

VILLAGE OF MOKENA, ILLINOIS

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2008

**VILLAGE OF MOKENA, ILLINOIS
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2008**

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INTRODUCTORY SECTION

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VILLAGE OF MOKENA, ILLINOIS
NAMES AND TITLES OF PRINCIPAL OFFICIALS
YEAR ENDED JUNE 30, 2008

Joseph W. Werner	Mayor
Robyn Madden	Clerk
Deborah A. Engler	Trustee
Donald D. Labriola	Trustee
John J. Mazzorana	Trustee
Jane M. McGinn	Trustee
George J. Metanias	Trustee
Joseph M. Siwinski	Trustee
John Downs	Village Administrator
Barbara A. Damron	Finance Director/Treasurer

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FINANCIAL SECTION

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

INDEPENDENT AUDITORS' 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, 2008, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective assets, liabilities and net assets/fund balances 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, 2008, and the respective revenues, expenses/expenditures and changes in net assets/fund balances thereof for the year then ended in conformity with the basis of accounting described in Note I.

The management's discussion and analysis and required supplementary information listed on pages iv through xix and 38 through 42, are not a required part of the basic financial statements but are supplementary information required to accompany those financial statements. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



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

Mulcahy, Pawlitsch, Salvador & Co., Ltd.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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VILLAGE OF MOKENA, ILLINOIS

Management's Discussion and Analysis

June 30, 2008

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, 2008.

Financial Highlights:

- The assets of the Village of Mokena exceeded liabilities at June 30, 2008, by \$136,280,961. Of this amount \$4,787,952 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The Village's net assets increased by \$15,177,401 during the year. This is mainly attributable to the value of the improvements to the water and sewer system, additional vehicles and equipment, infrastructure improvements, infrastructure contributed to the Village by developers which were added to capital assets this year, and public works projects being re-appropriated in Fiscal 2009.
- At June 30, 2008, the governmental funds reported combined fund balances of \$22,541,296. This total represents two figures \$19,043,872 which is reserved for capital projects and \$3,497,424 which is considered an operating balance. Of the operating balance \$2,876,879 is for the General Fund and \$620,545 is for the Nonmajor Governmental Funds, which include: Municipal Audit, School Crossing Guard, Motor Fuel Tax, IMRF/FICA/MC Contribution, Tourism, and Sewer Plant Replacement.
- At June 30, 2008, the business-type activities (enterprise funds) reported combined operating balances of \$1,705,687. Of the operating balance \$1,520,237 is for the Water and Sewer Fund, \$92,096 is for the Refuse Fund, and \$93,354 is for the Municipal Parking Lot Fund.
- The Village's long-term debt had a net decrease of (\$719,988) due to the payment of the scheduled debt principal retirements of (\$735,000) and an increase in the police pension benefit obligation of \$15,012.

Overview of the Financial Statements:

This discussion and analysis are 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

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Management's Discussion and Analysis

June 30, 2008

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 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 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, 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.

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 and fund balances and the governmental fund statement and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

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Management's Discussion and Analysis

June 30, 2008

- The Village of Mokena maintains eleven individual governmental funds. Information is presented separately in the governmental statement of assets and fund balances and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Sewer Plant Expansion, Capital Improvement, Repair and Replacement, Water System Capital Improvement, and Sewer System Capital Improvement, all of which are considered to be major funds. Data from the other governmental funds (Municipal Audit, School Crossing Guard, Motor Fuel Tax, IMRF/FICA/MC Contribution, Tourism, and Sewer Plant Replacement Funds) are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements 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 – 11 of this report.

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, Refuse, and Municipal Parking Lots.
- The basic proprietary funds financial statements can be found on pages 12 - 13 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.

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Management's Discussion and Analysis

June 30, 2008

- 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 14 - 15 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 16 - 37 of this report.

Other Information:

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

- The schedule of revenues, expenditures, and changes in fund balance for the General Fund comparing budget and actual.
- The funding progress for the Village of Mokena's Police Pension Fund and Illinois Municipal Retirement Fund (IMRF) employee pension obligations.
- The required supplementary information can be found on pages 38 - 42 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 43 - 77 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 78 - 79 of this report.

In addition, a schedule of information relating to Waterworks and Sewerage accounts can be found on page 80 - 81 of this report.

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Management's Discussion and Analysis

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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, 2008 and 2007:

<u>Governmental Activities</u>	<u>2008</u>	<u>2007</u>	<u>Change</u>
Current and other assets	\$22,541,296	\$26,828,485	(\$4,287,189)
Capital assets	<u>102,371,591</u>	<u>83,736,830</u>	<u>18,634,761</u>
Total assets	\$124,912,887	\$110,565,315	\$14,347,572
Long-term liabilities	\$11,236,080	\$11,736,068	(\$499,988)
Net assets:			
Invested in capital assets	\$91,451,591	\$72,301,830	\$19,149,761
Restricted	19,142,951	23,223,758	(4,080,807)
Unrestricted	<u>3,082,265</u>	<u>3,303,659</u>	<u>(221,394)</u>
Total net assets	<u>\$113,676,807</u>	<u>\$98,829,247</u>	<u>\$14,847,560</u>
<u>Business-type Activities</u>	<u>2008</u>	<u>2007</u>	<u>Change</u>
Current and other assets	\$1,705,687	\$1,865,409	(\$159,722)
Capital assets	<u>24,468,467</u>	<u>24,198,904</u>	<u>269,563</u>
Total assets	\$26,174,154	\$26,064,313	\$109,841
Long-term liabilities	\$3,570,000	\$3,790,000	(\$220,000)
Net assets:			
Invested in capital assets	\$20,898,467	\$20,408,904	\$489,563
Unrestricted	<u>1,705,687</u>	<u>1,865,409</u>	<u>(159,722)</u>
Total net assets	<u>\$22,604,154</u>	<u>\$22,274,313</u>	<u>\$329,841</u>

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Management's Discussion and Analysis

June 30, 2008

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, 2008 and 2007:

Governmental Activities	<u>2008</u>	<u>2007</u>	<u>Change</u>
Revenues:			
Program Revenues:			
Charges for Services	\$1,599,814	\$1,560,104	\$39,710
Grants & Contributions	261,567	617,138	(355,571)
General Revenues:			
Property Tax	1,328,916	1,222,883	106,033
State Sales Tax	4,544,239	4,291,548	252,691
State Income Tax	1,755,081	1,401,246	353,835
Other Taxes	594,111	624,336	(30,225)
Allotments	538,060	499,445	38,615
Investment Income	873,353	1,452,924	(579,571)
Gain (Loss) on Disposition of Capital Assets	(46,497)	0	(46,497)
Fees by Agreement Contributed assets	923,113	1,574,480	(651,367)
Net of debt	16,133,784	15,052,048	1,081,736
Other Income	482,163	368,571	113,592
Transfers	<u>84,987</u>	<u>67,500</u>	<u>17,487</u>
Total Revenues	<u>\$29,072,691</u>	<u>\$28,732,223</u>	<u>\$340,468</u>
Expenses:			
Police & Emergency Serv.	\$4,345,459	\$2,327,307	\$2,018,152
Public Works	5,581,594	6,388,873	(807,279)
Community Development	704,162	895,119	(190,957)
General Government	3,157,338	5,633,980	(2,476,642)
Interest on Long-term Debt	<u>436,578</u>	<u>455,085</u>	<u>(18,507)</u>
Total Expenses	\$14,225,131	\$15,700,364	(\$1,475,233)
Change in Net Assets	\$14,847,560	\$13,031,859	\$1,815,701
Net Assets at Beg. of Year	<u>98,829,247</u>	<u>85,797,388</u>	<u>13,031,859</u>
Net Assets as End of Year	<u>\$113,676,807</u>	<u>\$98,829,247</u>	<u>\$14,847,560</u>

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As noted, net assets from governmental activities increased \$14,847,560. This increase is attributable to a decrease in expenses for public works projects, which have been re-appropriated in Fiscal 2009 and contributed assets from developers being added to the Village. The projects being re-appropriated include the design of the Waste Water Treatment Plant expansion, Townline Road water main, Public Works Garage expansion, LaPorte Road (Kirkstone to Wolf) improvements, 104th Avenue improvements, Schoolhouse Road design, Townline Road improvements, Wolf Road north leg improvements, and extension of water service for economic development purposes at the corner of LaPorte and LaGrange Roads. The contributed assets from developers include ponds, right-of-way, urban streets, storm sewers, sidewalks, and street lights. In regards to the revenues, there was solid natural growth in sales tax, state income tax, and property tax. However, there was a decrease in revenues associated with building related fees and investment income.

Business-type Activities	<u>2008</u>	<u>2007</u>	<u>Change</u>
Revenues:			
Program Revenues:			
Charges for Services	\$6,038,031	\$5,714,299	\$323,732
Investment Income	76,282	110,528	(34,246)
Gain (Loss) on Disposition of Capital Assets	3,124	0	3,124
Contributed assets net of related debt	965,848	3,586,566	(2,620,718)
Other Income	159,295	131,103	28,192
Transfers	<u>(84,987)</u>	<u>(67,500)</u>	<u>(17,487)</u>
Total Revenues	<u>\$7,157,593</u>	<u>\$9,474,996</u>	<u>(\$2,317,403)</u>
Expenses:			
Waterworks and Sewerage	\$5,522,372	5,125,018	397,354
Municipal Parking Lot	293,834	280,664	13,170
Refuse	<u>1,011,546</u>	<u>959,728</u>	<u>51,818</u>
Total Expenses	<u>\$6,827,752</u>	<u>\$6,365,410</u>	<u>\$462,342</u>
Change in Net Assets	\$329,841	\$3,109,586	(\$2,779,745)
Net Assets at Beg. of Year	<u>22,274,313</u>	<u>19,164,727</u>	<u>3,109,586</u>
Net Assets as End of Year	<u>\$22,604,154</u>	<u>\$22,274,313</u>	<u>\$329,841</u>

As noted, net assets from business-type activities increased \$329,841 this increase was mainly due to the transfer of capital assets from the Water Capital Improvement Fund in the amount of \$965,848 to the Water Operating Fund. These included improvements to the 191st Street water

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Management's Discussion and Analysis

June 30, 2008

main, LaGrange Road water main extension, and 187th Street water storage facility and pump house.

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. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The Village of Mokena's governmental funds reported combined ending fund balances of \$22,541,296 of which 15.5% or \$3,497,424 is unreserved. As mentioned earlier, of the unreserved balance \$2,876,879 is for the General Fund and \$620,545 is for the Nonmajor Governmental Funds.

The General Fund is the primary operating fund of the Village. During the year, revenues exceeded expenditures and transfers in the General Fund by \$51,332. This increased the ending fund balance to \$2,876,879. Management's policy is to have a fund balance equal to 25% of expenditures. The June 30, 2008, ending fund balance is approximately 32% 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 had total net assets of \$21,854,082 at June 30, 2008. This included \$20,333,845 invested in capital assets, net of related debt and \$1,520,237 of unrestricted net assets.

The Refuse Fund had unrestricted net assets of \$92,096 at June 30, 2008.

The Municipal Parking Lot Fund had total net assets of \$657,976 at June 30, 2008. This included \$564,622 invested in capital assets, net of related debt and \$93,354 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

VILLAGE OF MOKENA, ILLINOIS

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June 30, 2008

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 \$6,732,280 at June 30, 2008. This balance is being held in trust for pension benefits.

The Performance Bond Agency Fund had liabilities of \$599,873 at June 30, 2008. This balance consists of deposits due to property owners.

Budgetary Highlights:

The General Fund's actual revenues were \$638,680 above the budgeted figures. This was mainly attributable to increases over the budgeted amounts in income tax, property tax (which included the portion for police pension), fines, and miscellaneous income. The actual expenditures and transfers were (\$28,725) above budget.

The year end fund balance for the Capital Improvement Repair and Replacement Fund decreased by (\$4,157,940). This was attributable to the funding of numerous capital projects. 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 the Public Works garage expansion, LaPorte Road (Kirkstone to Wolf) improvements, 104th Avenue improvements, 187th Street and Wolf Road intersection improvements, Schoolhouse Road design, Townline Road improvements, signals at 191st Street and Hickory Creek Drive and 191st Street and Grotovsky Drive, and land acquisition for a future Public Safety Facility.

The Waterworks and Sewerage Fund revenues were \$205,993 above budget. This was attributable to an increase in water consumption as a result of seasonal conditions and the collection of public improvement inspection fees and engineering fees for developments being higher than anticipated.

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, 2008, was \$126,840,058 (net of accumulated depreciation).

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Management's Discussion and Analysis

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Comparative Statement of Capital Assets, net of depreciation:

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$37,218,195	\$31,104,848	\$ 1,934,830	\$ 1,934,830	\$ 39,153,025	\$ 33,039,678
Construction in Progress	0	0	0	0	0	0
Buildings & Improvements	2,860,170	1,534,175	9,296,509	9,599,266	12,156,679	11,133,441
Transportation Equipment	894,082	1,001,080	125,591	128,228	1,019,673	1,129,308
Equipment	400,484	268,531	609,275	702,464	1,009,759	970,995
Water Distribution, Storm, and Sanitary System Infrastructure	0	0	12,502,262	11,834,116	12,502,262	11,834,116
	60,998,660	49,828,196	0	0	60,998,660	49,828,196
Total Net Capital Assets	<u>\$102,371,591</u>	<u>\$83,736,830</u>	<u>\$24,468,467</u>	<u>\$24,198,904</u>	<u>\$126,840,058</u>	<u>\$107,935,734</u>

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

Debt Management:

The Village of Mokena had total outstanding debt of \$14,806,080 at June 30, 2008. Following is a comparative statement of outstanding debt:

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Notes Payable	\$ 795,000	\$ 845,000	\$ -	\$ -	\$ 795,000	\$ 845,000
G.O. Obligation						
Limited Tax Cert.	1,275,000	1,340,000	-	-	1,275,000	1,340,000
G.O. Bonds	8,850,000	9,250,000	3,570,000	3,790,000	12,420,000	13,040,000
Pension Benefit Obligation	316,080	301,068	-	-	316,080	301,068
Total	<u>\$11,236,080</u>	<u>\$11,736,068</u>	<u>\$3,570,000</u>	<u>\$3,790,000</u>	<u>\$14,806,080</u>	<u>\$15,526,068</u>

During the year, \$735,000 was retired. The increase was \$15,012 for the police pension benefit obligation.

