127,183,480 respectively.

NET ASSETS

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	Current and other assets	\$12,129,413	\$9,913,066	\$4,543,803	\$7,215,490	\$16,673,216
Capital assets	105,936,308	89,000,907	39,954,546	42,607,001	145,890,854	131,607,908
Total assets	118,065,721	98,913,973	44,498,349	49,822,491	162,564,070	148,736,464
Long-term liabilities outstanding	11,066,577	11,266,553	7,913,324	7,915,778	18,979,901	19,182,331
Other liabilities	3,841,425	2,206,603	527,341	164,050	4,368,766	2,370,653
Total liabilities	14,908,002	13,473,156	8,440,665	8,079,828	23,348,667	21,552,984
Net assets:						
Invested in capital assets, net of related debt	95,497,241	76,511,435	32,193,600	34,644,484	127,690,841	111,155,919
Restricted	2,192,032	2,122,179	0	0	2,192,032	2,122,179
Unrestricted	5,468,446	6,807,203	3,864,084	7,098,179	9,332,530	13,905,382
Total net assets	\$103,157,719	\$85,440,817	\$36,057,684	\$41,742,663	\$139,215,403	\$127,183,480

The chart above shows the changes in net assets. Overall net assets increased (decreased) for the years ended April 30, 2006 and 2005 by \$12,031,923 and (\$3,653,770) respectively, which indicated the Village’s overall position had improved during the past year. The increase in net assets in the current year is primarily due to the following:

CHANGE IN NET ASSETS

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	Program revenues:					
Charges for services	\$1,800,175	\$1,152,505	\$3,960,794	\$3,354,529	\$5,760,969	\$4,507,034
Operating grants and contributions	302,432	614,236	0	0	302,432	614,236
Capital grants and contributions	13,989,539	428,091	4,779,764	413,107	18,769,303	841,198
Total program revenues	16,092,146	2,195,832	8,740,558	3,767,636	24,832,704	5,962,468
General revenues	9,393,258	7,883,761	596,815	122,108	9,990,073	8,005,869
Total revenues	25,485,404	10,079,593	9,337,373	3,889,744	34,822,777	13,968,337
Program expenses	19,925,815	15,057,421	2,865,039	2,564,686	22,790,854	17,622,107
Excess (deficit) before transfers	5,559,589	(4,977,828)	6,472,334	1,325,058	12,031,923	(3,653,770)
Transfers	12,157,313	(227,962)	(12,157,313)	227,962	0	0
Increase in net assets	\$17,716,902	(\$5,206,790)	(\$5,684,979)	\$1,553,020	\$12,031,923	(\$3,653,770)

- Revenue for sales tax has continued to increase with the commercial growth in our community.
- The construction and conveyance of development related infrastructure such as roads, sewer and water lines.
- The continued growth in the development related fees collected from sustained high residential and commercial growth.

The Village's investment in capital assets, i.e. buildings and equipment, less any related outstanding debt used to acquire those assets represents ninety two percent (92%) of the Village's net assets. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (i.e. water/sewer rates), since the capital assets themselves cannot be used to liquidate these liabilities.

An additional one percent (1%) of the Village's net assets represent resources that are subject to external restrictions on how they may be used. The remaining balance of \$9,332,530 represents unrestricted net assets, which may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Village is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Government Activities

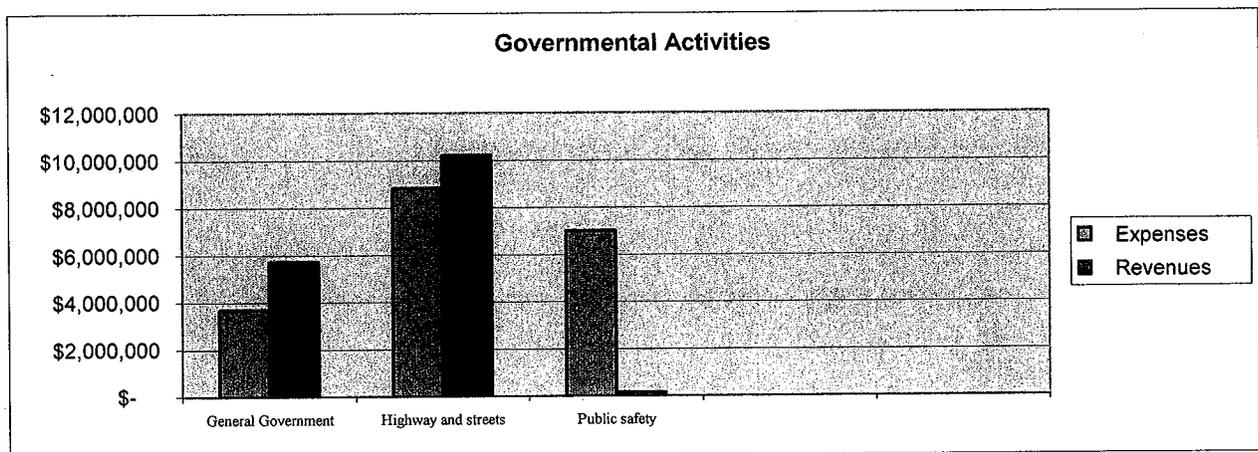
The form of government is that of a village with an elected President and Board of Trustees elected at large.

Governmental activities include the following functions:

- General government includes the administration and finance departments, and depreciation.
- Highways and streets includes the streets and bridges maintenance, public grounds and buildings maintenance, vehicle tax, motor fuel tax projects, capital projects and depreciation
- Public Safety includes police protection, police commission, and civil defense.
- Interest on long-term debt contains interest payments and debt related fees.

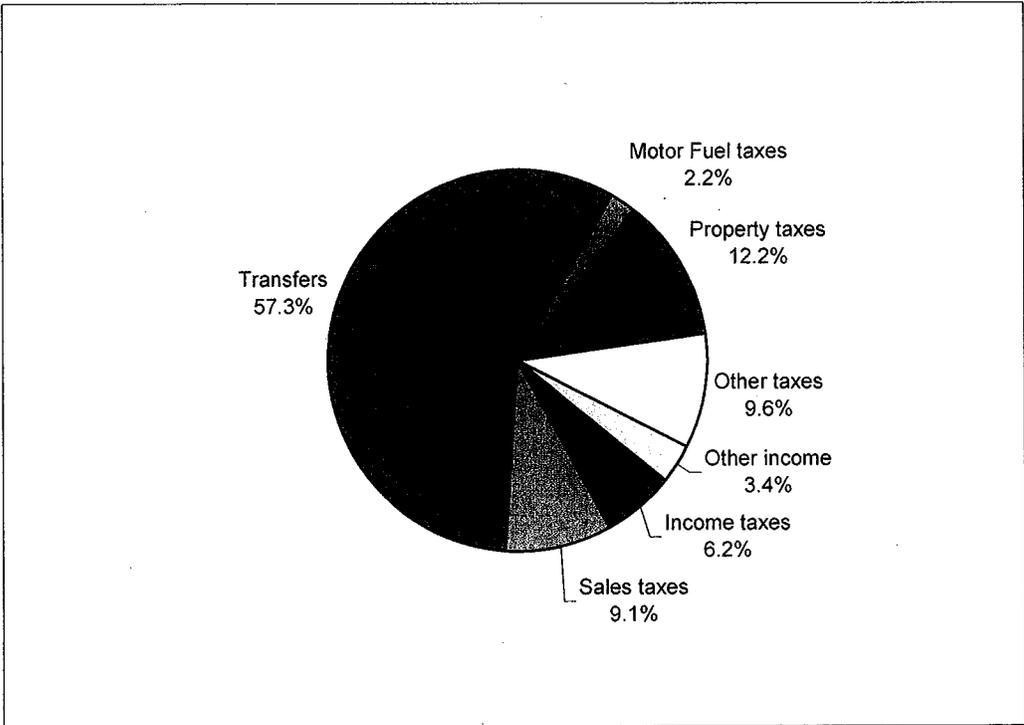
	<u>Expenses</u>		<u>Program Revenues</u>		<u>Net (Expense) Revenue</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
General government	\$3,697,991	\$6,401,775	\$5,726,583	\$1,349,405	\$2,028,592	(\$5,052,370)
Highway and streets	8,832,330	2,146,665	10,213,043	845,427	1,380,713	(1,301,238)
Public safety	7,007,777	2,666,787	152,520	0	(6,855,257)	(2,666,787)
Interest	387,717	3,842,194	0	0	(387,717)	(3,842,194)
Total governmental activities	\$19,925,815	\$15,057,421	\$16,092,146	\$2,194,832	(\$3,833,669)	(\$12,862,589)

The table above makes it clear that the majority of general government functions require subsidy by taxpayers. Subsidies come from general revenues such as taxes and interest earnings. The majority of these revenues come from sales and property taxes.



Program and general revenues are those available for the Village to use to pay for the governmental activities described above. The following table and chart shows the Village's general revenues.

	<u>Amount</u>	<u>Percentage</u>
Taxes		
Property taxes	\$ 2,579,697	12.0%
Sales taxes	1,949,014	9.0%
Income taxes	1,314,039	6.1%
Motor Fuel taxes	471,580	2.2%
Other taxes	2,046,034	9.5%
Earnings on investments	316,273	1.5%
Other income	716,621	3.3%
Transfers	12,157,313	56.4%
Total general revenues	\$ 21,550,571	100.0%



New development and the quadrennial reassessment of all properties accounted for the increase. Infrastructure donations including streets, sidewalks, curb and gutters, storm sewers, and street lights provide a significant addition to our capital assets.

Business-Type Activities

The business-type activities of the Village are the Waterworks and Sewerage System and the Commuter Parking Lots wherein the Village charges a fee to customers to help cover the cost of the services it provides. The revenue for the Waterworks and Sewerage Fund exceeds the program expenses by \$6,432,453. Of this excess \$4,729,764 represents the value of the sewer and water lines contributed by developers, \$775,108 is from tap-on fees. Parking revenues exceeded expenses by \$39,881.

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure in the Village's net resources available for spending at the end of the fiscal year.

As of April 30, 2006, the Village's governmental funds reported combined ending fund balances of \$8,154,214. Approximately eighty-six percent (86%) of this total amount, or \$7,010,432, constitutes unreserved fund balance, which is available for spending at the Village's discretion. The remaining \$1,143,782 of the fund balance is reserved for working cash (\$953,046) and debt service (\$190,736). Reserved funds are not available for new spending because they have already been committed for these other items.

The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, the fund balance of the General Fund was \$2,925,184, all of which is unreserved. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Unreserved fund balance represents twenty-six percent (26%) of the total General Fund expenditures or approximately three months of expenditures.

During the year, the fund balance of the Village's General Fund increased by \$847,347 due to an increase in General revenues and transfers in during the year.

Proprietary Funds. As noted earlier, the Village's proprietary funds provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Waterworks and Sewerage Fund at the end of the year amounted to \$3,586,125. The only major proprietary fund is the Waterworks and Sewerage Fund. Its net assets decreased by \$5,699,860. This decrease is primarily due to the transfer of assets to the governmental funds in the amount of \$9,328,623.

General Fund Budgetary Highlights

There was no difference between the original budget and the final budget.

During the year, however, revenues exceeded budgetary estimates by \$4,541,179 and expenditures were more than budgeted by \$4,157,354. The combination of these differences resulted in \$383,825 excess revenue over expenditures in the budget. The primary reason for the variances was the I-Clear grant received from the Department of Homeland Security through the Illinois State Police.

Capital Asset and Debt Administration

Capital Assets

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2006, amounts to \$145,890,854 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, vehicles, machinery and equipment, water distribution system, sanitary sewers, storm sewer and infrastructure including streets, streetlights, sidewalks and right of way.

Capital Assets (net of depreciation) for 2006 and 2005

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	Land and land improvements	\$71,433,610	\$69,879,878	\$5,628,095	4,211,672	\$77,061,705
Buildings and Improvements	1,344,548	1,036,187	2,595,251	2,658,556	3,939,799	3,694,743
Transportation Equipment	310,973	295,387	402,892	342,024	434,865	637,411
Equipment	421,856	319,614	298,159	264,099	720,015	583,713
Water Distribution, Storm and Sanitary System	0	0	26,318,529	34,077,712	26,318,529	34,077,712
Infrastructure	25,952,302	16,935,673		0	25,952,302	16,935,673
					0	0
Construction in Progress	6,473,019	393,353	4,711,620	891,523	11,184,639	1,284,876
Total Capital assets(net of depreciation)	\$105,936,308	\$88,860,092	\$39,954,546	\$42,445,576	\$145,890,854	\$131,305,668

Major capital asset events during the fiscal year 2005-06 included the following:

- The purchase of vehicles and equipment to provide services to the citizens of our community
- Engineering and Construction of Well #6. Completion for drilling of Well #6 was completed in 2005. Subsequently, construction began on the treatment facility portion of the well. The treatment facility as well as storage facility should be completed in the summer of calendar year 2006.
- Public Works Facility. The Village entered into a contract at the beginning of the 2005 calendar year. This facility was virtually completed and occupancy began at the end of this fiscal year. The project will conclude in Fiscal Year 2007.
- Bowl Stormwater Project. This project was budgeted to begin in Fiscal Year 2006 and it will conclude in Fiscal Year 2007.
- Water Main Construction. Several major water main projects were completed. These include the New Avenue water main, the Main Street water main, Illinois Street water main and the Public Works Department water main.
- Sanitary Sewer Construction. Along with a Public Works Department sanitary sewer, other sewer projects were included in road construction programs. Numerous road projects were completed which entailed engineering, water mains, sanitary sewers, storm sewers, curb, gutters, sidewalks and paving.
- Land Acquisition. Seven feet of land was acquired for a Cook County road reconstruction project (127th Street).
- Depreciation in the amount of \$3,029,281 was recorded for governmental activities capital assets and \$686,810 was recorded for business-type activities capital assets.

Additional information on the Village's capital assets can be found in Note III C on pages 27 – 28 of this report.

Long-term debt

The Village has total outstanding bonded debt of \$15,015,000 as of April 30, 2006. This total debt is primarily General Obligation bonds backed by the full faith and credit of the Village and is being repaid with the revenues generated in both the Debt Service and Waterworks and Sewerage fund. Compensated absences include employee's vacation leave due to the employee upon termination. Below is a comparative statement of outstanding debt:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
General obligation bonds payable	\$7,500,000	\$7,975,000	\$7,515,000	\$7,515,000	\$15,015,000	\$15,490,000
Deferred amount for issuance premiums	0	0	58,508	61,587	61,587	58,508
Sales tax revenue bonds	2,830,000	3,055,000	0	0	2,830,000	3,055,000
Capital leases / installment contracts	193,694	179,501	0	0	193,694	179,501
Compensated absences	188,945	57,052	28,027	14,848	216,972	71,900
Building Illinois Loan	0	0	311,789	385,930	311,789	385,930
Pension benefit obligation	353,938	353,938	0	0	353,938	353,938
Total Capital assets (net of Depreciation)	\$11,066,577	\$11,620,491	\$7,913,324	\$7,977,365	\$18,979,901	\$19,597,856

The Village has maintained an A1 rating from Moody's Investors Service on general obligation bond issues. Under current Illinois Compiled Statutes, the Village's general obligation bonded debt issuances are subject to a legal limitation based on 8.625% of the total assessed value of real estate property. As of April 30, 2006, the Village's net general obligation bonded debt of \$15,015,000 was below the legal limit of \$44,209,097 with a legal debt margin of \$29,194,097, and net bonded debt per capita of \$991.35.

Additional information on the Village's long-term debt can be found in Note III D on pages 28 – 31 of this report.

