

**VILLAGE OF MOKENA, ILLINOIS**  
**ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2012**

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ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2012**

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## INTRODUCTORY SECTION

VILLAGE OF MOKENA, ILLINOIS  
NAMES AND TITLES OF PRINCIPAL OFFICIALS  
YEAR ENDED JUNE 30, 2012

Joseph W. Werner	Village President
Patricia C. Patt	Clerk
Deborah A. Engler	Trustee
Donald D. Labriola	Trustee
John J. Mazzorana	Trustee
George J. Metanias	Trustee
James Richmond	Trustee
Joseph M. Siwinski	Trustee
John Downs	Village Administrator
Barbara A. Damron	Finance Director/Treasurer

**FINANCIAL SECTION**

Honorable Village President and Board of Trustees  
Village of Mokena, Illinois

### INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the fiduciary funds of the Village of Mokena, Illinois, as of and for the year ended June 30, 2012, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Village of Mokena, Illinois. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note I, the Village of Mokena, Illinois prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - cash basis of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the fiduciary funds of the Village of Mokena, Illinois, as of June 30, 2012, and the respective changes in financial position - cash basis, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with the basis of accounting described in Note I.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the financial statements of the Village of Mokena, Illinois as a whole. The introductory section, management's discussion and analysis, required supplementary information, combining and individual fund financial statements and schedules, and other information section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial



statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section, management's discussion and analysis, required supplementary information, and other information section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Mulcahy, Pauritsch, Salvador & Co., Ltd.*

Orland Park, Illinois  
December 5, 2012

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

## VILLAGE OF MOKENA, ILLINOIS

### Management's Discussion and Analysis

June 30, 2012

As management of the Village of Mokena, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Village of Mokena for the fiscal year ended June 30, 2012.

#### **Financial Highlights:**

- The assets of the Village of Mokena exceeded liabilities at June 30, 2012, by \$149,066,433 (net assets). Of this amount \$16,844,950 is unrestricted; however, \$10,787,466 is for the business-type activities and is earmarked for the activities and projects associated with those funds.
- The Village's net assets increased by \$5,209,910 during the year. This is mainly due to an increase in capital improvements, land and infrastructure contributed to the Village by developers.
- At June 30, 2012, the governmental funds reported combined fund balances of \$8,217,536. This total represents three figures: \$1,560,286, which is restricted for capital projects and other purposes associated with the special revenue funds (which include: municipal audit, school crossing guards, motor fuel tax, IMRF/FICA contribution, tourism, and special tax allocation); \$3,506,706, which is assigned for purposes of capital projects and other purposes; and \$3,150,544, which is unassigned and reflected in the General Fund.
- At June 30, 2012, the business-type activities (enterprise funds) reported combined unrestricted balances of \$10,787,466. Of the unrestricted balance, \$10,592,065 is for the Water and Sewer Fund activities (which also include Sewer Plant Expansion, Sewer Plant Replacement, Water System Capital Improvements, and Sewer System Capital Improvements), \$135,518 is for the Refuse Fund, and \$59,883 is for the Municipal Parking Lot Fund.
- The Village's long-term debt had a net decrease of (\$691,823) due to the refunding of bonds of \$6,890,000 and payment of the scheduled debt principal retirements of (\$7,605,000), a decrease of (\$15,509) in the police pension benefit obligation, a net increase of \$72,587 for retiree healthcare benefit obligations, and a net decrease of (\$33,901) associated with the deferred amounts for the bond refundings.
- The funding ratios for both of the Village's pension funds (Police Pension and Illinois Municipal Retirement Fund) increased. The funding ratio for the Police Pension is 70.97% as of June 30, 2011 and the funding ratio for IMRF is 68.15% as of December 31, 2011.

# VILLAGE OF MOKENA, ILLINOIS

## Management's Discussion and Analysis

June 30, 2012

### **Overview of the Financial Statements:**

This discussion and analysis is intended to serve as an introduction to the Village of Mokena's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional supplementary information.

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

- The statement of net assets arising from cash transactions presents information on all of the Village of Mokena's assets and liabilities, with the difference between the two reported as net assets.
- The statement of activities arising from cash transactions presents information showing how the government's net assets changed during the most recent fiscal year.
- Government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The Village of Mokena's governmental activities include: Police and Emergency Services, Public Works, Community Development, General Government, and Interest on long-term debt. The Village of Mokena has three business-type activities: Waterworks and Sewerage (which also includes the activities for the Sewer Plant Expansion Fund, Sewer Plant Replacement Fund, Water System Capital Improvement Fund, and Sewer System Capital Improvement Fund), Refuse, and Municipal Parking Lot.

### **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 Mokena, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance and related legal requirements. All of the funds of the Village of Mokena can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

# VILLAGE OF MOKENA, ILLINOIS

## Management's Discussion and Analysis

June 30, 2012

### Governmental Funds:

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

- Governmental fund financial statements focus on short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information is useful in evaluating the Village of Mokena's short-term financing requirements.
- The focus of governmental funds is narrower than that of the government-wide financial statements, therefore it is useful to compare the information for governmental funds with information presented for governmental activities in the government-wide financial statements. Both the governmental fund statement of assets, liabilities and fund balances arising from cash transactions and the governmental fund statement of revenues received, expenditures paid, and changes in fund balances arising from cash transactions provide a reconciliation to facilitate this comparison.
- The Village of Mokena maintains eight individual governmental funds. Information is presented separately in the governmental statement of assets, liabilities and fund balances arising from cash transactions and the governmental fund statement of revenues received, expenditures paid, and changes in fund balances arising from cash transaction for the General Fund and Capital Improvement, Repair and Replacement Fund, which are considered to be major funds. Data from the other governmental funds (Municipal Audit, School Crossing Guard, Motor Fuel Tax, IMRF/FICA, Tourism, and Special Tax Allocation) are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in this report.
- The Village of Mokena adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison statement for each of these funds has been provided to demonstrate compliance with this budget.
- The basic governmental fund financial statements can be found on pages 4 – 9 of this report.

# VILLAGE OF MOKENA, ILLINOIS

## Management's Discussion and Analysis

June 30, 2012

### Proprietary Funds:

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Village of Mokena maintains one type of proprietary fund, which is the 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 Mokena utilizes three enterprise funds to account for Waterworks and Sewerage (which also includes the activities for the Sewer Plant Expansion Fund, Sewer Plant Replacement Fund, Water System Capital Improvement Fund, and Sewer System Capital Improvement Fund), Refuse, and Municipal Parking Lots.
- The basic proprietary funds financial statements can be found on pages 10 - 11 of this report.

### Fiduciary Funds:

Fiduciary funds are used to account for assets held by the Village of Mokena in a trustee capacity or as an agent on behalf of others.

- Fiduciary funds are not reflected in the government-wide financial statements because the assets of those funds are not available to support the Village of Mokena's programs.
- The accounting used for fiduciary funds is similar to that used for proprietary funds.
- The only fiduciary funds utilized by the Village of Mokena are the Police Pension Trust Fund and the Performance Bond Agency Fund.
- The basic fiduciary funds financial statements can be found on pages 12 - 13 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 14 – 37 of this report.

# VILLAGE OF MOKENA, ILLINOIS

## Management's Discussion and Analysis

June 30, 2012

### **Other Information:**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

- The funding progress for the Village of Mokena's Illinois Municipal Retirement Fund (IMRF) and Police Pension Fund employee pension obligations and Retiree Healthcare Benefit Program.

- The required supplementary information can be found on pages 38 - 40 of this report. The combining and individual fund financial statements and schedules referred to earlier are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 41 – 82 of this report.

A schedule of assessed valuations, rates, extensions, and collections for the last ten years of property tax levies can be found on pages 83 - 84 of this report.

In addition, a schedule of information relating to Waterworks and Sewerage accounts can be found on page 85 - 86 of this report.

### **Government-wide Financial Analysis:**

As stated earlier, net assets may serve over time as a useful indicator of a government's financial position. The largest part of the Village of Mokena's net assets reflects its investment in capital assets (land, buildings, improvements, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village of Mokena uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Mokena'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. Following is a comparative statement of net assets for June 30, 2012 and 2011:

VILLAGE OF MOKENA, ILLINOIS

Management's Discussion and Analysis

June 30, 2012

<u>Governmental Activities</u>	<u>2012</u>	<u>2011</u>	<u>Change</u>
Current and other assets	\$8,399,112	\$7,510,808	888,304
Capital assets	<u>119,513,290</u>	<u>115,410,832</u>	<u>4,102,458</u>
Total assets	\$127,912,402	\$122,921,640	4,990,762
Current liabilities	37,274	122,763	(85,489)
Long-term liabilities	<u>9,558,300</u>	<u>9,952,061</u>	<u>(393,761)</u>
Total liabilities	\$9,595,574	\$10,074,824	(479,250)
Net assets:			
Invested in capital assets	\$110,699,058	\$106,780,455	3,918,603
Restricted	1,560,286	1,176,658	383,628
Unrestricted	<u>6,057,484</u>	<u>4,889,703</u>	<u>1,167,781</u>
Total net assets	<u>\$118,316,828</u>	<u>\$112,846,816</u>	<u>5,470,012</u>

<u>Business-type Activities</u>	<u>2012</u>	<u>2011</u>	<u>Change</u>
Current and other assets	\$10,792,141	\$11,101,606	(309,465)
Capital assets	<u>22,539,967</u>	<u>22,788,666</u>	<u>(248,699)</u>
Total assets	\$33,332,108	\$33,890,272	(558,164)
Long-term liabilities	<u>\$2,582,503</u>	<u>\$2,880,565</u>	<u>(298,062)</u>
Net assets:			
Invested in capital assets	\$19,962,139	\$19,922,461	(39,678)
Unrestricted	<u>10,787,466</u>	<u>11,087,246</u>	<u>(299,780)</u>
Total net assets	<u>\$30,749,605</u>	<u>\$31,009,707</u>	<u>(260,102)</u>

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

Following is a comparative statement of changes in net assets for the years ended June 30, 2012 and 2011:

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Management's Discussion and Analysis

June 30, 2012

Governmental Activities	<u>2012</u>	<u>2011</u>	<u>Change</u>
Revenues:			
Program Revenues:			
Charges for Services	\$1,243,280	\$1,147,062	\$96,218
Grants & Contributions	223,793	398,332	(174,539)
General Revenues:			
Property Tax	1,573,045	1,574,356	(1,311)
State Sales Tax	5,058,939	4,463,145	595,794
State Income Tax	1,578,754	1,618,088	(39,334)
Other Taxes	699,492	725,239	(25,747)
Allotments	565,857	576,831	(10,974)
Investment Income	61,889	61,786	103
Gain (Loss) on Disposition of Capital			
Assets	0	16,680	(16,680)
Contributed assets			
Net of debt	5,243,141	6,913,361	(1,670,220)
Other Income	497,158	442,621	54,537
Contributed Capital	(117,247)	0	(117,247)
Transfers	<u>483,836</u>	<u>135,000</u>	<u>348,836</u>
Total Revenues	<u>\$17,111,937</u>	<u>\$18,072,501</u>	<u>(\$960,564)</u>
Expenses:			
Police & Emergency Serv.	\$4,559,119	\$4,445,619	113,500
Public Works	4,247,110	3,758,107	489,003
Community Development	460,091	426,649	33,442
General Government	2,156,250	2,315,690	(159,440)
Interest on Long-term Debt	<u>219,355</u>	<u>359,115</u>	<u>(139,760)</u>
Total Expenses	<u>\$11,641,925</u>	<u>\$11,305,180</u>	<u>\$336,745</u>
Change in Net Assets	\$5,470,012	\$6,767,321	(\$1,297,309)
Net Assets at Beg. of Year	<u>112,846,816</u>	<u>106,079,495</u>	<u>\$6,767,321</u>
Net Assets at End of Year	<u>\$118,316,828</u>	<u>\$112,846,816</u>	<u>\$5,470,012</u>

VILLAGE OF MOKENA, ILLINOIS

Management's Discussion and Analysis

June 30, 2012

As noted, net assets from governmental activities increased \$5,470,012. This increase is mainly attributable to contributed assets (ponds, right-of-way, urban streets, storm sewers, sidewalks, and street lights) from developers being added to the Village.

Business-type Activities	<u>2012</u>	<u>2011</u>	<u>Change</u>
Revenues:			
Program Revenues:			
Charges for Services	\$7,577,273	\$7,032,073	\$545,200
Investment Income	62,961	67,747	(4,786)
Other Income	4,645	6,046	(1,401)
Contributed Capital	117,247	0	117,247
Transfers	<u>(483,836)</u>	<u>(135,000)</u>	<u>(348,836)</u>
Total Revenues	<u>\$7,278,290</u>	<u>\$6,970,866</u>	\$307,424
Expenses:			
Waterworks and Sewerage	\$6,118,088	\$5,748,892	\$369,196
Municipal Parking Lot	279,377	287,346	(7,969)
Refuse	<u>1,140,927</u>	<u>1,103,439</u>	<u>37,488</u>
Total Expenses	<u>\$7,538,392</u>	<u>\$7,139,677</u>	<u>\$398,715</u>
Change in Net Assets	(\$260,102)	(\$168,811)	(\$91,291)
Net Assets at Beg. of Year	<u>31,009,707</u>	<u>31,178,518</u>	<u>(\$168,811)</u>
Net Assets as End of Year	<u>\$30,749,605</u>	<u>\$31,009,707</u>	<u>(\$260,102)</u>

As noted, net assets from business-type activities decreased by (\$260,102). This decrease is mainly attributable to a one time transfer of \$570,000 from the Water System Capital Improvement Fund to the General Fund.

**Financial Analysis of the Government's Funds:**

Governmental Funds:

As noted earlier, the Village of Mokena uses fund accounting to ensure and demonstrate compliance with finance and related legal requirements. The focus of the Village of Mokena's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources

# VILLAGE OF MOKENA, ILLINOIS

## Management's Discussion and Analysis

June 30, 2012

available for spending at the end of the fiscal year. The Village of Mokena's governmental funds reported combined ending fund balances of \$8,217,536 of which 38% or \$3,150,544 is unassigned in the General Fund. The remaining \$5,066,992 is restricted and assigned to the Capital Improvement Repair and Replacement Fund and the Nonmajor Governmental Funds.

The General Fund is the primary operating fund of the Village. During the year, revenues and transfers exceeded expenditures in the General Fund by \$1,117,630. This increased the ending fund balance to \$3,459,864, of which \$ 309,320 is assigned fund balance. Management's policy is to have a fund balance equal to 25% of expenditures. The June 30, 2012, ending fund balance is approximately 41% of expenditures.

### Proprietary Funds:

The Village of Mokena has three proprietary funds which consist of Waterworks and Sewerage, Refuse, and Municipal Parking Lots. These funds provide the same information found in the government-wide financial statements, but in more detail.

The Waterworks and Sewerage Fund, (which also includes the activities for the Sewer Plant Expansion Fund, Sewer Plant Replacement Fund, Water System Capital Improvement Fund, and Sewer System Capital Improvement Fund), had total net assets of \$29,913,278 at June 30, 2012.

This included \$19,321,213 invested in capital assets, net of related debt and \$10,592,065 of unrestricted net assets to be used for the activities and projects associated with this fund.

The Refuse Fund had unrestricted net assets of \$135,518 at June 30, 2012.

The Municipal Parking Lot Fund had total net assets of \$700,809 at June 30, 2012. This included \$640,926 invested in capital assets, net of related debt and \$59,883 of unrestricted net assets.

### Fiduciary Funds:

Fiduciary funds are used to account for assets held by the Village of Mokena in a trustee capacity or as an agent on behalf of others. Fiduciary funds are not reflected in the government-wide financial statements because the assets of those funds are not available to support the Village of Mokena's programs. The accounting used for fiduciary funds is similar to that used for proprietary funds. The only fiduciary funds utilized by the Village of Mokena are the Police Pension Trust Fund and the Performance Bond Agency Fund.

The Police Pension Trust Fund had net assets of \$11,303,819 at June 30, 2012. This balance is being held in trust for pension benefits.

VILLAGE OF MOKENA, ILLINOIS

Management's Discussion and Analysis

June 30, 2012

The Performance Bond Agency Fund had liabilities of \$603,747 at June 30, 2012. This balance consists of deposits due to property owners.

**Budgetary Highlights:**

The General Fund's actual revenues were \$1,383,778 above the budgeted figures. This was mainly attributable to an increase in revenues for sales tax and state income tax and recognizing the property tax revenue for the police pension levy in the General Fund. The General Fund's actual expenditures were \$275,773 above the budgeted figures. This was mainly attributable to recording an expense for the property tax levy transfer to the Police Pension Fund.

The year end fund balance for the Capital Improvement Repair and Replacement Fund decreased by (\$444,303). This was attributable to the funding of numerous capital projects, the road repair programs, and costs associated with the refunding of the General Obligation Bonds Series 2004. Many of these projects have been in the planning stages for many years and as such, represent a planned reduction in the fund balance. These projects include: Route 30 improvements, LaPorte Road right turn lane, CN/EJ&E landscape buffer, construction of a new salt dome, and improvements to the Hickory Creek parking lot.

**Capital Asset Administration:**

The Village of Mokena's investment in capital assets includes land, buildings and improvements, equipment, water and sewer systems, street lights, traffic signals, and other infrastructure. This investment in capital assets as of June 30, 2012, was \$142,053,257 (net of accumulated depreciation).

**Comparative Statement of Capital Assets, net of depreciation:**

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$45,968,732	\$43,494,490	\$ 1,934,830	\$ 1,934,830	\$47,903,562	\$45,429,320
Construction in Progress	-	-	609,955	229,499	609,955	229,499
Buildings & Improvements	2,708,812	2,763,490	8,222,924	8,406,396	10,931,736	11,169,886
Transportation Equipment	783,576	641,661	40,365	71,806	823,941	713,467
Equipment	298,713	261,882	262,337	349,663	561,050	611,545
Water Distribution, Storm, and Sanitary System Infrastructure	-	-	11,469,556	11,796,472	11,469,556	11,796,472
	<u>69,753,457</u>	<u>68,249,309</u>	<u>-</u>	<u>-</u>	<u>69,753,457</u>	<u>68,249,309</u>
Total Net Capital Assets	<u>\$119,513,290</u>	<u>\$115,410,832</u>	<u>\$22,539,967</u>	<u>\$22,788,666</u>	<u>\$142,053,257</u>	<u>\$138,199,498</u>

Additional information on capital assets can be found in note III C in the Notes to Financial Statements.

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**Debt Management:**

The Village of Mokena had total outstanding debt of \$12,140,803 at June 30, 2012. Following is a comparative statement of outstanding debt:

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Notes Payable	\$ 560,000	\$ 625,000	\$ -	\$ -	\$ 560,000	\$ 625,000
G.O. Obligation Limited Tax Cert.	975,000	1,075,000	-	-	975,000	1,075,000
G.O. Bonds	7,340,000	7,600,000	2,590,000	2,880,000	9,930,000	10,480,000
Less Deferred Amounts:						
On Refunding	(259,072)	(25,244)	(28,279)	(32,049)	(287,351)	(57,293)
For Issuance Prem	198,304	-	16,107	18,254	214,411	18,254
Pension Benefit Obligation	451,787	467,296	-	-	451,787	467,296
Retiree Healthcare Benefit Obligation	292,281	210,009	4,675	14,360	296,956	224,369
<b>Total</b>	<b>\$9,558,300</b>	<b>\$9,952,061</b>	<b>\$2,582,503</b>	<b>\$2,880,565</b>	<b>\$12,140,803</b>	<b>\$12,832,626</b>

During the year, long-term debt had a net decrease of (\$691,823) due to the refunding of bonds of \$6,890,000 and payment of the scheduled debt principal retirements of (\$7,605,000), a decrease of (\$15,509) in the police pension benefit obligation, a net increase of \$72,587 for retiree healthcare benefit obligations, and a net decrease of (\$33,901) associated with the deferred amounts for the bond refundings.

Additional information on the Village of Mokena long-term debt can be found in note III D in the Notes to Financial Statements.

**Economic Factors and Next Year's Budget:**

**Adoption of Fiscal 2013 Budget in June 2012**

Regardless of specific economic conditions, there are four practical components absolutely necessary for a public budget process to be successful: (1) You must be able to collect and present information in an accurate, comprehensive and meaningful manner; (2) There should be adequate time to absorb, digest and interpret the information; (3) A good budget process requires a balanced environment to deliberate fiscal policies; and (4) Maintaining a cognitive awareness regarding the past, present and future of budgeting and program delivery in your community. The proposed FY 13 budget has included these necessary components as part of this year's budget process. The Board reviewed a significant amount of budget and program information

# VILLAGE OF MOKENA, ILLINOIS

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during the budget process and took adequate time to consider the recommendations from Village Staff. This year's budget process actually began last fall when the Village Board conducted a comprehensive review of locally generated non-economic revenue. Even though many of the fees related to these revenue categories have not been adjusted since the 1990's, the Board determined that maintaining the "status quo" would create less hardship on residents and businesses in light of our recessionary times. As has been the case over the past few years, the FY 13 budget has been prepared with the uncertain status regarding the Illinois General Assembly's potential to structurally decrease the Local Government Distributive Fund ("LGDF"). While we are entering our fifth year of the "New Budgetary Order," our well established budget process has again proven to be one of our most important institutional assets.

### **FY 13 FROM A MACRO PERSPECTIVE**

#### **Revenues**

Below is an aggregate comparison of all categorical revenues for the Village of Mokena. As can be seen, overall revenues are anticipated to increase by \$746K or 3.7% over that of the FY 12 budgeted amounts.

	<b>FY 12 Budget</b>	<b>FY 13 Budget</b>	<b>\$ Inc/(Dec).</b>	<b>% Change</b>
<b>REVENUES</b>				
Taxes	\$8,713,625	\$9,427,511	\$713,886	8.19%
Fines	\$238,000	\$246,000	\$8,000	3.36%
License/Permits	\$890,652	\$883,641	(\$7,011)	(.79%)
Service Charge	\$7,030,669	\$7,463,947	\$433,278	6.16%
Grants/Trans.	\$296,347	\$594,364	\$298,017	100.56%
Development	\$1,136,165	\$395,000	(\$741,165)	(65.23%)
Other	\$1,530,162	\$1,571,484	\$41,322	2.70%
<b>TOTAL</b>	<b>\$19,835,620</b>	<b>\$20,581,947</b>	<b>\$746,327</b>	<b>3.76%</b>

After several difficult recessionary conditions, we are now seeing some positive economic signs. Tax revenues for FY 13 are forecasted to increase by over 8%. This estimated increase is primarily due to a positive bump in sales tax of \$554K with other tax revenues such as income and property tax showing smaller but notable increases.

