

**VILLAGE BOARD
COMMITTEE OF THE WHOLE MEETING**

**SEPTEMBER 16, 2013 – 7:00 P.M.
LEMONT VILLAGE HALL
418 MAIN ST.
LEMONT, IL 60439**

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. UNFINISHED BUSINESS**
- IV. DISCUSSION ITEMS**
 - A. PRESENTATION OF FY 2012-13 DRAFT COMPREHENSIVE ANNUAL FINANCE REPORT
(ADMIN/FINANCE)(REAVES/SNIEGOWSKI)(SCHAFER/SMITH/FRIEDLEY)**
 - B. DISCUSSION OF TRAFFIC CONTROL DEVICE RECOMMENDATION
(POLICE DEPARTMENT)(MIKLOS)(SHAUGHNESSY)**
 - C. INTRODUCTION OF NEW HIRES – HR GENERALIST AND FINANCE DIRECTOR
(ADMINISTRATION)(REAVES)(SCHAFER)**
- V. NEW BUSINESS**
- VI. AUDIENCE PARTICIPATION**
- VII. ADJOURN**

Village Board

Agenda Memorandum

Item #

To: Mayor & Village Board

From: George J Schafer, Village Administrator
Christina Smith, Finance Director
Ted Friedley, Village Treasurer

Subject: **Presentation of 2012-13 Draft Comprehensive Annual Financial Report**

Date: September 11, 2013

BACKGROUND/HISTORY

As mandated by local ordinances and statutes, the Village is required to annually report on its financial position and do so in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS).

The Village has received its draft Comprehensive Annual Financial Report (Audit) for fiscal year ending April 30, 2013. Pending any comments or changes recommended by the Village Board and/or staff, the draft will become final and will be bounded and distributed. The Village expects to apply for and receive the Certificate of Achievement for Excellence in Financial Reporting once again this year.

The partner for the Village's auditor (Baker Tilly) will be at the meeting to give a brief presentation of the audit and answer any questions the Board may have.

PROS/CONS/ALTERNATIVES (IF APPLICABLE)

RECOMMENDATION

ATTACHMENTS (IF APPLICABLE)

1. Draft CAFR
2. Draft Financial Statements for Downtown, Downtown-Canal and Gateway TIF Districts

SPECIFIC VILLAGE BOARD ACTION REQUIRED

The item is up for discussion purposes only.

VILLAGE OF LEMONT

LEMONT, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED APRIL 30, 2013

Draft

Officials Issuing Report

George J. Schafer, Village Administrator
Theodore Friedley, Treasurer

VILLAGE OF LEMONT, ILLINOIS
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VILLAGE OF LEMONT, ILLINOIS

ELECTED AND APPOINTED OFFICERS AND OFFICIALS

April 30, 2013

Mayor

Brian K. Reaves

Council

Debra A. Blatzer
Paul Chialdikas
Clifford W. Miklos

Rick M. Sniegowski
Ronald J. Stapleton
Jeanette Virgilio

Village Clerk

Charlene M. Smollen

Village Administrator

George J. Schafer

Village Attorney

Tressler LLP

Chief of Police

Kevin W. Shaughnessey

Treasurer

Theodore F. Friedley

Director of Community Development

James A. Brown

Director of Public Works

Ralph W. Pukula

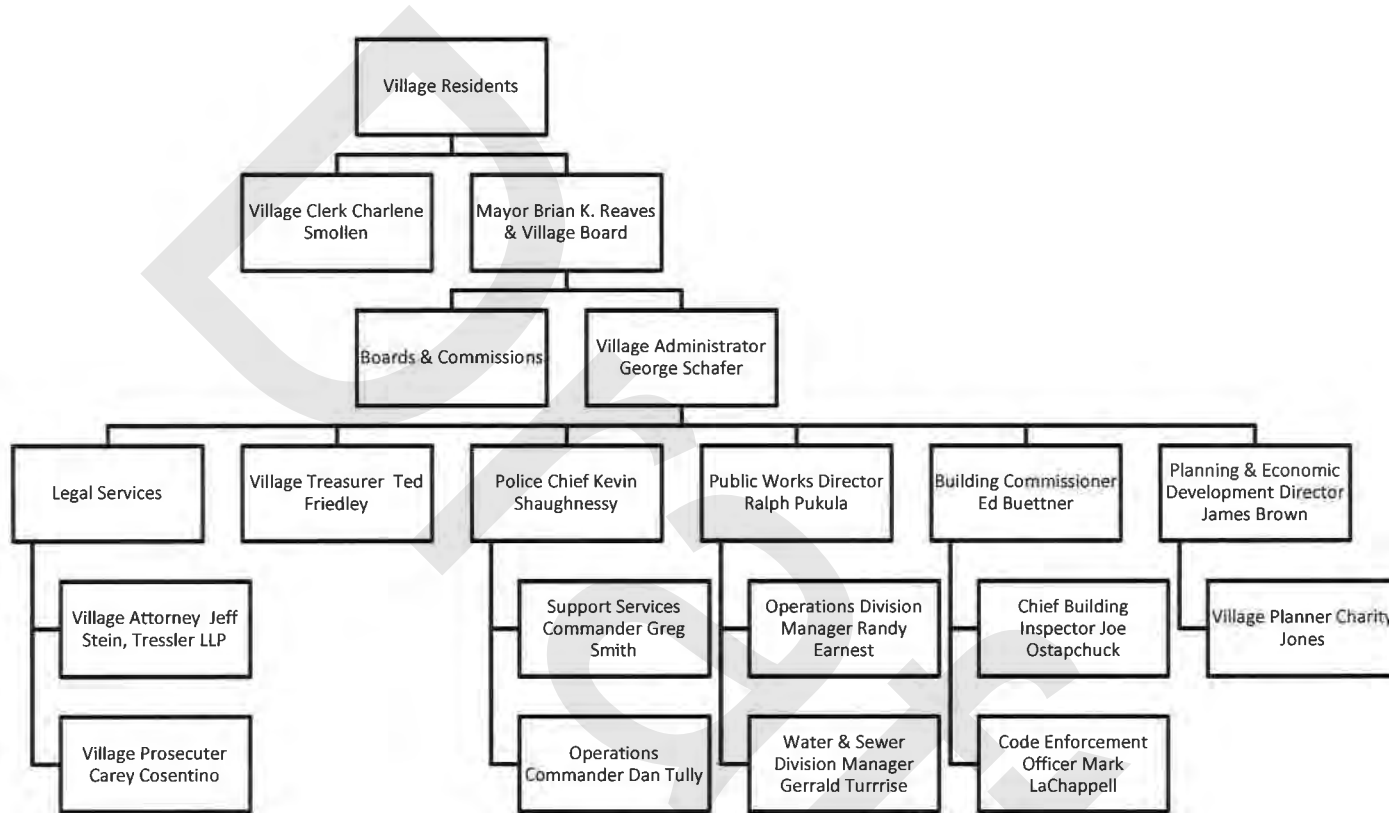
Director of Lemont E.M.A.

Thomas D. Ballard

Building Commissioner

Edward F. Buettner

VILLAGE OF LEMONT ORGANIZATIONAL CHART





Government Finance Officers Association

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

Presented to

**Village of Lemont
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2012

Executive Director/CEO

August 9, 2013

Honorable Mayor,
Board of Trustees, and
Citizens of the Village of Lemont:

The Comprehensive Annual Financial Report (CAFR) of the Village of Lemont, Illinois for the fiscal year ended April 30, 2013 is hereby submitted as mandated by both local ordinances and State statutes. These ordinances and statutes require the Village to issue annually a report on its financial position and the activity presented is in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to the requirements, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the Village for the fiscal year ended April 30, 2013.

This report consists of management's representations concerning the finances of the Village of Lemont. Responsibility for the completeness, reliability, and accuracy of all of the information in this report rests with the management of the Village. To provide a reasonable basis for making these representations, management of the Village of Lemont has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Village of Lemont's financial statements in conformity with GAAP. The concept of reasonable assurance recognizes (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. We assert that, to the best of our knowledge, this financial report is complete and reliable in all material respects.

The Village of Lemont's basic financial statements have been audited by Baker Tilly Virchow Krause, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the basic financial statements are free from material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Village of Lemont's basic financial statements for the fiscal year ended April 30, 2013 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis Letter (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Village of Lemont's MD&A can be found immediately following the report of the independent auditors.

The Village has previously implemented a new financial reporting model as required by the Governmental Accounting Standards Board (GASB) Statement No. 34. As part of the GASB 34 requirements, the Village has inventoried the infrastructure of the Village including streets, curb and gutters, sidewalks, storm sewers, streetlights, and right-of-ways and established a date of service and a cost value. This value, along with the cost of the land, buildings and improvements, vehicles, and equipment, is included in the Village's Statement of Net Position. The assets are then depreciated and the depreciation expense charged to the various governmental activities.

The Village expended less than \$500,000 of federal funds during the fiscal year ended April 30, 2013 and therefore, is not required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments and Non-Profit entities.

The Reporting Entity and its Services

The Village of Lemont was incorporated in 1873 and is strategically located 28 miles southwest of Chicago with a land area of approximately 8.18 square miles. Encompassing the Village is I-55 four miles to the north, Illinois Route 171 crosses the south side of the Village, Illinois Route 83 passes just to the east, and I-355 edges the Village on the west. The 2010 U.S. census established the current population at 16,000, an increase of 22.2% from the 2000 census of 13,098.

The Village provides a full range of public services, including police protection, community planning and zoning, building and code enforcement, street building and maintenance, traffic management, street lighting, storm water management, and emergency disaster management. In addition, water and sewer services are provided under an Enterprise Fund, with user charges and facility improvement fees set by the Village Board through an annual fee ordinance to ensure adequate coverage of operating expenses, payments on outstanding debt, and prudent system expansion and improvement. Equipment maintenance of the Village's rolling stock and minor plant equipment is provided through the Vehicle division of the Public Works Department. The Building and Grounds Division of the Building Department manages municipal buildings and properties. The Village has direct responsibility for each operation listed above.

For financial reporting purposes, the criteria provided in the Government Accounting Standards Board Statement No. 14 have been considered and there are no agencies or entities which should be presented with the Village. Excluded from this report are the Lemont Fire Protection District, Lemont Community Library District, Lemont Park District, Lemont-Bromberek Combined School District 113A, Lemont Township and Lemont Township High School District 210. These entities are separate governments, organized under the laws of the State of Illinois. They are directed by popularly elected boards performing functions, which are not

provided by the Village. The Village does not control their fiscal management or operations, nor is the Village legally responsible for the funding of operations or debt.

The annual budget serves as the foundation for the Village's financial planning and control. The budget process begins in December when department heads receive a budget memo from the budget officer, who is also the Village Administrator, outlining the strategic goals of the Board. Department Heads prepare their budget projections for the upcoming year and turn them in to the Finance Department. The Budget Officer and staff spend the next two months reviewing these budget requests and adjusting them to match anticipated revenues. The Budget Officer then presents the proposed budget to the Finance Committee for review in early March. The proposed budget is then presented to the Mayor and Board of Trustees at meetings scheduled in March. The Village Board is required to hold a public hearing on the proposed budget and to adopt the final budget no later than April 30th of each year. During the course of the year, the Village may determine that an adjustment to the budget is needed. The Village may adjust the original budget by either making a budget adjustment which requires the approval of the budget officer, or a budget amendment which requires passing a resolution and filing with the County.

Major Initiatives

The Village staff, following specific directives of the Village Board and the Village Administrator, had been involved in a variety of projects throughout the year; projects which reflect the Village's commitment to ensuring that its citizens are able to live and work in an enviable environment. The most significant of these projects are discussed in more detail below:

- 1) The \$2.3 million renovation of the historic Village Hall was completed. The building was originally built in 1893, and has undergone several remodeling projects over the years, none as comprehensive as the current one.
- 2) Implementation of the new Enterprise Resource Planning software. The four major modules include; Financial Management, Human Resources, Community Development, and Utility Billing.
- 3) The Village Strategic plan was updated in FY13, which describes the future direction and purpose of the Village. The Strategic Plan consists of the Village Mission Statement, Vision Statement, Strategic Priorities, Key Performance Indicators, and Strategic Initiatives.
- 4) The Village refunded the 2004 Water & Sewer ARS bonds and replaced them with the 2012C issuance. The Village realized a savings in cash flow of \$261,995, and an economic gain of \$231,188. The Village also maintained its bond rating of Aa2.
- 5) The McCarthy Road water main replacement project replaced over 1,100 feet of water main as well as several fire hydrants and the sidewalks and curb and gutter.

- 6) The Logan Street water main project from Valley View Drive to Park Place replaced over 850 feet of water main as well as several fire hydrants and the sidewalks and curb and gutter.
- 7) The 2012 Road Improvement Program resulted in the resurfacing of Deborah Drive, Rose Court, and part of Timberline Drive.
- 8) The Village welcomed approximately 30 new businesses to Lemont during the reporting period. The list included; Goodwill Store and Donation Center, Final Fitness, A. Roti Construction, ATI Physical Therapy, Otto Brandt Wines, Tap House Grill, Lemont Ace Hardware, and Ti Amo Restaurant.
- 9) The Active Transportation Plan was adopted, which is composed of recommendations for improvements to the physical infrastructure, policies, and programs that make it safer and more convenient for people to walk, bike, and use transit in Lemont. This plan positions Lemont for a brighter, healthier, and more active future as a regional destination for active transportation.
- 10) The Village continued its façade grant program to encourage property improvements to downtown businesses.
- 11) The Village acquired additional properties in the Gateway TIF (Rte 83/Main area); The Village will seek to market these properties for commercial redevelopment. This was accomplished by the issuance of bonds in the prior fiscal year.
- 12) The GFOA Certificate of Achievement Award for Excellence in Financial Reporting for the FY 2012 audit was received for the sixth consecutive year.
- 13) General Fund balance increased by over \$655,000 to \$2,392,829. This was the second straight year of an increase over \$500,000 to fund balance. The Village is now in line with the fund balance policy that was adopted in the prior fiscal year.

Affecting Financial Condition

The Village of Lemont, like all municipalities across the State and at a national level, continues to be negatively impacted by the weak economy, which is expected to last for several more years. The Village's financial solvency and ability to complete capital projects is directly linked to external economic factors which impact Village revenue sources.

The Illinois Department of Employment Security does not report unemployment rates for Lemont. The State unemployment rate in April 2013 was 9.3% compared to 9.2% in April 2012. Locally, the unemployment rates for the Counties of Cook, DuPage, and Will have remained relatively unchanged from the previous fiscal year. The unemployment rates as of April 2013 for Cook, DuPage, and Will County were 9.6%, 7.6%, and 9.7% respectively compared to 9.8% for Cook County, 7.6% for DuPage County, and 9.8% for Will County for April 2012.

Unemployment concerns not only directly impact the Village's share of income tax, but also have an impact on the Village's sales tax revenues as well. Consumers are either unable to spend due to unemployment, or are unwilling to spend due to economic uncertainty.

The impact of foreclosures on the local housing market has added additional strain to the Village finances. The number of foreclosure notices from 2009 through 2013 have totaled over 700. This figure may include multiple notices for the same home over a several year span, but the number of homes in some stage of foreclosure may still be in the hundreds. As a result of the difficulties in the housing market, home values have decreased which in turn lowers the equalized assessed value. Additional costs are also incurred by the Village for code enforcement of property maintenance problems as well as law enforcement for vandalism. Lemont has continued to develop new residential units, but the overall decrease in demand for new homes has had a significant impact on Village finances. On the plus side, building permit revenue increased over \$100,000 from fiscal year 2012 to \$380,808, the highest permit revenue since fiscal year 2009.

Lastly, the financial well being of the State of Illinois continues to be another major concern. Village Management continues to be concerned that due to the mounting financial obligations, legislation may be enacted to divert current Village revenue streams to other sources.

Relevant Financial Policies

The Village's financial management policies assist in structuring the operations of the Village. The Finance Department continually reviews each of the Village's financial policies and may recommend new policies or changes to existing policies for approval by the Village Board.

- **Budget Policies**
The Village's budget must be funded at a level to ensure continuation of service levels within the budgetary guidelines that are established each year by the Village Board.

Reserve policies are set to provide adequate protection for the future. General Fund Reserves have been set by the Village Board at 10%-40% of annual budgeted expenditures.
- **Debt Management**
Maintain at least an Aa1 rating for each general obligation debt issue, and an Aa rating for each revenue bond debt issue.

Long-Term Financial Planning

The Village uses a number of processes and documents to accomplish its financial planning. As discussed above, the Village adopts an annual budget. The Village Board and staff have also updated the Strategic Plan which defines the Village wide department goals.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Lemont for its comprehensive annual financial report (CAFR) for the fiscal year ended April 30, 2012. This was the sixth consecutive year that the Village has received this prestigious award. In order to be awarded a

Certificate of Achievement, the Village published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GOFA to determine its eligibility for another certificate.

The preparation of the CAFR would not have been possible without the efficient and dedicated services of the entire staff of the Village of Lemont. Our appreciation is sincerely expressed to the Village President and Board of Trustees for their foresight and contribution of support for this CAFR, and for their responsible and progressive approach that contributes to the financial strength of the Village of Lemont.

Respectfully submitted,

George J. Schafer
Village Administrator

Theodore Friedley
Village Treasurer

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the Village of Lemont's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

To the Honorable Mayor and Board of Trustees
Village of Lemont

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, 2013 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 13, the Village of Lemont adopted the provisions of GASB Statement No. 63, Financial Reporting for Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, effective May 1, 2012. Our opinions are not modified with respect to this matter.

Other Matters

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Lemont's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Oak Brook, Illinois
August 31, 2013

VILLAGE OF LEMONT, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS OF AND FOR THE YEAR ENDED APRIL 30, 2013

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 financial statements for the fiscal year ended April 30, 2013. The analysis provides an overview of the Village's financial activities for the fiscal year and is designed to:

- (1) Assist the reader in focusing on significant financial issues;
- (2) Provide an overview of the Village's financial activity;
- (3) Identify changes in the Village's financial position (its ability to address the next and subsequent year challenges);
- (4) Identify material deviations from the financial plan (the approved budget);
- (5) Identify individual fund issues or concerns. This report also contains other supplementary information in addition to the basic financial statements themselves.

Since the Management's Discussion and Analysis (MD&A) direct focus is on current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter, beginning on page iv, and the Village's financial statements beginning on page 19.

Financial Highlights

- The assets of the Village exceeded its liabilities at the close of the year by \$150,819,166 (net position).
- The governmental funds reported combined ending fund balance of \$7,299,217 of which \$2,361,498 was unassigned and is available for spending at the Village's discretion (unrestricted fund balance).
- At the end of the fiscal year, fund balance for the General Fund was \$2,392,829 or 34.64 percent of total General Fund expenditures.
- The Village's long-term liabilities decreased by \$1.6 million during the year, mostly due to retirement of debt.

Using the Financial Section of this Comprehensive Annual Report

The annual report consists of a series of financial statements focusing on government wide Village and major individual funds, which includes Proprietary Funds and Fiduciary Funds. Both the government wide and major fund perspectives allow the user to address relevant questions, broaden a basis for comparison, and enhance the Village's accountability.

(See independent auditor's report.)

VILLAGE OF LEMONT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
AS OF AND FOR THE YEAR ENDED APRIL 30, 2013

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction and overview 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 basic 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's finances, in a manner similar to a private-sector business. These statements combine and consolidate short term, consumable resources with capital assets and long-term obligations.

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

The *statement of activities* presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position 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.

Both of the 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 governmental activities reflect the Village's basic services including general government, public safety (police and emergency management), highways and streets, sanitation, health and welfare, economic development, land use, planning, building, culture and recreation. The business-type activities include the water and sewer operations and parking operations.

The government-wide financial statements can be found on pages 19 through 21 of this report.

Fund Financial Statements

Fund groups contain related accounts used to maintain control over resources segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All Village funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

(See independent auditor's report.)

VILLAGE OF LEMONT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
AS OF AND FOR THE YEAR ENDED APRIL 30, 2013

Major Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government'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 17 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, TIF Downtown/Canal District Fund, Gateway TIF Fund, Road Improvement Fund and Village Hall Improvement Fund all of which are considered to be major funds. Data from the other 12 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 22 through 27 of this report.

Proprietary Funds

The Village maintains two proprietary funds, which are used to report the functions presented as business-type activities in the government-wide financial statements. 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 Fund and Parking Fund. The Waterworks and Sewerage Fund is considered a major fund of the Village.

The basic proprietary fund financial statements can be found on pages 28 through 30 of this report.

(See independent auditor's report.)

VILLAGE OF LEMONT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
AS OF AND FOR THE YEAR ENDED APRIL 30, 2013

Fiduciary Funds

The Village presents fiduciary funds for certain activities where the Village's role is that of a trustee (i.e., Police Pension) or agent. Fiduciary funds account for resources benefiting parties outside the government entity and funds unavailable for support of Village programs and are not reflected in the government-wide financial statements. The accounting used for fiduciary funds is similar to that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 31 and 32 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 33 through 78 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents required supplementary information. The supplementary information relates to the Village's progress in funding its obligation to provide pension to its employees. Required supplementary information can be found on pages 79 through 89 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 statements and schedules can be found on pages 90 through 107 of this report.

VILLAGE OF LEMONT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
AS OF AND FOR THE YEAR ENDED APRIL 30, 2013

Financial Analysis of the Village as a Whole

In accordance with GASB Statement No. 34, the Village presented comparative financial information to better understand the Village's financial position and changes in financial position.

Net Position

Table 1
Statement of Net Position
Including TIF Activity
As of April 30, 2013

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	\$11,489,478	\$13,953,973	\$2,266,115	\$3,044,250	\$13,755,593	\$16,998,223
Capital Assets	126,984,760	127,640,592	52,401,931	52,780,116	179,386,691	180,420,708
Deferred Outflows	-	-	292,378	-	292,378	-
Total Assets / Deferred Outflows	138,474,238	141,594,565	54,960,424	55,824,366	193,434,662	197,418,931
Long Term Liabilities	27,367,038	28,847,199	10,232,370	10,385,799	37,599,408	39,232,998
Other Liabilities	2,483,218	1,999,204	406,021	539,664	2,889,239	2,538,868
Deferred Inflows	2,126,849	1,948,216	-	-	2,126,849	1,948,216
Total Liabilities / Deferred Inflows	31,977,105	32,794,619	10,638,391	10,925,463	42,615,496	43,720,082
Net Investment in Capital Assets	108,617,555	111,210,449	42,567,087	43,104,398	151,184,642	154,314,847
Restricted	4,905,921	5,738,770	-	-	4,905,921	5,738,770
Unrestricted	(7,026,343)	(8,149,273)	1,754,946	1,794,505	(5,271,397)	(6,354,768)
Total Net Position	\$106,497,133	\$108,799,946	\$44,322,033	\$44,898,903	\$150,819,166	\$153,698,849

Table #1 reflects a condensed Statement of Net Position including TIF activity. The unrestricted net position deficit is largely the result of the Village's tax increment financing (TIF) districts. The Village currently has four long term liabilities within two of its TIF districts. In the Downtown TIF district, the Village issued debt in 2005 to refinance previously issued debt utilized for capital expenditures. There is sufficient incremental property tax to make payments until the expiration of the debt in 2015. In addition, the Village signed an agreement to assist in the development of a housing project. Under this agreement the Village, in a form of a lien, returns a portion of the incremental property taxes this property produces. This obligation is slated to expire with the expiration of the TIF and the collection thereof through December 2015.

(See independent auditor's report.)

VILLAGE OF LEMONT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
AS OF AND FOR THE YEAR ENDED APRIL 30, 2013

In the Downtown Canal TIF District #1, the Village of Lemont has issued two long term obligations, both to finance a public parking garage. The first debt of \$2.535 million was issued in 2007 to fulfill obligations under a Redevelopment Agreement entered into in 2006. In 2010, the Village had an opportunity to obtain the remaining bonds for the parking garage, for which incremental property tax revenue had been previously pledged and issued debt of \$1.755 million. This debt obligation is to be paid from incremental property tax revenue and allocated income and sales tax revenue. Nonetheless, the bonds are required to be reported as a liability of the Village.

The Village would report a gain on the cancellation of said debt, and the deficit will be reduced and eliminated over the remaining life of the TIF.

Consequently the TIF distorts the financial position and results of ongoing operations of the Village. The following table displays the Village's net position excluding TIF activity, which provides a better measure of the Village's financial position.

Net Position

Table 1a Statement of Net Position Excluding TIF Activity As of April 30, 2013	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
	Current and Other Assets	\$9,604,492	\$12,239,631	\$2,266,115	\$3,044,250	\$11,870,607
Capital Assets	126,984,760	127,640,592	52,401,931	52,780,116	179,386,691	180,420,708
Deferred Outflows	-	-	292,378	-	292,378	-
Total Position / Deferred Outflows	136,589,252	139,880,223	54,960,424	55,824,366	191,549,676	195,704,589
Long Term Liabilities	20,870,527	21,647,954	10,232,370	10,385,799	31,102,897	32,033,753
Other Liabilities	2,388,374	1,273,167	406,021	539,664	2,794,395	1,812,831
Deferred Inflows	1,449,148	1,948,216	-	-	1,449,148	1,948,216
Total Liabilities / Deferred Inflows	24,708,049	24,869,337	10,638,391	10,925,463	35,346,440	35,794,800
Net Investment in Capital Assets	108,617,555	111,210,449	42,657,087	43,104,398	151,184,642	154,314,847
Restricted	4,905,021	5,738,770	-	-	4,905,021	5,738,770
Unrestricted	(1,642,273)	(1,938,333)	1,754,946	1,794,505	112,763	(143,808)
Total Net Position	\$111,881,203	\$115,010,886	\$44,322,033	\$44,898,903	\$156,203,236	\$159,909,789

(See independent auditor's report.)