Economic Factors and Next Year's Budget

Several items point to a good forecast for 2006-2007. Utility taxes and Motor Fuel taxes will continue to increase due to the economy. Sales tax is also expected to rise, which has been the trend over time. The Homeland Security I-Clear Grant will continue for the coming year in the amount of \$3,000,000. Water rate increases will take effect in the fall of 2006. The Village will continue to experience additional growth with new residential and commercial development.

Requests for Information

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of this information provided in this report or requests for additional information should be directed to Ms. Jean M. Nona, Village Treasurer, Village of Lemont, 418 Main Street Lemont, Illinois 60439.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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VILLAGE OF LEMONT, ILLINOIS
STATEMENT OF NET ASSETS
APRIL 30, 2006

	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in pooled cash and investments	\$ 8,702,642	\$ 4,043,701	\$ 12,746,343
Receivables:			
Property taxes	1,088,766	-	1,088,766
Intergovernmental	1,146,113	-	1,146,113
Accounts	-	362,485	362,485
Accrued interest	13,593	12,966	26,559
Other	163,918	300	164,218
Grants	462,615	-	462,615
Deferred charges	133,774	124,351	258,125
Capital assets not being depreciated	77,906,629	10,339,715	88,246,344
Capital assets, net of accumulated depreciation	28,029,679	29,614,831	57,644,510
Other assets	417,992	-	417,992
	<u>118,065,721</u>	<u>44,498,349</u>	<u>162,564,070</u>
LIABILITIES			
Accounts payable	1,193,381	322,662	1,516,043
Accrued payroll	87,519	13,511	101,030
Accrued interest payable	-	115,993	115,993
Deferred property tax revenue	1,088,766	-	1,088,766
Other liabilities	19,793	75,175	94,968
Deposits payable	1,451,966	-	1,451,966
Noncurrent liabilities:			
Due within one year	1,068,404	406,396	1,474,800
Due in more than one year	9,998,173	7,506,928	17,505,101
	<u>14,908,002</u>	<u>8,440,665</u>	<u>23,348,667</u>
NET ASSETS			
Invested in capital assets, net of related debt	95,497,241	32,193,600	127,690,841
Restricted for:			
Working cash	953,046	-	953,046
Capital projects	1,048,250	-	1,048,250
Debt service	190,736	-	190,736
Unrestricted	5,468,446	3,864,084	9,332,530
	<u>\$ 103,157,719</u>	<u>\$ 36,057,684</u>	<u>\$ 139,215,403</u>

See notes to basic financial statements.

**VILLAGE OF LEMONT, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2006**

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/programs				
Governmental activities:				
General government	\$ 3,697,991	\$ 1,647,655	\$ 215,277	\$ 3,863,651
Highways and streets	8,832,330	-	87,155	10,125,888
Public safety	7,007,777	152,520	-	-
Interest expense	387,717	-	-	-
Total governmental activities	19,925,815	1,800,175	302,432	13,989,539
Business-type activities:				
Waterworks and sewerage	2,818,666	3,884,840	-	4,779,764
Parking facilities	46,373	75,954	-	-
Total business-type activities	2,865,039	3,960,794	-	4,779,764
Total functions/programs	\$ 22,790,854	\$ 5,760,969	\$ 302,432	\$ 18,769,303
General revenues:				
Taxes:				
Property				
Sales				
Intergovernmental				
Earnings on investments				
Miscellaneous income				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets at beginning of year:				
As previously reported				
Prior period adjustments				
As restated				
Net assets at end of year				

See notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
\$ 2,028,592	\$ -	\$ 2,028,592
1,380,713	-	1,380,713
(6,855,257)	-	(6,855,257)
<u>(387,717)</u>	<u>-</u>	<u>(387,717)</u>
<u>(3,833,669)</u>	<u>-</u>	<u>(3,833,669)</u>
-	5,845,938	5,845,938
-	29,581	29,581
-	<u>5,875,519</u>	<u>5,875,519</u>
<u>(3,833,669)</u>	<u>5,875,519</u>	<u>2,041,850</u>
2,579,697	-	2,579,697
1,949,014	-	1,949,014
3,831,653	-	3,831,653
316,273	235,089	551,362
716,621	361,726	1,078,347
<u>12,157,313</u>	<u>(12,157,313)</u>	<u>-</u>
<u>21,550,571</u>	<u>(11,560,498)</u>	<u>9,990,073</u>
<u>17,716,902</u>	<u>(5,684,979)</u>	<u>12,031,923</u>
85,440,817	39,790,780	125,231,597
-	1,951,883	1,951,883
<u>85,440,817</u>	<u>41,742,663</u>	<u>127,183,480</u>
<u>\$ 103,157,719</u>	<u>\$ 36,057,684</u>	<u>\$ 139,215,403</u>

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FUND FINANCIAL STATEMENTS

**VILLAGE OF LEMONT, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2006**

	<u>General</u>	<u>Debt Service</u>	<u>TIF/Main Street Debt Service</u>	<u>TIF/Main Street Capital Projects</u>	<u>Road Improvement</u>
ASSETS					
Equity in pooled cash and investments	\$ 3,170,301	\$ -	\$ 190,112	\$ 1,059,310	\$ 1,161,348
Receivables:					
Property taxes, net of allowance	805,138	-	-	-	-
State sales tax	438,339	-	-	-	-
State income tax	414,378	-	-	-	-
Other taxes	46,829	-	-	-	246,567
Grants	462,615	-	-	-	-
Accrued interest	8,460	-	624	1,456	870
Other	128,139	-	-	-	-
Due from other funds	9,514	-	-	-	-
IRMA reserve	<u>417,992</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 5,901,705</u>	<u>\$ -</u>	<u>\$ 190,736</u>	<u>\$ 1,060,766</u>	<u>\$ 1,408,785</u>
 LIABILITIES AND FUND BALANCES (DEFICITS)					
Liabilities:					
Accounts payable	\$ 612,105	\$ -	\$ -	12,516	41,146
Accrued salaries	87,519	-	-	-	-
Due to other funds	-	39,633	-	-	-
Deferred revenue	805,138	-	-	-	-
Deposits payable	1,451,966	-	-	-	-
Other liabilities	<u>19,793</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>2,976,521</u>	<u>39,633</u>	<u>-</u>	<u>12,516</u>	<u>41,146</u>
Fund balances (deficits):					
Reserved for working cash	-	-	-	-	-
Reserved for debt service	-	-	190,736	-	-
Unreserved, reported in:					
General Fund	2,925,184	-	-	-	-
Capital projects funds	-	-	-	1,048,250	1,367,639
Debt Service Fund	-	(39,633)	-	-	-
Special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance (deficits)	<u>2,925,184</u>	<u>(39,633)</u>	<u>190,736</u>	<u>1,048,250</u>	<u>1,367,639</u>
Total liabilities and fund balances (deficits)	<u>\$ 5,901,705</u>	<u>\$ -</u>	<u>\$ 190,736</u>	<u>\$ 1,060,766</u>	<u>\$ 1,408,785</u>

See notes to basic financial statements.

<u>Public Works Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 444,908	\$ 2,676,663	\$ 8,702,642
-	283,628	1,088,766
-	-	438,339
-	-	414,378
-	-	293,396
-	-	462,615
1,737	446	13,593
-	35,779	163,918
-	39,633	49,147
-	-	417,992
<u>\$ 446,645</u>	<u>\$ 3,036,149</u>	<u>\$ 12,044,786</u>

467,663	\$ 59,951	\$ 1,193,381
-	-	87,519
-	9,514	49,147
-	283,628	1,088,766
-	-	1,451,966
-	-	19,793
<u>467,663</u>	<u>353,093</u>	<u>3,890,572</u>
-	953,046	953,046
-	-	190,736
-	-	2,925,184
(21,018)	639,865	3,034,736
-	-	(39,633)
-	1,090,145	1,090,145
<u>(21,018)</u>	<u>2,683,056</u>	<u>8,154,214</u>
<u>\$ 446,645</u>	<u>\$ 3,036,149</u>	<u>\$ 12,044,786</u>

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**VILLAGE OF LEMONT, ILLINOIS
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL FUNDS
APRIL 30, 2006**

Total fund balance - governmental funds \$ 8,154,214

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. 105,936,308

Long-term liabilities, including bonds payable, are not due and payable in the current year and, therefore, are not reported as liabilities in the funds. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Long-term liabilities and related accounts at year-end consist of:

Bonds payable	\$	10,330,000
Unamortized deferred charges		(133,774)
Notes payable		193,694
Pension benefit obligation		353,938
Compensated absences		<u>188,945</u>

Total (10,932,803)

Total net assets - governmental activities \$ 103,157,719

VILLAGE OF LEMONT, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES (DEFICITS) - GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2006

	<u>General</u>	<u>Debt Service</u>	<u>TIF/Main Street Debt Service</u>	<u>TIF/Main Street Capital Projects</u>	<u>Road Improvement</u>
Revenues:					
Taxes:					
Property	\$ 1,494,409	\$ -	\$ -	\$ 587,520	\$ -
State income	1,314,039	-	-	-	-
State sales	1,949,014	-	-	-	-
Other	289,439	-	-	-	1,756,595
Allotments	-	-	-	-	-
Licenses, permits and inspections	1,477,535	-	-	-	-
Fees by agreement	170,120	-	-	-	-
Fines, forfeitures and penalties	152,520	-	-	-	-
Intergovernmental reimbursements	-	-	-	-	40,000
Contributions and donations	-	-	-	-	-
Grants	3,983,378	-	-	-	-
Interest income	122,505	-	12,678	29,582	37,027
Other income	700,260	-	-	-	1,951
Total revenues	<u>11,653,219</u>	<u>-</u>	<u>12,678</u>	<u>617,102</u>	<u>1,835,573</u>
Expenditures:					
Current:					
General government	3,077,633	-	48,797	82,775	-
Highways and streets	960,404	-	-	-	-
Public safety	7,041,065	-	-	-	-
Capital outlay	-	-	-	-	1,682,877
Debt service:					
Principal retirement	99,796	540,000	178,750	-	-
Interest and fees	7,126	274,922	97,833	-	535
Total expenditures	<u>11,186,024</u>	<u>814,922</u>	<u>325,380</u>	<u>82,775</u>	<u>1,683,412</u>
Excess (deficiency) of revenues over (under) expenditures	<u>467,195</u>	<u>(814,922)</u>	<u>(312,702)</u>	<u>534,327</u>	<u>152,161</u>

See notes to basic financial statements.

<u>Public Works Building</u>	<u>Other Governmental Funds</u>	<u>Totals Governmental Funds</u>
\$ -	\$ 497,768	\$ 2,579,697
-	-	1,314,039
-	-	1,949,014
-	-	2,046,034
-	471,580	471,580
-	-	1,477,535
-	-	170,120
-	-	152,520
-	-	40,000
-	35,000	35,000
-	107,705	4,091,083
11,140	103,341	316,273
-	14,410	716,621
<u>11,140</u>	<u>1,229,804</u>	<u>15,359,516</u>
-	421,862	3,631,067
12,131	410,052	1,382,587
-	-	7,041,065
2,872,027	418,287	4,973,191
-	1,135	819,681
-	260	380,676
<u>2,884,158</u>	<u>1,251,596</u>	<u>18,228,267</u>
<u>(2,873,018)</u>	<u>(21,792)</u>	<u>(2,868,751)</u>

VILLAGE OF LEMONT, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES (DEFICITS) - GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2006

	<u>General</u>	<u>Debt Service</u>	<u>TIF/Main Street Debt Service</u>	<u>TIF/Main Street Capital Projects</u>	<u>Road Improvement</u>
Other financing sources (uses):					
Loan proceeds	45,000	-	-	-	-
Proceeds from capital lease	88,874	-	-	-	-
Transfers in	937,101	814,922	-	-	-
Transfers out	<u>(690,823)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(425,705)</u>
Total other financing sources (uses)	<u>380,152</u>	<u>814,922</u>	<u>-</u>	<u>-</u>	<u>(425,705)</u>
Net change in fund balances	847,347	-	(312,702)	534,327	(273,544)
Fund balances (deficit) at beginning of year	<u>2,077,837</u>	<u>(39,633)</u>	<u>503,438</u>	<u>513,923</u>	<u>1,641,183</u>
Fund balances (deficits) at end of year	<u>\$ 2,925,184</u>	<u>\$ (39,633)</u>	<u>\$ 190,736</u>	<u>\$ 1,048,250</u>	<u>\$ 1,367,639</u>

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See notes to basic financial statements.

<u>Public Works Building</u>	<u>Other Governmental Funds</u>	<u>Totals Governmental Funds</u>
-	-	45,000
-	-	88,874
3,100,000	416,998	5,269,021
<u>(248,000)</u>	<u>(1,075,803)</u>	<u>(2,440,331)</u>
<u>2,852,000</u>	<u>(658,805)</u>	<u>2,962,564</u>
(21,018)	(680,597)	93,813
<u>-</u>	<u>3,363,653</u>	<u>8,060,401</u>
<u>\$ (21,018)</u>	<u>\$ 2,683,056</u>	<u>\$ 8,154,214</u>

**VILLAGE OF LEMONT, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2006**

Total net change in fund balance - governmental funds \$ 93,813

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (2,378,295)

Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Long-term compensated absences payable (131,893)

The issuance of long-term debt (e.g., bonds, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt uses the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 678,766

The value of infrastructure, including right of way, received from developers increases net assets in the statement of activities, but does not appear in the governmental funds because such receipts are not financial resources. 19,454,511

Change in net assets of governmental activities \$ 17,716,902

See notes to basic financial statements.

VILLAGE OF LEMONT, ILLINOIS
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS
APRIL 30, 2006

ASSETS	<u>Waterworks and Sewerage</u>	<u>Nonmajor Fund Parking Lot</u>	<u>Totals</u>
Current assets:			
Equity in pooled cash and investments	\$ 3,766,393	\$ 277,308	\$ 4,043,701
Receivables:			
Due from customers	362,485	-	362,485
Accrued interest	12,315	651	12,966
Other	<u>300</u>	<u>-</u>	<u>300</u>
Total current assets	<u>4,141,493</u>	<u>277,959</u>	<u>4,419,452</u>
Noncurrent assets:			
Capital assets:			
Land	5,628,095	-	5,628,095
Construction in progress	4,711,620	-	4,711,620
Land improvements	20,349	-	20,349
Infrastructure	29,164,695	-	29,164,695
Buildings and improvements	3,153,685	-	3,153,685
Machinery and equipment	581,763	-	581,763
Water system	3,337,552	-	3,337,552
Vehicles	939,698	-	939,698
Less accumulated depreciation	<u>(7,582,911)</u>	<u>-</u>	<u>(7,582,911)</u>
Net capital assets	39,954,546	-	39,954,546
Bond issuance costs	<u>124,351</u>	<u>-</u>	<u>124,351</u>
Total noncurrent assets	<u>40,078,897</u>	<u>-</u>	<u>40,078,897</u>
Total assets	<u>44,220,390</u>	<u>277,959</u>	<u>44,498,349</u>
LIABILITIES			
Current liabilities:			
Accounts payable	322,662	-	322,662
Accrued salaries	13,511	-	13,511
Accrued interest payable	115,993	-	115,993
Other liabilities	75,175	-	75,175
Current portion of long-term liabilities	<u>406,396</u>	<u>-</u>	<u>406,396</u>
Total current liabilities	<u>933,737</u>	<u>-</u>	<u>933,737</u>
Noncurrent liabilities:			
Bonds payable	7,185,000	-	7,185,000
Notes payable	235,393	-	235,393
Deferred amounts on refunding premiums	58,508	-	58,508
Compensated absences	<u>28,027</u>	<u>-</u>	<u>28,027</u>
Total noncurrent liabilities	<u>7,506,928</u>	<u>-</u>	<u>7,506,928</u>
Total liabilities	<u>8,440,665</u>	<u>-</u>	<u>8,440,665</u>
NET ASSETS			
Invested in capital assets, net of related debt	32,193,600	-	32,193,600
Unrestricted	<u>3,586,125</u>	<u>277,959</u>	<u>3,864,084</u>
Total net assets	<u>\$ 35,779,725</u>	<u>\$ 277,959</u>	<u>\$ 36,057,684</u>

See notes to basic financial statements.