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**Expenditures**

Below is an aggregate comparison of all categorical expenditures for the Village of Mokena. As can be seen, overall expenditures are anticipated to decrease by (\$1.87M) or (8.4%) under that of FY12.

	<b>FY 12 Budget</b>	<b>FY 13 Budget</b>	<b>\$ Inc/(Dec).</b>	<b>% Change</b>
<b>EXPENSES</b>				
Personal Serv.	\$8,306,107	\$8,403,047	\$96,940	1.17%
Commodities	\$1,511,663	\$1,580,812	\$69,149	4.57%
Contract Serv.	\$7,802,897	\$7,720,997	(\$81,900)	(1.05%)
Capital Outlay	\$3,525,806	\$2,207,606	(\$1,318,200)	(37.39%)
Other/Trans	\$1,171,315	\$528,500	(\$642,815)	(54.88%)
<b>TOTAL</b>	<b>\$22,317,788</b>	<b>\$20,440,962</b>	<b>(\$1,876,826)</b>	<b>(8.41%)</b>

Personal services are budgeted to increase by only \$97K or 1.17% and commodities by \$69K or 4.57%. All other major spending categories are scheduled to decline in FY 13. Two of the most significant reductions will occur in capital spending (\$1.31M) and other/transfers (\$642K). Although the potential for a WWTP expansion was provided through a \$1.5M appropriation during FY 12, the project is now on hold due to lack of urgency or need. A \$570K transfer was also made from the water capital fund to the GF in FY 12 to offset the cost of updating the fleet and other equipment. No such transfer is proposed or needed in FY 13.

Below you will find a table representing the Village's aggregate fiscal status in all funds for the past two budget cycles as well as FY 13.

<b>OVERALL FISCAL STATUS</b>			
	<b>Actual FY '11</b>	<b>Anticipated FY '12</b>	<b>Proposed FY '13</b>
Beginning Balance	\$29,095,848	\$29,531,651	\$30,374,251
Revenues	20,627,327	27,872,019	20,581,947
Expenditures	20,191,524	27,029,419	20,440,962
Ending Balance	\$29,531,651	\$30,374,251	\$30,515,236 <b>+\$141K</b>

The proposed FY 13 Budget should see aggregate fund balances increase by approximately \$141K. Most funds are anticipated to stay fairly stable with slight variations depending on specific circumstances. The overall increase of +\$141K is primarily due to increased available resources in the Police Pension Fund.

# VILLAGE OF MOKENA, ILLINOIS

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### **THE FINANCIAL AND OPERATING STATUS OF THE VILLAGE OF MOKENA**

In addition to providing a basic overview of the proposed aggregate FY 13 budget, the focus will shift to some of the key financial and budgetary issues affiliated with the proposed budget. Although there are several important components affiliated with a public budgeting process (ranging from basic to very complex matters), Mokena has traditionally concentrated on some of the most basic issues to measure budget performance. During the past two decades, the Mokena Village Board has maintained a focus on several key financial/performance indicators as the most integral measurement tools affiliated with the financial/operational condition of the Village. These components include (1) major operating fund balances, (2) capital reserves, (3) per capita debt, (4) operational efficiencies and (5) goal completion rates.

#### **(1) MAJOR OPERATING FUND BALANCES (General, Water, Sewer & Parking Lot)**

The Mokena Village Board of Trustees has developed a strong and traditional practice of maintaining approximately 25% (or 3 months) of an operating fund's anticipated annual expenditures (including capital outlay) as a reserved balance within each major operating fund. These fund balances levels have been historically maintained to ensure that if any unforeseen or catastrophic events occur, we are in a position to meet basic operational expenditures for a reasonable amount of time. During the recent economic downturn, we utilized portions of these balances as "revenue offsets" allowing time for the Policy Makers to reduce spending or raise revenues in a logical and rational manner. Over the past few years, these fund balances have proven to be a very valuable budgetary tool in dealing with the lengthy and severe recessionary influences that we have faced as a community.

#### **GENERAL FUND**

FY 12 will prove to be the second year in which fund balance levels have been on the rise. Due to the significant cost cutting and budget reduction measures taken over the prior four years, the general fund produced a very substantial 'net positive operating' performance of over \$900K during FY 12. This positive performance was made possible by rising retail sales tax, a more predictable flow of income tax from the LGDF and continued cost cutting and ongoing budget discipline. In light of the uncertain economy accompanied by the State of Illinois' ongoing fiscal dilemma, staff is recommending that higher than traditional GF fund balance levels are maintained moving forward. This will provide more of a buffering affect should unknown circumstances develop that would impact GF revenues.

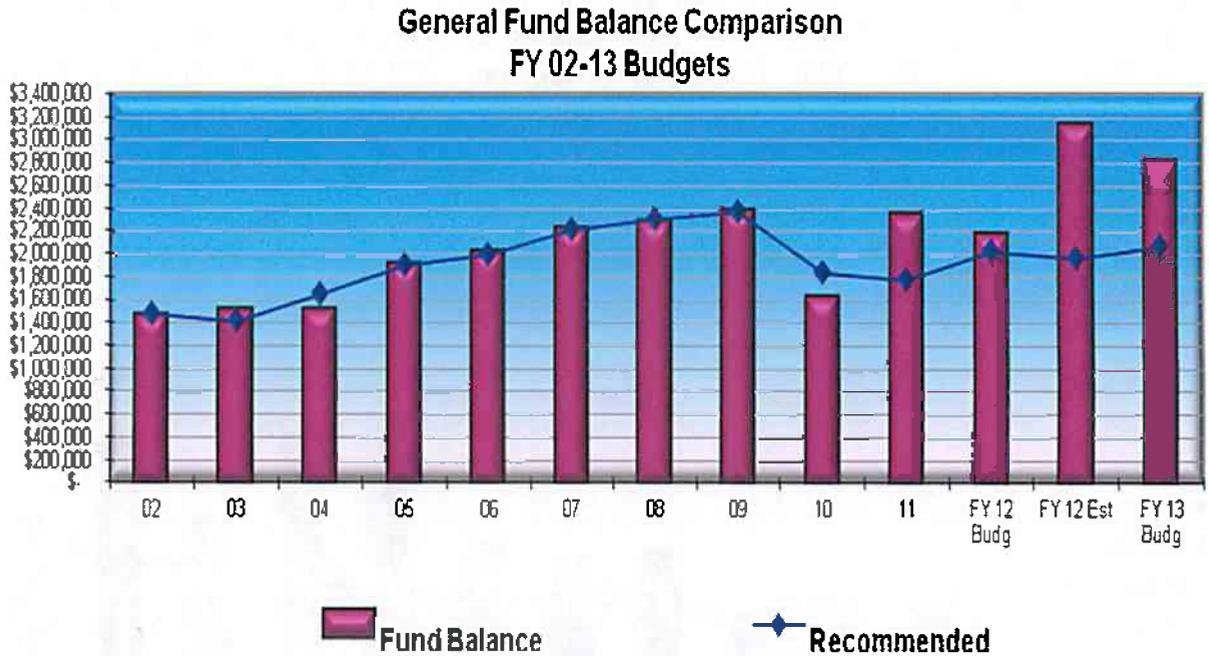
This good news should not totally overshadow the fact that the State of Illinois is still -\$500K+/- in arrears making LGDF payments back to Mokena and all other Illinois municipalities. After decades of timely and predictable LGDF payments to Municipalities, the State has been behind anywhere from 3-5 months over the past several years. These amounts ranged anywhere from \$300-\$600K throughout FY 12 and while the General Assembly recently finished this year's session without legislation impacting the LGDF, this situation remains under critical review by the Illinois Municipal League and other organizations which advocate for Municipalities.

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Below is a graph which exhibits these balances over the past decade.



While fund balance levels dropped to historically low ratios in FY 10, a significant recovery has taken place since that time. Cost cutting combined with healthy retail sales tax increases have helped stabilize the GF. While still being in arrears with regard to the LGDF payments, the State did not fall any further behind and made timely and consistent payments throughout FY 11 & 12 (to date). Our conservative revenue forecasts along with continued cost containment led to an estimated FY 12 year end GF balance of 3.1M. This represents a positive fund balance shift of over +\$900K! In light of all the uncertainties we faced just a short time ago, this is extremely positive and puts our General Fund balance levels well above 25% of aggregate annual budgeted costs. Based on the proposed FY 13 budget, the GF balance is projected to remain at over \$2.8M or 34% of total appropriations.

**WATER FUND**

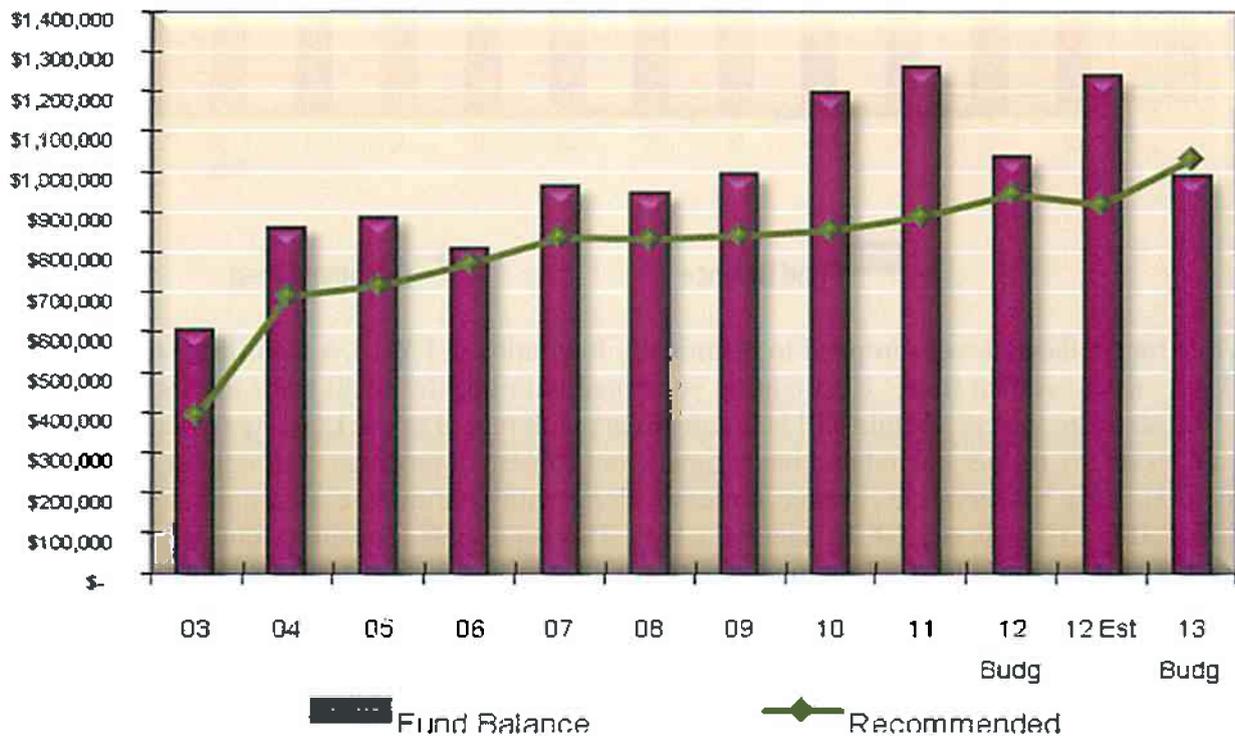
Mokena's water enterprise fund is now a \$4.1M public business. When combined with the sewer fund, these two operations represent over \$6M in annual expenditures to operate and maintain \$33M in public assets owned by our customers. Currently, we are in long term water supply negotiations with Oak Lawn as part of a five Community Consortium. Our goal is to negotiate a long term supply contract that provides adequate water volumes to meet regional growth expectations while paying for only those improvements we feel are necessary. Once these improvements reach the bonding and construction phase, future water rate increases are a certainty.

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Last year's unanticipated four year water rate increase implemented by the City of Chicago has greatly impacted future water rates for not only Mokena customers, but all customers that attain water from Lake Michigan. This four year rate increase will cause Lake Michigan water consumers to pay an additional \$1.80/1000 gallons in future increases for only the water component of a customer's bill. Thereafter, Chicago rates will be linked to an annual inflation factor. Since the cost of water will need to be absorbed by all customers, annual rate adjustments are going to become an unfortunate reality over the next several years. These rate increases will be necessary to keep fund balances at levels consistent with 25% of the annual expenditures. The following graph clearly identifies that Mokena's water operating fund has produced adequate revenues to maintain policy preferred fund balance levels and the FY 13 budget should maintain that general trend.



While the fund balance is anticipated to decrease by approximately \$250K in FY 13, the water enterprise fund balance is expected to be just below the target level of 25% at the conclusion of the fiscal year. To ensure these fund balance levels are maintained, a \$.40/1000 rate increase will be implemented in January of 2013 to account for the second of four Chicago rate adjustments.

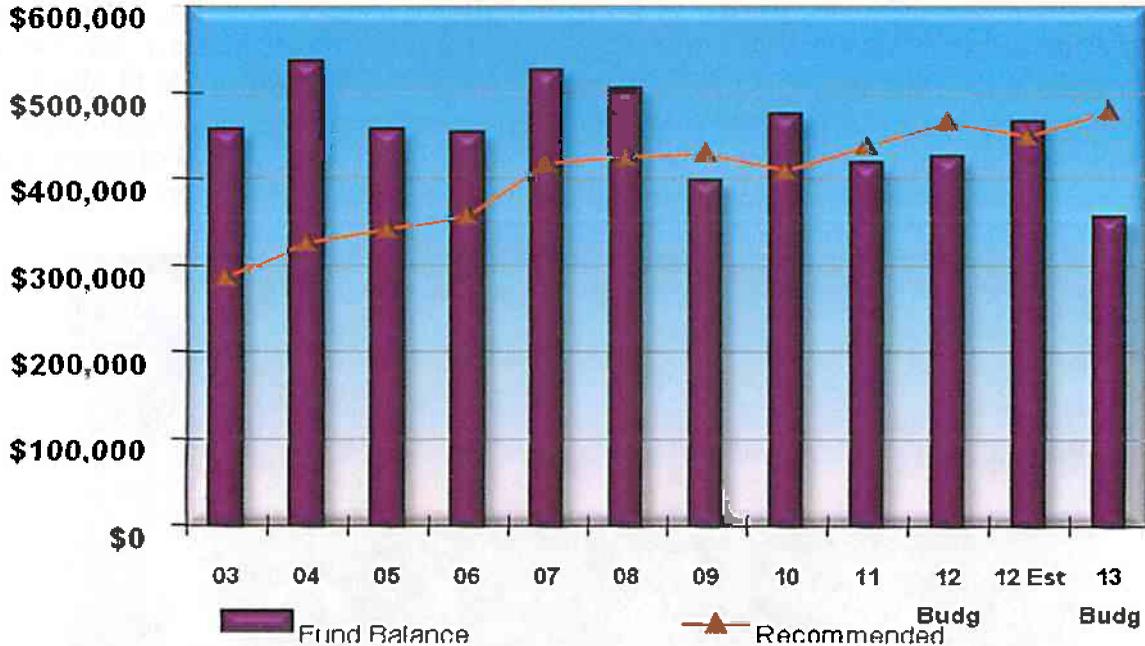
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**SEWER FUND**

The sewer enterprise fund is a \$1.9M annual business and like the water fund requires an adequate revenue stream to properly maintain the system. The sewer operating fund has been impacted by Mokena's slowing residential growth trends along with the effects of continued deduct meter installations and seasonal weather conditions. Sewer billable volume has actually decreased over the past several years resulting in revenue strain on this important operating fund. Deduct meters, which now make up about 36% of our accounts, have annually resulted in a loss in sewer billables ranging from 17-21%. In addition, the increasing cost of water, environmental initiatives and other factors are all contributing to the decline in sewer billables and inadequate revenue growth to support this important operation. Although we have been able to make some headway offsetting this situation with reasonable cost containment measures, increased revenue will be required moving forward. During the FY 12 budget, a one-time \$171K interfund transfer was incorporated into the sewer operating fund to maintain the fund balance at or near policy levels. This transfer offset the need to increase rates by approximately \$.37/1,000 and provided our water customers with a one time savings of \$32+/- . While the one-time transfer did provide some rate relief and propped the FY 12 year end fund balance to slightly above recommended levels, maintaining adequate fund balance levels moving forward will prove to be challenging.



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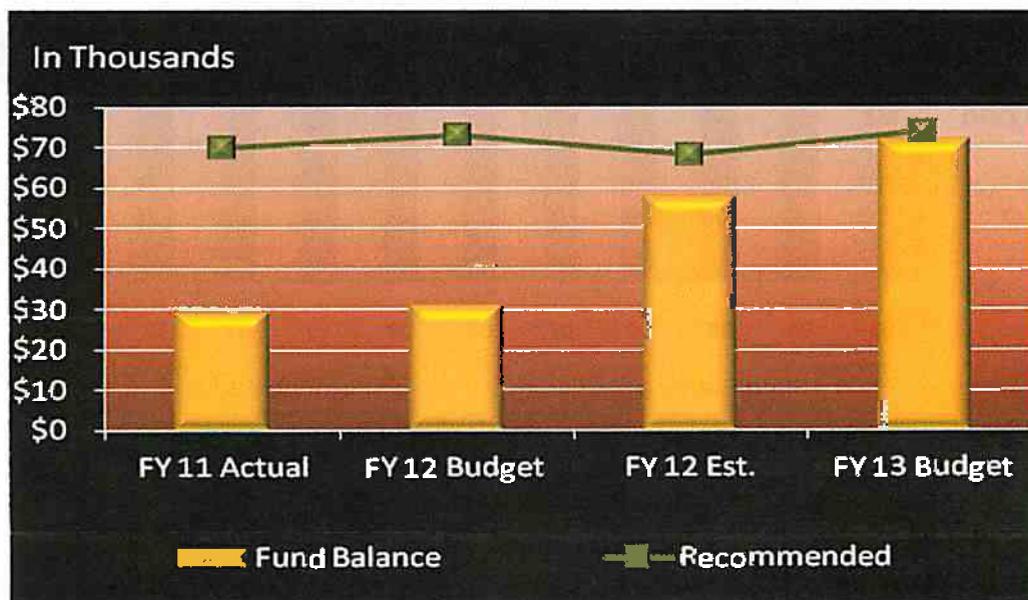
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While significant cost containment in FY 12 led to solid performance and a higher than anticipated fund balance, revenue stress moving forward will result in a less than desirable fund balance at the end of FY 13. The above graph depicts the FY 12 ending fund balance being \$40K more than anticipated and just above recommended policy levels. However, the FY 12 balance without the \$171K transfer would have been well below recommended levels. Moving forward we will be challenged with maintaining an adequate revenue stream while considering the impacts affiliated with escalating water and sewer rates on household budgets. After three consecutive years without a rate adjustment, the proposed FY 13 budget is being prepared with a \$.35/1000 rate adjustment and a similar increase will be proposed for FY 14. The FY 13 budget will likely result in a fund balance that is (\$122K) below that of recommended levels. While not optimal, we are recommending this as an appropriate course of action at this time, also recognizing that future rate increases are imminent. We will continue to monitor this fund's performance and hope to balance the fine line between fiscal stability and rate relief for our customers.

**PARKING LOT FUND**

Mokena operates four separate commuter parking lots with over 1,400 spaces. This fund generates revenue from 250,000+/- customers who annually utilize the parking lots and pay a \$1.25 daily fee. This fund is anticipated to end FY 12 with a balance below preferred levels (but almost \$27K higher than anticipated). A \$.25 per daily fee increase went into effect last fall which combined with a mild winter (reducing contracted snow removal costs) have greatly enhanced the position of this fund. After falling to extremely low levels in FY 11, the fund is recovering with FY 13 budgeted revenues to outpace expenditures by \$14K. Accordingly, the year end fund balance will increase to be just about at the target level of 25% of expenditures. The following chart shows the rapid recovery of this fund's position over the past few years.



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**OPERATING FUND BALANCE SUMMARY**

Fund balances have proven to be a crucial component of providing adequate time for policy makers and staff to fully analyze various financial situations. Over the past several years, we have relied on these fund balances to offset declining revenues and provide time for policy makers to truly analyze and problem solve. After advancing the importance of fund balance policies over the past two decades, it can honestly be said that the past several years have no doubt proven that fund balances are an integral component of good public budget policy. In general, FY 12 proved to be a year where "net positive operating results" were attained in all four major operating funds. We made significant headway in either restructuring or rebuilding the Parking Lot and General Fund balances while analyzing the impact of water and sewer rates with preferred fund balance levels. The following table exhibits an overview of fund balance levels of our four most significant operating funds for both FY 12 & 13.

OPERATING FUND BALANCES						
Fund	Begin FY '12	Est.Begin FY '13	Ending FY '13	Recommended Amount	Variance	Actual %
General	\$2,342,234	\$3,134,541	\$2,825,221	\$2,077,167	\$748,054	34%
Water	1,257,732	1,235,521	985,298	1,031,141	(45,843)	24%
Sewer	418,385	465,150	356,199	478,168	(121,969)	19%
Parking Lot	29,366	57,914	71,908	74,224	(2,316)	24%

The data compares the ending FY 13 fund balances to the recommended 25% levels. The GF is in solid position and we should work hard to keep this fund at levels in excess of past policy preference. The Parking Lot fund is on the rebound while the water fund should remain stable for the immediate term. The sewer fund will continue to be the biggest area of concern and require close attention moving forward. Both the water and sewer funds will require rate increases in the future to maintain adequate fund balance levels. In light of the difficult economic times we continue to face, careful policy deliberations will no doubt take place in an effort to balance fund balance preferences with the negative impact of rate increases on the household budgets of our customers. This might result in fund balance levels in the water and sewer funds being compromised below that of traditionally expected levels moving ahead.

**(2) CAPITAL RESERVES**

Over the past two decades, the Village has developed a structured system to accumulate and earmark capital reserve funds over the years. These funds are normally collected over a period of years and then expended when projects are pursued. This situation can result in large sums of money being spent in a given year and result in balances being reduced accordingly. This system includes utilization of specific policies for the financial management of water and sewer connection fees, formula driven developer contributions, as well as transfers of any potential "net positive operating results" into capital reserve accounts. In April of 2001, Mokena voters

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approved a ½% non-home rule sales tax that has been utilized to plan, design and fund local road improvements. This revenue source has been dedicated to pay the principal and interest costs affiliated with a \$10 million Alternate Sales Tax Bond and provide cash funds for road system improvements. Over the past three years, this revenue source has also been utilized for road and other infrastructure maintenance. Below you will find a table, representing the status of Mokena's Capital Reserve Funds for FY 12 & FY 13.

