

VILLAGE OF ELMWOOD PARK, ILLINOIS

ANNUAL FINANCIAL REPORT

Year Ended April 30, 2013

VILLAGE OF ELMWOOD PARK, ILLINOIS

ANNUAL FINANCIAL REPORT
Year ended April 30, 2013

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INDEPENDENT AUDITOR'S REPORT

To the Honorable President
and Members of the Board of Trustees
Village of Elmwood Park, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Elmwood Park, Illinois ("Village"), as of and for the year ended April 30, 2013, and the related notes to the financial statements, which collectively comprise the Village'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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Emphasis of Matter

As discussed in Note 14 to the financial statements, in June 2011, the GASB issued GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". Statement 63 is effective for the Village's fiscal year ending April 30, 2013. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). This Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of GASB Statement No. 34, Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. Our opinion is not modified with respect to this matter.

As discussed in Note 14 to the financial statements, in March 2012, the GASB issued GASB Statement 65, "Items Previously Reported as Assets and Liabilities." The provisions of this Statement are effective for the Village's fiscal year ended June 30, 2014, with earlier application being encouraged. The Village has implemented this Statement retroactively as of May 1, 2012. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, schedules of funding progress and employer contributions as listed on the table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by 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. 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 financial statements, and other knowledge we obtained during our audit of the 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's financial statements. The combining and individual fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.


Crowe Horwath LLP

Oak Brook, Illinois
December 16, 2013

VILLAGE OF ELMWOOD PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended April 30, 2013

The Village of Elmwood Park (the "Village") Management's Discussion and Analysis ("MD&A") is designed to (1) help the reader to focus 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 meet the next and subsequent year program requirements), (4) identify any material deviations from the financial plan (the approved budget and appropriation ordinance), and (5) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the Village's financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the Village exceeded its liabilities at April 30, 2013 by \$43,274,467.
- Of this amount \$13,404,882 represents unrestricted net position which may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net position increased by \$611,920. Net position decreased for governmental activities by \$580,680 and increased for business-type activities by \$1,192,600.
- The cost of governmental activities for the year was \$22,427,578 with related revenues of \$3,031,958. The net cost of \$19,395,620 was primarily funded by general tax revenues.

USING THE FINANCIAL SECTION OF THE ANNUAL FINANCIAL REPORT

The Village's financial statements present two kinds of statements, each showing a different "snapshot" of the Village's finances. The emphasis is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives allow the reader to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Village's accountability.

Government-Wide Financial Statements

The government-wide financial statements are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns, which represent a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities is focused on both the gross and net cost of various activities (including governmental & business-type), which are supported by the government's general taxes and other resources. This is meant to summarize and simplify the reader's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The Governmental Activities reflect the Village's basic services, including public safety, public works and administration. Property taxes, shared state taxes (sales, income, local use, motor fuel) and local utility taxes finance the majority of these services. The Business-Type Activities reflect private sector type operations (Water and Garbage), where the fee for service typically covers all or most of the cost of operations, including depreciation.

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USING THE FINANCIAL SECTION OF THE ANNUAL FINANCIAL REPORT (Continued)

Fund Financial Statements

Traditional users of government financial statements will find the Fund Financial Statements presentation more familiar. The focus is on Major Funds, rather than fund types.

The Governmental Major Fund presentation is presented on the current resources measurement focus. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statement allows the demonstration of sources and uses and/or budget compliance associated therewith.

The Fund Financial Statements also allow the government to address its Fiduciary Pension Funds (Police and Fire Pension). While the Fund represents trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

While the Total column on the Business-Type Fund Financial Statements is the same as the Business-Type column on the Government-Wide Financial Statements, the Governmental Major Funds Total column requires reconciliation because of the different measurement focus (current financial resources versus total economic resources). The flow of current financial resources will include bond proceeds and interfund transfers as other financial sources, as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column (in the Government-Wide Statements).

Infrastructure Assets

Historically, a government's largest group of assets includes infrastructure (roads, lights, alleys, sidewalks, etc.). These assets are valued and reported within the Governmental column of the Government-Wide Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach), which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation.

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

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VILLAGE OF ELMWOOD PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended April 30, 2013

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

GOVERNMENT-WIDE STATEMENT

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

Table 1
Statement of Net Position
As of April 30, 2013
(in millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Activities</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Assets:						
Current & other assets	\$ 20.4	\$ 20.9	\$ 5.0	\$ 3.9	\$ 25.4	\$ 24.8
Capital and other LT assets	36.1	27.1	3.2	2.9	39.3	30.0
Total assets	56.5	48.0	8.2	6.8	64.7	54.8
Liabilities:						
Current liabilities	2.4	1.3	0.4	0.2	2.8	1.5
Long-term liabilities	18.6	10.6	0.1	0.1	18.7	10.7
Total liabilities	21.0	11.9	0.5	0.3	21.5	12.2
Net Position:						
Net invested in capital assets	15.5	22.3	3.2	3.0	18.7	25.3
Restricted	11.1	5.6	-	-	11.1	5.6
Unrestricted	8.9	8.2	4.5	3.6	13.4	11.8
Total net position	\$ 35.5	\$ 36.1	\$ 7.7	\$ 6.6	\$ 43.2	\$ 42.7

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended April 30, 2013

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (Continued)

The Village's combined net position (which represents the Village's bottom line) increased by \$611,920 due mostly to a reduction in Village spending and an increase in water and sewer rates. Net position of the Village's governmental activities is \$35.5 million. The Village's unrestricted net position for governmental activities, the part of net position that can be used to finance day-to-day operations for the Village, was \$8.9 million. Net position of the Village's business-type activities is \$7.7 million. The Village's unrestricted net position for business-type activities is \$4.5 million. The following chart shows the revenue and expenses of the governmental and business-type activities:

Table 2
Change in Net Position
As of April 30, 2013
(in millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Activities</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues						
Program revenues:						
Charges for services	\$ 2.8	\$ 2.7	\$ 7.1	\$ 6.1	\$ 9.9	\$ 8.8
Operating grants / contrib.	0.2	0.1	-	-	0.2	0.1
Capital grants / contrib.	-	-	-	-	-	-
General revenues:						
Property taxes	10.5	10.9	-	-	10.5	10.9
Other taxes	7.8	7.3	-	-	7.8	7.3
Other	0.5	-	-	-	0.5	-
Total Revenues	21.8	21.0	7.1	6.1	28.9	27.1
Expenses						
General government	5.9	4.4	-	-	5.9	4.4
Public safety	11.3	11.6	-	-	11.3	11.6
Public works	4.1	4.0	-	-	4.1	4.0
Culture and recreation	0.8	1.0	-	-	0.8	1.0
Interest long-term debt	0.3	0.2	-	-	0.3	0.2
Water	-	-	4.1	3.5	4.1	3.5
Garbage	-	-	1.8	1.7	1.8	1.7
Total Expenses	22.4	21.2	5.9	5.2	28.3	26.4
Change in Net Position	\$ (0.6)	\$ (0.2)	\$ 1.2	\$ 0.9	\$ 0.6	\$ 0.7

(Continued)

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Normal Impacts

There are eight basic impacts on revenues and expenses as reflected below:

Revenues:

Economic Conditions – which can reflect a declining, stable or growing economic environment and has a substantial impact on state income, sales and utility tax revenue as well as public spending habits of building permits, elective user fees and volumes of consumption.

Home Rule Status – while the Village Board self-imposes tax rate and levy rate increases to five percent or lower, the Village has authority to impose periodic increases/decreases in rates (water, garbage, impact fees, permit fees, license fees, etc.)

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

Market Impacts on Investment Income – the Village's investment portfolio is short-term in nature and restrictive by Policy. A decrease in short-term rates may cause investment income to fluctuate.

Expenses:

Introduction of New Programs – within the functional expense categories (Public Safety, Public Works, General Government, etc.) individual programs may be added or deleted to meet changing community needs.

Increase in Authorized Personnel – changes in service demand may cause the Village Board to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent a large portion of the Village's operating cost.

Salary Increases (annual adjustments and merit) – the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuels and parts. Some functions may experience unusual commodity specific increases.

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VILLAGE OF ELMWOOD PARK, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 Year Ended April 30, 2013

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS (Continued)

Current Year Impacts

Revenue:

For fiscal year ended April 30, 2013, revenues from governmental activities totaled \$21.8 million. Revenues were up due to the general economic condition of the area. Revenues have been consistent for the past three years.

Expenses:

For the fiscal year ended April 30, 2013, expenses for governmental activities totaled \$22.4 million. Expenses were higher than fiscal year 2012 by \$1.2 million. The increase is due to higher expenditures in Public Works and Administration in the Special Tax Allocation and Capital Projects funds.

General Fund Budgetary Highlights
 (in millions)

	Adopted Budget 2013	Actual 2013
General Fund:		
Revenues		
Taxes	\$12.0	\$13.1
Licenses, Permits, & Fees	2.3	2.2
Other	0.4	0.5
Total	14.7	15.9
Expenditures		
Current and Other	14.7	14.0
Total	14.7	14.0
Change in Fund Balance	\$ 0.0	\$ 1.9

Budgeted General Fund revenues were lower than actual revenues during fiscal year 2013. The positive budget variance was due to greater tax revenue. Expenditures were below budget by \$0.7 million due to cost savings in the public works and insurance departments.

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VILLAGE OF ELMWOOD PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended April 30, 2013

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS (Continued)

Capital Assets

At the end of Fiscal Year 2013, the Village's Governmental Funds had invested \$27.0 million in a variety of capital assets and infrastructure, as reflected in the following schedule. Additional information can be found in Note 4 to the Financial Statements.

**Table 3
Governmental Funds
Change in Capital Assets
(in millions)**

	<u>Balance April 30, 2012</u>	<u>Net Additions / Deletions</u>	<u>Balance April 30, 2013</u>
Non-Depreciable Assets:			
Land	\$ 7.2	\$ 0.4	\$ 7.6
Construction In Progress	-	1.3	1.3
Other Capital Assets:			
Infrastructure	27.6	-	27.6
Buildings	6.4	-	6.4
Land Improvements	0.8	0.7	1.5
Equipment	4.5	(0.1)	4.4
Accum. Depreciation on Capital Assets	(19.5)	(0.9)	(20.4)
Totals	\$ 27.0	\$ 1.4	\$ 28.4

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended April 30, 2013

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS (Continued)

Debt Outstanding

At April 30, 2013, the Village had outstanding debt as follow:

General Obligation Bond Series 2005	\$ 3,075,000
General Obligation Bond Series 2012	9,780,000
Net Pension Obligation	5,057,907
Compensated Absences	910,422
OPEB Obligation	198,727

Additional information can be found in Note 5 to the Financial Statements.

Economic Factors

The difficulties brought on by the overall economy have reduced the sales tax revenues for the Village. The Village will continue to monitor economic trends and constrain spending while still providing for the needs of the citizens.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to: Finance Director, Village of Elmwood Park, 11 Conti Parkway, Elmwood Park, IL 60707.

The Elmwood Park Public Library issues separate financial statements and have an April 30 year-end. Separate financial statements can be obtained by contacting its office at 1 Conti Parkway, Elmwood Park, Illinois 60707.

VILLAGE OF ELMWOOD PARK, ILLINOIS
STATEMENT OF NET POSITION
April 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Current				
Cash and investments	\$ 13,493,709	\$ 3,767,302	\$ 17,261,011	\$ 1,537,615
Property taxes receivable	4,725,534	-	4,725,534	502,303
Other governmental receivables	1,777,553	-	1,777,553	25,571
Prepaid expenses	371,521	38,011	409,532	18,134
Internal balances	60,000	(60,000)	-	-
Due from pension funds	29,706	-	29,706	-
Accounts receivable	-	1,241,351	1,241,351	1,398
Non-current				
Restricted cash and investments	7,664,593	-	7,664,593	-
Capital assets not being depreciated	8,873,317	-	8,873,317	45,685
Capital assets being depreciated, net	19,534,413	3,221,880	22,756,293	5,354,717
Total assets	56,530,346	8,208,544	64,738,890	7,485,423
Liabilities				
Current				
Accounts payable	1,494,146	387,112	1,881,258	51,181
Accrued payroll	263,855	9,865	273,720	12,637
Accrued interest payable	152,140	-	152,140	-
Due to pension funds	69,182	-	69,182	-
Current portion - bonds payable	420,000	-	420,000	-
Non-current				
Bonds payable	12,501,067	-	12,501,067	-
OPEB obligation	198,727	-	198,727	-
Net pension obligation	5,057,907	-	5,057,907	28,057
Compensated absences	853,376	57,046	910,422	31,606
Total Liabilities	21,010,400	454,023	21,464,423	123,481
Net position				
Net invested in capital assets	15,486,663	3,221,880	18,708,543	5,400,402
Restricted for:				
TIF redevelopment	2,749,003	-	2,749,003	-
Debt service	1,521,802	-	1,521,802	-
IMRF	596,113	-	596,113	-
Capital projects	6,294,124	-	6,294,124	-
Unrestricted	8,872,241	4,532,641	13,404,882	1,961,540
Total net position	\$ 35,519,946	\$ 7,754,521	\$ 43,274,467	\$ 7,361,942

VILLAGE OF ELMWOOD PARK, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended April 30, 2013

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total	
				Governmental Activities	Business-Type Activities		
Primary government							
Governmental activities							
General government	\$ 5,906,337	\$ 1,313,171	\$ 13,268	\$ (4,579,898)		\$ (4,579,898)	
Public safety	11,287,111	1,223,449	-	(10,063,662)		(10,063,662)	
Public works	4,060,090	-	163,521	(3,896,569)		(3,896,569)	
Culture and recreation	826,830	318,549	-	(508,281)		(508,281)	
Interest on long-term debt	347,210	-	-	(347,210)		(347,210)	
Total government activities	<u>22,427,578</u>	<u>2,855,169</u>	<u>176,789</u>	<u>(19,395,620)</u>		<u>(19,395,620)</u>	
Business-type activities							
Water	4,063,343	5,401,789	-		\$ 1,338,446	1,338,446	
Garbage	1,856,271	1,685,609	-		(170,662)	(170,662)	
Total business-type activities	<u>5,919,614</u>	<u>7,087,398</u>	<u>-</u>		<u>1,167,784</u>	<u>1,167,784</u>	
Total primary government	<u>\$ 28,347,192</u>	<u>\$ 9,942,567</u>	<u>\$ 176,789</u>	<u>(19,395,620)</u>	<u>1,167,784</u>	<u>(18,227,836)</u>	
Component unit							
Library	\$ 1,612,648	\$ 38,762	\$ 38,071				\$ (1,535,815)
Total component unit	<u>\$ 1,612,648</u>	<u>\$ 38,762</u>	<u>\$ 38,071</u>				<u>(1,535,815)</u>
General revenues							
Taxes							
Property taxes				10,490,285	-	10,490,285	1,459,456
Motor fuel taxes				609,589	-	609,589	-
Public service taxes				7,210,705	-	7,210,705	9,500
Unrestricted investment earnings				20,207	1,816	22,023	1,089
Miscellaneous revenues				497,998	23,000	520,998	22,551
Loss on sale of capital assets				(13,844)	-	(13,844)	-
Total general revenues				<u>18,814,940</u>	<u>24,816</u>	<u>18,839,756</u>	<u>1,492,596</u>
Change in net position				(580,680)	1,192,600	611,920	(43,219)
Net position - beginning				<u>36,100,626</u>	<u>6,561,921</u>	<u>42,662,547</u>	<u>7,405,161</u>
Net position - ending				<u>\$ 35,519,946</u>	<u>\$ 7,754,521</u>	<u>\$ 43,274,467</u>	<u>\$ 7,361,942</u>

See accompanying notes to financial statements.