The Village of Mokena maintains an A-1 rating from Moody's Investment Service. 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:

VILLAGE OF MOKENA, ILLINOIS

Management's Discussion and Analysis

June 30, 2008

The main objective affiliated with the annual budget process is to define the upcoming year's objectives and allocate adequate financial resources to achieve established goals all within the parameters of established fiscal policies. The Village's annual budget process is probably one of the most important policy/goal statements that can be made by an Elected or Governing Body. Since the stakeholders of every Community possess somewhat of a unique and fluid set of expectations regarding its local government, the budget process needs to be structured but not overly rigid. A solid budget process should facilitate a good decision making environment and provide policy makers with adequate information to properly prioritize budget issues during all conditions.

Annually in Mokena, the Village Board, Staff, Residents and news journalists embark on a process to assemble a financial and budgetary plan that delivers customarily expected service levels while seeking to improve programs and the overall management efficiency of the Village. Each year proves to be a unique budgetary process as many factors outside our direct control impact budget and policy decision making. At times, these factors may seem like challenges, but are always viewed as organizational growth opportunities in Mokena. This year proved to be no different as we faced a very uncertain national and regional economy. The current economic conditions have resulted in much slower residential growth throughout the Country and more distinct inflationary pressures for core commodities such as energy and fuel. In addition, the past winter was much more prolonged and severe as compared to the recent past. This resulted in unforeseen overtime costs for snow removal, increased costs for salt and more severe road and pavement damage than we would anticipate under more normal winter conditions. These and other challenges have been turned into budget and policy opportunities moving forward.

The Fiscal 2008/2009 budget was prepared in a manner consistent with past practices and based on moderate and sensible fiscal policies. This year's budgetary decisions were conducted in a fashion reflecting the uncertainty about the national economy and its impacts on Mokena's fiscal and budgetary health. Conservative tendencies were utilized to guide spending, debt management, revenue forecasts, and fund balance objectives. In aggregate, these budgetary practices have historically accommodated changing economic conditions, met the increased demands for service, along with constructing millions of dollars of necessary infrastructure improvements. Over the past two decades, several Village Boards (and individual elected officials) have successfully provided services and improved infrastructure, while facilitating an effective climate for employees, all enhancing the quality of life in Mokena. Enduring several cyclical changes in the economy, Mokena has been able to capitalize on these conservative tendencies and always move forward. Even in the toughest of fiscal times, our ability to react quickly to changing economic conditions has always provided Mokena policy makers the ability to provide solid government services.

The Village of Mokena's overall revenues for the Fiscal 2009 Budget are anticipated to decrease approximately (3.89%) or (\$862,589) in aggregate compared to the Fiscal 2008 Budget. This is primarily attributable to a slow down in the economy and building related revenues. The major

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Management's Discussion and Analysis

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revenue decreases include licenses/permits of (\$255,985), development related fees (\$291,512), service charges of (\$613,340), and other miscellaneous revenues of (\$599,326).

Overall Fiscal 2009 budget appropriations are anticipated to be \$26,297,277 which represents a (\$3,489,691) decrease or (11.72%) from the previous year. Personal services are anticipated to increase by \$423,330 or 5.31%. Constant market pressure on base wages, inflationary costs for health care coverage, and accelerating pension costs have combined to generate this aggregate increase. Commodities will increase by \$41,963 or 2.89%. In addition, contractual services will increase by \$193,853 or 2.25% and capital outlay will decrease by (\$3,907,137) or (36.55%). The budgeted appropriations for Fiscal 2009 include a significant amount of funds for several major projects, required to be re-appropriated from Fiscal 2008. These re-appropriations include approximately \$4.1 million for the design of the Waste Water Treatment Plant expansion, Townline Road water main, Public Works Garage expansion, LaPorte Road (Kirkstone to Wolf) improvements, 104th Avenue improvements, Schoolhouse Road design, Townline Road improvements, Wolf Road north leg improvements, and extension of water service for economic development purposes at the corner of LaPorte and LaGrange Roads.

The Mokena Village Board of Trustees has developed a financial policy of maintaining approximately 25% (or 3 months) of an operating fund's anticipated annual expenditures (including capital) as an encumbered balance within each major operating fund. These fund balances are maintained to ensure that if any unforeseen or catastrophic events occur, the Village would be in a position to meet basic operational expenditures for a reasonable amount of time. Additionally, maintaining fund balances of this nature provides assurances that any disruption in the Village's revenue stream could be managed through strategic evaluation of services rather than immediate spending reductions resulting in a negative impact on "core services".

The proposed Fiscal 2009 Budget will see aggregate fund balances decrease by \$5 million. The vast majority of the anticipated reduction is affiliated with almost \$6.7 million in anticipated capital expenditures, resulting in a planned decrease in aggregate balances. As previously mentioned, over \$4.1 million in budgeted capital expenditures are being re-appropriated from Fiscal 2008.

Based on the proposed Fiscal 2009 General Fund budget, the year end fund balance is anticipated to be just over \$2.3 million. This anticipated fund balance is within the general policy benchmark of 25% of overall expenditures plus \$135,000 for one year's principal and interest on the downtown bonds.

Since transitioning to Lake Michigan water in December 2002 (mid Fiscal 2003), we have been closely evaluating the financial status of Mokena's largest public enterprise. Mokena's water enterprise fund is now a \$3.6 million public business. When combined with the sewer fund, these two operations represent over \$5.4 million in annual expenditures to operate and maintain \$30 million in utility system assets owned by our customers. As such, we have to be cognitive of the many factors which impact the cost to manage these systems. When Lake Michigan water

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was first obtained by Mokena, we promised that the \$3.96/1000 water rate would remain stable for five years after its delivery. We kept our promise, but face significant operational increases moving forward and are now forced to increase water rates \$1.00/1000 gallons over the next two budget cycles. Combined, Mokena's upstream water suppliers are forecasted to increase water rates by a total of \$.75/1000 gallons over a three year period beginning in 2008. The increased cost of water combined with other inflationary operating increases require us to adjust water rates accordingly to account for these increasing expenditures. Failure to increase rates would result in depleted fund balances in the water enterprise fund by the end of Fiscal 2010. The proposed Fiscal 2009 water increase of \$.45/1000 gallons produces adequate revenue to maintain the policy level fund balance through the end of Fiscal 2009.

The sewer enterprise fund is a \$1.8 million annual business which much like the water fund requires an adequate revenue stream to adequately maintain the system. The sewer operating fund has been greatly impacted by Mokena's slowing residential growth trends along with the affects of continued deduct meter installations. Combined, the natural growth in sewer billable volumes is now trending at just about 1% and not producing adequate revenue growth to meet inflationary costs. As such, this fund will also require rate increases over the next two budget cycles totaling \$.50/1000 billable gallons. Similar to the water enterprise fund, failure to increase these rates would result in a depleted fund balance over the next two years. The proposed Fiscal 2009 sewer rate increase of \$.30/1000 gallons will allow the fund balance to be maintained at policy levels.

Fund balances have been crucial components of providing adequate time for policy makers and staff to fully analyze various financial situations. In the Fiscal 2008 budget alone, we were impacted by Chicago's unforeseen and accelerated water rate increases initiated in early 2008. Due to the stable nature of the water enterprise fund balance, the Village Board and staff could take a longer term look at this issue and develop a plan that accommodated not only Chicago's rate increases, but general inflation and other upstream supplier increases as well. We absorbed \$50,000+/- of Chicago's rate increase in the current year's budget prior to proposing increased rates in Fiscal 2009. This is just one of many solid examples why maintaining policy level fund balances is integral to solid public budgeting. We will continue to monitor the condition of both the water and sewer enterprise funds as we move forward.

The Village has developed a defined system to accumulate and earmark capital reserve funds over the years. This system includes utilization of specific policies for the financial management of water and sewer connection fees, formula driven developer contributions, as well as annual transfers of "net positive operating results" into capital reserve accounts. In April of 2001, Mokena voters 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. At the conclusion of Fiscal 2009 the Village should possess \$14,386,810 for future capital projects. This is a significant decrease (\$4,987,371) in capital reserves from the beginning of FY 09 of \$19,374,181. The capital reserve funds will be used for

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numerous capital projects; many of which have been in the planning stages for many years and as such, represents a planned reduction in fund balance levels. In fact, just over \$4.1 million in budgeted capital expenditures are being reprogrammed in Fiscal 2009.

Current debt levels are decreasing and manageable as the Village Board has carefully worked to meet the balance of improving the Village's infrastructure while assuming principal and interest payments that can be met through earmarked sources. The Village's legal debt margin is \$48,905,161 or approximately 77% of the statutory debt limitation of \$63,395,161 as calculated in note III D in the Notes to Financial Statements. Moving into Fiscal 2009, the Village is in good order from a capital funding perspective with regard to the majority of its infrastructure.

During Fiscal 2001 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 was in excess of 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 equate to an approximate \$135,000+/- 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. To ensure that this annual debt service can be made during any budget periods that do not provide natural revenue growth, the Village Board modified the General Fund balance policy to include one year's annual principal and interest payments (\$135,000) be maintained as a portion of the proposed (encumbered) General Fund balance. These funds were maintained in addition to the policy level of 3 months overall General Fund operating expenses.

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 favorable rate was based on the fact that the payment of principal and interest (4.8%) on these bonds were guaranteed by the Village's property taxation powers. Although the annual principal and interest on these bonds are guaranteed through the Village's property taxation authority, the Village's water customers have and will fund this debt through water related fees. The proposed Fiscal 2009 budget has been prepared with a \$392,188 principal and interest payment to be made from water system revenues.

In addition to the above referenced Lake Water Bonds, the Village has two other water-related (intergovernmental) financial 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 twenty year obligation carries a 5.5% interest rate along with a \$98,000 +/- annual principal and interest payment. Annual payments for this obligation are ensured through an established escrow account. The Villages of Mokena and New Lenox also provided for Mokena's potential connection to Lake Water within

VILLAGE OF MOKENA, ILLINOIS

Management's Discussion and Analysis

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the context of an intergovernmental agreement. This agreement provides for Mokena and New Lenox 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% interest rate. The annual principal and interest totals will be in the range of \$226,000+/- for the Village's share of this amount. This obligation will be funded as a pre-calculated portion of the water rates affiliated with Lake Michigan water.

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 the 191st Street improvements, the Board determined that borrowing \$10 million while pledging approximately 80% of the estimated annual sales tax of \$860,000 or \$710,000 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 \$709,000+/- annually. Fortunately, the ½% non-home rule sales tax is producing revenue well beyond that of original forecasts. The Fiscal 2008 budget year yielded \$1,304,739 for the 1/2% sales tax while the Fiscal 2009 budget is anticipated to generate \$1,518,250 of which 47% of the sales tax is now being pledged toward this debt service with the balance available for other transportation related improvements.

Based on the available amount of land to be developed and the unforeseen nature of the current economy, the Village's ultimate build out will likely be delayed compared to past timelines. With residential building permits currently at 20 year lows, Mokena's future build out timeline will likely extend over the next decade with more moderate growth trends. Mokena should reach a population peak somewhere between 23,000 to 25,000 residents at full build out. Over the next several budget cycles, Mokena policy makers should begin incrementally shifting their budgetary emphasis toward the build-out horizon as opposed to focusing on growth related issues (among other things). One key area which will need to be addressed is the Village's long-term road maintenance program. Currently, MFT funds are utilized to repair and rehabilitate existing roads but funding limitations only provide for less than 2 road miles per year to be resurfaced. Based on the age and condition of the Village's road network, we should be resurfacing 4-5 road miles per year. To that end, we will need to develop a plan to augment MFT funding and pursue a more aggressive road resurfacing program. We intend to develop plan alternatives and review options during the Fiscal 2010 budget process.

We still face some immediate capital needs which are being logically addressed through good planning and fiscal management. The current status of the Village's water and wastewater infrastructure systems are in solid condition. Based on the nature of the Village's budgeting philosophy, a pending expansion of wastewater treatment capacity should be funded through development related fees already collected and escrowed for these planned purposes. In fact, the

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Management's Discussion and Analysis

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proposed budget appropriates \$402,000 to complete the engineering design of the next WWTP capacity expansion. It is possible that the next capacity expansion will take place in the Fiscal 2010/2011 timeline and is estimated to be \$5 million +/- . Although Mokena's water delivery system is in solid condition, peak consumption demands during extended hot and dry conditions will be an ongoing issue moving forward. With regard to the Village's water system, the proposed budget programs \$185,000 to complete the design of additional water storage capacity which is programmed for tentative construction in Fiscal 2012. After securing a 3.5 acre site for a new Public Safety Facility during the Fiscal 2008 budget, the Village is prepared to begin more detailed site and building design activities. The proposed budget includes \$155,000 for preliminary design of a Public Safety Facility along with additional planning for an updated or new Village Hall Facility at its current location. The proposed budget also provides \$101,900 for consolidation and relocation of the Lincoln-Way Police Communication Center ("LWPC"). A new facility located at US 30 just east of Wolf Road is currently under construction and will house emergency dispatchers for not only the Police Departments of New Lenox, Mokena and Frankfort, but five area-wide Fire Districts which are currently dispatched from other locations. This consolidation should improve emergency dispatch functions for the Lincoln-Way area while providing central dispatching operations in the event of emergency conditions developing.

The proposed Fiscal 2009 Budget is being advanced as a solid policy tool to guide the Mokena Board and Staff through the agreed goals and objectives over the next year. The budget has been prepared in a cautiously optimistic fashion. Adequate resources are allocated to continue providing solid core services for Mokena Residents. This includes the provision for over \$6.7 million allocated for capital projects including; roads, utility systems, facilities and necessary equipment. These projects and equipment accompanied by normal infrastructure maintenance programs should continue building Mokena into one of the finest places to live in the Chicago Suburbs.