<b>CAPITAL RESERVE FUND BALANCE</b>			
<b>Fund</b>	<b>Begin FY '12</b>	<b>Est.Begin FY '13</b>	<b>Ending FY '13</b>
Water Capital	\$968,238	\$715,978	\$847,567
Sewer Capital	684,096	824,201	865,276
Sewer Plant Replacement	1,092,598	1,045,898	944,418
Sewer Plant Expansion	6,503,894	6,066,484	6,079,984
Capital Imp., Repair, Replacement	4,335,228	3,548,712	3,281,451
Totals	\$13,584,054	\$12,201,273	\$12,018,696
			<b>-\$183K</b>

The previously referenced table depicts that at the conclusion of FY 13 the Village should possess \$12M for future capital projects. The proposed FY 13 budget includes a slight decrease of (\$183K) in these capital funds. This is primarily being driven by an aggressive road and infrastructure repair program of \$1.195M.

**(3) PER CAPITA DEBT**

**Downtown Bonds**

In FY 01 the Village of Mokena issued \$1.685 million in General Obligation Limited Tax Debt Certificates to fund the balance of the Downtown Renovation Project that augmented the \$1 million cash on hand to replace the aging sanitary and water mains. This debt was issued in September 2000 with a twenty year term and a 5.4% interest rate. These conditions equated to an average of \$138K +/- annual principal and interest payment. This debt is not secured through any form of property tax or other revenue source and must be funded through the normal General Fund revenue stream. Three years ago we refinanced this debt by taking advantage of the "callable" provisions in the bond ordinance. The public debt market was good at the time and we received a favorable credit rating from Standard and Poors which equated to a three step credit rating increase on this debt issue. The overall outcome of these efforts resulted in a reduced interest rate being paid on the balance of the debt along with a lower annual principal and interest payment schedule. The average annual interest rate has been reduced from 5.4% to 3.7% and will result in an average (\$9K) decrease in annual debt service payments. In aggregate, this refinancing effort will save approximately \$129K in overall costs over the balance of the bonds repayment schedule through 2021.

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#### **Lake Water Bonds**

In November of 2000, Residents authorized the Village to issue up to \$7.4 million in General Obligation Bonds to construct the balance of the necessary infrastructure to deliver Lake Michigan water to the community. Five million dollars of these bonds were issued in February of 2001. This debt issue received an investment grade of A1 from Moody's. This rating was based on the fact that the payments of principal and interest (4.8%) on these bonds were guaranteed by the Village's property taxation powers, although our water customers will continue to fund this debt through water related fees. Similar to the Downtown Debt issue previously discussed, refinancing efforts were undertaken for this obligation several years ago. The outcome was similar as Standard and Poors increased our creditworthiness three steps to that of a AA+ for this GO obligation. This effort resulted in an annual average interest rate decline from 4.8% to 3.15% reducing annual debt service payments by an average of (\$29K) annually and almost (\$325K) over the balance of the debt issue through 2019.

#### **Other Contractual Obligations for Water**

In addition to the previously referenced Lake Water Bonds, the Village has two other notable water-related (intergovernmental) contractual obligations that will need to be met over the next several years. The first of these obligations is to the Village of Tinley Park for providing the Village of Mokena with approximately \$1 million to fund the initial oversizing of the 30" water main from the pump station in Tinley Park through Mokena to New Lenox. This obligation carries a 5.5% interest rate along with an average of \$98K annual payments which are accounted for through an established escrow account. Secondly, the Villages of Mokena and New Lenox entered into an intergovernmental agreement which provides for the two communities to proportionately share the IEPA low interest loan for the portions of the joint water system (serving both communities) but within Mokena's limits. This low interest loan equates to approximately \$3.44 million in capital costs with a 2.6% rate. The annual payments will be in the range of \$226K+/- for the Village's share of this amount through 2021. This obligation will be funded as a pre-calculated portion of the water rates affiliated with Lake Michigan water.

#### **½% Non Home Rule Sales Tax**

In April of 2001, Mokena voters approved a referendum authorizing a ½% non-home rule sales tax with categorical exclusions for certain foods, medicines and titled property. The Village did not begin collecting this revenue until April of 2002. The Village Board spent approximately 2 years prior to the successful referendum determining how to utilize the funds from a long term perspective and made use of this timeframe to educate Mokena residents on the topic as well. While utilizing the first two years of proceeds to fund local costs for such projects as the 191<sup>st</sup> Street improvements, the Board determined that borrowing \$10M would be the most prudent means to fund the immediate transportation projects. The bonds were issued in April of 2004 and carried an annual interest rate of 3.66% or \$720K in average principal and interest payments through 2024. This past year, these bonds were also refinanced with an average interest rate of 2.2% saving on average (\$55K) per year and \$686K over the balance of the bonds (through

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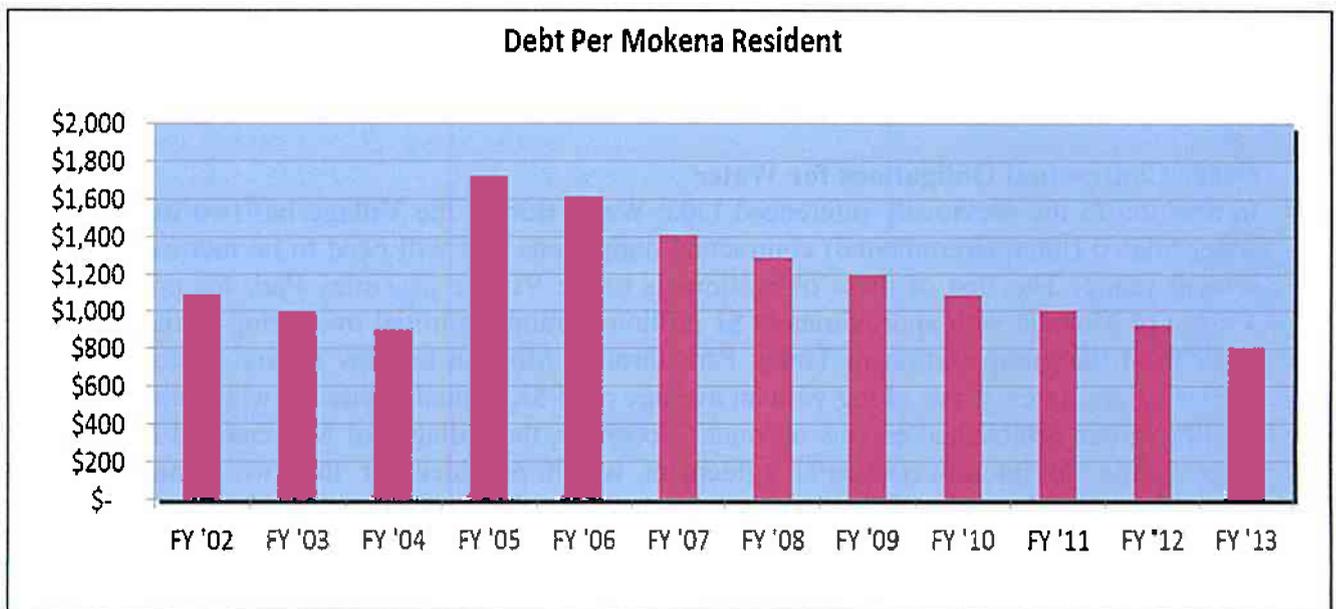
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2024). We were able to maintain our AA+ bond rating as assigned by Standard and Poors, enhancing the savings possible on the refinancing effort.

Together, these three refinancing efforts will save our residents approximately \$1.136 over the term of the three combined repayment schedules. Based on information from April 2012, the Village of Mokena’s AA+ credit rating is one the highest in the State of Illinois and exceeded by only 11 other Communities!

The following historical chart depicts Mokena’s per capita debt position over the past decade.



While reaching a high of over \$1.7K per capita in FY 05, the Village’s per capita debt levels began to decline and are currently \$800 per resident. Debt levels have been reduced by \$900 per resident over the past eight years. The days of funding all major capital projects on a “pay as you go” basis have been gone for several years, but Mokena’s debt remains manageable. Moving into FY 13, the Village is in good order from a debt management perspective. Current debt levels are incrementally decreasing and manageable as the Board has carefully worked to meet the balance of improving the Village’s infrastructure while assuming debt and related principal and interest payments that can be met through earmarked sources. Recent bond refinancing efforts have reduced overall principal and interest payments by over \$1.1M throughout the remaining duration of these three bond issues.

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**(4) OPERATIONAL EFFICIENCIES**

It is often difficult to measure efficiency in the public sector. As conditions, situations and a community changes, it is sometimes a challenge to find measurable indicators which represent organizational efficiencies over an extended time period. We have chosen a handful of such indicators to measure our organization's long term performance over a two decade timeframe. By choosing these indicators we are able to measure ourselves against past performance while including inflationary factors impacting the cost to provide services to our customers. Below you will find a table representing some of these issues from a statistical standpoint.

**Comparison (Fiscal Year)**

	<b>1990/1991 (2003)*</b>	<b>2012/2013</b>	<b>3% rate of inflation</b>
F.T. Employees/1000 Residents	5.38	4.00	N/A
Municipal tax rate/\$100 E.A.V.	\$ .61	\$ .22	N/A
Water Rate/1000 Gallons	\$3.96*	\$5.86	\$5.32*
Sewer Rate/1000 Gallons	\$2.40	\$3.95	\$4.60
Total Water/Sewer Rates	\$6.36*	\$9.81	\$9.92

\* Since Transition to lake water in FY 2003

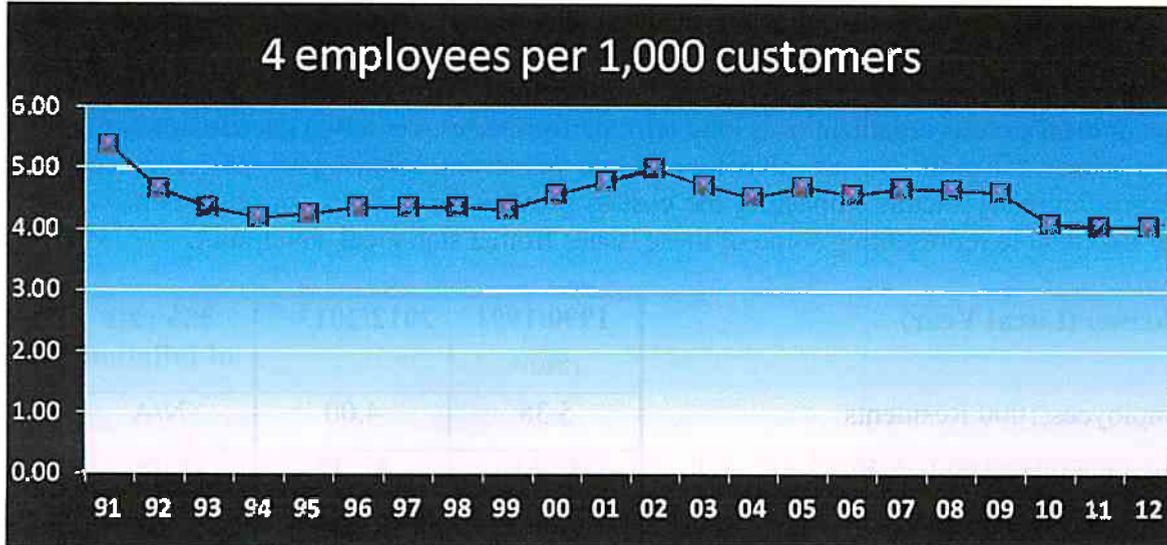
As the previous table indicates, many of the Municipal costs charged to Mokena Residents to operate their Village Government have been balanced or show moderate increases compared to normal inflationary trends. Mokena Residents enjoy the lowest municipal tax rate among 23 other Will County Communities while aggregate tax rates for all Mokena taxing districts combined are very favorable as well. Although water and sewer rates have increased, we are very competitive with surrounding communities that have Lake Michigan water and manage their own wastewater treatment systems. Lake Michigan water rates now exceed the 3% compounded rate of inflation which is a direct correlation of Chicago's significant rate increases over the last two years. These two rate increases alone total \$.87/1,000 gallons.

Lastly, staffing levels per 1,000 residents are at historical lows and clearly represent our efforts to decrease operating costs during these difficult times. Below is a chart which represents our staffing levels/1,000 residents since 1991.

VILLAGE OF MOKENA, ILLINOIS

Management's Discussion and Analysis

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**(5) GOAL COMPLETION PERFORMANCE**

Annually, the Village of Mokena publishes various goal statements and objectives as an integral part of the budget process. Since 2004, these goals have been tracked throughout the course of any given year with an aggregate percent of completion being calculated at the end of each fiscal year. This exercise provides an overview of whether the Village's Staff was successful at completing these stated goals and objectives. Below is a preliminary table summarizing anticipated goal completion rates in FY 12 compared to similar information dating back to 2004. Goal completion rates during this time have ranged consistently from 84-92%.

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012
# of Stated Goals	115	130	110	137	148	142*	126**	106	134
# of Goals completed at 100% level	79	91	80	102	121	118	108	88	114
# of Equivalency Goals Completed	100	112	92	119	133	131	113	91	122
% of Completed Goals	87%	86%	84%	87%	90%	92%	90%	86%	91%

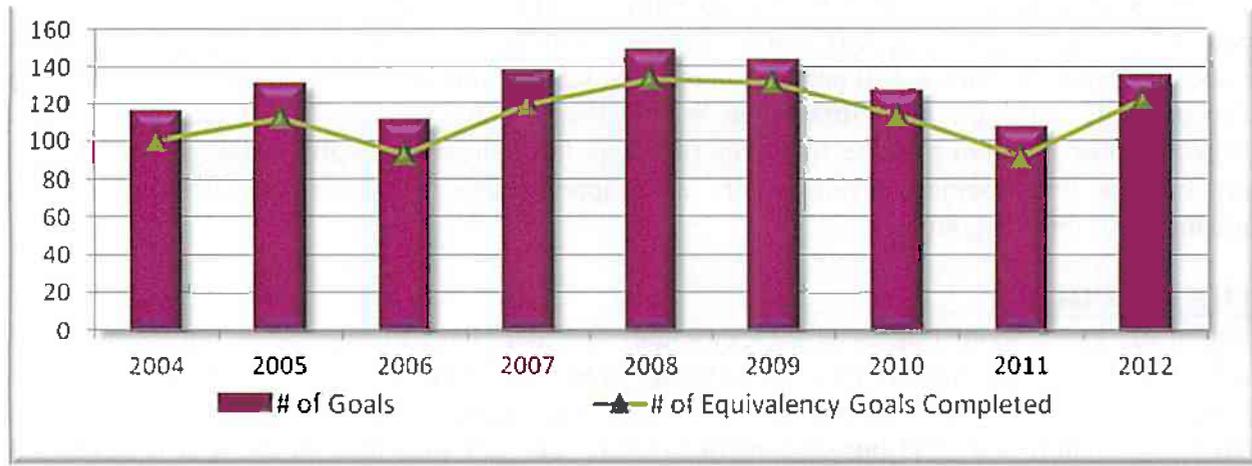
\*Reduced by 10 goals as a result of budget reductions.

\*\* Reduced by 9 goals as a result of budget reductions

# VILLAGE OF MOKENA, ILLINOIS

## Management's Discussion and Analysis

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### **BUDGET SUMMARY**

The Village's overall revenues are anticipated to increase by approximately 3.76% or \$746K. The Village's overall expenditures are anticipated to decrease by (8.4%) or (\$1.87M). Although economic factors are improving, there are many unknowns we face as a Community. Can the economy continue to show signs of improvement and will the Illinois General Assembly take measures that may negatively impact our financial condition? These are two key questions that can only be answered with time.

### **FISCAL IMPACTS ON CUSTOMERS**

The proposed budget takes into consideration the cost of providing services to Mokena's residents and businesses with necessary adjustments for water, sewer and refuse service. The Board conducted a comprehensive review of all locally generated non-economic GF revenues early in FY 12. At the conclusion of this review, the Board determined to "freeze" all permits, licenses, vehicle stickers and other fees that might generate additional costs to Mokena Residents and Businesses. Even though many of these fees have not been adjusted since the nineties, the Board determined to maintain these fees without any increases.

The annual inflationary index for refuse rates will increase monthly costs for garbage by \$.18 to \$.26 (or about \$3 annually). In addition, a \$.35/1000 sewer rate increase will go into effect in July, billable in August. The average residential customer will see a monthly increase of \$2.80+/- (or about \$30 for the fiscal year). A pending Chicago water rate increase will also be passed along to Mokena customers beginning in January of 2013. The proposed increase of \$.40/1000 will increase monthly invoices by \$3.20+/- (or about \$16 for the entire fiscal year) for the average residential customer. In aggregate, these three fee increases will add approximately \$50 to the average household budget in Mokena during FY 13.

## VILLAGE OF MOKENA, ILLINOIS

### Management's Discussion and Analysis

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The proposed budget has again been prepared to continue providing senior citizen households with refuse discounts of approximately \$24 and two free vehicle stickers. Combined, both discounts equate to almost \$50 per year in reduced fees for our senior households (65+). We are also proud to continue our Military Fee Waiver Program for the families of men and women protecting our freedom and the freedoms of others throughout the world today. Since the fee waiver was implemented several years ago, approximately a dozen families have taken advantage of this program.

#### **THE FUTURE**

One of my key responsibilities as the Community's Chief Budget Officer is to outline priorities and identify strategic matters moving forward. Annually in my budget message, an attempt is made to prioritize key issues which will need significant policy attention by the Elected Officials, support staff and our customers as well. The key priorities which it is believed are important to our community consist of the following:

1. Continue to reduce debt burden
2. Ongoing maintenance of our local road system.
3. Maintaining an adequate rate structure to support our utility enterprises while considering the impacts of such rates on our customers.
4. Focusing more on our customers and less on the institution of local government.
5. Resisting the urge to spend more because the GF seems to be in better condition.
6. Closely monitoring the condition of our municipal facilities.
7. Mitigating the impacts of the Emerald Ash Borer.
8. Reinvesting more in our human resources.

#### ***ASSUMPTIONS AND THE PROPOSED FY 13 BUDGET***

Like any budget, there are always certain assumptions which drive the preparation and assembly of a yearly spending plan. The proposed FY 13 Budget is no exception as we continue to face some unknown conditions which may not be determined until after the Mokena Village Board takes formal action on the proposed budget. The proposed budget assumes the State will not fall any further behind in redistributing the LGDF and there will be no action by the Illinois General Assembly changing the structural components of this long-standing program. These assumptions relating to the LGDF are the two most significant unknowns we face moving into the adoption of the FY 13 Budget. Although the Illinois General Assembly has adjourned for the year, there is always a chance a special or veto session could yield actions impacting the LGDF down the road. Although we have prepared the budget with less than a 1% increase in our economy driven revenues, it is difficult to predict exactly how the economy will react to such an unusual time in our history. After moderate, minimal or no wage increases for various employees over the past three year period, the proposed budget is prepared with a 3.25% wage increase for all Mokena employees. Although we have included a 3.25% wage increase in the proposed budget, there are two organized labor agreements that will likely not be finalized until some time after this budget has been adopted. Although we may adopt a budget with certain assumptions regarding wages, benefits and working conditions for our employees, we will negotiate and bargain the terms of

## VILLAGE OF MOKENA, ILLINOIS

### Management's Discussion and Analysis

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our organized labor agreements in good faith. Until those labor agreements are finalized, it is impossible to forecast with any great degree of confidence the actual working conditions of those employees represented by our organized labor partners. Any of these unknowns could require post adoption adjustments in spending or program priorities depending on the degree they may vary from our original assumptions. Time and events will eventually yield to knowledge on these matters.

#### **SOLVING SOME PROBLEMS.....WHILE OTHERS EVOLVE.**

This year's budget resulted in the GF and Parking lot funds rebounding but the water and sewer funds coming under more rigorous rate and revenue pressure. This pressure is compounded by several factors including the unanticipated announcement from Chicago last year that water costs are going to increase significantly over the next several years. While we can exercise prudence with regard to controllable expenditures, the cost of water itself must be passed along to our customers. We are not alone in this situation as all suburban and urban Lake Michigan water customers will also be burdened by this issue. In addition to the increased water rates charged by Chicago, our water consumption levels have been stagnant for several years. This leaves us with little choice but to raise rates to increase revenues for both the water and sewer systems. This scenario will likely result in pressure on both the policy makers and customers as raising costs for household budgets is not something that is deemed favorable by anyone.

#### **REFLECTING BACK JUST TWO YEARS AGO.....**

As this year's budget message is coming to conclusion, it is hard to refrain from thinking about where we stood just two years ago. As a community, we were working together to address the most significant recession of our generation. The future was uncertain, decision making was uncomfortable and we proceeded while hoping for the best. Although we did reduce some program spending and capital equipment replacement, our actions were driven with a clear focus. Our intent was to reduce those costs that would have the least significant impact on our customers. While only our customers can truly judge our performance in this area, it is believed that we approached this difficult time with the appropriate objective in mind.

#### **In Closing.....**

As we conclude this year's budget recommendations, we now move into the program implementation phase. During the implementation phase, we will work diligently to deliver the best levels of service with the resources allocated. We also recognize that our customers are the essence of our existence and remain our top priority. We respect the opportunity to serve Mokena Residents and look forward to yet another year of delivering solid "core service" at the least possible cost. We believe this philosophy will eventually become the new norm for local government and have coined the phrase..... "less institution and more service" to lead us into the future.

VILLAGE OF MOKENA, ILLINOIS

Management's Discussion and Analysis

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Throughout the last five years, we have attempted to remain flexible, adaptive and resilient with regard to balancing the economy and our ability to serve our customers. Every year presents a new set of challenges for us. As long as we keep our customers as our main focus, we will address every problem with intensity and the goal of making our Community the best suburb in the Chicago Region....."Less institution and more service."

**Request for Information:**

This financial report is designed to provide a general overview of the Village of Mokena'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 Finance Director or Village Administrator, 11004 Carpenter Street, Mokena, IL, 60448.