VILLAGE OF ELMWOOD PARK, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
April 30, 2013

	Major Funds			Nonmajor Governmental Funds	Total
	General Fund	Special Tax Allocation Fund	Capital Projects Fund - 2011		
Assets					
Cash and investments	\$ 8,313,835	\$ 2,913,890	\$ 7,199,079	\$ 2,731,498	\$ 21,158,302
Property taxes receivable	3,637,142	-	-	1,088,392	4,725,534
Other governmental receivables	1,634,865	-	-	142,688	1,777,553
Interfund receivables	1,785,464	353,650	-	773,950	2,913,064
Prepaid items	<u>362,708</u>	-	-	<u>8,813</u>	<u>371,521</u>
Total assets	<u>\$ 15,734,014</u>	<u>\$ 3,267,540</u>	<u>\$ 7,199,079</u>	<u>\$ 4,745,341</u>	<u>\$ 30,945,974</u>
Liabilities, deferred inflow of resources, and fund balance					
Liabilities					
Accounts payable	\$ 340,078	\$ 539,564	\$ 389,837	\$ 224,667	\$ 1,494,146
Accrued payroll	255,272	-	-	8,583	263,855
Interfund payables	<u>1,176,447</u>	-	<u>767,556</u>	<u>948,537</u>	<u>2,892,540</u>
Total liabilities	<u>1,771,797</u>	<u>539,564</u>	<u>1,157,393</u>	<u>1,181,787</u>	<u>4,650,541</u>
Deferred inflow of resources					
Unavailable revenue	<u>3,797,291</u>	-	-	<u>1,099,598</u>	<u>4,896,889</u>
Fund balance					
Unassigned	9,802,218	-	-	(537,641)	9,264,577
Nonspendable					
Prepays items	362,708	-	-	8,813	371,521
Restricted					
Restricted by State statute	-	2,727,976	-	21,027	2,749,003
Debt service	-	-	-	1,521,802	1,521,802
IMRF	-	-	-	596,113	596,113
Parks and recreation	-	-	-	601,404	601,404
Capital projects	-	-	<u>6,041,686</u>	<u>252,438</u>	<u>6,294,124</u>
Total fund balance	<u>10,164,926</u>	<u>2,727,976</u>	<u>6,041,686</u>	<u>2,463,956</u>	<u>21,398,544</u>
Total liabilities, deferred inflow of resources, and fund balance	<u>\$ 15,734,014</u>	<u>\$ 3,267,540</u>	<u>\$ 7,199,079</u>	<u>\$ 4,745,341</u>	<u>\$ 30,945,974</u>

VILLAGE OF ELMWOOD PARK, ILLINOIS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 April 30, 2013

Total fund balances - governmental funds	\$ 21,398,544
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Amounts reported for governmental activities in the net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Capital assets	\$ 48,826,152	
Accumulated depreciation	<u>(20,418,422)</u>	
Net capital assets		28,407,730

Some liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of :

General obligation bonds payable	(12,921,067)	
Accrued interest payable	(152,140)	
Net pension obligations	(5,057,907)	
OPEB obligation	(198,727)	
Compensated absences	<u>(853,376)</u>	
Total long-term liabilities		(19,183,217)

Property taxes receivable to be collected in the next fiscal year, but intended to be used to pay for the current period's expenditures, are recorded as revenue in the government wide statements but as unavailable revenue in the fund statements.

4,577,268

Some revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are unavailable in the funds.

Long term intergovernmental receivable	36,621	
State tax receivables	<u>283,000</u>	
		<u>319,621</u>

Net position of governmental activities	\$ <u>35,519,946</u>
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VILLAGE OF ELMWOOD PARK, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended April 30, 2013

	Major Funds			Nonmajor Governmental Funds	Total
	General Fund	Special Tax Allocation Fund	Capital Projects Fund 2011		
Revenues					
Property taxes	\$ 8,568,223	\$ -	\$ -	\$ 2,536,163	\$ 11,104,386
State/home rule sales tax	2,485,318	-	-	-	2,485,318
State income tax	2,671,271	-	-	-	2,671,271
Utility taxes	1,635,631	-	-	335,460	1,971,091
Other taxes	549,630	-	-	-	549,630
Licenses, permits and fees	2,237,292	-	-	264,532	2,501,824
Grants	13,268	-	-	-	13,268
Other revenue	513,629	-	139,442	88,791	741,862
Motor fuel tax allotments	-	-	-	609,589	609,589
Investment income	9,972	-	-	6,271	16,243
Total revenues	<u>18,684,234</u>	<u>-</u>	<u>139,442</u>	<u>3,840,806</u>	<u>22,664,482</u>
Expenditures					
Current					
Administration	2,010,182	1,684,054	-	766,437	4,460,673
Code administration	837,946	-	-	-	837,946
Police department	5,566,576	-	-	-	5,566,576
Emergency 911 department	-	-	-	713,812	713,812
Culture and recreation	-	-	177,517	1,301,744	1,479,261
Fire department	4,445,566	-	-	-	4,445,566
Public works	2,029,126	-	1,597,682	786,012	4,412,820
Insurance department	1,870,267	-	-	-	1,870,267
Debt service					
Principal	-	170,000	-	1,365,000	1,535,000
Interest and other charges	-	12,964	138,213	210,992	362,169
Total expenditures	<u>16,759,663</u>	<u>1,867,018</u>	<u>1,913,412</u>	<u>5,143,997</u>	<u>25,684,090</u>
Other financing sources (uses)					
Bond proceeds	-	-	8,357,900	1,469,357	9,827,257
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>8,357,900</u>	<u>1,469,357</u>	<u>9,827,257</u>
Net change in fund balances	1,924,571	(1,867,018)	6,583,930	166,166	6,807,649
Fund balances at beginning of year	8,240,355	4,594,994	(542,244)	2,297,790	14,590,895
Fund balances at end of year	<u>\$ 10,164,926</u>	<u>\$ 2,727,976</u>	<u>\$ 6,041,686</u>	<u>\$ 2,463,956</u>	<u>\$ 21,398,544</u>

See accompanying notes to financial statements.

VILLAGE OF ELMWOOD PARK, ILLINOIS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE
 STATEMENT OF ACTIVITIES
 Year Ended April 30, 2013

Net change in fund balances - total governmental funds	\$	6,807,649
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.

Capital outlay	\$	2,607,955	
Depreciation		<u>(1,145,240)</u>	
Depreciation in excess of capital outlay			1,462,715

The loss on the disposal of assets in the governmental funds is not reported. However, the original cost of assets disposed of had a net value less than the trade-in value. The difference has been recorded in the statement of activities.	(13,844)
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Proceeds from the sale of a capital asset is recorded as revenue in the governmental funds, however, it reduces the capital asset balance in the statement of net assets.	(22,730)
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Proceeds from the issuance of debt is recorded as revenue in the governmental funds, however, it increases long-term liabilities in the statement of net assets.	(9,780,000)
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Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
Principal retirement	1,535,000

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.

Change in net pension obligations	369,223	
Change in compensated absences	37,490	
Amortization of bond premium	(117,437)	
Change in accrued interest on debt	<u>(74,728)</u>	
Total expenses of non-current resources		214,548

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Amount change from prior year:

Long term intergovernmental receivable	(34,772)	
State tax receivables	<u>(135,145)</u>	
Total		(169,917)

Some property taxes not collected within 60 days of the Village's fiscal year end, are intended to be used to pay current year expenditures. They are recorded as revenue in the statement of net assets but are unavailable in the governmental fund statements. Amount change from prior year.	<u>(614,101)</u>
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Change in net position of governmental activities	\$	<u>(580,680)</u>
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VILLAGE OF ELMWOOD PARK, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
April 30, 2013

	Enterprise Funds		
	Major Funds		
	Water Operations Fund	Garbage Fund	Total
Current assets			
Cash and investments	\$ 3,747,258	\$ 20,044	\$ 3,767,302
Accounts receivable	907,623	333,728	1,241,351
Prepaid items	38,011	-	38,011
Total current assets	<u>4,692,892</u>	<u>353,772</u>	<u>5,046,664</u>
Noncurrent assets			
Capital assets, net of accumulated depreciation	3,221,880	-	3,221,880
Total noncurrent assets	<u>3,221,880</u>	<u>-</u>	<u>3,221,880</u>
Total assets	<u>7,914,772</u>	<u>353,772</u>	<u>8,268,544</u>
Current liabilities			
Accounts payable	240,324	146,788	387,112
Accrued payroll	9,865	-	9,865
Interfund payables	-	60,000	60,000
Total current liabilities	<u>250,189</u>	<u>206,788</u>	<u>456,977</u>
Long-term liabilities			
Compensated absences	57,046	-	57,046
Total long-term liabilities	<u>57,046</u>	<u>-</u>	<u>57,046</u>
Total liabilities	<u>307,235</u>	<u>206,788</u>	<u>514,023</u>
Net position			
Invested in capital assets	3,221,880	-	3,221,880
Unrestricted	4,385,657	146,984	4,532,641
Total net position	<u>\$ 7,607,537</u>	<u>\$ 146,984</u>	<u>\$ 7,754,521</u>

VILLAGE OF ELMWOOD PARK, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended April 30, 2013

	Enterprise Funds		
	Major Funds		
	Water Operations Fund	Garbage Fund	Total
Operating revenues			
Water fees	\$ 5,371,402	\$ -	\$ 5,371,402
Garbage fees	-	1,685,609	1,685,609
Other revenue	53,387	-	53,387
Total operating revenues	<u>5,424,789</u>	<u>1,685,609</u>	<u>7,110,398</u>
Operating expenses			
Administration	3,859,396	1,856,271	5,715,667
Depreciation	203,947	-	203,947
Total operating expenses	<u>4,063,343</u>	<u>1,856,271</u>	<u>5,919,614</u>
Operating income (loss)	<u>1,361,446</u>	<u>(170,662)</u>	<u>1,190,784</u>
Non-operating revenues (expenses)			
Investment income	1,767	49	1,816
Total nonoperating revenues (expenses)	<u>1,767</u>	<u>49</u>	<u>1,816</u>
Change in net assets	1,363,213	(170,613)	1,192,600
Net position at beginning of year	<u>6,244,324</u>	<u>317,597</u>	<u>6,561,921</u>
Net position at end of year	<u>\$ 7,607,537</u>	<u>\$ 146,984</u>	<u>\$ 7,754,521</u>

VILLAGE OF ELMWOOD PARK, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended April 30, 2013

	Enterprise Funds		
	Major Funds		
	Water Operations Fund	Garbage Fund	Total
Cash flows from operating activities			
Receipts from customers	\$ 5,434,762	\$ 1,684,205	\$ 7,118,967
Payments to suppliers	(3,447,760)	(1,709,483)	(5,157,243)
Payments to employees	(390,126)	-	(390,126)
Net cash provided (used) by operating activities	<u>1,596,876</u>	<u>(25,278)</u>	<u>1,571,598</u>
Cash flows from capital and related financing activities			
Purchase of capital assets	(461,512)	-	(461,512)
Net cash provided (used) by capital financing activities	<u>(461,512)</u>	<u>-</u>	<u>(461,512)</u>
Cash flows from investing activities			
Interest	1,767	49	1,816
Net cash provided (used) by investing activities	<u>1,767</u>	<u>49</u>	<u>1,816</u>
Net increase (decrease) in cash and cash equivalents	1,137,131	(25,229)	1,111,902
Balances - beginning of the year	<u>2,610,127</u>	<u>45,273</u>	<u>2,655,400</u>
Balances - end of year	<u>\$ 3,747,258</u>	<u>\$ 20,044</u>	<u>\$ 3,767,302</u>
Reconciliation of operating income (loss) to net cash provided by (used) operating activities			
Operating income (loss)	\$ 1,361,446	\$ (170,662)	\$ 1,190,784
Adjustments to reconcile operating income (loss) to net cash provided by (used) operating activities			
Depreciation expense	203,947	-	203,947
Change in assets and liabilities			
Decrease (increase) receivables, net	9,973	(1,404)	8,569
Decrease (increase) prepaid items, net	(3,773)	-	(3,773)
(Decrease) increase accounts payable	32,962	146,788	179,750
(Decrease) increase compensated absences	(10,238)	-	(10,238)
(Decrease) increase accrued payroll	2,559	-	2,559
Net cash provided (used) by operating activities	<u>\$ 1,596,876</u>	<u>\$ (25,278)</u>	<u>\$ 1,571,598</u>

VILLAGE OF ELMWOOD PARK, ILLINOIS
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 April 30, 2013

	Pension Trust Funds	Agency Fund Special Deposits Fund
Assets		
Cash	\$ 343,438	\$ 44,884
Investments	25,836,766	-
Prepaid assets	19,663	-
Due from Village	69,182	-
Accrued interest	100,419	-
Total assets	26,369,468	\$ 44,884
Liabilities		
Accounts payable	1,340	\$ -
Due to Village	29,706	-
Deposits payable	-	44,884
Total liabilities	31,046	\$ 44,884
Net position		
Held in trust for pension benefits and other purposes	26,338,422	
Total net position	\$ 26,338,422	

See accompanying notes to financial statements.