As we look to the future, we are well prepared to continue building new road infrastructure, water system capacity and our next WWTP expansion. However, adequately maintaining the Village's aging road network will require an accelerated funding plan. In addition, there is no dedicated funding source for the construction of a new public safety facility. These issues will need to be addressed during the upcoming year and will no doubt be an integral component of the Fiscal 2010 budget process. As always, providing quality customer service is our main goal as a unit of local government.

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, 11004 Carpenter Street, Mokena, IL, 60448.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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VILLAGE OF MOKENA, ILLINOIS
STATEMENT OF NET ASSETS
ARISING FROM CASH TRANSACTIONS
JUNE 30, 2008

ASSETS	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Equity in pooled cash and investments	\$ 22,341,992	\$ 1,705,687	\$ 24,047,679
Restricted assets	199,304	-	199,304
Capital assets not being depreciated:			
Land	37,218,195	1,934,830	39,153,025
Capital assets, net of accumulated depreciation:			
Buildings and improvements	2,860,170	9,296,509	12,156,679
Water distribution, storm and sanitary system	-	12,502,262	12,502,262
Transportation equipment	894,082	125,591	1,019,673
Machinery and equipment	400,484	609,275	1,009,759
Infrastructure	<u>60,998,660</u>	<u>-</u>	<u>60,998,660</u>
Total assets	<u>124,912,887</u>	<u>26,174,154</u>	<u>151,087,041</u>
LIABILITIES			
Noncurrent liabilities:			
Due within one year	525,000	230,000	755,000
Due in more than one year	<u>10,711,080</u>	<u>3,340,000</u>	<u>14,051,080</u>
Total liabilities	<u>11,236,080</u>	<u>3,570,000</u>	<u>14,806,080</u>
NET ASSETS			
Invested in capital assets, net of related debt	91,451,591	20,898,467	112,350,058
Restricted for:			
Bond reserve	100,225	-	100,225
System improvements	99,079	-	99,079
Capital projects	18,943,647	-	18,943,647
Unrestricted	<u>3,082,265</u>	<u>1,705,687</u>	<u>4,787,952</u>
Total net assets	<u>\$ 113,676,807</u>	<u>\$ 22,604,154</u>	<u>\$ 136,280,961</u>

See notes to basic financial statements.

**VILLAGE OF MOKENA, ILLINOIS
STATEMENT OF ACTIVITIES
ARISING FROM CASH TRANSACTIONS
YEAR ENDED JUNE 30, 2008**

		Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/programs:				
Governmental activities:				
Police and emergency services	\$ 4,345,459	\$ 353,594	\$ 10,392	\$ -
Public works	5,581,594	-	185,570	17,056,897
Community development	704,162	637,411	-	-
General government	3,157,338	608,809	65,605	-
Interest and costs	436,578	-	-	-
Total governmental activities	14,225,131	1,599,814	261,567	17,056,897
Business-type activities:				
Waterworks and sewerage	5,522,372	4,745,104	-	965,848
Municipal parking lot	293,834	294,605	-	-
Refuse	1,011,546	998,322	-	-
Total business-type activities	6,827,752	6,038,031	-	965,848
Total functions/programs	\$ 21,052,883	\$ 7,637,845	\$ 261,567	\$ 18,022,745
General revenues:				
Taxes:				
Property				
State sales				
State income				
Road and bridge				
State replacement				
Hotel/motel				
Allotments				
Earnings on investments				
Gain (loss) on disposition of capital assets				
Other income				
Rental income				
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>
\$ (3,981,473)	\$ -	\$ (3,981,473)
11,660,873	-	11,660,873
(66,751)	-	(66,751)
(2,482,924)	-	(2,482,924)
<u>(436,578)</u>	<u>-</u>	<u>(436,578)</u>
<u>4,693,147</u>	<u>-</u>	<u>4,693,147</u>
-	188,580	188,580
-	771	771
<u>-</u>	<u>(13,224)</u>	<u>(13,224)</u>
<u>-</u>	<u>176,127</u>	<u>176,127</u>
<u>4,693,147</u>	<u>176,127</u>	<u>4,869,274</u>
1,328,916	-	1,328,916
4,544,239	-	4,544,239
1,755,081	-	1,755,081
521,745	-	521,745
21,530	-	21,530
50,836	-	50,836
538,060	-	538,060
873,353	76,282	949,635
(46,497)	3,124	(43,373)
383,837	159,295	543,132
98,326	-	98,326
<u>84,987</u>	<u>(84,987)</u>	<u>-</u>
<u>10,154,413</u>	<u>153,714</u>	<u>10,308,127</u>
14,847,560	329,841	15,177,401
<u>98,829,247</u>	<u>22,274,313</u>	<u>121,103,560</u>
<u>\$ 113,676,807</u>	<u>\$ 22,604,154</u>	<u>\$ 136,280,961</u>

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FUND FINANCIAL STATEMENTS

VILLAGE OF MOKENA, ILLINOIS
STATEMENT OF ASSETS AND FUND BALANCES ARISING
FROM CASH TRANSACTIONS - GOVERNMENTAL FUNDS
JUNE 30, 2008

ASSETS	Capital Projects			
	General	Sewer Plant Expansion	Capital Improvement Repair and Replacement	Water System Capital Improvement
Equity in pooled cash and investments	\$ 2,876,879	\$ 5,935,612	\$ 9,744,337	\$ 701,631
Restricted assets:				
System improvements	-	-	99,079	-
Bond reserve	-	-	100,225	-
Total assets	<u>\$ 2,876,879</u>	<u>\$ 5,935,612</u>	<u>\$ 9,943,641</u>	<u>\$ 701,631</u>
FUND BALANCES				
Reserved for capital projects	\$ -	\$ 5,935,612	\$ 9,943,641	\$ 701,631
Unreserved, reported in:				
General Fund	2,876,879	-	-	-
Special revenue funds	-	-	-	-
Total fund balances	<u>\$ 2,876,879</u>	<u>\$ 5,935,612</u>	<u>\$ 9,943,641</u>	<u>\$ 701,631</u>

See notes to basic financial statements.

<u>Sewer System Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,296,447	\$ 1,787,086	\$ 22,341,992
-	-	99,079
-	-	<u>100,225</u>
<u>\$ 1,296,447</u>	<u>\$ 1,787,086</u>	<u>\$ 22,541,296</u>

\$ 1,296,447	\$ 1,166,541	\$ 19,043,872
-	-	2,876,879
-	<u>620,545</u>	<u>620,545</u>
<u>\$ 1,296,447</u>	<u>\$ 1,787,086</u>	<u>\$ 22,541,296</u>

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VILLAGE OF MOKENA, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF ASSETS
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS TO THE
STATEMENT OF NET ASSETS ARISING FROM CASH TRANSACTIONS
JUNE 30, 2008

Total fund balances - governmental funds \$ 22,541,296

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. 102,371,591

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 at year-end consist of:

Bonds payable	\$	8,850,000
General obligation limited tax certificates		1,275,000
Note payable		795,000
Pension benefit obligation		<u>316,080</u>

Total (11,236,080)

Total net assets - governmental activities \$ 113,676,807

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, 2008

	General	Capital Projects		
		Sewer Plant Expansion	Capital Improvement Repair and Replacement	Water System Capital Improvement
Revenues:				
Taxes:				
Property	\$ 785,027	\$ -	\$ -	\$ -
State sales	3,239,500	-	1,304,739	-
State income	1,755,081	-	-	-
Road and bridge	521,745	-	-	-
State replacement	-	-	-	-
Hotel/motel	-	-	-	-
Allotments	-	-	-	-
Fees by agreement	-	-	2,275	692,377
Licenses, permits and inspections	1,246,220	-	-	-
Fines, forfeitures and penalties	353,594	-	-	-
Gifts, donations and contributions	10,392	-	185,570	-
Grants	65,605	-	-	-
Interest income	99,135	200,002	396,670	44,018
Other income	423,877	-	-	-
Rental income	98,326	-	-	-
Interfund charges for services	321,810	-	-	-
Total revenues	<u>8,920,312</u>	<u>200,002</u>	<u>1,889,254</u>	<u>736,395</u>
Expenditures:				
Current:				
Administrative	1,344,087	-	211,310	86,294
Cable television commission	7,082	-	-	-
Emergency services and disasters	45,217	-	-	-
Fire and police commission	11,843	-	-	-
Legislative	108,201	-	-	-
Planning and zoning	695,007	-	-	-
Police	4,014,881	-	-	-
Streets	1,236,664	-	-	-
Buildings and grounds	296,310	-	-	-
Village clerk	12,458	-	-	-
Capital outlay	738,075	28,834	5,428,448	965,848
Debt service:				
Interest	69,155	-	367,423	-
Principal retirement	65,000	-	450,000	-
Total expenditures	<u>8,643,980</u>	<u>28,834</u>	<u>6,457,181</u>	<u>1,052,142</u>
Excess (deficiency) of revenues over (under) expenditures	<u>276,332</u>	<u>171,168</u>	<u>(4,567,927)</u>	<u>(315,747)</u>

See notes to basic financial statements.

<u>Sewer System Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 543,889	\$ 1,328,916
-	-	4,544,239
-	-	1,755,081
-	-	521,745
-	21,530	21,530
-	50,836	50,836
-	538,060	538,060
228,461	-	923,113
-	-	1,246,220
-	-	353,594
-	-	195,962
-	-	65,605
63,570	69,958	873,353
-	-	423,877
-	-	98,326
-	-	321,810
<u>292,031</u>	<u>1,224,273</u>	<u>13,262,267</u>
152	936,158	2,578,001
-	-	7,082
-	-	45,217
-	-	11,843
-	-	108,201
-	-	695,007
-	-	4,014,881
-	-	1,236,664
-	-	296,310
-	-	12,458
99,382	416,614	7,677,201
-	-	436,578
-	-	515,000
<u>99,534</u>	<u>1,352,772</u>	<u>17,634,443</u>
<u>192,497</u>	<u>(128,499)</u>	<u>(4,372,176)</u>

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, 2008

	<u>General</u>	<u>Capital Projects</u>		
		<u>Sewer Plant Expansion</u>	<u>Capital Improvement Repair and Replacement</u>	<u>Water System Capital Improvement</u>
Other financing sources (uses):				
Transfers in	-	480,000	409,987	-
Transfers out	<u>(225,000)</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>
Total other financing sources (uses)	<u>(225,000)</u>	<u>480,000</u>	<u>409,987</u>	<u>(100,000)</u>
Net change in fund balances	51,332	651,168	(4,157,940)	(415,747)
Fund balances at beginning of year	<u>2,825,547</u>	<u>5,284,444</u>	<u>14,101,581</u>	<u>1,117,378</u>
Fund balances at end of year	<u>\$ 2,876,879</u>	<u>\$ 5,935,612</u>	<u>\$ 9,943,641</u>	<u>\$ 701,631</u>

See notes to basic financial statements.

<u>Sewer System Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
-	-	889,987
<u>(480,000)</u>	<u>-</u>	<u>(805,000)</u>
(480,000)	-	84,987
(287,503)	(128,499)	(4,287,189)
<u>1,583,950</u>	<u>1,915,585</u>	<u>26,828,485</u>
<u>\$ 1,296,447</u>	<u>\$ 1,787,086</u>	<u>\$ 22,541,296</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, 2008**

Total net change in fund balances - governmental funds \$ (4,287,189)

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 capital outlays (\$4,377,321) exceeded depreciation (\$1,789,808) in the current period. 2,587,513

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. 16,133,784

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, confiscations and donations) is to decrease net assets. (86,536)

Increases in the pension benefit obligation increase long-term liabilities in the statement of net assets arising from cash transactions. (15,012)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets arising from cash transactions 515,000

Change in net assets of governmental activities \$ 14,847,560

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, 2008

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Waterworks and Sewerage</u>	<u>Refuse</u>	<u>Municipal Parking Lot</u>	<u>Totals</u>
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 1,520,237	\$ 92,096	\$ 93,354	\$ 1,705,687
Noncurrent assets:				
Capital assets:				
Land	1,409,605	-	525,225	1,934,830
Buildings and improvements	13,904,759	-	37,593	13,942,352
Water distribution, storm and sanitary system	14,897,244	-	-	14,897,244
Transportation equipment	412,042	-	48,244	460,286
Machinery and equipment	2,573,311	-	9,485	2,582,796
Less accumulated depreciation	<u>(9,293,116)</u>	<u>-</u>	<u>(55,925)</u>	<u>(9,349,041)</u>
Net capital assets	<u>23,903,845</u>	<u>-</u>	<u>564,622</u>	<u>24,468,467</u>
Total assets	<u>25,424,082</u>	<u>92,096</u>	<u>657,976</u>	<u>26,174,154</u>
LIABILITIES				
Current liabilities:				
General obligation bonds payable	230,000	-	-	230,000
Noncurrent liabilities:				
General obligation bonds payable	<u>3,340,000</u>	<u>-</u>	<u>-</u>	<u>3,340,000</u>
Total liabilities	<u>3,570,000</u>	<u>-</u>	<u>-</u>	<u>3,570,000</u>
NET ASSETS				
Invested in capital assets, net of related debt	20,333,845	-	564,622	20,898,467
Unrestricted	<u>1,520,237</u>	<u>92,096</u>	<u>93,354</u>	<u>1,705,687</u>
Total net assets	<u>\$ 21,854,082</u>	<u>\$ 92,096</u>	<u>\$ 657,976</u>	<u>\$ 22,604,154</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, 2008

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Waterworks and Sewerage</u>	<u>Refuse</u>	<u>Municipal Parking Lot</u>	<u>Totals</u>
Operating revenues:				
Charges for services	\$ 4,570,308	\$ 998,322	\$ 294,605	\$ 5,863,235
Water meter installation	84,846	-	-	84,846
Inspection fees	28,249	-	-	28,249
Other income	<u>214,811</u>	<u>5,181</u>	<u>1,004</u>	<u>220,996</u>
Total operating revenues	<u>4,898,214</u>	<u>1,003,503</u>	<u>295,609</u>	<u>6,197,326</u>
Operating expenses:				
Personal services	1,775,673	-	101,296	1,876,969
Commodities	366,220	7,950	29,932	404,102
Contractual services	2,315,711	964,751	84,916	3,365,378
Depreciation	753,727	-	12,654	766,381
Interfund charges for services	<u>138,728</u>	<u>38,845</u>	<u>65,036</u>	<u>242,609</u>
Total operating expenses	<u>5,350,059</u>	<u>1,011,546</u>	<u>293,834</u>	<u>6,655,439</u>
Operating income (loss)	<u>(451,845)</u>	<u>(8,043)</u>	<u>1,775</u>	<u>(458,113)</u>
Non-operating revenues (expenses):				
Gain on disposition of capital assets	3,124	-	-	3,124
Interest expense	(172,313)	-	-	(172,313)
Interest income	<u>67,871</u>	<u>3,782</u>	<u>4,629</u>	<u>76,282</u>
Total non-operating revenues (expenses)	<u>(101,318)</u>	<u>3,782</u>	<u>4,629</u>	<u>(92,907)</u>
Income (loss) before contributions and transfers	(553,163)	(4,261)	6,404	(551,020)
Contributed assets net of transferred debt	965,848	-	-	965,848
Transfers out	<u>(28,737)</u>	<u>-</u>	<u>(56,250)</u>	<u>(84,987)</u>
Change in net assets	383,948	(4,261)	(49,846)	329,841
Net assets at beginning of year	<u>21,470,134</u>	<u>96,357</u>	<u>707,822</u>	<u>22,274,313</u>
Net assets at end of year	<u>\$ 21,854,082</u>	<u>\$ 92,096</u>	<u>\$ 657,976</u>	<u>\$ 22,604,154</u>

See notes to basic financial statements.