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Village Administrator

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Finance Director

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**VILLAGE OF MOKENA, ILLINOIS**  
**STATEMENT OF NET ASSETS**  
**ARISING FROM CASH TRANSACTIONS**  
**JUNE 30, 2012**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Equity in pooled cash and investments	\$ 7,921,215	\$ 10,766,168	\$ 18,687,383
Restricted assets	333,595	-	333,595
Deferred charges	144,302	25,973	170,275
Capital assets not being depreciated:			
Land	45,968,732	1,934,830	47,903,562
Construction in progress	-	609,955	609,955
Capital assets, net of accumulated depreciation:			
Buildings and improvements	2,708,812	8,222,924	10,931,736
Water distribution, storm and sanitary system	-	11,469,556	11,469,556
Transportation equipment	783,576	40,365	823,941
Machinery and equipment	298,713	262,337	561,050
Infrastructure	<u>69,753,457</u>	<u>-</u>	<u>69,753,457</u>
Total assets	<u>127,912,402</u>	<u>33,332,108</u>	<u>161,244,510</u>
<b>LIABILITIES</b>			
Current liabilities:			
Deposits	37,274	-	37,274
Noncurrent liabilities:			
Due within one year	725,000	295,000	1,020,000
Due in more than one year	<u>8,833,300</u>	<u>2,287,503</u>	<u>11,120,803</u>
Total liabilities	<u>9,595,574</u>	<u>2,582,503</u>	<u>12,178,077</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	110,699,058	19,962,139	130,661,197
Restricted for:			
Bond reserve	100,225	-	100,225
Capital projects	395,838	-	395,838
System improvements	233,370	-	233,370
Other purposes	830,853	-	830,853
Unrestricted	<u>6,057,484</u>	<u>10,787,466</u>	<u>16,844,950</u>
Total net assets	<u>\$ 118,316,828</u>	<u>\$ 30,749,605</u>	<u>\$ 149,066,433</u>

See notes to basic financial statements.

**VILLAGE OF MOKENA, ILLINOIS**  
**STATEMENT OF ACTIVITIES ARISING FROM CASH TRANSACTIONS**  
**YEAR ENDED JUNE 30, 2012**

		<b>Program Revenues</b>		
<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
Functions/programs:				
Governmental activities:				
Police and emergency services	\$ 4,559,119	\$ 248,072	\$ -	\$ -
Public works	4,247,110	-	179,214	5,243,141
Community development	460,091	-	-	-
General government	2,156,250	995,208	44,579	-
Interest and costs	219,355	-	-	-
Total governmental activities	11,641,925	1,243,280	223,793	5,243,141
Business-type activities:				
Waterworks and sewerage	6,118,088	6,119,655	-	-
Refuse	1,140,927	1,157,450	-	-
Municipal parking lot	279,377	300,168	-	-
Total business-type activities	7,538,392	7,577,273	-	-
Total functions/programs	\$ 19,180,317	\$ 8,820,553	\$ 223,793	\$ 5,243,141

General revenues:

- Taxes:
  - Property
  - State sales
  - State income
  - Road and bridge
  - State replacement
  - Hotel/motel
- Allotments
- Earnings on investments
- Other income
- Rental income
- Contributed capital
- Transfers

Total general revenues and transfers

Change in net assets

Net assets at beginning of year

Net assets at end of year

See notes to basic financial statements.

**Net (Expense) Revenue and  
Changes in Net Assets**

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (4,311,047)	\$ -	\$ (4,311,047)
1,175,245	-	1,175,245
(460,091)	-	(460,091)
(1,116,463)	-	(1,116,463)
<u>(219,355)</u>	<u>-</u>	<u>(219,355)</u>
<u>(4,931,711)</u>	<u>-</u>	<u>(4,931,711)</u>
-	1,567	1,567
-	16,523	16,523
<u>-</u>	<u>20,791</u>	<u>20,791</u>
<u>-</u>	<u>38,881</u>	<u>38,881</u>
<u>(4,931,711)</u>	<u>38,881</u>	<u>(4,892,830)</u>
1,573,045	-	1,573,045
5,058,939	-	5,058,939
1,578,754	-	1,578,754
641,102	-	641,102
17,030	-	17,030
41,360	-	41,360
565,857	-	565,857
61,889	62,961	124,850
289,862	4,645	294,507
207,296	-	207,296
(117,247)	117,247	-
<u>483,836</u>	<u>(483,836)</u>	<u>-</u>
<u>10,401,723</u>	<u>(298,983)</u>	<u>10,102,740</u>
5,470,012	(260,102)	5,209,910
<u>112,846,816</u>	<u>31,009,707</u>	<u>143,856,523</u>
<u>\$ 118,316,828</u>	<u>\$ 30,749,605</u>	<u>\$ 149,066,433</u>

**FUND FINANCIAL STATEMENTS**

**VILLAGE OF MOKENA, ILLINOIS**  
**STATEMENT OF ASSETS , LIABILITIES AND FUND BALANCES ARISING**  
**FROM CASH TRANSACTIONS - GOVERNMENTAL FUNDS**  
**JUNE 30, 2012**

	<u>General</u>	<u>Capital Improvement Repair and Replacement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 3,459,864	\$ 3,471,841	\$ 989,510	\$ 7,921,215
Restricted assets:				
Bond reserve	-	100,225	-	100,225
System improvements	<u>-</u>	<u>233,370</u>	<u>-</u>	<u>233,370</u>
Total assets	<u>\$ 3,459,864</u>	<u>\$ 3,805,436</u>	<u>\$ 989,510</u>	<u>\$ 8,254,810</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Deposits	<u>\$ -</u>	<u>\$ 37,274</u>	<u>\$ -</u>	<u>\$ 37,274</u>
Fund balances:				
Restricted	-	729,433	830,853	1,560,286
Assigned	309,320	3,038,729	158,657	3,506,706
Unassigned	<u>3,150,544</u>	<u>-</u>	<u>-</u>	<u>3,150,544</u>
Total fund balances	<u>3,459,864</u>	<u>3,768,162</u>	<u>989,510</u>	<u>8,217,536</u>
Total liabilities and fund balances	<u>\$ 3,459,864</u>	<u>\$ 3,805,436</u>	<u>\$ 989,510</u>	<u>\$ 8,254,810</u>

See notes to basic financial statements.

**VILLAGE OF MOKENA, ILLINOIS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF ASSETS,**  
**LIABILITIES AND FUND BALANCES ARISING FROM CASH TRANSACTIONS TO**  
**THE STATEMENT OF NET ASSETS ARISING FROM CASH TRANSACTIONS**  
**JUNE 30, 2012**

Total fund balances - governmental funds \$ 8,217,536

Amounts reported for governmental activities in the statement of net assets arising from cash transactions are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. 119,513,290

Long-term liabilities, including bonds payable, are not due and payable in the current year and, therefore, are not reported as liabilities in the funds. Long-term liabilities and related accounts at year-end consist of:

General obligation bonds	\$ (7,340,000)	
General obligation limited tax certificates	(975,000)	
Note payable	(560,000)	
Pension benefit obligation	(451,787)	
Retiree healthcare benefit obligation	(292,281)	
Premium on bonds	(198,304)	
Unamortized deferred charges	144,302	
Unamortized deferred amount on refunding	<u>259,072</u>	
Total		<u>(9,413,998)</u>

Total net assets - governmental activities \$ 118,316,828

See notes to basic financial statements.

**VILLAGE OF MOKENA, ILLINOIS**  
**STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID**  
**AND CHANGES IN FUND BALANCES ARISING FROM**  
**CASH TRANSACTIONS - GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2012**

	<u>General</u>	<u>Capital Improvement Repair and Replacement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
<b>Taxes:</b>				
Property	\$ 1,021,932	\$ -	\$ 551,113	\$ 1,573,045
State sales	3,660,634	1,398,305	-	5,058,939
State income	1,578,754	-	-	1,578,754
Road and bridge	641,102	-	-	641,102
State replacement	-	-	17,030	17,030
Hotel/motel	-	-	41,360	41,360
Allotments	-	-	565,857	565,857
Licenses, permits and inspections	995,208	-	-	995,208
Fines, forfeitures and penalties	248,072	-	-	248,072
Gifts, donations and contributions	25,700	87,000	-	112,700
Grants	18,879	92,214	-	111,093
Interest income	24,466	34,011	3,412	61,889
Other income	226,628	63,671	-	290,299
Rental income	207,296	-	-	207,296
Interfund charges for services	274,461	-	-	274,461
	<u>8,923,132</u>	<u>1,675,201</u>	<u>1,178,772</u>	<u>11,777,105</u>
<b>Total revenues</b>				
<b>Expenditures:</b>				
<b>Current:</b>				
Administrative	1,496,166	122,027	1,003,229	2,621,422
Buildings and grounds	211,666	-	-	211,666
Cable television commission	9,385	-	-	9,385
Emergency services and disasters	52,194	-	-	52,194
Fire and police commission	3,298	-	-	3,298
Legislative	85,712	-	-	85,712
Planning and zoning	452,417	-	-	452,417
Police	4,396,833	-	-	4,396,833
Streets	950,854	-	-	950,854
Village clerk	8,080	-	-	8,080
Capital outlay	583,955	1,123,833	-	1,707,788
<b>Debt service:</b>				
Bond issuance costs	-	128,742	-	128,742
Interest	34,570	177,961	-	212,531
Principal retirement	100,000	490,000	-	590,000
	<u>8,385,130</u>	<u>2,042,563</u>	<u>1,003,229</u>	<u>11,430,922</u>
<b>Total expenditures</b>				
Excess (deficiency) of revenues over (under) expenditures	<u>538,002</u>	<u>(367,362)</u>	<u>175,543</u>	<u>346,183</u>

See notes to basic financial statements.

	<u>General</u>	<u>Capital Improvement Repair and Replacement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses):				
Contributed capital	-	(117,247)	-	(117,247)
Proceeds from sale of capital assets	9,628	-	-	9,628
Transfers in	570,000	85,000	-	655,000
Transfers out	-	(171,164)	-	(171,164)
General obligation bond issuance	-	6,890,000	-	6,890,000
Payment to refunded bond escrow agent	-	(6,963,837)	-	(6,963,837)
Premium on bonds	-	200,307	-	200,307
Total other financing sources (uses)	<u>579,628</u>	<u>(76,941)</u>	<u>-</u>	<u>502,687</u>
Net change in fund balances	1,117,630	(444,303)	175,543	848,870
Fund balances at beginning of year	<u>2,342,234</u>	<u>4,212,465</u>	<u>813,967</u>	<u>7,368,666</u>
Fund balances at end of year	<u>\$ 3,459,864</u>	<u>\$ 3,768,162</u>	<u>\$ 989,510</u>	<u>\$ 8,217,536</u>

**VILLAGE OF MOKENA, ILLINOIS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES IN FUND**  
**BALANCES ARISING FROM CASH TRANSACTIONS TO THE STATEMENT**  
**OF ACTIVITIES ARISING FROM CASH TRANSACTIONS**  
**YEAR ENDED JUNE 30, 2012**

Total net change in fund balances - governmental funds \$ 848,870

Amounts reported for governmental activities in the statement of activities arising from cash transactions are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities arising from cash transactions the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$2,379,917) exceeded capitalized expenditures (\$1,249,297) in the current period. (1,130,620)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is calculated and reported by comparing the net book value of the assets sold to the sales proceeds received. This amount represents the net book value of the assets sold. (10,063)

Capital assets contributed by developers do not provide current financial resources and are not reported as revenues in the governmental funds. However, these assets are recorded as contributions in the statement of activities. 5,243,141

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

General obligation bond issuance	\$	(6,890,000)
Principal repayment of debt		7,315,000
Premium of bonds issued		(200,307)
Bond issuance costs		128,742
Loss on refunding		238,837
Amortization:		
Deferred charges		(3,819)
Bond premium		2,003
Deferred amount on refunding		<u>(5,009)</u>

Total 585,447

A decrease in the pension benefit obligation decreases long-term liabilities in the statement of net assets arising from cash transactions. 15,509

An increase in the retiree healthcare benefit obligation increases long-term liabilities in the statement of net assets arising from cash transactions. (82,272)

Change in net assets of governmental activities \$ 5,470,012

See notes to basic financial statements.

**VILLAGE OF MOKENA, ILLINOIS**  
**STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID**  
**AND CHANGES IN FUND BALANCES ARISING FROM CASH**  
**TRANSACTIONS - BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2012**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Revenues:			
Taxes:			
Property	\$ 433,245	\$ 1,021,932	\$ 588,687
State sales	3,222,962	3,660,634	437,672
State income	1,368,020	1,578,754	210,734
Road and bridge	653,243	641,102	(12,141)
Licenses, permits and inspections	910,752	995,208	84,456
Fines, forfeitures and penalties	238,000	248,072	10,072
Gifts, donations and contributions	-	25,700	25,700
Grants	18,879	18,879	-
Interest income	18,000	24,466	6,466
Other income	191,045	226,628	35,583
Rental income	209,985	207,296	(2,689)
Interfund charges for services	275,223	274,461	(762)
Total revenues	<u>7,539,354</u>	<u>8,923,132</u>	<u>1,383,778</u>
Expenditures:			
Current:			
Administrative	1,582,947	1,496,166	86,781
Buildings and grounds	257,224	211,666	45,558
Cable television commission	11,050	9,385	1,665
Emergency services and disasters	60,498	52,194	8,304
Fire and police commission	13,575	3,298	10,277
Legislative	64,037	85,712	(21,675)
Planning and zoning	483,511	452,417	31,094
Police	3,805,655	4,396,833	(591,178)
Streets	1,033,660	950,854	82,806
Village clerk	10,816	8,080	2,736
Capital outlay	651,814	583,955	67,859
Debt service:			
Interest	34,570	34,570	-
Principal retirement	100,000	100,000	-
Total expenditures	<u>8,109,357</u>	<u>8,385,130</u>	<u>(275,773)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(570,003)</u>	<u>538,002</u>	<u>1,108,005</u>
Other financing sources:			
Proceeds from sale of capital assets	-	9,628	9,628
Transfers in	570,000	570,000	-
Total other financing sources	<u>570,000</u>	<u>579,628</u>	<u>9,628</u>
Net change in fund balances	(3)	1,117,630	1,117,633
Fund balances at beginning of year	2,342,234	2,342,234	-
Fund balances at end of year	<u>\$ 2,342,231</u>	<u>\$ 3,459,864</u>	<u>\$ 1,117,633</u>

See notes to basic financial statements.

**VILLAGE OF MOKENA, ILLINOIS**  
**STATEMENT OF ASSETS, LIABILITIES AND NET**  
**ASSETS ARISING FROM CASH TRANSACTIONS -**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2012**

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Waterworks and Sewerage</u>	<u>Refuse</u>	<u>Municipal Parking Lot</u>	
<b>ASSETS</b>				
Current assets:				
Equity in pooled cash and investments	\$ 10,570,767	\$ 135,518	\$ 59,883	\$ 10,766,168
Noncurrent assets:				
Deferred charges	25,973	-	-	25,973
Capital assets:				
Land	1,409,605	-	525,225	1,934,830
Construction in progress	609,955	-	-	609,955
Buildings and improvements	13,904,759	-	154,840	14,059,599
Water distribution, storm and sanitary system	15,145,458	-	-	15,145,458
Transportation equipment	467,517	-	48,244	515,761
Machinery and equipment	2,590,572	-	9,485	2,600,057
Less accumulated depreciation	<u>(12,228,825)</u>	<u>-</u>	<u>(96,868)</u>	<u>(12,325,693)</u>
Net capital assets	21,899,041	-	640,926	22,539,967
Total noncurrent assets	<u>21,925,014</u>	<u>-</u>	<u>640,926</u>	<u>22,565,940</u>
Total assets	<u>32,495,781</u>	<u>135,518</u>	<u>700,809</u>	<u>33,332,108</u>
<b>LIABILITIES</b>				
Current liabilities:				
General obligation bonds payable	295,000	-	-	295,000
Noncurrent liabilities:				
General obligation bonds payable	2,282,828	-	-	2,282,828
OPEB obligation payable	<u>4,675</u>	<u>-</u>	<u>-</u>	<u>4,675</u>
Total liabilities	<u>2,582,503</u>	<u>-</u>	<u>-</u>	<u>2,582,503</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	19,321,213	-	640,926	19,962,139
Unrestricted	<u>10,592,065</u>	<u>135,518</u>	<u>59,883</u>	<u>10,787,466</u>
Total net assets	<u>\$ 29,913,278</u>	<u>\$ 135,518</u>	<u>\$ 700,809</u>	<u>\$ 30,749,605</u>

See notes to basic financial statements.

**VILLAGE OF MOKENA, ILLINOIS**  
**STATEMENT OF REVENUES RECEIVED, EXPENSES**  
**PAID AND CHANGES IN FUND NET ASSETS**  
**ARISING FROM CASH TRANSACTIONS -**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2012**

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Waterworks and Sewerage</u>	<u>Refuse</u>	<u>Municipal Parking Lot</u>	
Operating revenues:				
Charges for services	\$ 5,943,051	\$ 1,152,062	\$ 299,153	\$ 7,394,266
Water meter installation	43,572	-	-	43,572
Inspection fees	21,063	-	-	21,063
Other income	<u>111,969</u>	<u>5,388</u>	<u>1,015</u>	<u>118,372</u>
Total operating revenues	<u>6,119,655</u>	<u>1,157,450</u>	<u>300,168</u>	<u>7,577,273</u>
Operating expenses:				
Personal services	1,998,330	-	141,646	2,139,976
Commodities	445,711	11,655	10,306	467,672
Contractual services	2,695,516	1,086,030	45,625	3,827,171
Depreciation	737,001	-	9,401	746,402
Interfund charges for services	<u>154,432</u>	<u>43,242</u>	<u>72,399</u>	<u>270,073</u>
Total operating expenses	<u>6,030,990</u>	<u>1,140,927</u>	<u>279,377</u>	<u>7,451,294</u>
Operating income	<u>88,665</u>	<u>16,523</u>	<u>20,791</u>	<u>125,979</u>
Non-operating revenues (expenses):				
Contributed capital	-	-	117,247	117,247
Gain on disposition of capital assets	4,645	-	-	4,645
Interest expense	(87,098)	-	-	(87,098)
Interest income	<u>61,503</u>	<u>1,133</u>	<u>325</u>	<u>62,961</u>
Total non-operating revenues (expenses)	<u>(20,950)</u>	<u>1,133</u>	<u>117,572</u>	<u>97,755</u>
Income before transfers	<u>67,715</u>	<u>17,656</u>	<u>138,363</u>	<u>223,734</u>
Transfers in	171,164	-	-	171,164
Transfers out	<u>(655,000)</u>	<u>-</u>	<u>-</u>	<u>(655,000)</u>
Total transfers	<u>(483,836)</u>	<u>-</u>	<u>-</u>	<u>(483,836)</u>
Change in net assets	(416,121)	17,656	138,363	(260,102)
Net assets at beginning of year	<u>30,329,399</u>	<u>117,862</u>	<u>562,446</u>	<u>31,009,707</u>
Net assets at end of year	<u>\$ 29,913,278</u>	<u>\$ 135,518</u>	<u>\$ 700,809</u>	<u>\$ 30,749,605</u>

See notes to basic financial statements.

**VILLAGE OF MOKENA, ILLINOIS**  
**STATEMENT OF FIDUCIARY ASSETS, LIABILITIES AND**  
**NET ASSETS ARISING FROM CASH TRANSACTIONS -**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2012**

	<u>Pension Trust Police Pension</u>	<u>Agency Performance Bond</u>
<b>ASSETS</b>		
Cash	\$ 272,419	\$ -
Equity in pooled cash and investments	-	603,747
Investments:		
Municipal bonds	383,899	-
Mutual funds	5,079,227	-
U.S. government obligations	3,716,305	-
U.S. Treasury notes	<u>1,851,969</u>	<u>-</u>
Total assets	<u>11,303,819</u>	<u>603,747</u>
<b>LIABILITIES</b>		
Due to property owners	<u>-</u>	<u>\$ 603,747</u>
<b>NET ASSETS</b>		
Held in trust for pension benefits and other purposes	<u>\$ 11,303,819</u>	

See notes to basic financial statements.

**VILLAGE OF MOKENA, ILLINOIS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
ARISING FROM CASH TRANSACTIONS - FIDUCIARY FUND -  
PENSION TRUST FUND - POLICE PENSION FUND  
YEAR ENDED JUNE 30, 2012**

Additions:		
Contributions:		
Employer	\$ 611,896	
Plan members	<u>231,663</u>	
Total contributions		\$ 843,559
Investment income		<u>511,524</u>
Total additions		1,355,083
Deductions:		
Benefits paid	232,030	
Administrative expense	<u>53,518</u>	
Total deductions		<u>285,548</u>
Change in net assets		1,069,535
Net assets at beginning of year		<u>10,234,284</u>
Net assets at end of year		<u>\$ 11,303,819</u>

See notes to basic financial statements.

**NOTES TO BASIC FINANCIAL STATEMENTS**

**VILLAGE OF MOKENA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Village of Mokena, Illinois was established in 1852 and incorporated in 1880. The Village Board is composed of the Village President and six trustees.

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

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

At June 30, 2012, the Village's financial reporting entity comprises the following:

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

*Blended Component Unit*

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

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets arising from cash transactions and the statement of activities arising from cash transactions) report information on all of the nonfiduciary activities of the Village. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

**VILLAGE OF MOKENA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

The government-wide financial statements are reported using the cash basis of accounting, as are the fiduciary fund financial statements. Under that basis, certain revenues and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. That basis differs from accounting principles generally accepted in the United States of America primarily because the Village has not recognized receivables from revenues such as property taxes, entitlements and investment income, and payables to personnel and vendors and their related effects on operations of the Village in the accompanying financial statements.

Governmental fund financial statements are reported using the cash basis of accounting. Accordingly, revenue is recognized and recorded when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists arising from a previous cash transaction. In a similar manner, liabilities are recorded from previous cash transactions.

The Village reports the following major governmental funds:

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

The Capital Improvement Repair and Replacement Fund accounts for expenditures for specific priority projects or equipment.

The Village has the following nonmajor governmental funds:

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditure for specific purposes other than debt service or capital projects. The Village's nonmajor special revenue funds are the Municipal Audit Fund, the School Crossing Guard Fund, the Motor Fuel Tax Fund, the IMRF/FICA Fund, the Tourism Fund, and the Special Tax Allocation Fund.

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the cash basis of accounting. Under this method, revenues are recorded when received and expenses are recorded when paid.