VILLAGE OF LEMONT, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS - PROPRIETARY FUNDS
BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS
YEAR ENDED APRIL 30, 2006

	<u>Waterworks and Sewerage</u>	<u>Nonmajor Fund Parking Lot</u>	<u>Totals</u>
Operating revenues:			
Charges for sales and services:			
Charges for services	\$ 3,842,920	\$ -	\$ 3,842,920
Licenses and permits	-	75,334	75,334
Penalties, fines and forfeitures	41,920	620	42,540
Other income	<u>366,894</u>	<u>-</u>	<u>366,894</u>
Total operating revenues	<u>4,251,734</u>	<u>75,954</u>	<u>4,327,688</u>
Operating expenses:			
Water operations	1,479,847	-	1,479,847
Sewer operations	175,181	-	175,181
Parking lot operations	-	46,373	46,373
Other	94,201	-	94,201
Depreciation	<u>686,809</u>	<u>-</u>	<u>686,809</u>
Total operating expenses	<u>2,436,038</u>	<u>46,373</u>	<u>2,482,411</u>
Operating income	<u>1,815,696</u>	<u>29,581</u>	<u>1,845,277</u>
Nonoperating revenues (expenses):			
Interest income	224,789	10,300	235,089
Interest expense	(382,628)	-	(382,628)
Grants	50,000	-	50,000
Loss on disposal of capital assets	<u>(5,168)</u>	<u>-</u>	<u>(5,168)</u>
Total nonoperating revenues (expenses)	<u>(113,007)</u>	<u>10,300</u>	<u>(102,707)</u>
Income before contributions and transfers	1,702,689	39,881	1,742,570
Contributions of water and sewer lines	<u>4,729,764</u>	<u>-</u>	<u>4,729,764</u>
Income before transfers	6,432,453	39,881	6,472,334
Transfers out	(2,803,690)	(25,000)	(2,828,690)
Transfers of capital assets	<u>(9,328,623)</u>	<u>-</u>	<u>(9,328,623)</u>
Change in net assets	<u>(5,699,860)</u>	<u>14,881</u>	<u>(5,684,979)</u>
Net assets at beginning of year:			
As previously reported	39,527,702	263,078	39,790,780
Prior period adjustment	<u>1,951,883</u>	<u>-</u>	<u>1,951,883</u>
As restated	<u>41,479,585</u>	<u>263,078</u>	<u>41,742,663</u>
Net assets at end of year	<u>\$ 35,779,725</u>	<u>\$ 277,959</u>	<u>\$ 36,057,684</u>

See notes to basic financial statements.

VILLAGE OF LEMONT, ILLINOIS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS
YEAR ENDED APRIL 30, 2006

	<u>Waterworks and Sewerage</u>	<u>Nonmajor Fund Parking Lot</u>	<u>Total</u>
Cash flows from operating activities:			
Receipts from customers and users	\$ 4,182,287	\$ 75,954	\$ 4,258,241
Payments to suppliers	<u>(1,434,037)</u>	<u>(46,373)</u>	<u>(1,480,410)</u>
Net cash provided by operating activities	<u>2,748,250</u>	<u>29,581</u>	<u>2,777,831</u>
Cash flows from non-capital financing activities:			
Grants	50,000	-	50,000
Transfers out	<u>(2,803,690)</u>	<u>(25,000)</u>	<u>(2,828,690)</u>
Net cash used by non-capital financing activities	<u>(2,753,690)</u>	<u>(25,000)</u>	<u>(2,778,690)</u>
Cash flows from capital and related financing activities:			
Purchase and construction of capital assets	(2,763,946)	-	(2,763,946)
Principal paid on capital debt	(74,141)	-	(74,141)
Interest paid on capital debt	<u>(261,928)</u>	<u>-</u>	<u>(261,928)</u>
Net cash used by capital and related financing activities	<u>(3,100,015)</u>	<u>-</u>	<u>(3,100,015)</u>
Cash flows from investing activities:			
Investment income received	<u>213,646</u>	<u>10,016</u>	<u>223,662</u>
Net increase (decrease) in cash	(2,891,809)	14,597	(2,877,212)
Equity in pooled cash and investments at beginning of year	<u>6,658,202</u>	<u>262,711</u>	<u>6,920,913</u>
Equity in pooled cash and investments at end of year	<u>\$ 3,766,393</u>	<u>\$ 277,308</u>	<u>\$ 4,043,701</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 1,815,696	\$ 29,581	\$ 1,845,277
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	686,809	-	686,809
Changes in operating assets and liabilities:			
Increase in current assets	(69,747)	-	(69,747)
Increase in current liabilities	<u>315,492</u>	<u>-</u>	<u>315,492</u>
Net cash provided by operating activities	<u>\$ 2,748,250</u>	<u>\$ 29,581</u>	<u>\$ 2,777,831</u>

See notes to basic financial statements.

**VILLAGE OF LEMONT, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND - POLICE PENSION FUND
APRIL 30, 2006**

ASSETS

Cash	\$ 98,516
Contribution receivable	6,036
Accrued interest receivable	29,150
Equity in pooled investments	101,048
Investments	<u>5,619,934</u>
 Total assets	 <u>\$ 5,854,684</u>

NET ASSETS

Held in trust for pension benefits and other purposes	<u>\$ 5,854,684</u>
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See notes to basic financial statements.

VILLAGE OF LEMONT, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND - POLICE PENSION FUND
YEAR ENDED APRIL 30, 2006

Additions:		
Contributions:		
Employer	\$ 342,570	
Employee	<u>158,009</u>	
Total contributions		\$ 500,579
Investment earnings:		
Interest	251,026	
Net increase in fair value of investments	<u>149,820</u>	
Total investment earnings		<u>400,846</u>
Total additions		901,425
Deductions:		
Benefits	210,702	
Administration	<u>6,034</u>	
Total deductions		<u>216,736</u>
Change in net assets		684,689
Net assets at beginning of year		<u>5,169,995</u>
Net assets at end of year		<u>\$ 5,854,684</u>

See notes to basic financial statements.

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NOTES TO BASIC FINANCIAL STATEMENTS

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**VILLAGE OF LEMONT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2006**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Village of Lemont, Illinois, is a municipal corporation governed by an elected mayor and six trustees. The Village was founded in 1836. The financial statements of the Village include all operations of the Village, including a wide range of general municipal services, including police protection, crime prevention, community planning and zoning, building inspection and safety, street building and maintenance, traffic control, and street lighting. In addition, water and sewer and commuter parking lot services are provided under an enterprise fund concept, with user charges set by the Village Board to ensure adequate coverage of operating expenses and payments on outstanding debt.

As required by U.S. generally accepted accounting principles, these financial statements present the Village and its component units, entities for which the Village is considered to be financially accountable. In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity", and includes all component units that have a significant operational or financial relationship with the Village.

Blended component units - Blended component units are separate legal entities that meet the component unit criteria and whose governing board is the same or substantially the same as the Village or provide services entirely to the Village. These component unit's funds are blended into those of the Village's by appropriate activity type to complete the primary government presentation.

At April 30, 2006, the Village's financial reporting entity comprises the following:

Primary government:	Village of Lemont, Illinois
Blended component unit:	Police Pension Fund

Blended Component Unit

The Village's sworn police employees participate in the Police Pension Fund (PPF). PPF functions for the benefit of these employees and is governed by a pension board. The Village and the PPF participants are obligated to fund all PPF 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 the contribution levels. Although it is legally separate from the Village, the PPF is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's sworn police officers. The PPF is reported as a pension trust fund.

VILLAGE OF LEMONT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2006

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Village. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily 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 or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental 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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, investment income and charges for services are susceptible to accrual. Sales taxes, road and bridge reimbursements, motor fuel taxes, income taxes and fines collected and held by the State or county at year end on behalf of the Village are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the Village and are recognized as revenue at that time.

**VILLAGE OF LEMONT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2006**

Entitlement and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The Village reports the following major governmental funds:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accumulates monies for principal and interest payments on bonds, notes and contracts which are obligations of the governmental funds of the Village.

The TIF/Main Street Debt Service Fund accumulates monies for principal and interest payments on bonds, notes and contracts which are obligations of the TIF/Main Street District.

The TIF/Main Street Capital Projects Fund receives property taxes and other revenues which are used for the purposes of infrastructure improvements and business retention programs within the TIF/Main Street District.

The Road Improvement Fund accumulates utility tax revenues and grant revenues for the maintenance and improvement of roads throughout the Village.

The Public Works Building Fund accumulates monies for the construction of the Village's new public works facility.

The Village reports the following major proprietary fund:

The Waterworks and Sewerage Fund accounts for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operation, maintenance, financing and related debt service, and billing and collection.

Additionally, the Village reports the following fund type:

The pension trust fund accounts for the activities of the Police Pension Fund, which accumulates resources for pension payment benefits to qualified police officers.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The Village has elected not to follow subsequent private-sector guidance.

VILLAGE OF LEMONT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2006

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Village's waterworks and sewerage function and various other functions of the Village. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the waterworks and sewerage enterprise fund is charges to customers for sales and services. The waterworks and sewerage enterprise fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

Investments are reported at fair value which is determined using selected bases. Short-term investments and investments in the Illinois Funds investment pool are reported at fair value, which is also the value of the pool shares. The State of Illinois provides regulatory oversight of the Illinois Funds. Securities on a national exchange are valued at the last reported sales price and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amounts which reasonably estimate fair value. Cash and cash equivalents of the Village are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition.

State statutes authorize the Village to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the Illinois Funds Investment Pool.

Statutes and the Village's investment policy authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury, GNMA's, Illinois Funds, Governmental Money Markets, and U.S. Agencies. The Police Pension Fund may invest in various equity accounts up to a 35% limit of the aggregate book value of the fund's assets. Also, 10% more may be invested in separate accounts of insurance companies.

**VILLAGE OF LEMONT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2006**

2. Receivables

Property taxes are levied as of January 1 on property values assessed on the same date. The tax levy is divided into two billings: The first billing mailed on or about May 1 and the second billing mailed on or about August 1. The Village receives significant distributions of tax receipts approximately one month after the due dates. The billings are considered past due 30 days after the respective tax billing date at which time the applicable property is subject to lien and penalties and interest are assessed.

Water and sewerage services are billed on a monthly basis. Estimated unbilled water and sewerage services at April 30, 2006 were \$304,407. This amount is included in accounts receivable.

3. Interfund Receivables and Payables

During the course of operations, transactions occur between individual funds for the provision of goods and services. Transactions that have not been repaid by year end are classified as interfund balances.

4. Interfund Transfers

Transactions between individual funds that are not expected to be reimbursed are reported as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

5. Capital Assets

Capital assets, which include land, buildings, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as having an estimated useful life in excess of one year with an initial, individual cost of \$50,000 for infrastructure and \$5,000 for all other assets (amount not rounded). 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 cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life 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, if any, is included in the capitalized value of the asset constructed. No such interest expense was incurred during the current fiscal year.

**VILLAGE OF LEMONT, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED APRIL 30, 2006**

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	50
Land improvements	20
Machinery and equipment	5 - 30
Vehicles	5 - 7
Water and sewer systems	20 - 50
Infrastructure	10 - 65

6. Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused sick pay benefits. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to or at retirement. All eligible sick pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured as a result of employee resignations and retirements.

7. Long-term Obligations

In the government-wide financial statements, and proprietary fund types 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 type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. 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 fund types 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 debt service expenditures.

8. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not appropriable or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**VILLAGE OF LEMONT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2006**

9. Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures/expenses. Actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The annual appropriations ordinance (budget) is adopted on a basis consistent with U.S. generally accepted accounting principles for all funds except certain capital projects funds, which are not budgeted.

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

1. The Village Board of Trustees adopts a Budget Ordinance which includes a budget for all funds utilized by the Village. This ordinance serves as an appropriation authorization.
2. Public budget hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of an ordinance. The budget for the period May 1, 2005 to April 30, 2006 was adopted through the passage of ordinance number O-55-05 on July 11, 2005.
4. The Village Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Village Board of Trustees.
5. Budgets are adopted on the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for enterprise and fiduciary funds. The level of control (level at which expenditures may not exceed budget/appropriations) is the fund. Appropriations lapse at the end of the fiscal year.
6. Budgeted amounts are as originally adopted by the Village Board of Trustees.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by the Village. Outstanding encumbrances at the end of the year are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be appropriated and honored during the subsequent year. There were no encumbrances outstanding at April 30, 2006.

VILLAGE OF LEMONT, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED APRIL 30, 2006

B. Excess of Expenditures/Expenses over Appropriations

For the year ended April 30, 2006, expenditures/expenses exceeded appropriations in the following funds:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$ 7,028,670	\$ 11,186,024	\$ 4,157,354
Debt Service Fund	344,325	814,922	470,597
Waterworks and Sewerage Fund	1,915,267	2,818,666	903,399
Illinois Municipal Retirement Fund	190,000	211,288	21,288
Social Security Fund	200,000	210,574	10,574
General Capital Improvement Fund	416,000	419,682	3,682
Parking Lot Fund	43,480	46,373	2,893

The overexpenditures in all of the above funds except the Debt Service Fund were funded with greater than anticipated revenues. The overexpenditure in the Debt Service Fund was funded by a transfer from the Revenue Fund 2005 Fund.

C. Deficit Fund Balances/Net Assets

The following funds had deficit fund balances/net assets as of April 30, 2006, which are anticipated to be eliminated through future revenues and/or transfers from other funds:

Debt Service Fund	<u>\$ (39,633)</u>
Public Works Building Fund	<u>\$ (21,018)</u>

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

The Village maintains a cash and investment pool that is available for use by all funds. The Police Pension Fund also holds other deposits and investments separately from those other funds.

VILLAGE OF LEMONT, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED APRIL 30, 2006

At year end, deposits are summarized as follows:

Village of Lemont, Illinois:

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Village's deposits might not be recovered. The Village's investment policy for custodial risk is to have all deposits either insured or collateralized with securities held by the pledging institution. As of April 30, 2006, \$1,210,000 of the Village's bank balances of \$1,310,000 was uninsured and collateralized with securities held by the pledging financial institutions.

Village of Lemont Police Pension Fund:

As of April 30, 2006, the Police Pension Fund's bank balance of \$98,516 was covered by Federal depository insurance.

Investments

Village of Lemont, Illinois:

As of April 30, 2006, the Village had the following investments:

<u>Type of Investments</u>	<u>Fair Value/ Carrying Amount</u>	<u>Average Credit Quality/ Ratings (1)</u>	<u>Weighted Average Days to Maturity (2)</u>
Pooled investments (3):			
Money market funds:			
Illinois Metropolitan Investment Fund	\$ 3,696,403	AAAf/S1	N/A
Illinois GCI Fund	3,692,117	AAA	N/A
Illinois Funds	<u>5,113,392</u>	AAAm	N/A
Total pooled investments	<u>\$ 12,501,912</u>		

(1) Ratings are provided where applicable to indicate associated *Credit Risk*. N/A indicates not applicable.

(2) *Interest Rate Risk* is estimated using weighted average days to maturity.

(3) Pooled cash and investments are reported as *equity in pooled cash and investments*. Investments in the pool are not separately reported in the financial statements as ownership of investments cannot be assigned to individual funds including fiduciary funds. Therefore, total investments will not agree to the financial statements.