VILLAGE OF LEMONT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
AS OF AND FOR THE YEAR ENDED APRIL 30, 2013

Table #1a displays a Statement of Net Position excluding outstanding TIF Bonds resulting in a net decrease of long term liabilities of \$6,496,511. As of April 30, 2013, the Village of Lemont's assets exceed liabilities by \$156,203,236. The Village's net position are invested in an extensive range of capital assets including land, infrastructure, buildings, machinery, and equipment, less any related debt used to acquire these assets remaining outstanding. The Village utilizes these capital assets in order to provide services to citizens; consequently, these assets are not available for future spending. Business Type Activities net position noted a decrease of \$576,870.

Restricted net position in the amount of \$4,905,021 represented in the Governmental Activities category are subject to limitation of use. Over time the Statement of Net Position may serve as a useful indicator of a government's financial position. For more detailed information, see the Statement of Net Position on page 19.

VILLAGE OF LEMONT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
AS OF AND FOR THE YEAR ENDED APRIL 30, 2013

Table 2
Change in Net Position
Including TIF Activity
As of April 30, 2013

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total Primary Government</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues						
Charge for Services	\$1,210,417	\$1,489,050	\$4,670,847	\$4,142,577	\$5,881,264	\$5,631,627
Operating Grants	468,011	651,933	123,292	113,360	591,303	765,293
Capital Grants	304,277	3,603,611	99,968	1,136,996	404,245	4,740,607
General Revenues:						
Property Taxes	4,246,430	4,109,039	-	-	4,246,430	4,109,039
Replacement Tax	31,974	30,210	-	-	31,974	30,210
Sales Tax	1,766,972	1,668,624	-	-	1,766,972	1,668,624
Income Tax	1,441,928	1,309,237	-	-	1,441,928	1,309,237
Utility Tax	1,590,120	1,568,877	-	-	1,590,120	1,568,877
Use Tax	253,682	233,224	-	-	253,682	233,224
Other	289,500	73,382	-	-	289,500	73,382
Earnings on Investments	8,018	4,632	2,020	2,070	10,038	6,702
Miscellaneous	17,201	414,400	-	-	17,201	414,400
Total Revenues	11,628,530	15,156,219	4,896,127	5,395,003	16,524,657	20,551,222
Expenses						
General Government	2,907,898	3,417,256	-	-	2,907,898	3,417,256
Public Safety	6,404,463	6,068,597	-	-	6,404,463	6,068,597
Highways and Streets	3,727,754	3,210,280	-	-	3,727,754	3,210,280
Water and Sewer	-	-	4,693,396	5,323,514	4,693,396	5,323,514
Parking Facilities	-	-	134,420	101,089	134,420	101,089
Interest on Long Term Debt	1,070,454	946,529	-	-	1,070,454	946,529
Total Expenses	14,110,569	13,642,662	4,827,816	5,424,603	18,938,385	19,067,265
Changes in Net Position before Transfers	(2,482,039)	1,513,557	68,311	(29,600)	(2,413,728)	1,483,957
Transfers in(out)	485,000	383,460	(485,000)	(383,460)	-	-
Prior Period Adjustments	(305,774)	-	(160,181)	-	(465,955)	-
Changes in Net Position	(\$2,302,813)	\$1,897,017	(\$576,870)	(\$413,060)	(\$2,879,683)	\$1,483,957

Table #2 compares the revenue and expenses incorporating the current and prior fiscal years. For the fiscal year ended April 30, 2013 revenues from governmental activities totaled \$11,628,530 and business type activities totaled \$4,896,127 for total revenues of \$16,524,657. Property taxes remain the Village's largest single source of governmental activities revenue, and amounted to more than \$4.2 million for the fiscal year. Property tax revenue supports governmental activities, TIF districts and includes the Village's contribution to the Police Pension Fund.

The other taxes and State shared revenues presented include Sales, Income, Utility Taxes, and Local Use taxes. These all saw a slight increase in the past year, indicating stabilization in these revenue sources.

(See independent auditor's report.)

VILLAGE OF LEMONT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
AS OF AND FOR THE YEAR ENDED APRIL 30, 2013

Village expenses as of April 30, 2013 totaled \$18,938,385. Noting the TIF debt alters operational results in governmental activities; Table #2a presents operational results of governmental activities less TIF activity. During 2013 incremental taxes in the TIF total \$1,397,323 and are incorporated in the general revenue category within governmental activities. The Village paid \$246,613 in interest expense corresponding to the TIF. Eliminating the TIF activity from governmental activities results in the following:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Revenues						
Charge for Services	\$1,210,417	\$1,489,050	\$4,670,847	\$4,142,577	\$5,881,264	\$5,631,627
Operating Grants	468,011	651,933	123,292	113,360	591,303	765,293
Capital Grants	304,277	3,603,611	99,968	1,136,996	404,245	4,740,607
General Revenues:						
Property Taxes	2,849,107	2,785,471	-	-	2,849,107	2,785,471
Replacement Tax	31,974	30,210	-	-	31,974	30,210
Sales Tax	1,766,972	1,668,877	-	-	1,766,972	1,668,624
Income Tax	1,441,928	1,309,237	-	-	1,441,928	1,309,237
Utility Tax	1,590,120	1,568,877	-	-	1,590,120	1,568,877
Use Tax	253,682	233,224	-	-	253,682	233,224
Other	289,500	73,382	-	-	289,500	73,382
Earnings on	7,040	4,173	2,020	2,070	9,060	6,243
Investments						
Miscellaneous	17,201	339,880	-	-	17,201	339,880
Total Revenues	10,230,229	13,757,672	4,896,127	5,395,003	15,126,356	19,152,675
Expenses						
General Government	2,723,164	3,297,095	-	-	2,723,164	3,297,095
Public Safety	6,404,463	6,068,597	-	-	6,404,463	6,068,597
Highways and Streets	3,727,754	3,210,280	-	-	3,727,754	3,210,280
Water and Sewer	-	-	4,693,396	5,323,514	4,693,396	5,323,514
Parking Facilities	-	-	134,420	101,089	134,420	101,089
Interest on Long Term	823,841	680,316	-	-	823,841	680,316
Debt						
Total Expenses	13,679,222	13,256,288	4,827,816	5,424,603	18,507,038	18,680,891
Changes in Net Position before Transfers	(3,448,993)	501,384	68,311	(29,600)	(3,380,682)	471,784
Transfers	485,000	-	(485,000)	(383,460)	-	(383,460)
Changes in Net Position	(\$3,269,767)	\$501,384	(\$576,870)	(\$413,060)	(3,846,637)	88,324

Detailed information referencing TIF Debt Service can be located on pages 51 through 66.

(See independent auditor's report.)

VILLAGE OF LEMONT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
AS OF AND FOR THE YEAR ENDED APRIL 30, 2013

Governmental Activities

Total revenues for Governmental Activities decreased from \$13,757,672 to \$10,230,229 in FY 2013. Charge for services revenue decreased from \$1.489 million to \$1.210 million, primarily due to the sale of vehicle stickers which occurs every other year and FY2012 was a year for sales. The Village's property tax rate in levy year 2012 was .502, an increase from .448 in 2011. The EAV decreased from \$702,423,260 to \$600,781,044.

Total expenses for Governmental Activities increased slightly from \$13,256,288 to \$13,679,222 as the Village continues to provide residents basic services, including general government, public safety, highways and streets, sanitation, health and welfare, economic development, art and culture, and recreation.

Business Activities

Total revenues for Business activities have remained relatively stable. Charge for services increased by \$528,270, but grants and contributions decreased by \$1.027 million. The decrease is due mostly to the acceptance of public improvement contributions of infrastructure in the prior year and very little activity in FY 2013.

Chart 1
Expenses and Program Revenues
For the Fiscal Year Ending April 30, 2013

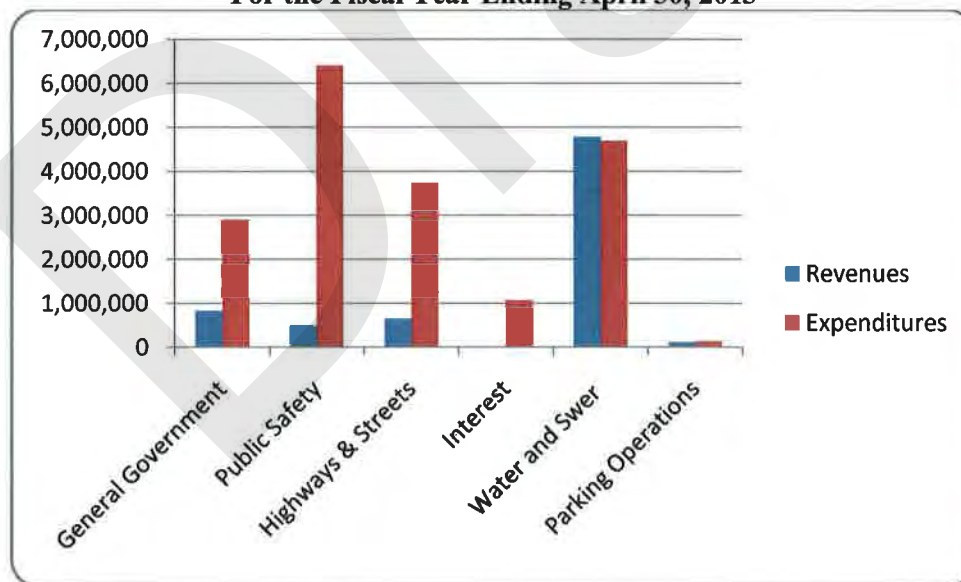


Chart #1 highlights Program revenues and expenses for fiscal year 2013.

(See independent auditor's report.)

VILLAGE OF LEMONT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
AS OF AND FOR THE YEAR ENDED APRIL 30, 2013

Chart 2
Revenues by Source- General Fund
For the Fiscal Year Ended April 30, 2013

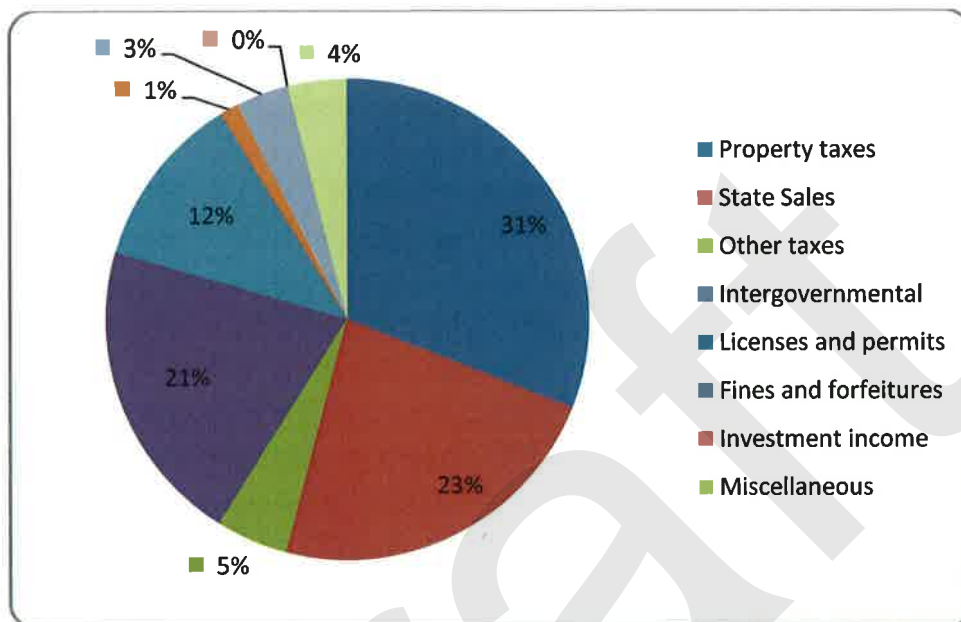


Chart #2 highlights Revenues by Source for fiscal year 2013.

Chart 3
Expenses by Function
For the Fiscal Year Ended April 30, 2013

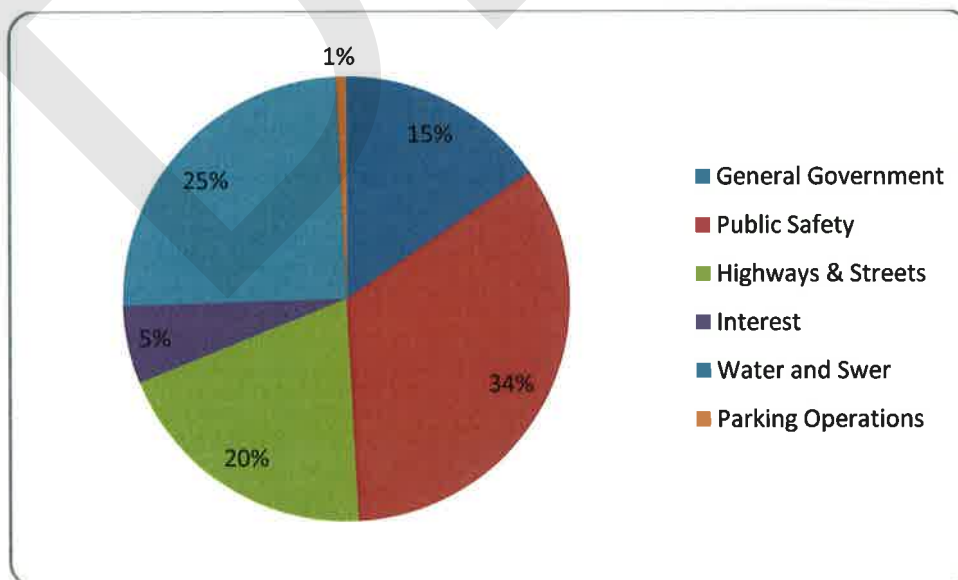


Chart #3 highlights Expenses by Function for the fiscal year 2013.

(See independent auditor's report.)

VILLAGE OF LEMONT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
AS OF AND FOR THE YEAR ENDED APRIL 30, 2013

Financial Analysis of the Village's Funds

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

Governmental Funds

The General Fund is the chief operating fund of the Village. At the end of fiscal year 2013 the General Fund balance was \$2,392,829. Table 3 provides a summary of General Fund activity.

Table 3
General Fund Budgetary Highlights
For the Fiscal Year Ended April 30

	2013			2012
	Original Budget	Final Budget	Actual	Actual
Total Revenues	\$7,128,520	\$7,605,028	\$7,649,268	\$7,649,391
Total Expenses	6,042,019	6,787,263	6,907,662	6,915,224
Excess (deficiency) of revenues over expenditures	1,086,501	741,606	741,606	734,167
Total other financing sources(uses)	(92,500)	(86,298)	(86,298)	148,277
Net change in fund balance	\$994,001	\$655,308	\$655,308	\$882,444

General Fund revenues were higher than budgetary estimates by \$44,240 and expenditures exceeded budget by \$120,399. While this resulted in an unfavorable budget variance, the Village did see an increase in fund balance of \$655,308 from the prior year, resulting from a slight increase in revenues and continued monitoring of expenses.

The Canal TIF expenditures were comparable to budget. The increase of \$55,323 in fund balance is attributed to an increase in property tax receipts and a decrease in capital projects activity.

The Gateway TIF Fund balance increased by \$15,263, which can be attributed to expenditures being less than property tax revenue received. The fund activity will continue to grow as this TIF area develops. The Village is currently acquiring property adjacent to the TIF with the goal of annexing this property into the Gateway TIF for the purpose of attracting commercial development.

The Road Improvement Fund expenditures were less than budget by \$84,998, due mostly to the timing of the start dates for projects.

(See independent auditor's report.)

VILLAGE OF LEMONT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
AS OF AND FOR THE YEAR ENDED APRIL 30, 2013

Village Hall Improvement Fund expenditures were over budget by \$602,891. This was due to costs associated with unforeseen problems that had to be corrected, mainly the combined sewer system underneath the Village Hall and parking lot.

With respect to the business-type activities, the Water and Sewer Fund recorded operating revenue of \$4,557,514 with a decrease of \$395,660 in net position. This decrease can be attributed to more assets being disposed or used than were added in the fiscal year.

The Village Board approved four budget amendments during the year. A summary of the content of those amendments follows.

- Budget Amendment No. 1 served to adjust revenues and expenses, based on current trends. Some of the updated expenses related to capital projects and capital equipment as well as personnel costs.
- Budget Amendment No. 2 served to adjust revenues based on current trends, to adjust capital projects based on the progress of each individual project, and adjust interfund transfers.
- Budget Amendment No. 3 that served to reclassify the revenue and expenses to the new chart of accounts format, as well as update revenues and expenses based on the current data.
- Budget Amendment No. 4 was the final amendment of fiscal year 2013. This amendment focused on changes in personnel costs and other expenses to update to the new chart of accounts format.

(See independent auditor's report.)

VILLAGE OF LEMONT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
AS OF AND FOR THE YEAR ENDED APRIL 30, 2013

Capital Asset and Debt Administration

Capital Assets

The Village's capital asset investment collective total for governmental and business type activities is \$179,385,441, net accumulated depreciation, as of April 30, 2013. Capital asset investment for both governmental and business type activities include land, improvements, buildings, machinery and equipment, vehicles, roads, bridges, parking lots/structures, water, sanitary sewer and storm sewers.

The Village had an increase of \$1.456 million in land in Governmental Activities due to the purchase of additional property. In addition, the infrastructure assets, net of accumulated depreciation, in the Business-Type Activities component during 2013 was showed a slight decrease of \$379,435 due to more assets being used or disposed of than were added. Infrastructure assets for Governmental Activities are defined as roads, bridges, right-of-ways, storm sewer systems, traffic signals and retention and detention ponds. Infrastructure assets for Business-Type Activities are water/sewer plant expansions, water/sewer transmission lines, parking lots and machinery and equipment. All assets are depreciated annually with the exception of Land and Land Right of Way.

Table #4 displays a schedule of the Village's capital asset balances as of April 30, 2013.

Table 4
Schedule of Capital Assets

As of April 30, 2013	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
	Land	\$83,088,370	\$81,632,636	\$5,696,780	\$5,696,780	\$88,785,150
Construction in Progress	850,640	777,275	158,866	139,589	1,009,506	916,864
Buildings and Improvements	15,380,912	13,687,850	6,154,950	6,305,468	21,535,862	19,993,318
Land Improvements	1,225,879	1,303,156	18,405	19,612	1,244,284	1,322,768
Infrastructure	25,519,002	27,519,042	34,966,496	35,110,155	60,485,498	62,629,197
Machinery and Equipment	667,341	2,497,644	366,724	201,887	1,034,065	2,699,531
Vehicles	252,616	222,989	512,554	575,636	765,170	798,625
Water System	-	-	4,527,156	4,730,989	4,527,156	4,730,989
Total Capital Assets (net of depreciation)	\$126,984,760	\$127,640,592	\$52,401,931	\$52,780,116	\$179,386,691	\$180,420,708

Additional information on the Village's capital assets can be found in note 6 on pages 49 and 50 of this report.

(See independent auditor's report.)

VILLAGE OF LEMONT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
AS OF AND FOR THE YEAR ENDED APRIL 30, 2013

Long-Term Debt

At the end of the current fiscal year, the Village had total bonded and similar debt outstanding of \$36,447,426 (excluding compensated absences, other post employment benefits and pension benefit obligation). The Village Table #5 summarizes the Village's bonded and similar indebtedness schedule.

Table 5
Schedule of Long-term
Liabilities

As of April 30, 2013	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
General Obligation	\$17,525,000	\$17,860,000	\$4,235,000	\$4,245,000	\$21,760,000	\$22,105,000
Alternate revenue source						
General Obligation	-	-	605,000	795,000	605,000	795,000
refunding bonds						
Build America Bonds	-	-	5,000,000	5,000,000	5,000,000	5,000,000
Capital lease	-	-	237,237	221,092	237,237	221,092
T.I.F. Alternate revenue	5,285,000	5,930,000	-	-	5,285,000	5,930,000
source						
T.I.F. Senior lien incremental	122,371	174,630	-	-	122,371	174,630
revenue bonds						
T.I.F. Senior subordinate	1,089,140	1,094,615	-	-	1,089,140	1,094,615
obligation						
Special Ad valorem tax	1,230,000	1,300,000	-	-	1,230,000	1,300,000
bonds						
Sales tax revenue bonds	725,000	1,095,000	-	-	725,000	1,095,000
Note payable	226,487	226,487	-	-	226,487	226,487
Deferred amount for	117,205	122,949	49,986	40,032	167,191	162,981
issuance premiums /						
discounts						
IMRF Pension Obligation	-	-	-	-	-	-
Pension Benefit Obligation	450,181	456,526	-	-	450,181	456,526
Other post employment	164,423	163,491	-	-	164,423	163,491
benefits						
Compensated absences	432,231	423,501	105,147	84,675	537,378	508,174
Total Long Term Liabilities	\$27,367,038	\$28,847,199	\$10,232,370	\$10,385,799	\$37,599,408	\$39,232,998

In FY 2013, the Village's total long term liabilities present a net decrease of \$1.633 million. In September 2012, the Village issued \$3.4 million in General Obligation Alternate Revenue Source Bonds to advance refund \$3.1 million of the 2004 General Obligation Alternate Revenue Source Bonds. As a result of the refunding, the Village realized a cash flow savings of \$261,995 and an economic gain of \$231,188.

Additional information on the Village's debt can be found in note 7 on pages 51 through 66 of this report.

(See independent auditor's report.)

VILLAGE OF LEMONT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
AS OF AND FOR THE YEAR ENDED APRIL 30, 2013

Economic Factors

Property taxes within the Village's corporate limits continue to provide a stable revenue source. The Village receives revenue from other sources including State Shared revenues (income, sales tax, use tax), intergovernmental, grants, fines and fee for services. State shared revenues are allocated on a per-capita basis for income tax, use tax and personal property replacement tax. Sales tax is based on 1% of sales tax. Fiscal year 2013 shows a slight increase in most of the State shared revenues including sales tax, utility tax and income tax. The Village has also seen a modest increase in the number of building permits issued which resulted in the highest level since FY 2009.

The Village has continued to use a conservative approach with General Fund financial resources. The primary focus has been sustaining the current level of services while being more efficient in providing them. The last two fiscal years have been focused on improving fund balances for future economic downturns. This type of financial oversight and ability to make quick organizational adjustments is important as the Village continues to navigate through the ongoing economic downturn. These factors were applied as the Village continued to employ a fiscally conservative approach in the FY 2014 Budget preparation process.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability of the money it receives. Questions regarding this report or requests for additional financial information can be directed to George Schafer, Village Administrator and Ted Friedley, Village Treasurer, Village of Lemont, 418 Main St, Lemont, IL 60439.

VILLAGE OF LEMONT, ILLINOIS

STATEMENT OF NET POSITION

As of April 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 7,351,905	\$ 1,928,819	\$ 9,280,724
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	2,126,849	-	2,126,849
Sales taxes	435,726	-	435,726
Income taxes	232,911	-	232,911
Utility taxes	77,014	-	77,014
Telecommunication	172,332	-	172,332
Other taxes	64,861	-	64,861
Accounts	-	437,243	437,243
Deposits	274,460	73,960	348,420
Other	242,959	13,876	256,835
Restricted cash and investments	262,728	-	262,728
Due (to) from other funds	215,935	(215,935)	-
Prepays	31,798	28,152	59,950
Capital assets not being depreciated	83,939,010	5,855,646	89,794,656
Capital assets (net of accumulated depreciation)	43,045,750	46,546,285	89,592,035
Total assets	138,474,238	54,668,046	193,142,284
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	-	292,378	292,378
Total deferred outflows of resources	-	292,378	292,378
Total assets and deferred outflows of resources	138,474,238	54,960,424	193,434,662
LIABILITIES			
Accounts payable	343,577	55,512	399,089
Accrued payroll	238,947	40,799	279,746
Accrued interest payable	419,806	209,897	629,703
Unearned revenue	157,415	-	157,415
Deposits payable	1,123,213	350	1,123,563
Other liabilities	200,260	99,463	299,723
Noncurrent liabilities			
Due within one year	1,772,659	640,929	2,413,588
Due in more than one year	25,594,379	9,591,441	35,185,820
Total liabilities	29,850,256	10,638,391	40,488,647
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	2,126,849	-	2,126,849
Total deferred inflows of resources	2,126,849	-	2,126,849
Total liabilities and deferred inflows of resources	31,977,105	10,638,391	42,615,496
NET POSITION			
Net investment in capital assets	108,617,555	42,567,087	151,184,642
Restricted for			
Highways and streets	1,516,555	-	1,516,555
Retirement purposes	184,514	-	184,514
Working cash:			
Nonexpendable	817,167	-	817,167
Debt service	-	-	-
Economic development	1,734,384	-	1,734,384
Village Hall improvement	256,821	-	256,821
Unrestricted (deficit)	(6,629,863)	1,754,946	(4,874,917)
TOTAL NET POSITION	\$ 106,497,133	\$ 44,322,033	\$ 150,819,166

See accompanying notes to financial statements.

VILLAGE OF LEMONT, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2013

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 2,907,898	\$ 695,222	\$ -	\$ 136,093
Public safety	6,404,463	463,084	-	33,871
Highways and streets	3,727,754	52,111	468,011	134,313
Interest	1,070,454	-	-	-
Total governmental activities	14,110,569	1,210,417	468,011	304,277
Business-Type Activities				
Waterworks and sewerage	4,693,396	4,557,514	123,292	99,968
Parking facilities	134,420	113,333	-	-
Total business-type activities	4,827,816	4,670,847	123,292	99,968
TOTAL PRIMARY GOVERNMENT	\$ 18,938,385	\$ 5,881,264	\$ 591,303	\$ 404,245

General Revenues

Taxes
 Property
 Replacement
 Sales
 Utility
 Local use
 Other
 State shared income taxes
 Investment income
 Miscellaneous
 Transfers

Total

CHANGE IN NET POSITION

NET POSITION, MAY 1

Prior period adjustments

NET POSITION, MAY 1 RESTATED

NET POSITION, APRIL 30

Net (Expense) Revenue and Change in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (2,076,583)	\$ -	\$ (2,076,583)
(5,907,508)	-	(5,907,508)
(3,073,319)	-	(3,073,319)
(1,070,454)	-	(1,070,454)
(12,127,864)	-	(12,127,864)
-	87,378	87,378
-	(21,087)	(21,087)
-	66,291	66,291
(12,127,864)	66,291	(12,061,573)
4,246,430	-	4,246,430
31,974	-	31,974
1,766,972	-	1,766,972
1,590,120	-	1,590,120
253,682	-	253,682
289,500	-	289,500
1,441,928	-	1,441,928
8,018	2,020	10,038
17,201	-	17,201
485,000	(485,000)	-
10,130,825	(482,980)	9,647,845
(1,997,039)	(416,689)	(2,413,728)
108,799,946	44,898,903	153,698,849
(305,774)	(160,181)	(465,955)
108,494,172	44,738,722	153,232,894
\$ 106,497,133	\$ 44,322,033	\$ 150,819,166

See accompanying notes to financial statements.