**VILLAGE OF MOKENA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The Village reports the following major enterprise funds:

The Water and Sewer Fund accounts for the provision of water and sewer services to residents of the Village and certain unincorporated areas.

The Refuse Fund accounts for waste pick-up service in the Village.

The Municipal Parking Lot Fund accounts for the operation of four commuter parking lots.

Fiduciary funds account for assets held by the Village in a trustee capacity or as an agent on behalf of others. The Village reports the following fiduciary fund types:

The Police Pension Fund, a pension trust fund, accounts for funds held by the Village in a fiduciary capacity for a public employee retirement system. The Police Pension Fund is accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting.

The Performance Bond Fund, an agency fund, is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the cash basis of accounting. This fund is used to account for assets that the Village holds for others in an agency capacity.

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

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

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

**VILLAGE OF MOKENA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

**D. Assets, Liabilities and Net Assets or Equity**

**1. Deposits and Investments**

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amount which reasonably estimates fair value.

Cash and investments of the Village are pooled into a common pooled account in order to maximize investment opportunities. Each fund whose monies are deposited into the pooled account has equity herein, and interest earned on the investment of these monies is allocated based upon relative equity at month end. An individual fund's equity in the pooled account is available upon demand and is considered to be a cash equivalent when preparing these financial statements. Each fund's portion of the pool is displayed on its respective statement of assets, liabilities and fund balance/net assets arising from cash transactions as "equity in pooled cash and investments." In addition, non-pooled cash and investments are separately held and reflected in the respective funds as "cash" and "investments."

The Village's investment policy allows investment in any type of security allowed by Illinois law as set forth in the Illinois Compiled Statutes, Chapter 30 235/2. A summary of allowable securities utilized by the Village is as follows.

1. Bonds, notes, certificates of indebtedness, Treasury bills, or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest.
2. Bonds, notes, debentures, or other similar obligations of the United States of America or its agencies.
3. Interest bearing savings accounts, interest bearing certificates of deposit or interest bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act and only those institutions insured by the Federal Deposit Insurance Corporation (FDIC).
4. Short-term discount obligations of the Federal National Mortgage Association.
5. Local government investment pools (LGIPs), either state-administered or through joint powers statutes and other intergovernmental agreement legislation.

**2. Restricted Assets**

Proceeds from debt and other funds set aside for payment of general obligation debt, revenue bonds and the repair, replacement and extension of the Village's water and sewer system are classified as restricted assets since its use is limited by provisions within the bond indentures and by ordinance.

**VILLAGE OF MOKENA, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2012**

**3. Capital Assets**

Capital assets, which include land, buildings, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included in the capitalized value of the asset constructed. No such interest expense was incurred during the current fiscal year.

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

<u>Assets</u>	<u>Years</u>
Buildings	40 - 50
Furniture	5 - 7
Infrastructure	23 - 50
Machinery and equipment	10 - 20
Transportation equipment	5 - 10
Water and sewer systems	20 - 100

**4. Long-term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets.

Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the effective interest method. Debt payable is reported net of the applicable bond premium or discount. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt 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.

**VILLAGE OF MOKENA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

**5. Governmental Fund Balances**

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- Restricted - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed - amounts constrained to specific purposes by the Village itself, using its highest level of decision-making authority (i.e., Board of Trustees). To be reported as committed, amounts cannot be used for any other purpose unless the Village takes the same highest level action to remove or change the constraint.
- Assigned - amounts the Village intends to use for a specific purpose. Intent can be expressed by the Board of Trustees or by an individual or body to which the Village delegates the authority.
- Unassigned - amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Trustees through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

**6. Use of Restricted Resources**

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Village's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Village's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications - committed and then assigned fund balances before using unassigned fund balances.

**7. Estimates**

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

**VILLAGE OF MOKENA, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2012**

**8. Comparative Data**

Comparative data for the prior year have been presented in the individual fund financial statements and schedules in order to provide an understanding of the operations of these funds.

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

Annual budgets are adopted on the cash basis of accounting which is consistent with the basis of accounting utilized by all of the Village's funds.

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

1. The Village Board adopts a Budget Ordinance which includes a budget for all funds utilized by the Village. This ordinance serves as an appropriation authorization.
2. Public budget hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of an ordinance.
4. The Village Administrator is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved through an ordinance by the Village Board.
5. The level of control (level at which expenditures may not exceed budget/appropriations) is the fund. Appropriations lapse at the end of the fiscal year.
6. The budget for the Capital Improvement Repair and Replacement Fund was amended during the year ended June 30, 2012.

**B. Excess of Expenses/Expenditures over Budget**

The following funds had an excess of actual expenses/expenditures over the budgeted amount for the year ended June 30, 2012:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund	\$ 8,109,357	\$ 8,385,130	\$ (275,773)
Waterworks and Sewerage subfund:			
Water and Sewer Fund	5,612,948	6,214,374	(601,426)

**VILLAGE OF MOKENA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

The overexpenditure in the General Fund was funded by greater than anticipated revenues and available fund balance. The overexpenditure in the Water and Sewer Fund was funded by greater than anticipated revenues and available net assets.

**III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

*Deposits*

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Village's deposits might not be recovered. The Village does not have a deposit policy for custodial credit risk. As of June 30, 2012, \$1,007,670 of the Village's bank balances of \$11,997,961 was uninsured and collateralized with securities held by the pledging financial institutions.

*Investments*

Investments as of June 30, 2012 were comprised of the following:

<u>Type of Investment</u>	<u>Fair Value/ Carrying Amount</u>	<u>Average Credit Quality/ Ratings (1)</u>	<u>Weighted Average Years to Maturity (2)</u>
Pooled investments (3):			
Money market funds:			
Illinois Metropolitan Investment Fund	\$ 5,422,917	AAAf/S1	< 1
The Illinois Funds	1,972,864	AAAm	< 1
Certificates of deposit	<u>187,500</u>	N/A	< 1
Total pooled investments	<u>\$ 7,583,281</u>		
Non-pooled investments:			
Fiduciary fund - Police Pension Fund:			
Municipal bonds	\$ 383,899	Aa2 - A2	8.79
Mutual funds	5,079,227	N/A	N/A
U.S. government obligations	3,716,305	Aaa	5.22
U.S. Treasury notes	<u>1,851,969</u>	Aaa	3.64
Total non-pooled investments	<u>\$ 11,031,400</u>		

**VILLAGE OF MOKENA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

- (1) Ratings are provided where applicable to indicate associated *Credit Risk*. N/A indicates not applicable.
- (2) *Interest Rate Risk* is estimated using weighted average years to maturity. N/A indicates not applicable.
- (3) Pooled cash and investments are reported as *equity in pooled cash and investments*. Investments in the pool are not separately reported in the financial statements as ownership of investments cannot be assigned to individual funds including fiduciary funds. Therefore, total investments will not agree to the financial statements.

*Investment Policies*

The Village's investments are subject to the following risks:

*Concentration of credit risk* is the risk of loss attributed to the magnitude of the Village's investment in a single issuer.

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

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

The Village does not have an investment policy for the above risks.

**B. Property Taxes**

Property taxes are levied as of January 1 on property values assessed on the same date. The lien date for the levy is January 1. The tax levy is payable in two installments, on June 1 and September 1. The Village received significant distributions of tax receipts during June and September.

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 43,494,490	\$ 2,474,242	\$ -	\$ 45,968,732
Capital assets being depreciated:				
Buildings and improvements	3,494,688	-	-	3,494,688
Transportation equipment	2,033,720	323,439	109,860	2,247,299
Machinery and equipment	840,125	94,309	-	934,434
Infrastructure	<u>97,420,836</u>	<u>3,600,448</u>	<u>-</u>	<u>101,021,284</u>
Total capital assets being depreciated	<u>103,789,369</u>	<u>4,018,196</u>	<u>109,860</u>	<u>107,697,705</u>

(continued)

**VILLAGE OF MOKENA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2012**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Deletions</u>	<u>Ending Balance</u>
Less accumulated depreciation for:				
Buildings and improvements	(731,198)	(54,678)	-	(785,876)
Transportation equipment	(1,392,059)	(171,461)	(99,797)	(1,463,723)
Machinery and equipment	(578,243)	(57,478)	-	(635,721)
Infrastructure	<u>(29,171,527)</u>	<u>(2,096,300)</u>	<u>-</u>	<u>(31,267,827)</u>
Total accumulated depreciation	<u>(31,873,027)</u>	<u>(2,379,917)</u>	<u>(99,797)</u>	<u>(34,153,147)</u>
Total capital assets being depreciated, net	<u>71,916,342</u>	<u>1,638,279</u>	<u>10,063</u>	<u>73,544,558</u>
Governmental activities capital assets, net	<u>\$ 115,410,832</u>	<u>\$ 4,112,521</u>	<u>\$ 10,063</u>	<u>\$ 119,513,290</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,934,830	\$ -	\$ -	\$ 1,934,830
Construction in progress	<u>229,499</u>	<u>380,456</u>	<u>-</u>	<u>609,955</u>
Total capital assets not being depreciated	<u>2,164,329</u>	<u>380,456</u>	<u>-</u>	<u>2,544,785</u>
Capital assets being depreciated:				
Buildings and improvements	13,942,352	117,247	-	14,059,599
Water distribution, storm and sanitary system	15,145,458	-	-	15,145,458
Transportation equipment	537,261	-	21,500	515,761
Machinery and equipment	<u>2,615,381</u>	<u>-</u>	<u>15,324</u>	<u>2,600,057</u>
Total capital assets being depreciated	<u>32,240,452</u>	<u>117,247</u>	<u>36,824</u>	<u>32,320,875</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,535,956)	(300,719)	-	(5,836,675)
Water distribution, storm and sanitary system	(3,348,986)	(326,916)	-	(3,675,902)
Transportation equipment	(465,455)	(31,441)	(21,500)	(475,396)
Machinery and equipment	<u>(2,265,718)</u>	<u>(87,326)</u>	<u>(15,324)</u>	<u>(2,337,720)</u>
Total accumulated depreciation	<u>(11,616,115)</u>	<u>(746,402)</u>	<u>(36,824)</u>	<u>(12,325,693)</u>
Total capital assets being depreciated, net	<u>20,624,337</u>	<u>(629,155)</u>	<u>-</u>	<u>19,995,182</u>
Business-type activities capital assets, net	<u>\$ 22,788,666</u>	<u>\$ (248,699)</u>	<u>\$ -</u>	<u>\$ 22,539,967</u>

**VILLAGE OF MOKENA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Police and emergency services	\$ 122,304
Public works	2,227,673
Community development	7,674
General government	<u>22,266</u>
Total depreciation expense - governmental activities	<u>\$ 2,379,917</u>
Business-type activities:	
Waterworks and sewerage	\$ 737,001
Municipal parking lot	<u>9,401</u>
Total depreciation expense - business-type activities	<u>\$ 746,402</u>

**D. Long-term Liabilities**

*Note Payable*

The Village has entered into a financing agreement with the Village of Tinley Park for the construction of a water main to enable the Village to tie into the Chicago water supply furnished through the Village of Tinley Park. To finance the construction, the Village of Tinley Park issued \$1,145,000 in Waterworks and Sewerage Bonds, Series 2000. Repayment to Tinley Park is structured to mirror the interest and principal payable on the bond issue as follows:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Payment</u>
November 1, 2012		\$ 15,193	\$ 15,193
May 1, 2013	\$ 65,000	15,193	80,193
November 1, 2013		13,486	13,486
May 1, 2014	70,000	13,486	83,486
November 1, 2014		11,631	11,631
May 1, 2015	75,000	11,631	86,631
November 1, 2015		9,625	9,625
May 1, 2016	80,000	9,625	89,625
November 1, 2016		7,425	7,425
May 1, 2017	85,000	7,425	92,425
November 1, 2017		5,088	5,088
May 1, 2018	90,000	5,088	95,088
November 1, 2018		2,613	2,613
May 1, 2019	<u>95,000</u>	<u>2,613</u>	<u>97,613</u>
Total	<u>\$ 560,000</u>	<u>\$ 130,122</u>	<u>\$ 690,122</u>

**VILLAGE OF MOKENA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

*General Obligation Limited Tax Certificates*

On March 26, 2009, the Village issued general obligation refunding limited tax certificates, Series 2009B in the amount of \$1,265,000 for the purpose of providing funds to currently refund the general obligation limited tax certificates, Series 2000 and pay the cost of issuing the certificates. The certificates and the interest payable thereon are full faith and credit obligations of the Village payable from corporate funds and any other source lawfully available. There is no statutory separate tax or levy in addition to other taxes available to repay this obligation.

Repayment of the certificates with interest ranging from 2.0% to 4.0% is as follows:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Payment</u>
August 1, 2012		\$ 16,110	\$ 16,110
February 1, 2013	\$ 100,000	16,110	116,110
August 1, 2013		14,835	14,835
February 1, 2014	100,000	14,835	114,835
August 1, 2014		13,460	13,460
February 1, 2015	100,000	13,460	113,460
August 1, 2015		11,960	11,960
February 1, 2016	100,000	11,960	111,960
August 1, 2016		10,360	10,360
February 1, 2017	110,000	10,360	120,360
August 1, 2017		8,545	8,545
February 1, 2018	110,000	8,545	118,545
August 1, 2018		6,675	6,675
February 1, 2019	110,000	6,675	116,675
August 1, 2019		4,750	4,750
February 1, 2020	120,000	4,750	124,750
August 1, 2020		2,500	2,500
February 1, 2021	<u>125,000</u>	<u>2,500</u>	<u>127,500</u>
Total	<u>\$ 975,000</u>	<u>\$ 178,390</u>	<u>\$ 1,153,390</u>

*General Obligation Bonds*

On March 22, 2004, the Village issued \$10,000,000 of General Obligation Bonds, Series 2004 for the purpose of street improvements. In April 2001, a referendum was approved by the voters in the Village authorizing an additional 1/2% sales tax for infrastructure purposes. The additional 1/2% sales tax was effective January 1, 2002 and generated \$1,398,305 in the current year. The Village expects to pay the debt service on these Series 2004 Bonds from the additional 1/2% sales tax for infrastructure purposes. The bond was partially refunded in May, 2012.

**VILLAGE OF MOKENA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

Repayment of the bond with interest ranging from 3.0% to 3.75% is as follows:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Payment</u>
December 15, 2012	<u>\$ 450,000</u>	<u>\$ 7,594</u>	<u>\$ 457,594</u>

In May, 2012, the Village issued general obligation refunding bonds, Series 2012A in the amount of \$6,890,000 for the purpose of providing funds to partially refund \$6,725,000 of the Series 2004 general obligation bonds and pay the cost of issuing the bonds. The bonds and the interest payable thereon are full faith and credit obligations of the Village and will be payable from Capital Improvement Repair and Replacement Fund and any other source lawfully available. The Village expects to pay the debt service on these Series 2012A Bonds from pledged sales taxes.

Repayment of the bonds with interest ranging from 1.0% to 2.75% is as follows:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Payment</u>
December 15, 2012	\$ 110,000	\$ 80,239	\$ 190,239
June 15, 2013		68,888	68,888
December 15, 2013	505,000	68,888	573,888
June 15, 2014		66,363	66,363
December 15, 2014	520,000	66,363	586,363
June 15, 2015		63,763	63,763
December 15, 2015	530,000	63,763	593,763
June 15, 2016		58,463	58,463
December 15, 2016	525,000	58,463	583,463
June 15, 2017		53,213	53,213
December 15, 2017	545,000	53,213	598,213
June 15, 2018		47,762	47,762
December 15, 2018	560,000	47,762	607,762
June 15, 2019		42,162	42,162
December 15, 2019	575,000	42,162	617,162
June 15, 2020		36,412	36,412
December 15, 2020	565,000	36,412	601,412
June 15, 2021		30,409	30,409
December 15, 2021	585,000	30,409	615,409
June 15, 2022		24,194	24,194
December 15, 2022	600,000	24,194	624,194
June 15, 2023		16,694	16,694
December 15, 2023	615,000	16,694	631,694
June 15, 2024		9,006	9,006
December 15, 2024	<u>655,000</u>	<u>9,006</u>	<u>664,006</u>
Total	<u>\$ 6,890,000</u>	<u>\$ 1,114,897</u>	<u>\$ 8,004,897</u>

**VILLAGE OF MOKENA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2012**

On March 10, 2009, the Village issued general obligation refunding bonds, Series 2009 in the amount of \$3,160,000 for the purpose of providing funds to currently refund the general obligation bonds, Series 2001 and pay the cost of issuing the bonds. The bonds and the interest payable thereon are full faith and credit obligations of the Village payable from Water and Sewerage funds and any other source lawfully available. There is no statutory separate tax or levy in addition to other taxes available to repay this obligation.

Repayment of the bonds with interest ranging from 2.0% to 3.5% is as follows:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Payment</u>
December 1, 2012	\$ 295,000	\$ 39,556	\$ 334,556
June 1, 2013		35,869	35,869
December 1, 2013	300,000	35,869	335,869
June 1, 2014		32,119	32,119
December 1, 2014	310,000	32,119	342,119
June 1, 2015		27,469	27,469
December 1, 2015	315,000	27,469	342,469
June 1, 2016		22,744	22,744
December 1, 2016	325,000	22,744	347,744
June 1, 2017		17,868	17,868
December 1, 2017	335,000	17,868	352,868
June 1, 2018		12,425	12,425
December 1, 2018	350,000	12,425	362,425
June 1, 2019		6,300	6,300
December 1, 2019	<u>360,000</u>	<u>6,300</u>	<u>366,300</u>
Total	<u>\$ 2,590,000</u>	<u>\$ 349,144</u>	<u>\$ 2,939,144</u>

The annual requirements to amortize all long-term debt outstanding as of June 30, 2012 including interest payments of \$1,780,147 are as follows:

<u>Fiscal Year</u>	<u>Note Payable</u>	<u>General Obligation Limited Tax Certificates</u>	<u>General Obligation Bonds</u>	<u>Total</u>
2013	\$ 95,386	\$ 132,220	\$ 1,087,146	\$ 1,314,752
2014	96,972	129,670	1,008,239	1,234,881
2015	98,262	126,920	1,019,714	1,244,896
2016	99,250	123,920	1,017,439	1,240,609
2017	99,850	130,720	1,002,288	1,232,858
2018	100,176	127,090	1,011,268	1,238,534
2019	100,226	123,350	1,018,649	1,242,225

(continued)

**VILLAGE OF MOKENA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2012**

<u>Fiscal Year</u>	<u>Note Payable</u>	<u>General Obligation Limited Tax Certificates</u>	<u>General Obligation Bonds</u>	<u>Total</u>
2020	-	129,500	1,019,874	1,149,374
2021	-	130,000	631,821	761,821
2022	-	-	639,603	639,603
2023	-	-	640,888	640,888
2024	-	-	640,700	640,700
2025	-	-	664,006	664,006
<b>Total</b>	<b>\$ 690,122</b>	<b>\$ 1,153,390</b>	<b>\$ 11,401,635</b>	<b>\$ 13,245,147</b>

Long-term liability activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Note payable	\$ 625,000	\$ -	\$ (65,000)	\$ 560,000	\$ 65,000
General obligation limited tax certificates	1,075,000	-	(100,000)	975,000	100,000
General obligation bonds	7,600,000	6,890,000	(7,150,000)	7,340,000	560,000
Deferred amounts:					
For issuance premium	-	200,307	(2,003)	198,304	-
On refunding	(25,244)	(238,837)	5,009	(259,072)	-
Pension benefit obligation	467,296	596,387	(611,896)	451,787	-
Retiree healthcare benefit obligation	210,009	98,979	(16,707)	292,281	-
<b>Total</b>	<b>\$ 9,952,061</b>	<b>\$ 7,546,836</b>	<b>\$ (7,940,597)</b>	<b>\$ 9,558,300</b>	<b>\$ 725,000</b>
<b>Business-type activities:</b>					
General obligation bonds	\$ 2,880,000	\$ -	\$ (290,000)	\$ 2,590,000	\$ 295,000
Deferred amounts:					
For issuance premium	18,254	-	(2,147)	16,107	-
On refunding	(32,049)	-	3,770	(28,279)	-
Retiree healthcare benefit obligation	14,360	16,846	(26,531)	4,675	-
<b>Total</b>	<b>\$ 2,880,565</b>	<b>\$ 16,846</b>	<b>\$ (314,908)</b>	<b>\$ 2,582,503</b>	<b>\$ 295,000</b>

**VILLAGE OF MOKENA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

*Legal Debt Margin*

The legal debt margin for the Village at June 30, 2012 is computed as follows:

Assessed valuation - 2011 tax year		<u>\$ 765,439,209</u>
Statutory debt limitation (8.625% of assessed valuation)		\$ 66,019,132
Debt:		
Note payable	\$ 560,000	
General obligation limited tax certificates	975,000	
General obligation bonds	<u>9,930,000</u>	
Total debt		<u>11,465,000</u>
Legal debt margin		<u>\$ 54,554,132</u>

*Defeased Debt*

On May 17, 2012, the Village issued general obligation bonds of \$6,890,000 with an average interest rate of 2.02%. Bond proceeds were used to advance refund \$6,725,000 of outstanding 2004 Series bonds. The bonds were issued at a premium and, after paying issuance costs, the net proceeds of \$6,963,837 were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for a portion of the future debt service payments on the 2004 Series bonds. As a result, a portion of the 2004 Series bond are considered to be defeased and the liability for those bonds has been removed from the government-wide financial statements.

The reacquisition price exceeded the net carrying amount of the old debt by \$238,837. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which equals the life of the new debt issued. The transaction to advance refund a portion of the 2004 Series bonds decreased total debt service payments over the next twelve years by \$443,230 and resulted in an economic gain of \$376,739.

In prior years, the Village defeased various bond issues by creating separate irrevocable trust funds. New debt was issued and the proceeds were used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Village's government-wide and proprietary fund financial statements. As of June 30, 2012, the amount of defeased debt outstanding but removed from the financial statements totaled \$3,560,000.

**VILLAGE OF MOKENA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

**E. Transfers**

Transfers are used to move revenues from the fund that statute or budget requires to collect them to a fund that statute or budget requires to expend them. Transfers are also used to move unrestricted revenues to other funds in accordance with budgetary authorizations.