VILLAGE OF ELMWOOD PARK, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended April 30, 2013

	Pension Trust Funds
Additions	
Contributions	
Employer	\$ 2,802,540
Plan Members	<u>505,259</u>
Total Contributions	<u>3,307,799</u>
Investment earnings	
Investment income	2,028,671
Less Investment Expense	<u>(122,031)</u>
Net Investment Earnings	<u>1,906,640</u>
Total additions	<u>5,214,439</u>
Deductions	
Benefits	3,000,987
Administrative expenses	<u>281,394</u>
Total deductions	<u>3,282,381</u>
Change in net position	1,932,058
Net position - beginning of year	<u>24,406,364</u>
Net position - end of year	<u><u>\$ 26,338,422</u></u>

See accompanying notes to financial statements.

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Elmwood Park was incorporated on April 8, 1914. The Village operates under the Manager-Trustee form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the Village of Elmwood Park, Illinois conform to accounting principles generally accepted in the United States of America ("GAAP") as applicable to governments. The following is a summary of the significant accounting policies.

Reporting Entity and Its Services: The Village has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity* under which these financial statements include all organizations, activities, functions and component units for which the Village is financially accountable. 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.

In conformity with GAAP, the financial statements of component units have been included in the financial reporting entity either as blended component units or as discretely presented component units.

Blended Component Units – The Village's Police and Fire Employees participate in the Police Pension Employees Retirement System ("PPERS") and the Fire Pension Employees Retirement System ("FPERS"). PPERS functions for the benefit of these employees and is governed by a five member board. The Police Pension Board is comprised of one retiree, two elected active police officers, and two Village President appointees. FPERS is governed by a nine person board. The Fire Pension Board is comprised of the Village President, the Village Finance Director, the Village Clerk, the Village Attorney, the Fire Chief, one retiree, and three elected active firemen. The Village, PPERS and FPERS are obligated to fund all PPERS and FPERS costs based on actuarial valuations. The State of Illinois is authorized to establish benefit levels and the government is authorized to approve the actuarial assumptions used in the determination of contribution levels.

Discretely Presented Component Unit – The component unit's column in the government wide financial statements represents the financial information for the Village's other component unit, the Elmwood Park Public Library. The Board of Directors of the Elmwood Park Public Library are elected by the citizens of the Village. Although a legally separate entity, the Library cannot issue bonded debt without the approval of the Village. Therefore, the Public Library fund is presented discretely as a governmental fund type component unit of the Village. A publicly available financial report that includes financial statements and other required information for the Public Library may be obtained by writing to the Elmwood Park Public Library, 1 Conti Parkway, Elmwood Park, Illinois 60707.

Basis of Presentation: The Village's financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. The government-wide focus is more on the sustainability of the Village as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements – The statement of net position and the statement of activities display information about the Village as a whole. In the government-wide statement of net position, both the governmental and business-type activities columns are presented on a consolidated basis by column. These statements include the financial activities of the primary government, except for fiduciary activities. The effect of interfund activity has been removed 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 government-wide statement of activities reflects both the direct expenses and net cost of each function of the Village's governmental activities and business-like activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the Village.

The following table relates the Functions/Programs included on the government-wide statement of activities with the various departments and/or funds that comprise them. However, the amounts presented on the government-wide statement will not directly correlate to the expenditures reported in the funds because of the difference in the measurement focus and basis of accounting employed as explained later within Note 1, particularly the capitalization (rather than expensing) of capital assets and the recording of depreciation in the government wide statement.

<u>Function/Activity</u>	<u>Department/Fund</u>
1. Public safety	Fire Department (Including pension contribution) Police Department (Including pension contribution) Emergency Telephone System Fund Code Administration
2. Public works	Public Works Department Motor Fuel Tax Fund Capital Projects Fund
3. Culture and recreation	Playground and Recreation Fund Special Events Fund
4. Interest on long-term debt	Bond and Interest Fund (interest only)
5. General government	All governmental departments/funds not included in another category

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements – The financial transactions of the Village are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is of major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and presented as nonmajor funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Measurement Focus and Basis of Accounting:

Government-Wide Financial Statements – The government-wide financial statements and fund financial statements for proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statements of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

The Village has reported two categories of program revenues in the statement of activities (1) charges for services, and (2) program-specific operating grants and contributions. Program revenues are derived directly from the program itself or from external sources, such as the State of Illinois; they reduce the net cost of each function to be financed from the Village's general revenues. For identifying the function to which a program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

Eliminations have been made in the statement of net position to remove the "grossing-up" effect on assets and liabilities within the governmental activities column for amounts reported in the individual funds as interfund receivables and payables and advances. Similarly, operating transfers between funds have been eliminated in the statement of activities. Amounts reported in the governmental funds as receivable from or payable to fiduciary funds have been reclassified in the statement of net position as accounts receivable or payable to external parties.

Fund Financial Statements – 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. For this purpose the Village considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Revenues accrued at the end of the year include charges for services, licenses and permits, fines and forfeitures, intergovernmental revenues, investment earnings, property taxes, sales taxes and income taxes. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary funds separate all activity into two categories: operating and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses. Non-operating revenues and expenses include capital and noncapital financing activities and investing activities.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Village's policy to apply restricted resources first, then unrestricted resources as needed.

Differences occur from the manner in which the governmental activities and the government-wide financial statements are prepared due to the inclusion of capital asset and long-term debt activity. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The Village reports the following major governmental funds:

General Fund – The General Corporate Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Tax Allocation Fund – The Special Tax Allocation Fund is a special revenue fund used to account for the revenues and expenditures of the Village's tax increment financing district.

Capital Projects - 2011 Fund – This capital project fund is used to account for resources utilized for payment of construction and related costs for the Village's planned sewer project.

Proprietary Funds

Proprietary Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the Village Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Village reports the following major proprietary funds:

Water Operations Fund – The Water Operations Fund accounts for the operating activities of the Village's water utilities services.

Garbage Fund – The Garbage Fund accounts for the operating activities of the Village's garbage utilities services.

Fiduciary Funds

The Village's fiduciary funds are Pension Trust Funds and Agency Funds. Both report assets held by the Village in a trustee capacity.

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Village has the following pension trust funds:

Police Pension
Firefighter's Pension

The Village has the following agency funds:

Special Deposits

Governmental Funds

In addition to the general fund types mentioned above, the Village uses the following governmental fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Project Funds – Capital Project Funds are used to account for the Village's purchase or construction of major capital facilities, which are not financed by other funds

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest and related costs

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with a cost of \$5,000 or more and a useful life of more than one year. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation of all assets is provided on the straight-line basis over the following estimated useful lives:

Land	N/A
Buildings	50 years
Improvements	20 years
Equipment	8 - 20 years
Infrastructure-Roads	40 years
Infrastructure-Other	30 - 50 years

Investments: Investments are stated at fair value in accordance with GASB 31. The investment with the State Treasurer's Illinois Funds is at fair value, which is the same value as the pool shares. The state statute requires the State Treasurer's Illinois Funds to comply with the Illinois Public Funds Investment Act (30 ILCS 235).

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory: No material amounts of inventory exist at year-end.

Claims and Judgments: Liabilities resulting from claims and judgments, if any, have been reflected in the financial statements in accordance with GASB Statement 62.

Property Tax Revenue Recognition: Property Taxes attach as an enforceable lien on January 1. They are levied in December (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1 and August 1 and are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically. Property tax revenues are recognized when they become both measurable and available, in accordance with the Government Accounting Standards Board.

“Measurable” means that amounts can be reasonably determined within the current period. “Available” means that amounts are due and collectible within the current period or soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes levied in the current year which are not collected at year end and are not used to pay liabilities of the current period do not meet the “available” criterion and are reported as unavailable revenue.

Property taxes receivable are initially recorded at the gross levy less an allowance for uncollectible taxes. Taxes receivable and/or the allowance are adjusted periodically to reflect taxes receivable at their estimated realizable value.

Property taxes receivable which are delinquent more than one year have been fully reserved. The allowance for uncollectible property taxes is equal to 3% of the tax levy as recommended by the County Clerk, except in the case of bond levies for which the allowance is equal to 5% of the tax levy as is recommended by the County Clerk.

Accumulated Unpaid Compensated Absences: Village employees are granted vacation pay and sick leave in varying amounts. The Village has calculated the following amounts with respect to accrued vacation pay and sick leave at April 30, 2013.

	Governmental Activities	Business-Type Activities
Compensated absences	\$ <u>853,376</u>	\$ <u>57,046</u>

Vacation and sick hours are earned and paid out at different rates based on various union and Village contracts.

Authoritative Sources - Financial Reporting: The financial statements are presented in accordance with GAAP applicable to state and local governmental units. These basic principles have been promulgated by the GASB.

Cash and Cash Equivalents: For purposes of reporting cash flows, cash and cash equivalents include demand deposits as well as short-term investments, such as money markets and certificates of deposit with original maturities less than three months.

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates: Management has made a number of estimates and assumptions relating to the reporting of assets and liabilities to prepare these financial statements in conformity with GAAP. Actual results could differ from those estimates.

NOTE 2 – NET POSITION AND FUND BALANCES

Net position represents the difference between assets and liabilities. Net invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition construction or improvements of those assets. Net positions are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

In order to comply with the Governmental Accounting Standard Board's (GASB) Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions, the fund balance section of the balance sheet of the governmental funds has been modified from prior years. Previously, the fund balance section focused on whether these resources were available for spending. It also distinguished the unreserved fund balance from the reserved fund balance. In order to show compliance with GASB Statement No. 54, however, the components of the new fund balance include the following line items:

- a. **Nonspendable** fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must be maintained intact
- b. **Restricted** fund balance is externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other government as well as limitations imposed by law through constitutional provision or enabling legislation
- c. **Committed** fund balance has self-imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level to remove. For the Village, the Board of Trustees is the highest level of decision making. As of April 30, 2013, the Village does not have any commitments of fund balance.
- d. **Assigned** fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the Board of Trustees designated for that purpose. The intended use is established by an official designated for that purpose. The Board of Trustees has not designated any members of management for this purpose.
- e. **Unassigned** fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance.

The implementation of these new components is intended to decrease confusion and help serve the needs of the financial statement users.

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 Year ended April 30, 2013

NOTE 2 – NET POSITION AND FUND BALANCES (Continued)

If there is an expenditure incurred for purposes for which both restricted and unrestricted fund balance is available, the Village will consider restricted fund balance to have been spent before unrestricted fund balance. Further, if there is an expenditure incurred for purposes for which committed, assigned, or unassigned fund balance classifications could be used, then the Village will consider committed fund balance to be spent before assigned fund balance, and consider assigned fund balance to be spent before unassigned fund balance.

The Village does not have a minimum fund balance policy.

The following funds had deficit fund balances at April 30, 2013:

<u>Fund</u>	<u>Amount</u>
Special Events Fund	\$ 420,431
Emergency Telephone System	117,210

The Village plans to recover these deficits by using future revenues and through transfers of cash from other Village operating funds.

NOTE 3 - RECONCILIATION OF STATEMENT 5 AND BUDGETARY COMPARISON SCHEDULE

Total revenues, expenditures, and fund balance presented in Statement 5 and the Budgetary Comparison Schedule (page 58) are not equal for the General Fund because the fund is presented on the GAAP basis for Statement 5 and on the Budget basis for the Budgetary Comparison Schedule. As noted below, differences are due to the revenues and expenditures of the pension contributions not being budgeted for in the General Fund.

