

VILLAGE OF CALUMET PARK

Annual Financial Report

For the Year Ended April 30, 2013

Administrative Offices

12409 South Throop Street
Calumet Park, Illinois 60827

(708) 389-0850

Ronald Denson – Mayor
Omara Fonseca – Village Clerk
Mary Ryan – Village Services Director
Ella Bedford - Treasurer
Burton Odelson – Village Attorney

Trustees

Felix A. Laskey
Robert L. Turner
Dorothy P. Wiggins
Cynthia M. Potts
Daniel O. White
Carl Hampton Sr.

**Village of Calumet Park
Annual Financial Report
For the Year Ended April 30, 2013**

Table of Contents

Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4 - 13
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15 - 16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	17 - 18
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	20 - 23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
General Fund	25
TIF 1 Fund	26
TIF 2 Fund	27
Proprietary Funds - Enterprise Fund:	
Statement of Net Position (Deficit)	28
Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit)	29
Statement of Cash Flows	30

(cont'd)

**Village of Calumet Park
Annual Financial Report
For the Year Ended April 30, 2013**

Table of Contents (cont'd)

Basic Financial Statements (cont'd):

Fund Financial Statements (cont'd):

Fiduciary Funds - Statement of Net Position 31

Statement of Changes in Net Position - Pension Trust Fund 32

Notes to the Financial Statements 33 - 63

Required Supplementary Information:

Illinois Municipal Retirement Fund - Schedule of Funding Progress 64

Police Pension Fund - Schedule of Funding Progress 65

Police Pension Fund - Schedule of Revenues By Source
and Expenses By Type 66

Supplemental Section:

Schedule of Expenditures - Budget and Actual - General Fund 67 - 68

Combining and Individual Fund Statements and Schedules -
Nonmajor Governmental Funds:

Combining Balance Sheet 69 - 72

Combining Schedule of Revenues, Expenditures and Changes
in Fund Balances (Deficits) 73 - 76

Schedule of Revenues, Expenditures and Changes in Fund
Balance (Deficit) - Budget and Actual:

911 Fund 77

DCEO Grant Fund 78

Motor Fuel Tax Fund 79

TIF 3 Fund 80

TIF 4 Fund 81

TIF 5 Fund 82

Debt Service Fund 83

(cont'd)

**Village of Calumet Park
Annual Financial Report
For the Year Ended April 30, 2013**

Table of Contents (cont'd)

Supplemental Section (cont'd):

Combining and Individual Fund Statements and Schedules:

Schedule of Revenues, Expenses and Changes in Fund Net

Position - Budget and Actual:

Water Fund

84

Sewer Fund

85

Refuse Fund

86

Schedule of Changes in Assets and Liabilities - Agency

Fund - Performance Bond Fund

87

Other Financial Schedules:

Schedule of Long-term Debt Obligations

88 - 94

Statistical Section:

General Property Tax Data

95

INDEPENDENT AUDITOR'S REPORT

Selden Fox, LTD.

A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS
619 Enterprise Drive
Oak Brook, Illinois 60523-8835

630-954-1400
630-954-1327 FAX

email@seldenfox.com
www.seldenfox.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Board of Trustees
Village of Calumet Park
Calumet Park, Illinois

We have audited the accompanying financial statements of the governmental activities, business-type activities, fiduciary activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **Village of Calumet Park** as of and for the year ended April 30, 2013, and the statements of revenues, expenditures and changes in fund balance – budget and actual for the General Fund, and TIF 1 and TIF 2 (major special revenue) Funds 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.

Basis for Qualified Opinions on Governmental and Business-type Activities and Proprietary Fund

As discussed in Note V.C.3. to the financial statements, management did not obtain an actuarial valuation for the police pension plan in the current or prior year. Management has recorded a liability for the net pension obligation as of April 30, 2010, but did not record an adjustment for any change in the liability in the current or prior year. Accounting principles generally accepted in the United States of America require the cost of providing pension benefits to be accrued as a liability and expense as employees earn the right to the benefits. The change in this liability each year would either increase or decrease the change in net position of governmental activities. The amount by which this departure would affect the liabilities, net position and expenses of the governmental activities is not reasonably determinable.

Management has not recorded a liability for certain other post-employment benefit costs and obligations, and accordingly, has not recorded an adjustment to beginning net position and an expense for the current period change in that liability. Accounting principles generally accepted in the United States of America require the cost of providing other post-employment benefits to be accrued as a liability and expense as employees earn the right to the benefits, which would increase the liabilities, reduce the net position, and change the expenses of governmental and business-type activities, and proprietary funds. The amount by which this departure would affect the liabilities, net position and expenses of the governmental and business-type activities, and the Water Fund is not reasonably determinable.

Qualified Opinions

In our opinion, except for the effects of the matters described in the "Basis for Qualified Opinions on Governmental and Business-type Activities and Proprietary Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental and business-type activities and the proprietary funds of the Village of Calumet Park as of April 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of fiduciary activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **Village of Calumet Park** as of and for the year ended April 30, 2013, and the statement of revenues, expenditures and changes in fund balance – budget and actual for the General Fund, and TIF 1 and TIF 2 (major special revenue) Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4– 13) and the schedules of funding progress (pages 64 - 66) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiry of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the Village of Calumet Park's basic financial statements. The schedule of expenditures – budget and actual for the General Fund, the combining balance sheet and schedule of revenues, expenditures and changes in fund balance – nonmajor funds, the schedule of revenues, expenditures and changes in fund balance – budget and actual for the individual nonmajor funds and the enterprise funds, the schedule of changes in assets and liabilities for the agency fund, and the schedule of long-term debt obligations (hereinafter referred to as "supplementary information") are presented for purposes of additional analysis, and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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, except for the effect of not recording a liability for certain other post-employment benefit costs and obligations in the Water Fund, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Selden Fox, Ltd.

February 6, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

Village of Calumet Park, Illinois
Management's Discussion and Analysis
April 30, 2013

The Village of Calumet Park offers readers of the Village's financial statements this narrative overview and analysis of the financial activity of the Village of Calumet Park for the fiscal year ended April 30, 2013.

Financial Highlights

The assets of the Village of Calumet Park exceeded its liabilities at the close of the most recent fiscal year by \$9,615,409 (*net position*). Of this amount, \$8,222,870 represents the net investment in capital assets, and \$8,423,942 is restricted for other purposes. The Village's unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors, was at a deficit of \$7,031,403. Included within this deficit are amounts that will be needed to make future principal and interest payments on tax increment bond issues, which will be funded through future property taxes and incremental tax revenue, received from the Village's Tax Increment Financing Districts. The liability for the debt is included in the statement of net position, but only the portion of the future tax receipts already levied has been included.

- The government's total net position increased by \$660,092 as a result of current year activities, which consisted of an increase in governmental activities net position of \$838,283 and a decrease in business-type activities net position of \$178,191. The beginning net position of governmental activities was restated to expense issuance costs previously capitalized, in accordance with GASB Statement 65 adopted in the current year.
- As of the close of the current fiscal year, the Village of Calumet Park's governmental funds reported combined ending fund balances of \$11,943,783, an increase of \$197,803 in comparison with the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$3,335,112, a decrease of \$249,620 from the prior year.
- The Village of Calumet Park's total outstanding general obligation bonds decreased by \$970,000 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village of Calumet Park's basic financial statements. The Village of Calumet Park's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Overview of the Financial Statements (cont'd)

Government-wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the Village of Calumet Park's finances, in a manner similar to a private sector business.

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

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

Both of the government-wide financial statements distinguish functions of the Village of Calumet Park that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion of, their costs through user fees and charges (business-type activities). The governmental activities of the Village of Calumet Park include general government, public safety, public works, building, legal, culture and recreation, and interest on long-term debt. The business-type activities of the Village of Calumet Park include water, sewer and refuse activity.

The government-wide financial statements include not only the Village of Calumet Park itself (known as the primary government), but also the Village's component units. The Village of Calumet Park Police Pension Plan is a blended component unit reported as a fiduciary fund. The Village of Calumet Park Public Library is a legally separate component unit (discretely presented) for which the Village of Calumet Park is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 14 through 16 of this report.

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

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

Overview of the Financial Statements (cont'd)

Governmental Funds (cont'd)

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

The Village of Calumet Park maintains nineteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, two Special Revenue Funds, the TIF 1 and TIF 2 Funds, and the Capital Projects Fund, which collectively comprise the major funds. Data from the other fifteen governmental funds (911 Fund, DCEO Grant Fund, Federal Law Enforcement Fund, Justice Assistance Grant I Fund, Justice Assistance Grant II Fund, Motor Fuel Tax Fund, Police Evidence Fund, School District 132 Grant Fund, State Law Enforcement Fund, TIF 3 Fund, TIF 4 Fund, TIF 5 Fund, Tobacco Enforcement Fund, CDBG Fund, and Debt Service Fund) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplemental section in this report.

The Village of Calumet Park adopts an annual appropriated budget for all funds but the following nonmajor Special Revenue Funds – Federal Law Enforcement, Justice Assistance Grant I, Police Evidence, School District 132 Grant, State Law Enforcement and Tobacco Enforcement Funds. A budgetary comparison statement has been provided for the General Fund and major special revenue funds within the basic financial statements to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17 through 27 of this report.

Proprietary Funds – The Village of Calumet Park maintains one type of proprietary fund, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village of Calumet Park uses three separate enterprise funds to account for its water, sewer and refuse operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information on the Water Fund, Sewer Fund, and the Refuse Fund, which are the only proprietary funds of the Village of Calumet Park, and which are all considered major funds. The basic proprietary fund financial statements can be found on pages 28 through 30 of this report.

The Village of Calumet Park adopts an annual appropriated budget for its Enterprise Funds. A budgetary comparison schedule has been provided for the Water, Sewer and Refuse Funds in the supplemental section in this report.

Overview of the Financial Statements (cont'd)

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements, because the resources of those funds are not available to support the Village of Calumet Park's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village's fiduciary funds consist of a Pension Trust Fund and an Agency Fund.

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 through 63 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village of Calumet Park's progress in funding its obligation to provide pension benefits to its employees, as well as historical data on revenues by source and expenses by type for its single employer Police Pension Fund. Required supplementary information can be found on pages 64 through 66 of this report.

A General Fund detailed schedule of expenditures – budget and actual, the combining statements referred to earlier in connection with nonmajor governmental funds, detailed schedule of revenues, expenses and changes in fund net position – budget and actual for the nonmajor governmental fund and the enterprise fund, a schedule of changes in assets and liabilities for the Agency Fund, and detail schedules of long-term liabilities are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 67 through 86 of this report. Some general property tax data is included in the statistical section of this report on page 95.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Calumet Park, assets exceeded liabilities by \$9,450,928 at the close of the most recent fiscal year.

The largest portion of the Village of Calumet Park's net position reflects its investment in capital assets (e.g., land, buildings and improvements, equipment and vehicles), less any related debt used to acquire those assets that is still outstanding. The Village of Calumet Park uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Calumet Park's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Government-wide Financial Analysis (cont'd)

An additional portion of the Village of Calumet Park's net position represents resources that are subject to external restrictions, established by law, grant agreement or contractual obligation, on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

**Village of Calumet Park
Condensed Statement of Net Position
For the Years Ended April 30,
(in millions)**

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 15.5	\$ 16.3	\$.8	\$.7	\$ 16.3	\$ 17.0
Capital assets	6.8	6.9	2.1	2.2	8.9	9.1
Total assets	22.3	23.2	2.9	2.9	25.2	26.1
Total deferred outflows of resources	-	-	-	-	-	-
Long-term liabilities	11.8	12.8	-	-	11.8	12.8
Other liabilities	.9	1.2	2.9	2.7	3.8	3.9
Total liabilities	12.7	14.0	2.9	2.7	15.6	16.7
Net position:						
Net investment in capital assets	6.2	6.3	2.1	2.2	8.3	8.5
Restricted	8.4	7.5	-	-	8.4	7.5
Unrestricted	(5.0)	(4.6)	(2.1)	(2.0)	(7.1)	(6.6)
Total net position	\$ 9.6	\$ 9.2	\$ -	\$.2	\$ 9.6	\$ 9.4

Governmental Activities – Governmental activities increased the Village of Calumet Park's net position by \$838,283 (increase of \$2,500,506 in the prior year). General revenues decreased by nearly \$450,000 as decreases in property and incremental taxes offset modest gains in sales, income and home rule tax revenue. Expenses increased nearly \$500,000, primarily due to increases in public safety and public works. The public safety increase related primarily to retroactive pay due police and fire personnel, and the public works increase related primarily to costs incurred in connection with the potential formation of a joint action water agency. In the prior year, the Village also received additional grant revenues which were used to acquire capital assets, for which the related depreciation expense will be recognized in future years.

Business-type Activities – Business-type activities decreased the Village of Calumet Park's net position by \$178,191 (decreased \$544,128 in prior year). The current year decrease includes a loss in two of the three business-type activities, with the largest loss of \$287,579 in the Water Fund. The Village is committed to future rate increases to eliminate annual deficits in the business-type activities.

Detail on current year activity follows.

Government-wide Financial Analysis (cont'd)

**Village of Calumet Park
Changes in Net Position
For the Fiscal Year Ended April 30, 2013
(in millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	Amount	% of Totals	Amount	% of Totals	Amount	% of Totals
Program revenues:						
Charges for service	\$.8	8.6 %	\$ 1.8	97.1 %	\$ 2.6	22.1 %
Operating/capital grants	.3	2.8	-	-	.3	2.3
General revenue:						
Property taxes	4.7	48.6	-	-	4.7	41.2
Other taxes	3.4	35.3	-	-	3.4	29.9
Other revenues	.5	4.7	.1	2.9	.6	4.5
Total revenues	9.7		1.9		11.6	
Expenses:						
Governmental activities:						
General government	2.0	23.0	-	-	2.0	18.0
Public safety	4.4	48.8	-	-	4.4	40.4
Public works	1.4	14.6	-	-	1.4	12.5
Building	.1	1.9	-	-	.1	1.0
Legal	.2	2.3	-	-	.2	1.9
Culture and recreation	.4	3.8	-	-	.4	3.3
Interest	.4	5.6	-	-	.4	3.9
Business-type:						
Water	-	-	1.5	74.1	1.5	14.1
Sewer	-	-	.1	5.0	.1	.9
Refuse	-	-	.5	20.9	.5	4.0
Total expenses	8.9		2.1		11.0	
Changes in net position	\$.8		\$ (.2)		\$.6	

Revenues:

- Property taxes decreased 9.3% as there was a decline in the equalized assessed valuation in the TIF Districts in the current year.
- Sales, income and home rule taxes increased by 8.5% as the economy started to show some improvement in the current year.
- Water and sewer revenues increased as the Village raised rates in the current year, but not enough to offset entire increase in water purchase cost.