Transfers during the year ended June 30, 2012 are summarized as follows:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>
Capital Improvement Repair and Replacement Fund	Waterworks and Sewerage subfund: Water and Sewer Fund	\$ 171,164
Waterworks and Sewerage subfunds: Water and Sewer Fund	Capital Improvement Repair and Replacement Fund	35,000
Water System Capital Improvement Fund	Capital Improvement Repair and Replacement Fund	50,000
Water System Capital Improvement Fund	General Fund	<u>570,000</u>
Total		<u>\$ 826,164</u>

**F. Fund Balances**

As of June 30, 2012, fund balances were comprised of the following:

	<u>General Fund</u>	<u>Capital Improvement Repair and Replacement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Restricted:				
Capital projects	\$ -	\$ 729,433	\$ -	\$ 729,433
Road construction and maintenance	-	-	603,154	603,154
Retirement benefits	-	-	158,945	158,945
Other purposes	-	-	68,754	68,754
				(continued)

**VILLAGE OF MOKENA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

	<u>General Fund</u>	<u>Capital Improvement Repair and Replacement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assigned:				
Amount used to eliminate subsequent year's budgeted deficit	309,320	-	-	309,320
Capital projects	-	3,038,729	-	3,038,729
Road construction and maintenance	-	-	18,119	18,119
Retirement benefits	-	-	108,926	108,926
Other purposes	-	-	31,612	31,612
Unassigned	<u>3,150,544</u>	<u>-</u>	<u>-</u>	<u>3,150,544</u>
Total	<u>\$ 3,459,864</u>	<u>\$ 3,768,162</u>	<u>\$ 989,510</u>	<u>\$ 8,217,536</u>

**IV. OTHER INFORMATION**

**A. Risk Management**

The Village has joined with selected other municipalities to form an externally administered insurance program, Southwest Agency for Risk Management (SWARM). This association provides workers' compensation, liability and property insurance. Each individual member is self-insured for \$50,000 and \$100,000, respectively, for crime and general liability claims per occurrence. The Village's estimated unfunded obligation to SWARM at June 30, 2012 was \$0. The amount of coverage has not decreased nor have the amount of settlements exceeded coverage in the current year or any of the past three years.

During the year ended June 30, 2012, the Village also participated in the Southwest Agency for Health Management which provided health, dental and life insurance to Village employees.

**B. Contingent Liabilities**

At June 30, 2012, the Village was holding security agreement letters of credit of \$4,527,963. These letters of credit represent security for the Village for the completion of public improvements by various developers. No amounts are recorded on the books of the Village until the contractor defaults on the construction of the improvements.

**VILLAGE OF MOKENA, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2012**

**C. Employee Retirement Systems and Plans**

The Village sponsors a single-employer, defined benefit pension plan (Police Pension Fund) which covers its qualified Police Department employees and participates in the statewide Illinois Municipal Retirement Fund, an agent-multiple-employer public employee pension plan which covers substantially all of the remaining qualified Village employees. The Village sponsors the Village Retiree Healthcare Benefit Program which is a single-employer defined benefit healthcare plan.

**1. Police Pension Fund**

Police sworn personnel are covered by the Village of Mokena, Illinois Police Pension Plan which is a defined benefit single-employer pension plan administered by the Village of Mokena, Illinois Police Pension Fund Board. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois State Statutes (Chapter 40ILCS 5 / Article 3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund and a stand-alone report is not issued by the Police Pension Fund.

At June 30, 2011, the Police Pension Plan membership consisted of the following:

Retirees and beneficiaries receiving benefits	4
Active plan members:	
Vested	23
Nonvested	<u>7</u>
Total	<u>34</u>
Number of participating employers	<u>1</u>

The Police Pension Plan provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Plan members attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Members with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a member who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Plan members hired on or after January 1, 2011 attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the member during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Members' salary for pension purposes is capped at \$106,800, plus the lesser of one-half of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by

**VILLAGE OF MOKENA, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2012**

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. Members with at least 10 years of service may retire at or after age 50 and receive a reduced benefit (1/2% for each month under 55). The monthly benefit of a member hired after January 1, 2011 shall be increased annually at age 60 on the January 1st after the member retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or 1/2% of the change in the Consumer Price Index for the preceding calendar year.

Plan members are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Police Pension Plan, including the cost of administering the Plan, at an actuarially determined rate. For the year ended June 30, 2012, the Village's contribution was 26.27% of covered payroll.

The financial statements of the Police Pension Plan are prepared using the cash basis of accounting. Plan member contributions are recognized in the period in which the contributions are received. The Village's contributions are recognized when paid. Benefits and refunds are recognized when paid in accordance with the terms of the plan. All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price of the Village's fiscal year. Securities without an established market are reported at estimated fair value.

The significant actuarial assumptions are as follows:

Actuarial valuation date	June 30, 2011
Actuarial cost method	Entry age normal (level % of pay)
Asset valuation method	Five year smoothed market value
Amortization method	Level dollar closed
Amortization period	20 years, closed
Rate of return on present and future assets	6.5% compounded annually
Projected salary increases	Varies
Aggregate payroll increases	4.8%
Inflation rate included	3%
Postretirement benefit increases	3%

**VILLAGE OF MOKENA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

The Village's annual pension cost and net pension obligation for the year ended June 30, 2012, based on the June 30, 2011 actuarial valuation report (the most recent report available), were as follows:

Annual required contribution	\$ 608,705
Interest on net pension obligation	30,374
Adjustment to annual required contribution	<u>(42,692)</u>
Annual pension cost	596,387
Contributions made	<u>611,896</u>
Decrease in net pension obligation	(15,509)
Net pension obligation at beginning of year	<u>467,296</u>
Net pension obligation at end of year	<u>\$ 451,787</u>

The Village's annual pension cost, the percentage of annual pension cost contributed to the Plan, and the net pension obligation for the three most recent years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
6/30/12	\$ 596,387	100.60%	\$ 451,787
6/30/11	587,911	107.50	467,296
6/30/10	586,789	103.11	511,408

As of June 30, 2011, the most recent actuarial valuation date, the Plan was 70.97% funded. The actuarial accrued liability for benefits was \$13,914,836 and the actuarial value of assets was \$9,875,297, resulting in an underfunded actuarial accrued liability (UAAL) of \$4,039,539. The covered payroll (annual payroll of active employees covered by the Plan) was \$2,262,641 and the ratio of the UAAL to the covered payroll was 179%.

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

**2. Illinois Municipal Retirement Fund**

*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 the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

**VILLAGE OF MOKENA, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2012**

*Funding Policy.* As set by statute, Village employees who are plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers 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 2011 was 13.35%. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* The required contribution for fiscal year 2012 was \$413,804.

*Three-year Trend Information for the Regular Plan.*

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
6/30/12	\$ 413,804	100.00 %	\$ -
6/30/11	377,211	100.00	-
6/30/10	362,488	100.00	-

The required contribution for fiscal year 2012 was determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009 included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases 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 Village's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Village's Regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

*Funded Status and Funding Progress.* As of December 31, 2011, the most recent actuarial valuation date, the Regular plan was 68.15% funded. The actuarial accrued liability for benefits was \$9,513,410 and the actuarial value of assets was \$6,483,712, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,029,698. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$2,984,566 and the ratio of the UAAL to the covered payroll was 102%.

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

**VILLAGE OF MOKENA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

**3. Retiree Healthcare Benefit Program**

*Plan Description.* The Retiree Healthcare Benefit Program is a single-employer defined benefit healthcare plan administered by the Village. The Village provides post-retirement benefits to all retirees who worked for the Village, were enrolled in one of the Village's healthcare plans at the time of employment, and receive a pension from the Village through the Illinois Municipal Retirement (IMRF) or the Police Pension Fund. Such coverage is provided for retired employees until they reach age 65. The retired employees are required to pay 100% of the blended premiums. The Village does not issue a stand alone report for the Retiree Healthcare Benefit Program.

*Funding Policy.* The contribution requirements are established by the Village, using an actuarial study that is based on projected pay-as-you-go financing. For fiscal year 2012, the Village contributed \$43,328 to the plan. Plan members receiving benefits contributed \$0.

*Annual OPEB Cost and Net OPEB Obligation.* The Village's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Village's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation to Retire Healthcare Benefit Program.

Annual required contribution	\$ 114,330
Interest on net OPEB obligation	8,975
Adjustment to annual required contribution	<u>(7,480)</u>
Annual OPEB cost (expense)	115,825
Contributions made	<u>43,238</u>
Change in net OPEB obligation	72,587
Net OPEB obligation at beginning of year	<u>224,369</u>
Net OPEB obligation at end of year	<u>\$ 296,956</u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for three most recent fiscal years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/12	\$ 115,825	37.33 %	\$ 296,956
6/30/11	130,899	26.82	224,369
6/30/10	71,845	10.52	128,578

**VILLAGE OF MOKENA, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

*Funded Status and Funding Progress.* As of July 1, 2010, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$1,014,031, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,014,031. The covered payroll (annual payroll of active employees covered by the plan) was \$5,155,402, and the ratio of the UAAL to covered payroll was 19.67 percent.

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

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

In the July 1, 2010 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a discount rate of 4.00 percent, salary increases comprised of a wage inflation component of 4.00 percent and an ultimate healthcare trend rate of 4.50 percent. The UAAL is being amortized as a level percentage of projected pay on an open basis. The remaining amortization period at June 30, 2011 was 30 years.

#### **4. Social Security**

Employees not qualifying for coverage under the Illinois Municipal Retirement Fund are considered "nonparticipating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The Village paid \$348,757, the total required contribution for the current year.

#### **D. Subsequent Events**

Management has evaluated subsequent events through December 5, 2012, which is the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF MOKENA, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION -  
 POLICE PENSION FUND  
 JUNE 30, 2012**

**SCHEDULE OF FUNDING PROGRESS**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
June 30, 2006	\$ 5,383,623	\$ 8,102,443	\$ 2,718,820	66.44 %	\$ 1,801,394	150.93 %
June 30, 2007	6,378,171	9,355,516	2,977,345	68.18	2,023,495	134.36
June 30, 2008	7,014,329	10,661,589	3,647,260	65.79	2,211,920	164.89
June 30, 2009	7,058,519	11,973,920	4,915,401	58.95	2,360,443	208.24
June 30, 2010	8,437,158	13,348,892	4,911,734	63.20	2,300,777	213.48
June 30, 2011	9,875,297	13,914,836	4,039,539	70.97	2,262,641	178.53

Information provided above is the most current information available.

**EMPLOYER CONTRIBUTIONS**

<u>Year Ended</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
June 30, 2007	\$ 436,550	96.56 %
June 30, 2008	559,462	84.64
June 30, 2009	647,047	80.28
June 30, 2010	586,789	103.11
June 30, 2011	587,911	107.50
June 30, 2012	608,705	100.52

**VILLAGE OF MOKENA, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION -  
ILLINOIS MUNICIPAL RETIREMENT FUND  
JUNE 30, 2012**

**SCHEDULE OF FUNDING PROGRESS**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
December 31, 2009	\$ 5,513,381	\$ 8,533,808	\$ 3,020,427	64.61 %	\$ 3,368,411	89.67 %
December 31, 2010	5,756,521	8,511,253	2,754,732	67.63	3,004,159	91.70
December 31, 2011	6,483,712	9,513,410	3,029,698	68.15	2,984,566	101.51

Information presented above is the most current information available.

**VILLAGE OF MOKENA, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION -  
 RETIREE HEALTHCARE BENEFIT PROGRAM  
 JUNE 30, 2012**

**SCHEDULE OF FUNDING PROGRESS**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
July 1, 2008	\$ 0	\$ 737,791	\$ 737,791	0.00 %	\$ 5,302,940	13.90 %
July 1, 2010	0	1,014,031	1,014,031	0.00	5,155,402	19.67

Information provided above is the most current information available.

**EMPLOYER CONTRIBUTIONS**

<u>Year Ended</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
June 30, 2009	\$ 71,845	10.52 %
June 30, 2010	71,845	10.52
June 30, 2011	108,634	32.32
June 30, 2012	114,330	37.82

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

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**MAJOR GOVERNMENTAL FUNDS**

**GENERAL FUND**

**VILLAGE OF MOKENA, ILLINOIS**  
**GENERAL FUND**  
**STATEMENT OF ASSETS AND FUND BALANCES**  
**ARISING FROM CASH TRANSACTIONS**  
**JUNE 30, 2012**  
**WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Equity in pooled cash and investments	<u>\$ 3,459,864</u>	<u>\$ 2,342,234</u>
<b>FUND BALANCES</b>		
Assigned	\$ 309,320	\$ -
Unassigned	<u>3,150,544</u>	<u>2,342,234</u>
Total fund balances	<u>\$ 3,459,864</u>	<u>\$ 2,342,234</u>

**VILLAGE OF MOKENA, ILLINOIS  
GENERAL FUND  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES IN  
FUND BALANCES ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	<u>2012</u>		<u>Variance with Final Budget</u>	<u>2011</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>				
<b>Taxes:</b>				
Property	\$ 433,245	\$ 1,021,932	\$ 588,687	\$ 994,059
State sales	3,222,962	3,660,634	437,672	3,257,210
State income	1,368,020	1,578,754	210,734	1,618,088
Road and bridge	653,243	641,102	(12,141)	670,934
Licenses, permits and inspections	910,752	995,208	84,456	905,773
Fines, forfeitures and penalties	238,000	248,072	10,072	241,289
Gifts, donations and contributions	-	25,700	25,700	26,500
Grants	18,879	18,879	-	20,743
Interest income	18,000	24,466	6,466	15,946
Other income	191,045	226,628	35,583	241,678
Rental income	209,985	207,296	(2,689)	200,943
Interfund charges for services	275,223	274,461	(762)	269,530
	<u>7,539,354</u>	<u>8,923,132</u>	<u>1,383,778</u>	<u>8,462,693</u>
<b>Total revenues</b>				
<b>Expenditures:</b>				
<b>Current:</b>				
Administrative	1,582,947	1,496,166	86,781	1,557,426
Buildings and grounds	257,224	211,666	45,558	200,948
Cable television commission	11,050	9,385	1,665	8,846
Emergency services and disasters	60,498	52,194	8,304	48,077
Fire and police commission	13,575	3,298	10,277	1,269
Legislative	64,037	85,712	(21,675)	85,820
Planning and zoning	483,511	452,417	31,094	418,977
Police	3,805,655	4,396,833	(591,178)	4,348,890
Streets	1,033,660	950,854	82,806	916,228
Village clerk	10,816	8,080	2,736	6,382
Capital outlay	651,814	583,955	67,859	22,355
<b>Debt service:</b>				
Interest	34,570	34,570	-	36,707
Principal retirement	100,000	100,000	-	95,000
	<u>8,109,357</u>	<u>8,385,130</u>	<u>(275,773)</u>	<u>7,746,925</u>
<b>Total expenditures</b>				

	<u>2012</u>		<u>2011</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
			<u>Actual</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(570,003)</u>	<u>538,002</u>	<u>1,108,005</u>
Other financing sources:			
Proceeds from sale of capital assets	<u>-</u>	<u>9,628</u>	<u>9,628</u>
Transfers in	<u>570,000</u>	<u>570,000</u>	<u>-</u>
Total other financing sources	<u>570,000</u>	<u>579,628</u>	<u>9,628</u>
Net change in fund balances	(3)	1,117,630	1,117,633
Fund balances at beginning of year	<u>2,342,234</u>	<u>2,342,234</u>	<u>-</u>
Fund balances at end of year	<u>\$ 2,342,231</u>	<u>\$ 3,459,864</u>	<u>\$ 1,117,633</u>
			<u>\$ 2,342,234</u>

**CAPITAL PROJECTS FUND**

**CAPITAL IMPROVEMENT REPAIR AND REPLACEMENT FUND**

**VILLAGE OF MOKENA, ILLINOIS**  
**CAPITAL IMPROVEMENT REPAIR AND REPLACEMENT FUND**  
**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES**  
**ARISING FROM CASH TRANSACTIONS**  
**JUNE 30, 2012**  
**WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011**

<b>ASSETS</b>	<u><b>2012</b></u>	<u><b>2011</b></u>
Equity in pooled cash and investments	\$ 3,471,841	\$ 4,034,479
Restricted assets:		
Bond reserve	100,225	100,225
System improvements	<u>233,370</u>	<u>200,524</u>
Total assets	<u><u>\$ 3,805,436</u></u>	<u><u>\$ 4,335,228</u></u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Deposits	<u>\$ 37,274</u>	<u>\$ 122,763</u>
Fund balances:		
Restricted	729,433	510,749
Assigned	<u>3,038,729</u>	<u>3,701,716</u>
Total fund balances	<u>3,768,162</u>	<u>4,212,465</u>
Total liabilities and fund balances	<u><u>\$ 3,805,436</u></u>	<u><u>\$ 4,335,228</u></u>

**VILLAGE OF MOKENA, ILLINOIS**  
**CAPITAL IMPROVEMENT REPAIR AND REPLACEMENT FUND**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES IN**  
**FUND BALANCES ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	<u>2012</u>			<u>2011</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>					
State sales tax	\$ 1,185,740	\$ 1,185,740	\$ 1,398,305	\$ 212,565	\$ 1,205,935
Gifts, donations and contributions	310,000	310,000	87,000	(223,000)	141,089
Grants	7,395	7,395	92,214	84,819	210,000
Interest income	30,260	30,260	34,011	3,751	42,399
Other income	-	-	63,671	63,671	-
<b>Total revenues</b>	<u>1,533,395</u>	<u>1,533,395</u>	<u>1,675,201</u>	<u>141,806</u>	<u>1,599,423</u>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Administrative:</b>					
Contractual agreements	255,570	255,570	122,027	133,543	217,836
Capital outlay	1,217,477	1,314,719	1,123,833	190,886	2,990,280
<b>Debt service:</b>					
Bond issuance costs	-	128,742	128,742	-	-
Interest	265,966	265,966	177,961	88,005	317,257
Principal retirement	425,000	425,000	490,000	(65,000)	485,000
<b>Total expenditures</b>	<u>2,164,013</u>	<u>2,389,997</u>	<u>2,042,563</u>	<u>347,434</u>	<u>4,010,373</u>
<b>Deficiency of revenues under expenditures</b>	<u>(630,618)</u>	<u>(856,602)</u>	<u>(367,362)</u>	<u>489,240</u>	<u>(2,410,950)</u>
<b>Other financing sources (uses):</b>					
Contributed capital	-	-	(117,247)	(117,247)	-
Transfers in	85,000	85,000	85,000	-	135,000
Transfers out	(171,165)	(171,165)	(171,164)	1	-
General obligation bond issuance	-	6,890,000	6,890,000	-	-
Payment to refunded bond escrow agent	-	(6,963,838)	(6,963,837)	1	-
Premium on bonds	-	-	200,307	200,307	-
Proceeds from sale of capital assets	-	-	-	-	29,000
<b>Total other financing sources (uses)</b>	<u>(86,165)</u>	<u>(160,003)</u>	<u>(76,941)</u>	<u>83,062</u>	<u>164,000</u>
<b>Net change in fund balances</b>	<u>(716,783)</u>	<u>(1,016,605)</u>	<u>(444,303)</u>	<u>572,302</u>	<u>(2,246,950)</u>
<b>Fund balances at beginning of year</b>	<u>4,212,465</u>	<u>4,212,465</u>	<u>4,212,465</u>	<u>-</u>	<u>6,459,415</u>
<b>Fund balances at end of year</b>	<u>\$ 3,495,682</u>	<u>\$ 3,195,860</u>	<u>\$ 3,768,162</u>	<u>\$ 572,302</u>	<u>\$ 4,212,465</u>

**MAJOR ENTERPRISE FUNDS**

**WATERWORKS AND SEWERAGE FUND**

**VILLAGE OF MOKENA, ILLINOIS  
WATERWORKS AND SEWERAGE FUND  
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS  
ARISING FROM CASH TRANSACTIONS  
JUNE 30, 2012**

	<u>Water and Sewer</u>	<u>Sewer Plant Expansion</u>	<u>Sewer Plant Replacement</u>	<u>Water System Capital Improvement</u>	<u>Sewer System Capital Improvement</u>
<b>ASSETS</b>					
Current assets:					
Equity in pooled cash and investments	\$ 1,737,163	\$ 6,077,668	\$ 1,052,315	\$ 841,796	\$ 861,825
Noncurrent assets:					
Deferred charges	25,973	-	-	-	-
Capital assets:					
Land	1,409,605	-	-	-	-
Construction in progress	-	609,955	-	-	-
Buildings and improvements	13,904,759	-	-	-	-
Water distribution, storm and sanitary system	15,061,458	-	-	-	84,000
Transportation equipment	467,517	-	-	-	-
Machinery and equipment	2,590,572	-	-	-	-
Less accumulated depreciation	(12,220,053)	-	-	-	(8,772)
Net capital assets	<u>21,213,858</u>	<u>609,955</u>	<u>-</u>	<u>-</u>	<u>75,228</u>
Total noncurrent assets	<u>21,239,831</u>	<u>609,955</u>	<u>-</u>	<u>-</u>	<u>75,228</u>
Total assets	<u>22,976,994</u>	<u>6,687,623</u>	<u>1,052,315</u>	<u>841,796</u>	<u>937,053</u>
<b>LIABILITIES</b>					
Current liabilities:					
General obligation bonds payable	295,000	-	-	-	-
Noncurrent liabilities:					
General obligation bonds payable	2,282,828	-	-	-	-
OPEB obligation payable	4,675	-	-	-	-
Total liabilities	<u>2,582,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	18,636,030	609,955	-	-	75,228
Unrestricted	<u>1,758,461</u>	<u>6,077,668</u>	<u>1,052,315</u>	<u>841,796</u>	<u>861,825</u>
Total net assets	<u>\$ 20,394,491</u>	<u>\$ 6,687,623</u>	<u>\$ 1,052,315</u>	<u>\$ 841,796</u>	<u>\$ 937,053</u>

**Total  
Waterworks  
and Sewerage  
Fund**

---

\$ 10,570,767

25,973

1,409,605  
609,955  
13,904,759

15,145,458  
467,517  
2,590,572  
(12,228,825)

21,899,041

21,925,014

32,495,781

295,000

2,282,828  
4,675

2,582,503

19,321,213  
10,592,065

\$ 29,913,278

**VILLAGE OF MOKENA, ILLINOIS  
WATERWORKS AND SEWERAGE FUND  
COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENSES PAID AND  
CHANGES IN FUND NET ASSETS ARISING FROM CASH TRANSACTIONS  
YEAR ENDED JUNE 30, 2012**