	Total Revenues	Total Expenditures
RSI - 1	\$ 15,891,194	\$ 13,966,623
Pension contributions from property taxes	2,793,040	2,793,040
Statement 5	\$ 18,684,234	\$ 16,759,663

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 4 - CAPITAL ASSETS

A summary of changes in the Village's capital assets for the period May 1, 2012 through April 30, 2013 follows:

	Balance at May 1, 2012	Additions	Deletions	Balance at April 30, 2013
Government Activities:				
Capital assets not being depreciated				
Land	\$ 7,220,671	\$ 363,000	\$ -	\$ 7,583,671
Construction in progress	-	1,289,646	-	1,289,646
Total nondepreciated assets	<u>7,220,671</u>	<u>1,652,646</u>	<u>-</u>	<u>8,873,317</u>
Capital assets being depreciated				
Infrastructure	27,579,205	-	-	27,579,205
Land improvements	783,700	720,700	-	1,504,400
Buildings	6,367,700	-	-	6,367,700
Equipment	4,571,787	220,709	290,966	4,501,530
Subtotal	<u>39,302,392</u>	<u>941,409</u>	<u>290,966</u>	<u>39,952,835</u>
Less accumulated depreciation				
Infrastructure	12,316,731	672,760	-	12,989,491
Land improvements	512,843	52,758	-	565,601
Buildings	3,077,691	123,594	-	3,201,285
Equipment	3,634,209	296,128	268,292	3,662,045
Total accumulated depreciation	<u>19,541,474</u>	<u>1,145,240</u>	<u>268,292</u>	<u>20,418,422</u>
Total capital assets being depreciated	<u>19,760,918</u>	<u>(203,831)</u>	<u>22,674</u>	<u>19,534,413</u>
Government Activities capital assets, net	<u>\$ 26,981,589</u>	<u>\$ 1,448,815</u>	<u>\$ 22,674</u>	<u>\$ 28,407,730</u>
Business-Type Activities:				
Capital assets being depreciated				
Infrastructure	\$ 2,964,856	\$ 354,232	\$ -	\$ 3,319,088
Buildings	557,390	-	-	557,390
Equipment	1,869,501	107,280	15,400	1,961,381
Subtotal	<u>5,391,747</u>	<u>461,512</u>	<u>15,400</u>	<u>5,837,859</u>
Less accumulated depreciation				
Infrastructure	1,248,119	41,585	-	1,289,704
Buildings	503,665	1,557	-	505,222
Equipment	675,648	160,805	15,400	821,053
Total accumulated depreciation	<u>2,427,432</u>	<u>203,947</u>	<u>15,400</u>	<u>2,615,979</u>
Business-Type Activities capital assets, net	<u>\$ 2,964,315</u>	<u>\$ 257,565</u>	<u>\$ -</u>	<u>\$ 3,221,880</u>

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 4 - CAPITAL ASSETS (Continued)

Depreciation expense of \$203,947 for the Village's Business-Type Activities was charged to the Water function.

Depreciation expense for the Village's Governmental Activities was charged to governmental functions as follows:

General government	\$	48,443
Public safety		271,008
Culture and recreation		92,588
Public works		733,201
		733,201
 Total depreciation expense	 \$	 1,145,240
		1,145,240

A summary of changes in the Component Unit's capital assets for the period May 1, 2012 through April 30, 2013 follows:

	Balance at May 1, 2012	Additions	Deletions	Balance at April 30, 2013
Government Activities:				
Capital assets not being depreciated				
Land	\$ 45,685	\$ -	\$ -	\$ 45,685
Total nondepreciated assets	45,685	-	-	45,685
Capital assets being depreciated				
Land improvements	265,116	-	-	265,116
Buildings	5,343,086	-	-	5,343,086
Equipment	730,375	92,051	-	822,426
Books	1,725,159	126,075	156,116	1,695,118
Subtotal	8,063,736	218,126	156,116	8,125,746
Less accumulated depreciation				
Land improvements	139,188	13,256	-	152,444
Buildings	1,400,629	133,577	-	1,534,206
Equipment	704,518	13,380	-	717,898
Books	454,792	67,805	156,116	366,481
Total accumulated depreciation	2,699,127	228,018	156,116	2,771,029
Total capital assets being depreciated	5,364,609	(9,892)	-	5,354,717
Government Activities capital assets, net	\$ 5,410,294	\$ (9,892)	\$ -	\$ 5,400,402

Depreciation expense for the Village's component unit was charged to the governmental function Library in the amount of \$228,018.

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 5 - LONG-TERM DEBT

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
G.O. Tax Incremental 1993	\$ 170,000	\$ -	\$ 170,000	\$ -	\$ -
G.O. Bonds 1998	1,120,000	-	1,120,000	-	-
G.O. Bonds 2005	3,320,000	-	245,000	3,075,000	255,000
G.O. Bonds 2012	-	9,780,000	-	9,780,000	165,000
Bond premium	21,775	47,257	2,965	66,067	-
Net pension obligation	5,463,443	-	405,536	5,057,907	-
OPEB obligation	162,414	36,313	-	198,727	-
Compensated absences	890,866	-	37,490	853,376	-
Total Governmental	\$ 11,148,498	\$ 9,863,570	\$ 1,980,991	\$ 19,031,077	\$ 420,000
Business-type activities					
Compensated absences	\$ 67,284	\$ -	\$ 10,238	\$ 57,046	\$ -
Total business-type	\$ 67,284	\$ -	\$ 10,238	\$ 57,046	\$ -

A summary of changes in the Component Unit's long-term debt is as follows:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Mortgage notes payable	\$ 400,000	\$ -	\$ 400,000	\$ -	\$ -
Compensated absences	43,954	-	12,348	31,606	-
IMRF net pension obligation	30,015	-	1,958	28,057	-
Total Governmental	\$ 473,969	\$ -	\$ 414,306	\$ 59,663	\$ -

Debt Service Requirements to Maturity: The General Obligation Bonds, Series 2005, were issued July 15, 2005. Principal and interest payments are made solely the Debt Service Fund. The principal and interest payable to maturity at December 1, 2022 consists of the following:

Fiscal Year	Interest Rate	Principal	Interest Payment		Total Interest
			July 1	January 1	
2014	4.25%	\$ 255,000	\$ 61,951	\$ 61,951	\$ 123,902
2015	4.25%	265,000	56,532	56,532	113,064
2016	3.75%	275,000	50,901	50,901	101,802
2017	3.80%	290,000	45,744	45,744	91,488
2018	3.85%	300,000	40,234	40,234	80,468
2019	4.00%	310,000	34,459	34,459	68,918
2020	4.00%	325,000	28,259	28,259	56,518
2021	4.13%	340,000	21,759	21,759	43,518
2022	4.13%	350,000	14,747	14,747	29,494
2023	4.13%	365,000	7,528	7,528	15,056
		<u>3,075,000</u>			<u>724,228</u>

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 5 - LONG-TERM DEBT (Continued)

The General Obligation Bonds, Series 2012, were issued October 31, 2012. A portion of the bonds were used to pay the 1998 G.O. Bonds in full. Principal and interest payments are made solely by the Debt Service Fund. The principal and interest payable to maturity at December 1, 2032 consists of the following:

Fiscal Year	Interest Rate	Principal	Interest Payment		Total Interest
			June 1	December 1	
2014	2.00%	\$ 165,000	\$ 121,285	\$ 121,285	\$ 242,570
2015	2.00%	170,000	119,635	119,635	239,271
2016	2.00%	250,000	117,935	117,935	235,871
2017	2.00%	250,000	115,435	115,435	230,871
2018	2.00%	300,000	112,935	112,935	225,871
2019	2.00%	300,000	109,935	109,935	219,871
2020	2.00%	-	106,935	106,935	213,871
2021	2.00%	-	106,935	106,935	213,871
2022	2.00%	-	106,935	106,935	213,871
2023	2.13%	640,000	106,935	106,935	213,871
2024	2.13%	775,000	100,119	100,119	200,239
2025	2.50%	785,000	91,866	91,866	183,731
2026	2.50%	810,000	82,053	82,053	164,106
2027	2.50%	830,000	71,928	71,928	143,856
2028	2.50%	850,000	61,553	61,553	123,106
2029	2.63%	870,000	50,928	50,928	101,856
2030	2.75%	900,000	39,488	39,488	78,975
2031	2.75%	930,000	27,113	27,113	54,225
2032	3.00%	955,000	14,325	14,325	28,650
		<u>\$ 9,780,000</u>			<u>\$ 3,328,548</u>

Aggregate principal and interest requirements to maturity by year for the Village are as follows:

Fiscal Year	Principal	Total Interest
2014	\$ 420,000	\$ 366,472
2015	435,000	352,335
2016	525,000	337,673
2017	540,000	322,359
2018	600,000	306,339
2019 - 2023	2,630,000	1,288,857
2024 - 2028	4,050,000	815,038
2029 - 2032	3,655,000	263,706
	<u>\$ 12,855,000</u>	<u>\$ 4,052,776</u>

The difference between the principal above and the amounts on the Statement of Net Position, \$12,921,067, is the amount of unamortized bond premium as of year-end, \$66,067.

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 5 - LONG-TERM DEBT (Continued)

Reconciliation of Net Pension Obligation Amount:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>
Fire net pension obligation	\$ 1,814,695	\$ -	\$ 248,216	\$ 1,566,479
Police net pension obligation	3,508,904	-	162,911	3,345,993
IMRF net pension obligation	139,151	5,576	-	144,727
SLEP net pension obligation	693	15	-	708
 Total Governmental	 <u>\$ 5,463,443</u>	 <u>\$ 5,591</u>	 <u>\$ 411,127</u>	 <u>\$ 5,057,907</u>

The difference between the IMRF Net Pension Obligation above (\$144,727) and the amount disclosed on page 42 (\$172,784) represents the portion of the obligation allocated to the Elmwood Park Public Library (\$28,057).

NOTE 6 - INTERFUND ACTIVITIES

Interfund amounts due from and due to other funds at April 30, 2013 are summarized as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General:		
Fire pension	\$ -	\$ 69,182
Police pension	29,706	-
Special tax allocation fund	-	333,315
Capital projects - 2011	767,556	-
Garbage	60,000	-
Non-major governmental funds	928,202	773,950
Total	<u>1,785,464</u>	<u>1,176,447</u>
Special tax allocation fund:		
General	333,315	-
Non-major governmental funds	20,335	-
Total	<u>353,650</u>	<u>-</u>
Capital projects - 2011:		
General	-	767,556
Non-major governmental funds:		
General	773,950	928,202
Special tax allocation fund	-	20,335
Total	<u>\$ 773,950</u>	<u>\$ 948,537</u>

(Continued on next page)

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 Year ended April 30, 2013

NOTE 6 - INTERFUND ACTIVITIES (Continued)

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
Garbage:		
General	\$ -	\$ 60,000
Fire pension:		
General	69,182	-
Police pension:		
General	-	29,706
	<u> </u>	<u> </u>
Balance at April 30, 2013	<u>\$ 2,982,246</u>	<u>\$ 2,982,246</u>

All interfund balances are expected to be repaid in the next fiscal year. The interfunds are a result of the final allocations of property tax revenues between the funds and expenditures paid for by the general fund which are to be reimbursed by other funds.

NOTE 7 - CASH AND INVESTMENTS

Village: At year-end, the carrying amount of the Village's (excluding the Police and Firefighters' Pension Funds) deposits were \$24,493,668. In addition, the Village maintained several petty cash account with a carrying value of \$800. The bank balances were \$25,779,712.

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Village's investments at April 30, 2013.

	<u>Fair Value</u>	<u>Investment Maturities</u>			
		<u>Less Than One Year</u>	<u>One to Five Years</u>	<u>Six to Ten Years</u>	<u>Greater Than Ten Years</u>
Certificates of Deposit	\$ 200,860	\$ 100,051	\$ 100,809	\$ -	\$ -
FNMA	50,498	50,498	-	-	-
FFCB	52,367	-	52,367	-	-
FHLB	52,066	-	52,066	-	-
Municipal Bonds	25,133	25,133	-	-	-
Corporate Bonds	50,212	-	50,212	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 431,136</u>	<u>\$ 175,682</u>	<u>\$ 255,454</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy limits investment maturities to two years as a means of managing its exposure to fair value losses arising from increasing interest rates.

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 7 - CASH AND INVESTMENTS (Continued)

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's policy requires all fixed income investments to be of investment grade quality or higher at purchase. Also, according to the provisions of the Illinois Compiled Statutes, fixed income purchases shall be limited to obligations issued or guaranteed as to principal and interest by the U.S. government or any agency or instrumentality thereof, or to corporate and municipal issues. All securities shall be of "investment grade" quality (that is, at the time of purchases, rated no lower than "Baa" by Moody's and no lower than "BBB" by Standard and Poor's). The Board, at their discretion, may impose a higher standard on an individual investment manager basis as circumstances or investment objectives dictate. All of the Village's securities have a credit rating of AAA/Aaa. One of the U.S. Treasury Department's objectives for conservatorships is to protect bondholders. As such, declines in fair value below the cost for investments in Freddie Mac and Fannie Mae bonds (that is, debt securities) may be treated as temporary. At year end, the Village's intent is to hold the bonds until they recover.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy requires that all amounts in excess of any insurance limits be collateralized by securities eligible for Village investment or any other high-quality, interest-bearing security rated at least AAA/Aaa by one or more standard rating service to include Standard & Poor's, Moody's or Fitch. The market value of the pledge securities shall equal or exceed the portion of the deposit requiring collateralization. As of April 30, 2013, the Village had no funds which were uninsured and uncollateralized.

Concentration of Credit Risk – The Village places no limit on the amount it may invest in any one issuer. 12%, 12%, 12%, 6%, and 12% of the Village's investments are in FNMA, FFCB, FHLB, Municipal bonds, and Corporate bond securities, respectively.

The following is a reconciliation between Note 7 and the basic financial statements of the primary government:

<u>Note 7</u>		<u>Financial Statements</u>	
		Statement 1 (Primary Government)	
Carrying value of cash	\$ 24,493,668	Cash and investments	\$ 17,261,011
Petty cash	800	Restricted cash and investments	7,664,593
Carrying value of investments	431,136		
Total Note 7	\$ 24,925,604	Total financial statements	\$ 24,925,604

Police Pension Trust Fund: At year end, the Police Pension Trust Fund's carrying amount of the Pension Fund's demand deposits totaled \$15,588, and the and bank balances totaled \$16,388. The FDIC insures bank balances up to \$250,000. As of April 30, 2013, the entire bank balance was collateralized with securities of the U.S. government held in the Police Pension Trust Fund's name by a financial institution acting as the Fund's agent.

