

**VILLAGE OF BRADLEY, ILLINOIS**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**APRIL 30, 2012**

## VILLAGE OF BRADLEY, ILLINOIS

### Table of Contents

---

|  | <u>PAGE</u> |
|--|-------------|
| INDEPENDENT AUDITOR'S REPORT   | 1-2         |
| MANAGEMENT'S DISCUSSION AND ANALYSIS   | 3-13        |
| BASIC FINANCIAL STATEMENTS   |             |
| Statement of Net Assets  | 14          |
| Statement of Activities  | 15-16       |
| Balance Sheet – Governmental Funds   | 17          |
| Reconciliation of Balance Sheet – Governmental Funds<br>To Statement of Activities   | 18          |
| Statement of Revenues, Expenditures, and Changes in<br>Fund Balance – Governmental Funds   | 19          |
| Reconciliation of the Statement of Revenues, Expenditures, and<br>Changes in Fund Balances of Governmental Funds to the<br>Statement of Activities | 20          |
| Statement of Net Assets – Proprietary Fund   | 21          |
| Statement of Revenues, Expenses, and Changes in Net Assets –<br>Proprietary Fund   | 22          |
| Statement of Cash Flows – Proprietary Fund   | 23          |
| Statement of Fiduciary Net Assets – Pension Trust Fund   | 24          |
| Statement of Changes in Fiduciary Net Assets – Pension Trust Fund  | 25          |
| Notes to the Financial Statements  | 26-57       |
| REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)   |             |
| General Fund   |             |
| Statement of Revenues, Expenditures, and Changes in Fund<br>Balance – Budget and Actual  | 58          |
| State Rt. 50 TIF Fund  |             |
| Statement of Revenues, Expenditures, and Changes in Fund<br>Balance – Budget and Actual  | 59          |

# VILLAGE OF BRADLEY, ILLINOIS

## Table of Contents

---

|   | <u>PAGE</u> |
|---|-------------|
| <b>REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) (CONT.)</b>                           |             |
| Revolving Loan Fund   |             |
| Statement of Revenues, Expenditures, and Changes in Fund<br>Balance – Budget and Actual | 60          |
| Illinois Municipal Retirement Fund  |             |
| Schedule of Funding Progress  | 61          |
| IMRF Sheriff's Law Enforcement Personnel Fund   |             |
| Schedule of Funding Progress  | 62          |
| Police Pension Fund   |             |
| Schedule of Funding Progress  | 63          |
| Fire Pension Fund   |             |
| Schedule of Funding Progress  | 64          |
| Other Post-Employment Benefits  |             |
| Schedule of Funding Progress  | 65          |
| Actuarial Assumptions   | 65          |
| Notes to Required Supplemental Information  | 66          |
| <b><u>COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS<br/>AND SCHEDULES</u></b>      |             |
| <b><u>GOVERNMENTAL FUND TYPES</u></b>   |             |
| <b>GENERAL FUND</b>   |             |
| Schedule of Revenues – Budget and Actual  | 67-68       |
| Schedule of Expenditures – Budget and Actual  | 69-78       |
| <b>NONMAJOR GOVERNMENTAL FUNDS</b>  |             |
| Combining Balance Sheet   | 79-80       |
| Combining Statement of Revenues, Expenditures, and<br>Changes in Fund Balances          | 81-82       |

# VILLAGE OF BRADLEY, ILLINOIS

## Table of Contents

---

|   | <u>PAGE</u> |
|---|-------------|
| <u>COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS<br/>AND SCHEDULES</u>             |             |
| <u>GOVERNMENTAL FUND TYPES</u>  |             |
| NONMAJOR SPECIAL REVENUE FUND   |             |
| Motor Fuel Tax Fund   |             |
| Schedule of Revenues, Expenditures, and Changes in Fund<br>Balance -- Budget and Actual | 83          |
| NONMAJOR DEBT SERVICE FUND  |             |
| GO Bond Fund  |             |
| Schedule of Revenues, Expenditures, and Changes in Fund<br>Balance -- Budget and Actual | 84          |
| NONMAJOR CAPITAL PROJECTS FUND  |             |
| Capital Projects Fund   |             |
| Schedule of Revenues, Expenditures, and Changes in Fund<br>Balance -- Budget and Actual | 85          |
| <u>PROPRIETARY FUND TYPE</u>  |             |
| ENTERPRISE FUND   |             |
| Sewer Fund  |             |
| Schedule of Revenues, Expenses, and Changes in Net Assets --                            |             |
| Schedule of Operating Expenses -- Budget and Actual<br>Budget and Actual                | 86          |
| Budget and Actual   | 87-88       |
| <u>FIDUCIARY FUND TYPE</u>  |             |
| Combining Statement of Fiduciary Net Assets   | 89          |
| Combining Statement of Changes in Fiduciary Net Assets                                  | 90          |