VILLAGE OF LEMONT, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

As of April 30, 2013

	General	TIF Downtown/ Canal District	Gateway TIF	Road Improvement
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and investments	\$ 2,798,699	\$ 191,388	\$ 170,718	\$ 894,086
Receivables (net of allowances for uncollectibles)				
Property taxes	1,204,379	192,129	21,946	-
Sales taxes	435,726	-	-	-
Income taxes	232,911	-	-	-
Utility taxes	-	-	-	77,014
Telecommunication	-	-	-	172,332
Other taxes receivable	64,861	-	-	-
Deposits	274,460	-	-	-
Other	214,721	-	-	-
Due from other funds	5,644	-	-	-
Restricted cash and investments	-	-	-	-
Prepays	25,687	-	-	-
TOTAL ASSETS	\$ 5,257,088	\$ 383,517	\$ 192,664	\$ 1,143,432
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 110,560	\$ 24,370	\$ 335	\$ 78,812
Accrued payroll	225,847	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	60,000	-	-
Other liabilities	200,260	-	-	-
Deposits payable	1,123,213	-	-	-
Total liabilities	1,659,880	84,370	335	78,812
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	1,204,379	192,129	21,946	-
Total deferred inflows of resources	1,204,379	192,129	21,946	-
Total liabilities and deferred inflows of resources	2,864,259	276,499	22,281	78,812
FUND BALANCES				
Nonspendable prepaids	25,687	-	-	-
Nonspendable working cash	-	-	-	-
Restricted for highways and streets	-	-	-	1,064,620
Restricted for retirement purposes	-	-	-	-
Restricted for debt service	-	-	-	-
Restricted for economic development	-	107,018	170,383	-
Restricted for Village Hall improvement	-	-	-	-
Unassigned (deficit)	2,367,142	-	-	-
Total fund balances	2,392,829	107,018	170,383	1,064,620
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 5,257,088	\$ 383,517	\$ 192,664	\$ 1,143,432

See accompanying notes to financial statements.

Village Hall Improvement	Nonmajor Governmental Funds	Total Governmental Funds
\$ 150,967	\$ 3,146,047	\$ 7,351,905
-	708,395	2,126,849
-	-	435,726
-	-	232,911
-	-	77,014
-	-	172,332
-	-	64,861
-	-	274,460
-	28,238	242,959
215,935	60,000	281,579
119,888	142,840	262,728
-	6,111	31,798
<u>\$ 486,790</u>	<u>\$ 4,091,631</u>	<u>\$ 11,555,122</u>
\$ 110,081	\$ 19,419	\$ 343,577
-	13,100	238,947
-	157,415	157,415
-	5,644	65,644
-	-	200,260
-	-	1,123,213
<u>110,081</u>	<u>195,578</u>	<u>2,129,056</u>
-	708,395	2,126,849
-	708,395	2,126,849
<u>110,081</u>	<u>903,973</u>	<u>4,255,905</u>
-	6,111	31,798
-	817,167	817,167
-	451,935	1,516,555
-	184,514	184,514
119,888	143,888	263,776
-	1,589,687	1,867,088
256,821	-	256,821
-	(5,644)	2,361,498
<u>376,709</u>	<u>3,187,658</u>	<u>7,299,217</u>
<u>\$ 486,790</u>	<u>\$ 4,091,631</u>	<u>\$ 11,555,122</u>

See accompanying notes to financial statements.

VILLAGE OF LEMONT, ILLINOIS

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

As of April 30, 2013

FUND BALANCES OF GOVERNMENTAL FUNDS	\$	7,299,217
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		126,984,760
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds payable		(24,765,000)
Note payable		(226,487)
TIF senior lien tax bond and subordinate obligation payable		(1,211,511)
Compensated absences		(432,231)
Net OPEB obligation		(164,423)
Issuance premiums from bond issues are shown as a liability on the statement of net position but expensed in the period in governmental funds		(171,627)
Issuance discounts from bond issues are shown as an asset on the statement of net position but expensed in the period in governmental funds		54,422
Accrued interest on long-term liabilities is shown as a liability on the statement of net position		(419,806)
The net pension obligation related to the police pension fund are included in the governmental activities in the statement of net position		(450,181)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>106,497,133</u>

See accompanying notes to financial statements.

VILLAGE OF LEMONT, ILLINOIS

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

For the Year Ended April 30, 2013

	General	TIF Downtown/ Canal District	Gateway TIF
REVENUES			
Property taxes	\$ 2,371,902	\$ 396,143	\$ 45,249
Other taxes	2,137,390	-	-
Intergovernmental	1,573,085	-	-
Licenses and permits	896,268	-	-
Charges for services	98,840	-	-
Fines and forfeitures	267,289	-	-
Investment income	2,030	136	137
Miscellaneous	302,464	-	-
Total revenues	7,649,268	396,279	45,386
EXPENDITURES			
Current			
General government	1,940,854	41,279	30,123
Public safety	4,071,969	-	-
Highways and streets	805,027	-	-
Capital outlay	89,812	1,192	-
Debt service			
Principal	-	150,000	-
Interest and fiscal charges	-	175,485	-
Total expenditures	6,907,662	367,956	30,123
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	741,606	28,323	15,263
OTHER FINANCING SOURCES (USES)			
Transfers in	450,513	27,000	-
Transfers (out)	(547,428)	-	-
Sale of capital assets	10,617	-	-
Total other financing sources (uses)	(86,298)	27,000	-
NET CHANGE IN FUND BALANCES	655,308	55,323	15,263
FUND BALANCES, MAY 1	1,737,521	51,695	155,120
FUND BALANCES, APRIL 30	\$ 2,392,829	\$ 107,018	\$ 170,383

See accompanying notes to financial statements.

Road Improvement	Village Hall Improvement	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,362,012	\$ 4,175,306
1,590,120	-	468,011	4,195,521
-	-	15,614	1,588,699
-	-	-	896,268
-	-	-	98,840
-	-	-	267,289
853	1,355	3,508	8,019
22,000	-	3,045	327,509
1,612,973	1,355	1,852,190	11,557,451
-	-	434,183	2,446,439
-	-	81,097	4,153,066
-	-	650,329	1,455,356
288,500	2,552,891	1,333,248	4,265,643
-	-	1,339,475	1,489,475
-	-	895,552	1,071,037
288,500	2,552,891	4,733,884	14,881,016
1,324,473	(2,551,536)	(2,881,694)	(3,323,565)
50,000	550,000	1,675,978	2,753,491
(1,357,781)	(111,550)	(251,732)	(2,268,491)
-	-	-	10,617
(1,307,781)	438,450	1,424,246	495,617
16,692	(2,113,086)	(1,457,448)	(2,827,948)
1,047,928	2,489,795	4,645,106	10,127,165
\$ 1,064,620	\$ 376,709	\$ 3,187,658	\$ 7,299,217

See accompanying notes to financial statements.

VILLAGE OF LEMONT, ILLINOIS

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

For the Year Ended April 30, 2013

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (2,827,948)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	4,207,692
Contributions of capital assets are reported only in the statement of activities	71,079
Governmental funds report the proceeds on disposal of a capital asset, but only the loss is reported on the statement of activities	(337,665)
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds, but as a reduction of principal outstanding in the statement of activities Principal repayment	1,489,475
Accrual of interest is reported as interest expense on the statement of activities	6,580
The increase in net other postemployment benefit obligations is reported as an expense on the statement of activities	(932)
Certain costs associated with the issuance and refunding of bonds are deferred and amortized over the life of the bonds on the statement of activities	5,744
The accretion of interest long-term debt is not reported as an expenditure when bonds accrete in governmental funds but as an addition to principal outstanding in the statement of activities	(11,741)
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(4,596,938)
The decrease in compensated absences payable is reported as an increase of expense on the statement of activities	(8,730)
The decrease in the net pension obligation and IMRF pension obligation is reported as an increase of expense on the statement of activities	<u>6,345</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (1,997,039)</u>

See accompanying notes to financial statements.

VILLAGE OF LEMONT, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

As of April 30, 2013

	Business-Type Activities		
	Waterworks and Sewerage	Non-Major Parking	Total
CURRENT ASSETS			
Cash and investments	\$ 1,899,663	\$ 29,156	\$ 1,928,819
Receivables (net of allowances for uncollectibles)			
Accounts - billed and unbilled	437,243	-	437,243
Other	79,636	8,200	87,836
Prepaid items	23,551	4,601	28,152
Total current assets	2,440,093	41,957	2,482,050
NONCURRENT ASSETS			
Capital assets			
Assets not being depreciated	5,855,646	-	5,855,646
Assets being depreciated			
Cost	60,077,263	355,932	60,433,195
Accumulated depreciation	(13,587,261)	(299,649)	(13,886,910)
Total capital assets	52,345,648	56,283	52,401,931
Total noncurrent assets	52,345,648	56,283	52,401,931
Total assets	54,785,741	98,240	54,883,981
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	292,378	-	292,378
Total deferred outflows of resources	292,378	-	292,378
Total assets and deferred outflows of resources	55,078,119	98,240	55,176,359
CURRENT LIABILITIES			
Accounts payable	54,223	1,289	55,512
Accrued payroll	38,717	2,082	40,799
Accrued interest	209,897	-	209,897
Other liabilities	98,411	1,052	99,463
Deposits payable	350	-	350
Due to other funds	215,935	-	215,935
Current portion of compensated absences payable	24,560	1,158	25,718
Current portion of bonds and leases payable	615,211	-	615,211
Total current liabilities	1,257,304	5,581	1,262,885
LONG-TERM LIABILITIES			
Bonds and leases payable	9,462,026	-	9,462,026
Unamortized bond premium	49,986	-	49,986
Compensated absences payable	78,060	1,369	79,429
Total long-term liabilities	9,590,072	1,369	9,591,441
Total liabilities	10,847,376	6,950	10,854,326
Total liabilities and deferred inflows of resources	10,847,376	6,950	10,854,326
NET POSITION			
Net investment in capital assets	42,510,804	56,283	42,567,087
Unrestricted	1,719,939	35,007	1,754,946
TOTAL NET POSITION	\$ 44,230,743	\$ 91,290	\$ 44,322,033

See accompanying notes to financial statements.

VILLAGE OF LEMONT, ILLINOIS

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

For the Year Ended April 30, 2013

	Business-Type Activities		
	Waterworks and Sewerage	Non-Major Parking	Total
OPERATING REVENUES			
Charges for services	\$ 4,495,463	\$ -	\$ 4,495,463
Licenses and permits	-	113,333	113,333
Penalties, fines and forfeitures	40,740	-	40,740
Other income	21,311	-	21,311
Total operating revenues	4,557,514	113,333	4,670,847
OPERATING EXPENSES			
Water operations	982,062	-	982,062
Sewer operations	735,891	-	735,891
Parking lot operations	-	127,697	127,697
Other	1,179,800	-	1,179,800
Depreciation and amortization	1,214,968	6,723	1,221,691
Total operating expenses	4,112,721	134,420	4,247,141
OPERATING INCOME (LOSS)	444,793	(21,087)	423,706
NONOPERATING REVENUES (EXPENSES)			
Grants	99,968	-	99,968
Intergovernmental rebate	123,292	-	123,292
Interest expense	(580,675)	-	(580,675)
Investment income	1,962	58	2,020
Total nonoperating revenues (expenses)	(355,453)	58	(355,395)
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	89,340	(21,029)	68,311
TRANSFERS			
Transfers (out)	(485,000)	-	(485,000)
Total transfers	(485,000)	-	(485,000)
CHANGE IN NET POSITION	(395,660)	(21,029)	(416,689)
NET POSITION, MAY 1 AS ORIGINALLY STATED	44,786,584	112,319	44,898,903
Prior period adjustments	(160,181)	-	(160,181)
NET POSITION, MAY 1, RESTATED	44,626,403	112,319	44,738,722
NET POSITION, APRIL 30	\$ 44,230,743	\$ 91,290	\$ 44,322,033

See accompanying notes to financial statements.

VILLAGE OF LEMONT, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2013

	Business-Type Activities		
	Waterworks and Sewerage	Non-Major Parking	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 4,581,361	\$ 97,853	\$ 4,679,214
Payments to suppliers	(836,508)	(78,709)	(915,217)
Payments to other funds	(830,000)	-	(830,000)
Payments to employees	(1,148,851)	(48,089)	(1,196,940)
Net cash from operating activities	1,766,002	(28,945)	1,737,057
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Grants received	99,968	-	99,968
Intergovernmental rebate received	123,292	-	123,292
Transfers (out)	(485,000)	-	(485,000)
Net cash from noncapital financing activities	(261,740)	-	(261,740)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments on long-term debt	(465,000)	-	(465,000)
Interest paid on long-term debt	(540,080)	-	(540,080)
Capital assets purchased	(852,352)	-	(852,352)
Proceeds from refunding bonds	48,922	-	48,922
Net cash from capital and related financing activities	(1,808,510)	-	(1,808,510)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	1,962	58	2,020
Net cash from investing activities	1,962	58	2,020
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(302,286)	(28,887)	(331,173)
CASH AND CASH EQUIVALENTS, MAY 1	2,201,949	58,043	2,259,992
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 1,899,663	\$ 29,156	\$ 1,928,819
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 444,793	\$ (21,087)	\$ 423,706
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	1,214,968	6,723	1,221,691
Changes in assets and liabilities			
Accounts receivable	88,315	(8,200)	80,115
Other assets	(4,668)	(4,601)	(9,269)
Accounts payable	(10,755)	899	(9,856)
Accrued payroll	10,335	511	10,846
Unearned revenue	-	(369)	(369)
Other liabilities	62,200	(2,679)	59,521
Deposits payable	(59,800)	-	(59,800)
Compensated absences payable	20,614	(142)	20,472
NET CASH FROM OPERATING ACTIVITIES	\$ 1,766,002	\$ (28,945)	\$ 1,737,057
NONCASH TRANSACTIONS			
Refunding bonds issued	\$ 3,400,000	-	\$ 3,400,000
Payment to escrow agent for refunded bonds	(3,467,409)	-	(3,467,409)

See accompanying notes to financial statements.

VILLAGE OF LEMONT, ILLINOIS

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

As of April 30, 2013

	<u>Police Pension Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ 31,908	\$ 113,132
Investments		
Certificates of deposit	2,647,646	-
Illinois Funds	380,946	-
Money market mutual funds	35,266	-
Municipal bonds	3,256,588	-
Mutual funds	4,839,599	-
US Government Agency & Treasury	418,065	-
Receivables (net of allowances for uncollectibles)		
Accrued interest	89,228	-
	<u>11,699,246</u>	<u>113,132</u>
Total assets		
LIABILITIES		
Due to other agencies	<u>-</u>	<u>113,132</u>
Total liabilities	<u>-</u>	<u>113,132</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS		
	<u>\$ 11,699,246</u>	<u>\$ -</u>

See accompanying notes to financial statements.

VILLAGE OF LEMONT, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUND

For the Year Ended April 30, 2013

	<u>Police Pension Trust</u>
ADDITIONS	
Contributions	
Employer contributions	\$ 489,312
Employee contributions	211,438
	<hr/>
Total contributions	700,750
	<hr/>
Investment income	
Interest	379,249
Net appreciation in fair value of investments	428,268
Less investment expense	(924)
	<hr/>
Net investment income	806,593
	<hr/>
Total additions	1,507,343
	<hr/>
DEDUCTIONS	
Pension benefits	377,097
Administrative expenses	5,631
	<hr/>
Total deductions	382,728
	<hr/>
NET INCREASE	1,124,615
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	
MAY 1	<hr/> 10,574,631
APRIL 30	<hr/> \$ 11,699,246

See accompanying notes to financial statements.

VILLAGE OF LEMONT, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

As of and for the year ended April 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Lemont, Illinois (the Village) are in accordance with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies of the Village.

a. Reporting Entity

The Village is a municipal corporation established under Illinois Compiled Statutes (ILCS) governed by an elected Mayor and Board of Trustees. The Village was incorporated in 1873. The Village operates under a board administrator form of government and provides the following services as authorized by statute: public safety (police), emergency management, streets, water and sewer, commuter parking, public improvements, planning and zoning, financial and general administrative services. The Village has defined its reporting entity in accordance with GASB Statement No. 14. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the Village's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Village. The Police Pension Fund is a legally separate organization from the Village. However, although legally separate, this fund is reported as a fiduciary fund of the Village, because it is fiscally dependent on the Village and administered exclusively for the benefit of the Village's police personnel.

b. Fund Accounting

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

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

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds), the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds) and the management of funds held in trust where the interest earnings can be used for governmental services (permanent fund). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

The 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 revenues of the Waterworks and Sewerage and Parking System funds are charges to customers for sales and services. Operating expenses for proprietary 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.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The Village utilizes a pension trust fund and an agency fund which are generally used to account for assets that the Village holds in a fiduciary capacity and agency funds to account for assets that the Village holds in an agent capacity.

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

The Village reports the following major governmental funds:

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

The TIF/Downtown Canal District No. 1 Fund is used to account for revenues which are restricted for the purposes of infrastructure improvements, business retention programs and principal and interest payments on bonds, notes and contracts which are obligations of the TIF/Downtown Canal District No. 1. The Village has chosen to report this fund as a major fund even though it does not meet the requirements to be reported as a major fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Gateway TIF District Fund is used to account for revenues which are restricted for the purposes of infrastructure improvements, business retention programs and principal and interest payments on bonds, notes and contracts which are obligations of the Gateway TIF District. The Village has chosen to report this fund as a major fund even though it does not meet the requirements to be reported as a major fund.

The Village Hall Improvement Fund is used to account for the accumulation of resources restricted for the purposes of renovating Village Hall.

The Road Improvement Fund is used to account for utility tax revenues and grant revenues for the maintenance and improvement of roads throughout the Village.

The Village reports the following major proprietary fund:

The Waterworks and Sewerage Fund is used to account 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 fiduciary fund:

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

GMAT is an agency fund to account for assets held on behalf of third parties and that do not involve the measurement of operating results.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions 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 (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales and telecommunication taxes which use a 90-day period, income taxes when remittance by the state is delayed beyond the normal month and FEMA grants which use a one year period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

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

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

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

e. Cash, Cash Equivalents and Investments

For purposes of reporting cash flows, the Village considers all cash on hand, demand deposits and highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

Illinois Funds, a money market mutual fund created by the Illinois State Legislature and controlled by the Illinois State Treasurer is reported at a \$1 per share value, which equals the Village's fair value in the pool.

Investments with a maturity of one year or less when purchased and all nonnegotiable certificates of deposits are recorded at cost or amortized cost. All other investments and all investments of the pension trust fund are recorded at fair value. Fair value is based on published prices on major exchanges as of April 30.

Illinois Statutes authorize the Village to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash, Cash Equivalents and Investments (Continued)

Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and the Illinois insurance company general and separate accounts, mutual funds meeting certain requirements, equity securities, and corporate bonds meeting certain requirements. Pension funds with net position in excess of \$10,000,000 and an appointed investment adviser may invest an additional portion of its assets in common and preferred stocks and mutual funds, that meet certain requirements.

f. 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 February 1 and the second billing mailed on or about July 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. Property receivable is net of estimated uncollectible amounts approximating 3%.

Water and sewerage services are billed on a monthly basis. Estimated unbilled water and sewerage services at April 30, 2013 are included in accounts receivable.

g. Capital Assets

Capital assets, which include property, plant, equipment and prospectively reported infrastructure assets (e.g., roads, bridges, storm sewers and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$50,000 for infrastructure and \$10,000 for all other assets and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated market value at the date of donation. The costs of normal maintenance and repairs, including street overlays that do not add to the value or service capacity of the asset or materially extend asset lives are not capitalized.

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Capital Assets (Continued)

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

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

h. Compensated Absences

Vested or accumulated vacation leave and sick pay related to employees that have retired or terminated at year end but are not yet paid out is reported as an expenditure and a fund liability of the governmental fund (general fund) that will pay it. Vested and accumulated vacation leave and sick pay of the proprietary funds and governmental activities is recorded as an expense and liability as the benefits accrue to employees.

i. Long-Term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, as well as gains/losses on refundings, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as expenses during the current period.

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

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Interfund Receivables/Payables

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

k. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village’s Board of Trustees, which is considered the Village’s highest level of decision making authority. Formal actions include ordinances approved by the Board that can only be changed or modified by a subsequent ordinance. Assigned fund balance represents amounts constrained by the Village’s intent to use them for a specific purpose. The Village Administrator was given the authority to assign fund balance by the board. Any residual fund balance in the General Fund, including fund balance targets and any deficit fund balance of any other governmental fund is reported as unassigned.

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

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any long-term debt issued to acquire or construct the capital assets.

The Village reports the fund balance in the Road Improvement Fund as restricted due to enabling legislation adopted by the Village.

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Use of Estimates

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

m. Deferred Outflows/Inflows of Resources

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

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

2. CASH AND INVESTMENTS

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

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

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

a. Village Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance with the collateral held by an independent third party or by the Federal Reserve Bank. As of April 30, 2013, the Village had no uninsured and uncollateralized deposits.

2. CASH AND INVESTMENTS (Continued)

b. Village Investments

In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The investment policy limits the maximum maturity length of investments to three years from the date of purchase, except if matched to anticipated cash flow requirement (e.g., bond proceeds), in which case the maximum maturity is five years, unless specifically approved by the Board of Trustees.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Village's investment policy limits this risk by allowing investment in only specific types of investments and pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the Village will do business with.

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

Concentration of credit risk - The Village's investment policy requires diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

2. CASH AND INVESTMENTS (Continued)

c. Police Pension Fund Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Police Pension Fund's deposits may not be returned to them. The Police Pension Fund's investment policies require pledging of collateral for all bank balances in excess of federal depository insurance and flow-through FDIC insurance with the collateral held by a third-party acting as the Police Pension Fund's agent.

d. Police Pension Fund Investments

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Negotiable Certificates of Deposit	\$2,647,646	\$1,059,807	\$1,587,839	\$ -	\$ -
U.S. Treasury Strips	254,110	-	-	254,110	-
GNMA	163,955	-	-	-	163,955
Municipal Bonds	3,256,588	-	-	777,844	2,478,744
TOTAL	\$6,322,299	\$1,059,807	\$1,587,839	\$1,031,954	\$ 2,642,699

Interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an investment. While the Police Pension Fund policy does not specifically address interest rate risk, it limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period.

The Police Pension Fund investment limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. The U.S. agency obligations for which ratings were available are rated AAA to AA-.

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

2. CASH AND INVESTMENTS (Continued)

d. Police Pension Fund Investments (Continued)

The Police Pension Fund also invests in Municipal Bonds and Negotiable Certificates of Deposit that are subject to credit risk. The Municipal Bonds for which ratings were available are rated AA+ to BBB+. Negotiable Certificates of Deposit did not have credit rating information available.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. The Police Pension Fund is exposed to custodial credit risk as the broker also serves as the custodian.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At April 30, 2013, the Police Pension Fund had 11.41% of its net assets invested in State of Illinois municipal bonds. The Police Pension Fund's investment policy does not limit the amount of the portfolio that can be invested in any one investment vehicle except for investments in other bonds and insurance accounts, which is limited to 10% of the portfolio.

3. RESTRICTED ASSETS

The following represent the balances of restricted assets at April 30, 2013:

Non-Major Governmental Fund - Special Service Area Fund - Debt Reserve Fund	\$ 142,833
Non-Major Governmental Fund - Village Hall Improvement Fund – Capitalized Interest Account	119,888
Non-Major Governmental Fund - Gateway Property Acquisition Fund - Capitalized Interest Account	7
	\$ 262,728

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

4. PROPERTY TAX CALENDAR

The following information gives significant dates on the property tax calendar of the Village.

- The property tax lien date is January 1.
- The annual tax levy ordinance for the 2012 levy was passed on December 10, 2012.
- Property taxes for the 2012 levy are due to the County Collector in two installments, April 1, 2013 and August 1, 2013.
- The 2013 tax levy, which attached as an enforceable lien on property as of January 1, 2013, has not been recorded as a receivable as of April 30, 2013 as the tax has not yet been levied by the Village, and will not be levied until December 2013 and, therefore, the levy is not measurable at April 30, 2013.

5. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Individual fund interfund receivables/payables are as follows:

Receivable Fund	Payable Fund	Amount
Non-Major Governmental – TIF Downtown	Major Governmental – TIF Downtown/Canal Fund	\$ 60,000
Major Governmental – General Fund	Non-Major Governmental – General Capital Improvement	5,644
Major Governmental - Village Hall Improvement	Enterprise Fund – Waterworks & Sewerage	<u>215,935</u>
TOTAL		<u>\$ 281,579</u>

The purposes of the interfund receivables/payables are as follows:

- \$60,000 due to the TIF Downtown Fund from the TIF Downtown/Canal Fund is a short term loan to be repaid upon receipt of tax revenue.
- \$5,644 due to the General Fund from the Capital Projects Fund is a short term advance.
- \$215,935 due to the Village Hall Improvement Fund from the Waterworks and Sewerage Fund is a reimbursement for its portion of the project cost.