VILLAGE OF MOKENA, ILLINOIS
STATEMENT OF FIDUCIARY ASSETS, LIABILITIES AND
NET ASSETS ARISING FROM CASH TRANSACTIONS
JUNE 30, 2008

	Performance Bond Agency Fund	Police Pension Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ -	\$ 1,586,765	\$ 1,586,765
Equity in pooled cash and investments	599,873	-	599,873
Investments:			
Annuities	-	836,568	836,568
Certificates of deposit	-	490,026	490,026
Mutual funds	-	2,252,863	2,252,863
U.S. government obligations	<u>-</u>	<u>1,566,058</u>	<u>1,566,058</u>
Total assets	<u>599,873</u>	<u>6,732,280</u>	<u>7,332,153</u>
LIABILITIES			
Due to property owners	<u>599,873</u>	<u>-</u>	<u>599,873</u>
NET ASSETS			
Held in trust for pension benefits and other purposes	<u>\$ -</u>	<u>\$ 6,732,280</u>	<u>\$ 6,732,280</u>

See notes to basic financial statements.

VILLAGE OF MOKENA, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
ARISING FROM CASH TRANSACTIONS -
POLICE PENSION FUND
YEAR ENDED JUNE 30, 2008

Additions:

Contributions:

Employer	\$ 473,517
Plan members	210,134
Buybacks	<u>28,630</u>

Total contributions \$ 712,281

Investment income (loss):

Net decrease in fair value of investments	(219,854)
Interest	<u>215,366</u>

Total investment income (loss) (4,488)

Total additions 707,793

Deductions:

Benefits paid	89,987
Administrative expense	<u>14,426</u>

Total deductions 104,413

Change in net assets 603,380

Net assets at beginning of year 6,128,900

Net assets at end of year \$ 6,732,280

See notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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VILLAGE OF MOKENA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

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 include the Village and any component units, entities for which the Village is considered to be financially accountable. At June 30, 2008, there were no entities that would be considered a component unit of the Village.

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 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 U.S. generally accepted accounting principles 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.

VILLAGE OF MOKENA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

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 Sewer Plant Expansion Fund accounts for the acquisition of capital assets or construction of major sewer plant expansion projects.

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

The Water System Capital Improvement Fund accounts for expenditures related to major improvements to the Village's water system.

The Sewer System Capital Improvement Fund accounts for expenditures related to major improvements to the Village's sewage system.

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.

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 Waterworks and Sewerage 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.

VILLAGE OF MOKENA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

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 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 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.

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

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.

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

**VILLAGE OF MOKENA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008**

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.

**VILLAGE OF MOKENA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008**

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.

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 market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

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

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
Machinery and equipment	10 - 20
Transportation equipment	5 - 10
Water and sewer systems	20 - 100
Infrastructure	23 - 50

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.

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

**VILLAGE OF MOKENA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008**

5. Fund Equity

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

Held in trust for pension benefits and other purposes - used to segregate a portion of fund equity for police pension benefit resources legally restricted to the payment of retirement and disability liabilities of the Village.

Reserved for capital projects - used to segregate a portion of fund equity for completion of capital projects currently under construction by the Village.

6. 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.

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 was amended during the year ended June 30, 2008.

**VILLAGE OF MOKENA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008**

B. Excess of Expenditures over Budget

The following funds had an excess of actual expenses/expenditures over the budgeted amount for the year ended June 30, 2008:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Enterprise funds:			
Waterworks and Sewerage Fund	\$ 5,103,120	\$ 5,812,468	\$ (709,348)
Municipal Parking Lot Fund	\$ 267,665	\$ 293,834	\$ (26,169)

The overexpenditure in the Waterworks and Sewerage Fund was funded by greater than anticipated revenues and contributed assets. The overexpenditure in the Municipal Parking Lot Fund was funded by 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, 2008, \$4,549,382 of the Village's bank balances of \$4,851,833 was uninsured and collateralized with securities held by the pledging financial institutions.

Investments

As of June 30, 2008, the Village had the following investments:

<u>Type of Investment</u>	<u>Fair Value/ Carrying Amount</u>	<u>Average Credit Quality/ Ratings (1)</u>	<u>Weighted Average Days to Maturity (2)</u>
Pooled investments (3):			
Money market funds:			
Illinois Metropolitan Investment Fund	\$ 6,749,854	Unrated	N/A
The Illinois Funds	12,621,251	AAAm	22 days
Certificates of deposit	<u>750,000</u>	N/A	973 days
Total pooled investments	<u>\$ 20,121,105</u>		

VILLAGE OF MOKENA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

<u>Type of Investment</u>	<u>Fair Value/ Carrying Amount</u>	<u>Average Credit Quality/ Ratings (1)</u>	<u>Weighted Average Days to Maturity (2)</u>
Non-pooled investments - fiduciary fund:			
Police Pension Fund:			
Money market funds:			
Fidelity Treasury Fund	\$ 1,320,794	AAA1	N/A
Centennial Money Market Trust	265,971	AAA1	N/A
Annuities	836,568	AAa	N/A
Certificates of deposit	490,026	N/A	237
Mutual funds	2,252,863	AAA _m	N/A
U.S. government obligations	<u>1,566,058</u>	AAA	2,966 days
Total non-pooled investments	<u>\$ 6,732,280</u>		

- (1) Ratings are provided where applicable to indicate associated *Credit Risk*. N/A indicates not applicable.
(2) *Interest Rate Risk* is estimated using weighted average days to maturity. 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.

VILLAGE OF MOKENA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

C. Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	<u>\$ 31,104,848</u>	<u>\$ 6,113,347</u>	<u>\$ -</u>	<u>\$ 37,218,195</u>
Capital assets being depreciated:				
Buildings and improvements	2,048,008	1,379,326	-	3,427,334
Transportation equipment	1,874,709	169,022	129,345	1,914,386
Machinery and equipment	638,027	181,355	-	819,382
Infrastructure	<u>71,651,085</u>	<u>12,668,055</u>	<u>-</u>	<u>84,319,140</u>
Total capital assets being depreciated	<u>76,211,829</u>	<u>14,397,758</u>	<u>129,345</u>	<u>90,480,242</u>
Less accumulated depreciation for:				
Buildings and improvements	(513,833)	(53,331)	-	(567,164)
Transportation equipment	(873,629)	(189,484)	(42,809)	(1,020,304)
Machinery and equipment	(369,496)	(49,402)	-	(418,898)
Infrastructure	<u>(21,822,889)</u>	<u>(1,497,591)</u>	<u>-</u>	<u>(23,320,480)</u>
Total accumulated depreciation	<u>(23,579,847)</u>	<u>(1,789,808)</u>	<u>(42,809)</u>	<u>(25,326,846)</u>
Total capital assets being depreciated, net	<u>52,631,982</u>	<u>12,607,950</u>	<u>86,536</u>	<u>65,153,396</u>
Governmental activities capital assets, net	<u>\$ 83,736,830</u>	<u>\$ 18,721,297</u>	<u>\$ 86,536</u>	<u>\$102,371,591</u>

VILLAGE OF MOKENA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,934,830	\$ -	\$ -	\$ 1,934,830
Capital assets being depreciated:				
Buildings and improvements	13,942,352	-	-	13,942,352
Water distribution, storm and sanitary system	13,931,396	965,848	-	14,897,244
Transportation equipment	424,907	50,988	15,609	460,286
Machinery and equipment	<u>2,563,688</u>	<u>19,108</u>	<u>-</u>	<u>2,582,796</u>
Total capital assets being depreciated	<u>30,862,343</u>	<u>1,035,944</u>	<u>15,609</u>	<u>31,882,678</u>
Less accumulated depreciation for:				
Buildings and improvements	(4,343,086)	(302,757)	-	(4,645,843)
Water distribution, storm and sanitary system	(2,097,280)	(297,702)	-	(2,394,982)
Transportation equipment	(296,679)	(53,625)	(15,609)	(334,695)
Machinery and equipment	<u>(1,861,224)</u>	<u>(112,297)</u>	<u>-</u>	<u>(1,973,521)</u>
Total accumulated depreciation	<u>(8,598,269)</u>	<u>(766,381)</u>	<u>(15,609)</u>	<u>(9,349,041)</u>
Total capital assets being depreciated, net	<u>22,264,074</u>	<u>269,563</u>	<u>-</u>	<u>22,533,637</u>
Business-type activities capital assets, net	<u>\$ 24,198,904</u>	<u>\$ 269,563</u>	<u>\$ -</u>	<u>\$ 24,468,467</u>

VILLAGE OF MOKENA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Police and emergency services	\$ 111,229
Public works	1,646,197
Community development	9,155
General government	<u>23,227</u>
 Total depreciation expense - governmental activities	 <u>\$ 1,789,808</u>
Business-type activities:	
Waterworks and sewerage	\$ 753,727
Municipal parking lot	<u>12,654</u>
 Total depreciation expense - business-type activities	 <u>\$ 766,381</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:

VILLAGE OF MOKENA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Payment</u>
November 1, 2008		\$ 21,361	\$ 21,361
May 1, 2009	\$ 55,000	21,361	76,361
November 1, 2009		19,918	19,918
May 1, 2010	55,000	19,918	74,918
November 1, 2010		18,474	18,474
May 1, 2011	60,000	18,474	78,474
November 1, 2011		16,899	16,899
May 1, 2012	65,000	16,899	81,899
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>\$ 795,000</u>	<u>\$ 283,426</u>	<u>\$ 1,078,426</u>

General Obligation Limited Tax Certificates

On September 25, 2000, the Village issued general obligation limited tax certificates, Series 2000 in the amount of \$1,685,000 for the purpose of financing the renovation of the downtown of the Village.

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.

VILLAGE OF MOKENA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

Repayment of the certificates with interest ranging from 4.35% to 5.6% is as follows:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Payment</u>
October 1, 2008	\$ 70,000	\$ 33,814	\$ 103,814
April 1, 2009		32,151	32,151
October 1, 2009	75,000	32,151	107,151
April 1, 2010		30,276	30,276
October 1, 2010	80,000	30,276	110,276
April 1, 2011		28,276	28,276
October 1, 2011	80,000	28,276	108,276
April 1, 2012		26,276	26,276
October 1, 2012	85,000	26,276	111,276
April 1, 2013		24,109	24,109
October 1, 2013	90,000	24,109	114,109
April 1, 2014		21,803	21,803
October 1, 2014	95,000	21,803	116,803
April 1, 2015		19,309	19,309
October 1, 2015	100,000	19,309	119,309
April 1, 2016		16,609	16,609
October 1, 2016	105,000	16,609	121,609
April 1, 2017		13,774	13,774
October 1, 2017	115,000	13,774	128,774
April 1, 2018		10,640	10,640
October 1, 2018	120,000	10,640	130,640
April 1, 2019		7,280	7,280
October 1, 2019	125,000	7,280	132,280
April 1, 2020		3,780	3,780
October 1, 2020	<u>135,000</u>	<u>3,780</u>	<u>138,780</u>
Total	<u>\$ 1,275,000</u>	<u>\$ 502,380</u>	<u>\$ 1,777,380</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 \$1,304,739 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.

VILLAGE OF MOKENA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

Repayment of the bonds 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, 2008	\$ 400,000	\$ 157,663	\$ 557,663
June 15, 2009		150,913	150,913
December 15, 2009	425,000	150,913	575,913
June 15, 2010		143,741	143,741
December 15, 2010	425,000	143,741	568,741
June 15, 2011		136,569	136,569
December 15, 2011	425,000	136,569	561,569
June 15, 2012		129,397	129,397
December 15, 2012	450,000	129,397	579,397
June 15, 2013		121,803	121,803
December 15, 2013	450,000	121,803	571,803
June 15, 2014		114,210	114,210
December 15, 2014	475,000	114,209	589,209
June 15, 2015		106,194	106,194
December 15, 2015	500,000	106,194	606,194
June 15, 2016		97,756	97,756
December 15, 2016	500,000	97,756	597,756
June 15, 2017		89,131	89,131
December 15, 2017	525,000	89,131	614,131
June 15, 2018		79,813	79,813
December 15, 2018	550,000	79,813	629,813
June 15, 2019		69,844	69,844
December 15, 2019	575,000	69,844	644,844
June 15, 2020		59,063	59,063
December 15, 2020	575,000	59,063	634,063
June 15, 2021		48,281	48,281
December 15, 2021	600,000	48,281	648,281
June 15, 2022		37,031	37,031
December 15, 2022	625,000	37,031	662,031
June 15, 2023		25,313	25,313
December 15, 2023	650,000	25,313	675,313
June 15, 2024		13,125	13,125
December 15, 2024	<u>700,000</u>	<u>13,125</u>	<u>713,125</u>
Total	<u>\$ 8,850,000</u>	<u>\$ 3,002,030</u>	<u>\$ 11,852,030</u>

VILLAGE OF MOKENA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

In November, 2000, a referendum was approved by the voters in the Village authorizing the issuance of general obligation bonds up to \$7,400,000 for the purpose of supplying the Village with water from Lake Michigan.