VILLAGE OF LEMONT, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED APRIL 30, 2006

Village of Lemont Police Pension Fund:

As of April 30, 2006, the Village of Lemont Police Pension Fund had the following investments:

Type of Investments	Fair Value/ Carrying Amount	Average Credit Quality/ Ratings (1)	Weighted Average Days to Maturity (2)
Money market fund:			
Illinois Funds	\$ 101,048	AAAm	N/A
Mutual funds	1,459,375	N/A	N/A
Certificates of deposit	3,603,003	N/A	753 days
U.S. Treasury notes	532,018	AAA/Aaa	1,278 days
GNMA	<u>25,538</u>	AAA/Aaa	8,107 days
 Total investments	 <u>\$ 5,720,982</u>		

(1) Ratings are provided where applicable to indicate associated *Credit Risk*. N/A indicates not applicable.

(2) *Interest Rate Risk* is estimated using weighted average days to maturity.

Investment Policies

The investments of the Village of Lemont, Illinois and the Village of Lemont Police Pension Fund are subject to the following risks:

Concentration of credit risk is the risk of loss attributed to the magnitude of the Village's or Police Pension Fund's investment in a single issuer.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The Village and the Police Pension Fund do not have an investment policy for the above risks.

B. Receivables

Property taxes receivable on the Statement of Net Assets and the Balance Sheet for the governmental funds are reported net of an allowance for uncollectibles of \$61,656.

VILLAGE OF LEMONT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2006

C. Capital Assets

Capital asset activity for the year ended April 30, 2006 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 69,879,667	\$ 1,553,943	\$ -	\$ 71,433,610
Construction in progress	<u>393,353</u>	<u>6,473,019</u>	<u>(393,353)</u>	<u>6,473,019</u>
Total capital assets, not being depreciated	<u>70,273,020</u>	<u>8,026,962</u>	<u>(393,353)</u>	<u>77,906,629</u>
Capital assets, being depreciated:				
Land improvements	209,550	275,761	-	485,311
Buildings and improvements	1,604,245	79,253	-	1,683,498
Machinery and equipment	1,093,437	172,098	(17,766)	1,247,769
Vehicles	726,131	93,874	(13,879)	806,126
Infrastructure	<u>43,024,488</u>	<u>4,043,376</u>	<u>10,974,706</u>	<u>58,042,570</u>
Total capital assets, being depreciated	<u>46,657,851</u>	<u>4,664,362</u>	<u>10,943,061</u>	<u>62,265,274</u>
Less accumulated depreciation for:				
Land improvements	(209,339)	(13,867)	-	(223,206)
Buildings and improvements	(568,058)	(32,997)	-	(601,055)
Machinery and equipment	(768,228)	(74,069)	16,384	(825,913)
Vehicles	(442,145)	(66,887)	13,879	(495,153)
Infrastructure	<u>(27,593,302)</u>	<u>(2,841,461)</u>	<u>(1,655,505)</u>	<u>(32,090,268)</u>
Total accumulated depreciation	<u>(29,581,072)</u>	<u>(3,029,281)</u>	<u>(1,625,242)</u>	<u>(34,235,595)</u>
Total capital assets, being depreciated, net	<u>17,076,779</u>	<u>1,635,081</u>	<u>9,317,819</u>	<u>28,029,679</u>
Governmental activities capital assets, net	<u>\$ 87,349,799</u>	<u>\$ 9,662,043</u>	<u>\$ 8,924,466</u>	<u>\$ 105,936,308</u>

VILLAGE OF LEMONT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2006

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 4,211,672	\$ 1,416,423	\$ -	\$ 5,628,095
Construction in progress	<u>891,523</u>	<u>3,859,493</u>	<u>(39,396)</u>	<u>4,711,620</u>
Total capital assets, not being depreciated	<u>5,103,195</u>	<u>5,275,916</u>	<u>(39,396)</u>	<u>10,339,715</u>
Capital assets, being depreciated:				
Land improvements	20,349	-	-	20,349
Buildings and improvements	3,153,685	-	-	3,153,685
Machinery and equipment	510,321	71,442	-	581,763
Vehicles	806,053	133,645	-	939,698
Water system	3,337,552	-	-	3,337,552
Infrastructure	<u>38,174,692</u>	<u>2,087,964</u>	<u>(11,097,960)</u>	<u>29,164,696</u>
Total capital assets, being depreciated	<u>46,002,652</u>	<u>2,293,051</u>	<u>(11,097,960)</u>	<u>37,197,743</u>
Less accumulated depreciation for:				
Land improvements	(19,044)	(280)	-	(19,324)
Buildings and improvements	(496,434)	(63,025)	-	(559,459)
Machinery and equipment	(246,232)	(37,372)	-	(283,604)
Vehicles	(464,029)	(72,777)	-	(536,806)
Water system	(668,155)	(64,668)	-	(732,823)
Infrastructure	<u>(6,766,377)</u>	<u>(448,688)</u>	<u>1,764,169</u>	<u>(5,450,896)</u>
Total accumulated depreciation	<u>(8,660,271)</u>	<u>(686,810)</u>	<u>1,764,169</u>	<u>(7,582,912)</u>
Total capital assets, being depreciated, net	<u>37,342,381</u>	<u>1,606,241</u>	<u>(9,333,791)</u>	<u>29,614,831</u>
Business-type activities capital assets, net	<u>\$ 42,445,576</u>	<u>\$ 6,882,157</u>	<u>\$ (9,373,187)</u>	<u>\$ 39,954,546</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 36,356
Highways and streets	60,586
Public safety	<u>2,932,339</u>
Total depreciation expense - governmental activities	<u>\$ 3,029,281</u>
Business-type activities:	
Waterworks and sewerage	<u>\$ 686,810</u>

VILLAGE OF LEMONT, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED APRIL 30, 2006

D. Interfund Receivables, Payables and Transfers

Due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Nonmajor governmental fund	\$ 9,514
Nonmajor governmental fund	Debt Service Fund	<u>39,633</u>
Total		<u>\$ 49,147</u>

Interfund transfers:

	<u>Transfer in:</u>				
	<u>General</u>	<u>Debt Service</u>	<u>Public Works Building</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Transfer out:					
General	\$ -	\$ 343,825	\$ -	\$ 346,998	\$ 690,823
Public Works Building	178,000	-	-	70,000	248,000
Road Improvement	-	425,705	-	-	425,705
Nonmajor governmental	30,411	45,392	1,000,000	-	1,075,803
Waterworks and Sewerage	703,690	-	2,100,000	-	2,803,690
Nonmajor proprietary	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Total	<u>\$ 937,101</u>	<u>\$ 814,922</u>	<u>\$ 3,100,000</u>	<u>\$ 416,998</u>	<u>\$ 5,269,021</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Transfers are also used to move unrestricted revenues collected in the General Fund, Working Cash Fund, and Debt Service Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VILLAGE OF LEMONT, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED APRIL 30, 2006

E. Long-term Liabilities

Long-term liability activity for the year ended April 30, 2006 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation bonds	\$ 7,975,000	\$ -	\$ 475,000	\$ 7,500,000	\$ 725,000
Sales tax revenue bonds	3,055,000	-	225,000	2,830,000	240,000
Installment contract	56,250	-	18,750	37,500	18,750
Loans payable	-	45,000	1,135	43,865	14,018
Capital lease commitments	123,251	88,874	99,796	112,329	70,636
Net pension obligation	353,938	-	-	353,938	-
Compensated absences	<u>57,052</u>	<u>188,945</u>	<u>57,052</u>	<u>188,945</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$ 11,620,491</u>	<u>\$ 322,819</u>	<u>\$ 876,733</u>	<u>\$ 11,066,577</u>	<u>\$ 1,068,404</u>
Business-type activities:					
General obligation bonds	\$ 5,690,000	\$ -	\$ -	\$ 5,690,000	\$ 175,000
General obligation refunding bonds	1,825,000	-	-	1,825,000	155,000
Building Illinois loan	385,930	-	74,141	311,789	76,396
Deferred amount for issuance premiums	61,587	-	3,079	58,508	-
Compensated absences	<u>14,848</u>	<u>28,027</u>	<u>14,848</u>	<u>28,027</u>	<u>-</u>
Business-type activity long-term liabilities	<u>\$ 7,977,365</u>	<u>\$ 28,027</u>	<u>\$ 92,068</u>	<u>\$ 7,913,324</u>	<u>\$ 406,396</u>

VILLAGE OF LEMONT, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED APRIL 30, 2006

Governmental Activities:

Issue April 15, 2005
General Obligation Refunding Bonds, Series 2005

<u>Year Ending</u> <u>April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Payment</u>
2007	\$ 335,000	\$ 145,665	\$ 480,665
2008	345,000	136,453	481,453
2009	355,000	126,103	481,103
2010	405,000	114,743	519,743
2011	420,000	100,973	520,973
2012	435,000	86,273	521,273
2013	495,000	70,613	565,613
2014	510,000	52,050	562,050
2015	530,000	32,670	562,670
2016	<u>300,000</u>	<u>12,000</u>	<u>312,000</u>
Total	<u>\$ 4,130,000</u>	<u>\$ 877,543</u>	<u>\$ 5,007,543</u>

Denomination	\$5,000
Bonds due each year	December 1st
Interest dates	December 1st
Interest rates	2.30% - 4.00%
Paying agent	Amalgamated Bank of Chicago Chicago, Illinois
Total original issue	\$4,290,000

VILLAGE OF LEMONT, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED APRIL 30, 2006

Issue March 15, 2005
General Obligation (Alternative Revenue Source) Bonds, Series 2005

<u>Year Ending</u> <u>April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Payment</u>
2007	\$ 55,000	\$ 59,250	\$ 114,250
2008	60,000	57,655	117,655
2009	60,000	55,915	115,915
2010	65,000	54,175	119,175
2011	65,000	52,095	117,095
2012	65,000	50,015	115,015
2013	70,000	47,773	117,773
2014	70,000	45,858	115,858
2015	75,000	42,788	117,788
2016	80,000	39,993	119,993
2017	80,000	36,873	116,873
2018	85,000	33,753	118,753
2019	85,000	30,268	115,268
2020	90,000	26,783	116,783
2021	95,000	22,958	117,958
2022	100,000	18,920	118,920
2023	105,000	14,520	119,520
2024	110,000	9,900	119,900
2025	<u>110,000</u>	<u>4,950</u>	<u>114,950</u>
Total	<u>\$ 1,525,000</u>	<u>\$ 704,442</u>	<u>\$ 2,229,442</u>

Denomination	\$5,000
Bonds due each year	December 1st
Interest dates	December 1st and June 1st
Interest rates	2.90% - 4.50%
Paying agent	Amalgamated Bank of Chicago Chicago, Illinois
Total original issue	\$1,525,000

VILLAGE OF LEMONT, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED APRIL 30, 2006

Issue June 12, 2000
General Obligation (Alternative Revenue Source) Bonds, Series 2000A

<u>Year Ending</u> <u>April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Payment</u>
2007	\$ 330,000	\$ 94,560	\$ 424,560
2008	350,000	77,654	427,654
2009	370,000	59,710	429,710
2010	385,000	40,745	425,745
2011	<u>410,000</u>	<u>21,015</u>	<u>431,015</u>
Total	<u>\$ 1,845,000</u>	<u>\$ 293,684</u>	<u>\$ 2,138,684</u>

Denomination	\$5,000
Bonds due each year	December 1st
Interest dates	December 1st and June 1st
Interest rates	5.13% - 5.38%
Paying agent	Amalgamated Bank of Chicago Chicago, Illinois
Total original issue	\$3,000,000

Issue June 15, 2004
Sales Tax Revenue Bonds, Series 2004

<u>Year Ending</u> <u>April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Payment</u>
2007	\$ 240,000	\$ 113,313	\$ 353,313
2008	255,000	106,353	361,353
2009	280,000	97,938	377,938
2010	295,000	88,138	383,138
2011	320,000	76,780	396,780
2012	345,000	63,500	408,500
2013	370,000	48,838	418,838
2014	405,000	32,743	437,743
2015	<u>320,000</u>	<u>14,720</u>	<u>334,720</u>
Total	<u>\$ 2,830,000</u>	<u>\$ 642,323</u>	<u>\$ 3,472,323</u>

VILLAGE OF LEMONT, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED APRIL 30, 2006

Denomination	\$5,000
Bonds due each year	January 1st
Interest dates	January 1st and July 1st
Interest rates	1.75% - 4.60%
Paying agent	Amalgamated Bank of Chicago Chicago, Illinois
Total original issue	\$3,320,000

Issue December 1, 1997
Installment Contract

<u>Year Ending</u> <u>April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Payment</u>
2007	\$ 18,750	\$ 1,981	\$ 20,731
2008	<u>18,750</u>	<u>990</u>	<u>19,740</u>
Total	<u>\$ 37,500</u>	<u>\$ 2,971</u>	<u>\$ 40,471</u>

Issue March 28, 2006
Loan Payable

<u>Year Ending</u> <u>April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Payment</u>
2007	\$ 14,018	\$ 2,727	\$ 16,745
2008	15,066	1,679	16,745
2009	<u>14,781</u>	<u>543</u>	<u>15,324</u>
Total	<u>\$ 43,865</u>	<u>\$ 4,949</u>	<u>\$ 48,814</u>

**VILLAGE OF LEMONT, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2006**

The District is obligated under various capital leases with finance companies for lease purchases of vehicles payable through August, 2007. Future payments under these agreements are as follows:

<u>Year Ending April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Payment</u>
2007	\$ 70,635	\$ 5,235	\$ 75,870
2008	<u>41,694</u>	<u>2,098</u>	<u>43,792</u>
Total	<u>\$ 112,329</u>	<u>\$ 7,333</u>	<u>\$ 119,662</u>

The future debt service requirements to amortize the outstanding debt listed above are as follows:

<u>Year Ending April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Payment</u>
2007	\$ 1,063,403	\$ 422,731	\$ 1,486,134
2008	1,085,510	382,882	1,468,392
2009	1,079,781	340,209	1,419,990
2010	1,150,000	297,801	1,447,801
2011	1,215,000	250,863	1,465,863
2012	845,000	199,788	1,044,788
2013	935,000	167,224	1,102,224
2014	985,000	130,651	1,115,651
2015	925,000	90,178	1,015,178
2016	380,000	51,993	431,993
2017	80,000	36,873	116,873
2018	85,000	33,753	118,753
2019	85,000	30,268	115,268
2020	90,000	26,783	116,783
2021	95,000	22,958	117,958
2022	100,000	18,920	118,920
2023	105,000	14,520	119,520
2024	110,000	9,900	119,900
2025	<u>110,000</u>	<u>4,950</u>	<u>114,950</u>
Total	<u>\$ 10,523,694</u>	<u>\$ 2,533,245</u>	<u>\$ 13,056,939</u>

VILLAGE OF LEMONT, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED APRIL 30, 2006

In prior years, the Village has defeased various bond issues by creating separate irrevocable trust funds. New debt was issued and the proceeds were used to purchase U. S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Village's financial statements. As of April 30, 2006, the amount of defeased debt outstanding but removed from the financial statements totaled \$4,185,000.