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

5. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (Continued)

Individual fund transfers are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 450,513	\$ 547,428
Village Hall Improvement	550,000	111,550
Road Improvement	50,000	1,357,781
Enterprise Funds	-	485,000
Downtown/Canal TIF	27,000	-
Non-major Governmental	<u>1,675,978</u>	<u>251,732</u>
 TOTAL – FUND FINANCIAL STATEMENTS	 <u>\$ 2,753,491</u>	 <u>\$ 2,753,491</u>
 Less: Fund Eliminations	 <u>(2,268,491)</u>	 <u>(2,268,491)</u>
 TOTAL TRANSFER – GOVERNMENT-WIDE STATEMENT OF ACTIVITIES	 <u>\$ 485,000</u>	 <u>\$ 485,000</u>

The purposes of individual fund transfers are as follows:

- \$1,508,550 transferred to non-major governmental fund from the General Fund (\$515,000), Road Improvement Fund (\$707,781), Village Hall Improvement fund (\$111,550), and non-major governmental fund \$(174,219) to fund debt payments. The transfer will not be repaid.
- \$450,000 of Utility Tax Revenue transferred to the General Fund from the Road Improvement Fund to fund general government activities.
- \$550,000 was transferred to the Village Hall Improvement Fund from the Road Improvement Fund (\$200,000) and the Water and Sewer Fund (\$350,000) to fund Village Hall improvement expenses and the purchase of new ERP software for the Village.
- Other transfers are used to reimburse funds for expenses paid on behalf of another fund (Capital Improvement Fund), or transfer revenues to the fund that statute or budget requires to expend them.

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

6. CAPITAL ASSETS

The following is a summary of capital asset activity during the fiscal year:

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$81,632,636	\$ 1,455,734	\$ -	\$83,088,370
Construction in Progress	777,275	2,437,397	2,364,032	850,640
Total Capital Assets not Being Depreciated	82,409,911	3,893,131	2,364,032	83,939,010
Capital Assets Being Depreciated				
Buildings and Improvements	15,270,742	2,328,402	595,489	17,003,655
Land Improvements	1,556,895	-	-	1,556,895
Infrastructure	76,398,115	71,079	-	76,469,194
Machinery and Equipment	11,012,571	255,391	-	11,267,962
Vehicles	838,464	94,800	44,365	888,899
Total Capital Assets Being Depreciated	105,076,787	2,749,672	639,854	107,186,605
Less Accumulated Depreciation for				
Buildings and Improvements	1,582,892	303,463	263,612	1,622,743
Land Improvements	253,739	77,277	-	331,016
Infrastructure	48,879,073	2,071,119	-	50,950,192
Machinery and Equipment	8,514,927	2,085,694	-	10,600,621
Vehicles	615,475	59,385	38,577	636,283
Total Accumulated Depreciation	59,846,106	4,596,938	302,189	64,140,855
Total Capital Assets Being Depreciated, Net	45,230,681	(1,847,266)	337,665	43,045,750
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$127,640,592	\$2,045,865	\$2,701,697	\$126,984,760

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

6. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$5,696,780	\$ -	\$ -	\$5,696,780
Construction in Progress	139,589	577,683	558,406	158,866
Total Capital Assets not Being Depreciated	5,836,369	577,683	558,406	5,855,646
Capital Assets Being Depreciated				
Infrastructure	43,885,298	558,406	32,854	44,410,850
Water system	6,103,344	-	-	6,103,344
Buildings and improvements	7,507,300	-	-	7,507,300
Land improvements	242,683	-	-	242,683
Vehicle	1,357,126	69,683	84,950	1,341,859
Machinery and equipment	611,222	215,936	-	827,158
Total Capital Assets Being Depreciated	59,706,973	844,025	117,804	60,433,194
Less Accumulated Depreciation for				
Infrastructure	8,775,143	682,269	13,058	9,444,354
Water system	1,372,355	203,833	-	1,576,188
Buildings and improvements	1,201,832	150,518	-	1,352,350
Land improvements	223,071	1,207	-	224,278
Vehicle	781,490	132,765	84,950	829,305
Machinery and equipment	409,335	51,099	-	460,434
Total Accumulated Depreciation	12,763,226	1,221,691	98,008	13,886,909
Total Capital Assets Being Depreciated, Net	46,943,747	(377,666)	19,796	46,546,285
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$52,780,116	\$ 200,017	\$ 578,202	\$52,401,931

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

GOVERNMENTAL ACTIVITIES	
General Government	\$ 203,054
Public Safety	2,121,486
Highways and Streets, including depreciation of general infrastructure assets	2,272,398
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 4,596,938
BUSINESS-TYPE ACTIVITIES	
Waterworks and Sewerage	\$ 1,214,968
Parking facilities	6,723
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	\$ 1,221,691

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

7. LONG-TERM DEBT

a. Governmental Activities

The following is a summary of changes in general long-term debt reported in the governmental activities of the Village for the year ended April 30, 2013:

	Restated Balance May 1	Additions	Repayments	Balance April 30	Current Portion
General Obligation					
Alternate Revenue Source					
Bonds	\$17,860,000	\$ -	\$ 335,000	\$ 17,525,000	345,000
TIF General					
Obligation Alternate					
Revenue Source Bonds	5,930,000	-	645,000	5,285,000	665,000
TIF Senior Lien Tax					
Incremental Revenue					
Bonds**	174,630	11,741	64,000	122,371	66,000
TIF Lemont Senior					
Housing Subordinate					
Obligation	1,094,615	-	5,475	1,089,140	-
Special Ad Valorem Tax					
Bonds	1,300,000	-	70,000	1,230,000	75,000
Sales Tax Revenue					
Bonds	1,095,000	-	370,000	725,000	405,000
Tollway Note					
Payable	226,487	-	-	226,487	113,244
Unamortized Issuance					
Premiums	181,073	-	9,446	171,627	-
Less: Amount for					
Unamortized Issuance					
Discounts	(58,124)	-	(3,702)	(54,422)	-
Other Postemployment					
Retirement Benefit*	163,491	932	-	164,423	-
Net Pension					
Obligation*	456,526	-	6,345	450,181	-
Compensated					
Absences*	423,501	114,605	105,875	432,231	103,415
TOTAL GOVERNMENTAL					
 ACTIVITIES LONG-					
 TERM DEBT	\$28,847,199	\$ 127,278	\$ 1,607,439	\$27,367,038	\$1,772,659

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

7. LONG-TERM DEBT (Continued)

* These are normally liquidated by the Village's general fund.

** Additions represent accretion. Repayments represent \$64,000 (property taxes within the Senior Tax Lien Project Area collected during the year) paid by the Downtown Tax Increment Financing Fund.

b. Governmental Activities General Obligation Alternate Revenue Source Bonds

Governmental activities General Obligation Alternate Revenue Source Bonds payable at April 30, 2013 is comprised of the following issues:

	Balance May 1	Issuances	Repayments	Balance April 30	Current Portion
2005A General Obligation Alternate Revenue Source Bonds	\$ 1,155,000	\$ -	\$ 70,000	\$ 1,085,000	\$ 70,000
2007A General Obligation Alternate Revenue Source Bonds	6,705,000	-	205,000	6,500,000	215,000
2008 General Obligations Alternate Revenue Source Bonds	1,830,000	-	60,000	1,770,000	60,000
2012A General Obligation Alternate Revenue Source Bonds	3,420,000	-	-	3,420,000	-
2012B General Obligations Alternate Revenue Source Bonds	4,750,000	-	-	4,750,000	-
TOTAL GENERAL OBLIGATION ALTERNATE REVENUE SOURCE BONDS	\$ 17,860,000	\$ -	\$ 335,000	\$ 17,525,000	\$ 345,000

General Obligation Alternate Revenue Source Bonds, Series 2005 dated March 15, 2005, payable from sales taxes payable to the Village. The bonds are due in annual installments of \$55,000 to \$110,000 through December 1, 2024, with interest ranging from 2.90% to 4.50%, payable each June 1 and December 1 and are being paid by the Debt Service Fund.

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

7. LONG-TERM DEBT (Continued)

General Obligation Alternate Revenue Source Bonds, Series 2007A dated December 15, 2007, payable from utility and income taxes payable to the Village. The bonds are due in annual installments of \$30,000 to \$485,000 through December 1, 2032, with interest ranging from 3.30% to 5.00%, payable each June 1 and December 1 and are being paid by the Debt Service Fund.

General Obligation Alternate Revenue Source Bonds, Series 2008 dated January 25, 2008, payable from utility and income taxes payable to the Village. The bonds are due in annual installments of \$55,000 to \$125,000 through December 1, 2032, with interest ranging from 3.00% to 4.20%, payable each June 1 and December 1 and are being paid by the Debt Service Fund.

General Obligation Alternate Revenue Source Bonds, Series 2012A dated January 26, 2012, payable from sales and income taxes payable to the Village. The bonds are due in annual installments of \$155,000 to \$265,000 through January 1, 2031, with interest ranging from 2.50% to 4.00%, payable each January 1 and July 1 and are being paid by the Debt Service Fund.

General Obligation Alternate Revenue Source Bonds, Series 2012B dated January 26, 2012, payable from sales and income taxes payable to the Village. The bonds are due in annual installments of \$295,000 to \$460,000 through January 1, 2027, with interest ranging from 3.00% to 4.75%, payable each January 1 and July 1 and are being paid by the Debt Service Fund. The proceeds were used to pay the \$1,500,000 General Obligation Limited Tax Debt Certificates, originally issued in December 2011.

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

7. LONG-TERM DEBT (Continued)

c. Tax Increment Financing General Obligations

The Village also issues bonds and obligations where the Village pledges incremental tax income derived from a separately created tax increment financing district (TIF). The Village TIF obligations include General Obligation Alternate Revenue Source Bonds, Senior Lien Tax Incremental Revenue Bonds and the Lemont Senior Housing Subordinate Obligation.

i. TIF General Obligation Alternate Revenue Source Bonds

The Village's outstanding TIF General Obligation Alternate Revenue Source Bonds payable at April 30, 2013 are comprised of the following issues:

	Balance May 1	Issuances	Repayments	Balance April 30	Current Portion
2005 General Obligations Alternate Revenue Source Refunding Bonds	\$ 1,835,000	\$ -	\$ 495,000	\$ 1,340,000	\$ 510,000
2007 General Obligations Alternate Revenue Source Bonds	2,340,000	-	105,000	2,235,000	110,000
2010 General Obligations Alternate Revenue Source Bonds	1,755,000	-	45,000	1,710,000	45,000
TOTAL TIF ALTERNATE REVENUE SOURCE BONDS	\$ 5,930,000	\$ -	\$ 645,000	\$ 5,285,000	\$ 665,000

7. LONG-TERM DEBT (Continued)

c. Tax Increment Financing General Obligations (Continued)

i. TIF General Obligation Alternate Revenue Source Bonds (Continued)

TIF General Obligation Alternate Revenue Source Refunding Bonds, Series 2005 dated April 15, 2005, payable from incremental taxes derived from the project area and payable to the Village. The bonds are due in annual installments of \$160,000 to \$530,000 through December 1, 2015, with interest ranging from 2.30% to 4.00%, payable each December 1 and are being paid by the TIF Downtown Fund.

TIF General Obligation Alternate Revenue Source Bonds, Series 2007 dated August 6, 2007, payable from sales taxes and incremental taxes derived from the project area and payable to the Village. The bonds are due in annual installments of \$50,000 to \$200,000 through December 1, 2027, with interest ranging from 3.90% to 5.00%, payable each June 1 and December 1 and are being paid by the TIF Downtown Canal Fund.

TIF General Obligation Alternate Revenue Source Bonds, Series 2010 dated March 10, 2010, payable from sales, income, and incremental taxes derived from the project area and payable to the Village. The bonds are due in annual installments of \$45,000 to \$320,000 through December 1, 2029, with interest ranging from 1.35% to 4.40%, payable each June 1 and December 1 and are being paid by the TIF Downtown Canal Fund.

ii. Senior Lien Tax Increment Revenue Bond Ordinance Disclosures

The Village issued Senior Lien Tax Incremental Revenue Capital Appreciation Bonds on May 22, 2000. Interest is not paid but rather accretes to principal each January 1. The principal matures January 1, 2002 through January 1, 2015 in accreted values totaling \$260,000.

The ordinances authorizing the issuance of the Series 2000 Senior Lien Tax Increment Revenue Bonds provide for the creation of a special fund known as the "Lemont Senior Housing Sub-Fund" within the Special Tax Allocation Fund. All the incremental property taxes generated by the Lemont Senior Housing Project area shall be deposited into this fund. The moneys on deposit in this fund shall be deposited into separate accounts hereby created within the Lemont Senior Housing Sub-Fund of the Special Tax Allocation Fund to be known as the "Senior Lien Principal and Interest Account" and the "General Account".

7. LONG-TERM DEBT (Continued)

c. Tax Increment Financing General Obligations (Continued)

ii. Senior Lien Tax Increment Revenue Bond Ordinance Disclosures (Continued)

a. The Senior Lien Principal and Interest Account

All the incremental property taxes deposited into the Lemont Senior Housing Sub-Fund of the Special Tax Allocation Fund shall be credited and immediately transferred to the Senior Lien Principal and Interest Account.

If there are funds in the Senior Lien Principal and Interest Account in excess of the amount necessary to pay such Senior Lien Principal Requirement and such Senior Lien Interest Requirement the excess shall be transferred to the "General Account".

b. The General Account

Money's on deposit in the General Account which have been transferred to the General Account from the Senior Lien Principal and Interest Account shall be used solely for the purpose of one or more of the following, and only in the following order of priority among them

- i. For the purpose of paying all or a portion of the principal and of interest on the Lemont Senior Housing Subordinate Obligation in accordance with the terms of the Redevelopment Agreement
- ii. Following payment in full of the Series 2000 Bonds and the Lemont Senior Housing Subordinate Obligation, for any other purpose set forth in the Redevelopment Plan for the project as may be authorized by the Act.

iii. Lemont Senior Housing Subordinate Obligation

The Village, pursuant to an amended and restated redevelopment agreement dated May 22, 2000, has agreed to reimburse Lemont Senior Housing L.P.I for certain project costs that have been incurred in order to stimulate and induce the development of the Redevelopment Project Area. The restated redevelopment agreement requires the developer to advance the costs of the Developer Infrastructure Improvements, the legal, engineering, consulting and other costs incurred by the Village in connection with this agreement. The Village shall reimburse the Developer for such eligible costs, in an amount not to exceed \$1,169,699, but only from Pledged Taxes. The Lemont Senior Housing Subordinate Obligation shall be subordinate to the Lemont Senior Lien Bonds in all respects.

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

7. LONG-TERM DEBT (Continued)

d. Business-Type Activities/Enterprise Fund Long-Term Debt

The following is a summary of changes in business-type activities long-term debt of the Village for the year ended April 30, 2013:

	Balance May 1	Issuances	Repayments	Balance April 30	Current Portion
2004 General Obligation Alternate Revenue Source Bonds	\$ 4,245,000	\$ -	\$ 3,410,000	\$ 835,000	\$ 265,000
2005 General Obligation Bonds	795,000	-	190,000	605,000	190,000
2010 General Obligation Build America Bonds	5,000,000	-	-	5,000,000	-
2012 General Obligation Alternate Revenue Source Bonds	-	3,400,000	-	3,400,000	40,000
Unamortized Issuance Premium	40,032	54,152	44,198	49,986	-
Capital lease	221,092	89,422	73,277	237,237	120,211
Compensated Absences	84,675	41,641	21,169	105,147	25,718
TOTAL ENTERPRISE FUND	\$10,385,799	\$ 3,585,215	\$ 3,738,644	\$ 10,232,370	\$ 640,929

Total enterprise fund/business-type activities bonded debt payable at April 30, 2013 is comprised of the following issues:

General Obligation Alternate Revenue Source Bonds, Series 2004, payable from user fees generated in the Water Fund. The bonds are due in annual installments of \$175,000 to \$430,000 through December 1, 2024, with interest ranging from 2.25% to 5.00% payable each June 1 and December 1.

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

7. LONG-TERM DEBT (Continued)

d. Business-Type Activities/Enterprise Fund Long-Term Debt (Continued)

General Obligation Alternate Revenue Source Bonds, Series 2005, payable from user fees generated in the Water Fund. These bonds are reported in the Water Fund since the intent of the Village is to use water revenues to abate the tax levy authorized for repayment of this obligation. The bonds are due in annual installments of \$155,000 to \$210,000 through December 1, 2015, with interest ranging from 2.50% to 3.80% payable each June 1 and December 1.

General Obligation Alternate Revenue Source Bonds, Series 2010A (Build America Bonds), payable from sales and income taxes payable to the Village. The bonds are due in annual installments of \$90,000 to \$760,000 through December 1, 2030, with interest ranging from 4.60% to 7.25% payable each June 1 and December 1. The Village is eligible to receive 35% interest subsidy payments in accordance with the provisions of the Build America Bonds under the American Recovery and Reinvestment Act of 2009.

General Obligation Alternate Revenue Source Bonds, Series 2012, payable from user fees generated in the Water Fund. These bonds are reported in the Water Fund since the intent of the Village is to use water revenues to abate the tax levy authorized for repayment of this obligation. The bonds are due in annual installments of \$40,000 to \$425,000 through December 1, 2025, with interest ranging from 2.00% to 2.60% payable each June 1 and December 1.

e. Advance Refunding

On September 28, 2012, the Village issued \$3,400,000 General Obligation Alternate Revenue Source Refunding Bonds Series 2012 to advance refund \$3,135,000 of the outstanding 2004 General Obligation Alternate Revenue Source Bonds (call date December 1, 2014). As a result of the refunding, the Village realized a cash flow savings of approximately \$261,995 and an economic gain of approximately \$231,188

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

7. LONG-TERM DEBT (Continued)

f. Alternate Revenue Source Bond Disclosures

The amount of pledges remaining as of April 30, 2013 is as follows:

Debt Issue	Fund	Pledge Remaining	Commitment End Date
2005	Sales/use taxes	\$1,412,040	12/01/2024
2007 A	Utility and income taxes	10,071,492	12/01/2032
2008	Utility and income taxes	2,612,130	12/01/2032
2012A	Sales/use and general obligation	4,931,225	1/01/2032
2012B	Sales/use, general obligation, Gateway TIF	6,456,990	1/01/2027
TIF 2005Ref	TIF levy	1,436,720	12/01/2015
TIF 2007	TIF levy and sales/use taxes	3,163,401	12/01/2027
TIF 2010	TIF levy, sales/use and income taxes	2,602,825	12/01/2029
W&S 2004	Water & sewage revenues, sales/use and income taxes	895,690	12/01/2024
W&S 2005	Water and sewerage revenues	650,750	12/01/2015
W&S2010	Water & sewerage revenue, sales/use and income taxes	8,366,287	12/01/2030
W&S 2012	Water and sewerage revenues	4,023,685	12/01/2024

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

7. LONG-TERM DEBT (Continued)

A comparison of the pledged revenues collected and the related principal and interest expenditure for fiscal year 2013 is as follows:

Debt Issue	Pledged Revenue Source	Pledged Revenue	Principal and Interest Paid	Estimated % of Revenue Pledged
2005	Sales /use taxes	\$ 2,020,654	\$117,773	5.83%
2007 A	Utility and income taxes	2,918,509	502,560	17.22
2008	Utility and income taxes	2,918,509	129,590	4.44
2012A	Sales/use and general obligation	3,335,716	111,550	3.34
2012B	Sales/use, general obligation, Gateway TIF	4,819,885	174,219	3.61
TIF 2005Ref	TIF levy	1,436,720	565,613	59.17
TIF 2001SL	TIF Levy, generated by Lemont Senior Housing Project area	32,513	5,475	16.84
TIF 2011Sub	TIF levy, subordinate to the Senior Lien Bonds		64,000	-
TIF 2007	TIF levy and sales/use taxes	1,871,021	210,625	9.74
TIF 2010	TIF levy, sales and income taxes	3,858,717	68,221	1.77
W&S 2004	Water & sewerage revenue, sales/use and income taxes	7,958,037	384,603	4.83
W&S 2005	Water and sewerage revenues	4,495,463	218,955	4.87
W&S2010	Water & sewerage revenue, sales/use and income taxes	7,958,037	326,263	4.43
W&S2012	Water & sewerage net revenue, corporate property tax and income taxes	4,495,463	68,221	1.52

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

7. LONG-TERM DEBT (Continued)

g. Debt Service to Maturity

Fiscal Year	Governmental Activities Outstanding Debt Alternate Rev Bonds		Outstanding Debt TIF Alternate Rev Bonds		Outstanding Debt TIF Senior Lien Tax Incremental Rev	
	Principal	Interest	Principal	Interest	Accretion	Principal
2014	\$ 345,000	\$ 709,603	\$ 665,000	\$ 221,696	\$ 7,771	\$ 66,000
2015	660,000	696,433	690,000	197,196	3,858	68,000
2016	830,000	673,663	470,000	170,925	-	-
2017	865,000	646,193	175,000	152,814	-	-
2018	895,000	617,573	180,000	146,090	-	-
2019	920,000	587,623	190,000	139,161	-	-
2020	950,000	555,163	195,000	131,578	-	-
2021	1,000,000	518,863	200,000	123,788	-	-
2022	1,030,000	480,505	210,000	115,718	-	-
2023	1,070,000	440,835	215,000	107,018	-	-
2024	1,115,000	397,728	230,000	96,868	-	-
2025	1,150,000	351,612	240,000	86,018	-	-
2026	1,090,000	303,212	250,000	74,570	-	-
2027	1,135,000	257,285	260,000	62,666	-	-
2028	700,000	205,645	490,000	50,260	-	-
2029	735,000	173,795	305,000	27,500	-	-
2030	770,000	140,340	320,000	14,080	-	-
2031	810,000	105,170	-	-	-	-
2032	845,000	68,140	-	-	-	-
2033	610,000	29,500	-	-	-	-
TOTAL	\$ 17,525,000	\$ 7,958,881	\$ 5,285,000	\$ 1,917,946	\$ 11,629	\$ 134,000

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

7. LONG-TERM DEBT (Continued)

g. Debt Service to Maturity (Continued)

Fiscal Year	Outstanding Debt Lemont Senior Housing Subordinate Obligation*		Outstanding Debt Special Ad Valorem Tax Bonds		Outstanding Debt Sales Tax Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ -	\$ -	\$ 75,000	\$ 67,625	\$ 405,000	\$ 32,743
2015	-	-	80,000	63,688	320,000	14,720
2016	-	-	85,000	59,486	-	-
2017	-	-	90,000	55,025	-	-
2018	-	-	90,000	50,300	-	-
2019	-	-	95,000	45,575	-	-
2020	-	-	105,000	40,588	-	-
2021	-	-	110,000	35,075	-	-
2022	-	-	115,000	28,750	-	-
2023	-	-	120,000	22,137	-	-
2024	-	-	130,000	15,238	-	-
2025	-	-	135,000	7,763	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
TOTAL	\$ -	\$ -	\$ 1,230,000	\$ 491,250	\$ 725,000	\$ 47,463

*The restated redevelopment agreement provides for the payment of principal only to the extent that pledged revenues exceed the obligation of the Senior Lien Tax Bonds. As there is no known revenue stream, no debt service schedule is available.

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

7. LONG-TERM DEBT (Continued)

g. Debt Service to Maturity (Continued)

Fiscal Year	Tollway Authority Note Payable		Business-Type Alternate Rev Total		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 113,243	\$ -	\$ 495,000	\$ 503,727	\$ 2,156,473	\$ 1,535,393
2015	113,244	-	535,000	446,113	2,462,386	1,418,150
2016	-	-	530,000	448,003	1,915,000	1,352,076
2017	-	-	420,000	428,867	1,550,000	1,282,899
2018	-	-	430,000	418,128	1,595,000	1,232,090
2019	-	-	440,000	408,098	1,645,000	1,180,456
2020	-	-	450,000	398,293	1,700,000	1,125,621
2021	-	-	465,000	384,905	1,775,000	1,062,631
2022	-	-	475,000	370,680	1,830,000	995,653
2023	-	-	490,000	356,205	1,895,000	926,195
2024	-	-	500,000	340,980	1,975,000	850,814
2025	-	-	510,000	325,855	2,035,000	771,248
2026	-	-	610,000	297,250	1,950,000	675,032
2027	-	-	635,000	253,025	2,030,000	572,976
2028	-	-	665,000	206,988	1,855,000	462,893
2029	-	-	700,000	158,775	1,740,000	360,070
2030	-	-	730,000	108,025	1,820,000	262,445
2031	-	-	760,000	55,100	1,570,000	160,270
2032	-	-	-	-	845,000	68,140
2033	-	-	-	-	610,000	29,500
TOTAL	\$ 226,487	\$ -	\$ 9,840,000	\$ 5,909,017	\$ 34,953,859	\$ 16,324,552

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

7. LONG-TERM DEBT (Continued)

h. Special Service Area Ad Valorem Bonds

During the fiscal year ended April 30, 1997, the Village issued \$1,430,000 Special Service Area No. 1 bonds, dated May 1, 2009. The bonds are payable from the special service area taxes levied upon the properties located in the special service areas. The Village reserves the right to apply incremental property taxes derived from a tax increment finance redevelopment project area that overlaps the Special Service Area. As of April 30, 2013, \$1,230,000 of the Special Service Area bonds are outstanding.

i. Sales Tax Revenue Bonds

During the fiscal year ended April 30, 2005, the Village passed a resolution authorizing the issue of Sales Tax Revenue Bonds Series 2004, dated June 15, 2004 for the purpose of defraying the financing of the acquisition and construction of an industrial project within the village. The bonds are payable from the incremental sales tax of the development area. The bonds are due in annual installments of \$265,000 to \$405,000 through January 15, 2015, with interest ranging from 1.75% to 4.60% payable each July 1 and January 15.

j. Illinois State Toll Highway Authority Note Payable

The Village entered into a note payable in a prior year with the Illinois State Toll Highway Authority for the construction of entrance and exit ramps on the south extension of Interstate 355. The note is to be paid in annual installments of principal only in amounts as determined by the Village, with the final payment of all unpaid principal due in December, 2014. The outstanding balance due at April 30, 2013 is \$226,487.