On February 26, 2001, the Village issued \$5,000,000 of General Obligation Bonds, Series 2001 for the purpose of construction of improvements to obtain the water supply. Bonds of \$2,400,000 remain authorized but unissued at June 30, 2008.

The bonds and the interest payable thereon are full faith and credit obligations of the Village payable from Waterworks 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 4.5% to 4.75% is as follows:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Payment</u>
December 1, 2008	\$ 230,000	\$ 83,681	\$ 313,681
June 1, 2009		78,506	78,506
December 1, 2009	240,000	78,506	318,506
June 1, 2010		72,956	72,956
December 1, 2010	250,000	72,956	322,956
June 1, 2011		67,175	67,175
December 1, 2011	260,000	67,175	327,175
June 1, 2012		61,163	61,163
December 1, 2012	275,000	61,163	336,163
June 1, 2013		54,803	54,803
December 1, 2013	285,000	54,803	339,803
June 1, 2014		48,213	48,213
December 1, 2014	300,000	48,213	348,213
June 1, 2015		41,088	41,088
December 1, 2015	315,000	41,088	356,088
June 1, 2016		33,606	33,606
December 1, 2016	330,000	33,606	363,606
June 1, 2017		25,769	25,769
December 1, 2017	345,000	25,769	370,769
June 1, 2018		17,575	17,575
December 1, 2018	360,000	17,575	377,575
June 1, 2019		9,025	9,025
December 1, 2019	<u>380,000</u>	<u>9,025</u>	<u>389,025</u>
Total	<u>\$ 3,570,000</u>	<u>\$ 1,103,439</u>	<u>\$ 4,673,439</u>

VILLAGE OF MOKENA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

The annual requirements to amortize all long-term debt outstanding as of June 30, 2008 including interest payments of \$4,891,275 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>
2009	\$ 97,722	\$ 135,965	\$ 1,100,763	\$ 1,334,450
2010	94,836	137,427	1,111,116	1,343,379
2011	96,948	138,552	1,095,441	1,330,941
2012	98,798	134,552	1,079,304	1,312,654
2013	95,386	135,385	1,092,166	1,322,937
2014	96,972	135,912	1,074,029	1,306,913
2015	98,262	136,112	1,084,704	1,319,078
2016	99,250	135,918	1,093,644	1,328,812
2017	99,850	135,383	1,076,262	1,311,495
2018	100,176	139,414	1,082,288	1,321,878
2019	100,226	137,920	1,086,257	1,324,403
2020	-	136,060	1,092,932	1,228,992
2021	-	138,780	682,344	821,124
2022	-	-	685,312	685,312
2023	-	-	687,344	687,344
2024	-	-	688,438	688,438
2025	-	-	713,125	713,125
Total	\$ 1,078,426	\$ 1,777,380	\$ 16,525,469	\$ 19,381,275

Long-term liability activity for the year ended June 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Note payable	\$ 845,000	\$ -	\$ (50,000)	\$ 795,000	\$ 55,000
General obligation limited tax certificates	1,340,000	-	(65,000)	1,275,000	70,000
General obligation bonds	9,250,000	-	(400,000)	8,850,000	400,000
Pension benefit obligation	301,068	15,012	-	316,080	-
Total	\$ 11,736,068	\$ 15,012	\$ (515,000)	\$ 11,236,080	\$ 525,000
Business-type activities:					
General obligation bonds	\$ 3,790,000	\$ -	\$ (220,000)	\$ 3,570,000	\$ 230,000

VILLAGE OF MOKENA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

The legal debt margin for the Village at June 30, 2008 is computed as follows:

Assessed valuation - 2007 tax year	<u>\$ 735,016,358</u>
Statutory debt limitation (8.625% of assessed valuation)	\$ 63,395,161
Total debt:	
Note payable	795,000
General obligation limited tax certificates	1,275,000
General obligation bonds	<u>12,420,000</u>
Legal debt margin	<u>\$ 48,905,161</u>

E. Transfers

Transfers during the year ended June 30, 2008 are summarized as follows:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>
Sewer System Capital Improvement Fund	Sewer Plant Expansion Fund	\$ 480,000
General Fund	Capital Improvement Repair and Replacement Fund	225,000
Water System Capital Improvement Fund	Capital Improvement Repair and Replacement Fund	100,000
Waterworks and Sewerage Fund	Capital Improvement Repair and Replacement Fund	28,737
Municipal Parking Lot Fund	Capital Improvement Repair and Replacement Fund	<u>56,250</u>
Total		<u>\$ 889,987</u>

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.

**VILLAGE OF MOKENA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008**

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, 2008 was \$0.

During the year ended June 30, 2008, 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, 2008, the Village was holding security agreement-letters of credit of approximately \$19,685,035. 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.

C. Employee Retirement Systems and Plans

The Village maintains a single-employer, defined benefit pension plan (Police Pension Fund) which covers its qualified Police Department employees and participates in the statewide Illinois Municipal Retirement Fund, an agent-multiple-employer public employee pension plan which covers substantially all of the remaining qualified Village employees. The information presented in the following notes for the Police Pension Fund and the Illinois Municipal Retirement Fund is the most current information available as of June 30, 2008.

1. Police Pension Fund

a. Plan Description

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.

**VILLAGE OF MOKENA, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2008**

At June 30, 2007, the Police Pension Plan membership consisted of the following:

Retirees and beneficiaries receiving benefits	2
Terminated plan members entitled to but not yet receiving benefits	1
Active plan members	<u>30</u>
 Total	 <u>33</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 pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. 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 of 2.5% of final salary for each year of service. Surviving spouses receive the greater of 50% of final salary or the member's retirement benefits. Members disabled in the line of duty receive 65% of final salary.

The monthly pension 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 granted pension. Beginning with increases granted on or after July 1, 1993, the second and subsequent automatic annual increases shall be calculated as 3% of the amount of the pension payable at the time of the increase.

b. Summary of Significant Accounting Policies - Basis of Accounting and Valuation of Investments

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 on the Village's balance sheet date. Securities without an established market are reported at estimated fair value.

VILLAGE OF MOKENA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

c. Funding

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 at an actuarially determined rate; the current rate is 14.76% of annual covered payroll. Administrative costs of the Police Pension Plan are financed through investment earnings.

d. Annual Pension Cost and Net Pension Obligation

The Village's annual pension cost and net pension obligation for the year ended June 30, 2007 were as follows:

Annual required contribution	\$ 298,778
Interest on net pension obligation	0
Adjustment to annual required contribution	<u>137,772</u>
Annual pension cost	436,550
Contributions made	<u>421,538</u>
Increase in net pension obligation	15,012
Net pension obligation at beginning of year	<u>301,068</u>
Net pension obligation at end of year	<u>\$ 316,080</u>

The annual required contribution was determined as part of the June 30, 2007, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.0% investment rate of return (net of administrative expenses), (b) projected salary increases of 5.5%, and (c) cost-of-living adjustments of 3.0% per year. Both (a) and (b) include an inflation component of 3.0%. The actuarial value of assets is not adjusted for short-term volatility in the market value of investments. The Police Pension Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2007 was 26 years.

e. Three-Year Trend Information:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
6/30/05	\$ 349,121	95.40 %	\$ 277,454
6/30/06	390,272	93.90	301,068
6/30/07	436,550	96.60	316,080

**VILLAGE OF MOKENA, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2008**

2. Illinois Municipal Retirement Fund

a. 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.

b. Funding Policy

As set by statute, Village employees who are plan members are required to contribute 4.5 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for the calendar year 2007 was 10.80 percent of annual covered payroll. 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.

c. Annual Pension Cost

For 2007, the Village's annual pension cost of \$327,298 for the Regular plan was equal to the Village's required and actual contributions.

d. 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>
12/31/05	\$ 243,435	100.00 %	\$ 0
12/31/06	287,857	100.00	0
12/31/07	327,298	100.00	0

**VILLAGE OF MOKENA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008**

The required contribution was determined as part of the December 31, 2005 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2005, included (a) 7.5 percent 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 15% corridor between the actuarial and market value of assets. The Village's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 25 years.

e. Funded Status and Funding Progress

As of December 31, 2007, the most recent actuarial valuation date, the Regular plan was 79.44 percent funded. The actuarial accrued liability for benefits was \$6,829,472 and the actuarial value of assets was \$5,425,577, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,403,895. The covered payroll (annual payroll of active employees covered by the plan) was \$3,030,536 and the ratio of the UAAL to the covered payroll was 46 percent.

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.

3. 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 \$343,196, the total required contribution for the current year.

REQUIRED SUPPLEMENTARY INFORMATION

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VILLAGE OF MOKENA, ILLINOIS
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCES ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2008

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Property	\$ 303,257	\$ 785,027	\$ 481,770
State sales	3,270,775	3,239,500	(31,275)
State income	1,527,953	1,755,081	227,128
Road and bridge	593,548	521,745	(71,803)
Licenses, permits and inspections	1,411,169	1,246,220	(164,949)
Fines, forfeitures and penalties	287,486	353,594	66,108
Gifts, donations and contributions	33,313	10,392	(22,921)
Grants	104,500	65,605	(38,895)
Interest income	122,000	99,135	(22,865)
Other income	262,370	423,877	161,507
Rental income	95,952	98,326	2,374
Interfund charges for service	269,309	321,810	52,501
Total revenues	8,281,632	8,920,312	638,680
Expenditures:			
Current:			
Administrative	1,443,600	1,344,087	99,513
Cable television commission	11,250	7,082	4,168
Emergency services and disasters	56,560	45,217	11,343
Fire and police commission	16,590	11,843	4,747
Legislative	111,411	108,201	3,210
Planning and zoning	979,013	695,007	284,006
Police	3,605,703	4,014,881	(409,178)
Streets	1,254,901	1,236,664	18,237
Buildings and grounds	337,150	296,310	40,840
Village clerk	15,255	12,458	2,797
Capital outlay	874,667	738,075	136,592
Debt service:			
Interest	69,155	69,155	-
Principal retirement	65,000	65,000	-
Total expenditures	8,840,255	8,643,980	196,275
Excess (deficiency) of revenues over (under) expenditures	(558,623)	276,332	834,955
Other financing uses:			
Transfers out	-	(225,000)	(225,000)
Net change in fund balances	(558,623)	51,332	609,955
Fund balances at beginning of year	2,825,547	2,825,547	-
Fund balances at end of year	\$ 2,266,924	\$ 2,876,879	\$ 609,955

**VILLAGE OF MOKENA, ILLINOIS
SCHEDULE OF FUNDING PROGRESS -
POLICE PENSION FUND
JUNE 30, 2008**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll
June 30, 2000	\$ 2,140,316	\$ 2,982,768	\$ 842,452	71.76	\$ 908,044
June 30, 2001	2,424,242	3,566,035	1,141,793	67.98	1,138,597
June 30, 2002	2,781,134	4,426,728	1,645,594	62.83	1,279,001
June 30, 2003	3,258,715	5,044,602	1,785,887	64.60	1,349,776
June 30, 2004	3,976,477	6,151,397	2,174,920	64.64	1,398,130
June 30, 2005	4,518,412	7,143,126	2,624,714	63.26	1,615,012
June 30, 2006	5,383,623	8,102,443	2,718,820	66.44	1,801,394
June 30, 2007	6,378,171	9,355,516	2,977,345	68.18	2,023,495

Information presented above is the most current information available.

UAAL as a Percentage of Covered Payroll	Annual Pension Cost	Percent Contributed
92.78	\$ 167,217	96.00
100.28	259,524	66.50
128.66	254,637	76.80
132.31	274,027	83.30
155.56	296,660	98.70
162.52	349,121	95.40
150.93	390,272	93.90
147.14	436,550	96.60

**VILLAGE OF MOKENA, ILLINOIS
SCHEDULE OF FUNDING PROGRESS -
ILLINOIS MUNICIPAL RETIREMENT FUND
JUNE 30, 2008**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded (Assets in Excess of) Actuarial Accrued Liability (UAAL)</u>
December 31, 2007	\$ 5,425,577	\$ 6,829,472	\$ 1,403,895
December 31, 2006	4,878,677	6,704,626	1,825,949
December 31, 2005	4,124,711	5,148,340	1,023,629
December 31, 2004	3,936,711	4,693,064	756,353
December 31, 2003	3,517,293	3,811,014	293,721
December 31, 2002	3,188,223	3,144,707	(43,516)
December 31, 2001	3,119,302	2,603,973	(515,329)
December 31, 2000	2,743,949	2,203,005	(540,944)
December 31, 1999	2,311,604	1,986,668	(324,936)
December 31, 1998	2,025,111	1,666,881	(358,230)

On a market value basis, the actuarial value of assets as of December 31, 2007 is \$5,739,343.

On a market basis, the funded ratio would be 84.04%.

Digest of Changes. The actuarial assumptions used to determine the actuarial accrued liability for 2007 are based on the 2002-2004 Experience Study.

The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For Regular members, fewer normal and early retirements are expected to occur.

Information presented above is the most current information available.