For the most part, changes in expenses reflected the strict adherence to budget and the changes in the demand for services.

Government-wide Financial Analysis (cont'd)

A condensed statement of activities for the year ended April 30, 2012, is shown for comparative purposes.

**Village of Calumet Park
Changes in Net Position
For the Fiscal Year Ended April 30, 2012
(in millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	Amount	% of Totals	Amount	% of Totals	Amount	% of Totals
Program revenues:						
Charges for service	\$.7	6.4 %	\$ 1.4	96.7 %	\$ 2.1	17.6 %
Operating/capital grants	1.1	10.5	-	-	1.1	9.3
General revenue:						
Property taxes	5.2	47.9	-	-	5.2	42.2
Other taxes	3.4	30.7	-	-	3.4	27.0
Other revenues	.5	4.5	.1	3.3	.6	3.9
Total revenues	10.9		1.5		12.4	
Expenses:						
Governmental activities:						
General government	1.9	23.0	-	-	1.9	18.5
Public safety	4.1	48.8	-	-	4.1	39.3
Public works	1.2	14.6	-	-	1.2	11.8
Building	.2	1.9	-	-	.2	1.5
Legal	.2	2.3	-	-	.2	1.9
Culture and recreation	.3	3.8	-	-	.3	3.1
Interest	.5	5.6	-	-	.5	4.5
Business-type:						
Water	-	-	1.2	58.1	1.2	11.4
Sewer	-	-	.2	10.5	.2	2.0
Refuse	-	-	.6	31.4	.6	6.0
Total expenses	8.4		2.0		10.4	
Changes in net position	\$ 2.5		\$ (.5)		\$ 2.0	

Financial Analysis of the Government's Funds

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

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

Proprietary Funds – The Village of Calumet Park's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water Fund at the end of the year was at a deficit of \$1,898,869 (deficit of \$1,736,701 in the prior year). The operating loss for the Water Fund in the current year was \$338,740 (decrease of \$223,323 in the prior year).

Financial Analysis of the Government's Funds (cont'd)

Proprietary Funds (cont'd)

Other factors concerning the finances of the Water Fund have already been addressed in the discussion of the Village of Calumet Park's business-type activities. The Village created a separate Sewer Fund seven years ago, as the Board of Trustees approved a new monthly charge for sewer services as a means of paying a surcharge put on the Village by the City of Chicago at that time for sewer lines. The Sewer Fund had an operating income of \$130,076 this year (operating loss of \$54,192 in the prior year as the Village was required to make an additional payment of \$132,800 to the City of Chicago as settlement for prior disputed charges in the prior year). The Village created a Refuse Fund two years ago to account for the charges and expense related to garbage pickup previously accounted for in the General Fund. The Refuse Fund had an operating loss of \$20,688 in the current year (operating loss of \$299,442 in the prior year).

General Fund Budgetary Highlights

There were no amendments made to the originally adopted budget by the Village during the current fiscal year. During the year, actual expenditures came in under budget, which resulted in an increase in the General Fund's fund balance from the beginning of the year to the end of the year, rather than the projected decrease.

	General Fund (in millions)		
	Original Budget	Final Budget	Actual
Revenues:			
Taxes	\$ 3.0	\$ 3.0	\$ 3.2
Intergovernmental	2.7	2.7	2.7
Other	1.2	1.2	1.2
Total	6.9	6.9	7.1
Expenditures:			
Current:			
Administration	1.3	1.3	1.3
Building	.2	.2	.1
Police	2.8	2.8	2.9
Fire	1.0	1.0	1.1
Streets and alleys	.9	.9	.9
Recreation	.3	.3	.3
Pension	.6	.6	.5
Total	7.1	7.1	7.1
Revenues over (under) expenditures	(.2)	(.2)	-
Other financing use – transfer out	(.3)	(.3)	(.2)
Change in fund balance	\$ (.5)	\$ (.5)	\$ (.2)

Capital Asset and Debt Administration

Capital Assets – The Village of Calumet Park’s investment in capital assets for its governmental and business-type activities as of April 30, 2013 and 2012 was \$8,820,285 and \$9,130,739, respectively (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, infrastructure, equipment and vehicles. The Village, as a phase three government under GASB 34, has elected to capitalize infrastructure assets (i.e., streets, sidewalks and curbs, land beneath the streets, and bridges) on the statement of net position on a prospective basis. The total change in the Village of Calumet Park’s investment in capital assets between the current fiscal year and the prior year’s annual report was a decrease of 3.4% (2.7% decrease for governmental activities and a 5.7% decrease for business-type activities).

The following table presents capital assets at April 30, 2013 and 2012, at net book value.

**Village of Calumet Park
Capital Assets at Year End
Net of Depreciation
(in millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Land	\$ 1.2	\$ 1.2	\$ -	\$ -	\$ 1.2	\$ 1.2
Buildings and improvements	.5	.6	1.8	1.9	2.3	2.5
Infrastructure	3.7	3.7	-	-	3.7	3.7
Equipment	.5	.5	.3	.3	.8	.8
Vehicles	.8	.9	-	-	.8	.9
Total	\$ 6.7	\$ 6.9	\$ 2.1	\$ 2.2	\$ 8.8	\$ 9.1

Additional information on the Village of Calumet Park’s capital assets can be found in Note IV.C. on pages 48 through 50 of this report.

Long-term Debt – At the end of fiscal year 2013, the Village of Calumet Park had total bonded debt outstanding of \$11,270,000 (\$12,240,000 at April 30, 2012). Of this amount, \$2,435,000 represents general obligation bonds, and \$8,835,000 represents general obligation tax increment bonds (\$2,500,000 and \$9,740,000, respectively, at April 30, 2012). All of this bonded debt is backed by the full faith and credit of the government.

Capital Asset and Debt Administration (cont'd)

Long-term Debt (cont'd)

**Village of Calumet Park
Outstanding General Obligation Debt (000's)**

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 2.5	\$ 2.5	\$ -	\$ -	\$ 2.5	\$ 2.5
General obligation tax increment bonds	8.8	9.7	-	-	8.8	9.7
	<u>\$ 11.3</u>	<u>\$ 12.2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11.3</u>	<u>\$ 12.2</u>

The Village of Calumet Park's total debt decreased by \$970,000 during the current fiscal year (decrease of \$1,170,000 in the prior fiscal year). The Village of Calumet Park is a home rule community, and therefore, is not limited in the amount of general obligation debt it may issue by any State statute.

Additional information on the Village of Calumet Park's long-term debt can be found in Note IV.E. on pages 52 through 54 of this report.

Summary and Future Considerations

The Village intends to continue to closely monitor expenditures, and allocate resources to areas that best meet the needs of its citizenry. The Village will continue to actively seek out grants and all other available revenue sources. The Village intends to continue to participate in the Community Development Block Grant Program to obtain additional resources to help maintain the infrastructure of the Village.

Request for Information

This financial report is designed to provide a general overview of the Village of Calumet Park's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Treasurer, 12409 South Throop Street, Calumet Park, Illinois 60827.

BASIC FINANCIAL STATEMENTS

**Village of Calumet Park
Statement of Net Position
April 30, 2013**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Public Library
Assets				
Cash and cash equivalents	\$ 9,164,038	\$ 255,756	\$ 9,419,794	\$ 321,466
Receivables	3,508,849	572,489	4,081,338	85,678
Due from primary government	-	-	-	6,881
Due from Fiduciary Funds	4,671	-	4,671	-
Internal balances	2,736,912	(2,736,912)	-	-
Prepaid items	86,070	-	86,070	-
Unamortized bond discount	46,503	-	46,503	-
Capital assets not being depreciated - land	1,245,417	-	1,245,417	-
Capital assets, net of accumulated depreciation:				
Buildings and improvements	542,735	1,762,777	2,305,512	26,033
Infrastructure	3,661,057	-	3,661,057	-
Equipment	498,289	304,965	803,254	3,446
Vehicles	805,044	-	805,044	-
Total assets	22,299,585	159,075	22,458,660	443,504
Deferred Outflows of Resources				
Deferred charge on refunding	18,616	-	18,616	-
Liabilities				
Accounts payable and other accrued expenses	65,615	157,712	223,327	4,377
Accrued interest expense	171,163	-	171,163	-
Due to other governments	289,878	-	289,878	-
Due to Fiduciary Fund	296,618	1,300	297,918	-
Due to component unit	6,881	-	6,881	-
Unearned revenue	61,585	-	61,585	-
Noncurrent liabilities:				
Due within one year	1,272,505	-	1,272,505	-
Due in more than one year	10,538,610	-	10,538,610	-
Total liabilities	12,702,855	159,012	12,861,867	4,377
Net Position				
Net investment in capital assets	6,155,128	2,067,742	8,222,870	29,479
Restricted by state statute	6,539,272	-	6,539,272	-
Restricted for grant purpose	86,625	-	86,625	-
Restricted for debt service	145,459	-	145,459	-
Restricted for capital projects	1,652,586	-	1,652,586	-
Unrestricted	(4,963,724)	(2,067,679)	(7,031,403)	409,648
Total net position	\$ 9,615,346	\$ 63	\$ 9,615,409	\$ 439,127

See accompanying notes and independent auditor's report.

**Village of Calumet Park
Statement of Activities
For the Year Ended April 30, 2013**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	Component Unit Public Library
Primary government:								
Governmental activities:								
General government	\$ 1,966,341	\$ 267,373	\$ -	\$ -	\$ (1,698,968)	\$ -	\$ (1,698,968)	\$ -
Public safety	4,424,773	480,085	27,275	-	(3,917,413)	-	(3,917,413)	-
Public works	1,363,755	-	-	239,990	(1,123,765)	-	(1,123,765)	-
Building	112,130	56,716	-	-	(55,414)	-	(55,414)	-
Legal	207,767	-	-	-	(207,767)	-	(207,767)	-
Culture and recreation	358,310	28,037	-	-	(330,273)	-	(330,273)	-
Interest on long-term debt	430,287	-	-	-	(430,287)	-	(430,287)	-
Total governmental activities	8,863,363	832,211	27,275	239,990	(7,763,887)	-	(7,763,887)	-
Business-type activities:								
Water	1,541,963	1,086,264	-	-	-	(455,699)	(455,699)	-
Sewer	102,989	218,035	-	-	-	115,046	115,046	-
Refuse	435,047	385,410	-	-	-	(49,637)	(49,637)	-
Total business-type activities	2,079,999	1,689,709	-	-	-	(390,290)	(390,290)	-
Total primary government	\$ 10,943,362	\$ 2,521,920	\$ 27,275	\$ 239,990	(7,763,887)	(390,290)	(8,154,177)	-
Component unit - Public Library	\$ 221,423	\$ 4,386	\$ 8,035	\$ -	-	-	-	(209,002)
General revenues:								
Property taxes					4,717,478	-	4,717,478	151,908
Replacement taxes					47,203	-	47,203	-
Sales taxes					1,004,517	-	1,004,517	-
Income taxes					734,985	-	734,985	-
Motor fuel taxes					223,553	-	223,553	-
Utility taxes					472,474	-	472,474	-
Vehicle fuel taxes					154,020	-	154,020	-
Home rule taxes					623,057	-	623,057	-
Hotel/motel taxes					162,038	-	162,038	-
Real estate transfer stamps					31,177	-	31,177	-
Franchise fees					88,576	-	88,576	-
Unrestricted investment earnings					5,776	178	5,954	315
Miscellaneous					333,772	50,983	384,755	-
Total general revenues					8,598,626	51,161	8,649,787	152,223
Change in net position					834,739	(339,129)	495,610	(56,779)
Net position, beginning of the year, as previously reported					9,174,574	178,254	9,352,828	495,906
Prior period restatement to expense issuance costs					(397,511)	-	(397,511)	-
Net position, beginning of the year, as restated					8,777,063	178,254	8,955,317	495,906
Net position, end of the year					\$ 9,611,802	\$ (160,875)	\$ 9,450,927	\$ 439,127

See accompanying notes and independent auditor's report.

**Village of Calumet Park
Balance Sheet - Governmental Funds
April 30, 2013**

	General	TIF 1	TIF 2	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 1,106,037	\$ 982,821	\$ 3,791,755	\$ 1,664,258	\$ 1,619,167	\$ 9,164,038
Accounts receivable	207,061	-	-	-	-	207,061
Property taxes receivable	1,540,960	232,914	618,772	-	303,365	2,696,011
Due from other funds	3,022,231	-	-	3,415	1,006,125	4,031,771
Due from other governments	592,303	-	-	-	13,474	605,777
Prepaid items	-	-	-	86,070	-	86,070
Total assets	\$ 6,468,592	\$ 1,215,735	\$ 4,410,527	\$ 1,753,743	\$ 2,942,131	\$ 16,790,728
Liabilities						
Accounts payable	\$ 37,680	\$ -	\$ -	\$ -	\$ 27,935	\$ 65,615
Due to other funds	1,197,815	158,967	129,520	15,087	85,417	1,586,806
Due to other governments	208,796	-	-	-	81,082	289,878
Due to component unit	6,881	-	-	-	-	6,881
Unearned revenue - other	179,099	-	52,819	-	12,500	244,418
Total liabilities	1,630,271	158,967	182,339	15,087	206,934	2,193,598
Deferred Inflows of Resources						
Unavailable revenue - property taxes	1,503,209	232,914	618,772	-	298,452	2,653,347
Fund Balances						
Nonspendable	-	-	-	86,070	-	86,070
Spendable:						
Restricted by state statute	-	823,854	3,609,416	-	2,038,990	6,472,260
Restricted for grant purposes	-	-	-	-	86,625	86,625
Restricted for debt service	-	-	-	-	322,818	322,818
Restricted for capital outlay	-	-	-	1,652,586	-	1,652,586
Assigned for police activities	-	-	-	-	23,845	23,845
Unassigned	3,335,112	-	-	-	(35,533)	3,299,579
Total fund balances	3,335,112	823,854	3,609,416	1,738,656	2,436,745	11,943,783
Total liabilities, deferred inflows and fund balances	\$ 6,468,592	\$ 1,215,735	\$ 4,410,527	\$ 1,753,743	\$ 2,942,131	\$ 16,790,728

See accompanying notes and independent auditor's report.