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

7. LONG-TERM DEBT (Continued)

k. Capital Lease

The Village entered into a capital lease arrangement on September 2, 2010 to purchase two vehicles for use at the Village's water and sewer operations. Payments of \$44,100 are due in 3 annual payments. Total assets purchased under this agreement are \$231,422.

The Village entered into a capital lease arrangement on September 24, 2010 to purchase equipment for use at the Village's water and sewer operations. Total assets purchased under this agreement are \$193,640. Payments of \$37,683 are due in 5 annual installments.

The Village entered into a capital lease arrangement on October 2, 2012 to purchase a 2013 International Truck for use by the public works - Streets and the water and sewer operations. Total assets purchased under this agreement are \$139,366. Payments of \$46,935 are due in 2 annual installments.

Obligations of Village business like activities under capital leases, including future interest payments, at April 30, 2013 were as follows:

Fiscal Year Ending April 30,	Capital Leases
2014	128,719
2015	84,619
2016	37,684
Total minimum lease payments	251,022
Less amount representing interest costs	(13,785)
TOTAL	\$ 237,237

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

7. LONG-TERM DEBT (Continued)

1. 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 as of April 30, 2012, which is the latest information available, was computed as follows:

Assessed valuation – 2012 tax year	\$	<u>555,635,910</u>
Statutory debt limit (8.625% of assessed value)	\$	47,923,597
General obligation bonds outstanding		<u>(0)</u>
Legal debt margin	\$	<u>47,923,597</u>

8. RISK MANAGEMENT

Intergovernmental Risk Management Agency. The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; employee health; and injuries to the Village’s employees. To insure against the losses, the Village participates in the Intergovernmental Risk Management Agency (IRMA), 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.

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. The current deductible is \$10,000. 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.

8. RISK MANAGEMENT (Continued)

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. Settled claims have not exceeded coverage for the past three years. There was no significant reduction in coverage from the prior year.

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 \$82,266 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.

Settled claims have not exceeded coverage for the past three years. There was no significant reduction in coverage from the prior year.

9. COMMITMENTS AND CONTINGENCIES

A. Litigation

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

B. Grants

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

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

9. COMMITMENTS AND CONTINGENCIES (Continued)

C. Construction

As of April 30, 2013, the Village is committed to approximately \$1,065,082 in expenditures in the upcoming years for various construction projects. These expenditures will be paid through the available fund balances and building bonds already issued.

10. DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers.

That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

a. Plan Descriptions

Illinois Municipal Retirement Fund (IMRF)

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2012, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2012, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
 As of and for the year ended April 30, 2013

10. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. At April 30, 2013, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	10
Current Employees	
Vested	22
Nonvested	8
	<hr/>
TOTAL	<u>40</u>

As provided for in the Illinois Compiled Statutes, the Police Pension Fund provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2012 and Tier 2 is for employees hired after that date. The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank 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 retirement benefit. 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 paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

10. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police officer shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

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 plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the Village's contributions must accumulate to the point where past service cost for the Police Pension Plan is 90% by the year 2040. For the year ended April 30, 2013, the Village's contribution was 20.47% of covered payroll.

b. Significant Investments

Significant investments are defined as investments in any one organization that represent 5.00% or more of plan net assets for the Police Pension Plan (other than U.S. Government guaranteed obligations). At April 30, 2013, the Village had no investment valued at greater than 5.00% of the total plan net assets for the Police Pension Plan. Information for IMRF is not available.

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

10. DEFINED BENEFIT PENSION PLANS (Continued)

c. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial Valuation Date	December 31, 2010	April 30, 2013
Actuarial Cost Method	Entry-age Normal	Entry-age Normal
Asset Valuation Method	5 Year Smoothed Market	5 Year Smoothed Market
Amortization Method	Level Percentage of Payroll	Level Percentage of Payroll
Amortization Period	30 Years, Open	28 Years
Significant Actuarial Assumptions		
a) Rate of Return on Present and Future Assets	7.50% Compounded Annually	7.00% Compounded Annually
b) Projected Salary Increase - Attributable to Inflation	4.00% Compounded Annually	5.50% Compounded Annually
c) Additional Projected Salary Increases - Seniority/Merit	0.4% to 10.0%	Not Available
d) Postretirement Benefit Increases	3.00%	3.00%

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

10. DEFINED BENEFIT PENSION PLANS (Continued)

c. Annual Pension Costs (Continued)

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

	Fiscal Year	Illinois Municipal Retirement	Police Pension
Annual Pension Cost (APC)	2011	\$ 261,525	\$ 472,412
	2012	265,554	482,987
	2013	301,066	482,967
Actual Contribution	2011	\$ 254,033	\$ 502,777
	2012	276,875	503,056
	2013	301,066	489,312
Percentage of APC Contributed	2011	97.14%	106.4%
	2012	104.26%	104.2%
	2013	100.00%	101.3%
NPO	2011	\$ 11,321	\$ 476,595
	2012	-	456,526
	2013	-	450,181

The net pension obligation has been calculated as follows as of April 30, 2013:

	<u>Police Pension</u>
Annual Required Contributions	\$ 470,330
Interest on Net Pension Obligation	31,957
Adjustment to Annual Required Contribution	<u>(19,320)</u>
Annual Pension Cost	482,967
Contributions Made	<u>489,312</u>
Increase in Net Pension Obligation	(6,345)
Net Pension Obligation, May 1	<u>456,526</u>
NET PENSION OBLIGATION, APRIL 30	<u>\$ 450,181</u>

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

10. DEFINED BENEFIT PENSION PLANS (Continued)

d. Funded Status

The funded status of the plans as of April 30, 2013, based on actuarial valuations performed as of December 31, 2010 for IMRF and April 30, 2013 for the Police Pension Fund is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 10-C:

	Illinois Municipal Retirement	Police Pension
Actuarial Accrued Liability (AAL)	\$ 6,253,880	\$17,942,779
Actuarial Value of Plan Assets	4,033,131	11,699,246
Unfunded Actuarial Accrued Liability (UAAL)	2,220,749	6,243,533
Funded Ratio (Actuarial Value of Plan Assets/AAL)	64.49%	65.20%
Covered Payroll (Active Plan Members)	\$ 2,271,571	\$ 2,390,299
UAAL as a Percentage of Covered Payroll	97.76%	261.20%

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

11. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

b. Benefits Provided

The Village provides continued health insurance coverage at the active employee rate to all eligible employees in accordance with ILCS, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under the Village's retirement plans. For Village employees, upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan. Retired employees are required to pay 100% of the premiums for such coverage, with the exception of certain qualifying employees for whom the Village pays up to 90% of the premium.

c. Membership

At April 30, 2013, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	5
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees	<u>61</u>
 TOTAL	 <u>66</u>
 Participating Employers	 <u>1</u>

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Funding Policy

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

e. Annual OPEB Costs and Net OPEB Obligation

The Village first had an actuarial valuation performed for the plan as of April 30, 2012, to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2012. The Village's contributed \$40,955 to the annual OPEB cost (expense) for fiscal year 2013. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2013 and the two prior years was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2013	\$ 41,887	\$ 40,955	97.78%	\$ 164,423
April 30, 2012	85,647	69,174	80.77%	163,491
April 30, 2011	87,249	69,174	79.28%	147,018

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

Annual Required Contribution	\$ 37,923
Interest on Net OPEB Obligation	6,540
Adjustment to Annual Required Contribution	<u>(2,576)</u>
Annual OPEB Cost	41,887
Contributions Made	<u>40,955</u>
Increase (Decrease) in Net OPEB Obligation	932
Net OPEB Obligation, Beginning of Year	<u>163,491</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 164,423</u>

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Funded Status and Funding Progress. The funded status of the plan as of April 30, 2012, the latest available actuarial valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$	523,155
Actuarial Value of Plan Assets		-
Unfunded Actuarial Accrued Liability (UAAL)		523,155
Funded Ratio (Actuarial Value of Plan Assets/AAL)		N/A
Covered Payroll (Active Plan Members)	\$	4,313,045
UAAL as a Percentage of Covered Payroll		12.13%

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

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

In the April 30, 2012 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.08 percent initially, reduced by decrements to an ultimate rate of 4.50 percent. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2012 was 30 years.

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

12. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved Statement No. 67, Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25; and Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment to GASB Statement No. 27. Application of these standards may restate portions of these financial statements.

13. PRIOR PERIOD ADJUSTMENT

During the year ended April 30, 2013, the Village adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The Village restated beginning net position at May 1, 2012 in Governmental Activities, Business-Type Activities, and the Waterworks and Sewerage Fund by \$(305,774), \$(160,181), and \$(160,181), respectively, to expense previously capitalized bond issuance costs.

14. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

a. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted (at the fund level) for the General, Special Revenue, Debt Service and Capital Projects Funds on the modified accrual basis. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

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

- i. Prior to March 1, the Village Manager submits to the Village Board a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- ii. Public hearings are conducted to obtain taxpayer comments.
- iii. Prior to May 1, the budget is legally enacted by Village Board action. This is the amount reported as original budget.

VILLAGE OF LEMONT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
As of and for the year ended April 30, 2013

14. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

- iv. The Village Administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be communicated to the Village Board.
- v. Budgets are adopted and formal budgetary integration is employed as a management control device during the year for general, special revenue, debt service and capital projects funds.
- vi. All budgets for these funds are adopted on a basis consistent with generally accepted accounting principles.
- vii. Budgetary authority lapses at year end.
- viii. State law requires that “expenditures be made in conformity with appropriations/budget.” As under the budget act, transfers between line items, departments and funds may be made by administrative action. The fund budget reflects all amendment needs. The level of legal control is at the fund level.

b. Excesses of Expenditures over Budget

The following individual fund expenditures exceeded the budget in the following amounts:

	<u>Final Budget</u>	<u>Expenditures</u>
General Fund	\$ 6,793,433	\$ 6,907,662
Village Hall Improvement Fund	1,950,000	2,552,891
Motor Fuel Tax Fund	524,798	547,249
Illinois Municipal Retirement Fund	294,353	294,363
Social Security Fund	207,155	217,866
General Capital Improvement Fund	86,013	86,748
Gateway Property Acquisition Fund	1,009,500	1,112,148

c. Deficit Fund Equity

The General Capital Improvement Fund had a deficit fund balance of \$5,644 as of April 30, 2013. Village management expects to fund this deficit through future intergovernmental revenues and interfund transfers.

VILLAGE OF LEMONT, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

As of April 30, 2013

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2007	5,558,946	5,950,727	93.42%	391,781	2,518,118	15.56%
2008	5,404,520	6,530,757	82.75%	1,126,237	2,784,455	40.45%
2009	5,268,586	6,754,370	78.00%	1,485,784	2,963,303	50.14%
2010	4,108,202	5,992,892	68.55%	1,884,690	2,554,382	73.78%
2011	3,682,601	5,901,033	62.41%	2,218,432	2,307,281	96.15%
2012	4,033,131	6,253,880	64.49%	2,220,749	2,271,571	97.76%

(See independent auditors' report)

VILLAGE OF LEMONT, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND

As of April 30, 2013

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2008	6,606,698	10,511,236	62.85%	3,904,538	1,765,960	221.1%
2009	7,424,816	11,031,834	67.30%	3,607,018	1,748,405	206.30%
2010	7,460,950	11,878,850	62.81%	4,417,900	1,866,726	236.67%
2011	9,771,198	14,018,093	69.70%	4,246,895	1,878,583	226.07%
2012	10,764,837	15,382,496	69.98%	4,617,659	2,005,764	230.22%
2013	11,699,246	17,942,779	65.20%	6,243,533	2,390,299	261.20%

(See independent auditors' report)

VILLAGE OF LEMONT, ILLINOIS

**SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

As of April 30, 2013

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2009	\$ -	\$ 813,030	0.00%	\$ 813,030	\$ 4,291,465	18.95%
2010	n/a	n/a	n/a	n/a	n/a	n/a
2011	n/a	n/a	n/a	n/a	n/a	n/a
2012	\$ -	\$ 523,155	0.00%	\$ 523,155	\$ 4,313,045	12.13%
2013	n/a	n/a	n/a	n/a	n/a	n/a

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2009.

n/a - information is not available as no actuarial valuation was performed

Information for prior years is not available.

VILLAGE OF LEMONT, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS ILLINOIS MUNICIPAL RETIREMENT FUND

As of April 30, 2013

Fiscal Year Ended April 30,	Employer Contributions	Annual Required Contributions (ARC)	Percentage Contributed
2008	240,732	240,732	100.00%
2009	265,915	265,915	100.00%
2010	275,587	275,587	100.00%
2011	254,033	261,443	97.17%
2012	276,875	265,554	104.26%
2013	301,066	301,066	100.00%

(See independent auditors' report)

VILLAGE OF LEMONT, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS POLICE PENSION FUND

As of April 30, 2013

Fiscal Year Ended April 30,	Employer Contributions	Annual Required Contributions (ARC)	Percentage Contributed
2008	385,073	433,934	88.74%
2009	422,450	423,124	99.84%
2010	491,293	484,313	101.44%
2011	502,777	462,922	108.61%
2012	503,056	470,330	106.96%
2013	489,312	470,330	104.04%

(See independent auditors' report)

VILLAGE OF LEMONT, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS OTHER POSTEMPLOYMENT BENEFIT PLAN

As of April 30, 2013

<u>Fiscal Year Ended April 30,</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2009	\$ 996	\$ 78,280	1.27%
2010	30,268	81,411	37.18%
2011	69,174	84,667	81.70%
2012	69,174	84,667	81.70%
2013	40,955	37,923	108.00%

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2009.

Information for prior years is not available.

(See independent auditors' report)

VILLAGE OF LEMONT, ILLINOIS

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

For the Year Ended April 30, 2013

	2013			Variance Over (Under)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes				
Property	\$ 2,355,720	\$ 2,372,075	\$ 2,371,902	\$ (173)
State sales	1,675,000	1,717,022	1,766,972	49,950
Other	347,800	372,679	370,418	(2,261)
Intergovernmental and contributions	1,439,200	1,598,291	1,573,085	(25,206)
Licenses, permits and inspections	719,850	907,222	896,268	(10,954)
Charges for services	80,000	98,840	98,840	-
Fines, forfeitures and penalties	200,000	252,041	267,289	15,248
Investment income	750	2,000	2,030	30
Miscellaneous income	310,200	296,827	302,464	5,637
Total revenues	7,128,520	7,616,997	7,649,268	32,271
EXPENDITURES				
Current				
General government	1,940,854	1,940,854	1,940,854	-
Public safety	3,394,165	3,913,250	4,071,969	158,719
Highways and streets	707,000	824,114	805,027	(19,087)
Capital outlay	-	115,215	89,812	(25,403)
Total expenditures	6,042,019	6,793,433	6,907,662	114,229
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,086,501	823,564	741,606	(81,958)
OTHER FINANCING SOURCES (USES)				
Transfers in	450,000	451,026	450,513	(513)
Transfers (out)	(545,000)	(548,000)	(547,428)	572
Proceeds from sale of capital assets	2,500	10,617	10,617	-
Total other financing sources (uses)	(92,500)	(86,357)	(86,298)	59
NET CHANGE IN FUND BALANCE	\$ 994,001	\$ 737,207	655,308	\$ (81,899)
FUND BALANCE, MAY 1			1,737,521	
FUND BALANCE, APRIL 30			\$ 2,392,829	

VILLAGE OF LEMONT, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL TIF/DOWNTOWN CANAL DISTRICT 1 FUND

For the Year Ended April 30, 2013

	2013			Variance Over (Under)
	Original Budget	Final Budget	Actual	
REVENUES				
Property taxes	\$ 300,000	\$ 396,143	\$ 396,143	\$ -
Investment income	-	135	136	1
Total revenues	<u>300,000</u>	<u>396,278</u>	<u>396,279</u>	<u>1</u>
EXPENDITURES				
Current				
General government	2,000	18,338	41,279	22,941
Capital outlay	-	1,192	1,192	-
Debt service				
Principal	-	255,000	150,000	(105,000)
Interest and fiscal charges	219,855	280,995	175,485	(105,510)
Total expenditures	<u>221,855</u>	<u>555,525</u>	<u>367,956</u>	<u>(187,569)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>78,145</u>	<u>(159,247)</u>	<u>28,323</u>	<u>187,570</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	27,000	27,000	27,000	-
Total other financing sources (uses)	<u>27,000</u>	<u>27,000</u>	<u>27,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 105,145</u>	<u>\$ (132,247)</u>	<u>55,323</u>	<u>\$ 187,570</u>
FUND BALANCE, MAY 1			<u>51,695</u>	
FUND BALANCE, APRIL 30			<u>\$ 107,018</u>	

(See independent auditors' report)

VILLAGE OF LEMONT, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GATEWAY TIF DISTRICT FUND**

For the Year Ended April 30, 2013

	2013			Variance Over (Under)
	Original Budget	Final Budget	Actual	
REVENUES				
Property taxes	\$ 100,000	\$ 45,248	\$ 45,249	\$ 1
Investment income	-	-	137	137
Total revenues	100,000	45,248	45,386	138
EXPENDITURES				
Current				
General government	50,000	30,124	30,123	(1)
Total expenditures	50,000	30,124	30,123	(1)
NET CHANGE IN FUND BALANCE	\$ 50,000	\$ 15,124	15,263	\$ 139
FUND BALANCE, MAY 1			<u>155,120</u>	
FUND BALANCE, APRIL 30			<u>\$ 170,383</u>	

(See independent auditors' report)

VILLAGE OF LEMONT, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2013

BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted (at the fund level) for the General, Special Revenue, Debt Service and Capital Projects Funds on the modified accrual basis. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

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

- A. Prior to March 1, the Village Manager submits to the Village Board a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- B. Public hearings are conducted to obtain taxpayer comments.
- C. Prior to May 1, the budget is legally enacted by Village Board action. This is the amount reported as original budget.
- D. The Village Administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be communicated to the Village Board.
- E. Budgets are adopted and formal budgetary integration is employed as a management control device during the year for general, special revenue, debt service and capital projects funds.
- F. All budgets for these funds are adopted on a basis consistent with generally accepted accounting principles.
- G. Budgetary authority lapses at year end.
- H. State law requires that “expenditures be made in conformity with appropriations/budget.” As under the budget act, transfers between line items, departments and funds may be made by administrative action. The fund budget reflects all amendment needs. The level of legal control is at the fund level.

VILLAGE OF LEMONT, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BUDGETS (Continued)

Excesses of Expenditures over Budget

The following individual fund expenditures exceeded the budget in the following amounts:

	<u>Final Budget</u>	<u>Expenditures</u>
General Fund	\$ 6,793,433	\$ 6,907,662

Draft

VILLAGE OF LEMONT, ILLINOIS

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

For the Year Ended April 30, 2013

	2013			Variance Over (Under)
	Original Budget	Final Budget	Actual	
REVENUES				
Other taxes	\$ 1,595,000	\$ 1,608,877	\$ 1,590,120	\$ (18,757)
Intergovernmental	298,686	87,116	-	(87,116)
Investment income	-	-	853	853
Miscellaneous income	-	242,000	22,000	(220,000)
Total revenues	1,893,686	1,937,993	1,612,973	(325,020)
EXPENDITURES				
Capital outlay	1,413,100	448,498	288,500	(159,998)
Total expenditures	1,413,100	448,498	288,500	(159,998)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	480,586	1,489,495	1,324,473	(165,022)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	50,000	50,000	-
Transfers (out)	(1,107,781)	(1,357,781)	(1,357,781)	-
Total other financing sources (uses)	(1,107,781)	(1,307,781)	(1,307,781)	-
NET CHANGE IN FUND BALANCE				
	\$ (627,195)	\$ 181,714	16,692	\$ (165,022)
FUND BALANCE, MAY 1			1,047,928	
FUND BALANCE, APRIL 30			\$ 1,064,620	

(See independent auditors' report)

VILLAGE OF LEMONT, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
VILLAGE HALL IMPROVEMENT FUND**

For the Year Ended April 30, 2013

	2013			Variance Over (Under)
	Original Budget	Final Budget	Actual	
REVENUES				
Investment income	\$ -	\$ 1,500	\$ 1,355	\$ (145)
Total revenues	-	1,500	1,355	(145)
EXPENDITURES				
Capital outlay	-	1,950,000	2,552,891	602,891
Total expenditures	-	1,950,000	2,552,891	602,891
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(1,948,500)	(2,551,536)	(603,036)
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	2,200,000	-	(2,200,000)
Transfers in	-	350,000	550,000	200,000
Transfers (out)	-	(52,000)	(111,550)	(59,550)
Total other financing sources (uses)	-	2,498,000	438,450	(2,059,550)
NET CHANGE IN FUND BALANCE	\$ -	\$ 549,500	(2,113,086)	\$ (2,662,586)
FUND BALANCE, MAY 1			2,489,795	
FUND BALANCE, APRIL 30			\$ 376,709	

(See independent auditors' report)

VILLAGE OF LEMONT, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

As of April 30, 2013

	Special Revenue					Vehicle Replacement Fund	Permanent Working Cash	Special Service Area	Capital Projects			Gateway Property Acquisition	Debt Service Debt Service	Total Nonmajor Governmental Funds
	Motor Fuel Tax	Illinois Municipal Retirement	Social Security	State Forfeiture	State DUI Fund				General Capital Improvement	TIF/Downtown Fund				
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES														
Cash and investments	\$ 435,700	\$ 91,669	\$ 102,842	\$ 5	\$ 5,701	\$ 7,026	\$ 817,167	\$ 201,663	\$ -	\$ 779,068	\$ 704,151	\$ 1,055	\$ 3,146,047	
Receivables (net of allowances for uncollectibles)	-	143,617	43,150	-	-	-	-	58,002	-	463,626	-	-	708,395	
Property taxes	-	435	287	-	-	-	-	-	-	-	-	-	28,238	
Other receivables	27,516	-	-	-	-	-	-	-	-	60,000	-	-	60,000	
Due from other funds	-	-	-	-	-	-	-	142,833	-	-	7	-	142,840	
Restricted cash and investments	-	-	-	-	-	-	-	-	-	6,111	-	-	6,111	
Prepays	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL ASSETS	463,216	235,721	146,279	5	5,701	7,026	817,167	402,498	-	1,308,805	704,158	1,055	4,091,631	
DEFERRED OUTFLOWS OF RESOURCES														
None	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total deferred outflows of resources	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 463,216	\$ 235,721	\$ 146,279	\$ 5	\$ 5,701	\$ 7,026	\$ 817,167	\$ 402,498	\$ -	\$ 1,308,805	\$ 704,158	\$ 1,055	\$ 4,091,631	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES														
LIABILITIES														
Accounts payable	\$ 11,281	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,758	\$ 380	\$ -	\$ 19,419	
Accrued payroll	-	-	10,719	-	-	-	-	-	-	2,381	-	-	13,100	
Unearned revenue	-	-	-	5	5,701	7,026	-	-	-	-	144,683	-	157,415	
Due to other funds	-	-	-	-	-	-	-	-	5,644	-	-	-	5,644	
Total liabilities	11,281	-	10,719	5	5,701	7,026	-	-	5,644	10,139	145,063	-	195,578	
DEFERRED INFLOWS OF RESOURCES														
Unavailable revenue	-	143,617	43,150	-	-	-	-	58,002	-	463,626	-	-	708,395	
Total deferred inflows of resources	-	143,617	43,150	-	-	-	-	58,002	-	463,626	-	-	708,395	
Total liabilities and deferred inflows of resources	11,281	143,617	53,869	5	5,701	7,026	-	58,002	5,644	473,765	145,063	-	903,973	
FUND BALANCES														
Nonspendable prepaids	-	-	-	-	-	-	-	-	-	6,111	-	-	6,111	
Nonspendable working cash	-	-	-	-	-	-	817,167	-	-	-	-	-	817,167	
Restricted for highways and streets	451,935	-	-	-	-	-	-	-	-	-	-	-	451,935	
Restricted for retirement purposes	-	92,104	92,410	-	-	-	-	-	-	-	-	-	184,514	
Restricted for debt service	-	-	-	-	-	-	-	142,833	-	-	-	1,055	143,888	
Restricted for economic development	-	-	-	-	-	-	-	201,663	-	828,929	559,095	-	1,589,687	
Unrestricted	-	-	-	-	-	-	-	-	(5,644)	-	-	-	(5,644)	
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total fund balances (deficits)	451,935	92,104	92,410	-	-	-	817,167	344,496	(5,644)	835,040	559,095	1,055	3,187,658	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 463,216	\$ 235,721	\$ 146,279	\$ 5	\$ 5,701	\$ 7,026	\$ 817,167	\$ 402,498	\$ -	\$ 1,308,805	\$ 704,158	\$ 1,055	\$ 4,091,631	

VILLAGE OF LEMONT, ILLINOIS

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

For the Year Ended April 30, 2013

	Special Revenue					Vehicle Replacement Fund
	Motor Fuel Tax	Illinois Municipal Retirement	Social Security	State Forfeiture	State DUI Fund	
REVENUES						
Property taxes	\$ -	\$ 218,393	\$ 68,149	\$ -	\$ -	\$ -
Other taxes	468,011	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Investment income	383	98	155	-	-	-
Miscellaneous income	-	1,123	1,922	-	-	-
Total revenues	468,394	219,614	70,226	-	-	-
EXPENDITURES						
Current						
General government	-	200,349	100,319	-	-	-
Highways and streets	519,865	73,039	57,425	-	-	-
Public safety	-	20,975	60,122	-	-	-
Capital outlay	27,384	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	547,249	294,363	217,866	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(78,855)	(74,749)	(147,640)	-	-	-
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(78,855)	(74,749)	(147,640)	-	-	-
FUND BALANCES (DEFICIT), MAY 1	530,790	166,853	240,050	-	-	-
FUND BALANCES (DEFICIT), APRIL 30	\$ 451,935	\$ 92,104	\$ 92,410	\$ -	\$ -	\$ -