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 7 - CASH AND INVESTMENTS (Continued)

The deposits and investments of the Police Pension Trust Fund are held separately from those of other Village funds. Statutes authorize the Police Pension Trust Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Public Treasurer, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any country, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance.

Pension funds with net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate account of life insurance companies and mutual funds. In addition, pension funds with net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to 45% of the plan's net position in common and preferred stocks that meet specific restrictions.

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Police Pension Trust Fund's investments at April 30, 2013:

	<u>Fair Value</u>	<u>Investment Maturities</u>			
		<u>Less Than One Year</u>	<u>One to Five Years</u>	<u>Six to Ten Years</u>	<u>Greater Than Ten Years</u>
U.S. Treasury Notes	\$ 2,093,863	\$ 174,815	\$ 908,292	\$ 916,666	\$ 94,090
U.S. Treasury Bonds	266,365	-	-	266,365	-
GNMA	87,636	-	-	-	87,636
FFCB	156,770	-	156,770	-	-
FHLMC	211,066	-	155,575	28,929	26,562
FNMA	1,191,960	378,264	211,437	194,697	407,562
Corporate Bonds	1,483,600	-	681,603	559,251	242,746
MM Mutual Funds	<u>1,098,986</u>	<u>1,098,986</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal		<u>\$ 1,652,065</u>	<u>\$ 2,113,677</u>	<u>\$ 1,965,908</u>	<u>\$ 858,596</u>
Investments not sensitive to					
Interest rate risk:					
Equity Securities	4,116,595				
Equity Mutual Funds	<u>3,318,149</u>				
Total investments	<u>\$ 14,024,990</u>				

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 7 - CASH AND INVESTMENTS (Continued)

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the Fund's investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide adequate liquidity while investing the portfolio for a total return.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Pension Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The plan invests in securities that ranged in rating from triple A to triple B by Standard & Poor's or by Moody's Investors Services. The Pension Fund's investment policy also prescribes to the "prudent person" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return." One of the U.S. Treasury Department's objectives for conservatorships is to protect bondholders. As such, declines in fair value below the cost for investments in Freddie Mac and Fannie Mae bonds (that is, debt securities) may be treated as temporary. At year end, the Fund's intent is to hold the bonds until they recover.

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. At April 30, 2013, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Pension Fund's deposits with financial institutions.

For an investment, this is the risk that in the event of the counterparty, the Pension Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Money market mutual funds and equity mutual funds are not subject to custodial credit risk disclosures. Although the Pension Fund's investment policy does not require a third-party custodian, the fund limits its exposure by requiring the investment broker/custodian to acquire an excess SIPC policy to provide the same coverage for the portfolio as would be provided by the SIPC.

Concentration of Credit Risk – This is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. The Fund does not have a formal written policy with regards to concentration credit risk for investments. At April 30, 2013, 15%, 9%, 11%, 8%, 29%, and 24% of the Fund's investments are in US Treasury Notes, FNMA, Corporate Bonds, Money Market Mutual Funds, Equity, and Equity Mutual Funds, respectively. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and, as mentioned earlier, are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. The Funds' investment policy specifies "in order to further guarantee asset safety, the Pension Fund shall diversify investments to avoid incurring unreasonable risks from the practice of concentrating investments in specific security types and/or individual financial institutions."

Firefighters' Pension Trust Fund: At year end, the Firefighters' Pension Trust Fund's carrying amount and bank balance of cash was \$327,850. The FDIC insures bank balances up to \$250,000. As of April 30, 2013, all of the bank balance was insured and collateralized.

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 7 - CASH AND INVESTMENTS (Continued)

The Firefighters' Pension Trust Fund is authorized to invest in any type of investment instrument permitted by Illinois Law, as described in Chapter 40 of the Illinois Compiled Statutes, 40 ILCS 5/1-113.1 through 113.40.

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Firefighters' Pension Trust Fund's investments at April 30, 2013.

	<u>Fair Value</u>	<u>Investment Maturities</u>			
		<u>Less Than One Year</u>	<u>One to Five Years</u>	<u>Six to Ten Years</u>	<u>Greater Than Ten Years</u>
U.S. Treasury Notes	\$ 331,891	\$ -	\$ 331,891	\$ -	\$ -
U.S. Treasury Strips	78,210	-	57,431	20,779	-
GNMA	10,885	-	-	-	10,885
FFCB	315,542	-	224,727	90,815	-
FHLB	1,604,062	142,304	673,647	594,990	193,121
FHLM	623,922	-	251,367	372,555	-
FNMA	409,060	-	-	409,060	-
Corporate Bonds	1,606,396	51,205	894,325	660,866	-
Municipal Bonds	589,448	-	114,550	474,898	-
Subtotal		<u>\$ 193,509</u>	<u>\$ 2,547,938</u>	<u>\$ 2,623,963</u>	<u>\$ 204,006</u>

Investments not sensitive to

Interest rate risk:	
Equity Securities	471,018
Equity Mutual Funds	5,771,342
Total investments	<u>\$ 11,811,776</u>

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the Fund's investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities; additionally the fixed income portfolio is structured allowing for duration between 2 and 7 years.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements the Illinois Pension Code. The plan invests in securities that ranged in rating from triple A to triple B by Standard & Poor's or by Moody's Investors Services. The Fund's investment policy also prescribes "that investments be made with the care, skill, prudence, and diligence that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of like character with like aims." One of the U.S. Treasury Department's objectives for conservatorships is to protect bondholders. As such, declines in fair value below the cost for investments in Freddie Mac and Fannie Mae bonds (that is, debt securities) may be treated as temporary. At year end, the Fund's intent is to hold the bonds until they recover.

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. At April 30, 2013, the Fund had no deposits uninsured and uncollateralized. It is the policy of the Fund to require that all deposits in excess of FDIC insurable limits be secured by collateral in order to protect deposits from default.

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 Year ended April 30, 2013

NOTE 7 - CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk – This is the risk of loss attributed to the magnitude of the Fund’s investment in a single issuer. The Fund does not have a formal written policy with regards to concentration of credit risk for investments. More than 5% of the Fund’s investments at April 30, 2013 are in FHLB, FHLM, Corporate Bonds and Equity Mutual Funds. These investments are 14%, 5%, 14%, and 51%, respectively.

Agency Fund: At year end, the Special Deposit Fund’s carrying and bank balance amount of cash was \$44,884. The FDIC insures bank balances up to \$250,000. As of April 30, 2013, the entire bank balance fully collateralized. The Special Deposit Fund did not carry any investments.

Library (Component Unit): The Library is authorized by state statute and their own local ordinances to invest in the following:

- Certificates of deposit
- Savings accounts
- Money markets
- Illinois Treasurer’s Investment Pool (IPTIP)

The carrying value of the Library’s deposits as of April 30, 2013 was \$84,134. The bank balances were \$112,574. All account balances at banks were insured by the Federal Deposit Insurance Corporation (FDIC) or not subject to risk categorization.

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Library’s investments at April 30, 2013.

	Investment Maturities				
	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>One to Five Years</u>	<u>Six to Ten Years</u>	<u>Greater Than Ten Years</u>
Illinois Funds (IPTIP)	\$ 1,453,437	\$1,453,437	\$ -	\$ -	\$ -

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Library adheres to the Village’s investment policy which limits investment maturities to two years as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Library adheres to the Village’s investment policy which requires all fixed income investments to be of investment grade quality or higher at purchase. Illinois Funds investments have a credit rating of AAA/Aaa.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the investor will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Library adheres to the Village’s investment policy which requires that all amounts in excess of any insurance limits be collateralized by securities eligible for Village investment or any other high-quality, interest-bearing security rated at least AAA/Aaa by one or more standard rating service to include Standard & Poor’s, Moody’s or Fitch. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization. Illinois Funds are not subject to this risk categorization.

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 Year ended April 30, 2013

NOTE 7 - CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk - The Library adheres to the Village's investment policy which places no limit on the amount it may invest in any one issuer. 100% of the Library's investments are in Illinois Funds.

NOTE 8 - DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement

Plan Description: The Village's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at www.imrf.com.

Funding Policy: As set by statute, the Village's Regular plan members are required to contribute 4.50% of their annual covered salary. Statutes also require the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village contribution rate for calendar year 2012 was 10.30% of annual covered payroll. The employer annual required contribution rate for calendar year 2012 was 11.71%. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost and Net Pension Obligation: For the fiscal year ending December 31, 2012, the Village's actual contributions for pension cost for the IMRF Regular Plan were \$418,495. The Village's required contribution was \$475,784.

Annual Required Contribution	\$	426,424
Interest on NPO		12,687
Adjustment to ARC		9,069
Annual Pension Cost		430,042
Actual Contribution		426,424
Increase (Decrease) in Net Pension Obligation		3,618
Net Pension Obligation at April 30, 2012		169,166
Net Pension Obligation at April 30, 2013		\$ 172,784

The difference between the April 30, 2013 NPO shown above (\$172,784) and the amount shown on the Reconciliation of Net Pension Obligation Amount under Note 5 (\$144,727) is due to the Library's portion (\$28,057).

Three Year Trend Information

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2012	\$ 430,042	99%	\$ 172,784
12/31/2011	453,725	91	169,166
12/31/2010	469,621	81	126,934

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases of 0.4% to 10% per year depending on age of service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the Village's plan assets was determined using techniques that spread the effects of short term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded State and Funding Progress: As of December 31, 2012, the most recent actuarial valuation date, the plan was 52.21% funded. The actuarial accrued liability for benefits was \$11,715,693 and the actuarial value of assets was \$6,116,980, resulting in an underfunded actuarial accrued liability (UAAL) of \$5,598,713. The covered payroll (annual payroll of all active employees covered by the plan) was \$4,063,054 and the ratio of the UAAL to the covered payroll was 138%.

The schedule of funding progress, presented in the required supplementary information following the notes to financial statements, presents six year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Sheriff's Law Enforcement Personnel

Plan Description: The Village's defined benefit pension plan for Sheriff's Law Enforcement Personnel (SLEP) employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at www.imrf.com.

Funding Policy: As set by statute, the Village's SLEP plan members are required to contribute 7.50% of their annual covered salary. Statutes also require the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The contribution rate for calendar year 2012 used by the Village was 0.00% of annual covered payroll. The employer annual required contribution rate for calendar year 2012 was 16.63%. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 Year ended April 30, 2013

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Annual Pension Cost: For the fiscal year ending April 30, 2013, the Village did not make a contribution to the IMRF SLEP Plan. The Village was not required to make a contribution.

Annual Required Contribution	\$	-
Interest on NPO		52
Adjustment to ARC		37
Annual Pension Cost		15
Actual Contribution		-
Increase (Decrease) in Net Pension Obligation		15
Net Pension Obligation at April 30, 2012		693
Net Pension Obligation at April 30, 2013	\$	708

Three Year Trend Information

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2012	\$ 15	0%	\$ 708
12/31/2011	12,811	99	693
12/31/2010	18,637	98	678

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases of 0.4% to 10% per year depending on age of service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the Village's plan assets was determined using techniques that spread the effects of short term volatility in the market value of investments over a five year period with a 20% corridor between the actuarial and market value of assets. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded State and Funding Progress: As of December 31, 2012, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$0 and the actuarial value of assets was (\$321,434), resulting in an underfunded actuarial accrued liability (UAAL) of \$321,434. The covered payroll (annual payroll of all active employees covered by the plan) was \$ -0- and the ratio of the UAAL to the covered payroll was 0%. The negative amounts are a result of the Police Chief's retirement during the year.

The schedule of funding progress, presented in the required supplementary information following the notes to financial statements, presents six year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Police Pension Plan

Plan Description: Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits, as well as the employee and employer contributions levels, are governed by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended by the Illinois legislature. The Village of Elmwood Park accounts for the plan as a pension trust fund.

At April 30, 2013 (latest information available) the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to but not yet Receiving Benefits	36
Current Employees Vested and Nonvested	<u>35</u>
	<u>71</u>

Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service.

The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3.0% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes shall not exceed \$106,800 however, that amount shall increase annually by the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55).

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.0% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Funding Policy: Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service costs for the Police Pension Plan.

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 Year ended April 30, 2013

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Summary of Significant Accounting Policies and Plan Asset Matters:

Basis of Accounting – The financial statements are prepared using the accrual basis of accounting. Employees and employer contributions are recognized as revenue in the period in which employee services are performed.

Method Used to Value Investments – Fixed-income securities are reported at fair value. Short-term investments are reported at fair value. Investment income is recognized when earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the trade date. Insurance contracts are valued at contract value. Fair values are derived from published sources.

Contributions: 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 interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary.

Related-Party Transactions: There were no securities of the Village or related parties included in the Plan's assets.

Annual Pension Cost and Net Pension Obligation (NPO): The Village's annual pension cost for the current year and related information is as follows:

Contributed Rates	
Employer	50.68%
Employee	9.91%
Annual Pension Cost	\$1,371,122
Contributions Made	\$1,534,033
Actuarial Valuation Date	April 30, 2013
Actuarial Cost Method	Entry Age
Amortization Method	Level % of Projected Payroll
	Closed Basis
Remaining Amortization Period	28 years
Asset Valuation Method	Market Value
Actuarial Assumptions	
Investment Rate of Return	7.0%, Compounded Annually
Projected Salary Increases	5.5%
Inflation Rate Included	3.0%
Cost of Living Adjustments	3.0%

The amount of the pension liability is as follows:

Annual Required Contribution	\$ 1,273,996
Interest on NPO	245,623
Adjustment to ARC	<u>(148,497)</u>
Annual Pension Cost	1,371,122
Annual Contribution	<u>1,534,033</u>
Increase (Decrease) in NPO	(162,911)
NPO at April 30, 2012	<u>3,508,904</u>
NPO at April 30, 2013	<u><u>\$ 3,345,993</u></u>

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Trend Information: Employer annual required contributions (ARC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the ARC and the contributions actually made.