Business-type Activities:

Issue December 15, 2004
General Obligation (Alternative Revenue Source) Bonds, Series 2004

Year Ending April 30	Principal	Interest	Total Debt Payment
2007	\$ 175,000	\$ 220,573	\$ 395,573
2008	245,000	216,635	461,635
2009	245,000	210,755	455,755
2010	250,000	204,140	454,140
2011	260,000	196,765	456,765
2012	270,000	188,725	458,725
2013	275,000	179,795	454,795
2014	265,000	170,445	435,445
2015	285,000	160,470	445,470
2016	285,000	150,930	435,930
2017	290,000	140,385	430,385
2018	340,000	129,075	469,075
2019	380,000	115,475	495,475
2020	350,000	99,895	449,895
2021	365,000	85,195	450,195
2022	380,000	69,500	449,500
2023	400,000	50,500	450,500
2024	430,000	30,500	460,500
2025	200,000	9,000	209,000
Total	<u>\$ 5,690,000</u>	<u>\$ 2,628,758</u>	<u>\$ 8,318,758</u>

Denomination	\$5,000
Bonds due each year	December 1st
Interest dates	December 1st and June 1st
Interest rates	2.25% - 5.00%
Paying agent	Amalgamated Bank of Chicago Chicago, Illinois
Total original issue	\$5,690,000

VILLAGE OF LEMONT, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED APRIL 30, 2006

Issue March 1, 2005
General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2005

<u>Year Ending</u> <u>April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Payment</u>
2007	\$ 155,000	\$ 59,613	\$ 214,613
2008	155,000	55,738	210,738
2009	180,000	51,475	231,475
2010	175,000	46,255	221,255
2011	170,000	40,830	210,830
2012	195,000	35,390	230,390
2013	190,000	28,955	218,955
2014	190,000	22,400	212,400
2015	210,000	15,560	225,560
2016	<u>205,000</u>	<u>7,790</u>	<u>212,790</u>
Total	<u>\$ 1,825,000</u>	<u>\$ 364,006</u>	<u>\$ 2,189,006</u>

Denomination	\$5,000
Bonds due each year	December 1st
Interest dates	December 1st
Interest rates	2.50% - 3.80%
Paying agent	Amalgamated Bank of Chicago Chicago, Illinois
Total original issue	\$1,825,000

Issue February 1, 1991
1991 Waterworks and Sewerage Build Illinois Loan

<u>Year Ending</u> <u>April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Payment</u>
2007	\$ 76,396	\$ 8,127	\$ 84,523
2008	78,720	5,803	84,523
2009	81,144	3,409	84,553
2010	<u>75,529</u>	<u>929</u>	<u>76,458</u>
Total	<u>\$ 311,789</u>	<u>\$ 18,268</u>	<u>\$ 330,057</u>

**VILLAGE OF LEMONT, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED APRIL 30, 2006**

The future debt service requirements to amortize the outstanding debt listed above are as follows:

<u>Year Ending April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Payment</u>
2007	\$ 406,396	\$ 288,313	\$ 694,709
2008	478,720	278,176	756,896
2009	506,144	265,639	771,783
2010	500,529	251,324	751,853
2011	430,000	237,595	667,595
2012	465,000	224,115	689,115
2013	465,000	208,750	673,750
2014	455,000	192,845	647,845
2015	495,000	176,030	671,030
2016	490,000	158,720	648,720
2017	290,000	140,385	430,385
2018	340,000	129,075	469,075
2019	380,000	115,475	495,475
2020	350,000	99,895	449,895
2021	365,000	85,195	450,195
2022	380,000	69,500	449,500
2023	400,000	50,500	450,500
2024	430,000	30,500	460,500
2025	<u>200,000</u>	<u>9,000</u>	<u>209,000</u>
Total	<u>\$ 7,826,789</u>	<u>\$ 3,011,032</u>	<u>\$ 10,837,821</u>

Legal Debt Margin

The maximum total bonded indebtedness the Village is legally allowed to have outstanding at any one time is established by State statute. The limit is computed as follows:

Assessed valuation - 2005 tax year	<u>\$ 512,569,245</u>
Statutory debt limit (8.625% of assessed value)	\$ 44,209,097
General obligation bonds outstanding	<u>(15,015,000)</u>
Legal debt margin	<u>\$ 29,194,097</u>

Conduit Debt

The Village has two senior lien tax increment revenue bonds outstanding at April 30, 2006, with an aggregate par value of \$7,886,119 and a maturity date of May 1, 2032. The bonds had an outstanding principal balance of \$7,650,000 as of April 30, 2004, which is the latest available information. The Village has no obligation for this debt.

VILLAGE OF LEMONT, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED APRIL 30, 2006

F. Net Assets

Beginning net assets of the business-type activities in the government-wide financial statements, and of the Waterworks and Sewerage Fund has been adjusted to correct an overstatement of capital assets in prior years.

IV. OTHER INFORMATION

A. Employee Retirement Systems and Plans

The Village maintains a single-employer, defined benefit pension plan (Police Pension Fund) which covers its qualified Police Department employees and participates in the statewide Illinois Municipal Retirement Fund, an agent-multiple-employer public employee pension plan which covers substantially all of the remaining qualified Village employees. The information presented in the following notes for the Police Pension Fund and the Illinois Municipal Retirement Fund is the most current information available as of April 30, 2006.

1. Police Pension Fund

a. Plan Description

Police sworn personnel are covered by the Village of Lemont, Illinois Police Pension Plan which is a defined benefit single-employer pension plan administered by the Village of Lemont, Illinois Police Pension Fund Board. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois State Statutes (Chapter 108 1/2 Article 3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund and a stand alone report is not issued by the Police Pension Fund. At April 30, 2002, the Police Pension Plan membership consisted of:

Retirees and beneficiaries receiving benefits and terminated employees entitled to benefits but not yet receiving them	7
Current employees:	
Vested	15
Nonvested	<u>16</u>
Total	<u>38</u>
Number of participating employers	<u>1</u>

VILLAGE OF LEMONT, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED APRIL 30, 2006

b. Funding Policy

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service. Surviving spouses receive the greater of 50% of final salary or the employee's retirement benefits. Employees disabled in the line of duty receive 65% of final salary.

The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original granted pension. Beginning with increases granted on or after July 1, 1993, the second and subsequent automatic annual increases shall be calculated as 3% of the amount of the pension payable at the time of the increase.

Covered employees are required 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. By the year 2033 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded.

The administrative cost of the fund is financed with investment income.

Three Year Trend Information:

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
4/30/04	\$ 329,910	81.8 %	\$ (353,938)
4/30/03	301,527	64.5	(186,739)
4/30/02	260,962	74.7	(186,739)

**VILLAGE OF LEMONT, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED APRIL 30, 2006**

Funding Policy and Annual Required Contributions:

Actuarial valuation date	04/30/04
Actuarial cost method	Entry age
Amortization period	Level percentage of pay, closed
Remaining amortization period	29.17
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return*	7.00 %
Projected salary increases*	5.50 %
*Included inflation at	3.00 %
Cost of living adjustments	3.00% per year

2. Illinois Municipal Retirement Fund

The Village's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for calendar year 2005 was 9.34 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2005 was 27 years.

VILLAGE OF LEMONT, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED APRIL 30, 2006

For December 31, 2005, the Village's annual pension cost of \$200,823 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2003 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2005 actuarial valuation were based on the 2002 - 2004 experience study.

Three Year Trend Information:

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/05	\$ 200,823	100 %	\$ 0
12/31/04	174,203	100	0
12/31/03	137,941	100	0

B. 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; and natural disasters. The Village handles these risks as follows:

Intergovernmental Risk Management Agency - 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 Statutes to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverage; property/casualty and worker's 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 for years prior to 2004 and \$2,500 for each occurrence in 2004 and subsequent years. Beginning in 2005, members were given the option to assume higher deductibles. IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

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

VILLAGE OF LEMONT, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED APRIL 30, 2006

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 a 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. The Village has a reserve in the amount of \$417,992 for the year ended April 30, 2006.

Losses have not exceeded coverage over the last three years.

Southwest Agency for Health Management - The Village is a participant in the Southwest Agency for Health Management (SWAHM), which provides medical, dental, and life insurance benefits to Village employees. SWAHM is a sub-pool of the Intergovernmental Personnel Benefit Cooperative (IPBC). The member agreement provides that SWAHM will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$75,000 per occurrence. The Village contributes \$61,950 on a monthly basis to meet its obligations to SWAHM and IPBC. The members have a contractual obligation to fund any deficits. There were no supplemental contributions paid in the previous three years.

One representative from each member serves on the Board of IPBC. The president of SWAHM serves as the representative to IPBC. Each member has one vote on the Board. None of the members of SWAHM or IPBC have any direct equity interest in the agencies.

C. Contingencies

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 management, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

D. Construction Commitments

As of April 30, 2006, the Village had the following commitments with respect to unfinished capital projects:

<u>Capital Project</u>	<u>Remaining Construction Commitment</u>
Well No. 6 Project	\$ 1,026,478
Public Works Facility	<u>413,989</u>
Total	<u>\$ 1,440,467</u>

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REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF LEMONT, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2006

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Property	\$ 1,452,000	\$ 1,494,409	\$ 42,409
State income	914,500	1,314,039	399,539
State sales	1,912,100	1,949,014	36,914
Other	216,450	289,439	72,989
Fees by agreement	113,500	170,120	56,620
Fines, forfeitures and penalties	151,800	152,520	720
Grants	155,500	3,983,378	3,827,878
Interest income	26,150	122,505	96,355
Licenses, permits and inspections	1,605,200	1,477,535	(127,665)
Other income	564,840	700,260	135,420
Total revenues	7,112,040	11,653,219	4,541,179
Expenditures:			
Current:			
General government:			
Mayor and village board	66,600	72,694	(6,094)
Administration / finance	524,975	537,778	(12,803)
Vehicle maintenance	224,700	275,941	(51,241)
Building department	618,605	572,161	46,444
Community development	224,675	256,311	(31,636)
Building and grounds	78,750	67,807	10,943
Plan commission	1,250	830	420
Zoning board of appeals	2,450	2,553	(103)
Police commission	10,375	2,950	7,425
Downtown commission	70,800	75,487	(4,687)
Historic district commission	17,000	7,079	9,921
L.E.M.A.	52,865	50,170	2,695
Environmental commission	6,300	5,606	694
Video access league	6,500	6,500	-
General	1,151,950	1,143,766	8,184
Highways and streets:			
Public works / engineering	877,300	960,404	(83,104)
Public safety:			
Police department	3,093,575	7,041,065	(3,947,490)
Debt service:			
Principal	-	99,796	(99,796)
Interest and fees	-	7,126	(7,126)
Total expenditures	7,028,670	11,186,024	(4,157,354)

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Excess of revenues over expenditures	<u>83,370</u>	<u>467,195</u>	<u>383,825</u>
Other financing sources (uses):			
Loan proceeds	-	45,000	45,000
Proceeds from capital lease	-	88,874	88,874
Transfers in	740,690	937,101	196,411
Transfers out	<u>(689,525)</u>	<u>(690,823)</u>	<u>(1,298)</u>
Total other financing sources (uses)	<u>51,165</u>	<u>380,152</u>	<u>328,987</u>
Net change in fund balances	134,535	847,347	712,812
Fund balances at beginning of year	<u>2,077,837</u>	<u>2,077,837</u>	<u>-</u>
Fund balances at end of year	<u>\$ 2,212,372</u>	<u>\$ 2,925,184</u>	<u>\$ 712,812</u>

**VILLAGE OF LEMONT, ILLINOIS
SCHEDULE OF FUNDING PROGRESS -
ILLINOIS MUNICIPAL RETIREMENT FUND
APRIL 30, 2006**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded (Assets in Excess of) Actuarial Accrued Liability (UAAL)</u>
December 31, 1996	\$ 1,433,063	\$ 1,589,987	\$ 156,924
December 31, 1997	1,763,530	1,854,233	90,703
December 31, 1998	2,196,611	2,285,908	89,297
December 31, 1999	2,539,077	2,307,457	(231,620)
December 31, 2000	2,964,105	2,629,799	(334,306)
December 31, 2001	3,121,508	2,869,971	(251,537)
December 31, 2002	3,260,768	3,409,836	149,068
December 31, 2003	3,421,662	3,670,517	248,855
December 31, 2004	3,781,133	4,186,610	405,477
December 31, 2005	4,159,049	4,548,112	389,063

On a market value basis, the actuarial value of assets as of December 31, 2005 is \$4,200,038.
On a market basis, the funded ratio would be 92.35%.

Digest of Changes:

The actuarial assumptions used to determine the actuarial accrued liability for 2005 are based on the 2002-2004 Experience Study.

The principal changes were:

The 1994 Group Annuity Mortality implemented.

For Regular members, fewer normal and more early retirements are expected to occur.

(1) Information presented above is the most current information available.

<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
90.13 %	\$ 1,101,775	14.24 %
95.11	1,275,779	7.11
96.09	1,473,687	6.06
110.04	1,492,878	(15.51)
112.71	1,570,856	(21.28)
108.76	1,704,735	(14.76)
95.63	1,931,972	7.72
93.22	1,945,578	12.79
90.31	1,916,420	21.16
91.45	2,150,139	18.09

**VILLAGE OF LEMONT, ILLINOIS
 SCHEDULE OF FUNDING PROGRESS -
 POLICE PENSION FUND
 APRIL 30, 2006**

<u>Actuarial Valuation Date (1),(2)</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>
April 30, 1997	\$ 2,574,125	\$ 3,533,326	\$ 959,201
April 30, 1999	3,133,980	4,061,009	927,029
April 30, 2002	4,015,131	5,307,447	1,292,316

(1) Information presented above is the most current information available.

(2) Information for 1998, 2000 - 2001, and 2003 - 2006 is not available.

<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
72.85 %	\$ 784,733	122.23 %
77.17	945,649	98.03
75.65	1,198,350	107.84

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**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

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MAJOR GOVERNMENTAL FUNDS

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DEBT SERVICE FUND

VILLAGE OF LEMONT, ILLINOIS
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND DEFICITS - BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 2006

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Debt service:			
Principal retirement	\$ 225,000	\$ 540,000	\$ (315,000)
Interest and fees	<u>119,325</u>	<u>274,922</u>	<u>(155,597)</u>
Total expenditures	344,325	814,922	(470,597)
Other financing sources:			
Transfers in	<u>343,825</u>	<u>814,922</u>	<u>471,097</u>
Net change in fund deficits	(500)	-	500
Fund deficits at beginning of year	<u>(39,633)</u>	<u>(39,633)</u>	<u>-</u>
Fund deficits at end of year	<u>\$ (40,133)</u>	<u>\$ (39,633)</u>	<u>\$ 500</u>

TIF/MAIN STREET - DEBT SERVICE FUND

VILLAGE OF LEMONT, ILLINOIS
TIF/MAIN STREET - DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 2006

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Interest income	\$ 3,600	\$ 12,678	\$ 9,078
Expenditures:			
Current:			
General government	59,000	48,797	10,203
Debt service:			
Principal retirement	168,750	178,750	(10,000)
Interest and fees	<u>190,560</u>	<u>97,833</u>	<u>92,727</u>
Total expenditures	<u>418,310</u>	<u>325,380</u>	<u>92,930</u>
Excess (deficiency) of revenues over (under) expenditures	(414,710)	(312,702)	102,008
Fund balances at beginning of the year	<u>503,438</u>	<u>503,438</u>	<u>-</u>
Fund balances at end of year	<u>\$ 88,728</u>	<u>\$ 190,736</u>	<u>\$ 102,008</u>

TIF/MAIN STREET - CAPITAL PROJECTS FUND

VILLAGE OF LEMONT, ILLINOIS
TIF/MAIN STREET - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 2006

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Property taxes	\$ 640,000	\$ 587,520	\$ (52,480)
Interest income	<u>8,400</u>	<u>29,582</u>	<u>21,182</u>
Total revenues	<u>648,400</u>	<u>617,102</u>	<u>(31,298)</u>
Expenditures:			
Current:			
General government	129,694	71,685	58,009
Capital outlay	<u>42,500</u>	<u>11,090</u>	<u>31,410</u>
Total expenditures	<u>172,194</u>	<u>82,775</u>	<u>89,419</u>
Excess of revenues over expenditures	476,206	534,327	58,121
Fund balances at beginning of year	<u>513,923</u>	<u>513,923</u>	<u>-</u>
Fund balances at end of year	<u>\$ 990,129</u>	<u>\$ 1,048,250</u>	<u>\$ 58,121</u>