Permanent Working Cash	Capital Projects				Gateway Property Acquisition	Debt Service Debt Service	Total Nonmajor Governmental Funds
	Special Service Area	Genral Capital Improvement	TIF/Downtown Fund				
\$ (734)	\$ 120,273	\$ -	\$ 955,931	-	\$ -	\$ 1,362,012	
-	-	-	-	-	-	468,011	
-	-	15,614	-	-	-	15,614	
714	158	1	705	1,180	114	3,508	
-	-	-	-	-	-	3,045	
(20)	120,431	15,615	956,636	1,180	114	1,852,190	
-	-	-	113,332	20,183	-	434,183	
-	-	-	-	-	-	650,329	
-	-	-	-	-	-	81,097	
-	-	86,748	127,151	1,091,965	-	1,333,248	
-	70,000	-	564,475	-	705,000	1,339,475	
-	71,815	-	71,128	-	752,609	895,552	
-	141,815	86,748	876,086	1,112,148	1,457,609	4,733,884	
(20)	(21,384)	(71,133)	80,550	(1,110,968)	(1,457,495)	(2,881,694)	
-	85,000	82,428	-	-	1,508,550	1,675,978	
(513)	-	-	(27,000)	(174,219)	(50,000)	(251,732)	
(513)	85,000	82,428	(27,000)	(174,219)	1,458,550	1,424,246	
(533)	63,616	11,295	53,550	(1,285,187)	1,055	(1,457,448)	
817,700	280,880	(16,939)	781,490	1,844,282	-	4,645,106	
\$ 817,167	\$ 344,496	\$ (5,644)	\$ 835,040	\$ 559,095	\$ 1,055	\$ 3,187,658	

VILLAGE OF LEMONT, ILLINOIS

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

For the Year Ended April 30, 2013

	2013			Variance Over (Under)
	Original Budget	Final Budget	Actual	
REVENUES				
Other taxes - mft allotments	\$ 385,600	\$ 471,558	\$ 468,011	\$ (3,547)
Investment income	150	383	383	-
Total revenues	385,750	471,941	468,394	(3,547)
EXPENDITURES				
Current				
Highways and streets	520,000	507,458	519,865	12,407
Capital outlay	10,000	17,340	27,384	10,044
Total expenditures	530,000	524,798	547,249	22,451
NET CHANGE IN FUND BALANCE	\$ (144,250)	\$ (52,857)	(78,855)	\$ (25,998)
FUND BALANCE, MAY 1			<u>530,790</u>	
FUND BALANCE, APRIL 30			<u>\$ 451,935</u>	

(See independent auditors' report)

VILLAGE OF LEMONT, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ILLINOIS MUNICIPAL RETIREMENT FUND**

For the Year Ended April 30, 2013

	2013			Variance Over (Under)
	Original Budget	Final Budget	Actual	
REVENUES				
Property taxes	\$ 202,762	\$ 218,393	\$ 218,393	\$ -
Investment income	75	95	98	3
Miscellaneous income	1,500	113	1,123	1,010
Total revenues	204,337	218,601	219,614	1,013
EXPENDITURES				
Current				
General government	194,385	200,342	200,349	7
Highways and streets	70,865	73,037	73,039	2
Public safety	20,350	20,974	20,975	1
Total expenditures	285,600	294,353	294,363	10
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(81,263)	(75,752)	(74,749)	1,003
OTHER FINANCING SOURCES (USES)				
Transfers in	-	3,000	-	-
Total other financing sources (uses)	-	3,000	-	-
NET CHANGE IN FUND BALANCE	\$ (81,263)	\$ (72,752)	(74,749)	\$ 1,003
FUND BALANCE, MAY 1			166,853	
FUND BALANCE, APRIL 30			\$ 92,104	

(See independent auditors' report)

VILLAGE OF LEMONT, ILLINOIS

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

For the Year Ended April 30, 2013

	2013			Variance Over (Under)
	Original Budget	Final Budget	Actual	
REVENUES				
Property taxes	\$ 137,291	\$ 68,149	\$ 68,149	\$ -
Investment income	75	155	155	-
Miscellaneous income	500	1,922	1,922	-
Total revenues	137,866	70,226	70,226	-
EXPENDITURES				
Current				
General government	101,302	95,387	100,319	4,932
Highways and streets	57,987	54,602	57,425	2,823
Public safety	60,711	57,166	60,122	2,956
Total expenditures	220,000	207,155	217,866	10,711
NET CHANGE IN FUND BALANCE	\$ (82,134)	\$ (136,929)	(147,640)	\$ (10,711)
FUND BALANCE, MAY 1			<u>240,050</u>	
FUND BALANCE, APRIL 30			<u>\$ 92,410</u>	

(See independent auditors' report)

VILLAGE OF LEMONT, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WORKING CASH FUND**

For the Year Ended April 30, 2013

	2013			Variance Over (Under)
	Original Budget	Final Budget	Actual	
REVENUES				
Property taxes	\$ -	\$ (734)	\$ (734)	\$ -
Investment income	250	715	714	(1)
Total revenues	250	(19)	(20)	(1)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	250	(19)	(20)	(1)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(250)	(513)	(513)	-
Total other financing sources (uses)	(250)	(513)	(513)	-
NET CHANGE IN FUND BALANCE	\$ -	\$ (532)	(533)	\$ (1)
FUND BALANCE, MAY 1			<u>817,700</u>	
FUND BALANCE, APRIL 30			<u>\$ 817,167</u>	

(See independent auditors' report)

VILLAGE OF LEMONT, ILLINOIS

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

For the Year Ended April 30, 2013

	2013			Variance Over (Under)
	Original Budget	Final Budget	Actual	
REVENUES				
Property taxes	\$ 65,000	\$ 120,273	\$ 120,273	\$ -
Investment income	-	158	158	-
Total revenues	65,000	120,431	120,431	-
EXPENDITURES				
Debt service				
Principal	70,000	70,000	70,000	-
Interest and fiscal charges	72,300	71,815	71,815	-
Total expenditures	142,300	141,815	141,815	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(77,300)	(21,384)	(21,384)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	85,000	85,000	85,000	-
Total other financing sources (uses)	85,000	85,000	85,000	-
NET CHANGE IN FUND BALANCE	\$ 7,700	\$ 63,616	63,616	\$ -
FUND BALANCE, MAY 1			280,880	
FUND BALANCE, APRIL 30			\$ 344,496	

(See independent auditors' report)

VILLAGE OF LEMONT, ILLINOIS

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

For the Year Ended April 30, 2013

	2013			Variance Over (Under)
	Original Budget	Final Budget	Actual	
REVENUES				
Grants	\$ -	\$ 16,001	\$ 15,614	\$ (387)
Investment income	50	(50)	1	51
Total revenues	50	15,951	15,615	(336)
EXPENDITURES				
Capital outlay	80,000	86,013	86,748	735
Total expenditures	80,000	86,013	86,748	735
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(79,950)	(70,062)	(71,133)	(1,071)
OTHER FINANCING SOURCES (USES)				
Transfers in	80,000	82,428	82,428	-
Total other financing sources (uses)	80,000	82,428	82,428	-
NET CHANGE IN FUND BALANCE	\$ 50	\$ 12,366	11,295	\$ (1,071)
FUND BALANCE (DEFICIT), MAY 1			(16,939)	
FUND BALANCE (DEFICIT), APRIL 30			\$ (5,644)	

(See independent auditors' report)

VILLAGE OF LEMONT, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TIF/DOWNTOWN FUND

For the Year Ended April 30, 2013

	2013			Variance Over (Under)
	Original Budget	Final Budget	Actual	
REVENUES				
Property taxes	\$ 1,140,000	\$ 955,931	\$ 955,931	\$ -
Investment income	250	705	705	-
Total revenues	1,140,250	956,636	956,636	-
EXPENDITURES				
Current				
General government	103,524	110,981	113,332	2,351
Capital outlay	292,500	258,325	127,151	(131,174)
Debt service				
Principal	560,000	1,118,000	564,475	(553,525)
Interest and fiscal charges	71,813	71,128	71,128	-
Total expenditures	1,027,837	1,558,434	876,086	(682,348)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	112,413	(601,798)	80,550	682,348
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(27,000)	(27,000)	(27,000)	-
Total other financing sources (uses)	(27,000)	(27,000)	(27,000)	-
NET CHANGE IN FUND BALANCE	\$ 85,413	\$ (628,798)	53,550	\$ 682,348
FUND BALANCE, MAY 1			781,490	
FUND BALANCE, APRIL 30			<u>\$ 835,040</u>	

(See independent auditors' report)

VILLAGE OF LEMONT, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GATEWAY PROPERTY ACQUISITION FUND**

For the Year Ended April 30, 2013

	2013			Variance Over (Under)
	Original Budget	Final Budget	Actual	
REVENUES				
Investment income	\$ -	\$ 1,000	\$ 1,180	\$ 180
Total revenues	-	1,000	1,180	180
EXPENDITURES				
Current				
General government	-	7,500	20,183	12,683
Capital outlay	-	1,002,000	1,091,965	89,965
Total expenditures	-	1,009,500	1,112,148	102,648
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(1,008,500)	(1,110,968)	(102,468)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	(81,000)	(174,219)	(93,219)
Total other financing sources (uses)	-	(81,000)	(174,219)	(93,219)
NET CHANGE IN FUND BALANCE	\$ -	\$ (1,089,500)	(1,285,187)	\$ (195,687)
FUND BALANCE, MAY 1			1,844,282	
FUND BALANCE, APRIL 30			\$ 559,095	

(See independent auditors' report)

VILLAGE OF LEMONT, ILLINOIS

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

For the Year Ended April 30, 2013

	2013			Variance Over (Under)
	Original Budget	Final Budget	Actual	
REVENUES				
Investment income	\$ 100	\$ 114	\$ 114	\$ -
Total revenues	100	114	114	-
EXPENDITURES				
Debt service				
Principal	705,000	706,612	705,000	(1,612)
Interest and fiscal charges	459,881	813,586	752,609	(60,977)
Total expenditures	1,164,881	1,520,198	1,457,609	(62,589)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,164,781)	(1,520,084)	(1,457,495)	62,589
OTHER FINANCING SOURCES (USES)				
Transfers in	1,172,781	1,508,550	1,508,550	-
Transfers out	-	(50,000)	(50,000)	-
Total other financing sources (uses)	1,172,781	1,458,550	1,458,550	-
NET CHANGE IN FUND BALANCE	\$ 8,000	\$ (61,534)	1,055	\$ 62,589
FUND BALANCE, MAY 1			-	
FUND BALANCE, APRIL 30			\$ 1,055	

(See independent auditors' report)

VILLAGE OF LEMONT, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL - NON-GAAP BUDGETARY BASIS
WATERWORKS AND SEWERAGE FUND

For the Year Ended April 30, 2013

	2013			Variance Over/ (Under)
	Original Budget	Final Budget	Actual	
OPERATING REVENUES				
Charges for services	\$ 4,080,300	\$ 4,510,684	\$ 4,495,463	\$ (15,221)
Penalties	43,500	40,741	40,740	(1)
Other income	64,600	61,433	21,311	(40,122)
Total operating revenues	4,188,400	4,612,858	4,557,514	(55,344)
OPERATING EXPENSES				
Water operations	1,465,850	165,042	982,062	817,020
Sewer operations	194,000	646,908	735,891	88,983
Other	3,500	849,582	851,715	2,133
Capital outlay	712,700	1,652,916	387,267	(1,265,649)
Total operating expenses	2,376,050	3,314,448	2,956,935	(357,513)
OPERATING INCOME (LOSS)	1,812,350	1,298,410	1,600,579	302,169
NONOPERATING REVENUES (EXPENSES)				
Grants	91,709	179,968	99,968	(80,000)
Intergovernmental rebate	123,291	123,291	123,292	1
Principal expense	(465,000)	(465,000)	(465,000)	-
Interest expense	(562,614)	(507,946)	(580,675)	(72,729)
Investment income	600	1,896	1,962	66
Total nonoperating revenues (expenses)	(812,014)	(667,791)	(820,453)	(152,662)
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	1,000,336	630,619	780,126	149,507
TRANSFERS				
Transfers (out)	(135,000)	(485,000)	(485,000)	-
Total transfers	(135,000)	(485,000)	(485,000)	-
CHANGE IN NET POSITION, BUDGETARY BASIS	\$ 865,336	\$ 145,619	295,126	\$ 149,507
ADJUSTMENTS TO GAAP BASIS				
Capital assets capitalized			59,182	
Principal payments			465,000	
Depreciation expense			(1,214,968)	
CHANGE IN NET POSITION, GAAP BASIS			(395,660)	
NET POSITION, MAY 1			44,786,584	
Prior period adjustments			(160,181)	
NET ASSETS, MAY 1, RESTATED			44,626,403	
NET POSITION, APRIL 30			\$ 44,230,743	

(See independent auditors' report)

VILLAGE OF LEMONT, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL - NON-GAAP BUDGETARY BASIS
PARKING LOT AND GARAGE FUND

For the Year Ended April 30, 2013

	2013			Variance Over/ (Under)
	Original Budget	Final Budget	Actual	
OPERATING REVENUES				
Charges for services				
Licenses and permits	\$ 98,600	\$ 104,962	\$ 113,333	\$ 8,371
Fines and forfeitures	5,000	-	-	-
Total operating revenues	<u>103,600</u>	<u>104,962</u>	<u>113,333</u>	<u>8,371</u>
OPERATING EXPENSES				
Parking lot operations	97,710	132,678	92,737	(39,941)
Capital outlay	-	26,100	34,960	8,860
Total operating expenses	<u>97,710</u>	<u>158,778</u>	<u>127,697</u>	<u>(31,081)</u>
OPERATING INCOME (LOSS)	<u>5,890</u>	<u>(53,816)</u>	<u>(14,364)</u>	<u>39,452</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	25	57	58	1
Total nonoperating revenues (expenses)	<u>25</u>	<u>57</u>	<u>58</u>	<u>1</u>
CHANGE IN NET POSITION, BUDGETARY BASIS	<u>\$ 5,915</u>	<u>\$ (53,759)</u>	<u>(14,306)</u>	<u>\$ 39,453</u>
ADJUSTMENTS TO GAAP BASIS				
Depreciation expense			<u>(6,723)</u>	
CHANGE IN NET POSITION, GAAP BASIS			<u>(21,029)</u>	
NET POSITION, MAY 1			<u>112,319</u>	
NET POSITION, APRIL 30			<u>\$ 91,290</u>	

VILLAGE OF LEMONT, ILLINOIS

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

For the Year Ended April 30, 2013

	Balances May 1	Additions	Deletions	Balances April 30
GMAT FUND				
ASSETS				
Cash and cash equivalents	\$ 53,886	\$ 944,465	\$ 885,219	\$ 113,132
TOTAL ASSETS	\$ 53,886	\$ 944,465	\$ 885,219	\$ 113,132
LIABILITIES				
Due to other agencies	\$ 53,886	\$ 944,465	\$ 885,219	\$ 113,132
TOTAL LIABILITIES	\$ 53,886	\$ 944,465	\$ 885,219	\$ 113,132

(See independent auditors' report)

VILLAGE OF LEMONT, ILLINOIS

**SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
BUDGET AND ACTUAL
POLICE PENSION FUND**

For the Year Ended April 30, 2013

	2013			Variance Over/ (Under)
	Original Budget	Final Budget	Actual	
ADDITIONS				
Contributions				
Employer contributions	\$ 500,000	\$ 489,312	\$ 489,312	\$ -
Employee contributions	-	211,438	211,438	-
Total contributions	500,000	700,750	700,750	-
Investment income				
Interest	-	379,249	379,249	-
Net appreciation in fair value of investments	-	428,268	428,268	-
Less investment expense	-	(924)	(924)	-
Net investment income	-	806,593	806,593	-
Total additions	500,000	1,507,343	1,507,343	-
DEDUCTIONS				
Pension benefits	377,100	377,097	377,097	-
Administrative expenses	10,000	5,625	5,631	6
Total deductions	387,100	382,722	382,728	6
NET INCREASE	\$ 112,900	\$ 1,124,621	1,124,615	\$ (6)
NET POSITION HELD IN TRUST FOR PENSION BENEFITS				
MAY 1			<u>10,574,631</u>	
APRIL 30			<u>\$ 11,699,246</u>	

(See independent auditors' report)

VILLAGE OF LEMONT, ILLINOIS

NET POSITION BY COMPONENT INCLUDING TIF ACTIVITY

Last Ten Fiscal Years

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 82,588,736	\$ 76,511,435	\$ 95,497,241	\$ 111,824,975	\$ 115,536,016	\$ 113,282,884	\$ 107,791,778	\$ 113,633,552	\$ 111,210,449	\$ 108,617,555
Restricted	210,486	2,122,179	2,192,032	2,315,242	2,660,679	2,249,517	1,557,191	4,006,559	5,738,770	4,509,441
Unrestricted	7,848,385	6,807,203	5,468,446	4,253,978	3,254,562	2,156,579	1,123,156	(10,737,180)	(8,149,273)	(6,629,863)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 90,647,607	\$ 85,440,817	\$ 103,157,719	\$ 118,394,195	\$ 121,451,257	\$ 117,688,980	\$ 110,472,125	\$ 106,902,931	\$ 108,799,946	\$ 106,497,133
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	\$ 37,597,096	\$ 34,644,484	\$ 32,193,600	\$ 37,732,885	\$ 39,235,356	\$ 41,846,345	\$ 43,201,772	\$ 43,704,599	\$ 43,104,398	\$ 42,567,087
Unrestricted	2,592,547	7,098,179	3,864,084	2,191,846	2,637,383	1,645,976	1,737,785	1,607,364	1,794,505	1,754,946
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 40,189,643	\$ 41,742,663	\$ 36,057,684	\$ 39,924,731	\$ 41,872,739	\$ 43,492,321	\$ 44,939,557	\$ 45,311,963	\$ 44,898,903	\$ 44,322,033
PRIMARY GOVERNMENT										
Net investment in capital assets	\$ 120,185,832	\$ 111,155,919	\$ 127,690,841	\$ 149,557,860	\$ 154,771,372	\$ 155,129,229	\$ 150,993,550	\$ 157,338,151	\$ 154,314,847	\$ 151,184,642
Restricted	210,486	2,122,179	2,192,032	2,315,242	2,660,679	2,249,517	1,557,191	4,006,559	5,738,770	4,509,441
Unrestricted	10,440,932	13,905,382	9,332,530	6,445,824	5,891,945	3,802,555	2,860,941	(9,129,816)	(6,354,768)	(4,874,917)
TOTAL PRIMARY GOVERNMENT	\$ 130,837,250	\$ 127,183,480	\$ 139,215,403	\$ 158,318,926	\$ 163,323,996	\$ 161,181,301	\$ 155,411,682	\$ 152,214,894	\$ 153,698,849	\$ 150,819,166

Data Source

Audited Financial Statements

VILLAGE OF LEMONT, ILLINOIS

CHANGE IN NET POSITION INCLUDING TIF ACTIVITY

Last Ten Fiscal Years

Fiscal Year	2004	2005	2006
PROGRAM REVENUES			
Governmental activities			
Charges for services			
General government	\$ 1,523,881	\$ 1,152,505	\$ 1,647,655
Public safety	-	-	152,520
Highways and streets	-	-	-
Operating grants and contributions	625,581	614,236	302,432
Capital grants and contributions	-	428,091	13,989,539
Total governmental activities program revenues	<u>2,149,462</u>	<u>2,194,832</u>	<u>16,092,146</u>
Business-type activities			
Charges for services			
Waterworks	2,929,975	3,280,585	3,021,822
Sewerage	-	-	863,018
Parking	74,673	73,944	75,954
Operating grants and contributions	180,152	-	-
Capital grants and contributions	-	413,107	4,779,764
Total business-type activities program revenues	<u>3,184,800</u>	<u>3,767,636</u>	<u>8,740,558</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 5,334,262</u>	<u>\$ 5,962,468</u>	<u>\$ 24,832,704</u>
EXPENSES			
Governmental activities			
General government	\$ 5,964,984	\$ 6,401,775	\$ 3,697,991
Public safety	2,418,576	2,666,787	7,007,777
Highways and streets	1,214,667	2,146,665	8,832,330
Interest	428,379	3,842,194	387,717
Total governmental activities expenses	<u>10,026,606</u>	<u>15,057,421</u>	<u>19,925,815</u>
Business-type activities			
Waterworks and sewerage	5,741,477	2,539,841	2,818,666
Parking facilities	23,867	24,845	46,373
Total business-type activities expenses	<u>5,765,344</u>	<u>2,564,686</u>	<u>2,865,039</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>\$ 15,791,950</u>	<u>\$ 17,622,107</u>	<u>\$ 22,790,854</u>
NET (EXPENSE) REVENUE			
Governmental activities	\$ (7,877,144)	\$ (12,862,589)	\$ (3,833,669)
Business-type activities	(2,580,544)	1,202,950	5,875,519
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	<u>\$ (10,457,688)</u>	<u>\$ (11,659,639)</u>	<u>\$ 2,041,850</u>

Data Source

Audited Financial Statements

2007	2008	2009	2010	2011	2012	2013
\$ 1,226,868	\$ 1,487,904	\$ 850,826	\$ 1,054,113	\$ 876,048	\$ 1,252,391	\$ 695,222
139,509	187,912	304,867	280,326	213,631	236,659	463,084
-	-	-	-	-	-	52,111
185,739	141,865	552,137	-	291,393	651,933	468,011
16,232,191	4,509,435	176,043	201,135	991,608	3,603,611	304,277
17,784,307	6,327,116	1,883,873	1,535,574	2,372,680	5,744,594	1,982,705
2,983,521	3,715,918	3,123,711	3,067,744	3,089,341	3,069,408	3,550,275
862,677	806,179	617,198	617,200	974,375	972,528	1,007,239
73,755	78,400	85,998	80,406	123,237	100,641	113,333
-	-	-	-	-	113,360	123,292
4,010,838	1,420,757	2,630,392	1,771,331	722,195	1,136,996	99,968
7,930,791	6,021,254	6,457,299	5,536,681	4,909,148	5,392,933	4,894,107
\$ 25,715,098	\$ 12,348,370	\$ 8,341,172	\$ 7,072,255	\$ 7,281,828	\$ 11,137,527	\$ 6,876,812
\$ 4,552,763	\$ 4,604,924	\$ 5,184,989	\$ 6,732,528	\$ 6,482,323	\$ 3,417,256	\$ 2,907,898
3,749,259	3,975,910	4,402,998	4,258,878	3,745,039	6,068,597	6,404,463
3,896,937	4,977,355	5,822,897	6,918,930	3,692,053	3,210,280	3,727,754
582,912	580,482	873,478	834,103	942,807	946,529	1,070,454
12,781,871	14,138,671	16,284,362	18,744,439	14,862,222	13,642,662	14,110,569
3,369,907	3,275,116	3,417,231	3,153,719	3,140,722	5,323,514	4,693,396
30,586	47,854	86,082	101,141	305,895	101,089	134,420
3,400,493	3,322,970	3,503,313	3,254,860	3,446,617	5,424,603	4,827,816
\$ 16,182,364	\$ 17,461,641	\$ 19,787,675	\$ 21,999,299	\$ 18,308,839	\$ 19,067,265	\$ 18,938,385
\$ 5,002,436	\$ (7,811,555)	\$ (14,400,489)	\$ (17,208,865)	\$ (12,489,542)	\$ (7,898,068)	\$ (12,127,864)
4,530,298	2,698,284	2,953,986	2,281,821	1,462,531	(31,670)	66,291
\$ 9,532,734	\$ (5,113,271)	\$ (11,446,503)	\$ (14,927,044)	\$ (11,027,011)	\$ (7,929,738)	\$ (12,061,573)

VILLAGE OF LEMONT, ILLINOIS

CHANGE IN NET POSITION INCLUDING TIF ACTIVITY (Continued)

Last Ten Fiscal Years

Fiscal Year	2005	2005	2006
GENERAL REVENUES AND OTHER			
CHANGES IN NET POSITION			
Governmental activities			
Taxes			
Property	\$ 2,466,461	\$ 2,466,461	\$ 2,579,697
Sales	1,611,452	1,611,452	1,949,014
Intergovernmental	3,158,032	3,158,032	3,831,653
Investment income	110,752	110,752	316,273
Miscellaneous	537,064	537,064	716,621
Transfers	(227,962)	(227,962)	12,157,313
Total governmental activities	7,655,799	7,655,799	21,550,571
Business-type activities			
Investment income	81,799	81,799	235,089
Miscellaneous	40,309	40,309	361,726
Transfers	227,962	227,962	(12,157,313)
Total business-type activities	350,070	350,070	(11,560,498)
TOTAL PRIMARY GOVERNMENT	\$ 8,005,869	\$ 8,005,869	\$ 9,990,073
CHANGE IN NET POSITION			
Governmental activities	\$ (221,345)	\$ (5,206,790)	\$ 17,716,902
Business-type activities	(2,230,474)	1,553,020	(5,684,979)
TOTAL PRIMARY GOVERNMENT	\$ (2,451,819)	\$ (3,653,770)	\$ 12,031,923

Data Source

Audited Financial Statements

2007	2008	2009	2010	2011	2012	2013
\$ 2,778,949	\$ 2,876,657	\$ 3,112,108	\$ 3,593,495	\$ 3,845,522	\$ 4,109,039	\$ 4,246,430
1,998,960	1,886,940	1,640,446	1,679,676	1,744,706	1,668,624	1,766,972
3,629,851	4,162,666	3,496,019	3,103,076	3,742,692	3,214,930	3,607,204
399,606	438,925	201,642	15,428	8,724	4,632	8,018
550,778	643,130	825,550	755,511	470,039	414,400	17,201
875,896	860,299	1,362,447	844,824	893,349	383,460	485,000
10,234,040	10,868,617	10,638,212	9,992,010	10,705,032	9,795,085	10,130,825
149,195	110,023	28,043	10,239	7,758	2,070	2,020
63,450	-	-	-	24,652	-	-
(875,896)	(860,299)	(1,362,447)	(844,824)	(893,349)	(383,460)	(485,000)
(663,251)	(750,276)	(1,334,404)	(834,585)	(860,939)	(381,390)	(482,980)
\$ 9,570,789	\$ 10,118,341	\$ 9,303,808	\$ 9,157,425	\$ 9,844,093	\$ 9,413,695	\$ 9,647,845
\$ 15,236,476	\$ 3,057,062	\$ (3,762,277)	\$ (7,216,855)	\$ (1,784,510)	\$ 1,897,017	\$ (1,997,039)
3,867,047	1,948,008	1,619,582	1,447,236	601,592	(413,060)	(416,689)
\$ 19,103,523	\$ 5,005,070	\$ (2,142,695)	\$ (5,769,619)	\$ (1,182,918)	\$ 1,483,957	\$ (2,413,728)

VILLAGE OF LEMONT, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
GENERAL FUND										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,033	\$ 63,773	\$ 25,687
Unreserved/unassigned	1,933,652	1,858,993	2,925,184	2,267,988	1,488,355	596,684	775,096	752,044	1,673,748	2,367,142
TOTAL GENERAL FUND	\$ 1,933,652	\$ 1,858,993	\$ 2,925,184	\$ 2,267,988	\$ 1,488,355	\$ 596,684	\$ 775,096	\$ 855,077	\$ 1,737,521	\$ 2,392,829
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable	-	-	-	-	-	-	-	816,994	949,265	823,278
Reserved/restricted	1,029,454	2,122,179	1,143,782	1,500,850	9,792,747	1,859,933	1,087,418	3,189,565	7,458,053	4,088,754
Unreserved/unassigned/assigned, reported in										
Special Revenue Funds	882,489	2,478,445	1,090,145	1,165,844	2,461,072	1,784,005	2,055,168	-	-	-
Capital Project Funds	2,164,436	1,640,417	3,034,736	2,452,360	1,929,283	1,813,000	1,317,457	22,486	(17,674)	(5,644)
Debt Service Funds	906,151	(39,633)	(39,633)	2,883	-	-	-	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 4,982,530	\$ 6,201,408	\$ 5,229,030	\$ 5,121,937	\$ 14,183,102	\$ 5,456,938	\$ 4,460,043	\$ 4,029,045	\$ 8,389,644	\$ 4,906,388

NOTE: The Village implemented GASB 54 as of April 30, 2011.