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
04/30/2013	\$ 1,371,122	112%	\$ 3,345,993
04/30/2012	1,564,563	93	3,508,904
04/30/2011	1,481,445	90	3,394,573

Funded State and Funding Progress: As of April 30, 2013 the most recent actuarial valuation date, the plan was 39.2% funded. The actuarial accrued liability for benefits was \$33,098,131 and the actuarial value of assets was \$12,990,205, resulting in an underfunded actuarial accrued liability (UAAL) of \$20,107,926. The covered payroll (annual payroll of all active employees covered by the plan) was \$2,736,057 and the ratio of the UAAL to the covered payroll was 734.9%.

The schedule of funding progress, presented in the required supplementary information following the notes to financial statements, presents six year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Statement of Net Position - Police Pension Fund

Assets	
Cash	\$ 15,588
Investments	14,024,990
Prepaid assets	19,663
Due from Village	-
Accrued interest	39,915
Total assets	<u>14,100,156</u>
Liabilities	
Accounts payable	1,340
Due to Village	29,706
Total liabilities	<u>31,046</u>
Net position	
Held in trust for pension benefits and other purposes	14,069,110
Total net position	<u><u>\$ 14,069,110</u></u>

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 Year ended April 30, 2013

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Statement of Changes in Net Position - Police Pension Fund

Additions	
Contributions	
Employer	\$ 1,534,033
Plan Members	293,290
Total contributions	<u>1,827,323</u>
Investment earnings	
Investment income	1,037,805
Less: Investment expense	<u>(100,676)</u>
Net investment earnings	937,129
Total additions	2,764,452
Deductions	
Benefits	1,779,960
Administrative expenses	<u>27,369</u>
Total deductions	1,807,329
Change in net position	957,123
Net position - beginning of year	<u>13,111,987</u>
Net position - end of year	<u><u>\$ 14,069,110</u></u>

Firefighters' Pension Plan

Plan Description: Fire sworn personnel are covered by the Firefighter's Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits, as well as the employee and employer contributions levels, are governed by Illinois State Statutes (40 ILCS 5/4) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.0% of the original pension and 3.0% compounded annually thereafter.

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800 plus the lesser of ½ of the annual change in the Consumer Price Index or 3.0% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55).

The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.0% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Funding Policy: Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service costs for the Firefighters' Pension Plan.

At April 30, 2013 (latest information available) the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to but not yet Receiving Benefits	29
Current Employees Vested and Nonvested	<u>26</u>
	<u>55</u>

Summary of Significant Accounting Policies and Plan Asset Matters:

Basis of Accounting – The financial statements are prepared using the accrual basis of accounting. Employees and employer contributions are recognized as revenue in the period in which employee services are performed.

Method Used to Value Investments – Fixed-income securities are reported at fair value. Short-term investments are reported at fair value. Investment income is recognized when earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the trade date. Fair values are derived from published sources.

Contributions: Covered employees are required to contribute 9.455% of their base salary to the Firefighter's Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993 the Village's contribution must accumulate to the point where the past service cost for the Firemen's Pension Plan is fully funded by the year 2033.

Related-Party Transactions: There were no securities of the Village or related parties included in the Plan's assets.

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 Year ended April 30, 2013

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Annual Pension Cost and Net Pension Obligation (NPO): The Village's annual pension cost for the current year and related information is as follows:

Contributed Rates	
Employer	57.645%
Employee	9.455%
Annual Pension Cost	\$1,020,291
Contribution Made	\$1,268,507
Actuarial Valuation Date	April 30, 2013
Actuarial Cost Method	Entry Age Normal, Level Dollar
Amortization Method	Level % Closed
Remaining Amortization Period	28 years
Asset Valuation Method	Market Value
Actuarial Assumptions	
Investment Rate of Return	7.0%, Compounded Annually
Projected Salary Increases	5.5%
Inflation Rate Included	3.0%
Cost-of-Living Adjustments	3.0%

The amount of the pension liability is as follows:

Annual Required Contribution	\$ 970,060
Interest on NPO	127,029
Adjustment to ARC	<u>(76,798)</u>
Annual Pension Cost	1,020,291
Annual Contribution	<u>1,268,507</u>
Increase (Decrease) in NPO	(248,216)
NPO at April 30, 2012	<u>1,814,695</u>
NPO at April 30, 2013	<u>\$ 1,566,479</u>

Trend Information: Employer annual required contributions (ARC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the ARC and the contributions actually made.

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
4/30/2013	\$ 1,020,291	124%	\$ 1,566,479
4/30/2012	1,399,139	96	1,814,695
4/30/2011	1,271,186	98	1,763,859

Funded State and Funding Progress: As of April 30, 2013, the most recent actuarial valuation date, the plan was 43.3% funded. The actuarial accrued liability for benefits was \$28,326,619 and the actuarial value of assets was \$12,269,312, resulting in an underfunded actuarial accrued liability (UAAL) of \$16,057,307. The covered payroll (annual payroll of all active employees covered by the plan) was \$2,200,564 and the ratio of the UAAL to the covered payroll was 729.7%.

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

The schedule of funding progress, presented in the required supplementary information following the notes to financial statements, presents six year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Statement of Net Position - Fire Pension Fund

Assets	
Cash	\$ 327,850
Investments	11,811,776
Due from Village	69,182
Accrued interest	60,504
Total assets	<u>12,269,312</u>
Net position	
Held in trust for pension benefits and other purposes	12,269,312
Total net position	<u>\$ 12,269,312</u>

Statement of Changes in Net Position - Fire Pension Fund

Additions	
Contributions	
Employer	\$ 1,268,507
Plan Members	211,969
Total contributions	<u>1,480,476</u>
Investment earnings	
Investment income	990,866
Less: Investment expense	(21,355)
Net investment earnings	<u>969,511</u>
Total additions	2,449,987
Deductions	
Benefits	1,221,027
Administrative expenses	254,025
Total deductions	<u>1,475,052</u>
Change in net position	974,935
Net position - beginning of year	<u>11,294,377</u>
Net position - end of year	<u>\$ 12,269,312</u>

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 9 - RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. The Village maintains commercial insurance for its general liability, property and casualty, workers' compensation, and all-risk coverage. The policies are subject to various deductibles. For all programs, there has been no significant reduction in insurance coverage from coverage in the prior year. Insurance settlements have not exceeded insurance coverage for each of the past three fiscal years.

NOTE 10 - OPERATING LEASES

The Village has two operating leases with the Elmwood Park Public Library (a component unit of the Village). First, the land on which the Library was built is owned by the Village and leased to the Library for a fifty-year period, whereas the Library makes yearly payments to the Village of one (\$1) dollar. At the end of the lease term, the rights to the land revert back to the Village. Secondly, land owned by the Library was leased to the Village for the purposes of constructing a recreational facility. The lease term is ninety-nine (99) years, whereas the Village pays the Library the sum of one (\$1) dollar yearly. At the conclusion of the ninety-nine (99) year period, rights to the land revert back to the Library.

NOTE 11 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description: The Village provides limited health care insurance for its eligible retired employees.

Funding Policy: Funding is provided by The Village on a pay-as-you-go basis. The Village is reimbursed by retirees for the Village's contribution on their behalf. The Village's contribution on behalf of the employees to the insurance provider was \$68,093 for 2013.

Annual OPEB Cost and Net OPEB Obligation: The Village's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *Entry Age actuarial method*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The following table shows the components of the Village's annual OPEB cost for 2013, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation:

Annual Required Contribution	\$ 103,323
Interest on OPEB	6,497
Adjustment to ARC	5,414
Annual OPEB Cost	<u>104,406</u>
Actual Contribution	68,093
Increase (Decrease) in OPEB	<u>36,313</u>
OPEB at April 30, 2012	162,414
OPEB at April 30, 2013	<u>\$ 198,727</u>

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 Year ended April 30, 2013

NOTE 11 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

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 three preceding years were as follows:

<u>Year Ending</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
4/30/2013	\$ 104,406	65.2%	\$ 198,727
4/30/2012	81,521	50.4%	162,414
4/30/2011	82,058	50.1%	121,992

Funded Status and Funding Progress: As of April 30, 2012, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$1,691,966.

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 the financial statements, presents multiyear trend information about 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 the 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 the effects of 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 4.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 8.0% initially, reduced by decrements to an ultimate rate of 6%. Both rates included a 3.0% inflation assumption. The actuarial value of assets was marked to the market value of the retiree healthcare account as of April 30, 2013. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2013, was thirty years.

In accordance with GASB Statement No. 45, the Village will have an actuarial valuation done once every two years; above is the information from the most recent valuation as of April 30, 2012.

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 Year ended April 30, 2013

NOTE 12 - RECEIVABLES

The following is a summary of the various components of significant receivables at April 30, 2013. Any uncollectible amount is not believed to be material.

	<u>Statement of Net Position</u>
Other Governmental receivables	
Home rule sales tax	\$ 225,954
State income tax	786,778
Local use tax	86,745
Sales tax	353,099
Utility tax	182,289
Motor fuel tax	106,067
Intergovernmental agreement	<u>36,621</u>
Total other governmental receivables	<u>\$ 1,777,553</u>
	<u>Statement of Net Position</u>
Accounts receivables	
Water billings	\$ 907,623
Garbage billings	<u>333,728</u>
Total accounts receivable	<u>\$ 1,241,351</u>

NOTE 13 - PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

In March 2012, the GASB issued Statement No. 66, *Technical Corrections – 2012, an amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively. The provisions of this Statement are effective for the Village's financial year ending April 30, 2014. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 13 - PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED (Continued)

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans*. This Statement replaces the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and Statement 50 as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. The Statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement 67 enhances note disclosures and RSI for both defined benefit and defined contribution pension plans. Statement 67 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. The provisions of this Statement are effective for the Village's fiscal year ending April 30, 2014. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions*. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). The provisions of this Statement are effective for the Village's financial year ending April 30, 2015. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

In January 2013, the GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement requires the use of carrying values to measure the assets and liabilities in a government merger. This Statement also requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values. This Statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. This Statement defines the term operations for purposes of determining the applicability of this Statement and requires the use of carrying values to measure the assets and liabilities in a transfer of operations. This Statement provides accounting and financial reporting guidance for disposals of government operations that have been transferred or sold. This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The provisions of this Statement are effective for the Village's fiscal year ended April 30, 2015, with earlier application being encouraged. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 13 - PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED (Continued)

In April 2013, the GASB issued Statement 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This liability should be reported until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units by specifying the information required to be disclosed by governments that extend nonexchange financial guarantee as well as new information to be disclosed by governments that receive nonexchange financial guarantees. The provisions of this Statement are effective for the Village's fiscal year ended April 30, 2015, with earlier application being encouraged. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

NOTE 14 – GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS IMPLEMENTED

In November 2010, the GASB issued Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements. The Statement improves financial reporting by addressing issues related to service concession arrangements, which are arrangements between a transferor (government) and an operator (governmental or non-governmental entity in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This statement was adopted for the Village's fiscal year ended April 30, 2013 with no material impact on the Village.

In November 2010, the GASB issued Statement No. 61, The Financial Reporting Entity: Omnibus. The Statement improves financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, The Financial Reporting Entity, and the related financial reporting requirements of Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, were amended to better meet user needs and to address reporting entity issues. This statement was adopted for the Village's fiscal year ended April 30, 2013 with no material impact on the Village.

In December 2010, the GASB issued Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The Statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: (1) Financial Accounting Standards Board (FASB) Statements and Interpretations; (2) Accounting Principles Board Opinions; and (3) Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This statement was adopted for the Village's fiscal year ended April 30, 2013 with no material impact on the Village.

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year ended April 30, 2013

NOTE 14 – GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS IMPLEMENTED
(Continued)

In June 2011, the GASB issued GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). This Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of GASB Statement No. 34, Basic Financial Statement – and Management’s Discussion and Analysis – for State and Local Governments, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. This Statement was adopted by the Village retroactively for the fiscal year ending April 30, 2013.

In March, 2012, the GASB issued GASB Statement 65, Items Previously Reported as Assets and Liabilities. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The provisions of this Statement are effective for the Village’s fiscal year ended April 30, 2014, with earlier application being encouraged. This Statement was adopted by the Village retroactively as of May 1, 2012.

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (BUDGET BASIS) AND ACTUAL
 GENERAL FUND
 Year Ended April 30, 2013

	General Fund		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 5,438,958	\$ 5,775,183	\$ 336,225
State/home rule sales tax	2,250,000	2,485,318	235,318
State income tax	1,995,000	2,671,271	676,271
Utility taxes	1,750,000	1,635,631	(114,369)
Other taxes	525,000	549,630	24,630
Licenses, permits and fees	2,334,000	2,237,292	(96,708)
Grants	20,000	13,268	(6,732)
Other revenue	379,692	513,629	133,937
Investment income	15,000	9,972	(5,028)
Total revenues	<u>14,707,650</u>	<u>15,891,194</u>	<u>1,183,544</u>
Expenditures			
Current			
Administration	1,856,500	2,010,182	(153,682)
Code administration	843,500	837,946	5,554
Police department	4,046,000	4,037,543	8,457
Fire department	3,148,650	3,181,559	(32,909)
Public works	2,352,500	2,029,126	323,374
Insurance department	<u>2,460,500</u>	<u>1,870,267</u>	<u>590,233</u>
Total expenditures	<u>14,707,650</u>	<u>13,966,623</u>	<u>741,027</u>
Net change in fund balance	<u>\$ -</u>	1,924,571	<u>\$ 1,924,571</u>
Fund balance at beginning of year		<u>8,240,355</u>	
Fund balance at end of year		<u>\$ 10,164,926</u>	

See accompanying notes to required supplementary information.