**Village of Calumet Park
Reconciliation of Balance Sheet of Governmental Funds
to the Statement of Net Position
April 30, 2013**

Total fund balance - governmental funds (page 18)	\$ 11,943,783
---	---------------

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	6,752,542
---	-----------

Deferred charge on refunding is amortized over the life of the issue for governmental activities, but expensed in the period paid in the governmental funds.	18,616
--	--------

Revenues are recognized for governmental activities when earned, regardless of when collected, and not deferred on the statement of net position.	2,836,180
---	-----------

Bond premiums are amortized over the life of the issue for governmental activities, but recognized as revenue in the period received in the governmental funds.	(23,150)
---	----------

Bond discounts are amortized over the life of the issue for governmental activities, but recognized as expense in the period incurred in the governmental funds.	46,503
--	--------

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	(11,270,000)
Compensated absences payable	(494,707)
Net pension obligation	(23,258)
Interest payable	(171,163)
	(11,961,128)

Net position of governmental activities (page 14)	\$ 9,615,346
---	--------------

See accompanying notes and independent auditor's report.

**Village of Calumet Park
Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds
For the Year Ended April 30, 2013**

	General	TIF 1	TIF 2	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 2,645,596	\$ 390,805	\$ 1,164,254	\$ -	\$ 646,541	\$ 4,847,196
Other taxes	607,667	-	-	-	-	607,667
Licenses and permits	286,646	-	-	-	-	286,646
Intergovernmental	2,698,295	-	-	-	223,553	2,921,848
Grant revenue	27,275	-	-	-	239,990	267,265
Fines and forfeitures	233,925	-	-	-	-	233,925
Service charges and fees	442,632	-	-	-	-	442,632
Interest income	1,021	1,660	222	-	2,879	5,782
Other	218,486	-	8,330	-	37,583	264,399
Total revenues	7,161,543	392,465	1,172,806	-	1,150,546	9,877,360
Expenditures:						
Current:						
Administration	1,264,671	81,844	20,808	-	4,327	1,371,650
Building	118,727	-	-	-	-	118,727
Police	2,930,031	-	-	-	294,925	3,224,956
Fire	1,107,033	-	-	-	-	1,107,033
Street and alley	886,687	-	-	7,770	118,468	1,012,925
Recreation	344,703	-	-	-	-	344,703
Police Pension	499,010	-	-	-	-	499,010
Debt Service:						
Principal	-	-	875,000	-	305,000	1,180,000
Interest	-	-	312,673	-	131,541	444,214
Fees	-	-	10,000	-	2,500	12,500
Capital outlay	-	-	48,556	73,618	239,284	361,458
Miscellaneous	-	-	-	-	2,381	2,381
Total expenditures	7,150,862	81,844	1,267,037	81,388	1,098,426	9,679,557
Revenues over (under) expenditures before other financing sources (uses)	10,681	310,621	(94,231)	(81,388)	52,120	197,803

(cont'd)

Village of Calumet Park
Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds (cont'd)
For the Year Ended April 30, 2013

	General	TIF 1
Other financing sources (uses):		
Transfers in	\$ -	\$ -
Transfers out	(260,301)	-
Bonds issued	-	-
Payments to SSJAWA	-	-
Total other financing sources (uses)	(260,301)	-
Net changes in fund balances	(249,620)	310,621
Fund balances, beginning of the year	3,584,732	513,233
Fund balances, end of the year	\$ 3,335,112	\$ 823,854

	TIF 2	Capital Projects	Other Governmental Funds	Total Governmental Funds
	\$ -	\$ -	\$ 260,301	\$ 260,301
	-	-	-	(260,301)
	-	-	210,000	210,000
	-	-	(210,000)	(210,000)
	-	-	260,301	-
	(94,231)	(81,388)	312,421	197,803
	3,703,647	1,820,044	2,124,324	11,745,980
	\$ 3,609,416	\$ 1,738,656	\$ 2,436,745	\$ 11,943,783

See accompanying notes and independent auditor's report.

**Village of Calumet Park
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended April 30, 2013**

Amounts reported for governmental activities in the statement of activities (pages 14 and 15) are different because:

Net changes in fund balances - total governmental funds (page 23)	\$ 197,803
---	------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(185,044)
--	-----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(168,633)
--	-----------

The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	961,531
--	---------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:	
Decrease in compensated absences payable	19,187
Increase in net pension obligation	(487)
Decrease in interest payable	13,926
	13,926

Change in net position of governmental activities (page 16)	\$ 838,283
---	------------

See accompanying notes and independent auditor's report.

**Village of Calumet Park
General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2013**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property taxes	\$ 2,367,086	\$ 2,367,086	\$ 2,645,596	\$ 278,510
Other taxes	660,900	660,900	607,667	(53,233)
Licenses and permits	345,000	345,000	286,646	(58,354)
Intergovernmental	2,680,813	2,680,813	2,698,295	17,482
Grant revenue	24,100	24,100	27,275	3,175
Fines and forfeitures	311,000	311,000	233,925	(77,075)
Service charges and fees	348,200	348,200	442,632	94,432
Interest income	1,100	1,100	1,021	(79)
Other	178,000	178,000	218,486	40,486
Total revenues	6,916,199	6,916,199	7,161,543	245,344
Expenditures:				
Current:				
Administration	1,311,510	1,311,510	1,264,671	46,839
Building	179,650	179,650	118,727	60,923
Police	2,766,800	2,766,800	2,930,031	(163,231)
Fire	1,039,218	1,039,218	1,107,033	(67,815)
Street and alley	960,200	960,200	886,687	73,513
Recreation	295,450	295,450	344,703	(49,253)
Total current	6,552,828	6,552,828	6,651,852	(99,024)
Police pension expense	580,736	580,736	499,010	81,726
Total expenditures	7,133,564	7,133,564	7,150,862	(17,298)
Revenues over (under) expenditures before other financing uses	(217,365)	(217,365)	10,681	228,046
Other financing uses - transfers out	(300,000)	(300,000)	(260,301)	39,699
Net changes in fund balance	\$ (517,365)	\$ (517,365)	(249,620)	\$ 267,745
Fund balance, beginning of the year			3,584,732	
Fund balance, end of the year			\$ 3,335,112	

See accompanying notes and independent auditor's report.

**Village of Calumet Park
TIF 1 Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2013**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property taxes	\$ 460,000	\$ 460,000	\$ 390,805	\$ (69,195)
Interest income	1,000	1,000	1,660	660
Total revenues	461,000	461,000	392,465	(68,535)
Expenditures:				
Current - administration	475,000	475,000	81,844	393,156
Capital outlay	800,000	800,000	-	800,000
Total expenditures	1,275,000	1,275,000	81,844	1,193,156
Net changes in fund balance	\$ (814,000)	\$ (814,000)	310,621	\$ 1,124,621
Fund balance, beginning of the year			513,233	
Fund balance, end of the year			\$ 823,854	

See accompanying notes and independent auditor's report.

**Village of Calumet Park
TIF 2 Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2013**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property taxes	\$ 1,500,000	\$ 1,500,000	\$ 1,164,254	\$ (335,746)
Interest income	200	200	222	22
Other	200	200	8,330	8,130
Total revenues	<u>1,500,400</u>	<u>1,500,400</u>	<u>1,172,806</u>	<u>(327,594)</u>
Expenditures:				
Current - administration	75,000	75,000	20,808	54,192
Debt service:				
Principal	875,000	875,000	875,000	-
Interest	312,673	312,673	312,673	-
Fees	15,000	15,000	10,000	5,000
Capital outlay	2,000,000	2,000,000	48,556	1,951,444
Miscellaneous	610,000	610,000	-	610,000
Total expenditures	<u>3,887,673</u>	<u>3,887,673</u>	<u>1,267,037</u>	<u>2,620,636</u>
Net changes in fund balance	<u>\$(2,387,273)</u>	<u>\$(2,387,273)</u>	<u>(94,231)</u>	<u>\$ 2,293,042</u>
Fund balance, beginning of the year			<u>3,703,647</u>	
Fund balance, end of the year			<u>\$ 3,609,416</u>	

See accompanying notes and independent auditor's report.

**Village of Calumet Park
Proprietary Funds - Enterprise Fund
Statement of Net Position (Deficit)
For the Year Ended April 30, 2013**

	<u>Water</u>	<u>Sewer</u>	<u>Refuse</u>	<u>Total</u>
Current assets:				
Cash	\$ -	\$ 255,756	\$ -	\$ 255,756
Accounts receivable:				
Customers	379,595	34,658	158,236	572,489
Due from other funds	60,571	98,653	-	159,224
Total current assets	<u>440,166</u>	<u>389,067</u>	<u>158,236</u>	<u>987,469</u>
Capital assets:				
Buildings and improvements	2,784,322	-	-	2,784,322
Equipment	742,582	-	-	742,582
Less accumulated depreciation	(1,459,162)	-	-	(1,459,162)
Total capital assets	<u>2,067,742</u>	<u>-</u>	<u>-</u>	<u>2,067,742</u>
Total assets	<u>2,507,908</u>	<u>389,067</u>	<u>158,236</u>	<u>3,055,211</u>
Liabilities:				
Accounts payable	119,950	-	-	119,950
Other liabilities	37,762	-	-	37,762
Due to other funds	2,181,323	103,453	612,660	2,897,436
Total liabilities	<u>2,339,035</u>	<u>103,453</u>	<u>612,660</u>	<u>3,055,148</u>
Net position (deficit):				
Net investment in capital assets	2,067,742	-	-	2,067,742
Unrestricted	(1,898,869)	285,614	(454,424)	(2,067,679)
Total net position (deficit)	<u>\$ 168,873</u>	<u>\$ 285,614</u>	<u>\$ (454,424)</u>	<u>\$ 63</u>

See accompanying notes and independent auditor's report.

Village of Calumet Park
Proprietary Funds - Enterprise Fund
Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit)
For the Year Ended April 30, 2013

	Water	Sewer	Refuse	Total
Operating revenues:				
Water charges	\$ 1,158,286	\$ -	\$ -	\$ 1,158,286
Sewer charges	-	233,065	-	233,065
Refuse charges	-	-	414,359	414,359
Total operating revenues	1,158,286	233,065	414,359	1,805,710
Operating expenses:				
Salaries and wages	209,176	-	-	209,176
Insurance and benefits	129,569	-	-	129,569
Contractual services	983,293	102,989	435,047	1,521,329
Supplies and materials	45,744	-	-	45,744
Miscellaneous	3,833	-	-	3,833
Depreciation	125,411	-	-	125,411
Total operating expenses	1,497,026	102,989	435,047	2,035,062
Operating income (loss)	(338,740)	130,076	(20,688)	(229,352)
Nonoperating income:				
Interest	178	-	-	178
Miscellaneous	50,983	-	-	50,983
Total nonoperating income	51,161	-	-	51,161
Changes in net position	(287,579)	130,076	(20,688)	(178,191)
Net position, beginning of the year	456,452	155,538	(433,736)	178,254
Net position, end of the year	\$ 168,873	\$ 285,614	\$ (454,424)	\$ 63

See accompanying notes and independent auditor's report.

**Village of Calumet Park
Proprietary Funds - Enterprise Fund
Statement of Cash Flows
For the Year Ended April 30, 2013**

	<u>Water</u>	<u>Sewer</u>	<u>Refuse</u>	<u>Total</u>
Cash flows from operating activities:				
Cash received from customers	\$1,082,214	\$222,212	\$ 406,273	\$ 1,710,699
Cash received from other sources	50,983	-	-	50,983
Cash payments to vendors for goods and services	(1,137,057)	(102,989)	(435,047)	(1,675,093)
Cash payments to employees	(248,165)	-	-	(248,165)
Net cash from operating activities	(252,025)	119,223	(28,774)	(161,576)
Cash flows from noncapital financing activities - advances from other funds	178,680	-	28,774	207,454
Cash flows from investing activities - interest income	178	-	-	178
Net increase (decrease) in cash	(73,167)	119,223	-	46,056
Cash, beginning of the year	73,167	136,533	-	209,700
Cash, end of the year	\$ -	\$255,756	\$ -	\$ 255,756
Reconciliation of operating income (loss) to cash from operating activities:				
Operating income (loss)	\$ (338,740)	\$130,076	\$ (20,688)	\$ (229,352)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	125,411	-	-	125,411
Nonoperating income - miscellaneous	50,983	-	-	50,983
(Increase) decrease in accounts receivable	(76,072)	(10,853)	(8,086)	(95,011)
Increase in accounts payable	25,382	-	-	25,382
Decrease in other liabilities	(38,989)	-	-	(38,989)
Net cash from operations	\$ (252,025)	\$119,223	\$ (28,774)	\$ (161,576)

See accompanying notes and independent auditor's report.

**Village of Calumet Park
Fiduciary Funds
Statement of Net Position
April 30, 2013**

Assets	Total	Pension Trust Fund Police Pension Fund	Agency Fund Performance Bond Fund
Assets:			
Cash	\$ 936,052	\$ 689,201	\$ 246,851
Investments	5,914,991	5,914,991	-
Due from other funds	297,918	296,618	1,300
Total assets	\$ 7,148,961	\$ 6,900,810	\$ 248,151
Liabilities and Fund Balances			
Liabilities:			
Due to other funds	\$ 4,671	\$ -	\$ 4,671
Deposits held	243,480	-	243,480
Total liabilities	248,151	-	248,151
Net position held in trust for pension benefits	6,900,810	6,900,810	-
Total liabilities and fund balances	\$ 7,148,961	\$ 6,900,810	\$ 248,151

See accompanying notes and independent auditor's report.

**Village of Calumet Park
Fiduciary Funds - Pension Trust Fund
Statement of Changes in Net Position
For the Year Ended April 30, 2013**

Additions:	
Contributions:	
Employer	\$ 500,588
Employee	<u>129,947</u>
Total contributions	<u>630,535</u>
Other income:	
Investment income	102,363
Valuation income	<u>370,091</u>
Total other income	<u>472,454</u>
Total additions	<u>1,102,989</u>
Deductions:	
Benefits and refunds	699,769
Administrative	<u>19,617</u>
Total deductions	<u>719,386</u>
Changes in net position	383,603
Net position held in trust for pension benefits:	
Beginning of the year	<u>6,517,207</u>
End of the year	<u>\$ 6,900,810</u>

See accompanying notes and independent auditor's report.