**INDEPENDENT AUDITOR'S REPORT**

INDEPENDENT AUDITOR'S REPORT

The Honorable President  
Members of the Board of Trustees  
Village of Bradley, Illinois

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Bradley, Illinois as of April 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As further described in Note 1.N., the accompanying financial statements reflect certain changes in the reporting of fund balance classifications for governmental funds due to the implementation of Governmental Accounting Standards Board Statement No. 54.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Village of Bradley, Illinois. The financial information listed as combining and individual fund financial statements and schedules in the table of contents are presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining fund financial statements and schedules are the responsibility of management and derive from and relate directly to the underlying and other records

used to prepare the basic financial statements. That information has been subjected to the auditing procedures applied to the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Wolf & Company LLP*

Oakbrook Terrace, Illinois  
December 17, 2012

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



**VILLAGE OF BRADLEY, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2012**

---

As management of the Village of Bradley ("Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2012. Since the Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the Villages financial statements.

**Financial Highlights**

- The assets of the Village of Bradley exceeded its liabilities at the close of the most recent fiscal year by \$28,064,917, compared to \$29,259,225 in the prior year. The total decrease is due to several factors. First is the continued sub-par financial performance of the Sewer Fund; however, steps have been taken to reverse this trend and FY 12-13 will start to see the results of this. Second, Charges for Services were down from FY 2011, due mainly to garbage collection being changed to Allied Waste and the Village no longer collecting garbage revenue – that is done by Allied. Finally, Property Tax revenue was down due to the Broadway TIF Fund closing in FY 2011 and the incremental property taxes collected in that fund no longer being realized. Unrestricted net assets were \$6,532,913 at April 30, 2012, compared to \$6,210,259 in the prior year.
- The Village retired General Obligation (G.O.) debt early by using the reserves of the General Fund and State Rt. 50 TIF Fund. This debt reduction will save the Village tens-of-thousands of dollars in future interest costs.
- Reserves of the General Fund were used to replace assets that were well past their useful lives and on infrastructure projects that had long been put off where the Village Board decided to use reserves to complete. Capital assets additions were \$1,305,264.
- The Village of Bradley's total net assets decreased by \$1,194,308. Of this decrease, \$630,083 is attributed to the Sewer Fund (prior to transfers). Governmental activities decrease (prior to transfers) of \$564,225 included depreciation expense of \$1,049,409.
- As of the close of the current fiscal year, the Village of Bradley's General Fund reported a fund balance of \$9,416,330, a decrease of \$384,793 from the prior year. There are several reasons for this. First, the Village supported the Sewer Fund with a transfer of \$568,000. Some of this transfer was necessary because the payment to KRMA increased in the middle of the fiscal year and the Sewer Fund did not have the resources to absorb this increase. Another transfer was to the Capital Projects Fund in the amount of \$175,000 for infrastructure purposes. This is a direct result of the Village Board decision to use excess balances in the General Fund for infrastructure needs throughout the Village, rather than those monies going into reserves. Finally, to take advantage of reducing interest costs associated with debt, a transfer from General Fund reserves in the amount of \$316,100 was made to the Debt Service Fund to pay off the 2007 G.O. Bonds.

**VILLAGE OF BRADLEY, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2012**

---

- The Village of Bradley's governmental activity debt decreased by \$2,295,726 during the current fiscal year, while Enterprise Fund debt decreased by \$185,000. This reduction in governmental activity debt came from the 2007 General Obligation (G.O.) Bonds and the 2007 TIF Revenue Bonds. The TIF Revenue Bonds were reduced by \$1.95 million using unexpended funds from the bond proceeds, which provided no net effect on the net assets of the Village, but a change in the components of the net assets from restricted to net capital assets. The Enterprise Fund debt decrease came from the 2006 G.O. Bonds in the Sewer Fund.

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

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

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The statement of net assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the Village's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The Governmental Activities reflect the Village's basic services, including administration, building standards, public works and public safety. Sales taxes, shared state taxes and property taxes finance the majority of these services. The Business-Type Activities reflect private sector type operations, where the fee for service typically covers all or most of the cost of operations, including depreciation.

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is

**VILLAGE OF BRADLEY, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2012**

---

useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances are accompanied by a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Revolving Loan Fund and the State Rt. 50 TIF Fund, all of which are considered to be major funds. Information from the Village's other governmental funds is combined into a single column presentation. Individual fund information for these nonmajor governmental funds is provided elsewhere in the report.

The Village maintains one type of proprietary fund; this is called an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses an enterprise fund to account for its sanitary sewer operations. The proprietary fund financial statements provide separate information for the Sewer Fund, which is considered to be a major fund of the Village.