VILLAGE OF ELMWOOD PARK, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 SPECIAL TAX ALLOCATION FUND
 Year Ended April 30, 2013

	Special Tax Allocation Fund		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 10,000	\$ -	\$ (10,000)
Other revenue	4,200,000	-	(4,200,000)
Total revenues	<u>4,210,000</u>	<u>-</u>	<u>(4,210,000)</u>
Expenditures			
Current			
Administration	4,033,540	1,684,054	2,349,486
Debt service			
Principal	155,000	170,000	(15,000)
Interest and other charges	21,460	12,964	8,496
Total expenditures	<u>4,210,000</u>	<u>1,867,018</u>	<u>2,342,982</u>
Net change in fund balance	<u>\$ -</u>	(1,867,018)	<u>\$ (1,867,018)</u>
Fund balance at beginning of year		<u>4,594,994</u>	
Fund balance at end of year		<u>\$ 2,727,976</u>	

See accompanying notes to required supplementary information.

VILLAGE OF ELMWOOD PARK, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF FUNDING PROGRESS
 Year Ended April 30, 2013

ILLINOIS MUNICIPAL RETIREMENT FUND

Actuarial Valuation Date	(1) Actuarial Value Of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) – (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability As A Percentage Of Covered Payroll (4) ÷ (5)
12/31/12	\$ 6,116,980	\$ 11,715,693	52.21%	\$5,598,713	\$ 4,063,054	137.80%
12/31/11	11,855,362	15,416,918	76.90	3,561,556	4,268,005	83.5
12/31/10	12,505,714	15,138,313	82.61	2,632,599	4,379,426	60.1
12/31/09	12,305,748	14,238,900	86.42	1,933,152	4,600,181	44.0
12/31/08	11,653,888	13,648,182	85.39	1,994,294	4,517,439	44.2
12/31/07	12,961,550	12,417,602	104.38	(543,948)	4,355,680	0.0

IMRF – SHERIFF’S LAW ENFORCEMENT PERSONNEL (SLEP)

Actuarial Valuation Date	(1) Actuarial Value Of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) – (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability As A Percentage Of Covered Payroll (4) ÷ (5)
12/31/12	\$ (321,434)	\$ -	0.00%	\$ 321,434	\$ 0	0%
12/31/11	(336,653)	-	0.00	336,653	116,802	288.23
12/31/10	440,610	520,649	84.63	80,039	116,000	69.0
12/31/09	395,816	476,974	82.98	81,158	115,117	70.5
12/31/08	366,906	426,717	85.98	59,811	112,072	53.4
12/31/07	346,549	369,270	93.85	22,721	107,794	21.1

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF FUNDING PROGRESS
 Year Ended April 30, 2013

POLICE PENSION PLAN

Actuarial Valuation Date	(1) Actuarial Value Of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) – (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability As A Percentage Of Covered Payroll (4) ÷ (5)
4/30/13	\$ 12,990,205	\$ 33,098,131	39.2%	\$ 20,107,926	\$ 2,736,057	734.9%
4/30/12	13,111,987	34,458,651	38.1	21,346,664	2,867,308	744.5
4/30/11	12,990,205	33,098,131	39.2	20,107,926	2,736,057	734.9
4/30/10	11,791,609	31,276,220	37.7	19,484,611	2,704,079	720.6
4/30/09	10,276,936	29,856,210	34.4	19,579,274	2,634,598	743.2
4/30/08	11,542,796	28,325,914	40.7	16,783,118	2,589,869	648.0

FIREFIGHTERS' PENSION PLAN

Actuarial Valuation Date	(1) Actuarial Value Of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) – (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability As A Percentage Of Covered Payroll (4) ÷ (5)
4/30/13	\$ 12,269,312	\$ 28,326,619	43.3%	\$ 16,057,307	\$ 2,200,564	729.7%
4/30/12	11,199,188	25,868,821	43.3	14,669,633	2,223,513	659.8
4/30/11	10,584,640	24,753,872	42.8	14,169,232	2,135,236	663.6
4/30/10	9,970,651	22,293,576	44.7	12,322,925	2,076,064	593.6
4/30/09	9,089,127	21,423,758	42.4	12,334,631	2,071,447	595.4
4/30/08	8,543,487	19,991,455	42.7	11,447,968	1,925,451	594.6

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF FUNDING PROGRESS
 Year Ended April 30, 2013

OTHER POSTEMPLOYMENT BENEFITS

Actuarial Valuation Date	(1) Actuarial Value Of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) – (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability As A Percentage Of Covered Payroll (4) ÷ (5)
4/30/13	\$ -	\$ 1,691,966	0.0%	\$ 1,691,966	n/a	n/a
4/30/12	-	1,691,966	0.0	1,691,966	n/a	n/a
4/30/11	-	1,542,673	0.0	1,542,673	n/a	n/a
4/30/10	-	1,542,673	0.0	1,542,673	n/a	n/a
4/30/09	-	1,542,673	0.0	1,542,673	n/a	n/a
4/30/08	n/a	n/a	n/a	n/a	n/a	n/a

n/a – GASB 45 was implemented by the Village during fiscal year 2009, and as such, no information is available prior to April 30, 2009.

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF EMPLOYER CONTRIBUTIONS
 April 30, 2013

ILLINOIS MUNICIPAL RETIREMENT FUND

Actuarial Valuation Date	Employer Contributions	Required Contributions	Percent Contributed
04/30/2013	\$ 426,424	\$ 430,042	99.16%
04/30/2012	411,493	451,010	91.24
04/30/2011	379,917	468,621	81.07
04/30/2010	133,274	170,704	78.07
12/31/2009	350,074	350,074	100.00
12/31/2008	352,812	352,812	100.00

IMRF – SHERIFF’S LAW ENFORCEMENT PERSONNEL (SLEP)

Actuarial Valuation Date	Employer Contributions	Required Contributions	Percent Contributed
04/30/2013	\$ 12,796	\$ 12,811	99.88%
04/30/2012	12,796	12,796	100.00
04/30/2011	18,190	18,632	97.63
04/30/2010	6,047	6,278	96.32
12/31/2009	15,906	15,906	100.00
12/31/2008	15,925	15,925	100.00

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF EMPLOYER CONTRIBUTIONS
 Year ended April 30, 2013

POLICE PENSION PLAN

Actuarial Valuation Date	Employer Contributions	Required Contributions	Percent Contributed
04/30/2013	\$ 1,534,033	\$ 1,273,996	120.41%
04/30/2012	1,450,232	1,466,728	98.88
04/30/2011	1,334,891	1,420,641	93.96
04/30/2010	1,281,098	1,251,874	102.33
04/30/2009	1,098,062	1,148,037	95.65
04/30/2008	996,494	1,054,451	94.50

FIREFIGHTERS' PENSION PLAN

Actuarial Valuation Date	Employer Contributions	Required Contributions	Percent Contributed
04/30/2013	\$ 1,268,507	\$ 970,060	130.77%
04/30/2012	1,348,303	1,348,303	100.00
04/30/2011	1,238,773	1,238,773	100.00
04/30/2010	1,624,109	1,430,947	113.50
04/30/2009	1,156,553	1,272,821	90.86
04/30/2008	1,006,570	1,166,572	86.28

OTHER POSTEMPLOYMENT BENEFITS

Actuarial Valuation Date	Employer Contributions	Required Contributions	Percent Contributed
4/30/2013	\$ 68,093	\$ 104,406	65.22%
4/30/2012	68,093	104,406	65.22
4/30/2011	41,099	80,707	50.92
4/30/2010	41,099	80,707	50.92
4/30/2009	41,099	80,707	50.92
4/30/2008	n/a	n/a	n/a

n/a – GASB 45 was implemented by the Village during fiscal year 2009, and as such, no information is available prior to April 30, 2009.

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year ended April 30, 2013

Budgetary data:

- The Finance Department submits to the Board of Trustees a proposed operating budget for the fiscal year. The budget is prepared on a budgetary basis for certain funds which differs from the basis of accounting which is used in financial reporting. The primary difference is that certain expenditures (e.g. pension contributions) are not budgeted. The budget is used as a guide to management in the preparation of tax levy requirements, to estimate revenue and to control expenditures. Unexpended appropriation balances lapse at year-end.
- Budget hearings are conducted.
- The budget is legally enacted through passage of an ordinance. The fiscal year 2013 budget was passed by the Board on July, 16, 2012.
- The budget may be amended by the vote of 4 members of the Board of Trustees. The budget was not amended this year.

The level of control (level at which expenditures may not exceed budget/ appropriations) is the Fund. Budget/Appropriations lapse at year end. No supplemental budget was enacted. The Village operates under the Appropriations Act. For consistency purposes, all financial statements utilize the term "Budget" to indicate estimated revenues or appropriations. The Village prepares budgets for all funds.

<u>Fund</u>	<u>Budget Basis of Accounting</u>
General	Modified Accrual
Special Revenue:	
Motor Fuel Tax	Modified Accrual
Parks and Recreation	Modified Accrual
Emergency Telephone System	Modified Accrual
Special Tax Allocation	Modified Accrual
Police Seizure	Modified Accrual
IMRF	Modified Accrual
Special Event / Festival	Modified Accrual
Debt Service:	
Debt Service – Bond 95	Modified Accrual
Debt Service – Capitalized Interest 2012 Bond	Modified Accrual
Capital Projects:	
Capital Projects	Modified Accrual
Capital Projects 2011	Modified Accrual
Enterprise:	
Water	Accrual
Garbage	Accrual
Pension Trust:	
Police Pension	Accrual
Fire Pension	Accrual
Discretely Presented Component Unit:	
Public Library Fund	Modified Accrual

VILLAGE OF ELMWOOD PARK, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year ended April 30, 2013

The following funds had an excess of actual budgetary expenditures/expenses over budget for the year ended April 30, 2013:

<u>Funds</u>	<u>Amount</u>
Motor Fuel Tax	\$ 184,512
Parks and Recreation	241,244
Police Seizure	213
Special Events / Festival	11,400
DS - Bond 95	996,850
DS – Capitalized Interest 2012	7,843

VILLAGE OF ELMWOOD PARK, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 April 30, 2013

	Special Revenue Funds			
	Motor Fuel Tax Fund	Parks and Recreation Fund	Emergency Telephone System Fund	Police Seizure Fund
Assets				
Cash	\$ 221,279	\$ 684,849	\$ 107,098	\$ -
Property taxes receivable	-	323,546	167,852	-
Other governmental receivables	106,067	-	-	-
Interfund receivables	-	135,810	-	-
Prepaid items	-	8,813	-	-
Total assets	<u>\$ 327,346</u>	<u>\$ 1,153,018</u>	<u>\$ 274,950</u>	<u>\$ -</u>
Liabilities, deferred inflow of resources, and fund balances				
Liabilities				
Accounts payable	\$ 6,440	\$ 218,227	\$ -	\$ -
Accrued payroll	-	8,583	-	-
Interfund payables	299,879	-	228,227	-
Total liabilities	<u>306,319</u>	<u>226,810</u>	<u>228,227</u>	<u>-</u>
Deferred inflows of resources				
Unavailable revenue	-	315,991	163,933	-
Fund balance				
Unassigned	-	-	(117,210)	-
Nonspendable				
Prepaids items	-	8,813	-	-
Restricted				
Restricted by State statute	21,027	-	-	-
Debt service	-	-	-	-
Parks and recreation	-	601,404	-	-
Capital projects	-	-	-	-
IMRF	-	-	-	-
Total fund balance	<u>21,027</u>	<u>610,217</u>	<u>(117,210)</u>	<u>-</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 327,346</u>	<u>\$ 1,153,018</u>	<u>\$ 274,950</u>	<u>\$ -</u>

Special Revenue Funds		Capital Projects Funds	Debt Service Fund		Total
IMRF Fund	Special Events Fund	Capital Projects Fund	Bond 95 Fund	Capitalized Interest 2012	
\$ 515,344	\$ -	\$ 252,438	\$ 484,976	\$ 465,514	\$ 2,731,498
328,796	-	-	268,198	-	1,088,392
-	-	-	36,621	-	142,688
73,091	-	-	565,049	-	773,950
-	-	-	-	-	8,813
<u>\$ 917,231</u>	<u>\$ -</u>	<u>\$ 252,438</u>	<u>\$ 1,354,844</u>	<u>\$ 465,514</u>	<u>\$ 4,745,341</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 224,667
-	-	-	-	-	8,583
-	420,431	-	-	-	948,537
-	<u>420,431</u>	-	-	-	<u>1,181,787</u>
<u>321,118</u>	-	-	<u>298,556</u>	-	<u>1,099,598</u>
	(420,431)				(537,641)
-	-	-	-	-	8,813
-	-	-	-	-	21,027
-	-	-	1,056,288	465,514	1,521,802
-	-	-	-	-	601,404
-	-	252,438	-	-	252,438
596,113	-	-	-	-	596,113
<u>596,113</u>	<u>(420,431)</u>	<u>252,438</u>	<u>1,056,288</u>	<u>465,514</u>	<u>2,463,956</u>
<u>\$ 917,231</u>	<u>\$ -</u>	<u>\$ 252,438</u>	<u>\$ 1,354,844</u>	<u>\$ 465,514</u>	<u>\$ 4,745,341</u>

VILLAGE OF ELMWOOD PARK, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended April 30, 2013