**Village of Calumet Park
Notes to the Financial Statements**

I. Summary of Significant Accounting Policies

A. The Reporting Entity

The Village of Calumet Park, Cook County, Illinois is duly organized and existing under the provisions of the laws of the state of Illinois. The Village is governed by an elected Board of six trustees and a mayor, and provides the following services: public safety (fire and police), streets, sanitation, water and sewer, public improvements, planning, recreation, zoning, and general administrative.

These financial statements present all the departments, commissions, and fund types of the Village (primary government) and a component unit based on financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will and fiscal dependency. The Calumet Park Public Library may not issue debt without the Village's approval, and its property tax levy request is subject to the Village's approval. Thus, the Library meets the definition of a component unit. However, it is considered legally separate from the Village, and is thus presented as a discretely presented component unit in a separate column in the combined financial statements. Complete financial statements may be obtained from the Library's administrative office at 1500 West 127th Street, Calumet Park, Illinois.

B. Government-wide and Fund Financial Statements

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

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

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

Village of Calumet Park
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

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

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

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers all revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, and expenditures related to compensated absences payable and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, interest, licenses and charges for services are susceptible to accrual. Replacement income tax, state income tax, and sales tax collected and held by the state at year end on behalf of the Village are also recognized as revenue. Other receipts become measurable and available when cash is received by the Village, and are recognized as revenue at that time.

The Village reports the following major governmental funds:

General Fund – The General 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.

TIF 1 Fund – The TIF 1 Fund is a Special Revenue Fund used to account for the accumulation of incremental tax revenues from one of the Village's TIF Districts, and related expenditures incurred in connection with this TIF.

TIF 2 Fund – The TIF 2 Fund is a Special Revenue Fund used to account for the accumulation of incremental tax revenues from one of the Village's TIF Districts, and related expenditures incurred in connection with this TIF.

Capital Projects Fund – The Capital Projects Fund is used to account for the accumulation of revenues for and related expenditures incurred in connection with major capital purchases or improvements.

Village of Calumet Park
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (cont'd)

The Village reports the following major proprietary (enterprise) funds:

Water Fund – Accounts for the provision of water services to the residents of the Village. All activities necessary to provide such services are accounted for in this Fund including, but not limited to, administration, operations, maintenance, finance, and billing and collection.

Sewer Fund – Accounts for the separate fee charged to users for sewer services. All activities necessary to provide such services are accounted for in this Fund including, but not limited to, administration, operations, maintenance, finance, and billing and collection.

Refuse Fund – Accounts for the separate fee charged to users for refuse services. All activities necessary to provide such services are accounted for in this Fund including, but not limited to, administration, operations, maintenance, finance, and billing and collection.

Additionally, the Village reports the following fund types:

Pension Trust Fund – The Pension Trust Fund accounts for the activities of the Police Pension Fund, which accumulates resources for pension benefit payments to qualified public safety employees.

Agency Fund – The Agency Fund (Performance Bond Fund) is custodial in nature, and does not involve measurement of operations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Village of Calumet Park
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (cont'd)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods, in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of Estimates – The preparation of government-wide and proprietary fund financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the accounting period. Within the Water, Sewer and Refuse Funds, the Village grants unsecured credit to its customers and monitors exposure for credit losses. The Village has determined that an allowance for uncollectible accounts of \$25,000 in the Water Fund is sufficient at April 30, 2013, based on the age of the receivables and the current economic environment. No allowance was considered necessary in the Sewer or Refuse Funds. Receivables outstanding for over one year at April 30, 2013 are not considered significant. The Village is depreciating capital assets over their estimated useful lives.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Deposits and Investments

Cash and Cash Equivalents – For purposes of the statement of cash flows, the City's enterprise fund considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents, including amounts in the Illinois Funds Investment Pool.

Village of Calumet Park
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (cont'd)

1. Deposits and Investments (cont'd)

Investments – Investments are reported at fair value. Fair value is based on quoted market prices. Under Illinois law, the Village (and Library) is restricted to investing funds in specific types of investment instruments. The following generally represents the types of instruments allowable by state law:

- Securities issued or granted by the United States of America or its agencies.
- Interest bearing savings accounts, certificates of deposit, and time deposits for banks and savings and loans insured up to \$250,000 by the Federal Deposit Insurance Corporation.
- Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500,000,000 rated in the highest classification by at least two rating agencies.
- Insured accounts of an Illinois credit union chartered under United States or Illinois law.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.
- The Illinois Funds Investment Pool.
- Repurchase agreements that meet instrument transaction requirements of Illinois law.

In addition, Pension Trust Funds are also permitted to invest in the following instruments:

- General accounts of Illinois-licensed life insurance companies.
- Separate accounts of Illinois-licensed insurance companies invested in stocks, bonds, and real estate, limited to 10% of the fund's investments.
- Interest-bearing bonds of the state of Illinois, and bonds or tax anticipation warrants of any county, township, or municipal corporation of the state of Illinois.
- Mutual funds which meet the following requirements: (1) managed by an investment company as defined under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953, (2) mutual fund has been in operation for 5 years, (3) mutual fund has assets of \$250 million or more, (4) mutual fund is comprised of stocks, bonds, or money market instruments, and (5) limited to 35% of net present assets.

Village of Calumet Park
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (cont'd)

1. Deposits and Investments (cont'd)

Investments (cont'd)

- Common and preferred stocks which meet the following requirements: (1) investments must be made through an investment advisor, (2) stocks of U.S. corporations that have been in existence for five years, (3) corporations not in arrears in payment of dividends in last five years, (4) market value of stock in any one corporation does not exceed 5% of cash and invested assets of pension fund, (5) stock in any one corporation does not exceed 5% of total outstanding stock in the corporation, (6) stock listed on national securities exchange or quoted in NASDAQNMS, and (7) limited to 35% of net present assets.

The investment policies of the Police Pension Fund place no further limits on investments beyond those authorized by state statute.

2. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (the current portion of interfund loans) or "advances to/from other funds" (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable government funds to indicate that they are not available for appropriation, and are not expendable available financial resources.

The Village's property taxes are required to be levied by ordinance. A certified copy of the levy ordinance must be filed with the county clerk not later than the last Tuesday in December of each year. Taxes are due and collectible one-half on February 1 and one-half on August 1 of the following year. Property taxes attach as an enforceable lien on property as of January 1.

Property taxes are based on the assessed valuation of the Village's real property as equalized by the state of Illinois. The equalized assessed valuation of real property totaled \$70,896,684 for the calendar year 2012.

**Village of Calumet Park
Notes to the Financial Statements (cont'd)**

I. Summary of Significant Accounting Policies (cont'd)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (cont'd)

2. Receivables and Payables (cont'd)

Property tax receivables are shown net of allowances for doubtful amounts. The property tax receivable allowance, the determination of which is based upon collection histories and the current economic environment, is equal to 3 percent of the outstanding property taxes at year end.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Village defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at cost where historical records are available or at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is capitalized.

Property and equipment of the primary government, as well as the component units, is depreciated using the straight-line method.

The following estimated useful lives are used to compute depreciation on a straight-line basis:

Buildings and improvements	15 – 40 years
Infrastructure	20 years
Equipment	5 – 15 years
Vehicles	8 years

Village of Calumet Park
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (cont'd)

5. Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused sick pay benefits, which are payable to an employee with ten or more years of service upon leaving the employment of the Village. The amount received is limited to thirty days at full pay, provided the employee has given proper notice of separation. All vacation earned for a calendar year must be used within the same calendar year. Vacation and sick pay is accrued when earned, in proprietary funds, and reported as a fund liability. Vacation and sick pay that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it, which is typically the General Fund.

6. Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund. Bond premiums and discounts are deferred and amortized over the life of the bonds using a straight-line method that approximates the interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses/expenditures at the time of issuance.

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

7. Net Position/Fund Balance Classifications

Equity in the government-wide and proprietary fund statements is classified as net position and displayed in three components:

- a. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**Village of Calumet Park
Notes to the Financial Statements (cont'd)**

I. Summary of Significant Accounting Policies (cont'd)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (cont'd)

7. Net Position/Fund Balance Classifications (cont'd)

- b. Restricted net position – consists of net position with constraints placed on its use either by: (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – all other net position that does not meet the definitions of “restricted” or “invested in capital assets, net of related debt”.

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

In the governmental fund financial statements, governmental funds report fund balance as either nonspendable or spendable. Nonspendable fund balance is reported for amounts that are either not in spendable form or legally or contractually required to be maintained intact. A portion of the Village’s General Fund fund balance is considered nonspendable, as an offset to prepaid items.

Spendable fund balance is further classified as restricted, committed, assigned, or unassigned, based on the relative strength of the constraints that control how specific amounts can be spent. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. The fund balances of the Special Tax Increment Allocation Funds and the Motor Fuel Tax Fund are restricted for use in accordance with the Illinois Tax Increment Allocation Redevelopment Act and the Motor Fuel Tax Law, respectively. The fund balances of other nonmajor governmental funds are restricted for the purpose of the grant which generated the revenue of the fund. Debt Service Fund balances resulting from property taxes levied for the payment of debt service are considered restricted. The fund balance in the Capital Projects Fund is considered restricted for capital outlay in accordance with the terms of the Series 2010B bond issue.

Committed fund balance is constrained by formal actions of the Village’s Board of Trustees, which is considered the Village’s highest level of decision making authority. Formal actions include resolutions and ordinances approved by the Board. There was no committed fund balance at April 30, 2013.

Village of Calumet Park
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (cont'd)

7. Net Position/Fund Balance Classifications (cont'd)

Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose; certain funds balances of special revenue funds not restricted are considered assigned for the purpose of the fund. The remaining portion of the General Fund's fund balance and negative fund balances are considered unassigned.

In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which resources are considered to be applied. It is the Village's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is spent first followed by assigned and then unassigned fund balances.

8. Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position

For the year ended April 30, 2013, the Village adopted the provisions of GASB Statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* and GASB Statement No. 65 – *Items Previously Reported as Assets and Liabilities*. Statement No. 63 amends the net asset reporting requirements in Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. Statement No. 65 established 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 reported as assets and liabilities.

The implementation of these standards resulted in a reclassification of deferred gain on refunding formerly presented as an asset as deferred outflow of resources, and deferred property tax revenue, formerly presented as a current liability, as deferred inflow of resources. In addition, beginning net assets of governmental activities was restated to expense issuance costs previously capitalized and deferred on the statement of net position totaling \$397,511.

**Village of Calumet Park
Notes to the Financial Statements (cont'd)**

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of Certain Differences – Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes the reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that: “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	\$	326,127
Depreciation		<u>(511,171)</u>
 Net increase to net change in fund balances – total governmental funds to arrive at change in net position of governmental activities		 \$ 185,044

Another element of the reconciliation states: “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” This amount represents the recognition of property taxes and state income taxes on the full accrual basis, net of the effect of full accrual recognition in the prior year.

Another element of the reconciliation states: “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$961,531 difference are as follows:

Debt issued:		
Bonds issued	\$	(210,000)
Discount on debt issued:		
Amortization of prior year discounts on debt issued		(6,512)
Premium on debt issued:		
Amortization of prior year premiums on debt issued		1,958
Principal repayments – general obligation debt		1,180,000
Gain on advance refunding of debt:		
Amortization of prior year deferred gain		<u>(3,915)</u>
 Net adjustment to increase net changes in fund balance – total governmental funds to arrive at changes in net position of governmental activities		 \$ 961,531

**Village of Calumet Park
Notes to the Financial Statements (cont'd)**

III. Stewardship, Compliance and Accountability

A. Budgetary Information

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

- A proposed operating budget is submitted to the Board of Trustees for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- Budget hearings are conducted.
- The budget is legally enacted through passage of an ordinance.
- The Board of Trustees may amend the budget.
- The Village does not use the encumbrance method of accounting. Budgetary funds are controlled by an integrated budgetary accounting system, in accordance with the various legal requirements which govern the Village.
- Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, all Special Revenue Funds except for the funds listed below, the Capital Project Fund, the Enterprise Funds, and the discretely presented component unit. Debt Service Funds have initially been covenanted by the Board on a multi-year basis.
- The Village did not adopt budgets for the Federal Law Enforcement Fund, Justice Assistance Grant I Fund, Justice Assistance Grant II Fund, Police Evidence Fund, School District 132 Grant Fund, State Law Enforcement Fund, Tobacco Enforcement Fund, and the Overhead Sewer Fund, all of which are Special Revenue Funds.
- Expenditures exceeded budget in the General, Water, Sewer and Refuse Funds by \$17,298, \$257,726, \$28,989 and \$6,047, respectively.
- The legal level of control (level at which expenditures may not exceed budget/appropriations) is at the fund level. Budget/appropriations lapse at fiscal year end. There were no supplemental appropriations during the year.

Village of Calumet Park
Notes to the Financial Statements (cont'd)

III. Stewardship, Compliance and Accountability

B. Deficit Fund Equity

The 911 Fund, DCEO Grant Fund and School District 132 Grant Fund (Special Revenue Funds) have deficit fund balances of \$22,733, \$300 and \$12,500, respectively. Funding of these deficits is expected from future grant revenues or transfers from the General Fund. The Refuse Fund (Enterprise Fund) has a deficit net position of \$483,373. Funding of this deficit is expected from future operating surpluses, as the Village has committed to scheduled rate increases to eliminate deficits in the Enterprise Funds, or transfers from the General Fund.

IV. Detailed Notes On All Funds

A. Deposits and Investments

At year end, the carrying amount of the Village's (primary government) deposits was \$3,454,098, and the bank balance was \$3,949,688. The Village's primary government also had deposits in money market funds treated as cash equivalents with a carrying value of \$5,873,397 and a bank balance of \$5,827,920. Cash on hand was \$118. The carrying amount and bank balance of the fiduciary funds not included within the primary government are \$936,052 and \$936,052, respectively. The carrying amount and bank balance of the discretely presented component unit (Calumet Park Public Library) were \$49,218 and \$49,218, respectively. The component unit also has funds invested with the Illinois Funds with a carrying amount and bank balance of \$272,248, which is being treated as a cash equivalent.

Interest Rate Risk – This is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village's investment policy does not specifically address interest rate risk. However, the Village structures its investment portfolio so that securities mature to meet cash requirements for ongoing operations and special projects, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in shorter term securities, money market mutual funds, or similar investment pools. Information about the exposure of the entity's debt type investments to this risk using the segmented time distribution model is as follows:

**Village of Calumet Park
Notes to the Financial Statements (cont'd)**

IV. Detailed Notes On All Funds (cont'd)

A. Deposits and Investments (cont'd)

Interest Rate Risk (cont'd)

Type of Investment	Fair Value	Less Than 1 Year	1 – 5 Years	6 - 10 Years
Pension Fund				
Mutual funds	\$ 3,181,720	\$ 3,181,720	\$ -	\$ -
Certificates of deposit	2,305,200	1,635,591	562,413	107,196
U.S. Treasury notes	428,071	-	209,931	218,140
Total investments	\$ 5,914,991	\$ 4,817,311	\$ 772,344	\$ 325,336

Credit Risk – Generally, credit risk is the risk that an issuer of a debt type instrument will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The component unit's investment in Illinois Funds is rated AAA by Standard and Poors.