ROAD IMPROVEMENT FUND

**VILLAGE OF LEMONT, ILLINOIS
ROAD IMPROVEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 2006**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Grants	\$ 127,500	\$ -	\$ (127,500)
Interest income	17,000	37,027	20,027
Intergovernmental reimbursements	-	40,000	40,000
Other taxes	1,863,705	1,756,595	(107,110)
Other income	-	1,951	1,951
Total revenues	2,008,205	1,835,573	(172,632)
Expenditures:			
Capital outlay	1,582,000	1,682,877	(100,877)
Debt service:			
Principal	315,000	-	315,000
Interest and fees	111,205	535	110,670
Total expenditures	2,008,205	1,683,412	324,793
Excess of revenues over expenditures	-	152,161	152,161
Other financing uses:			
Transfers out	-	(425,705)	(425,705)
Net change in fund balances	-	(273,544)	(273,544)
Fund balances at beginning of year	1,641,183	1,641,183	-
Fund balances at end of year	\$ 1,641,183	\$ 1,367,639	\$ (273,544)

PUBLIC WORKS BUILDING FUND

VILLAGE OF LEMONT, ILLINOIS
PUBLIC WORKS BUILDING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 2006

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest income	\$ 1,000	\$ 11,140	\$ 10,140
Expenditures:			
Current:			
Highway and streets	-	12,131	(12,131)
Capital outlay	3,101,000	2,872,027	228,973
Total expenditures	3,101,000	2,884,158	216,842
Excess (deficiency) of revenues over (under) expenditures	(3,100,000)	(2,873,018)	226,982
Other financing sources (uses):			
Transfers in	3,100,000	3,100,000	-
Transfers out	-	(248,000)	(248,000)
Total other financing sources (uses)	3,100,000	2,852,000	(248,000)
Net change in fund balances	-	(21,018)	(21,018)
Fund balances at beginning of year	-	-	-
Fund balance (deficit) at end of year	\$ -	\$ (21,018)	\$ (21,018)

MAJOR PROPRIETARY FUND

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WATERWORKS AND SEWERAGE FUND

**VILLAGE OF LEMONT, ILLINOIS
WATERWORKS AND SEWERAGE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS - BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 2006**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating revenues:			
Charges for sales and services:			
Charges for services	\$ 3,159,750	\$ 3,842,920	\$ 683,170
Penalties	31,650	41,920	10,270
Other income	69,200	366,894	297,694
Total operating revenues	3,260,600	4,251,734	991,134
Operating expenses:			
Water operations	1,457,150	1,479,847	(22,697)
Sewer operations	213,700	175,181	38,519
Other	90,175	94,201	(4,026)
Depreciation	-	686,809	(686,809)
Total operating expenses	1,761,025	2,436,038	(675,013)
Operating income	1,499,575	1,815,696	316,121
Nonoperating revenues (expenses):			
Interest income	39,809	224,789	184,980
Interest expense	(154,242)	(382,628)	(228,386)
Grants	250,000	50,000	(200,000)
Loss on disposal of capital assets	-	(5,168)	(5,168)
Total nonoperating revenues (expenses)	135,567	(113,007)	(248,574)
Income before contributions and transfers	1,635,142	1,702,689	67,547
Contributions of water and sewer lines	-	4,729,764	4,729,764
Income before transfers	1,635,142	6,432,453	4,797,311
Transfers in	525,000	-	(525,000)
Transfers out	(2,803,690)	(2,803,690)	-
Transfers of capital assets	-	(9,328,623)	(9,328,623)
Change in net assets	(643,548)	(5,699,860)	(5,056,312)

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Net assets at beginning of year:			
As previously reported	39,527,702	39,527,702	-
Prior period adjustment	<u>1,951,883</u>	<u>1,951,883</u>	<u>-</u>
As restated	<u>41,479,585</u>	<u>41,479,585</u>	<u>-</u>
Net assets at end of year	<u>\$ 40,836,037</u>	<u>\$ 35,779,725</u>	<u>\$ (5,056,312)</u>
<u>Other budgeted revenue:</u>			
Bond proceeds	<u>\$ 5,000,000</u>	<u>\$ -</u>	<u>\$ (5,000,000)</u>
<u>Other budgeted expenditures:</u>			
Capital outlay	(3,416,000)	-	3,416,000
Principal retirement	<u>(199,141)</u>	<u>-</u>	<u>199,141</u>
Total other budgeted expenditures	<u>\$ (3,615,141)</u>	<u>\$ -</u>	<u>\$ 3,615,141</u>

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NONMAJOR GOVERNMENTAL FUNDS

**VILLAGE OF LEMONT, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2006**

	<u>Special Revenue</u>			
	<u>Motor Fuel Tax</u>	<u>Illinois Municipal Retirement</u>	<u>Social Security</u>	<u>Working Cash</u>
ASSETS				
Equity in pooled cash and investments	\$ 836,253	\$ 105,124	\$ 140,495	\$ 953,046
Receivables:				
Property taxes, net of allowance	-	120,022	128,237	35,369
Accrued interest	-	119	53	-
Other	35,779	-	-	-
Due from other funds	-	-	-	-
Total assets	<u>\$ 872,032</u>	<u>\$ 225,265</u>	<u>\$ 268,785</u>	<u>\$ 988,415</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,146	\$ 17,018	\$ -	\$ -
Deferred revenue	-	120,022	128,237	35,369
Due to other funds	<u>9,514</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>10,660</u>	<u>137,040</u>	<u>128,237</u>	<u>35,369</u>
Fund balances:				
Reserved working cash	-	-	-	953,046
Unreserved	<u>861,372</u>	<u>88,225</u>	<u>140,548</u>	<u>-</u>
Total fund balances	<u>861,372</u>	<u>88,225</u>	<u>140,548</u>	<u>953,046</u>
Total liabilities and fund balances	<u>\$ 872,032</u>	<u>\$ 225,265</u>	<u>\$ 268,785</u>	<u>\$ 988,415</u>

<u>Capital Projects</u>			<u>Total</u>
<u>Police Station</u>	<u>Revenue Fund</u>	<u>General</u>	<u>Nonmajor</u>
<u>Building</u>	<u>2005</u>	<u>Capital</u>	<u>Governmental</u>
		<u>Improvement</u>	<u>Funds</u>
\$ 70,269	\$ 446,496	\$ 124,980	\$ 2,676,663
-	-	-	283,628
274	-	-	446
-	-	-	35,779
-	39,633	-	39,633
<u>\$ 70,543</u>	<u>\$ 486,129</u>	<u>\$ 124,980</u>	<u>\$ 3,036,149</u>
\$ -	\$ -	\$ 41,787	\$ 59,951
-	-	-	283,628
-	-	-	9,514
-	-	41,787	353,093
-	-	-	953,046
<u>70,543</u>	<u>486,129</u>	<u>83,193</u>	<u>1,730,010</u>
<u>70,543</u>	<u>486,129</u>	<u>83,193</u>	<u>2,683,056</u>
<u>\$ 70,543</u>	<u>\$ 486,129</u>	<u>\$ 124,980</u>	<u>\$ 3,036,149</u>

**VILLAGE OF LEMONT, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED APRIL 30, 2006**

	<u>Special Revenue</u>			
	<u>Motor Fuel Tax</u>	<u>Illinois Municipal Retirement</u>	<u>Social Security</u>	<u>Working Cash</u>
Revenues:				
Property taxes	\$ -	\$ 205,535	\$ 225,109	\$ 67,124
Allotments	471,580	-	-	-
Contributions	-	-	-	-
Grants	-	-	-	-
Interest	26,843	2,586	3,685	30,359
Other	-	510	906	-
	<u>498,423</u>	<u>208,631</u>	<u>229,700</u>	<u>97,483</u>
Total revenues				
Expenditures:				
Current:				
General government	-	211,288	210,574	-
Highways and streets	410,052	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
	<u>410,052</u>	<u>211,288</u>	<u>210,574</u>	<u>-</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>88,371</u>	<u>(2,657)</u>	<u>19,126</u>	<u>97,483</u>
Other financing sources (uses):				
Transfers in	-	3,198	-	-
Transfers out	-	-	-	(30,411)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,411)</u>
Total other financing sources (uses)				
	<u>-</u>	<u>3,198</u>	<u>-</u>	<u>(30,411)</u>
Net change in fund balances	88,371	541	19,126	67,072
Fund balances (deficit) at beginning of year	<u>773,001</u>	<u>87,684</u>	<u>121,422</u>	<u>885,974</u>
Fund balances at end of year	<u>\$ 861,372</u>	<u>\$ 88,225</u>	<u>\$ 140,548</u>	<u>\$ 953,046</u>

	<u>Capital Projects</u>		<u>Total</u>
<u>Police Station Building</u>	<u>Revenue Fund 2005</u>	<u>General Capital Improvement</u>	<u>Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 497,768
-	-	-	471,580
-	-	35,000	35,000
-	-	107,705	107,705
543	35,183	4,142	103,341
-	-	12,994	14,410
<u>543</u>	<u>35,183</u>	<u>159,841</u>	<u>1,229,804</u>
-	-	-	421,862
-	-	-	410,052
-	-	418,287	418,287
-	-	1,135	1,135
-	-	260	260
-	-	419,682	1,251,596
<u>543</u>	<u>35,183</u>	<u>(259,841)</u>	<u>(21,792)</u>
70,000	-	343,800	416,998
-	(1,045,392)	-	(1,075,803)
<u>70,000</u>	<u>(1,045,392)</u>	<u>343,800</u>	<u>(658,805)</u>
70,543	(1,010,209)	83,959	(680,597)
-	1,496,338	(766)	3,363,653
<u>\$ 70,543</u>	<u>\$ 486,129</u>	<u>\$ 83,193</u>	<u>\$ 2,683,056</u>

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MOTOR FUEL TAX FUND

VILLAGE OF LEMONT, ILLINOIS
MOTOR FUEL TAX FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 2006

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u> Positive (Negative)
Revenues:			
Allotments	\$ 539,000	\$ 471,580	\$ (67,420)
Interest income	<u>9,000</u>	<u>26,843</u>	<u>17,843</u>
Total revenues	548,000	498,423	(49,577)
Expenditures:			
Current:			
Highways and streets	<u>548,000</u>	<u>410,052</u>	<u>137,948</u>
Excess (deficiency) of revenues over (under) expenditures	-	88,371	88,371
Fund balances at beginning of year	<u>773,001</u>	<u>773,001</u>	<u>-</u>
Fund balances at end of year	<u>\$ 773,001</u>	<u>\$ 861,372</u>	<u>\$ 88,371</u>

ILLINOIS MUNICIPAL RETIREMENT FUND

VILLAGE OF LEMONT, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 2006

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Property taxes	\$ 183,000	\$ 205,535	\$ 22,535
Interest income	1,000	2,586	1,586
Other income	<u>4,100</u>	<u>510</u>	<u>(3,590)</u>
Total revenues	188,100	208,631	20,531
Expenditures:			
Current:			
General government	<u>190,000</u>	<u>211,288</u>	<u>(21,288)</u>
Excess (deficiency) of revenues over (under) expenditures	(1,900)	(2,657)	(757)
Other financing sources:			
Transfers in	<u>1,900</u>	<u>3,198</u>	<u>1,298</u>
Net change in fund balances	-	541	541
Fund balances at beginning of year	<u>87,684</u>	<u>87,684</u>	<u>-</u>
Fund balances at end of year	<u>\$ 87,684</u>	<u>\$ 88,225</u>	<u>\$ 541</u>

SOCIAL SECURITY FUND

VILLAGE OF LEMONT, ILLINOIS
SOCIAL SECURITY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 2006

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property taxes	\$ 204,000	\$ 225,109	\$ 21,109
Interest income	800	3,685	2,885
Other income	300	906	606
Total revenues	205,100	229,700	24,600
Expenditures:			
Current:			
General government	200,000	210,574	(10,574)
Excess of revenues over expenditures	5,100	19,126	14,026
Fund balances at beginning of year	121,422	121,422	-
Fund balances at end of year	\$ 126,522	\$ 140,548	\$ 14,026

WORKING CASH FUND

VILLAGE OF LEMONT, ILLINOIS
WORKING CASH FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 2006

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Property taxes	\$ 65,000	\$ 67,124	\$ 2,124
Interest income	<u>12,000</u>	<u>30,359</u>	<u>18,359</u>
Total revenues	77,000	97,483	20,483
Other financing uses:			
Transfers out	<u>(12,000)</u>	<u>(30,411)</u>	<u>(18,411)</u>
Net change in fund balances	65,000	67,072	2,072
Fund balances at beginning of year	<u>885,974</u>	<u>885,974</u>	<u>-</u>
Fund balances at end of year	<u>\$ 950,974</u>	<u>\$ 953,046</u>	<u>\$ 2,072</u>

POLICE STATION BUILDING FUND

VILLAGE OF LEMONT, ILLINOIS
POLICE STATION BUILDING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 2006

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Interest income	\$ -	\$ 543	\$ 543
Other financing sources:			
Transfers in	<u>-</u>	<u>70,000</u>	<u>70,000</u>
Net change in fund balances	-	70,543	70,543
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 70,543</u>	<u>\$ 70,543</u>

REVENUE FUND 2005 FUND

VILLAGE OF LEMONT, ILLINOIS
REVENUE FUND 2005 FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 2006

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Interest income	\$ 500	\$ 35,183	\$ 34,683
Other financing sources (uses):			
Proceeds from bonds	1,525,000	-	(1,525,000)
Transfers out	<u>(1,525,000)</u>	<u>(1,045,392)</u>	<u>479,608</u>
Total other financing sources (uses)	<u>-</u>	<u>(1,045,392)</u>	<u>(1,045,392)</u>
Net change in fund balances	500	(1,010,209)	(1,010,709)
Fund balances at beginning of year	<u>1,496,338</u>	<u>1,496,338</u>	<u>-</u>
Fund balances at end of year	<u>\$ 1,496,838</u>	<u>\$ 486,129</u>	<u>\$ (1,010,709)</u>

GENERAL CAPITAL IMPROVEMENT FUND

VILLAGE OF LEMONT, ILLINOIS
GENERAL CAPITAL IMPROVEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 2006

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Grants	\$ 15,000	\$ 107,705	\$ 92,705
Interest income	1,000	4,142	3,142
Contributions	-	35,000	35,000
Other income	<u>56,200</u>	<u>12,994</u>	<u>(43,206)</u>
Total revenues	<u>72,200</u>	<u>159,841</u>	<u>87,641</u>
Expenditures:			
Capital outlay	416,000	418,287	(2,287)
Debt service:			
Principal retirement	-	1,135	(1,135)
Interest and fees	<u>-</u>	<u>260</u>	<u>(260)</u>
Total expenditures	<u>416,000</u>	<u>419,682</u>	<u>(3,682)</u>
Excess (deficiency) of revenues over (under) expenditures	(343,800)	(259,841)	83,959
Other financing sources:			
Transfers in	<u>343,800</u>	<u>343,800</u>	<u>-</u>
Net change in fund balances	-	83,959	83,959
Fund deficits at beginning of year	<u>(766)</u>	<u>(766)</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (766)</u>	<u>\$ 83,193</u>	<u>\$ 83,959</u>

NONMAJOR PROPRIETARY FUND

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PARKING LOT FUND

VILLAGE OF LEMONT, ILLINOIS
PARKING LOT FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS - BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 2006