	Special Revenue Funds			
	Motor Fuel Fund	Parks and Recreation Fund	Emergency Telephone Service Fund	Police Seizure Fund
Revenues				
Property taxes	\$ -	\$ 746,614	\$ 381,802	\$ -
Utility taxes	-	-	331,460	-
Licenses, permits and fees	-	264,532	-	-
Other revenue	-	28,472	-	1
Motor fuel tax allotments	609,589	-	-	-
Investment income	425	303	74	-
Total revenues	<u>610,014</u>	<u>1,039,921</u>	<u>713,336</u>	<u>1</u>
Expenditures				
Current				
Administration	-	-	-	3,713
Emergency 911 department	-	-	713,812	-
Culture and recreation	-	1,201,344	-	-
Public works	786,012	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>786,012</u>	<u>1,201,344</u>	<u>713,812</u>	<u>3,713</u>
Excess (deficiency) of revenues over expenditures	<u>(175,998)</u>	<u>(161,423)</u>	<u>(476)</u>	<u>(3,712)</u>
Other financing sources (uses)				
Bond proceeds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(175,998)</u>	<u>(161,423)</u>	<u>(476)</u>	<u>(3,712)</u>
Fund balances at beginning of year	<u>197,025</u>	<u>771,640</u>	<u>(116,734)</u>	<u>3,712</u>
Fund balances at end of year	<u>\$ 21,027</u>	<u>\$ 610,217</u>	<u>\$ (117,210)</u>	<u>\$ -</u>

Special Revenue Funds		Capital Projects Fund	Debt Service Funds			
IMRF Fund	Special Events Fund	Capital Projects Fund	Bond 95 Fund	Capitalized Interest 2012	Total	
\$ 797,223	\$ -	\$ -	\$ 610,524	\$ -	\$ 2,536,163	
4,000	-	-	-	-	335,460	
-	-	-	-	-	264,532	
-	25,545	-	34,773	-	88,791	
-	-	-	-	-	609,589	
229	-	-	5,240	-	6,271	
<u>801,452</u>	<u>25,545</u>	<u>-</u>	<u>650,537</u>	<u>-</u>	<u>3,840,806</u>	
762,709	-	-	-	15	766,437	
-	-	-	-	-	713,812	
-	100,400	-	-	-	1,301,744	
-	-	-	-	-	786,012	
-	-	-	1,365,000	-	1,365,000	
-	-	-	203,164	7,828	210,992	
-	-	-	-	-	-	
<u>762,709</u>	<u>100,400</u>	<u>-</u>	<u>1,568,164</u>	<u>7,843</u>	<u>5,143,997</u>	
<u>38,743</u>	<u>(74,855)</u>	<u>-</u>	<u>(917,627)</u>	<u>(7,843)</u>	<u>(1,303,191)</u>	
-	-	-	996,000	473,357	1,469,357	
-	-	-	996,000	473,357	1,469,357	
38,743	(74,855)	-	78,373	465,514	166,166	
<u>557,370</u>	<u>(345,576)</u>	<u>252,438</u>	<u>977,915</u>	<u>-</u>	<u>2,297,790</u>	
<u>\$ 596,113</u>	<u>\$ (420,431)</u>	<u>\$ 252,438</u>	<u>\$ 1,056,288</u>	<u>\$ 465,514</u>	<u>\$ 2,463,956</u>	

VILLAGE OF ELMWOOD PARK, ILLINOIS
SCHEDULE OF EXPENDITURES - BUDGET (BUDGET BASIS) AND ACTUAL
GENERAL FUND
Year Ended April 30, 2013

	Original and Final Budget	Actual	Variance Positive (Negative)
Expenditures			
Current			
Administration			
Salaries	\$ 817,000	\$ 841,427	\$ (24,427)
Office equip. rep & maintenance	27,000	29,884	(2,884)
Legal fees special counsel	150,000	85,435	64,565
Village legal services	225,000	210,558	14,442
Consulting fees-village	125,000	105,885	19,115
Auditing services	60,000	53,050	6,950
Telephone services	30,000	27,202	2,798
Dues & subscriptions	30,000	28,984	1,016
Travel & training	5,000	5,808	(808)
Office supplies	10,000	9,733	267
Village printing	85,000	123,085	(38,085)
Medical supplies	2,500	2,973	(473)
Postage	5,000	5,072	(72)
New office equipment	5,000	4,028	972
Village software	25,000	42,847	(17,847)
Computer equipment & maintenance	50,000	54,050	(4,050)
Contingency	125,000	314,901	(189,901)
Rodent control	25,000	16,101	8,899
Pace bus service	15,000	12,059	2,941
Cable/programming	40,000	37,100	2,900
Total administration	<u>1,856,500</u>	<u>2,010,182</u>	<u>(153,682)</u>
Code administration			
Salaries	400,000	418,749	(18,749)
Uniforms	5,000	3,512	1,488
Street light maintenance	65,000	134,857	(69,857)
Elevator maintenance village hall	2,500	2,294	206
Elevator inspection	5,000	5,315	(315)
Maintenance traffic & railroad signals	20,000	15,818	4,182
Auto repair & maintenance	7,500	4,419	3,081
Grounds/cleaning	50,000	33,707	16,293
Repair & remodeling	25,000	22,608	2,392
Telephone services	10,000	13,150	(3,150)
Dues & subscriptions	1,500	1,097	403
Travel and training	2,000	1,949	51
Public hearing-code fees	15,000	10,313	4,687
Office supplies	5,000	5,990	(990)

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
SCHEDULE OF EXPENDITURES - BUDGET (BUDGET BASIS) AND ACTUAL
GENERAL FUND
Year Ended April 30, 2013

	Original and Final Budget	Actual	Variance Positive (Negative)
New equipment	\$ 30,000	\$ 28,146	\$ 1,854
Electric costs-lights	200,000	136,022	63,978
LED Lighting	-	-	-
Total code administration	<u>843,500</u>	<u>837,946</u>	<u>5,554</u>
Police department			
Salaries	2,857,000	2,863,850	(6,850)
Salaries/clerks	132,500	142,556	(10,056)
Crossing guard salary	73,000	66,554	6,446
Salaries/auxiliary	50,000	50,211	(211)
Community service official	132,300	145,481	(13,181)
Police detail/special duty	-	-	-
Court time	100,000	111,601	(11,601)
Police overtime	90,000	76,170	13,830
Above rank salaries	7,000	8,180	(1,180)
Holiday pay	160,000	147,390	12,610
Uniform allowance	40,200	43,726	(3,526)
Crossing guards uniforms	-	-	-
Educational incentive	8,000	8,800	(800)
Maintenance general equipment	55,000	47,167	7,833
Maintenance training center	-	-	-
Radio maintenance & repair	5,000	3,660	1,340
Building maintenance/supplies	40,000	43,400	(3,400)
Auto maintenance and repair	45,000	45,030	(30)
Telephone services	30,000	33,671	(3,671)
Printing/copying	10,000	9,430	570
Dues & subscriptions	6,000	7,555	(1,555)
Travel & training	10,000	5,190	4,810
Police Grants	20,000	14,471	5,529
Office supplies	18,000	17,722	278
Photo supplies	-	-	-
Crime prevention supplies	2,500	1,500	1,000
New office equipment	-	-	-
Ammunition	7,500	7,217	283
New equipment	117,000	116,291	709
911 equipment	30,000	20,720	9,280
Meals for prisoners	-	-	-
Police towing	-	-	-
Total police department	<u>4,046,000</u>	<u>4,037,543</u>	<u>8,457</u>

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
SCHEDULE OF EXPENDITURES - BUDGET (BUDGET BASIS) AND ACTUAL
GENERAL FUND
Year Ended April 30, 2013

	Original and Final Budget	Actual	Variance Positive (Negative)
Public works			
Salaries	\$ 1,150,000	\$ 1,064,187	\$ 85,813
Overtime	70,000	21,736	48,264
Uniforms	17,500	9,066	8,434
Equipment maintenance	75,000	65,344	9,656
Building maintenance	25,000	18,155	6,845
Radio equipment	2,500	1,953	547
Telephone services	10,000	9,078	922
Supplies and materials	55,000	57,260	(2,260)
Snow removal and supplies	150,000	76,682	73,318
Street signs	5,000	6,244	(1,244)
New equipment	25,000	25,497	(497)
Gasoline total	150,000	132,447	17,553
Dumping fees	55,000	23,078	31,922
Leaf composting program	35,000	29,948	5,052
Tree trim & removal	50,000	58,470	(8,470)
50/50 tree replacement	10,000	6,577	3,423
50/50 sidewalk replacement	25,000	34,748	(9,748)
Roadway patching	80,000	76,917	3,083
Village beautification	40,000	36,000	4,000
Electric cost lights and traffic signals	-	17,136	(17,136)
Land lease	2,500	2,553	(53)
Union insurance	320,000	256,050	63,950
Total public works	<u>2,352,500</u>	<u>2,029,126</u>	<u>323,374</u>
Fire department			
Salaries	2,212,000	2,309,856	(97,856)
Fire overtime	75,000	74,410	590
Above rank salary	15,000	21,140	(6,140)
Holiday pay	85,000	8,512	76,488
Paid-on-call	10,000	7,028	2,972
Uniform allowance	15,500	12,756	2,744
Educational incentives	10,650	12,066	(1,416)
Maintenance & repair to station	10,000	27,217	(17,217)
Maintenance-training center	-	-	-
Maintenance-communication systems	5,000	4,903	97
Maintenance fire extinguisher/gear	16,000	13,211	2,789
Vehicle repair	20,000	41,774	(21,774)
Paramedic contract	545,000	530,141	14,859
Telephone services	20,000	26,159	(6,159)
Dues and subscriptions	12,500	12,819	(319)

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
 SCHEDULE OF EXPENDITURES - BUDGET (BUDGET BASIS) AND ACTUAL
 GENERAL FUND
 Year Ended April 30, 2013

	Original and Final Budget	Actual	Variance Positive (Negative)
Travel & training	\$ 25,000	\$ 19,744	\$ 5,256
Office supplies and printing	5,000	4,434	566
Medical supplies	5,000	6,246	(1,246)
Medical oxygen	2,500	7,076	(4,576)
Breathing equipment and maintenance	6,500	3,686	2,814
New equipment	15,000	18,125	(3,125)
Computer maintenance	3,000	1,523	1,477
Ambulance billing fees	35,000	18,733	16,267
Total fire department	<u>3,148,650</u>	<u>3,181,559</u>	<u>(32,909)</u>
Insurance department			
Medical insurance	1,500,500	1,315,183	185,317
Workers comp insurance premium	715,000	400,666	314,334
Property & casualty	240,000	149,918	90,082
Inventory management update	5,000	4,500	500
Total insurance department	<u>2,460,500</u>	<u>1,870,267</u>	<u>590,233</u>
Total expenditures	<u>\$ 14,707,650</u>	<u>\$ 13,966,623</u>	<u>\$ 741,027</u>

(Continued)

VILLAGE OF ELMWOOD PARK, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
BUDGET (BUDGET BASIS) AND ACTUAL
WATER OPERATIONS FUND
Year Ended April 30, 2013

	Budget	Actual	Variance Positive (Negative)
Operating revenues			
Water fees	\$ 4,735,000	\$ 5,371,402	\$ 636,402
Other revenue	35,000	53,387	18,387
Total operating revenues	<u>4,770,000</u>	<u>5,424,789</u>	<u>654,789</u>
Operating expenses			
Administration			
Salaries	347,000	334,799	12,201
Employee insurance	60,000	47,648	12,352
Uniforms	5,000	3,124	1,876
Worker's compensation insurance	120,000	120,000	-
Property insurance	90,000	68,677	21,323
Maintenance & repair equipment	50,000	67,475	(17,475)
Fire hydrants repair & clean	25,000	1,516	23,484
Water main repairs	775,000	479,456	295,544
Vehicle maintenance	25,000	4,576	20,424
AMEX rewards	20,000	6,275	13,725
Engineering consulting fee	50,000	55,711	(5,711)
Leak detection	25,000	7,805	17,195
Auditing services	100,000	88,000	12,000
Bank leases	25,000	10,675	14,325
Telephone services	10,000	6,179	3,821
Office supplies	10,000	9,981	19
Computer supplies	80,000	64,478	15,522
Computer software	100,000	100,567	(567)
Postage/outsourcing	60,000	46,598	13,402
Material & supplies	60,000	57,567	2,433
New equipment	50,000	(40,365)	90,365
Electricity	50,000	31,818	18,182
Gasoline	100,000	72,376	27,624
Water meters	45,000	45,526	(526)
Water purchase	2,100,000	1,927,126	172,874
Concrete dumping fees	40,000	19,712	20,288
Concrete patching	150,000	88,000	62,000
Home flood control program	150,000	51,000	99,000
Flood mitigation design plan	50,000	83,096	(33,096)
Total operating expenses	<u>4,772,000</u>	<u>3,859,396</u>	<u>912,604</u>
Operating income (loss)	<u>(2,000)</u>	<u>1,565,393</u>	<u>1,567,393</u>
Nonoperating revenues (expenses)			
Interest	2,000	1,767	(233)
Total nonoperating revenues (expenses)	<u>2,000</u>	<u>1,767</u>	<u>(233)</u>
Net income (loss) - budgetary basis	<u>\$ -</u>	<u>1,567,160</u>	<u>\$ 1,567,160</u>
Adjustments to GAAP basis - depreciation expense		<u>(203,947)</u>	
Change in net position		1,363,213	
Net position at beginning of year		<u>6,244,324</u>	
Net position at end of year		<u>\$ 7,607,537</u>	

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE

To the Honorable President
and Members of the Board of Trustees
Village of Elmwood Park, Illinois

We have examined the Village of Elmwood Park, Illinois', ("Village") compliance with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act during the year ended April 30, 2013. Management is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and accordingly, included examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the Village's compliance with specified requirements.

In our opinion, the Village complied in all material respects, with the aforementioned requirements for the year ended April 30, 2013.


Crowe Horwath LLP

Oak Brook, Illinois
December 16, 2013