	<u>Water and Sewer</u>	<u>Sewer Plant Expansion</u>	<u>Sewer Plant Replacement</u>	<u>Water System Capital Improvement</u>	<u>Sewer System Capital Improvement</u>
Operating revenues:					
Charges for services	\$ 5,221,521	\$ -	\$ -	\$ 543,153	\$ 178,377
Water meter installation	43,572	-	-	-	-
Inspection fees	21,063	-	-	-	-
Other income	111,969	-	-	-	-
Total operating revenues	<u>5,398,125</u>	<u>-</u>	<u>-</u>	<u>543,153</u>	<u>178,377</u>
Operating expenses:					
Personal services	1,960,330	-	-	38,000	-
Commodities	394,855	-	43,531	-	7,325
Contractual services	2,599,058	80,785	-	15,673	-
Depreciation	728,601	-	-	-	8,400
Interfund charges for services	154,432	-	-	-	-
Total operating expenses	<u>5,837,276</u>	<u>80,785</u>	<u>43,531</u>	<u>53,673</u>	<u>15,725</u>
Operating income (loss)	<u>(439,151)</u>	<u>(80,785)</u>	<u>(43,531)</u>	<u>489,480</u>	<u>162,652</u>
Non-operating revenues (expenses):					
Gain on disposition of capital assets	4,645	-	-	-	-
Interest expense	(87,098)	-	-	-	-
Interest income	12,484	35,017	3,248	4,077	6,677
Total non-operating revenues (expenses)	<u>(69,969)</u>	<u>35,017</u>	<u>3,248</u>	<u>4,077</u>	<u>6,677</u>
Income (loss) before transfers	<u>(509,120)</u>	<u>(45,768)</u>	<u>(40,283)</u>	<u>493,557</u>	<u>169,329</u>
Transfers in	171,164	-	-	-	-
Transfers out	(35,000)	-	-	(620,000)	-
Total transfers	<u>136,164</u>	<u>-</u>	<u>-</u>	<u>(620,000)</u>	<u>-</u>
Change in net assets	<u>(372,956)</u>	<u>(45,768)</u>	<u>(40,283)</u>	<u>(126,443)</u>	<u>169,329</u>
Net assets at beginning of year	<u>20,767,447</u>	<u>6,733,391</u>	<u>1,092,598</u>	<u>968,239</u>	<u>767,724</u>
Net assets at end of year	<u>\$ 20,394,491</u>	<u>\$ 6,687,623</u>	<u>\$ 1,052,315</u>	<u>\$ 841,796</u>	<u>\$ 937,053</u>

**Total  
Waterworks  
and Sewerage  
Fund**

---

\$ 5,943,051  
43,572  
21,063  
111,969

6,119,655

1,998,330  
445,711  
2,695,516  
737,001  
154,432

6,030,990

88,665

4,645  
(87,098)  
61,503

(20,950)

67,715

171,164  
(655,000)

(483,836)

(416,121)

30,329,399

\$ 29,913,278

**WATER AND SEWER FUND**

**VILLAGE OF MOKENA, ILLINOIS  
WATER AND SEWER FUND  
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS  
ARISING FROM CASH TRANSACTIONS  
JUNE 30, 2012  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011**

<b>ASSETS</b>	<b>2012</b>	<b>2011</b>
<b>Current assets:</b>		
Equity in pooled cash and investments	\$ 1,737,163	\$ 1,676,117
<b>Noncurrent assets:</b>		
Deferred charges	25,973	29,436
<b>Capital assets:</b>		
Land	1,409,605	1,409,605
Buildings and improvements	13,904,759	13,904,759
Water distribution, storm and sanitary system	15,061,458	15,061,458
Transportation equipment	467,517	489,017
Machinery and equipment	2,590,572	2,605,896
Less accumulated depreciation	(12,220,053)	(11,528,276)
Net capital assets	21,213,858	21,942,459
Total noncurrent assets	21,239,831	21,971,895
Total assets	22,976,994	23,648,012
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
General obligation bonds payable	295,000	290,000
<b>Noncurrent liabilities:</b>		
General obligation bonds payable	2,282,828	2,576,205
OPEB obligation payable	4,675	14,360
Total liabilities	2,582,503	2,880,565
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	18,636,030	19,076,254
Unrestricted	1,758,461	1,691,193
Total net assets	\$ 20,394,491	\$ 20,767,447

**VILLAGE OF MOKENA, ILLINOIS**  
**WATER AND SEWER FUND**  
**SCHEDULE OF REVENUES RECEIVED, EXPENSES/EXPENDITURES PAID AND CHANGES**  
**IN FUND NET ASSETS ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	<u>2012</u>			<u>2011</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Actual</u>
Operating revenues:				
Charges for services	\$ 5,151,740	\$ 5,221,521	\$ 69,781	\$ 5,171,033
Water meter installation	18,830	43,572	24,742	28,154
Inspection fees	10,974	21,063	10,089	12,921
Other income	<u>87,812</u>	<u>111,969</u>	<u>24,157</u>	<u>86,459</u>
Total operating revenues	<u>5,269,356</u>	<u>5,398,125</u>	<u>128,769</u>	<u>5,298,567</u>
Operating expenses:				
Personal services	1,959,809	1,960,330	(521)	1,863,936
Commodities	393,556	394,855	(1,299)	369,550
Contingencies	150,000	-	150,000	-
Contractual services	2,575,138	2,599,058	(23,920)	2,493,782
Depreciation	-	728,601	(728,601)	744,444
Interfund charges for services	<u>154,432</u>	<u>154,432</u>	<u>-</u>	<u>151,404</u>
Total operating expenses	<u>5,232,935</u>	<u>5,837,276</u>	<u>(604,341)</u>	<u>5,623,116</u>
Operating income (loss)	<u>36,421</u>	<u>(439,151)</u>	<u>(475,572)</u>	<u>(324,549)</u>
Non-operating revenues (expenses):				
Gain on disposition of capital assets	-	4,645	4,645	-
Interest expense	(82,013)	(87,098)	(5,085)	(92,797)
Interest income	<u>10,000</u>	<u>12,484</u>	<u>2,484</u>	<u>11,610</u>
Total non-operating revenues (expenses)	<u>(72,013)</u>	<u>(69,969)</u>	<u>2,044</u>	<u>(81,187)</u>
Loss before transfers	<u>(35,592)</u>	<u>(509,120)</u>	<u>(473,528)</u>	<u>(405,736)</u>
Transfers in	171,165	171,164	(1)	-
Transfers out	<u>(35,000)</u>	<u>(35,000)</u>	<u>-</u>	<u>(35,000)</u>
Total transfers	<u>136,165</u>	<u>136,164</u>	<u>(1)</u>	<u>(35,000)</u>
Change in net assets	100,573	(372,956)	(473,529)	(440,736)
Net assets at beginning of year	<u>20,767,447</u>	<u>20,767,447</u>	<u>-</u>	<u>21,208,183</u>
Net assets at end of year	<u>\$ 20,868,020</u>	<u>\$ 20,394,491</u>	<u>\$ (473,529)</u>	<u>\$ 20,767,447</u>
Other budgeted expenditures:				
Capital outlay	<u>\$ 8,000</u>	<u>\$ -</u>	<u>\$ 8,000</u>	<u>\$ 32,585</u>
Debt service - principal	<u>\$ 290,000</u>	<u>\$ 290,000</u>	<u>\$ -</u>	<u>\$ 280,000</u>

**SEWER PLANT EXPANSION FUND**

**VILLAGE OF MOKENA, ILLINOIS  
SEWER PLANT EXPANSION FUND  
STATEMENT OF ASSETS AND NET ASSETS  
ARISING FROM CASH TRANSACTIONS  
JUNE 30, 2012  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011**

<b>ASSETS</b>	<u>2012</u>	<u>2011</u>
Current assets:		
Equity in pooled cash and investments	\$ 6,077,668	\$ 6,503,892
Noncurrent assets:		
Capital assets:		
Construction in progress	<u>609,955</u>	<u>229,499</u>
Total assets	<u>\$ 6,687,623</u>	<u>\$ 6,733,391</u>
<b>NET ASSETS</b>		
Invested in capital assets	\$ 609,955	\$ 229,499
Unrestricted	<u>6,077,668</u>	<u>6,503,892</u>
Total net assets	<u>\$ 6,687,623</u>	<u>\$ 6,733,391</u>

**VILLAGE OF MOKENA, ILLINOIS  
SEWER PLANT EXPANSION FUND  
SCHEDULE OF REVENUES RECEIVED, EXPENSES/EXPENDITURES PAID AND CHANGES  
IN FUND NET ASSETS ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	<u>2012</u>			<u>2011</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Actual</u>
Operating expenses:				
Contractual services	\$ 328,737	\$ 80,785	\$ 247,952	\$ -
Contingencies	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
Total operating expenses	348,737	80,785	267,952	-
Non-operating revenues:				
Interest income	<u>32,750</u>	<u>35,017</u>	<u>2,267</u>	<u>38,160</u>
Income (loss) before transfers	(315,987)	(45,768)	270,219	38,160
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>240,000</u>
Change in net assets	(315,987)	(45,768)	270,219	278,160
Net assets at beginning of year	<u>6,733,391</u>	<u>6,733,391</u>	<u>-</u>	<u>6,455,231</u>
Net assets at end of year	<u>\$ 6,417,404</u>	<u>\$ 6,687,623</u>	<u>\$ 270,219</u>	<u>\$ 6,733,391</u>
Other budgeted expenditures:				
Capital outlay	<u>\$ 1,500,000</u>	<u>\$ -</u>	<u>\$ 1,500,000</u>	<u>\$ 229,499</u>

**SEWER PLANT REPLACEMENT FUND**

**VILLAGE OF MOKENA, ILLINOIS**  
**SEWER PLANT REPLACEMENT FUND**  
**STATEMENT OF ASSETS AND NET ASSETS**  
**ARISING FROM CASH TRANSACTIONS**  
**JUNE 30, 2012**  
**WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011**

	<b>2012</b>	<b>2011</b>
<b>ASSETS</b>		
Current assets:		
Equity in pooled cash and investments	<u>\$ 1,052,315</u>	<u>\$ 1,092,598</u>
<b>NET ASSETS</b>		
Unrestricted	<u>\$ 1,052,315</u>	<u>\$ 1,092,598</u>

**VILLAGE OF MOKENA, ILLINOIS  
SEWER PLANT REPLACEMENT FUND  
SCHEDULE OF REVENUES RECEIVED, EXPENSES/EXPENDITURES PAID AND CHANGES  
IN FUND NET ASSETS ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	<u>2012</u>			<u>2011</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Actual</u>
Operating expenses:				
Commodities	\$ 50,000	\$ 43,531	\$ 6,469	\$ 17,643
Non-operating revenues:				
Interest income	<u>3,500</u>	<u>3,248</u>	<u>(252)</u>	<u>3,804</u>
Change in net assets	(46,500)	(40,283)	6,217	(13,839)
Net assets at beginning of year	<u>1,092,598</u>	<u>1,092,598</u>	<u>-</u>	<u>1,106,437</u>
Net assets at end of year	<u>\$ 1,046,098</u>	<u>\$ 1,052,315</u>	<u>\$ 6,217</u>	<u>\$ 1,092,598</u>
Other budgeted expenditures:				
Capital outlay	<u>\$ 61,225</u>	<u>\$ -</u>	<u>\$ 61,225</u>	<u>\$ -</u>

**WATER SYSTEM CAPITAL IMPROVEMENT FUND**

**VILLAGE OF MOKENA, ILLINOIS**  
**WATER SYSTEM CAPITAL IMPROVEMENT FUND**  
**STATEMENT OF ASSETS AND NET ASSETS**  
**ARISING FROM CASH TRANSACTIONS**  
**JUNE 30, 2012**  
**WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011**

	<b>2012</b>	<b>2011</b>
<b>ASSETS</b>		
Current assets:		
Equity in pooled cash and investments	<u>\$ 841,796</u>	<u>\$ 968,239</u>
<b>NET ASSETS</b>		
Unrestricted	<u>\$ 841,796</u>	<u>\$ 968,239</u>

**VILLAGE OF MOKENA, ILLINOIS**  
**WATER SYSTEM CAPITAL IMPROVEMENT FUND**  
**SCHEDULE OF REVENUES RECEIVED, EXPENSES/EXPENDITURES PAID AND CHANGES**  
**IN FUND NET ASSETS ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	<u>2012</u>		<u>Variance with Final Budget Positive (Negative)</u>	<u>2011</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Operating revenues:				
Charges for services	\$ 253,089	\$ 543,153	\$ 290,064	\$ 277,524
Operating expenses:				
Commodities	-	38,000	(38,000)	-
Contingencies	20,000	-	20,000	-
Contractual services	20,000	15,673	4,327	14,964
Total operating expenses	40,000	53,673	(13,673)	14,964
Operating income	213,089	489,480	276,391	262,560
Non-operating revenues:				
Interest income	3,100	4,077	977	5,483
Income before transfers	216,189	493,557	277,368	268,043
Transfers out	(620,000)	(620,000)	-	(100,000)
Change in net assets	(403,811)	(126,443)	277,368	168,043
Net assets at beginning of year	968,239	968,239	-	800,196
Net assets at end of year	<u>\$ 564,428</u>	<u>\$ 841,796</u>	<u>\$ 277,368</u>	<u>\$ 968,239</u>
Other budgeted expenditures:				
Capital outlay	<u>\$ 111,000</u>	<u>\$ -</u>	<u>\$ 111,000</u>	<u>\$ -</u>

**SEWER SYSTEM CAPITAL IMPROVEMENT FUND**

100  
100  
100  
100  
100

**VILLAGE OF MOKENA, ILLINOIS  
SEWER SYSTEM CAPITAL IMPROVEMENT FUND  
STATEMENT OF ASSETS AND NET ASSETS  
ARISING FROM CASH TRANSACTIONS  
JUNE 30, 2012  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011**

<b>ASSETS</b>	<u>2012</u>	<u>2011</u>
Current assets:		
Equity in pooled cash and investments	\$ 861,825	\$ 684,096
Noncurrent assets:		
Capital assets:		
Water distribution, storm and sanitary system	84,000	84,000
Less accumulated depreciation	<u>(8,772)</u>	<u>(372)</u>
Net capital assets	<u>75,228</u>	<u>83,628</u>
Total assets	<u>\$ 937,053</u>	<u>\$ 767,724</u>
<b>NET ASSETS</b>		
Invested in capital assets	\$ 75,228	\$ 83,628
Unrestricted	<u>861,825</u>	<u>684,096</u>
Total net assets	<u>\$ 937,053</u>	<u>\$ 767,724</u>

**VILLAGE OF MOKENA, ILLINOIS**  
**SEWER SYSTEM CAPITAL IMPROVEMENT FUND**  
**SCHEDULE OF REVENUES RECEIVED, EXPENSES/EXPENDITURES PAID AND CHANGES**  
**IN FUND NET ASSETS ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	<u>2012</u>		<u>Variance with Final Budget Positive (Negative)</u>	<u>2011</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Operating revenues:				
Charges for services	\$ 84,373	\$ 178,377	\$ 94,004	\$ 95,093
Operating expenses:				
Commodities	-	7,325	(7,325)	-
Contingencies	20,000	-	20,000	-
Contractual services	23,332	-	23,332	-
Depreciation	-	8,400	(8,400)	372
Total operating expenses	<u>43,332</u>	<u>15,725</u>	<u>27,607</u>	<u>372</u>
Operating income	41,041	162,652	121,611	94,721
Non-operating revenues:				
Interest income	<u>5,600</u>	<u>6,677</u>	<u>1,077</u>	<u>7,411</u>
Income before transfers	46,641	169,329	122,688	102,132
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(240,000)</u>
Change in net assets	46,641	169,329	122,688	(137,868)
Net assets at beginning of year	<u>767,724</u>	<u>767,724</u>	<u>-</u>	<u>905,592</u>
Net assets at end of year	<u>\$ 814,365</u>	<u>\$ 937,053</u>	<u>\$ 122,688</u>	<u>\$ 767,724</u>
Other budgeted expenditures:				
Capital outlay	<u>\$ 53,775</u>	<u>\$ -</u>	<u>\$ 53,775</u>	<u>\$ 84,000</u>

**REFUSE FUND**

**VILLAGE OF MOKENA, ILLINOIS  
REFUSE FUND  
STATEMENT OF ASSETS AND NET ASSETS  
ARISING FROM CASH TRANSACTIONS  
JUNE 30, 2012  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011**

	<b>2012</b>	<b>2011</b>
<b>ASSETS</b>		
Current assets:		
Equity in pooled cash and investments	<u>\$ 135,518</u>	<u>\$ 117,862</u>
<b>NET ASSETS</b>		
Unrestricted	<u>\$ 135,518</u>	<u>\$ 117,862</u>

**VILLAGE OF MOKENA, ILLINOIS**  
**REFUSE FUND**  
**SCHEDULE OF REVENUES RECEIVED, EXPENSES PAID AND CHANGES IN FUND**  
**NET ASSETS ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	2012		Variance with Final Budget Positive (Negative)	2011
	Original and Final Budget	Actual		Actual
Operating revenues:				
Charges for services	\$ 1,140,375	\$ 1,152,062	\$ 11,687	\$ 1,115,044
Other income	<u>5,079</u>	<u>5,388</u>	<u>309</u>	<u>5,030</u>
Total operating revenues	<u>1,145,454</u>	<u>1,157,450</u>	<u>11,996</u>	<u>1,120,074</u>
Operating expenses:				
Commodities	14,805	11,655	3,150	13,860
Contractual services	1,088,789	1,086,030	2,759	1,047,185
Interfund charges for services	<u>43,242</u>	<u>43,242</u>	<u>-</u>	<u>42,394</u>
Total operating expenses	<u>1,146,836</u>	<u>1,140,927</u>	<u>5,909</u>	<u>1,103,439</u>
Operating income (loss)	(1,382)	16,523	17,905	16,635
Non-operating revenues:				
Interest income	<u>950</u>	<u>1,133</u>	<u>183</u>	<u>939</u>
Change in net assets	(432)	17,656	18,088	17,574
Net assets at beginning of year	<u>117,862</u>	<u>117,862</u>	<u>-</u>	<u>100,288</u>
Net assets at end of year	<u>\$ 117,430</u>	<u>\$ 135,518</u>	<u>\$ 18,088</u>	<u>\$ 117,862</u>

**MUNICIPAL PARKING LOT FUND**

**VILLAGE OF MOKENA, ILLINOIS  
MUNICIPAL PARKING LOT FUND  
STATEMENT OF ASSETS AND NET ASSETS  
ARISING FROM CASH TRANSACTIONS  
JUNE 30, 2012  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011**

<b>ASSETS</b>	<u><b>2012</b></u>	<u><b>2011</b></u>
Current assets:		
Equity in pooled cash and investments	\$ <u>59,883</u>	\$ <u>29,366</u>
Noncurrent assets:		
Capital assets:		
Land	525,225	525,225
Buildings and improvements	154,840	37,593
Transportation equipment	48,244	48,244
Machinery and equipment	9,485	9,485
Less accumulated depreciation	<u>(96,868)</u>	<u>(87,467)</u>
Net capital assets	<u>640,926</u>	<u>533,080</u>
Total assets	<u>\$ 700,809</u>	<u>\$ 562,446</u>
<b>NET ASSETS</b>		
Invested in capital assets	\$ 640,926	\$ 533,080
Unrestricted	<u>59,883</u>	<u>29,366</u>
Total net assets	<u>\$ 700,809</u>	<u>\$ 562,446</u>

**VILLAGE OF MOKENA, ILLINOIS  
MUNICIPAL PARKING LOT FUND  
SCHEDULE OF REVENUES RECEIVED, EXPENSES PAID AND CHANGES IN FUND  
NET ASSETS ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	<u>2012</u>		<u>Variance with Final Budget Positive (Negative)</u>	<u>2011</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Operating revenues:				
Charges for services	\$ 293,288	\$ 299,153	\$ 5,865	\$ 245,845
Other income	<u>1,017</u>	<u>1,015</u>	<u>(2)</u>	<u>1,016</u>
Total operating revenues	<u>294,305</u>	<u>300,168</u>	<u>5,863</u>	<u>246,861</u>
Operating expenses:				
Personal services	141,027	141,646	(619)	140,766
Commodities	12,850	10,306	2,544	5,487
Contractual services	64,292	45,625	18,667	61,450
Depreciation	-	9,401	(9,401)	8,664
Interfund charges for services	<u>72,399</u>	<u>72,399</u>	<u>-</u>	<u>70,979</u>
Total operating expenses	<u>290,568</u>	<u>279,377</u>	<u>11,191</u>	<u>287,346</u>
Operating income (loss)	<u>3,737</u>	<u>20,791</u>	<u>17,054</u>	<u>(40,485)</u>
Non-operating revenues:				
Capital contribution	-	117,247	117,247	-
Interest income	<u>250</u>	<u>325</u>	<u>75</u>	<u>340</u>
Total non-operating revenues	<u>250</u>	<u>117,572</u>	<u>75</u>	<u>340</u>
Change in net assets	3,987	138,363	17,129	(40,145)
Net assets at beginning of year	<u>562,446</u>	<u>562,446</u>	<u>-</u>	<u>602,591</u>
Net assets at end of year	<u>\$ 566,433</u>	<u>\$ 700,809</u>	<u>\$ 17,129</u>	<u>\$ 562,446</u>

**NONMAJOR GOVERNMENTAL FUNDS**

**VILLAGE OF MOKENA, ILLINOIS  
 COMBINING STATEMENT OF ASSETS AND FUND BALANCES  
 ARISING FROM CASH TRANSACTIONS  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2012**

	<u>Special Revenue Funds</u>				
	<u>Municipal Audit</u>	<u>School Crossing Guard</u>	<u>Motor Fuel Tax</u>	<u>IMRF/FICA</u>	<u>Tourism</u>
<b>ASSETS</b>					
Equity in pooled cash and investments	<u>\$ 17,651</u>	<u>\$ 26,600</u>	<u>\$ 621,273</u>	<u>\$ 267,871</u>	<u>\$ 28,500</u>
<b>FUND BALANCES</b>					
Restricted	\$ 16,349	\$ 24,916	\$ 603,154	\$ 158,945	\$ -
Assigned	<u>1,302</u>	<u>1,684</u>	<u>18,119</u>	<u>108,926</u>	<u>28,500</u>
Total fund balances	<u>\$ 17,651</u>	<u>\$ 26,600</u>	<u>\$ 621,273</u>	<u>\$ 267,871</u>	<u>\$ 28,500</u>

<u>Special Tax Allocation</u>	<u>Total Nonmajor Governmental Funds</u>
<u>\$ 27,615</u>	<u>\$ 989,510</u>
\$ 27,489	\$ 830,853
<u>126</u>	<u>158,657</u>
<u>\$ 27,615</u>	<u>\$ 989,510</u>