	Original and Final Budget	Actual	Variance with Final budget Positive (Negative)
Operating revenues:			
Licenses and permits	\$ 71,000	\$ 75,334	\$ 4,334
Fines and forfeitures	1,450	620	(830)
Total operating revenues	72,450	75,954	3,504
Operating expenses:			
Parking lot operations	43,480	46,373	(2,893)
Operating income	28,970	29,581	611
Nonoperating revenues:			
Interest income	2,000	10,300	8,300
Income before transfers	30,970	39,881	8,911
Transfers out	(25,000)	(25,000)	-
Change in net assets	5,970	14,881	8,911
Net assets at beginning of year	263,078	263,078	-
Net assets at end of year	\$ 269,048	\$ 277,959	\$ 8,911

FIDUCIARY FUND - POLICE PENSION FUND

VILLAGE OF LEMONT, ILLINOIS
FIDUCIARY FUND - POLICE PENSION FUND
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -
BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 2006

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Additions:			
Contributions:			
Employer	\$ 270,000	\$ 342,570	\$ 72,570
Employee	<u>160,500</u>	<u>158,009</u>	<u>(2,491)</u>
Total contributions	<u>430,500</u>	<u>500,579</u>	<u>70,079</u>
Investment earnings:			
Interest	190,000	251,026	61,026
Net increase in fair value of investments	<u>-</u>	<u>149,820</u>	<u>149,820</u>
Total investment earnings	<u>190,000</u>	<u>400,846</u>	<u>210,846</u>
Total additions	<u>620,500</u>	<u>901,425</u>	<u>280,925</u>
Deductions:			
Benefits	225,000	210,702	14,298
Administration	<u>10,900</u>	<u>6,034</u>	<u>4,866</u>
Total deductions	<u>235,900</u>	<u>216,736</u>	<u>19,164</u>
Change in net assets	384,600	684,689	300,089
Net assets at beginning of year	<u>5,169,995</u>	<u>5,169,995</u>	<u>-</u>
Net assets at end of year	<u>\$ 5,554,595</u>	<u>\$ 5,854,684</u>	<u>\$ 300,089</u>

STATISTICAL SECTION

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VILLAGE OF LEMONT, ILLINOIS

Net Assets By Component

Last Three Fiscal Years

April 30, 2006

	Fiscal Year		
	2006	2005	2004
Governmental Activities			
Invested in capital assets, net of related debt	\$ 95,497,241	\$ 76,511,435	\$ 81,334,686
Restricted	2,192,032	2,122,179	210,486
Unrestricted	5,468,446	6,807,203	7,848,385
Total governmental activities net assets	103,157,719	85,440,817	89,393,557
Business-type activities:			
Invested in capital assets, net of related debt	32,193,600	32,692,601	35,645,213
Unrestricted	3,864,084	7,098,179	2,592,547
Total business-type activities net assets	36,057,684	39,790,780	38,237,760
Primary government			
Invested in capital assets, net of related debt	127,690,841	109,204,036	116,979,899
Restricted	2,192,032	2,122,179	210,486
Unrestricted	9,332,530	13,905,382	10,440,932
Total primary government net assets	\$ 139,215,403	\$ 125,231,597	\$ 127,631,317

VILLAGE OF LEMONT, ILLINOIS

Changes in Net Assets
Last Three Fiscal Years
April 30, 2006

Expenses	Fiscal Year		
	2006	2005	2004
Governmental Activities			
Public safety	\$ 7,007,777	\$ 2,666,787	\$ 2,418,576
Public works	8,832,330	2,146,665	1,214,667
General government	3,697,991	6,401,775	5,964,984
Debt Service	387,717	3,842,194	428,379
Total governmental activities	19,925,815	15,057,421	10,026,606
Business-type activities:			
Waterworks and sewage	2,818,666	2,539,841	7,693,360
Parking facilities	46,373	24,845	23,867
Total Business-type activities	2,865,039	2,564,686	7,717,227
Total primary governmental expenses	22,790,854	17,622,107	17,743,833
Program revenues:			
Governmental Activities			
Charges for services	1,800,175	1,152,505	1,523,881
Operating grants and contributions	302,432	614,236	625,581
Capital grants and contributions	13,989,539	428,091	-
Total governmental activities	16,092,146	2,194,832	2,149,462
Business-type activities:			
Charges for services	3,960,794	3,354,529	3,004,648
Operating grants and contributions	-	-	180,152
Capital grants and contributions	4,779,764	413,107	-
Total business-type activities	8,740,558	3,767,636	3,184,800
Total primary government program revenue	24,832,704	5,962,468	5,334,262
Net (expense) revenue:			
Governmental activities	(3,833,669)	(12,862,589)	(7,877,144)
Business type activities	5,875,519	3,742,791	3,160,933
Total primary government net (expense) revenue	\$ 2,041,850	\$ (9,119,798)	\$ (4,716,211)

VILLAGE OF LEMONT, ILLINOIS

Changes in Net Assets
Last Three Fiscal Years
April 30, 2006

	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Revenues and other Changes in Net Assets			
Governmental activities:			
Property taxes	2,579,697	2,466,461	2,223,543
Utility tax	1,949,014	1,611,452	1,549,732
Intergovernmental taxes	3,831,653	3,158,032	2,941,063
Interest	316,273	110,752	74,251
Miscellaneous	716,621	537,064	350,390
Transfers	12,157,313	(227,962)	540,349
Total Governmental activities	<u>21,550,571</u>	<u>7,655,799</u>	<u>7,679,328</u>
Business-type activities			
interest	235,089	81,799	28,537
miscellaneous	361,726	40,309	38,594
transfers	(12,157,313)	227,962	(540,349)
Total Business-type activities	<u>(11,560,498)</u>	<u>350,070</u>	<u>(473,218)</u>
Changes in Net Assets			
Governmental activities	17,716,902	(5,206,790)	(197,816)
Business-type activities	(5,684,979)	3,392,721	3,634,151
Total Primary Government	<u>\$ 12,031,923</u>	<u>\$ (1,814,069)</u>	<u>\$ 3,436,335</u>

VILLAGE OF LEMONT, ILLINOIS

Fund Balances, Governmental Funds

Last Ten Fiscal Years

April 30, 2006

	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General Fund	2,925,184	2,077,837	2,144,138	1,939,555	2,253,304	1,753,956	1,699,614	1,332,275	1,291,793	1,010,944
Other Governmental Funds										
Reserved	1,143,782	1,903,335	818,968	761,311	693,135	662,837	595,647	525,410	457,925	393,793
Unreserved reported in:										
Special Revenue Funds	1,090,145	2,478,445	882,489	935,933	669,997	693,268	549,547	266,895	420,323	519,551
Capital Projects Funds	3,034,736	1,640,417	2,164,436	4,139,669	1,684,485	4,111,928	2,838,291	1,730,492	1,107,495	1,161,052
Debt Service Funds	(39,633)	(39,633)	906,151	729,747	565,996	419,030	91,242	82,235	77,462	73,387
Permanent Fund	-	-	-	-	-	-	-	-	-	-
All other Governmental Funds	5,229,030	5,982,564	4,772,044	6,566,660	3,613,613	5,887,063	4,074,727	2,605,032	2,063,205	2,147,783
Fund Balance (deficit)	\$8,154,214	\$8,060,401	\$6,916,182	\$8,506,215	\$5,866,917	\$7,641,019	\$5,774,341	\$3,937,307	\$3,354,998	\$3,158,727

VILLAGE OF LEMONT, ILLINOIS

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

April 30, 2006

Fiscal Year

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Revenues:										
Charges for service	\$ 511,580	\$ 10,942	\$ 10,091	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	170,120	614,236	-	-	-	-	-	-	-	-
Fees by agreement	2,579,697	2,466,461	2,223,543	134,154	143,227	130,642	143,265	107,749	96,397	76,361
Property Taxes	3,263,053	3,158,032	2,941,063	2,338,178	2,134,286	2,247,251	2,158,383	1,843,129	1,653,141	1,670,252
Licenses and permits	1,477,535	1,141,563	1,206,824	3,185,372	3,265,189	2,930,280	2,425,673	2,009,307	1,798,452	1,657,789
Fines and forfeits	152,520	-	-	750,675	865,737	495,944	680,596	442,315	729,107	484,277
Interest	316,273	110,752	74,251	67,287	64,017	75,189	68,521	73,450	87,198	58,026
Grants	4,091,083	-	625,581	98,360	208,015	476,227	249,319	181,459	167,682	159,058
Contributions	35,000	-	-	261,378	377,904	654,480	285,470	576,231	303,330	440,794
Reimbursements	-	-	-	68,659	60,674	55,954	53,499	49,500	47,712	49,317
Utility tax	2,046,034	1,611,452	1,549,733	95,126	94,255	399,988	79,581	73,691	157,853	238,663
Miscellaneous	716,621	564,918	657,353	1,483,104	1,291,020	1,337,612	1,209,269	1,003,791	541,746	-
Total Revenues	15,359,516	9,678,356	9,288,439	8,716,446	8,788,986	9,017,634	7,595,442	6,497,488	5,678,314	4,915,501
Expenditures:										
General government	3,631,067	3,945,284	3,419,607	4,133,522	3,531,764	6,583,248	2,707,747	1,895,064	1,807,374	1,831,155
Highway and streets	1,382,587	1,094,476	1,214,667	1,187,491	1,201,624	1,074,018	1,573,439	2,130,093	1,090,049	1,233,635
Public safety	7,041,065	2,502,870	2,418,576	2,195,060	1,953,218	1,887,858	1,756,155	1,805,677	1,620,531	1,442,521
Health and welfare	-	-	-	12,737	10,293	8,291	9,417	8,417	9,392	4,521
Capital outlay	4,973,191	2,096,096	3,486,319	1,960,330	4,392,891	1,671,850	198,528	529,678	1,327,657	1,297,368
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	819,681	728,750	448,750	594,633	454,857	379,235	342,400	249,320	244,520	250,000
Interest	380,676	384,092	374,505	297,649	324,949	221,589	120,217	212,578	186,775	47,057
Incentives	-	57,175	53,874	-	-	-	-	-	-	-
Bond issuance costs	-	140,815	-	-	-	-	-	-	-	-
Total Expenditures	18,228,267	10,949,558	11,416,298	10,381,422	11,869,596	11,826,089	6,707,903	6,830,827	6,286,298	6,106,257
Excess of revenues over(under) expenses	(2,868,751)	(1,271,202)	(2,127,859)	(1,664,976)	(3,080,610)	(2,808,455)	887,539	(333,339)	(607,984)	(1,190,756)
Other financing sources:										
Proceeds from debt issuance	45,000	9,093,386	-	2,172,526	143,100	4,327,545	142,435	138,650	139,320	1,539,520
Proceeds from capital lease	88,874	-	-	-	-	94,856	-	9,750	-	-
Proceeds from sale of capital asset	-	-	-	-	-	-	-	23,074	8,139	24,123
Payments made to bond escrow	-	(7,444,313)	-	-	-	-	-	-	-	-
Transfers in	5,269,021	1,360,715	1,164,032	1,138,291	1,262,114	601,878	1,263,126	1,143,177	670,636	377,833
Transfers out	(2,440,331)	(594,367)	(623,683)	(177,943)	(293,987)	(191,002)	(772,957)	(687,072)	(97,462)	(37,700)
Total other financing sources (uses)	2,962,564	2,415,421	540,349	3,132,874	1,111,227	4,833,277	632,604	627,579	720,633	1,903,776
Net changes in fund balance	\$ 93,813	\$ 1,144,219	\$ (1,587,510)	\$ 1,467,898	\$ (1,969,383)	\$ 2,024,822	\$ 1,520,143	\$ 294,240	\$ 112,649	\$ 713,020
Debt service as a percentage of noncapital expenditures	9.06%	14.81%	11.06%	10.60%	10.43%	5.92%	7.11%	7.33%	8.70%	6.18%

VILLAGE OF LEMONT, ILLINOIS

Assessed and Estimated Actual Value of Taxable Property
 By Classification of Property
 Last Ten Fiscal Years
 April 30, 2006

Fiscal Year	Residential Value	Farm Value	Commercial Value	Industrial Value	Total Real Estate	Railroad Value	Total EAV
1997	\$ 120,498,184	\$ 26,019	\$ 21,887,417	\$ 20,006,345	\$ 162,417,965	\$ 223,347	\$ 162,641,312
1998	131,608,074	28,181	28,517,657	20,179,697	180,333,609	234,074	180,567,683
1999	141,639,098	56,653	29,827,044	22,427,343	193,950,138	244,012	194,194,150
2000	171,439,801	24,674	34,964,676	24,051,031	230,480,182	254,744	230,734,926
2001	178,744,007	120,139	38,072,878	24,637,426	241,574,450	519,142	242,093,592
2002	197,612,272	125,252	54,925,673	26,153,684	278,816,881	556,084	279,372,965
2003	260,363,988	123,622	62,953,190	30,313,364	353,754,164	570,485	354,324,649
2004	271,775,771	134,792	64,880,259	29,082,063	365,872,885	496,641	366,369,526
2005	305,029,835	217,550	70,753,300	29,252,776	405,253,461	457,335	405,710,796
2006	n/a	n/a	n/a	n/a	n/a	410,806	512,569,245

VILLAGE OF LEMONT, ILLINOIS

Assessed Valuation, Rate Extension, and Collections

Last Ten Fiscal Years

April 30, 2006

(1) Tax Levy Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Total Tax Collections	Total Collections as Percent of Levy	Outstanding and Delinquent Taxes	Outstanding and Delinquent Taxes as Percent of Current Levy
1996	\$1,436,123	\$1,357,865	94.6%	\$1,357,865	94.6%	\$ 78,258	5.4%
1997	1,494,939	1,470,639	98.4%	1,470,639	98.4%	24,300	1.6%
1998	1,558,212	1,530,862	98.2%	1,530,862	98.2%	27,350	1.8%
1999	1,610,433	1,579,691	98.1%	1,579,691	98.1%	30,742	1.9%
2000	1,673,035	1,674,292	100.1%	1,674,292	100.1%	(1,257)	-0.1%
2001	1,766,921	1,737,335	98.3%	1,737,335	98.3%	29,586	1.7%
2002	1,675,948	1,780,682	106.2%	1,780,682	106.2%	(104,734)	-6.2%
2003	1,793,868	1,669,094	93.0%	1,669,094	93.0%	124,774	7.0%
2004	1,912,908	1,910,586	99.9%	1,910,586	99.9%	2,322	0.1%
2005	2,055,215	905,707	44.1%	905,707	44.1%	1,149,508	55.9%

(1) In Illinois, general property taxes are billed and payable in the first year following the levy year.