Custodial Credit Risk – For deposits, this is the risk that, in the event of a bank failure, a government will not be able to recover its deposits. The Village's bank account balances beyond the federal insured amount of \$250,000 are secured by a letter of credit totaling \$3,450,000. The excess Village deposits over the \$3,700,000 insured and collateralized balance, totaling \$249,688 at April 30, 2013 is uncollateralized. For investments, this is the risk that in the event of the failure of the counterparty, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Village's investments in money market and mutual funds (cash equivalents) are not exposed to custodial credit risk, because their existence is not evidenced by securities that exist in physical or book entry form. The component unit has balances in the Illinois Funds. These balances are pooled along with other participants' monies, and invested in U.S. Treasury bills and notes backed by the full faith and credit of the U.S. Treasury.

The pension fund's investments are either certificates of deposit which are fully insured by the Federal Deposit Insurance Corporation, mutual funds that are not exposed to custodial credit risk, because their existence is not evidenced by securities that exist in physical or book entry form, or U.S. Treasury notes which are backed by the full faith and credit of the U.S. Treasury.

Village of Calumet Park
Notes to the Financial Statements (cont'd)

IV. Detailed Notes On All Funds (cont'd)

B. Accounts Receivable

On the statement of net position, receivables of governmental activities consist of property taxes (\$2,696,011), intergovernmental revenues (\$605,777), and customer and other accounts (\$207,061). Receivables of business-type activities consist of billed and unbilled utilities receivable. Accounts receivable in the General Fund represent amounts due from various intergovernmental sources for various taxes and other fines and user charges. All amounts recorded as a receivable at April 30, 2013 were collected subsequent to year end. Accounts receivable in the Enterprise Funds represent amounts due for water, sewer and refuse services.

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal period, unearned revenue in the governmental funds consisted of income taxes collected by the state but not remitted to the Village, and therefore not available to liquidate liabilities of the current period of \$179,099. In addition, a liability is recognized in the General and TIF 5 Funds for an amount due Cook County for property tax remittances received in error of \$208,796 and \$81,082, respectively, for which future taxes will be withheld by the County.

Village of Calumet Park
Notes to the Financial Statements (cont'd)

IV. Detailed Notes On All Funds (cont'd)

C. Capital Assets

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

	Balances May 1, 2012	Additions	Retirements	Balances April 30, 2013
Governmental Activities				
Capital assets not being depreciated - land	\$ 1,245,417	\$ -	\$ -	\$ 1,245,417
Capital assets being depreciated:				
Buildings and improvements	1,884,601	5,918	-	1,890,519
Infrastructure	4,445,032	230,211	-	4,675,243
Equipment	2,143,503	37,420	-	2,180,923
Vehicles	3,679,695	52,578	-	3,732,273
	<u>12,152,831</u>	<u>326,127</u>	<u>-</u>	<u>12,478,958</u>
Less accumulated depreciation for:				
Buildings and improvements	1,305,056	42,728	-	1,347,784
Infrastructure	780,774	233,412	-	1,014,186
Equipment	1,598,108	84,526	-	1,682,634
Vehicles	2,776,724	150,505	-	2,927,229
	<u>6,460,662</u>	<u>511,171</u>	<u>-</u>	<u>6,971,833</u>
Total capital assets being depreciated, net	<u>5,692,169</u>	<u>(185,044)</u>	<u>-</u>	<u>5,507,125</u>
Governmental activities, capital assets, net	<u>\$ 6,937,586</u>	<u>\$ (185,044)</u>	<u>\$ -</u>	<u>\$ 6,752,542</u>

**Village of Calumet Park
Notes to the Financial Statements (cont'd)**

IV. Detailed Notes On All Funds (cont'd)

C. Capital Assets (cont'd)

	<u>Balances May 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances April 30, 2013</u>
Business-type Activities				
Capital assets being depreciated:				
Buildings and improvements	\$ 2,784,322	\$ -	\$ -	\$ 2,784,322
Equipment	742,582	-	-	742,582
	<u>3,526,904</u>	<u>-</u>	<u>-</u>	<u>3,526,904</u>
Less accumulated depreciation for:				
Buildings and improvements	929,437	92,108	-	1,021,545
Equipment	404,314	33,303	-	437,617
	<u>1,333,751</u>	<u>125,411</u>	<u>-</u>	<u>1,459,162</u>
Business-type activities, capital assets, net	<u>\$ 2,193,153</u>	<u>\$ (125,411)</u>	<u>\$ -</u>	<u>\$ 2,067,742</u>

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

General government	\$ 245,836
Public safety	202,781
Public works	44,655
Culture and recreation	<u>17,899</u>
Total depreciation – governmental activities	<u>\$ 511,171</u>

Capital asset activity for the component unit for the year ended April 30, 2013 is as follows:

Village of Calumet Park
Notes to the Financial Statements (cont'd)

IV. Detailed Notes On All Funds (cont'd)

C. Capital Assets (cont'd)

	<u>Balances May 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances April 30, 2013</u>
Capital assets being depreciated – building improvements and equipment	\$ 59,272	\$ -	\$ -	\$ 59,272
Less accumulated depreciation for building improvements and equipment	<u>26,642</u>	<u>3,151</u>	<u>-</u>	<u>29,793</u>
Total capital assets being depreciated, net	<u>\$ 32,630</u>	<u>\$ (3,151)</u>	<u>\$ -</u>	<u>\$ 29,479</u>

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of April 30, 2013 is as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund:		
TIF 2	\$ 129,520	\$ -
Capital Projects	15,087	-
Nonmajor Governmental	77,970	840,626
Water	2,081,370	60,571
Sewer	103,453	-
Refuse	612,660	-
Fiduciary (Pension Trust) Fund	-	296,618
Fiduciary (Agency) Fund	2,171	-
TIF 1 Fund – Nonmajor Governmental Funds	-	158,967
TIF 2 Fund - General	-	129,520
Capital Projects Fund:		
General	-	15,087
Nonmajor Governmental Funds	3,415	-
Nonmajor Governmental Funds:		
General	840,626	77,970
TIF 1	158,967	-
Nonmajor Governmental Funds	4,032	4,032
Capital Projects Fund	-	3,415
Fiduciary (Agency) Fund	2,500	-

(cont'd)

**Village of Calumet Park
Notes to the Financial Statements (cont'd)**

IV. Detailed Notes On All Funds (cont'd)

D. Interfund Receivables and Payables and Transfers (cont'd)

Fund	Due From	Due To
Water:		
General	\$ 60,571	\$ 2,081,370
Sewer	-	98,653
Fiduciary (Agency) Fund	-	1,300
Sewer:		
General	-	103,453
Water	98,653	-
Refuse – General	-	612,660
Fiduciary (Pension Trust) Fund - General	296,618	-
Fiduciary (Agency) Fund:		
General	-	2,171
Nonmajor Governmental Funds	-	2,500
Water	1,300	-
	<u>\$ 4,488,913</u>	<u>\$ 4,488,913</u>

The outstanding balances between funds result mainly from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The outstanding balance between the General Fund and the Police Pension Fund represents property taxes levied by the Village on behalf of the Police Pension Fund that had not been collected as of April 30, 2013.

The composition of interfund transfers for the year ended April 30, 2013 is as follows:

Fund	Transfer In	Transfer Out
General Fund – Nonmajor Governmental Funds	<u>\$ 260,301</u>	<u>\$ 260,301</u>

**Village of Calumet Park
Notes to the Financial Statements (cont'd)**

IV. Detailed Notes On All Funds (cont'd)

E. Long-term Debt

General Obligation Bonds – The Village issues general obligation bonds to finance the purchase of major capital items, and the acquisition or construction of major capital facilities. General obligation bonds issued for general government activities are being repaid from tax levy revenues in the Debt Service Fund. The Village has also issued general obligation tax increment bonds that are being repaid from tax increments in the various Special Revenue Funds' TIF Projects Funds.

	<u>Outstanding</u>
2003 Tax Increment Bonds Series, original principal \$2,650,000, due annually on December 1 at amounts ranging from \$185,000 to \$310,000, through December 1, 2019, interest payable semiannually at rates ranging from 3.65% to 4.20%.	\$ 1,705,000
2005A Tax Increment Refunding Bonds Series, original principal \$2,505,000, due annually on December 1 at amounts ranging from \$105,000 to \$285,000 through December 1, 2018, interest payable semiannually at rates ranging from 3.70% to 4.00%.	1,165,000
2005B Tax Increment Bonds Series, original principal \$1,935,000, due annually on December 1 at amounts ranging from \$105,000 to \$230,000 through December 1, 2019, interest payable semiannually at rates ranging from 3.75% to 4.50%.	1,085,000

(cont'd)

**Village of Calumet Park
Notes to the Financial Statements (cont'd)**

IV. Detailed Notes On All Funds (cont'd)

E. Long-term Debt (cont'd)

	<u>Outstanding</u>
2006 General Obligation Tax Increment Taxable Bonds Series, original principal \$965,000, due annually on December 1 at amounts ranging from \$35,000 to \$110,000 through December 1, 2025, interest payable semiannually at rates ranging from 6.10% to 6.35%.	\$ 860,000
2010A General Obligation TIF Refunding Bonds Series, original principal \$4,690,000, due annually on December 1, commencing in 2011, at amounts ranging from \$435,000 to \$790,000 through December 1, 2019, interest payable semiannually at rates ranging from 2.50% to 3.80%.	4,020,000
2010B General Obligation Bonds Series, original principal \$2,500,000, due annually on December 1, commencing in 2012, at amounts ranging from \$170,000 to \$345,000 through December 1, 2020, interest payable semiannually at rates ranging from 2.50% to 4.00%.	2,225,000
2012 General Obligation Bonds Series, original principal \$210,000, due annually on February 1, commencing in 2015, at amounts ranging from \$9,459 to \$33,296 through February 1, 2025, interest payable semiannually at weekly rate as provided in Indenture of Trust by and between SSJAWA and bank	<u>210,000</u>
Total general obligation bonds	<u>\$ 11,270,000</u>

General obligation bonds are backed by the full faith and credit of the Village, and are subject to an annual property tax levy for the payment of principal and interest. In addition, tax increment bonds provide for a pledge of all incremental property taxes upon property located in the Tax Incremental Financing District.

**Village of Calumet Park
Notes to the Financial Statements (cont'd)**

IV. Detailed Notes On All Funds (cont'd)

E. Long-term Debt (cont'd)

Debt Service Requirements to Maturity – General Obligation Bonds

Year Ending April 30,	Total	Principal	Interest
2014	\$ 1,685,790	\$ 1,275,000	\$ 410,790
2015	1,748,594	1,349,459	399,135
2016	1,783,363	1,427,486	355,877
2017	1,766,625	1,460,595	306,030
2018	1,782,848	1,528,811	254,037
2019	1,841,793	1,645,703	196,090
2020	1,888,263	1,757,595	130,668
2021	318,876	261,000	57,876
2022	141,381	97,514	43,867
2023	145,979	109,784	36,195
2024	146,358	118,757	27,601
2025	145,559	128,296	17,263
2026	116,985	110,000	6,985
	<u>\$ 13,512,414</u>	<u>\$ 11,270,000</u>	<u>\$ 2,242,414</u>

Changes in Long-term Debt – The following is a summary of debt transactions for the year ended April 30, 2013:

	May 1, 2012	Additions	Retirements	April 30, 2013
General obligation bonds	\$ 12,240,000	\$ 210,000	\$ 1,180,000	\$ 11,270,000
Bond premium	25,108	-	1,958	23,150
Net pension obligation	22,771	487	-	23,258
Compensated absences payable	513,894	-	19,187	494,707
	<u>\$ 12,801,773</u>	<u>\$ 210,487</u>	<u>\$ 1,201,145</u>	<u>\$ 11,811,115</u>

**Village of Calumet Park
Notes to the Financial Statements (cont'd)**

V. Other Information

A. Risk Management

The Village is exposed to various risks related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. Property damage losses, workers' compensation, general liability and employee health claims are insured with a commercial insurance company. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years. There has been no significant reduction in insurance coverage.

B. Tax Increment Redevelopment Project

The Village had established Tax Increment Financing Districts I and II in December 1995 and September 2000, respectively. In addition, the Village established Tax Increment Financing Districts III, IV, and V in December 2004, December 2004, and April 2005, respectively.

A redevelopment plan was adopted to make improvements on certain blighted areas, which will be funded by property taxes attributable to the increase in the equalized assessed valuation of each taxable lot in the Project Area.

The base equalized assessed valuation (EAV), as well as the incremental change equalized assessed valuation for these districts (2012 EAV latest available), is as follows:

	<u>Base EAV</u>	<u>2012 EAV</u>
District I	\$ 1,778,408	\$ 4,637,556
District II	1,219,493	9,79,825
District III	9,302,564	7,563,186
District IV	1,510,819	1,765,344
District V	-	575,364

C. Pension and Retirement Plan Commitments

The Village participates in three contributory retirement plans. The Illinois Municipal Retirement Fund (a state-wide plan) covers substantially all full-time employees, except law enforcement officers under either the Regular plan or the Sheriff's Law Enforcement Personnel (SLEP) plan. Law enforcement officers are covered under the Police Pension Fund (a single-employer plan administered by a separate Police Pension Board of Trustees).

**Village of Calumet Park
Notes to the Financial Statements (cont'd)**

V. Other Information (cont'd)

C. Pension and Retirement Plan Commitments (cont'd)

1. Illinois Municipal Retirement Fund ("IMRF")

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 Village's plan is affiliated with IMRF, an agent-multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. Benefit provisions are established by statute and can only be changed by the General Assembly of the State of Illinois. The IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy – As set by statute, Regular plan members are required to contribute 4.5 percent of their annual covered salary. The statutes require the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2012 was 16.65% of annual covered payroll. The Village also contributes for disability 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 – For the fiscal year ended April 30, 2013, the Village's actual and required contributions for pension cost for the Regular plan was \$217,205.