<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
79.44 %	\$ 3,030,536	46.32 %
72.77	2,733,681	66.79
80.12	2,584,232	39.61
83.88	2,345,347	32.25
92.29	2,208,159	13.30
101.38	2,086,103	0.00
119.79	1,823,607	0.00
124.55	1,652,755	0.00
116.36	1,503,799	0.00
121.49	1,348,056	0.00

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

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MAJOR GOVERNMENTAL FUNDS

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GENERAL FUND

**VILLAGE OF MOKENA, ILLINOIS
GENERAL FUND
STATEMENT OF ASSETS AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS
JUNE 30, 2008
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007**

	<u>2008</u>	<u>2007</u>
ASSETS		
Equity in pooled cash and investments	\$ <u>2,876,879</u>	\$ <u>2,825,547</u>
FUND BALANCES		
Unreserved	\$ <u>2,876,879</u>	\$ <u>2,825,547</u>

VILLAGE OF MOKENA, ILLINOIS
GENERAL FUND
STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCES ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Taxes:				
Property	\$ 303,257	\$ 785,027	\$ 481,770	\$ 716,557
State sales	3,270,775	3,239,500	(31,275)	3,056,289
State income	1,527,953	1,755,081	227,128	1,401,246
Road and bridge	593,548	521,745	(71,803)	558,225
Licenses, permits and inspections	1,411,169	1,246,220	(164,949)	1,324,378
Fines, forfeitures and penalties	287,486	353,594	66,108	235,726
Gifts, donations and contributions	33,313	10,392	(22,921)	9,477
Grants	104,500	65,605	(38,895)	-
Interest income	122,000	99,135	(22,865)	152,836
Other income	262,370	423,877	161,507	288,721
Rental income	95,952	98,326	2,374	92,011
Interfund charges for service	269,309	321,810	52,501	274,240
	<u>8,281,632</u>	<u>8,920,312</u>	<u>638,680</u>	<u>8,109,706</u>
Total revenues				
Expenditures:				
Current:				
Administrative	1,443,600	1,344,087	99,513	1,358,910
Cable television commission	11,250	7,082	4,168	8,013
Emergency services and disasters	56,560	45,217	11,343	43,510
Fire and police commission	16,590	11,843	4,747	18,179
Legislative	111,411	108,201	3,210	201,745
Planning and zoning	979,013	695,007	284,006	842,941
Police	3,605,703	4,014,881	(409,178)	3,531,719
Streets	1,254,901	1,236,664	18,237	1,050,239
Buildings and grounds	337,150	296,310	40,840	342,078
Village clerk	15,255	12,458	2,797	10,234
Capital outlay	874,667	738,075	136,592	497,465
Debt service:				
Interest	69,155	69,155	-	72,194
Principal retirement	65,000	65,000	-	65,000
	<u>8,840,255</u>	<u>8,643,980</u>	<u>196,275</u>	<u>8,042,227</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	(558,623)	276,332	834,955	67,479
Other financing uses:				
Transfers out	-	(225,000)	(225,000)	(250,000)
Net change in fund balances	(558,623)	51,332	609,955	(182,521)
Fund balances at beginning of year	<u>2,825,547</u>	<u>2,825,547</u>	<u>-</u>	<u>3,008,068</u>
Fund balances at end of year	<u>\$ 2,266,924</u>	<u>\$ 2,876,879</u>	<u>\$ 609,955</u>	<u>\$ 2,825,547</u>

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CAPITAL PROJECTS FUNDS

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SEWER PLANT EXPANSION FUND

**VILLAGE OF MOKENA, ILLINOIS
SEWER PLANT EXPANSION FUND
STATEMENT OF ASSETS AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS
JUNE 30, 2008
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007**

	<u>2008</u>	<u>2007</u>
ASSETS		
Equity in pooled cash and investments	<u>\$ 5,935,612</u>	<u>\$ 5,284,444</u>
FUND BALANCES		
Reserved for capital projects	<u>\$ 5,935,612</u>	<u>\$ 5,284,444</u>

**VILLAGE OF MOKENA, ILLINOIS
SEWER PLANT EXPANSION FUND
STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCES ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	<u>2008</u>		<u>2007</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Interest income	\$ 265,000	\$ 200,002	\$ (64,998)	\$ 265,973
Expenditures:				
Current:				
Administrative:				
Contingency	20,000	-	20,000	-
Capital outlay	435,000	28,834	406,166	6,490
Total expenditures	455,000	28,834	426,166	6,490
Excess (deficiency) of revenues over (under) expenditures	(190,000)	171,168	361,168	259,483
Other financing sources:				
Transfers in	480,000	480,000	-	460,000
Net change in fund balances	290,000	651,168	361,168	719,483
Fund balances at beginning of year	5,284,444	5,284,444	-	4,564,961
Fund balances at end of year	<u>\$ 5,574,444</u>	<u>\$ 5,935,612</u>	<u>\$ 361,168</u>	<u>\$ 5,284,444</u>

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CAPITAL IMPROVEMENT REPAIR AND REPLACEMENT FUND

VILLAGE OF MOKENA, ILLINOIS
CAPITAL IMPROVEMENT REPAIR AND REPLACEMENT FUND
STATEMENT OF ASSETS AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS
JUNE 30, 2008
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Equity in pooled cash and investments	\$ 9,744,337	\$ 14,001,356
Restricted assets:		
System improvements	99,079	-
Bond reserve	<u>100,225</u>	<u>100,225</u>
Total assets	<u>\$ 9,943,641</u>	<u>\$ 14,101,581</u>
FUND BALANCES		
Reserved for capital projects	<u>\$ 9,943,641</u>	<u>\$ 14,101,581</u>

VILLAGE OF MOKENA, ILLINOIS
CAPITAL IMPROVEMENT REPAIR AND REPLACEMENT FUND
STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCES ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>Variance with Final Budget Positive (Negative)</u>	<u>2007</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Sales tax	\$ 1,333,100	\$ 1,304,739	\$ (28,361)	\$ 1,235,259
Fees by agreement	-	2,275	2,275	-
Gifts, donations and contributions	631,700	185,570	(446,130)	607,661
Interest income	<u>380,100</u>	<u>396,670</u>	<u>16,570</u>	<u>705,416</u>
Total revenues	<u>2,344,900</u>	<u>1,889,254</u>	<u>(455,646)</u>	<u>2,548,336</u>
Expenditures:				
Current:				
Administrative:				
Contractual agreements	308,217	211,310	96,907	191,811
Capital outlay	8,534,051	5,428,448	3,105,603	2,726,901
Debt service:				
Interest	322,075	367,423	(45,348)	382,891
Principal retirement	<u>400,000</u>	<u>450,000</u>	<u>(50,000)</u>	<u>425,000</u>
Total expenditures	<u>9,564,343</u>	<u>6,457,181</u>	<u>3,107,162</u>	<u>3,726,603</u>
Excess (deficiency) of revenues over (under) expenditures	(7,219,443)	(4,567,927)	2,651,516	<u>(1,178,267)</u>
Other financing sources:				
Transfers in	<u>210,000</u>	<u>409,987</u>	<u>199,987</u>	<u>1,155,000</u>
Net change in fund balances	(7,009,443)	(4,157,940)	2,851,503	(23,267)
Fund balances at beginning of year	<u>14,101,581</u>	<u>14,101,581</u>	<u>-</u>	<u>14,124,848</u>
Fund balances at end of year	<u>\$ 7,092,138</u>	<u>\$ 9,943,641</u>	<u>\$ 2,851,503</u>	<u>\$ 14,101,581</u>

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WATER SYSTEM CAPITAL IMPROVEMENT FUND

VILLAGE OF MOKENA, ILLINOIS
WATER SYSTEM CAPITAL IMPROVEMENT FUND
STATEMENT OF ASSETS AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS
JUNE 30, 2008
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007

	2008	2007
ASSETS		
Equity in pooled cash and investments	<u>\$ 701,631</u>	<u>\$ 1,117,378</u>
FUND BALANCES		
Reserved for capital projects	<u>\$ 701,631</u>	<u>\$ 1,117,378</u>

VILLAGE OF MOKENA, ILLINOIS
WATER SYSTEM CAPITAL IMPROVEMENT FUND
STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCES ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008		Variance with Final Budget Positive (Negative)	2007
	Original and Final Budget	Actual		Actual
Revenues:				
Fees by agreement	\$ 1,526,756	\$ 692,377	\$ (834,379)	\$ 1,189,248
Interest income	<u>52,750</u>	<u>44,018</u>	<u>(8,732)</u>	<u>127,404</u>
Total revenues	<u>1,579,506</u>	<u>736,395</u>	<u>(843,111)</u>	<u>1,316,652</u>
Expenditures:				
Current:				
Administrative:				
Professional fees	387,610	86,294	301,316	245,969
Contingency	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
Total administrative	407,610	86,294	321,316	245,969
Capital outlay	<u>1,368,380</u>	<u>965,848</u>	<u>402,532</u>	<u>3,147,769</u>
Total expenditures	<u>1,775,990</u>	<u>1,052,142</u>	<u>723,848</u>	<u>3,393,738</u>
Excess (deficiency) of revenues over (under) expenditures	(196,484)	(315,747)	(119,263)	(2,077,086)
Other financing uses:				
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>(850,000)</u>
Net change in fund balances	(296,484)	(415,747)	(119,263)	(2,927,086)
Fund balances at beginning of year	<u>1,117,378</u>	<u>1,117,378</u>	<u>-</u>	<u>4,044,464</u>
Fund balances at end of year	<u>\$ 820,894</u>	<u>\$ 701,631</u>	<u>\$ (119,263)</u>	<u>\$ 1,117,378</u>

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SEWER SYSTEM CAPITAL IMPROVEMENT FUND

**VILLAGE OF MOKENA, ILLINOIS
SEWER SYSTEM CAPITAL IMPROVEMENT FUND
STATEMENT OF ASSETS AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS
JUNE 30, 2008
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007**

	<u>2008</u>	<u>2007</u>
ASSETS		
Equity in pooled cash and investments	<u>\$ 1,296,447</u>	<u>\$ 1,583,950</u>
FUND BALANCES		
Reserved for capital projects	<u>\$ 1,296,447</u>	<u>\$ 1,583,950</u>

VILLAGE OF MOKENA, ILLINOIS
SEWER SYSTEM CAPITAL IMPROVEMENT FUND
STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCES ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
Revenues:				
Fees by agreement	\$ 506,985	\$ 228,461	\$ (278,524)	\$ 385,232
Interest income	<u>76,800</u>	<u>63,570</u>	<u>(13,230)</u>	<u>107,288</u>
Total revenues	<u>583,785</u>	<u>292,031</u>	<u>(291,754)</u>	<u>492,520</u>
Expenditures:				
Current:				
Administrative:				
Professional fees	12,285	152	12,133	23,072
Capital outlay	<u>235,470</u>	<u>99,382</u>	<u>136,088</u>	<u>473,104</u>
Total expenditures	<u>247,755</u>	<u>99,534</u>	<u>148,221</u>	<u>496,176</u>
Excess (deficiency) of revenues over (under) expenditures	336,030	192,497	(143,533)	(3,656)
Other financing uses:				
Transfers out	<u>(480,000)</u>	<u>(480,000)</u>	<u>-</u>	<u>(460,000)</u>
Net change in fund balances	(143,970)	(287,503)	(143,533)	(463,656)
Fund balances at beginning of year	<u>1,583,950</u>	<u>1,583,950</u>	<u>-</u>	<u>2,047,606</u>
Fund balances at end of year	<u>\$ 1,439,980</u>	<u>\$ 1,296,447</u>	<u>\$ (143,533)</u>	<u>\$ 1,583,950</u>

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MAJOR PROPRIETARY FUNDS

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ENTERPRISE FUNDS

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WATERWORKS AND SEWERAGE FUND

**VILLAGE OF MOKENA, ILLINOIS
WATERWORKS AND SEWERAGE FUND
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS
ARISING FROM CASH TRANSACTIONS
JUNE 30, 2008
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007**

ASSETS	<u>2008</u>	<u>2007</u>
Current assets:		
Equity in pooled cash and investments	\$ 1,520,237	\$ 1,638,506
Noncurrent assets:		
Capital assets	33,196,961	32,176,626
Less accumulated depreciation	<u>(9,293,116)</u>	<u>(8,554,998)</u>
Net capital assets	<u>23,903,845</u>	<u>23,621,628</u>
Total assets	<u>25,424,082</u>	<u>25,260,134</u>
LIABILITIES		
Current liabilities:		
General obligation bonds payable	230,000	220,000
Noncurrent liabilities:		
General obligation bonds payable	<u>3,340,000</u>	<u>3,570,000</u>
Total liabilities	<u>3,570,000</u>	<u>3,790,000</u>
NET ASSETS		
Invested in capital assets, net of related debt	20,333,845	19,831,628
Unrestricted	<u>1,520,237</u>	<u>1,638,506</u>
Total net assets	<u>\$ 21,854,082</u>	<u>\$ 21,470,134</u>

VILLAGE OF MOKENA, ILLINOIS
WATERWORKS AND SEWERAGE 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, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	<u>2008</u>			<u>Variance with</u>	<u>2007</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Positive</u>	<u>Actual</u>
				<u>(Negative)</u>	
Operating revenues:					
Charges for services	4,350,690	\$ 4,350,690	\$ 4,570,308	\$ 219,618	\$ 4,247,373
Water meter installation	121,628	121,628	84,846	(36,782)	112,256
Inspection fees	73,986	73,986	28,249	(45,737)	58,847
Other income	136,788	136,788	214,811	78,023	172,100
Total operating revenues	<u>4,683,092</u>	<u>4,683,092</u>	<u>4,898,214</u>	<u>215,122</u>	<u>4,590,576</u>
Operating expenses:					
Personal services	1,768,916	1,768,916	1,775,673	(6,757)	1,637,736
Commodities	406,072	406,072	366,220	39,852	402,768
Contractual services	2,067,866	2,162,866	2,315,711	(152,845)	2,058,446
Depreciation	-	-	753,727	(753,727)	705,904
Interfund charges for services	138,728	138,728	138,728	-	138,176
Contingency	150,000	150,000	-	150,000	-
Total operating expenses	<u>4,531,582</u>	<u>4,626,582</u>	<u>5,350,059</u>	<u>(723,477)</u>	<u>4,943,030</u>
Operating income (loss)	<u>151,510</u>	<u>56,510</u>	<u>(451,845)</u>	<u>(508,355)</u>	<u>(352,454)</u>
Non-operating revenues (expenses):					
Gain on disposition of capital assets	-	-	3,124	3,124	-
Interest expense	(172,313)	(172,313)	(172,313)	-	(181,988)
Interest income	77,000	77,000	67,871	(9,129)	99,079
Total non-operating revenues (expenses)	<u>(95,313)</u>	<u>(95,313)</u>	<u>(101,318)</u>	<u>(6,005)</u>	<u>(82,909)</u>
Income (loss) before contributions and transfers	56,197	(38,803)	(553,163)	(514,360)	(435,363)
Contributed assets net of transferred debt	-	-	965,848	965,848	3,586,566
Transfers out	(28,737)	(28,737)	(28,737)	-	(47,500)
Change in net assets	27,460	(67,540)	383,948	451,488	3,103,703
Net assets at beginning of year	<u>21,470,134</u>	<u>21,470,134</u>	<u>21,470,134</u>	<u>-</u>	<u>18,366,431</u>
Net assets at end of year	<u>21,497,594</u>	<u>\$ 21,402,594</u>	<u>\$ 21,854,082</u>	<u>\$ 451,488</u>	<u>\$ 21,470,134</u>
Other budgeted expenditures:					
Capital outlay	<u>71,766</u>	<u>\$ 71,766</u>	<u>\$ 70,096</u>	<u>\$ 1,670</u>	<u>\$ 43,210</u>
Debt service - principal	<u>220,000</u>	<u>\$ 220,000</u>	<u>\$ 220,000</u>	<u>\$ -</u>	<u>\$ 210,000</u>