Data Source

Audited Financial Statements

VILLAGE OF LEMONT, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
REVENUES										
Charges for services	\$ 10,091	\$ 10,942	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310,108	\$ 85,855	\$ 98,840
Intergovernmental revenue	-	614,236	511,580	473,381	475,968	454,520	439,026	551,669	1,768,184	1,588,699
Fees by agreement	-	-	170,120	188,524	215,033	207,764	198,173	227,858	-	-
Property Taxes	2,223,543	2,466,461	2,579,697	2,778,949	2,876,657	3,112,108	3,593,495	3,845,522	4,109,039	4,175,306
Intergovernmental Taxes	2,941,063	3,158,032	3,263,053	3,351,941	3,431,478	3,082,329	2,941,403	3,893,185	2,489,905	2,605,401
Licenses and permits	1,206,824	1,141,563	1,477,535	1,038,344	1,272,871	643,062	855,940	565,940	1,166,536	896,268
Fines and forfeits	-	-	152,520	139,509	187,912	304,867	280,326	213,631	236,659	267,289
Interest	74,251	110,752	316,273	399,606	438,925	201,642	15,428	8,724	4,632	8,019
Grants	625,581	-	4,091,083	5,241,596	796,158	273,660	201,135	-	-	-
Contributions	-	-	35,000	81,989	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-	33,235	-	-	-
Other tax	1,549,733	1,611,452	2,046,034	1,803,489	2,142,160	2,054,136	1,841,349	1,594,213	1,568,877	1,590,120
Miscellaneous	657,353	564,918	716,621	550,778	643,130	825,550	283,250	238,146	422,332	327,509
Total revenues	9,288,439	9,678,356	15,359,516	16,048,106	12,480,292	11,159,638	10,682,760	11,448,996	11,852,019	11,557,451
EXPENDITURES										
General government	3,419,607	5,338,262	3,631,067	3,736,487	4,508,107	4,476,182	3,626,120	3,549,570	3,014,924	2,446,439
Highway and streets	1,214,667	1,094,476	1,382,587	1,562,977	1,538,306	1,234,887	1,232,564	1,401,603	1,067,386	1,455,356
Public safety	2,418,576	2,502,870	7,041,065	3,392,656	3,616,449	3,704,411	3,558,940	3,708,643	3,784,546	4,153,066
Health and welfare	-	-	-	-	-	-	-	-	-	-
Capital outlay	3,486,319	703,118	4,973,191	8,012,768	5,783,971	10,210,146	4,803,390	1,503,543	3,695,995	4,265,643
Debt service										
Principal	448,750	728,750	819,681	1,102,077	1,120,068	1,206,339	1,425,000	1,548,599	3,897,513	1,489,475
Interest	374,505	384,092	380,676	426,361	390,162	858,508	845,843	873,810	893,820	1,071,037
Incentives	53,874	57,175	-	-	-	-	-	-	-	-
Bond issuance cost	-	140,815	-	-	149,935	-	76,236	-	25,346	-
Total expenditures	11,416,298	10,949,558	18,228,267	18,233,326	17,106,998	21,690,473	15,568,093	12,585,768	16,379,530	14,881,016
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,127,859)	(1,271,202)	(2,868,751)	(2,185,220)	(4,626,706)	(10,530,835)	(4,885,333)	(1,136,772)	(4,527,511)	(3,323,565)

VILLAGE OF LEMONT, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
OTHER FINANCING SOURCES (USES)										
Bonds issued	\$ -	\$ 9,093,386	\$ 45,000	\$ -	\$ 11,850,238	\$ -	\$ 3,185,000	\$ -	\$ -	\$ -
Proceeds from cap lease	-	-	88,874	109,790	-	-	-	-	-	-
Proceeds from sale of cap asset	-	-	-	-	-	-	-	10,035	10,035	10,617
Premium on bonds	-	-	-	-	-	-	-	-	-	-
Discount on bonds	-	-	-	-	-	-	(46,150)	-	-	-
Payment made to bond escrow	-	(7,444,313)	-	-	-	-	-	-	-	-
Transfer in	1,164,032	1,360,715	5,269,021	3,855,801	2,903,145	2,992,991	3,187,361	3,184,129	3,184,129	2,753,491
Transfer out	(623,683)	(594,367)	(2,440,331)	(2,544,660)	(1,845,145)	(2,079,991)	(2,259,361)	(2,290,780)	(2,290,780)	(2,268,491)
Total other financing sources (uses)	540,349	2,415,421	2,962,564	1,420,931	12,908,238	913,000	4,066,850	903,384	903,384	495,617
NET CHANGE IN FUND BALANCES	\$ (1,587,510)	\$ 1,144,219	\$ 93,813	\$ (764,289)	\$ 8,281,532	\$ (9,617,835)	\$ (818,483)	\$ (233,388)	\$ (3,624,127)	\$ (2,827,948)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	10.38%	10.86%	9.06%	14.95%	13.34%	22.55%	20.29%	20.64%	30.86%	22.53%

Data Source

Audited Financial Statements

VILLAGE OF LEMONT, ILLINOIS

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASSIFICATION

Last Ten Fiscal Years

	Residential Value	Farm Value	Commercial Value	Industrial Value	Total Real Estate	Railroad Value	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2003	260,363,988	123,622	62,953,190	30,313,364	353,754,164	570,485	354,324,649	0.473	1,062,973,947	33.33%
2004	271,775,771	134,792	64,880,259	29,082,063	365,782,885	496,641	366,369,526	0.490	1,099,108,578	33.33%
2005	305,029,835	217,550	70,753,300	29,252,776	405,253,461	457,335	405,710,796	0.472	1,217,132,388	33.33%
2006	389,413,006	18,706	85,203,983	37,522,744	512,158,439	410,806	512,569,245	0.401	1,537,707,735	33.33%
2007	403,740,772	197,286	89,328,285	34,874,566	528,140,909	418,795	528,559,704	0.415	1,585,679,112	33.33%
2008	443,338,065	197,286	94,005,933	38,602,445	576,143,729	452,764	576,596,493	0.403	1,729,789,479	33.33%
2009	517,074,308	98,784	106,032,948	49,505,414	672,680,684	535,321	673,246,775	0.367	2,019,740,325	33.33%
2010	561,753,175	95,444	91,305,041	50,947,353	704,101,013	646,093	704,747,146	0.359	2,114,241,438	33.33%
2011	585,095,855	95,445	79,031,763	37,477,045	701,700,108	723,152	702,423,260	0.373	2,107,269,780	33.33%
2012	482,270,586	90,113	78,531,349	39,026,872	599,918,920	862,124	600,781,044	0.448	1,802,343,132	33.33%

Data Source

Cook County Clerk's Office

2012 tax year information (for fiscal 2013) not available at the time of this report.

VILLAGE OF LEMONT, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENT

LAST TEN LEVY YEARS

April 30, 2013

Tax Levy Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
VILLAGE DIRECT RATES										
Corporate	0.136	0.132	0.101	0.104	0.094	0.087	0.093	0.126	0.229	0.235
Bond & Interest	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Garbage	0.002	0.001	0.001	0.001	0.001	0.001	0.001	0.000	0.000	0.000
Police Pension	0.074	0.076	0.072	0.078	0.080	0.069	0.071	0.072	0.084	0.093
IMRF	0.042	0.047	0.044	0.051	0.049	0.044	0.043	0.034	0.027	0.052
Street & Bridge	0.046	0.041	0.033	0.033	0.030	0.028	0.027	0.027	0.021	0.023
Police Protection	0.035	0.032	0.025	0.024	0.023	0.026	0.026	0.025	0.030	0.032
Civil Defense	0.001	0.001	0.001	0.001	0.001	0.001	0.002	0.001	0.001	0.001
Social Security	0.056	0.052	0.047	0.049	0.047	0.044	0.043	0.034	0.010	0.016
Auditing	0.007	0.006	0.006	0.006	0.005	0.005	0.005	0.005	0.004	0.005
Liability Insurance	0.029	0.026	0.023	0.022	0.027	0.024	0.022	0.022	0.010	0.011
Street Lighting	0.025	0.023	0.019	0.019	0.017	0.015	0.014	0.014	0.011	0.012
Crossing Guards	0.007	0.006	0.005	0.005	0.005	0.004	0.004	0.004	0.001	0.001
Working Cash Funds	0.018	0.017	0.013	0.013	0.012	0.010	0.001	0.000	0.000	0.000
Workmen's Compensation	0.014	0.013	0.010	0.010	0.011	0.010	0.009	0.009	0.019	0.021
TOTAL RATES	0.490	0.472	0.401	0.415	0.403	0.367	0.359	0.373	0.448	0.502
OVERLAPPING RATES										
School District 113	2.012	1.932	1.677	1.716	1.664	1.551	1.551	1.643	1.964	2.194
Lemont Fire Protection District	0.656	0.644	0.556	0.643	0.646	0.630	0.588	0.636	0.728	0.801
Lemont Library District	0.179	0.174	0.132	0.153	0.149	0.135	0.135	0.142	0.173	0.193
Village of Lemont	0.490	0.472	0.401	0.415	0.403	0.367	0.359	0.373	0.448	0.502
Lemont Park District	0.320	0.324	0.266	0.285	0.426	0.380	0.382	0.393	0.461	0.504
Joliet Comm. College District	0.214	0.214	0.208	0.196	0.189	0.189	0.217	0.229	0.249	0.275
Lemont High School District	1.901	1.837	1.604	1.638	1.582	1.471	1.468	1.550	1.844	2.024
So Cook County Mosquito Abate	0.013	0.012	0.010	0.007	0.006	0.009	0.009	0.010	0.012	0.014
Metropolitan Water Reclam. District	0.361	0.347	0.315	0.284	0.263	0.252	0.261	0.274	0.320	0.370
Lemont General Assistance	0.002	0.002	0.002	0.002	0.002	0.001	0.002	0.002	0.002	0.002
Lemont Road & Bridge	0.112	0.108	0.089	0.092	0.089	0.080	0.080	0.084	0.103	0.115
Lemont Township	0.224	0.214	0.180	0.188	0.180	0.169	0.172	0.186	0.236	0.268

VILLAGE OF LEMONT, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENT

LAST TEN LEVY YEARS

April 30, 2013

Tax Levy Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Consolidated Elections	0.029	-	0.014	-	0.012	-	0.021	-	0.025	-
Suburban TB Sanitarium	0.004	0.001	0.005	0.005	-	-	-	-	-	-
Cook County Forest Preserve	0.059	0.060	0.060	0.057	0.053	0.051	0.049	0.051	0.058	0.063
Cook County	0.630	0.593	0.533	0.500	0.446	0.415	0.394	0.423	0.462	0.531
Cook County Health Facilities	(2)	(2)	(2)	(2)	(2)	(2)	(2)			
Northwest Homer Fire Prot Dist	-	-	0.372	0.360	0.345	0.349	0.352	0.372	0.403	0.450
TOTAL RATES	7.206	6.934	6.424	6.541	6.455	6.049	6.040	6.368	7.488	8.306

Data Source

Cook County Clerk's Office

(2) Cook County Health Facilities rate combined with Cook County

VILLAGE OF LEMONT, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

2013					2003				
Taxpayer	Type of Business	Equalized Assessed Valuation	Rank	Percentage of Total Village Equalized Assessed Valuation	Taxpayer	Equalized Assessed Valuation	Rank	Percentage of Total Village Equalized Assessed Valuation	
Target Droptax T1213	Discount department store	\$ 7,757,879	1	1.29%	Target Drop tax	\$ 8,601,695	1	2.43%	
GK Development Inc	Shopping center, supermarket, and one story stores	5,584,493	2	0.93%	IMIT Lemont	6,286,282	2	1.77%	
Timberline Knolls LLC	Commercial properties and vacant land	5,111,954	3	0.73%	Kohl's Department Store	5,486,311	3	1.55%	
Kohl's Department Store	Department store	4,899,901	4	0.82%	Alberston Prop Tax	5,033,775	4	1.42%	
Long Run 1031 LLC	Shopping center and one story store	4,803,445	5	0.80%	Ryan Co. US	4,317,085	5	1.22%	
Albertson Prop Tax	Jewel food store	4,593,228	6	0.76%	Genesis Health Venture	3,246,611	6	0.92%	
Lemont Property LLC	Special commercial property with improvements	4,502,812	7	0.75%	Individual	2,649,770	7	0.75%	
IMTT Illinois	Industrial properties and vacant land	3,505,124	8	0.58%	GK Development	2,639,388	8	0.74%	
Tax Dept	Two or three story building with retail and/or commerc	3,434,741	9	0.57%	American Golf Corporation	2,253,596	9	0.64%	
OS Lemont LLC	One-story store	3,824,686	10	0.64%	Rock Creek Center	2,108,129	10	0.59%	
		<u>\$ 48,018,263</u>		<u>7.99%</u>		<u>\$ 42,622,642</u>		<u>12.03%</u>	

*Note: Includes only those parcels located in Cook County with 2011 Equalized Assessed Values over approximately \$285,000

Data Source

Office of the Cook County Clerk

(1) 2002 information unavailable at the time of this report. 2003 information is presented for comparison.

VILLAGE OF LEMONT, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections* in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	1,793,868	1,654,667	92.24%	*	1,654,667	92.24%
2004	1,912,908	2,056,557	107.51%	*	2,056,557	107.51%
2005	2,055,215	1,847,252	89.88%	*	1,847,252	89.88%
2006	2,127,200	2,157,122	101.41%	*	2,157,122	101.41%
2007	2,329,000	2,300,544	98.78%	*	2,300,544	98.78%
2008	2,479,600	2,426,206	97.85%	*	2,426,206	97.85%
2009	2,522,000	1,215,667	48.20%	1,165,327	2,380,994	94.41%
2010	2,650,443	1,288,028	48.60%	1,293,864	2,581,892	97.41%
2011	2,675,705	1,348,530	50.40%	1,064,246	2,412,776	90.17%
2012	2,784,233	1,126,506	40.46%	-	1,126,506	40.46%

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

Data Source

Office of the County Clerk

*Collections in subsequent years not available prior to fiscal year 2009.

VILLAGE OF LEMONT, ILLINOIS

RATIOS OF OUTSTANDING DEBT AND GENERAL BONDED DEBT

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Installment Contracts Payable	Tax Bonds Payable	Notes Payable	TIF General Obligation	TIF Increment Finance Bond	Water/Sewer Fund Obligation Debt	Water/Sewer Fund Installment Contracts	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
April 30, 2004	2,455,000	126,882	3,320,000	-	4,235,000	1,475,769	1,975,000	457,360	14,045,011	1.27%	1,072.30
April 30, 2005	3,685,000	179,501	3,055,000	-	4,290,000	1,462,598	7,515,000	385,930	20,573,029	1.67%	1,317.60
April 30, 2006	3,370,000	149,829	2,830,000	-	4,130,000	1,453,853	7,515,000	311,789	19,760,471	1.27%	1,265.56
April 30, 2007	2,985,000	131,560	2,590,000	1,500,000	3,795,000	1,439,164	7,185,000	235,393	19,861,117	1.24%	1,272.01
April 30, 2008	11,570,000	36,558	2,335,000	1,476,487	6,130,000	1,413,164	6,785,000	150,593	29,896,802	1.71%	1,798.30
April 30, 2009	11,100,000	-	2,055,000	1,426,487	5,725,000	1,387,779	6,360,000	69,479	28,123,745	1.38%	1,691.65
April 30, 2010	10,570,000	-	3,190,000	1,376,487	5,225,000	1,355,626	5,935,000	-	27,652,113	1.29%	1,663.28
April 30, 2011	10,010,000	-	2,805,000	1,326,487	6,465,000	1,315,477	10,505,000	291,562	32,718,526	1.54%	2,044.91
April 30, 2012	17,860,000	-	2,395,000	226,487	5,930,000	1,269,245	10,040,000	221,092	37,941,824	2.08%	2,371.36
April 30, 2013	17,525,000	-	1,955,000	226,487	5,285,000	1,211,511	9,840,000	237,236	36,280,234	2.15%	2,267.51

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

See the Schedule on page 116 for property value data.

Data Source

U.S. Census Bureau
Village Records
County Clerk's

VILLAGE OF LEMONT, ILLINOIS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	Population	Equalized Assessed Valuation*	Governmental Activities			
			Gross General Obligation Debt	Less Debt Service Monies Available	Debt Payable From Other Revenues	Net General Obligation Debt
April 30, 2004	13,098	\$ 366,369,526	\$ 2,581,882	\$ -	\$ 2,455,000	\$ 126,882
April 30, 2005	15,614	405,710,796	3,864,501	(39,633)	3,685,000	219,134
April 30, 2006	15,614	512,569,245	3,519,829	(39,633)	3,370,000	189,462
April 30, 2007	15,614	528,559,704	4,616,560	2,883	2,985,000	1,628,677
April 30, 2008	16,625	576,596,493	13,083,045	13,168	11,570,000	1,499,877
April 30, 2009	16,625	673,246,775	12,526,487	20,779	11,100,000	1,405,708
April 30, 2010	16,625	704,747,146	11,946,487	79,935	10,570,000	1,296,552
April 30, 2011	16,000	702,423,260	11,336,487	97,683	10,010,000	1,228,804
April 30, 2012	16,000	600,781,044	18,086,487	-	17,860,000	226,487
April 30, 2013	16,000	555,635,910	17,751,487	-	17,525,000	226,487

Year Ended	Business Type Activities			Total Primary Government		
	General Obligation Debt	Installment Contracts	Total Business-Type	Total Debt Outstanding	Per Capita	Percentage of Assessed Value
April 30, 2004	1,975,000	457,360	2,432,360	5,014,242	383	1.37%
April 30, 2005	7,515,000	385,930	7,900,930	11,765,431	754	2.90%
April 30, 2006	7,515,000	311,789	7,826,789	11,346,618	727	2.21%
April 30, 2007	7,185,000	235,393	7,420,393	12,036,953	771	2.28%
April 30, 2008	6,785,000	150,593	6,935,593	20,018,638	1,204	3.47%
April 30, 2009	6,360,000	69,479	6,429,479	18,955,966	1,140	2.82%
April 30, 2010	5,935,000	-	5,935,000	17,881,487	1,076	2.54%
April 30, 2011	10,505,000	291,562	10,796,562	22,133,049	1,383	3.15%
April 30, 2012	10,040,000	221,092	10,261,092	28,347,579	1,772	4.72%
April 30, 2013	9,840,000	237,236	10,077,236	27,828,723	1,739	5.01%

See the Schedule on page 116 for property value data.

Data Source

U.S. Census Bureau
Village Records
County Clerk's

VILLAGE OF LEMONT, ILLINOIS

DIRECT AND OVERLAPPING BONDED DEBT

April 30,2013

	Outstanding Bonds	Applicable to Village	
		Percentage	Amount
<u>Direct Debt</u>			
VILLAGE OF LEMONT	\$ - (1)	100.000%	\$ -
<u>Overlapping Bonded Debt Counties:</u>			
Cook County	\$ 3,706,435,000	0.412%	\$ 15,270,512
Cook County Forest Preserve District	131,500,000	0.412%	541,780
DuPage County	46,510,000.00 (1)	0.002%	930
DuPage County Forest Preserve District	187,300,103 (1)(2)	0.002%	3,746
Will County	- (1)	0.001%	-
Will County Forest Preserve District	153,802,604 (2)	0.001%	1,538
<u>Miscellaneous Districts:</u>			
Lemont Township	5,010,000	70.100%	3,512,010
Metropolitan Water Reclamation District	2,492,761,543 (3)	0.420%	10,469,598
Lemont Park District	13,982,000	66.341%	9,275,799
Lemont Public Library District	1,065,000	67.580%	719,727
Fountaindale Public Library District	37,000,000	0.014%	5,180
<u>School Districts:</u>			
#113	14,504,416 (2)	54.801%	7,948,565
CUSD #365-U	201,049,590 (2)	0.011%	22,115
HSD #86	20,795,000 (1)	0.007%	1,456
HSD#210	49,086,992 (2)	54.232%	26,620,858
Community College #503	255,980,000 (1)	0.002%	5,120
Community College #525	86,060,000 (1)	3.371%	2,901,083
TOTAL DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT			<u>\$ 77,300,016 *</u>

* Excludes Village of Lemont Special Service Area #1's outstanding bonds in the amount of \$1,230,000 which applies to only a small portion of the Village.

- (1) Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds and/or certificates of indebtedness
- (2) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.
- (3) Includes bonds with the IEPA

Data Source

Cook County Clerk's Offices

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Village. This schedule estimates the portion of the the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Village of Lemont. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

* The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the Village's taxable assessed value that is within the government's boundaries and dividing it by the Village's total taxable assessed value.

VILLAGE OF LEMONT, ILLINOIS

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years (Amounts in Thousands)

	APRIL 30, 2004	APRIL 30, 2005	APRIL 30, 2006	APRIL 30, 2007	APRIL 30, 2008	APRIL 30, 2009	APRIL 30, 2010	APRIL 30, 2011	APRIL 30, 2012	APRIL 30, 2013
Equalized valuation	\$ 366,370	\$ 405,711	\$ 512,569	\$ 528,560	\$ 576,596	\$ 673,216	\$ 704,747	\$ 702,423	\$ 600,781	\$ 555,636
Legal debt limit 8.625% of equalized valuation	31,599	34,993	44,209	45,588	49,731	58,065	60,784	60,584	51,817	47,924
Less:										
Outstanding debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 31,599	\$ 34,993	\$ 44,209	\$ 45,588	\$ 49,731	\$ 58,065	\$ 60,784	\$ 60,584	\$ 51,817	\$ 47,924
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

65 ILCS 5 ,(from chapter 24, paragraph 8-5-1) of the Illinois Revised Statues provides "...no municipality having population of less than 500,000 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 the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until MAY 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessment valuation by the debt limitation percentage in effect on MAY 1, 1979."