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed
4/30/13	\$ 217,205	100 %
4/30/12	166,898	100
4/30/11	161,218	91

**Village of Calumet Park
Notes to the Financial Statements (cont'd)**

V. Other Information (cont'd)

C. Pension and Retirement Plan Commitments (cont'd)

1. Illinois Municipal Retirement Fund ("IMRF") (cont'd)

Annual Pension Cost (cont'd)

The net pension liability of \$23,258 was comprised of the following:

Annual required contribution	\$ 217,205
Interest on the net pension asset	1,708
Adjustment to the ARC	<u>(1,221)</u>
Annual pension cost	217,692
2013 contribution	<u>217,205</u>
Increase in pension liability	487
Net pension liability at April 30, 2012	<u>22,771</u>
Net pension liability at April 30, 2013	<u>\$ 23,258</u>

The increase in the pension liability for the year ended April 30, 2013 was recorded as an additional expense to the governmental activities in the current year.

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) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the IMRF's assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period using a 20% corridor between the actuarial and market value of assets. The Village's 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.

Funding Status and Funding Progress – As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 52.08% funded. The actuarial accrued liability for benefits was \$3,652,667 and the actuarial value of assets was \$1,902,344, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,750,323. The covered payroll (annual payroll of active employees covered by the plan) was \$1,262,884 and the ratio of the UAAL to the covered payroll was 139%.

**Village of Calumet Park
Notes to the Financial Statements (cont'd)**

V. Other Information (cont'd)

C. Pension and Retirement Plan Commitments (cont'd)

1. Illinois Municipal Retirement Fund ("IMRF") (cont'd)

Funding Status and Funding Progress (cont'd)

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

2. 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 Village's plan is affiliated with IMRF, an agent-multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. Benefit provisions are established by state statute and can only be changed by the General Assembly of the State of Illinois. The IMRF issues a publicly available financial report that may be obtained on-line at www.imrf.org.

Funding Policy – As set by statute, SLEP plan members are required to contribute 7.5 percent of their annual covered salary. The statutes require the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer rate for calendar year 2012 was 12.96% of payroll. The Village also contributes for disability 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 – For fiscal year ended April 30, 2013, the Village's annual pension cost of \$12,287 for the SLEP plan was equal to the Village's required and actual contributions.

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed
4/30/13	\$ 12,287	100 %
4/30/12	11,611	100
4/30/11	10,600	100

**Village of Calumet Park
Notes to the Financial Statements (cont'd)**

V. Other Information (cont'd)

C. Pension and Retirement Plan Commitments (cont'd)

2. Sheriff's Law Enforcement Personnel (cont'd)

Annual Pension Cost (cont'd)

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 included: (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the SLEP's assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period using a 20% corridor between the actuarial and market value of assets. The Village's SLEP plan's overfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funding Status and Funding Progress – As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 107.06% funded. The actuarial accrued liability for benefits was \$188,186 and the actuarial value of assets was \$201,470, resulting in an overfunded actuarial accrued liability (OAAL) of \$13,284. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$91,673. Because the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

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

3. Police Pension

The Police Pension Plan, which is a defined contribution single-employer pension plan, covers all nonclerical personnel of the Police Department. The Village has not had an actuarial valuation performed for the Police Pension Plan since April 30, 2010. The independent auditor's report has been qualified for this departure from generally accepted accounting principles. All actuarial disclosures are as of the most recent valuation. The Village's payroll for employees covered by the Police Pension Plan for the year ended April 30, 2013 was \$1,284,967. At April 30, 2013, the Police Pension Plan's membership consisted of:

**Village of Calumet Park
Notes to the Financial Statements (cont'd)**

V. **Other Information** (cont'd)

C. **Pension and Retirement Plan Commitments** (cont'd)

3. **Police Pension** (cont'd)

Retirees and beneficiaries currently receiving benefits, and terminated employees entitled to benefits but not yet receiving them	18
Current employees	<u>19</u>
Total	<u><u>37</u></u>

The Police Pension Plan provides retirement benefits, as well as death and disability benefits. Employees attaining the age of fifty or more, with twenty or more years of creditable service, are entitled to receive an annual retirement benefit of one half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least eight years, but less than twenty years, of credited service may retire at or after age sixty and receive a reduced benefit.

The monthly pension of a police officer who retired with twenty 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% simple interest annually thereafter.

Basis of Accounting – The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Methods Used to Value Investments – Investments are recorded at fair value (at April 30, 2013, cost was \$5,339,832). Fixed income securities are valued at the last reported sales price at current exchange rates. Investment income is recognized as earned.

**Village of Calumet Park
Notes to the Financial Statements (cont'd)**

V. Other Information (cont'd)

C. Pension and Retirement Plan Commitments (cont'd)

3. Police Pension (cont'd)

Contributions – Although this is a single-employer plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes, and may be amended only by the Illinois legislature. The Fund's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, accumulate assets gradually over time so that sufficient assets will be available to pay benefits when due.

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 twenty years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Plan, as actuarially determined by an enrolled actuary. By the year 2040, the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded.

Funding Status and Progress – The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and stop-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the system on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits, and is independent of the funding method used to determine contributions to the system.

The latest actuarial valuation was performed as of April 30, 2010, using the entry age normal cost method. The unfunded actuarial accrued liability is being amortized on a level percentage of payroll method. The following actuarial assumptions were used:

Interest rate assumption	7.00% compounded annually
Mortality rate assumption	1971 Group Annuity
Decrement assumption other than mortality	Experience Tables
Salary progression assumption	5.50% compounded annually
Status of Social Security in assumption	None

**Village of Calumet Park
Notes to the Financial Statements (cont'd)**

V. Other Information (cont'd)

C. Pension and Retirement Plan Commitments (cont'd)

3. Police Pension (cont'd)

Funding Status and Progress (cont'd)

The actuarial accrued liability and net position held in trust for pension benefits at April 30, 2010 is presented below:

Actuarial accrued liability:

Retirees and beneficiaries currently receiving benefits, and terminated employees not yet receiving benefits	\$ 5,770,976
---	--------------

Current employees:

Accumulated employee contributions, including allocated investment earnings	-
Employer-financed, vested	-
Employer-financed, nonvested	<u>4,637,998</u>

Total actuarial accrued liability	10,408,974
--	-------------------

Net position available for benefits, at market	<u>5,105,141</u>
---	-------------------------

Unfunded actuarial accrued liability	<u>\$ 5,303,833</u>
---	----------------------------

Information regarding actuarial present value of vested and nonvested accumulated benefits is not available.

Actuarially Determined Contribution Requirements and Contributions Made –

As of April 30, 2010, the annual required contribution of the Village necessary to cover normal cost was calculated to be \$247,070 (18.18% of annual covered payroll), and the annual required contribution necessary to amortize the unfunded actuarial accrued liability over a period of 24 years was calculated to be \$258,712. It is the Village's policy to fund annual pension cost as accrued. Total contributions to the Police Pension Fund by the Village totaled \$500,588 for the current year.

Trend Information – Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Trend information for the six (most recently available) plan years ended April 30, 2010, 2009, 2008, 2007, 2006 and 2005, respectively, is as follows:

**Village of Calumet Park
Notes to the Financial Statements (cont'd)**

V. Other Information (cont'd)

C. Pension and Retirement Plan Commitments (cont'd)

3. Police Pension (cont'd)

Trend Information (cont'd)

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed
4/30/10	\$ 541,187	113.0 %
4/30/09	534,379	97.5
4/30/08	472,428	99.4
4/30/07	455,410	96.3
4/30/06	406,692	85.4
4/30/05	380,752	69.9

Actuarial Valuation Date	Employer Contributions Required	As a % of Annual Covered Payroll	Employer Contributions Made	As a % of Annual Covered Payroll
4/30/10	\$ 541,187	49 %	\$ 611,737	55 %
4/30/09	534,379	39	480,659	35
4/30/08	472,428	39	460,604	38
4/30/07	455,410	38	452,769	37
4/30/06	406,692	37	391,624	35
4/30/05	380,752	40	325,000	34

The required supplementary information, a schedule of funding progress for the last six years, may be found on page 65, and a schedule of revenues by source and expenses by type for the last six years may be found on page 66.

REQUIRED SUPPLEMENTARY INFORMATION

**Village of Calumet Park
Illinois Municipal Retirement Fund
Required Supplementary Information -
Schedule of Funding Progress
April 30, 2013**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/12	\$ 1,902,344	\$ 3,652,667	\$ 1,750,323	52.08%	\$ 1,262,884	138.60%
12/31/11	1,607,247	3,199,405	1,592,158	50.24%	1,275,574	124.82%
12/31/10	2,001,588	3,399,435	1,397,847	58.88%	1,425,977	98.03%
12/31/09	3,151,550	3,932,354	780,804	80.14%	1,418,722	55.04%
12/31/08	2,955,773	3,666,990	711,217	80.60%	1,380,373	51.52%
12/31/07	3,750,364	3,887,008	136,644	96.48%	1,324,447	10.32%
SLEP						
12/31/12	201,470	188,186	(13,284)	107.06%	91,673	0.00%
12/31/11	173,535	166,385	(7,150)	104.30%	89,524	0.00%
12/31/10	151,080	142,489	(8,591)	106.03%	88,034	0.00%
12/31/09	128,520	123,431	(5,089)	104.12%	86,719	0.00%
12/31/08	111,026	97,519	(13,507)	113.85%	84,476	0.00%
12/31/07	95,490	74,280	(21,210)	128.55%	84,753	0.00%

See independent auditor's report.

**Village of Calumet Park
Police Pension Fund
Required Supplementary Information -
Schedule of Funding Progress
April 30, 2013**

Plan Year	Net Position Available For Benefits (Lower of Cost or Market)	Pension Benefit Obligation	Percentage Funded	Unfunded Pension Benefit Obligation	Annual Covered Payroll	Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll
4/30/10	\$ 5,105,141	\$10,408,974	49%	\$ 5,303,833	\$ 1,111,276	477%
4/30/09	5,035,794	10,899,010	46%	5,863,216	1,359,079	431%
4/30/08	5,200,964	10,704,112	49%	5,503,148	1,196,240	460%
4/30/07	5,265,014	10,511,768	50%	5,246,754	1,212,317	433%
4/30/06	4,923,636	9,639,407	51%	4,715,771	1,110,824	425%
4/30/05	4,359,935	9,277,016	47%	4,917,081	960,985	512%

Analysis of the dollar amount of net position available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Public Employee Retirement System ("PERS"). Trends in unfunded pension benefit obligation as a percentage of the annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of the annual covered payroll approximately adjusts for the effects of inflation, and aids in the analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the PERS.

See independent auditor's report.

**Village of Calumet Park
Police Pension Fund
Required Supplementary Information -
Schedule of Revenues By Source and Expenses By Type
April 30, 2013**

Revenues By Source

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Investment Income</u>	<u>Totals</u>
2013	\$ 129,947	\$ 500,588	\$ 472,454	\$ 1,102,989
2012	130,426	483,833	128,258	742,517
2011	133,012	644,573	460,037	1,237,622
2010	140,156	611,737	631,446	1,383,339
2009	154,385	480,659	(578,621)	56,423
2008	114,992	460,604	159,962	735,558

Expenses By Type

<u>Fiscal Year</u>	<u>Disability Payments</u>	<u>Other Expenses</u>	<u>Totals</u>
2013	\$ 699,769	\$ 19,617	\$ 719,386
2012	676,900	11,196	688,096
2011	613,768	7,524	621,292
2010	582,951	10,263	593,214
2009	446,469	9,676	456,145
2008	431,873	8,743	440,616

See independent auditor's report.

SUPPLEMENTAL SECTION

**Village of Calumet Park
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended April 30, 2013**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Administration:				
Salaries and wages	\$ 321,260	\$ 321,260	\$ 295,402	\$ 25,858
Insurance and benefits	433,150	433,150	386,215	46,935
Contractual services	366,200	366,200	358,366	7,834
Supplies and materials	22,900	22,900	19,452	3,448
Capital outlay	18,000	18,000	4,987	13,013
Miscellaneous	150,000	150,000	200,249	(50,249)
Total administration	1,311,510	1,311,510	1,264,671	46,839
Building:				
Salaries and wages	65,000	65,000	64,564	436
Insurance and benefits	30,150	30,150	31,038	(888)
Contractual services	80,000	80,000	19,077	60,923
Supplies and materials	1,500	1,500	348	1,152
Capital outlay	500	500	-	500
Miscellaneous	2,500	2,500	3,700	(1,200)
Total building	179,650	179,650	118,727	60,923
Police:				
Salaries and wages	1,887,500	1,887,500	2,049,643	(162,143)
Insurance and benefits	634,300	634,300	607,699	26,601
Contractual services	218,500	218,500	195,901	22,599
Supplies and materials	10,600	10,600	39,370	(28,770)
Capital outlay	12,400	12,400	32,866	(20,466)
Miscellaneous	3,500	3,500	4,552	(1,052)
Total police	2,766,800	2,766,800	2,930,031	(163,231)
Fire:				
Salaries and wages	706,295	706,295	725,518	(19,223)
Insurance and benefits	169,900	169,900	172,568	(2,668)
Contractual services	120,800	120,800	171,590	(50,790)
Supplies and materials	9,900	9,900	18,321	(8,421)
Capital outlay	29,823	29,823	16,004	13,819
Miscellaneous	2,500	2,500	3,032	(532)
Total fire	1,039,218	1,039,218	1,107,033	(67,815)

(cont'd)

**Village of Calumet Park
General Fund
Schedule of Expenditures - Budget and Actual (cont'd)
For the Year Ended April 30, 2013**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Street and alley:				
Salaries and wages	\$ 326,000	\$ 326,000	\$ 301,637	\$ 24,363
Insurance and benefits	228,600	228,600	208,142	20,458
Contractual services	234,300	234,300	203,576	30,724
Supplies and materials	164,800	164,800	171,031	(6,231)
Capital outlay	3,500	3,500	1,703	1,797
Miscellaneous	3,000	3,000	598	2,402
Total street and alley	960,200	960,200	886,687	73,513
Recreation:				
Salaries and wages	173,000	173,000	218,993	(45,993)
Insurance and benefits	49,600	49,600	54,504	(4,904)
Contractual services	41,900	41,900	40,425	1,475
Supplies and materials	17,750	17,750	19,742	(1,992)
Capital outlay	1,000	1,000	635	365
Miscellaneous	12,200	12,200	10,404	1,796
Total recreation	295,450	295,450	344,703	(49,253)
Police pension expense	580,736	580,736	499,010	81,726
Total expenditures	\$ 7,133,564	\$ 7,133,564	\$ 7,150,862	\$ (17,298)

See independent auditor's report.