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REFUSE FUND

**VILLAGE OF MOKENA, ILLINOIS
REFUSE FUND
STATEMENT OF ASSETS AND NET ASSETS
ARISING FROM CASH TRANSACTIONS
JUNE 30, 2008
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007**

	<u>2008</u>	<u>2007</u>
ASSETS		
Equity in pooled cash and investments	<u>\$ 92,096</u>	<u>\$ 96,357</u>
NET ASSETS		
Unrestricted	<u>\$ 92,096</u>	<u>\$ 96,357</u>

VILLAGE OF MOKENA, ILLINOIS
REFUSE FUND
STATEMENT OF REVENUES RECEIVED, EXPENSES PAID AND CHANGES
IN FUND NET ASSETS ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008		Variance with Final Budget Positive (Negative)	2007
	Original and Final Budget	Actual		Actual
Operating revenues:				
Charges for services	\$ 997,781	\$ 998,322	\$ 541	\$ 951,330
Other income	<u>5,785</u>	<u>5,181</u>	<u>(604)</u>	<u>5,089</u>
Total operating revenues	<u>1,003,566</u>	<u>1,003,503</u>	<u>(63)</u>	<u>956,419</u>
Operating expenses:				
Commodities	9,450	7,950	1,500	6,000
Contractual services	964,571	964,751	(180)	915,038
Interfund charges for service	<u>38,845</u>	<u>38,845</u>	<u>-</u>	<u>38,690</u>
Total operating expenses	<u>1,012,866</u>	<u>1,011,546</u>	<u>1,320</u>	<u>959,728</u>
Operating income (loss)	(9,300)	(8,043)	1,257	(3,309)
Non-operating revenues:				
Interest income	<u>4,550</u>	<u>3,782</u>	<u>(768)</u>	<u>4,595</u>
Change in net assets	(4,750)	(4,261)	489	1,286
Net assets at beginning of year	<u>96,357</u>	<u>96,357</u>	<u>-</u>	<u>95,071</u>
Net assets at end of year	<u>\$ 91,607</u>	<u>\$ 92,096</u>	<u>\$ 489</u>	<u>\$ 96,357</u>

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MUNICIPAL PARKING LOT FUND

**VILLAGE OF MOKENA, ILLINOIS
MUNICIPAL PARKING LOT FUND
STATEMENT OF ASSETS AND NET ASSETS
ARISING FROM CASH TRANSACTIONS
JUNE 30, 2008
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007**

ASSETS	<u>2008</u>	<u>2007</u>
Current assets:		
Equity in pooled cash and investments	\$ 93,354	\$ 130,546
Noncurrent assets:		
Capital assets	620,547	620,547
Less accumulated depreciation	<u>(55,925)</u>	<u>(43,271)</u>
Net capital assets	<u>564,622</u>	<u>577,276</u>
Total assets	<u>\$ 657,976</u>	<u>\$ 707,822</u>
NET ASSETS		
Invested in capital assets, net of related debt	\$ 564,622	\$ 577,276
Unrestricted	<u>93,354</u>	<u>130,546</u>
Total net assets	<u>\$ 657,976</u>	<u>\$ 707,822</u>

**VILLAGE OF MOKENA, ILLINOIS
MUNICIPAL PARKING LOT 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, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	<u>2008</u>		<u>Variance with Final Budget Positive (Negative)</u>	<u>2007</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Operating revenues:				
Charges for services	\$ 300,000	\$ 294,605	\$ (5,395)	\$ 297,407
Other income	<u>1,000</u>	<u>1,004</u>	<u>4</u>	<u>1,000</u>
Total operating revenues	<u>301,000</u>	<u>295,609</u>	<u>(5,391)</u>	<u>298,407</u>
Operating expenses:				
Personal services	110,659	101,296	9,363	100,547
Commodities	32,940	29,932	3,008	33,418
Contractual services	59,030	84,916	(25,886)	69,209
Depreciation	-	12,654	(12,654)	12,713
Interfund charges for services	<u>65,036</u>	<u>65,036</u>	<u>-</u>	<u>64,777</u>
Total operating expenses	<u>267,665</u>	<u>293,834</u>	<u>(26,169)</u>	<u>280,664</u>
Operating income	33,335	1,775	(31,560)	17,743
Non-operating revenues:				
Interest income	<u>5,150</u>	<u>4,629</u>	<u>(521)</u>	<u>6,854</u>
Income before transfers	38,485	6,404	(32,081)	24,597
Transfers out	<u>(75,000)</u>	<u>(56,250)</u>	<u>18,750</u>	<u>(20,000)</u>
Change in net assets	(36,515)	(49,846)	(13,331)	4,597
Net assets at beginning of year	<u>707,822</u>	<u>707,822</u>	<u>-</u>	<u>703,225</u>
Net assets at end of year	<u>\$ 671,307</u>	<u>\$ 657,976</u>	<u>\$ (13,331)</u>	<u>\$ 707,822</u>
Other budgeted expenditures:				
Capital outlay	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,044</u>

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NONMAJOR GOVERNMENTAL FUNDS

**VILLAGE OF MOKENA, ILLINOIS
 COMBINING STATEMENT OF ASSETS AND FUND BALANCES
 ARISING FROM CASH TRANSACTIONS
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2008**

	<u>Special Revenue</u>				
	<u>Municipal Audit</u>	<u>School Crossing Guard</u>	<u>Motor Fuel Tax</u>	<u>IMRF/FICA</u>	<u>Tourism</u>
ASSETS					
Equity in pooled cash and investments	<u>\$ 17,399</u>	<u>\$ 19,370</u>	<u>\$ 328,313</u>	<u>\$ 199,553</u>	<u>\$ 55,910</u>
FUND BALANCES					
Reserved for capital projects	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	<u>17,399</u>	<u>19,370</u>	<u>328,313</u>	<u>199,553</u>	<u>55,910</u>
Total fund balances	<u>\$ 17,399</u>	<u>\$ 19,370</u>	<u>\$ 328,313</u>	<u>\$ 199,553</u>	<u>\$ 55,910</u>

<u>Capital Projects</u> Sewer Plant Replacement	<u>Total</u> Nonmajor Governmental Funds
--	---

\$ 1,166,541	\$ 1,787,086
--------------	--------------

\$ 1,166,541	\$ 1,166,541
--------------	--------------

<u>-</u>	<u>620,545</u>
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<u>\$ 1,166,541</u>	<u>\$ 1,787,086</u>
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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, 2008

	<u>Special Revenue</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	\$ 6,510	\$ 21,962	\$ -	\$ 515,417	\$ -
State replacement	-	-	-	21,530	-
Hotel/motel	-	-	-	-	50,836
Allotments	-	-	538,060	-	-
Interest income	<u>704</u>	<u>824</u>	<u>14,074</u>	<u>7,869</u>	<u>2,533</u>
Total revenues	<u>7,214</u>	<u>22,786</u>	<u>552,134</u>	<u>544,816</u>	<u>53,369</u>
Expenditures:					
Current:					
Administrative	5,850	21,663	310,150	543,683	54,812
Capital outlay	<u>-</u>	<u>-</u>	<u>402,796</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>5,850</u>	<u>21,663</u>	<u>712,946</u>	<u>543,683</u>	<u>54,812</u>
Excess (deficiency) of revenues over (under) expenditures	1,364	1,123	(160,812)	1,133	(1,443)
Fund balances at beginning of year	<u>16,035</u>	<u>18,247</u>	<u>489,125</u>	<u>198,420</u>	<u>57,353</u>
Fund balances at end of year	<u>\$ 17,399</u>	<u>\$ 19,370</u>	<u>\$ 328,313</u>	<u>\$ 199,553</u>	<u>\$ 55,910</u>

<u>Capital Projects</u> <u>Sewer</u> <u>Plant</u> <u>Replacement</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
\$ -	\$ 543,889
-	21,530
-	50,836
-	538,060
<u>43,954</u>	<u>69,958</u>
<u>43,954</u>	<u>1,224,273</u>
-	936,158
<u>13,818</u>	<u>416,614</u>
<u>13,818</u>	<u>1,352,772</u>
30,136	(128,499)
<u>1,136,405</u>	<u>1,915,585</u>
<u>\$ 1,166,541</u>	<u>\$ 1,787,086</u>

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SPECIAL REVENUE FUNDS

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MUNICIPAL AUDIT FUND

VILLAGE OF MOKENA, ILLINOIS
MUNICIPAL AUDIT FUND
STATEMENT OF ASSETS AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS
JUNE 30, 2008
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Equity in pooled cash and investments	\$ <u>17,399</u>	\$ <u>16,035</u>
FUND BALANCES		
Unreserved	\$ <u>17,399</u>	\$ <u>16,035</u>

**VILLAGE OF MOKENA, ILLINOIS
MUNICIPAL AUDIT FUND
STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCES ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	<u>2007</u>		<u>2007</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Property taxes	\$ 6,000	\$ 6,510	\$ 510	\$ 6,259
Interest income	<u>800</u>	<u>704</u>	<u>(96)</u>	<u>842</u>
Total revenues	6,800	7,214	414	7,101
Expenditures:				
Current:				
Administrative:				
Professional services	<u>5,852</u>	<u>5,850</u>	<u>2</u>	<u>5,550</u>
Excess of revenues over expenditures	948	1,364	416	1,551
Fund balances at beginning of year	<u>16,035</u>	<u>16,035</u>	<u>-</u>	<u>14,484</u>
Fund balances at end of year	<u>\$ 16,983</u>	<u>\$ 17,399</u>	<u>\$ 416</u>	<u>\$ 16,035</u>

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SCHOOL CROSSING GUARD FUND

**VILLAGE OF MOKENA, ILLINOIS
SCHOOL CROSSING GUARD FUND
STATEMENT OF ASSETS AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS
JUNE 30, 2008
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007**

	<u>2008</u>	<u>2007</u>
ASSETS		
Equity in pooled cash and investments	<u>\$ 19,370</u>	<u>\$ 18,247</u>
FUND BALANCES		
Unreserved	<u>\$ 19,370</u>	<u>\$ 18,247</u>

VILLAGE OF MOKENA, ILLINOIS
SCHOOL CROSSING GUARD FUND
STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCES ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	<u>2008</u>			<u>2007</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Property taxes	\$ 22,021	\$ 21,962	\$ (59)	\$ 20,850
Interest income	<u>885</u>	<u>824</u>	<u>(61)</u>	<u>933</u>
Total revenues	<u>22,906</u>	<u>22,786</u>	<u>(120)</u>	<u>21,783</u>
Expenditures:				
Current:				
Administrative:				
Compensation	21,464	20,982	482	19,757
Unemployment	279	251	28	229
Operational supplies	<u>950</u>	<u>430</u>	<u>520</u>	<u>385</u>
Total expenditures	<u>22,693</u>	<u>21,663</u>	<u>1,030</u>	<u>20,371</u>
Excess of revenues over expenditures	213	1,123	910	1,412
Fund balances at beginning of year	<u>18,247</u>	<u>18,247</u>	<u>-</u>	<u>16,835</u>
Fund balances at end of year	<u>\$ 18,460</u>	<u>\$ 19,370</u>	<u>\$ 910</u>	<u>\$ 18,247</u>

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MOTOR FUEL TAX FUND

VILLAGE OF MOKENA, ILLINOIS
MOTOR FUEL TAX FUND
STATEMENT OF ASSETS AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS
JUNE 30, 2008
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Equity in pooled cash and investments	\$ <u>328,313</u>	\$ <u>489,125</u>
FUND BALANCES		
Unreserved	\$ <u>328,313</u>	\$ <u>489,125</u>

VILLAGE OF MOKENA, ILLINOIS
MOTOR FUEL TAX FUND
STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCES ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	<u>2008</u>			<u>Variance with Final Budget Positive (Negative)</u>	<u>2007</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Allotments	\$ 502,292	\$ 502,292	\$ 538,060	\$ 35,768	\$ 499,445
Interest income	9,500	9,500	14,074	4,574	18,229
Other income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>720</u>
Total revenues	<u>511,792</u>	<u>511,792</u>	<u>552,134</u>	<u>40,342</u>	<u>518,394</u>
Expenditures:					
Current:					
Administrative:					
Compensation	39,875	67,925	89,019	(21,094)	47,267
Contractual services	27,800	27,800	24,076	3,724	13,046
Operational supplies	<u>103,950</u>	<u>169,400</u>	<u>197,055</u>	<u>(27,655)</u>	<u>114,750</u>
Total administrative	171,625	265,125	310,150	(45,025)	175,063
Capital outlay	<u>449,876</u>	<u>449,876</u>	<u>402,796</u>	<u>47,080</u>	<u>-</u>
Total expenditures	<u>621,501</u>	<u>715,001</u>	<u>712,946</u>	<u>2,055</u>	<u>175,063</u>
Excess (deficiency) of revenues over (under) expenditures	(109,709)	(203,209)	(160,812)	42,397	343,331
Fund balances at beginning of year	<u>489,125</u>	<u>489,125</u>	<u>489,125</u>	<u>-</u>	<u>145,794</u>
Fund balances at end of year	<u>\$ 379,416</u>	<u>\$ 285,916</u>	<u>\$ 328,313</u>	<u>\$ 42,397</u>	<u>\$ 489,125</u>

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IMRF/FICA FUND

VILLAGE OF MOKENA, ILLINOIS
IMRF/FICA FUND
STATEMENT OF ASSETS AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS
JUNE 30, 2008
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Equity in pooled cash and investments	\$ <u>199,553</u>	\$ <u>198,420</u>
FUND BALANCES		
Unreserved	\$ <u>199,553</u>	\$ <u>198,420</u>