VILLAGE OF LEMONT, ILLINOIS

Waterworks and Sewerage Fund

Schedule of Revenue Bond Coverage

Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Direct Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2004	\$ 2,929,975	\$ 1,464,533	\$ 1,465,442	100,000	\$ 104,612	\$ 204,612	7.2
2005	3,320,894	1,506,624	1,814,270	100,000	66,543	166,543	10.9
2006	4,251,734	2,436,038	1,815,696	-	256,704	256,704	7.1
2007	3,909,648	2,092,251	1,817,397	330,000	280,186	610,186	3.0
2008	4,522,097	1,877,020	2,645,077	400,000	272,373	672,373	3.9
2009	3,740,909	2,125,953	1,614,956	425,000	262,230	687,230	2.3
2010	3,684,944	1,832,488	1,852,456	425,000	250,395	675,395	2.7
2011	4,063,716	1,665,723	2,397,993	430,000	237,595	667,595	3.6
2012	4,041,936	2,086,774	1,955,162	465,000	449,298	914,298	2.1
2013	4,540,234	2,897,753	1,642,481	495,000	405,750	900,750	1.8

(1) U.S. Census Bureau

(a) 2005 Village of Lemont Special Census

(b) 2003 Village of Lemont Special Census

(c) 2000 Federal Census

(d) 2008 Village of Lemont Special Census

(e) 2010 Federal Census population count only - additional demographics were not available at the time of report preparation

(2) Illinois Census Profile/U.S. Census Bureau

(a) 2000 Illinois Census Profile

(b) 2000 Federal Census

(c) 1990 Federal Census

(3) Illinois Department of Employment Security-2010 Labor Force Estimates for small communities (less than 25,000)

VILLAGE OF LEMONT, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE INCLUDING TIF ACTIVITY

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities					Business-Type Activities		Total Primary Government	
	General Obligation Bond	Installment Contracts Payable	Tax Bonds Payable	Notes Payable	TIF General Obligation	Tax Increment Finance Bond	General Obligation Certificates		Installment Notes Payable
April 30, 2004	2,455,000	126,882	3,320,000	-	4,235,000	1,475,769	1,975,000	457,360	14,045,011
April 30, 2005	3,685,000	179,501	3,055,000	-	4,290,000	1,462,598	7,515,000	385,930	20,573,029
April 30, 2006	3,370,000	149,829	2,830,000	-	4,130,000	1,453,853	7,515,000	311,789	19,760,471
April 30, 2007	2,985,000	131,560	2,590,000	1,500,000	3,795,000	1,439,164	7,185,000	235,393	19,861,117
April 30, 2008	11,570,000	36,558	2,335,000	1,476,487	6,130,000	1,413,890	6,785,000	150,593	29,897,528
April 30, 2009	11,100,000	-	2,055,000	1,426,487	5,725,000	1,387,779	6,360,000	69,479	28,123,745
April 30, 2010	10,570,000	-	3,190,000	1,376,487	5,225,000	1,355,626	5,935,000	-	27,652,113
April 30, 2011	10,010,000	-	2,805,000	1,326,487	6,465,000	1,315,477	10,505,000	291,562	32,718,526
April 30, 2012	17,860,000	-	2,395,000	226,487	5,930,000	1,269,245	10,040,000	221,092	37,941,824
April 30, 2013	17,525,000	-	1,955,000	226,487	5,285,000	1,211,511	9,840,000	237,236	36,280,234

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

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

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

Population	Personal Income**	Percentage of Personal Income**	Per Capita**
13,098	30,877	3.47%	1,072.30
15,614	31,867	4.13%	1,317.60
15,614	32,609	3.88%	1,265.56
15,614	33,652	3.78%	1,272.01
16,625	35,078	5.13%	1,798.35
16,625	36,227	4.67%	1,691.65
16,625	36,766	4.52%	1,663.28
16,000	37,762	5.42%	2,044.91
16,000	38,177	6.21%	2,371.36
16,000	38,565	5.88%	2,267.51

VILLAGE OF LEMONT, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE EXCLUDING TIF ACTIVITY

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities				Business-Type Activities		Total Primary Government	Population**	Personal Income**	Percentage of Personal Income**	Per Capita**
	General Obligation Certificates	Installment Notes Payable	Tax Bonds Payable	Notes Payable	General Obligation Certificates	Installment Notes Payable					
April 30, 2004	2,455,000	126,882	3,320,000	-	1,975,000	457,360	8,334,242	13,098	30,877	2.06%	636.30
April 30, 2005	3,685,000	179,501	3,055,000	-	7,515,000	385,930	14,820,431	15,614	31,867	2.98%	949.18
April 30, 2006	3,370,000	149,829	2,830,000	-	7,515,000	311,789	14,176,618	15,614	32,609	2.78%	907.94
April 30, 2007	2,985,000	131,560	2,590,000	1,500,000	7,185,000	235,393	14,391,560	15,614	33,652	2.74%	921.71
April 30, 2008	11,570,000	36,558	2,335,000	1,476,487	6,785,000	150,593	22,203,045	16,625	35,078	3.81%	1,335.52
April 30, 2009	11,100,000	-	2,055,000	1,426,487	6,360,000	69,479	20,941,487	16,625	36,227	3.48%	1,259.64
April 30, 2010	10,570,000	-	3,190,000	1,376,487	5,935,000	-	21,071,487	16,625	36,766	3.45%	1,267.46
April 30, 2011	10,010,000	-	2,805,000	1,326,487	10,505,000	291,562	24,938,049	16,000	37,762	4.13%	1,558.63
April 30, 2012	17,860,000	-	2,395,000	226,487	10,040,000	221,092	30,742,579	16,000	38,177	5.03%	1,921.41
April 30, 2013	17,525,000	-	1,955,000	226,487	9,840,000	237,236	29,783,723	16,000	38,565	4.83%	1,861.48

** See the Schedule of Demographic and Economic Statistics for personal income and population data.

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

VILLAGE OF LEMONT, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population (1)(2)	Per Capita Personal Income (3)	Personal Income (4)	Median Age (1)(2)	School Enrollment (1)(2)	% Bachelors Degree or Higher (1)(2)	Unemployed Percentage (1)(2)
2004	13,098	30,877	404,433,283	38.3	3,600	32	3.4
2005	15,614	31,867	497,573,012	38.3	3,600	32	3.4
2006	15,614	32,609	509,161,487	38.3	3,600	32	3.4
2007	15,614	33,652	525,439,380	38.3	3,600	32	3.4
2008	16,625	35,078	583,165,739	38.3	3,600	32	3.4
2009	16,625	36,227	602,281,912	38.3	3,600	32	3.4
2010	16,625	36,766	611,237,844	38.3	3,600	32	3.4
2011	16,000	37,762	604,197,738	38.3	3,600	32	3.4
2012	16,000	38,177	610,832,000	38.3	3,600	39	3.4
2013	16,000	38,565	617,044,161	38.3	3,600	39	3.4

(1) U.S. Census Bureau

(a) 2005 Village of LEMONT Special Census

(b) 2003 Village of LEMONT Special Census

(c) 2000 Federal Census

(d) 2008 Village of LEMONT Special Census

(e) 2010 Federal Census population count only - additional demographics were not available at the time of report preparation

(2) Illinois Census Profile/U.S. Census Bureau

(a) 2000 Illinois Census Profile

(b) 2000 Federal Census

(c) 1990 Federal Census

(3) U.S. Census Bureau based on adjustments through Chicago CPI

(4) Computation of total personal income multiplied by population

VILLAGE OF LEMONT, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Seven Years Ago

2013				2006			
Employer(1)	Rank	Number Employed	Percent of Total Village Population	Employer(1)	Rank	Number Employed	Percent of Total Village Population (5)
Argonne National Laboratory(2) U.S. Government Research Facility	1	3,456	21.60%	Argonne National Laboratory U.S. Government Research Facility	1	4,000	25.62%
Citgo Refinery(2) Gasoline and Petroleum Products	2	800	5.00%	Citgo Refinery Gasoline and Petroleum Products	2	510	3.27%
K-Five Construction Corp Roadway Construction	3	390	2.44%	K-Five Construction Corp. Roadway Construction	3	500	3.20%
Mother Theresa Nursing Home Nursing Home / Assisted Living	4	275	1.72%	Mother Theresa Home Nursing Home / Assisted Living	4	350	2.24%
Lemont - Bromberek School District 113A	5	225	1.41%	Lemont-Bromberek School District 113A	5	250	1.60%
Lemont High School District 210	6	187	1.17%	Jewel - Osco Grocery / Drug Store	6	183	1.17%
Lemont Nursing and Rehabilitation Center	7	175	1.09%	Lemont Nursing and Rehabilitation Center	7	174	1.11%
KA Steel Chemical Products Terminal	8	155	0.97%	Target Retail Store	8	170	1.09%
Jewel - Osco Grocery / Drug Store	9	135	0.84%	Lemont High School District 210	9	135	0.86%
Target Retail Store	10	130	0.81%	Kohl's Retail Store	10	112	0.72%

Data Source

- (1) Includes full and part-time employees.
- (2) Included because of close proximity to the Village of Lemont.
- (3) Phone canvassing of local employers
- (4) 2003 information unavailable at the time of this report. 2006 information is presented for comparison.
- (5) Total Village employment unavailable at the time of this report. Total Village population used instead.

VILLAGE OF LEMONT, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
PUBLIC SAFETY	28	28	29	29	35	37	37	33	32	32	32
PUBLIC WORKS	28	26	28	28	28	30	30	25	24	24	24
COMMUNITY DEVELOPMENT	3	3	3	3	3	3	3	2	2	2	2
GENERAL GOVERNMENT	8	7	7	8	8	8	8	7	6	4	4
WATER AND SEWERAGE (Combined with Public Works)	-	-	-	-	-	-	-	-	-	-	-
	67	64	67	68	74	78	78	67	64	62	62

Data Source

Village budget office

VILLAGE OF LEMONT, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007
PUBLIC SAFETY				
Police				
Physical arrests	462	476	539	166
Parking violations	n/a	n/a	n/a	1,413
Traffic violations	n/a	n/a	n/a	573
PUBLIC WORKS				
Street lights repaired	175	137	161	73
Alleys paved	n/a	n/a	5	1
WATER				
Water main breaks	n/a	n/a	n/a	20
Rated daily pumping capacity (gallons)	4,176,000	4,100,000	5,429,000	5,472,000
Average daily pumpage (gallons)	1,500,000	1,500,000	1,700,000	1,800,000
Maximum daily pumpage (gallons)	2,500,000	3,900,000	3,400,000	4,300,000
Number of accounts in service	5,000	5,000	5,174	5,220

Data Source

Various Village departments

Prior to April 30, 2006, information was unavailable for parking violations, traffic violations, water main breaks and alleys paved.

2008	2009	2010	2011	2012	2013
490	384	545	482	460	465
1,599	1,163	1,510	2,781	2,245	2,364
487	543	524	2,461	3,764	2,511
214	247	214	241	224	245
3	1	-	-	-	1
22	20	16	28	13	27
5,496,000	5,496,000	5,000,000	5,000,000	5,000,000	5,000,000
1,978,745	1,978,745	2,200,000	2,800,000	2,500,000	2,500,000
5,496,000	5,496,000	3,600,000	4,600,000	4,230,000	3,850,000
5,369	5,413	5,400	5,464	5,487	5,545

VILLAGE OF LEMONT, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2003	2004	2005	2006
PUBLIC SAFETY				
Police				
Stations	1	1	1	1
Patrol units(1)	22	22	24	27
PUBLIC WORKS				
Miles of streets	110	110	110	122
Number of street lights	500	775	781	791
Miles of alleys	3.7	3.7	3.7	7.8
WATER				
Miles of water mains	73	73	73	75
Fire hydrants	N/A	1,200	1,220	1,277
Sanitary sewers (miles)	65	65	65	67
Storm sewers (miles)	N/A	N/A	N/A	65
Storm sewers manholes	N/A	524	547	631
Sanitary sewers manholes	N/A	1,486	508	1,892

(1) Patrol units consist of the number of sworn officers and Sergeants as of April 30 of that year.

Data Source

Various Village departments

Prior to April 30, 2006, some information was unavailable

2007	2008	2009	2010	2011	2012	2013
2	1	1	1	1	1	1
27	27	27	27	27	27	27
141	141	144	144	144	144	145
791	791	820	820	850	820	923
7.8	7.8	7.8	7.8	7.8	7.8	7.8
81	90	91	93	93	95	95
1,380	1,450	1,455	1,470	1,470	1,495	1,505
79	86	87	89	89	89	89
74	82	83	84	84	86	86
720	730	740	760	760	795	795
2,110	2,120	2,130	2,165	2,165	2,185	2,185

VILLAGE OF LEMONT
DOWNTOWN TAX INCREMENT FINANCING FUND

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT AND
COMPLIANCE REPORT

AS OF AND FOR THE YEAR ENDED APRIL 30, 2013

Draft

VILLAGE OF LEMONT
DOWNTOWN TAX INCREMENT FINANCING FUND
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AS OF AND FOR THE YEAR ENDED APRIL 30, 2013

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Statement of Revenues, Expenditures and Changes in Fund Balance	5
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Draft

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Village of Lemont Downtown Tax Increment Financing Fund's as of and for the year ended April 30, 2013, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

To the Honorable Mayor and Board of Trustees
Village of Lemont

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Village of Lemont Downtown Tax Increment Financing Fund's as of April 30, 2013, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the Village of Lemont Downtown Tax Increment Financing Fund and do not purport to, and do not present fairly the financial position of the Village of Lemont, as of April 30, 2013, and the changes in its financial position and, where applicable, its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

As discussed in Note 1, the Village of Lemont Downtown Tax Increment Financing Fund's adopted the provisions of GASB Statement No. 63, *Financial Reporting for Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective May 1, 2012. Our opinion is not modified with respect to this matter.

Other Matter

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Report on Other Legal and Regulatory Requirements

We have also issued a report dated DATE, 2013, on our consideration of the Village of Lemont Downtown Tax Increment Financing Fund's compliance with laws, regulations, contracts and grants.

Oak Brook, Illinois
August 5, 2013

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

The Honorable Mayor and Board of Trustees
Village of Lemont
Lemont, Illinois

We have audited the financial statements of the Village of Lemont Downtown Tax Increment Financing Fund as of and for the year ended April 30, 2013 and have issued our report thereon dated **DATE**. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance with laws, regulations, and contracts applicable to the Village of Lemont is the responsibility of the Village of Lemont's management. As part of obtaining reasonable assurance about whether the aforementioned financial statements are free of material misstatements, we performed tests of the Village of Lemont's compliance with provisions of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing", noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with the 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.

This report is intended solely for the information and use of the Board of Trustees, management, the State of Illinois, and others within the Village, and is not intended to be, and should not be, used by anyone other than the specified parties.

Oak Brook, Illinois
DATE, 2013

VILLAGE OF LEMONT
DOWNTOWN TAX INCREMENT FINANCING FUND
BALANCE SHEET
AS OF APRIL 30, 2013

Assets:

Cash and investments	\$ 779,068
Property taxes receivable	463,626
Due from other funds	60,000
Prepaid items	<u>6,111</u>
 Total assets	 <u><u>\$ 1,308,805</u></u>

Liabilities, Deferred Inflows of Resources and Fund Balance

Liabilities:

Accounts payable	\$ 7,758
Accrued salaries	<u>2,381</u>
 Total liabilities	 <u>10,139</u>

Deferred Inflows of Resources:

Unavailable revenue	<u>463,626</u>
 Total deferred inflows of resources	 <u>463,626</u>
 Total liabilities and deferred inflows of resources	 <u>473,765</u>

Fund Balance:

Nonspendable for prepaid items	6,111
Restricted for economic development	<u>828,929</u>
 Total fund balance	 <u>835,040</u>
 Total liabilities, deferred inflows of resources and fund balance	 <u><u>\$ 1,308,805</u></u>

VILLAGE OF LEMONT
DOWNTOWN TAX INCREMENT FINANCING FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED APRIL 30, 2013

Revenues:

Property taxes	\$	955,931
Interest income		<u>705</u>
 Total revenues		 <u>956,636</u>

Expenditures:

Current:		
General government		113,332
Capital outlay		127,151
Debt service:		
Principal retirement		564,475
Interest and fees		<u>71,128</u>
 Total expenditures		 <u>876,086</u>

Excess of revenues over expenditures		 <u>80,550</u>
-----------------------------------------	--	-------------------

Other Financing Sources (Uses):

Transfers		<u>(27,000)</u>
 Total Other Financing Sources (Uses)		 <u>(27,000)</u>

Net change in fund balance		53,550
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Fund balance, beginning of year		<u>781,490</u>
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Fund balance, end of year	\$	<u>835,040</u>
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VILLAGE OF LEMONT
DOWNTOWN TAX INCREMENT FINANCING FUND
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

During the year ended April 30, 2013, the Village adopted GASB Statement No.63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

Reporting Entity

The financial statements present only the Downtown Tax Increment Financing Fund, a fund of the Village of Lemont. They do not purport to, and do not, present fairly, the financial position of the Village of Lemont.

Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With the measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period. 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. The Village recognizes property taxes when they become both measurable and available and for the period intended to finance. Expenditures are recorded when the related fund liability is incurred.

The revenues susceptible to accrual are property taxes and investment income.

Long-term Obligations

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

VILLAGE OF LEMONT
DOWNTOWN TAX INCREMENT FINANCING FUND
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by enabling legislation or an outside party. Committed fund balance is a limitation imposed by the Village board through approval of resolutions. Assigned fund balances is a limitation imposed by a designee of the Village board. The Downtown Tax Increment Financing Fund does not report any assigned fund balances. A negative unassigned fund balance represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

When both restricted and unrestricted fund balances are available for use, it is the Village's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

NOTE 2 – CASH AND INVESTMENTS

Permitted Deposits and Investments

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value).

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

At April 30, 2013, the total cash and investments of the Fund was \$779,068. The cash and investments were comprised solely of investments in Illinois Funds.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for cash requirements for ongoing operations in shorter-term securities. As of April 30, 2013, the Funds' investments in Illinois Funds were due on demand.

Credit Risk

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Village limits its exposure to credit risk limiting investments to the safest types of securities; pre-qualifying the financial institutions, intermediaries, and advisors with which the Village will conduct business; and diversifying the investment portfolio so that potential losses on individual investments will be minimized. Illinois Funds are rated AAA.

VILLAGE OF LEMONT
DOWNTOWN TAX INCREMENT FINANCING FUND
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 AS OF AND FOR THE YEAR ENDED APRIL 30, 2013

NOTE 3 – RECEIVABLES - TAXES

Property taxes for 2012 attach as an enforceable lien on January of the year of the levy on property values assessed as the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1, 2013 and July 1, 2013, and are payable in two installments, on or about March 1, 2013 and August 1, 2013. Tax Increment Financing (TIF) property tax receipts are received in two installments similar to levied taxes described above. TIF property taxes are not levied, but are paid by the County from incremental property tax receipts of all taxing bodies within a TIF district. The County collects such taxes and remits them periodically. Management has determined that an allowance for uncollectible accounts is not necessary.

NOTE 4 – DUE FROM OTHER FUNDS

Due from other funds represents a short term loan to the Downtown Canal District TIF Fund to be repaid upon receipt of tax revenue.

NOTE 5 – LONG-TERM DEBT

The Village issues bonds and obligations where the Village pledges incremental tax income derived from a separately created tax increment financing district (TIF). The Village TIF obligations include General Obligation Alternate Revenue Source Bonds, Senior Lien Tax Incremental Revenue Bonds and the Lemont Senior Housing Subordinate.

The changes in the general long-term debt relating to the TIF during the year ended April 30, 2013, were as follows:

	<i>Balance April 30, 2012</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balance April 30, 2013</i>
\$4,290,000 General Obligation Alternate Revenue Source Bonds, Series 2005 dated April 15, 2005 plus interest at 2.30% to 4.00% maturing December 1, 2015.	\$ 1,835,000	\$ -	\$ 495,000	\$ 1,340,000
\$718,000 Capital Appreciation Senior Lien Tax Increment Revenue Bonds dated May 22, 2000 maturing January 1, 2015.	174,630	11,741	64,000	122,371
\$1,169,699 Senior Housing Subordinate Obligation dated May 22, 2000 maturing January 1, 2015.	<u>1,094,615</u>	<u>-</u>	<u>5,475</u>	<u>1,089,140</u>
Total	<u>\$ 3,104,245</u>	<u>\$ 11,741</u>	<u>\$ 564,475</u>	<u>\$ 2,551,511</u>

VILLAGE OF LEMONT
DOWNTOWN TAX INCREMENT FINANCING FUND
 NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED APRIL 30, 2013

NOTE 5 – LONG-TERM DEBT (CONTINUED)

For the senior tax lien increment revenue bonds, increases represent accretion. Decreases represent \$64,000 (property taxes within the Senior Tax Lien Project Area collected during the year) paid by the Downtown Tax Increment Financing Fund.

General Obligation Alternate Revenue Source Bonds

Annual debt service requirements to maturity for general obligation alternate revenue source bonds related to the TIF are as follows:

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2014	510,000	52,050	562,050
2015	530,000	32,670	562,670
2016	300,000	12,000	312,000
Total	\$ <u>1,340,000</u>	\$ <u>96,720</u>	\$ <u>1,436,720</u>

Senior Lien Tax Increment Revenue Bonds

The Village issued Senior Lien Tax Incremental Revenue Capital Appreciation Bonds on May 22, 2000. Interest is not paid but rather accretes to principal each January 1. The principal matures January 1, 2013 through January 1, 2015 in accreted values totaling \$198,000.

The ordinances authorizing the issuance of the Series 2000 Senior Lien Tax Increment Revenue Bonds provide for the creation of a special fund known as the “Lemont Senior Housing Sub-Fund” within the Special Tax Allocation Fund. All the incremental property taxes generated by the Lemont Senior Housing Project area shall be deposited into this fund. The moneys on deposit in this fund shall be deposited into separate accounts hereby created within the Lemont Senior Housing Sub-Fund of the Special Tax Allocation Fund to be known as the “Senior Lien Principal and Interest Account” and the “General Account”.

The Senior Lien Principal and Interest Account

All the incremental property taxes deposited into the Lemont Senior Housing Sub-Fund of the Special Tax Allocation Fund shall be credited and immediately transferred to the Senior Lien Principal and Interest Account.

If there are funds in the Senior Lien Principal and Interest Account in excess of the amount necessary to pay such Senior Lien Principal Requirement and such Senior Lien Interest Requirement the excess shall be transferred to the “General Account”.

VILLAGE OF LEMONT
DOWNTOWN TAX INCREMENT FINANCING FUND
 NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED APRIL 30, 2013

NOTE 5 – LONG-TERM DEBT (CONTINUED)

Senior Lien Tax Increment Revenue Bonds (Continued)

The General Account

Money's on deposit in the General Account which have been transferred to the General Account from the Senior Lien Principal and Interest Account shall be used solely for the purpose of one or more of the following, and only in the following order of priority among them:

For the purpose of paying all or a portion of the principal and of interest on the Lemont Senior Housing Subordinate Obligation in accordance with the terms of the Redevelopment Agreement.

Following payment in full of the Series 2000 Bonds and the Lemont Senior Housing Subordinate Obligation, for any other purpose set forth in the Redevelopment Plan for the project as may be authorized by the Act.

Annual debt service requirements to maturity for Senior Tax Lien Increment Revenue Bonds are as follows:

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2014	66,000	-	66,000
2015	68,000	-	68,000
	<hr/>	<hr/>	<hr/>
Total	\$ <u>134,000</u>	\$ <u>-</u>	\$ <u>134,000</u>

Lemont Senior Housing Subordinate Obligation

The Village, pursuant to an amended and restated redevelopment agreement dated May 22, 2000, has agreed to reimburse Lemont Senior Housing L.P.I for certain project costs that have been incurred in order to stimulate and induce the development of the Redevelopment Project Area. The restated redevelopment agreement requires the developer to advance the costs of the Developer Infrastructure Improvements, the legal, engineering, consulting and other costs incurred by the Village in connection with this agreement. The Village shall reimburse the Developer for such eligible costs, in an amount not to exceed \$1,169,699, but only from Pledged Taxes. The Lemont Senior Housing Subordinate Obligation shall be subordinate to the Lemont Senior Lien Bonds in all respects.

VILLAGE OF LEMONT
DOWNTOWN TAX INCREMENT FINANCING FUND
 NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED APRIL 30, 2013

NOTE 5 – LONG-TERM DEBT (CONTINUED)

Pledged Revenue

The amount of pledges remaining as of April 30, 2013 is as follows:

Debt Issue	Fund	Pledge Remaining	Commitment End Date
TIF 2005	TIF Levy	\$1,436,720	12/01/2015
TIF 2000 Senior Lien	TIF Levy, generated by Lemont Senior Housing Project area	134,000	1/01/2015
TIF 2000 Sub.	TIF Levy, subordinate to the Senior Lien Bonds	1,089,140	1/01/2015

A comparison of the pledged revenues collected and the related principal and interest expenditure for fiscal year 2013 is as follows:

Debt Issue	Pledged Revenue Source	Pledged Revenue	Principal and Interest Paid	Estimated % of Revenue Pledged
TIF 2005	TIF Levy	\$955,931	\$565,613	59.17
TIF 2000 Senior Lien	TIF Levy, generated by Lemont Senior Housing Project area	64,000	64,000	100.00
TIF 2000 Sub.	TIF Levy, subordinate to the Senior Lien Bonds	64,000	-	-

NOTE 6 – INTERFUND TRANSFERS

During the year, \$27,000 was transferred from Village's Downtown Tax Increment Financing (TIF) Fund to cover approved Downtown Canal TIF costs. Operating transfer is allowable as the boundaries of the two TIFs are connected.

**Village Board
Agenda Memorandum**

To: Mayor & Village Board

From: Chief Kevin W. Shaughnessy

Date: September 11, 2013

Re: **Traffic Control Devise Recommendation**

BACKGROUND/HISTORY

In preparation for the connecting of First Street, a number of intersections were identified without traffic control signs. Stop signs are warranted at several locations.

RECOMMENDATIONS

Stop signs should be placed at the following intersections:

1. Woburn at Auburn Drive
2. Drover at Auburn Drive
3. Monmouth at Auburn Drive
4. Auburn Court at Auburn Drive
5. First at Schultz (3 way stop sign)
6. First at Berley (3 way stop sign)

Pass ordinance authorizing aforementioned intersection changes.

ATTACHMENTS

Ordinance

SPECIFIC VILLAGE BOARD ACTION REQUIRED

Ordinance Approval

Village Board

Agenda Memorandum

Item #

To: Mayor & Village Board

From: George Schafer, Village Administrator

Subject: **Introduction of New Hires – HR Generalist and Finance Director**

Date: September 11, 2013

BACKGROUND/HISTORY

In conjunction with the transition of a new Village Administrator, there have been additional changes in the Village's management team that went into effect over the last couple months. For Administration, a Human Resources Generalist was hired in lieu of an Assistant Administrator. In Finance, a Finance Director was hired to take the place of a consulting firm that has been working with the Village on a part-time basis for the last several years.

These new positions will be vital to the organization in implementing the Village Board's recently adopted strategic plan. Two of the five strategic priorities in the plan include Financial Stability and Workforce Development, and there are numerous initiatives listed in the plan related to these areas. In addition, support from these positions to the rest of the Village, will allow the management team to focus their efforts on implementing the initiatives as it relates to the other three priorities outlined in the plan (Quality Infrastructure, Economic Development and Redevelopment, Intergovernmental Cooperation).

With the new hires having about a month behind them at the Village, we think it is a good time to introduce them to the Committee of the Whole and have them briefly discuss their first month with the Village and their priorities going forward in their respective areas of expertise.

The New Hires

Eileen Donahue comes to the Village with over 20 years of experience in the field of human resources, most recently 9 years as the Human Resources Coordinator with the Village of Oakbrook. Christina Smith comes to the Village with over 17 years of government finance experience with the City of Naperville, most recently as Naperville's Assistant Finance Director.

ATTACHMENTS (IF APPLICABLE)

None.

SPECIFIC VILLAGE BOARD ACTION REQUIRED

The item is for discussion purposes only.