**VILLAGE OF MOKENA, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID**  
**AND CHANGES IN FUND BALANCES ARISING FROM CASH TRANSACTIONS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2012**

	<u>Special Revenue Funds</u>				
	<u>Municipal Audit</u>	<u>School Crossing Guard</u>	<u>Motor Fuel Tax</u>	<u>IMRF/FICA</u>	<u>Tourism</u>
Revenues:					
Taxes:					
Property	\$ 5,995	\$ 23,409	\$ -	\$ 500,140	\$ -
State replacement	-	-	-	17,030	-
Hotel/motel	-	-	-	-	41,360
Allotments	-	-	565,857	-	-
Interest income	<u>140</u>	<u>239</u>	<u>437</u>	<u>2,224</u>	<u>264</u>
Total revenues	6,135	23,648	566,294	519,394	41,624
Expenditures:					
Current:					
Administrative	<u>5,300</u>	<u>23,654</u>	<u>369,764</u>	<u>551,791</u>	<u>51,203</u>
Excess (deficiency) of revenues over (under) expenditures	835	(6)	196,530	(32,397)	(9,579)
Fund balances at beginning of year	<u>16,816</u>	<u>26,606</u>	<u>424,743</u>	<u>300,268</u>	<u>38,079</u>
Fund balances at end of year	<u>\$ 17,651</u>	<u>\$ 26,600</u>	<u>\$ 621,273</u>	<u>\$ 267,871</u>	<u>\$ 28,500</u>

<u>Special Tax Allocation</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 21,569	\$ 551,113
-	17,030
-	41,360
-	565,857
108	3,412
21,677	1,178,772
1,517	1,003,229
20,160	175,543
7,455	813,967
\$ 27,615	\$ 989,510

**SPECIAL REVENUE FUNDS**

**MUNICIPAL AUDIT FUND**

2014-15

**VILLAGE OF MOKENA, ILLINOIS**  
**MUNICIPAL AUDIT FUND**  
**STATEMENT OF ASSETS AND FUND BALANCES**  
**ARISING FROM CASH TRANSACTIONS**  
**JUNE 30, 2012**  
**WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Equity in pooled cash and investments	\$ <u>17,651</u>	\$ <u>16,816</u>
<b>FUND BALANCES</b>		
Restricted	\$ 16,349	\$ 15,654
Assigned	<u>1,302</u>	<u>1,162</u>
Total fund balances	<u>\$ 17,651</u>	<u>\$ 16,816</u>

**VILLAGE OF MOKENA, ILLINOIS  
MUNICIPAL AUDIT FUND  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES IN  
FUND BALANCES ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	<u>2012</u>			<u>2011</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Property taxes	\$ 6,150	\$ 5,995	\$ (155)	\$ 7,171
Interest income	<u>160</u>	<u>140</u>	<u>(20)</u>	<u>147</u>
Total revenues	6,310	6,135	(175)	7,318
Expenditures:				
Current:				
Administrative:				
Professional services	<u>5,300</u>	<u>5,300</u>	<u>-</u>	<u>6,812</u>
Excess of revenues over expenditures	1,010	835	(175)	506
Fund balances at beginning of year	<u>16,816</u>	<u>16,816</u>	<u>-</u>	<u>16,310</u>
Fund balances at end of year	<u>\$ 17,826</u>	<u>\$ 17,651</u>	<u>\$ (175)</u>	<u>\$ 16,816</u>

**SCHOOL CROSSING GUARD FUND**

**VILLAGE OF MOKENA, ILLINOIS**  
**SCHOOL CROSSING GUARD FUND**  
**STATEMENT OF ASSETS AND FUND BALANCES**  
**ARISING FROM CASH TRANSACTIONS**  
**JUNE 30, 2012**  
**WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011**

	<b>2012</b>	<b>2011</b>
<b>ASSETS</b>		
Equity in pooled cash and investments	\$ 26,600	\$ 26,606
<b>FUND BALANCES</b>		
Restricted	\$ 24,916	\$ 25,161
Assigned	1,684	1,445
Total fund balances	\$ 26,600	\$ 26,606

**VILLAGE OF MOKENA, ILLINOIS**  
**SCHOOL CROSSING GUARD FUND**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES IN**  
**FUND BALANCES ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	<u>2012</u>			<u>2011</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>				
Property taxes	\$ 24,557	\$ 23,409	\$ (1,148)	\$ 24,699
Interest income	<u>235</u>	<u>239</u>	<u>4</u>	<u>214</u>
Total revenues	<u>24,792</u>	<u>23,648</u>	<u>(1,144)</u>	<u>24,913</u>
<b>Expenditures:</b>				
Current:				
Administrative:				
Compensation	22,912	22,962	(50)	21,402
Operational supplies	1,100	373	727	528
Unemployment	<u>355</u>	<u>319</u>	<u>36</u>	<u>160</u>
Total expenditures	<u>24,367</u>	<u>23,654</u>	<u>713</u>	<u>22,090</u>
Excess (deficiency) of revenues over (under) expenditures	425	(6)	(431)	2,823
Fund balances at beginning of year	<u>26,606</u>	<u>26,606</u>	<u>-</u>	<u>23,783</u>
Fund balances at end of year	<u>\$ 27,031</u>	<u>\$ 26,600</u>	<u>\$ (431)</u>	<u>\$ 26,606</u>

**MOTOR FUEL TAX FUND**

**VILLAGE OF MOKENA, ILLINOIS  
MOTOR FUEL TAX FUND  
STATEMENT OF ASSETS AND FUND BALANCES  
ARISING FROM CASH TRANSACTIONS  
JUNE 30, 2012  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Equity in pooled cash and investments	\$ <u>621,273</u>	\$ <u>424,743</u>
<b>FUND BALANCES</b>		
Restricted	\$ 603,154	\$ 407,061
Assigned	<u>18,119</u>	<u>17,682</u>
Total fund balances	<u>\$ 621,273</u>	<u>\$ 424,743</u>

**VILLAGE OF MOKENA, ILLINOIS**  
**MOTOR FUEL TAX FUND**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES IN**  
**FUND BALANCES ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	<u>2012</u>			<u>2011</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Allotments	\$ 582,692	\$ 565,857	\$ (16,835)	\$ 576,831
Interest income	<u>750</u>	<u>437</u>	<u>(313)</u>	<u>438</u>
Total revenues	<u>583,442</u>	<u>566,294</u>	<u>(17,148)</u>	<u>577,269</u>
Expenditures:				
Current:				
Administrative:				
Compensation	98,252	30,710	67,542	85,779
Contractual services	125,309	118,506	6,803	34,110
Operational supplies	<u>308,000</u>	<u>220,548</u>	<u>87,452</u>	<u>264,429</u>
Total administrative	531,561	369,764	161,797	384,318
Capital outlay	<u>465</u>	<u>-</u>	<u>465</u>	<u>-</u>
Total expenditures	<u>532,026</u>	<u>369,764</u>	<u>162,262</u>	<u>384,318</u>
Excess of revenues over expenditures	51,416	196,530	145,114	192,951
Fund balances at beginning of year	<u>424,743</u>	<u>424,743</u>	<u>-</u>	<u>231,792</u>
Fund balances at end of year	<u>\$ 476,159</u>	<u>\$ 621,273</u>	<u>\$ 145,114</u>	<u>\$ 424,743</u>

**IMRF/FICA FUND**

**VILLAGE OF MOKENA, ILLINOIS**  
**IMRF/FICA FUND**  
**STATEMENT OF ASSETS AND FUND BALANCES**  
**ARISING FROM CASH TRANSACTIONS**  
**JUNE 30, 2012**  
**WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Equity in pooled cash and investments	<u>\$ 267,871</u>	<u>\$ 300,268</u>
<b>FUND BALANCES</b>		
Restricted	\$ 158,945	\$ 210,596
Assigned	<u>108,926</u>	<u>89,672</u>
Total fund balances	<u>\$ 267,871</u>	<u>\$ 300,268</u>

**VILLAGE OF MOKENA, ILLINOIS**  
**IMRF/FICA FUND**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES IN**  
**FUND BALANCES ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	<u>2012</u>			<u>2011</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Actual</u>
Revenues				
Taxes:				
Property	\$ 523,752	\$ 500,140	\$ (23,612)	\$ 540,980
State replacement	13,200	17,030	3,830	19,217
Interest income	<u>2,200</u>	<u>2,224</u>	<u>24</u>	<u>2,260</u>
Total revenues	<u>539,152</u>	<u>519,394</u>	<u>(19,758)</u>	<u>562,457</u>
Expenditures:				
Current:				
Administrative:				
FICA/Medicare contribution	335,070	323,657	11,413	322,219
IMRF contribution	<u>237,671</u>	<u>228,134</u>	<u>9,537</u>	<u>212,856</u>
Total expenditures	<u>572,741</u>	<u>551,791</u>	<u>20,950</u>	<u>535,075</u>
Excess (deficiency) of revenues over (under) expenditures	(33,589)	(32,397)	1,192	27,382
Fund balances at beginning of year	<u>300,268</u>	<u>300,268</u>	-	<u>272,886</u>
Fund balances at end of year	<u>\$ 266,679</u>	<u>\$ 267,871</u>	<u>\$ 1,192</u>	<u>\$ 300,268</u>

**TOURISM FUND**

**VILLAGE OF MOKENA, ILLINOIS**  
**TOURISM FUND**  
**STATEMENT OF ASSETS AND FUND BALANCES**  
**ARISING FROM CASH TRANSACTIONS**  
**JUNE 30, 2012**  
**WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Equity in pooled cash and investments	<u>\$ 28,500</u>	<u>\$ 38,079</u>
<b>FUND BALANCES</b>		
Assigned	<u>\$ 28,500</u>	<u>\$ 38,079</u>

**VILLAGE OF MOKENA, ILLINOIS  
TOURISM FUND  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES IN  
FUND BALANCES ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	2012			2011
	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
<b>Revenues:</b>				
Hotel/motel taxes	\$ 33,000	\$ 41,360	\$ 8,360	\$ 35,088
Interest income	<u>150</u>	<u>264</u>	<u>114</u>	<u>365</u>
Total revenues	<u>33,150</u>	<u>41,624</u>	<u>8,474</u>	<u>35,453</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Administrative:</b>				
Compensation	33,777	33,777	-	31,732
Employee benefits	1,486	1,449	37	1,300
Membership and meetings	11,760	13,127	(1,367)	9,526
Other contractual	250	-	250	-
Operational supplies	1,050	281	769	356
Public relations	<u>5,020</u>	<u>2,569</u>	<u>2,451</u>	<u>3,711</u>
Total expenditures	<u>53,343</u>	<u>51,203</u>	<u>2,140</u>	<u>46,625</u>
Deficiency of revenues under expenditures	(20,193)	(9,579)	10,614	(11,172)
Fund balances at beginning of year	<u>38,079</u>	<u>38,079</u>	<u>-</u>	<u>49,251</u>
Fund balances at end of year	<u>\$ 17,886</u>	<u>\$ 28,500</u>	<u>\$ 10,614</u>	<u>\$ 38,079</u>

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**SPECIAL TAX ALLOCATION FUND**

**VILLAGE OF MOKENA, ILLINOIS**  
**SPECIAL TAX ALLOCATION FUND**  
**STATEMENT OF ASSETS AND FUND BALANCES**  
**ARISING FROM CASH TRANSACTIONS**  
**JUNE 30, 2012**  
**WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011**

	<b>2012</b>	<b>2011</b>
<b>ASSETS</b>		
Equity in pooled cash and investments	\$ 27,615	\$ 7,455
<b>FUND BALANCES</b>		
Restricted	\$ 27,489	\$ 7,437
Assigned	126	18
Total fund balances	\$ 27,615	\$ 7,455

**VILLAGE OF MOKENA, ILLINOIS  
SPECIAL TAX ALLOCATION FUND  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES IN  
FUND BALANCES ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	<u>2012</u>			<u>2011</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Property taxes	\$ 13,668	\$ 21,569	\$ 7,901	\$ 7,447
Interest income	<u>10</u>	<u>108</u>	<u>98</u>	<u>17</u>
Total revenues	13,678	21,677	7,999	7,464
Expenditures:				
Current:				
Administrative:				
Operational supplies	<u>7,400</u>	<u>1,517</u>	<u>5,883</u>	<u>1,538</u>
Excess of revenues over expenditures	6,278	20,160	13,882	5,926
Fund balances at beginning of year	<u>7,455</u>	<u>7,455</u>	<u>-</u>	<u>1,529</u>
Fund balances at end of year	<u>\$ 13,733</u>	<u>\$ 27,615</u>	<u>\$ 13,882</u>	<u>\$ 7,455</u>

**FIDUCIARY FUNDS**

**PENSION TRUST FUND**

**POLICE PENSION FUND**

**VILLAGE OF MOKENA, ILLINOIS  
POLICE PENSION FUND  
STATEMENT OF FIDUCIARY ASSETS AND NET ASSETS  
ARISING FROM CASH TRANSACTIONS  
JUNE 30, 2012  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011**

<b>ASSETS</b>	<u>2012</u>	<u>2011</u>
Cash	\$ 272,419	\$ 65,006
Investments:		
Annuities	-	567,845
Municipal bonds	383,899	174,092
Mutual funds	5,079,227	3,986,301
U.S. government obligations	3,716,305	3,426,699
U.S. Treasury notes	<u>1,851,969</u>	<u>2,014,341</u>
Total assets	<u>\$ 11,303,819</u>	<u>\$ 10,234,284</u>
<b>NET ASSETS</b>		
Held in trust for pension benefits and other purposes	<u>\$ 11,303,819</u>	<u>\$ 10,234,284</u>

**VILLAGE OF MOKENA, ILLINOIS  
POLICE PENSION FUND  
SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS ARISING  
FROM CASH TRANSACTIONS - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	<u>2012</u>			<u>2011</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Actual</u>
Additions:				
Contributions:				
Employer	\$ 611,596	\$ 611,896	\$ 300	\$ 632,023
Plan members	<u>231,709</u>	<u>231,663</u>	<u>(46)</u>	<u>247,119</u>
Total contributions	843,305	843,559	254	879,142
Investment income	700,000	511,524	(188,476)	1,304,573
Other income	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,749</u>
Total additions	<u>1,543,305</u>	<u>1,355,083</u>	<u>(188,222)</u>	<u>2,198,464</u>
Deductions:				
Benefits paid	232,030	232,030	-	172,677
Refund of contributions	25,000	-	25,000	-
Administrative expense	<u>102,475</u>	<u>53,518</u>	<u>48,957</u>	<u>33,313</u>
Total deductions	<u>359,505</u>	<u>285,548</u>	<u>73,957</u>	<u>205,990</u>
Change in net assets	1,183,800	1,069,535	(114,265)	1,992,474
Net assets at beginning of year	<u>10,234,284</u>	<u>10,234,284</u>	<u>-</u>	<u>8,241,810</u>
Net assets at end of year	<u>\$ 11,418,084</u>	<u>\$ 11,303,819</u>	<u>\$ (114,265)</u>	<u>\$ 10,234,284</u>

**AGENCY FUND**

**PERFORMANCE BOND FUND**

**VILLAGE OF MOKENA, ILLINOIS  
 PERFORMANCE BOND FUND  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ARISING FROM CASH TRANSACTIONS  
 YEAR ENDED JUNE 30, 2012**

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ <u>733,767</u>	\$ <u>122,788</u>	\$ <u>252,808</u>	\$ <u>603,747</u>
<b>LIABILITIES</b>				
Due to property owners	\$ <u>733,767</u>	\$ <u>122,788</u>	\$ <u>252,808</u>	\$ <u>603,747</u>

**OTHER INFORMATION SECTION**

**VILLAGE OF MOKENA, ILLINOIS**  
**SCHEDULE OF ASSESSED VALUATIONS, RATES, EXTENSIONS AND COLLECTIONS**  
**LAST TEN YEARS**  
**JUNE 30, 2012**

Tax levy year	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Equalized assessed valuation	<u>\$ 765,439,209</u>	<u>\$ 789,156,917</u>	<u>\$ 798,299,124</u>	<u>\$ 793,593,346</u>	<u>\$ 735,016,358</u>
Tax rates (per \$100 of equalized assessed valuation):					
Corporate	0.0508	0.0582	0.0319	0.0395	0.0422
Police pension	0.0877	0.0775	0.0811	0.0705	0.0675
Municipal audit	0.0007	0.0009	0.0009	0.0008	0.0009
Police protection	0.0005	0.0005	0.0005	0.0005	0.0005
School crossing guard	0.0032	0.0031	0.0031	0.0030	0.0031
Illinois municipal retirement	0.0288	0.0216	0.0281	0.0301	0.0291
Medicare	0.0083	0.0078	0.0086	0.0084	0.0086
Social security	<u>0.0355</u>	<u>0.0330</u>	<u>0.0366</u>	<u>0.0358</u>	<u>0.0366</u>
Village total	0.2155	0.2026	0.1908	0.1886	0.1885
Road and bridge (1)	<u>0.0875</u>	<u>0.0850</u>	<u>0.0834</u>	<u>0.0770</u>	<u>0.0644</u>
Total	<u>0.3030</u>	<u>0.2876</u>	<u>0.2742</u>	<u>0.2656</u>	<u>0.2529</u>
Rate difference	<u>0.0154</u>	<u>0.0134</u>	<u>0.0086</u>	<u>0.0127</u>	<u>(0.0346)</u>
Tax extensions:					
Corporate	\$ 388,843	\$ 459,289	\$ 254,657	\$ 313,469	\$ 310,177
Police pension	671,290	611,598	647,421	559,483	496,136
Municipal audit	5,358	7,102	7,185	6,349	6,615
Police protection	3,827	3,946	3,991	3,968	3,675
School crossing guard	24,494	24,464	24,747	23,808	22,786
Illinois municipal retirement	220,446	170,458	224,322	238,872	213,890
Medicare	63,531	61,554	68,654	66,662	63,211
Social security	<u>271,731</u>	<u>260,422</u>	<u>292,177</u>	<u>284,106</u>	<u>269,016</u>
Village total	1,649,520	1,598,833	1,523,154	1,496,717	1,385,506
Road and bridge	<u>669,759</u>	<u>670,783</u>	<u>665,781</u>	<u>611,067</u>	<u>473,351</u>
Total extensions	<u>\$ 2,319,279</u>	<u>\$ 2,269,616</u>	<u>\$ 2,188,935</u>	<u>\$ 2,107,784</u>	<u>\$ 1,858,857</u>
Tax collections	<u>\$ 1,059,670</u>	<u>\$ 2,244,275</u>	<u>\$ 2,171,264</u>	<u>\$ 2,079,674</u>	<u>\$ 1,851,956</u>
Percent collected	<u>45.69 %</u>	<u>98.88 %</u>	<u>99.19 %</u>	<u>98.67 %</u>	<u>99.63 %</u>

(1) Levied through Frankfort and New Lenox Townships.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<u>\$ 649,822,299</u>	<u>\$ 549,669,083</u>	<u>\$ 473,554,568</u>	<u>\$ 421,696,920</u>	<u>\$ 374,565,671</u>
0.0476	0.0499	0.0538	0.0615	0.0798
0.0705	0.0704	0.0736	0.0767	0.0693
0.0010	0.0011	0.0013	0.0014	0.0013
0.0006	0.0007	0.0008	0.0009	0.0010
0.0033	0.0037	0.0042	0.0044	0.0050
0.0290	0.0331	0.0311	0.0242	0.0179
0.0089	0.0099	0.0105	0.0107	0.0113
0.0379	0.0421	0.0447	0.0457	0.0481
0.1988	0.2109	0.2200	0.2255	0.2337
<u>0.0887</u>	<u>0.0927</u>	<u>0.1013</u>	<u>0.1031</u>	<u>0.1035</u>
<u>0.2875</u>	<u>0.3036</u>	<u>0.3213</u>	<u>0.3286</u>	<u>0.3372</u>
<u>(0.0161)</u>	<u>(0.0177)</u>	<u>(0.0073)</u>	<u>(0.0086)</u>	<u>(0.0053)</u>
\$ 309,317	\$ 274,285	\$ 254,772	\$ 259,344	\$ 298,903
458,125	386,967	348,536	323,442	259,574
6,498	6,046	6,156	5,904	4,869
3,899	3,848	3,788	3,795	3,746
21,444	20,338	19,889	18,555	18,728
188,448	181,940	147,275	102,051	67,047
57,834	54,417	49,723	45,122	42,326
<u>246,283</u>	<u>231,411</u>	<u>211,679</u>	<u>192,715</u>	<u>180,166</u>
1,291,848	1,159,252	1,041,818	950,928	875,359
<u>576,260</u>	<u>509,543</u>	<u>479,711</u>	<u>434,770</u>	<u>388,027</u>
<u>\$ 1,868,108</u>	<u>\$ 1,668,795</u>	<u>\$ 1,521,529</u>	<u>\$ 1,385,698</u>	<u>\$ 1,263,386</u>
<u>\$ 1,863,363</u>	<u>\$ 1,666,708</u>	<u>\$ 1,511,577</u>	<u>\$ 1,385,108</u>	<u>\$ 1,256,337</u>
<u>99.75 %</u>	<u>99.87 %</u>	<u>99.35 %</u>	<u>99.96 %</u>	<u>99.44 %</u>

**VILLAGE OF MOKENA, ILLINOIS  
SCHEDULE OF INFORMATION RELATING TO  
WATERWORKS AND SEWERAGE ACCOUNTS  
LAST TEN YEARS  
(UNAUDITED)**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Customer data:				
Number of customers served by combined waterworks and sewerage system	6,796	6,617	6,528	6,482
Number of metered customers:				
Water service only	116	116	111	103
Water and sewer services	6,497	6,349	6,240	6,207
Number of unmetered customers:				
Sewer service only	102	102	102	101
Refuse service only	81	79	75	71
Gallons of water pumped	618,122,000	608,505,000	611,329,000	644,860,000
Gallons of water billed	577,027,000	588,328,029	585,209,400	592,513,100

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
6,390	6,235	5,946	5,628	5,248	4,990
89	81	65	61	56	51
6,129	5,982	5,708	5,396	5,022	4,775
101	101	104	103	104	106
71	71	69	68	66	58
691,766,000	646,698,000	642,168,000	584,441,000	527,447,000	651,470,000
660,496,100	576,027,700	583,962,700	537,499,400	499,586,900	618,118,300