VILLAGE OF MOKENA, ILLINOIS
IMRF/FICA FUND
STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCES ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Taxes:				
Property	\$ 518,508	\$ 515,417	\$ (3,091)	\$ 479,217
State replacement	20,150	21,530	1,380	19,317
Interest income	<u>9,500</u>	<u>7,869</u>	<u>(1,631)</u>	<u>8,952</u>
Total revenues	<u>548,158</u>	<u>544,816</u>	<u>(3,342)</u>	<u>507,486</u>
Expenditures:				
Current:				
Administrative:				
FICA/Medicare contribution	331,697	328,391	3,306	296,382
IMRF contribution	<u>213,218</u>	<u>215,292</u>	<u>(2,074)</u>	<u>185,313</u>
Total expenditures	<u>544,915</u>	<u>543,683</u>	<u>1,232</u>	<u>481,695</u>
Excess of revenues over expenditures	3,243	1,133	(2,110)	25,791
Fund balances at beginning of year	<u>198,420</u>	<u>198,420</u>	<u>-</u>	<u>172,629</u>
Fund balances at end of year	<u>\$ 201,663</u>	<u>\$ 199,553</u>	<u>\$ (2,110)</u>	<u>\$ 198,420</u>

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TOURISM FUND

**VILLAGE OF MOKENA, ILLINOIS
 TOURISM FUND
 STATEMENT OF ASSETS AND FUND BALANCES
 ARISING FROM CASH TRANSACTIONS
 JUNE 30, 2008
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007**

	<u>2008</u>	<u>2007</u>
ASSETS		
Equity in pooled cash and investments	<u>\$ 55,910</u>	<u>\$ 57,353</u>
FUND BALANCES		
Unreserved	<u>\$ 55,910</u>	<u>\$ 57,353</u>

VILLAGE OF MOKENA, ILLINOIS
TOURISM FUND
STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCES ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	<u>2008</u>			<u>2007</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Hotel/motel taxes	\$ 50,000	\$ 50,836	\$ 836	\$ 46,794
Interest income	<u>2,700</u>	<u>2,533</u>	<u>(167)</u>	<u>3,394</u>
Total revenues	<u>52,700</u>	<u>53,369</u>	<u>669</u>	<u>50,188</u>
Expenditures:				
Current:				
Administrative:				
Compensation	26,754	26,849	(95)	25,549
Employee benefits	3,104	3,205	(101)	2,791
Membership and meetings	16,247	14,842	1,405	15,567
Public relations	6,500	6,041	459	5,190
Other contractual	1,000	-	1,000	17
Operational supplies	<u>7,320</u>	<u>3,875</u>	<u>3,445</u>	<u>2,283</u>
Total expenditures	<u>60,925</u>	<u>54,812</u>	<u>6,113</u>	<u>51,397</u>
Excess (deficiency) of revenues over (under) expenditures	(8,225)	(1,443)	6,782	(1,209)
Fund balances at beginning of year	<u>57,353</u>	<u>57,353</u>	<u>-</u>	<u>58,562</u>
Fund balances at end of year	<u>\$ 49,128</u>	<u>\$ 55,910</u>	<u>\$ 6,782</u>	<u>\$ 57,353</u>

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CAPITAL PROJECTS FUND

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SEWER PLANT REPLACEMENT FUND

VILLAGE OF MOKENA, ILLINOIS
SEWER PLANT REPLACEMENT FUND
STATEMENT OF ASSETS AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS
JUNE 30, 2008
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Equity in pooled cash and investments	\$ <u>1,166,541</u>	\$ <u>1,136,405</u>
FUND BALANCES		
Reserved for capital projects	\$ <u>1,166,541</u>	\$ <u>1,136,405</u>

VILLAGE OF MOKENA, ILLINOIS
SEWER PLANT REPLACEMENT FUND
STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES
IN FUND BALANCES ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
Revenues:				
Interest income	\$ 55,000	\$ 43,954	\$ (11,046)	\$ 61,657
Expenditures:				
Capital outlay	<u>64,700</u>	<u>13,818</u>	<u>50,882</u>	<u>14,462</u>
Excess (deficiency) of revenues over (under) expenditures	(9,700)	30,136	39,836	47,195
Other financing sources:				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,500</u>
Net change in fund balances	(9,700)	30,136	39,836	59,695
Fund balances at beginning of year	<u>1,136,405</u>	<u>1,136,405</u>	<u>-</u>	<u>1,076,710</u>
Fund balances at end of year	<u>\$ 1,126,705</u>	<u>\$ 1,166,541</u>	<u>\$ 39,836</u>	<u>\$ 1,136,405</u>

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FIDUCIARY FUNDS

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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, 2008**

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
ASSETS				
Equity in pooled cash and investments	\$ 565,969	\$ 295,992	\$ 262,088	\$ 599,873
LIABILITIES				
Due to property owners	\$ 565,969	\$ 295,992	\$ 262,088	\$ 599,873

POLICE PENSION FUND

**VILLAGE OF MOKENA, ILLINOIS
POLICE PENSION FUND
STATEMENT OF FIDUCIARY NET ASSETS
ARISING FROM CASH TRANSACTIONS
JUNE 30, 2008
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007**

ASSETS	<u>2008</u>	<u>2007</u>
Cash	\$ 1,586,765	\$ 412,347
Investments:		
Annuities	836,568	828,738
Certificates of deposit	490,026	535,138
Mutual funds	2,252,863	1,952,622
U.S. government obligations	<u>1,566,058</u>	<u>2,400,055</u>
 Total assets	 <u>\$ 6,732,280</u>	 <u>\$ 6,128,900</u>
NET ASSETS		
Held in trust for pension benefits and other purposes	<u>\$ 6,732,280</u>	<u>\$ 6,128,900</u>

**VILLAGE OF MOKENA, ILLINOIS
POLICE PENSION FUND
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
ARISING FROM CASH TRANSACTIONS - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	<u>2008</u>		<u>Variance with Final Budget Positive (Negative)</u>	<u>2007</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Additions:				
Contributions:				
Employer	\$ 476,730	\$ 473,517	\$ (3,213)	\$ 421,538
Plan members	216,788	210,134	(6,654)	186,581
Buybacks	<u>-</u>	<u>28,630</u>	<u>28,630</u>	<u>14,476</u>
Total contributions	<u>693,518</u>	<u>712,281</u>	<u>18,763</u>	<u>622,595</u>
Investment income (loss):				
Net increase (decrease) in fair value of investments	-	(219,854)	(219,854)	314,090
Interest	<u>125,000</u>	<u>215,366</u>	<u>90,366</u>	<u>148,011</u>
Total investment income (loss)	<u>125,000</u>	<u>(4,488)</u>	<u>(129,488)</u>	<u>462,101</u>
Total additions	<u>818,518</u>	<u>707,793</u>	<u>(110,725)</u>	<u>1,084,696</u>
Deductions:				
Benefits paid	126,060	89,987	36,073	50,060
Refund of contributions	20,000	-	20,000	55,029
Administrative expense	<u>50,350</u>	<u>14,426</u>	<u>35,924</u>	<u>22,659</u>
Total deductions	<u>196,410</u>	<u>104,413</u>	<u>91,997</u>	<u>127,748</u>
Change in net assets	622,108	603,380	(18,728)	956,948
Net assets at beginning of year	<u>6,128,900</u>	<u>6,128,900</u>	<u>-</u>	<u>5,171,952</u>
Net assets at end of year	<u>\$ 6,751,008</u>	<u>\$ 6,732,280</u>	<u>\$ (18,728)</u>	<u>\$ 6,128,900</u>

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OTHER INFORMATION SECTION

VILLAGE OF MOKENA, ILLINOIS
SCHEDULE OF ASSESSED VALUATIONS, RATES, EXTENSIONS AND COLLECTIONS
LAST TEN YEARS
JUNE 30, 2008

Tax levy year	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Equalized assessed valuation	<u>\$ 735,016,358</u>	<u>\$ 649,822,299</u>	<u>\$ 549,669,083</u>	<u>\$ 473,554,568</u>	<u>\$ 421,696,920</u>
Tax rates (Per \$100 of equalized assessed valuation):					
Corporate	0.0422	0.0476	0.0499	0.0538	0.0615
Police pension	0.0675	0.0705	0.0704	0.0736	0.0767
Municipal audit	0.0009	0.0010	0.0011	0.0013	0.0014
Police protection	0.0005	0.0006	0.0007	0.0008	0.0009
School crossing guard	0.0031	0.0033	0.0037	0.0042	0.0044
Illinois municipal retirement	0.0291	0.0290	0.0331	0.0311	0.0242
Medicare	0.0086	0.0089	0.0099	0.0105	0.0107
Social security	<u>0.0366</u>	<u>0.0379</u>	<u>0.0421</u>	<u>0.0447</u>	<u>0.0457</u>
Village total	0.1885	0.1988	0.2109	0.2200	0.2255
Road and bridge (1)	<u>0.0644</u>	<u>0.0887</u>	<u>0.0927</u>	<u>0.1013</u>	<u>0.1031</u>
Total	<u>0.2529</u>	<u>0.2875</u>	<u>0.3036</u>	<u>0.3213</u>	<u>0.3286</u>
Rate difference	<u>(0.0346)</u>	<u>(0.0161)</u>	<u>(0.0177)</u>	<u>(0.0073)</u>	<u>(0.0086)</u>
Tax extensions:					
Corporate	\$ 310,177	\$ 309,317	\$ 274,285	\$ 254,772	\$ 259,344
Police pension	496,136	458,125	386,967	348,536	323,442
Municipal audit	6,615	6,498	6,046	6,156	5,904
Police protection	3,675	3,899	3,848	3,788	3,795
School crossing guard	22,786	21,444	20,338	19,889	18,555
Illinois municipal retirement	213,890	188,448	181,940	147,275	102,051
Medicare	63,211	57,834	54,417	49,723	45,122
Social security	<u>269,016</u>	<u>246,283</u>	<u>231,411</u>	<u>211,679</u>	<u>192,715</u>
Village total	1,385,506	1,291,848	1,159,252	1,041,818	950,928
Road and bridge	<u>473,351</u>	<u>576,260</u>	<u>509,543</u>	<u>479,711</u>	<u>434,770</u>
Total extensions	<u>\$ 1,858,857</u>	<u>\$ 1,868,108</u>	<u>\$ 1,668,795</u>	<u>\$ 1,521,529</u>	<u>\$ 1,385,698</u>
Tax collections	<u>\$ 914,757</u>	<u>\$ 1,863,363</u>	<u>\$ 1,666,708</u>	<u>\$ 1,511,577</u>	<u>\$ 1,385,108</u>
Percent collected	<u>49.21 %</u>	<u>99.75 %</u>	<u>99.87 %</u>	<u>99.35 %</u>	<u>99.96 %</u>

(1) Levied through Frankfort and New Lenox Townships.

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
<u>\$ 374,565,671</u>	<u>\$ 340,677,474</u>	<u>\$ 312,325,067</u>	<u>\$ 290,783,492</u>	<u>\$ 276,987,387</u>
0.0798	0.0906	0.0977	0.0996	0.0987
0.0693	0.0595	0.0595	0.0566	0.0566
0.0013	0.0012	0.0010	0.0007	0.0011
0.0010	0.0011	0.0012	0.0013	0.0013
0.0050	0.0055	0.0058	0.0059	0.0047
0.0179	0.0153	0.0135	0.0128	0.0116
0.0113	0.0122	0.0121	0.0117	0.0109
<u>0.0481</u>	<u>0.0517</u>	<u>0.0500</u>	<u>0.0489</u>	<u>0.0459</u>
0.2337	0.2371	0.2408	0.2375	0.2308
<u>0.1035</u>	<u>0.1054</u>	<u>0.1061</u>	<u>0.1022</u>	<u>0.0986</u>
<u>0.3372</u>	<u>0.3425</u>	<u>0.3469</u>	<u>0.3397</u>	<u>0.3294</u>
<u>(0.0053)</u>	<u>(0.0044)</u>	<u>0.0072</u>	<u>0.0103</u>	<u>(0.0642)</u>
\$ 298,903	\$ 308,654	\$ 305,142	\$ 289,620	\$ 273,387
259,574	202,703	185,833	164,583	156,775
4,869	4,088	3,123	2,035	3,047
3,746	3,747	3,748	3,780	3,601
18,728	18,737	18,115	17,156	13,018
67,047	52,124	42,164	37,220	32,131
42,326	41,563	37,791	34,022	30,192
<u>180,166</u>	<u>176,130</u>	<u>156,163</u>	<u>142,193</u>	<u>127,137</u>
875,359	807,746	752,079	690,609	639,288
<u>388,027</u>	<u>359,277</u>	<u>331,552</u>	<u>297,181</u>	<u>273,110</u>
<u>\$ 1,263,386</u>	<u>\$ 1,167,023</u>	<u>\$ 1,083,631</u>	<u>\$ 987,790</u>	<u>\$ 912,398</u>
<u>\$ 1,256,337</u>	<u>\$ 1,159,162</u>	<u>\$ 1,083,631</u>	<u>\$ 987,309</u>	<u>\$ 910,555</u>
<u>99.44 %</u>	<u>99.33 %</u>	<u>100.00 %</u>	<u>99.95 %</u>	<u>99.80 %</u>

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Customer data:				
Number of customers served by combined waterworks and sewerage system	6,390	6,235	5,946	5,628
Number of metered customers:				
Water service only	89	81	65	61
Water and sewer services	6,129	5,982	5,708	5,396
Number of unmetered customers:				
Sewer service only	101	101	104	103
Refuse service only	71	71	69	68
Gallons of water pumped	691,766,000	646,698,000	642,168,000	584,441,000
Gallons of water billed	660,496,100	576,027,700	583,962,700	537,499,400

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
5,248	4,990	4,718	4,482
56	51	35	26
5,022	4,775	4,522	4,300
104	106	104	102
66	58	57	54
527,447,000	651,470,000	556,203,000	580,618,000
499,586,900	618,118,300	554,831,500	513,977,450

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