VILLAGE OF LEMONT, ILLINOIS

Property Tax Rates - Direct and Overlapping Governments
 Last Ten Levy Years
 April 30, 2006

Government Unit	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
	Rates per \$100 Assessed Valuation									
Boonville District 113 Bond	\$ 0.356	0.325	0.027	0.078	-	-	-	-	-	-
Boonville District 113	2.027	2.370	2.155	2.186	2.410	2.332	1.974	2.012	1.932	1.677
Boonville Fire Protection District	0.826	0.851	0.877	0.801	0.849	0.810	0.650	0.656	0.644	0.556
Boonville Library District	0.248	0.222	0.222	0.206	0.215	0.213	0.173	0.179	0.174	0.132
Boonville Village of Lemont	0.852	0.829	0.803	0.698	0.691	0.633	0.473	0.49	0.472	0.401
Boonville Park District	0.412	0.405	0.396	0.364	0.361	0.345	0.279	0.32	0.324	0.266
Boonville Comm. College District	0.214	0.217	0.216	0.221	0.222	0.224	0.218	0.214	0.214	0.208
Boonville High School District	2.299	2.333	2.328	2.267	2.261	2.192	1.852	1.901	1.837	1.604
Cook County Mosquito Abate	0.011	0.012	0.013	0.013	0.014	0.015	0.011	0.013	0.012	0.01
Metropolitan Water Reclam. District	0.492	0.451	0.444	0.419	0.415	0.401	0.371	0.361	0.347	0.315
Boonville General Assistance	0.003	0.003	0.003	0.003	0.003	0.002	0.002	0.002	0.002	0.002
Boonville Road & Bridge	0.147	0.153	0.153	0.138	0.140	0.137	0.111	0.112	0.108	0.089
Boonville Township	0.117	0.121	0.121	0.110	0.113	0.261	0.214	0.224	0.214	0.18
Consolidated Elections	-	0.027	-	0.023	-	0.032	-	0.029	-	0.014
Urban TB Sanitarium	0.008	0.008	0.008	0.008	0.008	0.007	0.006	0.004	0.001	0.005
Cook County Forest Preserve	0.074	0.074	0.072	0.070	0.069	0.067	0.061	0.059	0.060	0.06
Cook County	0.694	0.634	0.673	0.618	0.605	0.746	0.690	0.630	0.593	0.533
Cook County Health Facilities	0.295	0.285	0.238	0.236	0.219	(0)	(0)	(0)	(0)	(0)
Total property tax rate	\$ 9.075	9.320	8.749	8.459	8.595	8.417	7.085	7.206	6.934	6.052

Cook County Health Facilities rate combined with Cook County

source - Cook County Clerk's Office and local taxing units

VILLAGE OF LEMONT, ILLINOIS

Principal Taxpayers

As of April 30, 2006

<u>Taxpayer</u>	<u>Type of Business, Property</u>	<u>2005* Equalized Assessed Value</u>	<u>Percent of Village's Total EAV</u>
Target Droptax T1213	Discount department store	\$10,516,886	2.05%
IMTT Lemont	Industrial properties and vacant land	7,719,482	1.51%
Kohl's Department Store	Department store	6,847,233	1.34%
Long Run 1031 LLC	Shopping center and one story store	6,783,458	1.32%
Albertson Prop Tax	Jewel food store	6,273,631	1.22%
GK Development Inc	Shopping center, supermarket, and one story stores	5,670,894	1.11%
Lemont Venture LLC	One story store	4,375,301	0.85%
Lemont Nursing & Rehab	Special commercial prpoerty with improvements	3,966,465	0.77%
Lemont POB LLC	Two or three story building with retail and/or commercial space	3,633,555	0.71%
Lemont Holdings LLC	Commercial properties and vacant land	<u>3,082,811</u>	<u>0.60%</u>
		<u>\$58,869,715</u>	<u>11.49%</u>

*Includes only those parcels located in Cook County with 2005 equalized assessed values over approximately \$300,000.

Source: Office of the Cook County Clerk

VILLAGE OF LEMONT, ILLINOIS

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Fiscal Years

April 30, 2006

Governmental Activities Debt

(1) Population	(1) Equalized Assessed Valuation	General Obligation Debt	(2) Capital Leases	Total Governmental	Per Capita	Percentage of Assessed Value
11,375	\$ 162,641,312	\$ 2,134,520	40,968	\$ 2,175,488	\$ 191.25	1.34 %
11,375	180,567,683	2,029,520	210,869	2,240,389	196.96	1.24
11,375	194,194,150	1,858,650	181,271	2,039,921	179.33	1.05
13,098	230,734,926	1,677,435	154,620	1,832,055	139.87	0.79
13,098	242,093,595	5,675,475	208,583	5,884,058	449.23	2.43
13,098	279,372,935	5,413,100	160,302	5,573,402	425.52	1.99
13,098	354,324,649	4,385,000	109,327	4,494,327	343.13	1.27
13,098	366,369,526	6,690,000	126,882	6,816,882	520.45	1.86
15,614	405,710,796	7,975,000	179,501	8,154,501	522.26	2.01
15,614	512,569,245	7,500,000	149,829	7,649,829	489.93	1.49

Business type Activities			Total Primary Government		
General Obligation Debt	(2) Capital Leases	Total Business Type	Total Debt Outstanding	Per Capita	Percentage of Assessed Value
2,570,000	899,388	3,469,388	5,644,876	\$ 496.25	3.47 %
2,535,000	841,049	3,376,049	5,616,438	493.75	3.11
2,425,000	780,935	3,205,935	5,245,856	461.17	2.70
2,350,000	718,993	3,068,993	4,901,048	374.18	2.12
2,275,000	141,281	2,416,281	8,300,339	633.71	3.43
2,175,000	640,653	2,815,653	8,389,055	640.48	3.00
2,075,000	540,103	2,615,103	7,109,430	542.79	2.01
1,975,000	457,360	2,432,360	9,249,242	706.16	2.52
7,515,000	385,930	7,900,930	16,055,431	1,028.27	3.96
7,785,000	311,789	8,096,789	15,746,618	1,008.49	3.07

) In Illinois, general property taxes are billed and payable in the first year following the levy year.

) Includes installment contracts and capital lease commitments

VILLAGE OF LEMONT, ILLINOIS

Ratio of Net General Obligation Debt to Equalized Assessed

Valuation and Net General Obligation Debt Per Capita

Last Ten Fiscal Years

April 30, 2006

Fiscal Year Ended	Population	(1) Equalized Assessed Valuation	(2) Gross General Obligation Debt	Less Debt Service Monies Available	Debt Payable From Other Revenues	Net General Obligation Debt	Net Debt to Equalized Assessed Valuation	Net General Obligation Debt Per Capita
1997	11,375	162,641,312	4,634,520	73,387	4,495,000	66,133	0.04 %	5.81
1998	11,375	180,567,683	3,129,320	77,462	2,500,000	551,858	0.31 %	48.51
1999	11,375	194,194,150	2,943,650	82,235	2,425,000	436,415	0.22 %	38.37
2000	13,098	230,734,926	2,752,435	91,242	2,350,000	311,193	0.13 %	23.76
2001	13,098	242,093,595	5,675,475	32,509	2,275,000	3,367,966	1.39 %	257.14
2002	13,098	279,372,935	5,318,100	38,075	2,175,000	3,105,025	1.11 %	237.06
2003	13,098	354,324,649	4,810,000	-	2,075,000	2,735,000	0.77 %	208.81
2004	13,098	366,369,526	4,430,000	-	1,975,000	2,455,000	0.67 %	187.43
2005	15,614	405,710,796	11,200,000	-	1,825,000	9,375,000	2.31 %	600.42
2006	15,614	512,569,245	10,885,000	-	1,825,000	9,060,000	1.77 %	580.25

(1) In Illinois, general property taxes are billed and payable in the first year following the levy year.

(2) Does not include tax levy for Special Service District debt, Central Business Tax Increment District debt.

VILLAGE OF LEMONT, ILLINOIS

Schedule of Direct and Overlapping Debt

As of April 30, 2006

	Outstanding Bonds		Applicable to Village	
			Percent	Amount
<u>Direct Debt</u>				
VILLAGE OF LEMONT	0 (1)		100.000%	\$0
<u>Overlapping Bonded Debt</u>				
<u>Counties:</u>				
Cook County	\$3,070,610,000		0.384%	\$11,791,142
Cook County Forest Preserve District	132,855,000		0.384%	510,163
DuPage County	\$54,195,000 (1)		0.002%	1,084
DuPage County Forest Preserve District	227,286,311 (1)(2)		0.002%	4,546
Will County	\$4,885,000 (1)(3)		0.003%	147
Will County Forest Preserve District	169,107,309 (2)		0.003%	5,073
<u>Miscellaneous Districts:</u>				
Metropolitan Water Reclamation District	1,256,985,306		0.392%	4,927,382
Lemont Fire Protection District	1,680,000		48.476%	814,397
Lemont Park District	495,000		62.800%	310,860
Lemont Public Library District	2,695,000		63.460%	1,710,247
<u>School Districts:</u>				
#113	22,146,799 (2)		51.374%	11,377,697
#180	2,855,000		0.181%	5,168
CSUD#365-U	190,100,804 (2)		0.023%	43,723
HSD #86	12,970,000		0.008%	1,038
HSD #210	13,789,588 (2)		50.852%	7,012,281
Community College #502	81,905,000 (1)		0.002%	1,638
Community College #525	0 (1)		3.346%	0
Direct and Overlapping General Obligation Bonds			<u>\$38,516,586</u>	

- (1) Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds.
- (2) Includes original principal amounts of outstanding Capital Appreciation Bonds.
- (3) Includes Public Building Commission Revenue Bonds payable from lease payments secured by ad valorem taxes levied on all taxable property within the County. Includes the Will County portion of the Juvenile Justice Center bonds.

VILLAGE OF LEMONT, ILLINOIS

Legal Debt Margin

Last Ten Fiscal Years

April 30, 2006

(Amounts in Thousands)

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Assessed valuation	\$ 512,569	\$ 405,711	\$ 366,370	\$ 354,325	\$ 279,373	\$ 242,094	\$ 230,735	\$ 194,194	\$ 180,568	\$ 162,641
Limit - 8.625% of Equalized Valuation	44,209	34,993	31,599	30,561	24,096	20,881	19,901	16,749	15,574	14,028
Outstanding debt applicable to limit	15,015	15,490	8,665	9,195	7,588	7,950	4,027	4,284	4,564	4,705
Debt Margin	\$ 29,194	\$ 19,503	\$ 22,934	\$ 21,366	\$ 16,508	\$ 12,930	\$ 15,873	\$ 12,466	\$ 11,010	\$ 9,323
Debt applicable to the limit	33.96%	44.27%	27.42%	30.09%	31.49%	38.08%	20.24%	25.58%	29.31%	33.54%
Percentage of debt limit										

Illinois Compiled Statutes 405/1 provides, "no municipality having a population of less than 100,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness, in the aggregate exceeding 8.625% on the value of taxable property therein, to be determined by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the assessed valuation by the debt limitation percentage in effect on January 1, 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1978."

VILLAGE OF LEMONT, ILLINOIS

Water Fund

Schedule of Revenue Bond Coverage

Last Ten Fiscal Years

April 30, 2006

Fiscal Year Ended	(1) Gross Revenue	(2) Direct Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	(3) Interest	Total	
1997	2,993,013	1,349,474	1,643,539	30,000	4,088	34,088	48.21
1998	3,091,379	1,132,599	1,958,780	35,000	241,922	276,922	7.07
1999	2,807,324	1,407,480	1,399,844	-	-	-	-
2000	2,381,819	2,278,484	103,335	-	-	-	-
2001	3,156,631	2,120,071	1,036,560	-	-	-	-
2002	2,792,998	1,129,447	1,663,551	-	-	-	-
2003	2,769,340	1,681,308	1,088,032	-	-	-	-
2004	2,929,975	1,464,533	1,465,442	-	-	-	-
2005	3,320,894	1,506,624	1,814,270	-	-	-	-
2006	4,251,734	2,436,038	1,815,696	-	-	-	-

Excludes interest earned on investments with escrow agent

Excludes depreciation and amortization

Excludes interest paid by escrow agent

VILLAGE OF LEMONT, ILLINOIS

Demographic Statistics

Last Ten Fiscal Years

April 30, 2006

Fiscal Year Ended	Population	Per Capita Income	Personal Income	Median Age	School Enrollment	% Bachelors Degree or Higher	Unemployment Percentage
1997	11,375	19,528	\$ 222,125,925	35.6	1,929	19.1	2.6
1998	11,375	20,001	\$ 227,510,257	35.6	1,929	19.1	2.6
1999	11,375	20,341	\$ 231,375,657	35.6	1,929	19.1	2.6
2000	13,098	28,354	\$ 371,380,692	38.3	3,600	32.0	3.4
2001	13,098	29,426	\$ 385,422,596	38.3	3,600	32.0	3.4
2002	13,098	29,838	\$ 390,822,367	38.3	3,600	32.0	3.4
2003	13,098	30,251	\$ 396,223,532	38.3	3,600	32.0	3.4
2004	13,098	30,877	\$ 404,433,283	38.3	3,600	32.0	3.4
2005	15,614	31,867	\$ 497,573,012	38.3	3,600	32.0	3.4
2006	15,614	32,609	\$ 509,161,487	38.3	3,600	32.0	3.4

VILLAGE OF LEMONT, ILLINOIS

Schedule of Principal Employers

As of April 30, 2006

<u>Employer</u>		<u>Product/Business</u>	<u>Approximate Employment</u>
Argonne National Laboratory	(a)	U.S. Government Research Facility	4,000
Citgo Refinery	(a)	Gasoline and Petroleum Products	510
K-Five Construction Corp.		Roadway Construction / Asphalt	500
Mother Theresa Home/ Franciscan Village		Nursing Home / Assisted Living	350
Lemont-Bromberek School District 113A		Public Elementary Education	250
Jewel-Osco		Grocery / Drug Store	183
Lemont Nursing and Rehabilitation Center		Nursing Home	174
Target		Retail Store	170
Lemont High School District 210		Public Secondary Education	135
Kohl's		Department Store	112
IMTT Lemont		Chemical Manufacturing / Processing	100
K.A. Steel		Chemical Products Terminal	100

(a) Included because of close proximity to the Village of Lemont

VILLAGE OF LEMONT, ILLINOIS

Full Time Equivalent Village Government

Employees by Function

Last Ten Fiscal Years

April 30, 2006

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Public Safety	29	29	28	28	28	25	26	26	24	24
Public Works	28	28	26	28	27	25	24	24	23	24
Community Development	3	3	3	3	3	3	3	3	3	3
General Government	8	7	7	8	8	8	9	8	8	8
Water and Sewerage (Combined with Public Works)	-	-	-	-	-	-	-	-	-	-
Total	68	67	64	67	66	61	62	61	58	59

VILLAGE OF LEMONT, ILLINOIS

Operating Indicators by Function

Last Five Fiscal Years

April 30, 2006

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Function:					
Public safety:					
Police department:					
Physical Arrests	N/A	N/A	N/A	N/A	N/A
Parking Violations	N/A	N/A	N/A	N/A	N/A
Traffic Violations	N/A	N/A	N/A	N/A	N/A
Public works:					
Potholes repaired	N/A	N/A	N/A	N/A	N/A
Alleys Paved	N/A	N/A	N/A	N/A	N/A
Water and sewerage:					
Water Main Breaks	N/A	N/A	N/A	N/A	N/A
Rated Daily Pumping capacity (gallons)	5,429,000	4,100,000	4,176,000	4,800,000	4,800,000
Average Daily Pumpage (gallons)	1,700,000	1,500,000	1,500,000	1,200,000	1,200,000
Maximum Daily Pumpage (gallons)	3,400,000	3,900,000	2,500,000	3,853,000	4,200,000
Number of Accounts in Service	5,174	5,000	5,000	4,661	4,500

VILLAGE OF LEMONT, ILLINOIS

Capital Asset Statistics by Function

Last Five Fiscal Years

April 30, 2006

	2006	2005	2004	2003	2002
Public safety:					
Police department:					
Police Stations	1	1	1	1	1
Number of Police Units	27	24	22	22	22
Public works:					
Miles of streets	122	110	110	110	110
Number of street lights	791	781	775	500	500
Miles of Alleys	7.8	3.7	3.7	3.7	3.7
Water and sewerage:					
Miles of water mains	75	73	73	73	70
Fire hydrants	1,277	1,220	1,200	N/A	N/A
Sanitary sewers (miles)	67	65	65	65	65
Storm sewers (miles)	65	N/A	N/A	N/A	N/A
Storm sewer Manholes	631	547	524	N/A	N/A
Sanitary sewer Manholes	1,892	1,508	1,486	N/A	N/A

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