NONMAJOR GOVERNMENTAL FUNDS

Village of Calumet Park
Combining Balance Sheet - Nonmajor Governmental Funds
April 30, 2013

	911 Fund	DCEO Grant Fund	Federal Law Enforcement Fund
Assets			
Cash and cash equivalents	\$ -	\$ 42,652	\$ 51,512
Property taxes receivable	-	-	-
Due from other funds	2,500	-	163
Due from other governments	-	-	-
Total assets	\$ 2,500	\$ 42,652	\$ 51,675
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	25,233	42,952	4,537
Due to other governments	-	-	-
Unearned revenue	-	-	-
Total liabilities	25,233	42,952	4,537
Deferred Inflows of Resources			
Property taxes	-	-	-
Fund Balances (Deficits)			
Restricted by state statute	-	-	-
Restricted for grant purposes	-	-	47,138
Restricted for debt service	-	-	-
Assigned for police activities	-	-	-
Unassigned	(22,733)	(300)	-
Total fund balances (deficits)	(22,733)	(300)	47,138
Total liabilities, deferred inflows and municipal equity	\$ 2,500	\$ 42,652	\$ 51,675

(cont'd)

Special Revenue Funds						
Justice Assistance Grant I Fund	Justice Assistance Grant II Fund	Motor Fuel Tax Fund	Police Evidence Fund	School District 132 Grant Fund	State Law Enforcement Fund	TIF 3 Fund
\$ 4,799	\$ 9,273	\$ 224,565	\$ 23,845	\$ -	\$ 22,624	\$ 432,072
-	-	-	-	-	-	57,341
-	-	20,756	-	-	-	819,869
-	-	13,474	-	-	-	-
\$ 4,799	\$ 9,273	\$ 258,795	\$ 23,845	\$ -	\$ 22,624	\$ 1,309,282
\$ -	\$ -	\$ 27,935	\$ -	\$ -	\$ -	\$ -
33	-	-	-	-	255	-
-	-	-	-	-	-	-
-	-	-	-	12,500	-	-
33	-	27,935	-	12,500	255	-
-	-	-	-	-	-	57,341
-	-	230,860	-	-	-	1,251,941
4,766	9,273	-	-	-	22,369	-
-	-	-	-	-	-	-
-	-	-	23,845	-	-	-
-	-	-	-	(12,500)	-	-
4,766	9,273	230,860	23,845	(12,500)	22,369	1,251,941
\$ 4,799	\$ 9,273	\$ 258,795	\$ 23,845	\$ -	\$ 22,624	\$ 1,309,282

Village of Calumet Park
Combining Balance Sheet - Nonmajor Governmental Funds (cont'd)
April 30, 2013

	Special		
	TIF 4 Fund	TIF 5 Fund	Tobacco Enforcement Fund
Assets			
Cash and cash equivalents	\$ 372,725	\$ 276,310	\$ 2,073
Property taxes receivable	49,447	44,197	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Total assets	\$ 422,172	\$ 320,507	\$ 2,073
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	11,764	-
Due to other governments	-	81,082	-
Unearned revenue	-	-	-
Total liabilities	-	92,846	-
Deferred Inflows of Resources			
Property taxes	49,447	44,197	-
Fund Balances (Deficits)			
Restricted by state statute	372,725	183,464	-
Restricted for grant purposes	-	-	2,073
Restricted for debt service	-	-	-
Assigned for police activities	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	372,725	183,464	2,073
Total liabilities, deferred inflows and municipal equity	\$ 422,172	\$ 320,507	\$ 2,073

Revenue Funds			
CDBG Fund	Total Special Revenue Funds	Debt Service	Total
\$ 1,006	\$ 1,463,456	\$ 155,711	\$ 1,619,167
-	150,985	152,380	303,365
-	843,288	162,837	1,006,125
-	13,474	-	13,474
\$ 1,006	\$ 2,471,203	\$ 470,928	\$ 2,942,131
\$ -	\$ 27,935	\$ -	\$ 27,935
-	84,774	643	85,417
-	81,082	-	81,082
-	12,500	-	12,500
-	206,291	643	206,934
-	150,985	147,467	298,452
-	2,038,990	-	2,038,990
1,006	86,625	-	86,625
-	-	322,818	322,818
-	23,845	-	23,845
-	(35,533)	-	(35,533)
1,006	2,113,927	322,818	2,436,745
\$ 1,006	\$ 2,471,203	\$ 470,928	\$ 2,942,131

See independent auditor's report.

Village of Calumet Park
Combining Schedule of Revenues, Expenditures and Changes
in Fund Balances (Deficits) - Nonmajor Governmental Funds
For the Year Ended April 30, 2013

	911 Fund	DCEO Grant Fund	Federal Law Enforcement Fund
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Grant income	-	60,251	-
Interest income	2	-	51
Other	35,451	-	-
Total revenues	35,453	60,251	51
Expenditures:			
Current:			
Administration	-	-	-
Police	294,425	-	-
Street and alley	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Fees	-	-	-
Capital outlay	-	60,551	-
Miscellaneous	51	-	-
Total expenditures	294,476	60,551	-
Revenues over (under) expenditures before other financing sources	(259,023)	(300)	51
Other financing sources (uses):			
Transfers in	260,301	-	-
Bonds issued	-	-	-
Payments to SSJAWA	-	-	-
Total other financing sources (uses)	260,301	-	-
Changes in fund balances (deficits)	1,278	(300)	51
Fund balances (deficits), beginning of the year	(24,011)	-	47,087
Fund balances (deficits), end of the year	\$ (22,733)	\$ (300)	\$ 47,138

(cont'd)

Special Revenue Funds						
Justice Assistance Grant I Fund	Justice Assistance Grant II Fund	Motor Fuel Tax Fund	Police Evidence Fund	School District 132 Grant Fund	State Law Enforcement Fund	TIF 3 Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,081
-	-	223,553	-	-	-	-
-	-	184	23	-	23	1,841
-	-	-	2,132	-	-	-
-	-	223,737	2,155	-	23	80,922
-	-	-	-	-	-	2,678
-	-	-	500	-	-	-
-	-	118,468	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	2,330	-	-	-
-	-	118,468	2,830	-	-	2,678
-	-	105,269	(675)	-	23	78,244
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	105,269	(675)	-	23	78,244
4,766	9,273	125,591	24,520	(12,500)	22,346	1,173,697
\$ 4,766	\$ 9,273	\$ 230,860	\$ 23,845	\$ (12,500)	\$ 22,369	\$ 1,251,941

Village of Calumet Park
Combining Schedule of Revenues, Expenditures and Changes
in Fund Balances (Deficits) - Nonmajor Governmental Funds (cont'd)
For the Year Ended April 30, 2013

	Special		
	TIF 4 Fund	TIF 5 Fund	Tobacco Enforcement Fund
Revenues:			
Property taxes	\$ 34,482	\$ 89,408	\$ -
Intergovernmental	-	-	-
Grant income	-	-	-
Interest income	701	20	2
Other	-	-	-
Total revenues	35,183	89,428	2
Expenditures:			
Current:			
Administration	1,649	-	-
Police	-	-	-
Street and alley	-	-	-
Debt service:			
Principal	-	30,000	-
Interest	-	55,713	-
Fees	-	2,500	-
Capital outlay	-	-	-
Miscellaneous	-	-	-
Total expenditures	1,649	88,213	-
Revenues over (under) expenditures before other financing sources	33,534	1,215	2
Other financing sources (uses):			
Transfers in	-	-	-
Bonds issued	-	-	-
Payments to SSJAWA	-	-	-
	-	-	-
Changes in fund balances (deficits)	33,534	1,215	2
Fund balances (deficits), beginning of the year	339,191	182,249	2,071
Fund balances (deficits), end of the year	\$ 372,725	\$ 183,464	\$ 2,073

See independent auditor's report.

Revenue Funds			
CDBG Fund	Total Special Revenue Funds	Debt Service	Total
\$ -	\$ 202,971	\$ 443,570	\$ 646,541
-	223,553	-	223,553
179,739	239,990	-	239,990
-	2,847	32	2,879
-	37,583	-	37,583
179,739	706,944	443,602	1,150,546
-	4,327	-	4,327
-	294,925	-	294,925
-	118,468	-	118,468
-	30,000	275,000	305,000
-	55,713	75,828	131,541
-	2,500	-	2,500
178,733	239,284	-	239,284
-	2,381	-	2,381
178,733	747,598	350,828	1,098,426
1,006	(40,654)	92,774	52,120
-	260,301	-	260,301
-	-	210,000	210,000
-	-	(210,000)	(210,000)
-	260,301	-	260,301
1,006	219,647	92,774	312,421
-	1,894,280	230,044	2,124,324
\$ 1,006	\$ 2,113,927	\$ 322,818	\$ 2,436,745

**Village of Calumet Park
911 Fund
Statement of Revenues, Expenditures and
Changes in Fund Deficit - Budget and Actual
For the Year Ended April 30, 2013**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Interest income	\$ -	\$ -	\$ 2	\$ 2
Other	27,000	27,000	35,451	8,451
Total revenues	<u>27,000</u>	<u>27,000</u>	<u>35,453</u>	<u>8,453</u>
Expenditures:				
Current - police	294,000	294,000	294,425	(425)
Capital outlay	30,000	30,000	-	30,000
Miscellaneous	-	-	51	(51)
Total expenditures	<u>324,000</u>	<u>324,000</u>	<u>294,476</u>	<u>29,524</u>
Total revenues under expenditures before other financing sources	(297,000)	(297,000)	(259,023)	37,977
Other financing sources - transfers in	300,000	300,000	260,301	(39,699)
Net changes in fund deficit	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>1,278</u>	<u>\$ (1,722)</u>
Fund deficit, beginning of the year			<u>(24,011)</u>	
Fund deficit, end of the year			<u>\$ (22,733)</u>	

See independent auditor's report.

**Village of Calumet Park
DCEO Grant Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance (Deficit) - Budget and Actual
For the Year Ended April 30, 2013**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues - grant income	\$ 425,000	\$ 425,000	\$ 60,251	\$ (364,749)
Expenditures:				
Current - street and alley	313,500	313,500	-	313,500
Capital outlay	136,500	136,500	60,551	75,949
Total expenditures	450,000	450,000	60,551	389,449
Total revenues under expenditures before other financing sources	(25,000)	(25,000)	(300)	24,700
Other financing sources - transfers in	-	-	-	-
Net changes in fund balance (deficit)	\$ (25,000)	\$ (25,000)	(300)	\$ 24,700
Fund balance, beginning of the year			-	
Fund deficit, end of the year			\$ (300)	

See independent auditor's report.

**Village of Calumet Park
Motor Fuel Tax Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2013**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Intergovernmental	\$ 220,726	\$ 220,726	\$ 223,553	\$ 2,827
Interest income	200	200	184	(16)
Total revenues	<u>220,926</u>	<u>220,926</u>	<u>223,737</u>	<u>2,811</u>
Expenditures:				
Current - street and alley:				
Contractual services	230,000	230,000	75,285	154,715
Supplies and materials	100,000	100,000	43,183	56,817
Total expenditures	<u>330,000</u>	<u>330,000</u>	<u>118,468</u>	<u>211,532</u>
Net changes in fund balance	<u>\$ (109,074)</u>	<u>\$ (109,074)</u>	<u>105,269</u>	<u>\$ 214,343</u>
Fund balance, beginning of the year			<u>125,591</u>	
Fund balance, end of the year			<u>\$ 230,860</u>	

See independent auditor's report.

**Village of Calumet Park
TIF 3 Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:				
Property taxes	\$ 220,000	\$ 220,000	\$ 79,081	\$ (140,919)
Interest income	3,000	3,000	1,841	(1,159)
Total revenues	<u>223,000</u>	<u>223,000</u>	<u>80,922</u>	<u>(142,078)</u>
Expenditures:				
Current - administration	20,000	20,000	2,678	17,322
Capital outlay	1,310,000	1,310,000	-	1,310,000
Total expenditures	<u>1,330,000</u>	<u>1,330,000</u>	<u>2,678</u>	<u>1,327,322</u>
Net changes in fund balance	<u>\$(1,107,000)</u>	<u>\$(1,107,000)</u>	<u>78,244</u>	<u>\$ 1,185,244</u>
Fund balance, beginning of the year			<u>1,173,697</u>	
Fund balance, end of the year			<u>\$ 1,251,941</u>	

See independent auditor's report.

**Village of Calumet Park
TIF 4 Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2013**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property taxes	\$ 60,000	\$ 60,000	\$ 34,482	\$ (25,518)
Interest income	700	700	701	1
Total revenues	<u>60,700</u>	<u>60,700</u>	<u>35,183</u>	<u>(25,517)</u>
Expenditures:				
Current - administration	40,000	40,000	1,649	38,351
Capital outlay	360,000	360,000	-	360,000
Total expenditures	<u>400,000</u>	<u>400,000</u>	<u>1,649</u>	<u>398,351</u>
Net changes in fund balance	<u>\$ (339,300)</u>	<u>\$ (339,300)</u>	<u>33,534</u>	<u>\$ 372,834</u>
Fund balance, beginning of the year			<u>339,191</u>	
Fund balance, end of the year			<u>\$ 372,725</u>	

See independent auditor's report.

**Village of Calumet Park
TIF 5 Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2013**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property taxes	\$ 170,000	\$ 170,000	\$ 89,408	\$ (80,592)
Interest income	50	50	20	(30)
Total revenues	170,050	170,050	89,428	(80,622)
Expenditures:				
Debt service:				
Principal	30,000	30,000	30,000	-
Interest	55,713	55,713	55,713	-
Fees	25,000	25,000	2,500	22,500
Total expenditures	110,713	110,713	88,213	22,500
Net changes in fund balance	\$ 59,337	\$ 59,337	1,215	\$ (58,122)
Fund balance, beginning of the year			182,249	
Fund balance, end of the year			\$ 183,464	

See independent auditor's report.

**Village of Calumet Park
Debt Service Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2013**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property taxes	\$ 312,914	\$ 312,914	\$ 443,570	\$ 130,656
Interest income	-	-	32	32
Total revenues	<u>312,914</u>	<u>312,914</u>	<u>443,602</u>	<u>130,688</u>
Expenditures:				
Debt service:				
Principal	275,000	275,000	275,000	-
Interest	75,828	75,828	75,828	-
Total expenditures	<u>350,828</u>	<u>350,828</u>	<u>350,828</u>	<u>-</u>
Revenues over (under) expenditures before other financing sources (uses)	<u>(37,914)</u>	<u>(37,914)</u>	<u>92,774</u>	<u>130,688</u>
Other financing sources (uses):				
Bonds issued	-	-	210,000	210,000
Payment to SSJAWA	-	-	(210,000)	(210,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ (37,914)</u>	<u>\$ (37,914)</u>	<u>92,774</u>	<u>\$ 130,688</u>
Fund balance, beginning of the year			<u>230,044</u>	
Fund balance, end of the year			<u>\$ 322,818</u>	

See independent auditor's report.

**Village of Calumet Park
Water Fund
Schedule of Revenues, Expenses and Changes in
Fund Net Position - Budget and Actual
For the Year Ended April 30, 2013**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating revenue - water charges	\$ 1,052,000	\$ 1,052,000	\$ 1,158,286	\$ 106,286
Operating expenses:				
Salaries and wages	261,500	261,500	209,176	52,324
Insurance and benefits	146,700	146,700	129,569	17,131
Contractual services	794,400	794,400	983,293	(188,893)
Supplies and materials	33,700	33,700	45,744	(12,044)
Miscellaneous	3,000	3,000	3,833	(833)
Operating expenses before depreciation	1,239,300	1,239,300	1,371,615	(132,315)
Depreciation	-	-	125,411	(125,411)
Total operating expenses	1,239,300	1,239,300	1,497,026	(257,726)
Operating loss	(187,300)	(187,300)	(338,740)	(151,440)
Nonoperating income:				
Interest	200	200	178	(22)
Miscellaneous	30,000	30,000	50,983	20,983
Total nonoperating income	30,200	30,200	51,161	20,961
Changes in net position	\$ (157,100)	\$ (157,100)	(287,579)	\$ (130,479)
Net position, beginning of the year			456,452	
Net position, end of the year			\$ 168,873	

See independent auditor's report.

**Village of Calumet Park
Sewer Fund
Schedule of Revenues, Expenses and Changes in
Fund Net Position - Budget and Actual
For the Year Ended April 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating revenue - sewer charges	\$ 142,000	\$ 142,000	\$ 233,065	\$ 91,065
Operating expenses - contractual services	<u>74,000</u>	<u>74,000</u>	<u>102,989</u>	<u>(28,989)</u>
Changes in net position	<u>\$ 68,000</u>	<u>\$ 68,000</u>	<u>130,076</u>	<u>\$ 62,076</u>
Net position, beginning of the year			<u>155,538</u>	
Net position, end of the year			<u>\$ 285,614</u>	

See independent auditor's report.

**Village of Calumet Park
Refuse Fund
Schedule of Revenues, Expenses and Changes in
Fund Net Position - Budget and Actual
For the Year Ended April 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Operating revenue - sewer charges	\$ 320,000	\$ 320,000	\$ 414,359	\$ 94,359
Operating expenses - contractual services	<u>429,000</u>	<u>429,000</u>	<u>435,047</u>	<u>(6,047)</u>
Changes in net position	<u>\$ (109,000)</u>	<u>\$ (109,000)</u>	<u>(20,688)</u>	<u>\$ 88,312</u>
Net position, beginning of the year			<u>(433,736)</u>	
Net position, end of the year			<u>\$ (454,424)</u>	

See independent auditor's report.

**Village of Calumet Park
Agency Fund - Performance Bond Fund
Schedule of Changes in Assets and Liabilities
For the Year Ended April 30, 2013**

	<u>Balance May 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance April 30, 2012</u>
Assets				
Cash	\$ 219,212	\$ 161,439	\$ 133,800	\$ 246,851
Due from other funds	1,300	-	-	1,300
Total assets	\$ 220,512	\$ 161,439	\$ 133,800	\$ 248,151
Liabilities				
Due to other funds	\$ 4,671	\$ -	\$ -	\$ 4,671
Deposits held	215,841	161,439	133,800	243,480
Total liabilities	\$ 220,512	\$ 161,439	\$ 133,800	\$ 248,151

See independent auditor's report.

OTHER FINANCIAL SCHEDULES

**Village of Calumet Park
Schedule of Long-term Debt Obligations
April 30, 2013**

General Obligation Tax Increment Bonds Series 2003

Bond issue dated	March 15, 2003
Original issue	\$2,650,000.00
Interest rates	3.65-4.20%
Final payment dated	December 1, 2019
Interest payment dates	June 1 and December 1

Due	Principal	Interest	Total
06/01/13	\$ -	\$ 33,473.75	\$ 33,473.75
12/01/13	185,000.00	33,473.75	218,473.75
06/01/14	-	30,097.50	30,097.50
12/01/14	195,000.00	30,097.50	225,097.50
06/01/15	-	26,490.00	26,490.00
12/01/15	230,000.00	26,490.00	256,490.00
06/01/16	-	22,177.50	22,177.50
12/01/16	240,000.00	22,177.50	262,177.50
06/01/17	-	17,557.50	17,557.50
12/01/17	250,000.00	17,557.50	267,557.50
06/01/18	-	12,557.50	12,557.50
12/01/18	295,000.00	12,557.50	307,557.50
06/01/19	-	6,510.00	6,510.00
12/01/19	310,000.00	6,510.00	316,510.00
Total	\$ 1,705,000.00	\$ 297,727.50	\$ 2,002,727.50

(cont'd)

**Village of Calumet Park
Schedule of Long-term Debt Obligations (cont'd)
April 30, 2013**

General Obligation Tax Increment Bonds Series 2005A

Bond issue dated	December 8, 2005
Original issue	\$2,505,000.00
Interest rates	3.70 - 4.00%
Final payment dated	December 1, 2018
Interest payment dates	June 1 and December 1

Due	Principal	Interest	Total
06/01/13	\$ -	\$ 22,267.50	\$ 22,267.50
12/01/13	265,000.00	22,267.50	287,267.50
06/01/14	-	17,365.00	17,365.00
12/01/14	280,000.00	17,365.00	297,365.00
06/01/15	-	12,115.00	12,115.00
12/01/15	285,000.00	12,115.00	297,115.00
06/01/16	-	6,700.00	6,700.00
12/01/16	105,000.00	6,700.00	111,700.00
06/01/17	-	4,600.00	4,600.00
12/01/17	110,000.00	4,600.00	114,600.00
06/01/18	-	2,400.00	2,400.00
12/01/18	120,000.00	2,400.00	122,400.00
Total	\$ 1,165,000.00	\$ 130,895.00	\$ 1,295,895.00

(cont'd)

**Village of Calumet Park
Schedule of Long-term Debt Obligations (cont'd)
April 30, 2013**

General Obligation Tax Increment Bonds Series 2005B

Bond issue dated	December 8, 2005
Original issue	\$1,935,000.00
Interest rates	3.75 - 4.50%
Final payment dated	December 1, 2019
Interest payment dates	June 1 and December 1

<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
06/01/13	\$ -	\$ 22,643.75	\$ 22,643.75
12/01/13	105,000.00	22,643.75	127,643.75
06/01/14	-	20,675.00	20,675.00
12/01/14	105,000.00	20,675.00	125,675.00
06/01/15	-	18,706.25	18,706.25
12/01/15	110,000.00	18,706.25	128,706.25
06/01/16	-	16,643.75	16,643.75
12/01/16	175,000.00	16,643.75	191,643.75
06/01/17	-	13,275.00	13,275.00
12/01/17	180,000.00	13,275.00	193,275.00
06/01/18	-	9,225.00	9,225.00
12/01/18	180,000.00	9,225.00	189,225.00
06/01/19	-	5,175.00	5,175.00
12/01/19	230,000.00	5,175.00	235,175.00
Total	\$ 1,085,000.00	\$ 212,687.50	\$ 1,297,687.50

(cont'd)

Village of Calumet Park
Schedule of Long-term Debt Obligations (cont'd)
April 30, 2013

General Obligation Tax Increment Taxable Bonds Series 2006

Bond issue dated	May 17, 2006
Original issue	\$ 965,000.00
Interest rates	6.10 - 6.35%
Final payment dated	December 1, 2025
Interest payment dates	June 1 and December 1

Due	Principal	Interest	Total
06/01/13	\$ -	\$ 26,978.75	\$ 26,978.75
12/01/13	35,000.00	26,978.75	61,978.75
06/01/14	-	25,911.25	25,911.25
12/01/14	40,000.00	25,911.25	65,911.25
06/01/15	-	24,691.25	24,691.25
12/01/15	40,000.00	24,691.25	64,691.25
06/01/16	-	23,471.25	23,471.25
12/01/16	50,000.00	23,471.25	73,471.25
06/01/17	-	21,946.25	21,946.25
12/01/17	50,000.00	21,946.25	71,946.25
06/01/18	-	20,383.75	20,383.75
12/01/18	55,000.00	20,383.75	75,383.75
06/01/19	-	18,665.00	18,665.00
12/01/19	65,000.00	18,665.00	83,665.00
06/01/20	-	16,633.75	16,633.75
12/01/20	70,000.00	16,633.75	86,633.75
06/01/21	-	14,446.25	14,446.25
12/01/21	75,000.00	14,446.25	89,446.25
06/01/22	-	12,065.00	12,065.00
12/01/22	85,000.00	12,065.00	97,065.00
06/01/23	-	9,366.25	9,366.25
12/01/23	90,000.00	9,366.25	99,366.25
06/01/24	-	6,508.75	6,508.75
12/01/24	95,000.00	6,508.75	101,508.75
06/01/25	-	3,492.50	3,492.50
12/01/25	110,000.00	3,492.50	113,492.50
Total	\$ 860,000.00	\$ 449,120.00	\$ 1,309,120.00

(cont'd)

**Village of Calumet Park
Schedule of Long-term Debt Obligations (cont'd)
April 30, 2013**

General Obligation Tax Increment Refunding Bonds Series 2010A

Bond issue dated	December 15, 2010
Original issue	\$4,690,000.00
Interest rates	2.50 - 3.80%
Final payment dated	December 1, 2019
Interest payment dates	June 1 and December 1

<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
06/01/13	\$ -	\$ 64,867.50	\$ 64,867.50
12/01/13	435,000.00	64,867.50	499,867.50
06/01/14	-	59,430.00	59,430.00
12/01/14	455,000.00	59,430.00	514,430.00
06/01/15	-	53,742.50	53,742.50
12/01/15	475,000.00	53,742.50	528,742.50
06/01/16	-	46,617.50	46,617.50
12/01/16	590,000.00	46,617.50	636,617.50
06/01/17	-	37,030.00	37,030.00
12/01/17	620,000.00	37,030.00	657,030.00
06/01/18	-	26,800.00	26,800.00
12/01/18	655,000.00	26,800.00	681,800.00
06/01/19	-	15,010.00	15,010.00
12/01/19	790,000.00	15,010.00	805,010.00
Total	\$ 4,020,000.00	\$ 606,995.00	\$ 4,626,995.00

(cont'd)

**Village of Calumet Park
Schedule of Long-term Debt Obligations (cont'd)
April 30, 2013**

General Obligation Bonds Series 2010B

Bond issue dated	December 15, 2010
Original issue	\$2,500,000.00
Interest rates	2.50 - 4.00%
Final payment dated	December 1, 2020
Interest payment dates	June 1 and December 1

<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
06/01/13	\$ -	\$ 35,163.75	\$ 35,163.75
12/01/13	250,000.00	35,163.75	285,163.75
06/01/14	-	32,038.75	32,038.75
12/01/14	265,000.00	32,038.75	297,038.75
06/01/15	-	28,726.25	28,726.25
12/01/15	275,000.00	28,726.25	303,726.25
06/01/16	-	24,807.50	24,807.50
12/01/16	290,000.00	24,807.50	314,807.50
06/01/17	-	20,675.00	20,675.00
12/01/17	305,000.00	20,675.00	325,675.00
06/01/18	-	15,642.50	15,642.50
12/01/18	325,000.00	15,642.50	340,642.50
06/01/19	-	9,955.00	9,955.00
12/01/19	345,000.00	9,955.00	354,955.00
06/01/20	-	3,400.00	3,400.00
12/01/20	170,000.00	3,400.00	173,400.00
Total	\$ 2,225,000.00	\$ 340,817.50	\$ 2,565,817.50

(cont'd)

**Village of Calumet Park
Schedule of Long-term Debt Obligations (cont'd)
April 30, 2013**

General Obligation Bonds Series 2012

Bond issue dated	August 1, 2012
Original issue	\$ 210,000.00
Interest rates	Variable
Final payment dated	February 1, 2025
Interest payment dates	February 1

Due	Principal	Interest	Total
2/1/2015	\$ 9,459.00	\$ 28,100.00	\$ 37,559.00
2/1/2016	12,486.00	26,935.00	39,421.00
2/1/2017	10,595.00	25,195.00	35,790.00
2/1/2018	13,811.00	23,869.00	37,680.00
2/1/2019	15,703.00	22,073.00	37,776.00
2/1/2020	17,595.00	20,038.00	37,633.00
2/1/2021	21,000.00	17,808.00	38,808.00
2/1/2022	22,514.00	14,975.00	37,489.00
2/1/2023	24,784.00	12,065.00	36,849.00
2/1/2024	28,757.00	8,868.00	37,625.00
2/1/2025	33,296.00	4,246.00	37,542.00
Total	\$ 210,000.00	\$ 204,172.00	\$ 414,172.00

See independent auditor's report.

STATISTICAL SECTION

**Village of Calumet Park
General Property Tax Data
April 30, 2013**

	Levy Year				
	2012	2011	2010	2009	2008
Assessed valuation	\$70,896,684	\$79,242,899	\$94,470,426	\$94,219,799	\$93,449,031
Rate					
General Fund	3.6207	3.1070	2.5501	2.9482	2.2988
Debt Service	0.4744	0.4146	0.3484	0.3466	0.3457
Police Pension	0.8191	0.7034	0.6078	-	0.5519
Library	0.2596	0.2323	0.2007	0.1954	0.1970
Gross Levy					
General Fund	2,566,937	2,462,107	2,409,059	2,777,839	2,148,184
Debt Service	336,344	328,560	329,175	326,592	323,033
Police Pension	580,736	557,423	574,146	-	515,735
Library	184,061	184,636	189,583	184,061	184,061
Total liabilities	\$ 3,668,078	\$ 3,532,726	\$ 3,501,963	\$ 3,288,492	\$ 3,171,013

See independent auditor's report.