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is similar to that used by proprietary funds.

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

**Other Information**

In addition to the basic financial statements, this report also includes certain required supplementary information related to budgetary information and the Village's progress in funding its obligation to provide pension and other post-retirement benefits to its employees. Nonmajor fund information can be found immediately following the required supplementary information.

**VILLAGE OF BRADLEY, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2012**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Assets**

The following table reflects the condensed Statement of Net Assets:

|                          | <b>Governmental<br/>Activities</b> |                      | <b>Business-Type<br/>Activities</b> |                     | <b>Total<br/>Primary Government</b> |                      |
|--------------------------|------------------------------------|----------------------|-------------------------------------|---------------------|-------------------------------------|----------------------|
|                          | <b>2011</b>                        | <b>2012</b>          | <b>2011</b>                         | <b>2012</b>         | <b>2011</b>                         | <b>2012</b>          |
| <b>Assets:</b>           |                                    |                      |                                     |                     |                                     |                      |
| Current and Other        | \$ 18,969,809                      | \$ 16,503,202        | \$ 921,950                          | \$ 886,720          | \$ 19,891,759                       | \$ 17,389,922        |
| Capital and Noncurrent   | 23,912,799                         | 23,499,521           | 6,998,419                           | 7,252,170           | 30,911,218                          | 30,751,691           |
| <b>Total Assets</b>      | <b>42,882,608</b>                  | <b>40,002,723</b>    | <b>7,920,369</b>                    | <b>8,138,890</b>    | <b>50,802,977</b>                   | <b>48,141,613</b>    |
| <b>Liabilities:</b>      |                                    |                      |                                     |                     |                                     |                      |
| Current Liabilities      | 4,423,457                          | 4,096,620            | 346,349                             | 803,049             | 4,769,806                           | 4,899,669            |
| Long-term Liabilities    | 11,229,423                         | 9,808,600            | 5,544,523                           | 5,368,427           | 16,773,946                          | 15,177,027           |
| <b>Total Liabilities</b> | <b>15,652,880</b>                  | <b>13,905,220</b>    | <b>5,890,872</b>                    | <b>6,171,476</b>    | <b>21,543,752</b>                   | <b>20,076,696</b>    |
| <b>Net Assets:</b>       |                                    |                      |                                     |                     |                                     |                      |
| Invested in Capital      |                                    |                      |                                     |                     |                                     |                      |
| Assets, Net              | 15,728,477                         | 17,530,249           | 1,245,791                           | 1,732,990           | 16,974,268                          | 19,263,239           |
| Restricted for           |                                    |                      |                                     |                     |                                     |                      |
| Economic Development     | 1,978,642                          | 1,353,427            |                                     |                     | 1,978,642                           | 1,353,427            |
| Street Maintenance       | 300,066                            | 373,129              |                                     |                     | 300,066                             | 373,129              |
| Debt Service             | 2,968,665                          | 2,734                |                                     |                     | 2,968,665                           | 2,734                |
| Capital Projects         | 100,932                            | 223,521              | 726,393                             | 315,954             | 827,325                             | 539,475              |
| Unrestricted             | 6,152,946                          | 6,614,443            | 57,313                              | (81,530)            | 6,210,259                           | 6,532,913            |
| <b>Total Net Assets</b>  | <b>\$ 27,229,728</b>               | <b>\$ 26,097,503</b> | <b>\$ 2,029,497</b>                 | <b>\$ 1,967,414</b> | <b>\$ 29,259,225</b>                | <b>\$ 28,064,917</b> |

The majority of the Village of Bradley's net assets reflect its investment in capital assets (e.g. land, buildings, machinery & equipment and infrastructure), less any related outstanding debt used to acquire or construct those assets and accumulated depreciation which is the loss in value of those assets. The Village of Bradley uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The Village is reporting \$6,532,913 in unrestricted net assets in the current year, which is an increase of \$322,654 from FY 2011. The Village of Bradley is reporting a positive balance of \$28,064,917 in net assets in the current year, which is a decrease of \$1,194,308.

In FY 2012, the Village of Bradley's investment in capital assets, net of related debt increased due, in part, from the debt associated with the capital assets being retired as well as significant amounts of capital asset purchases being made that had been delayed for several years.

**VILLAGE OF BRADLEY, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2012**

**Statement of Activities**

The following table reflects the condensed Statement of Activities:

|   | Governmental<br>Activities |                       | Business-Type<br>Activities |                    | Total<br>Primary Government |                       |
|---|----------------------------|-----------------------|-----------------------------|--------------------|-----------------------------|-----------------------|
|   | 2011                       | 2012                  | 2011                        | 2012               | 2011                        | 2012                  |
| <b>REVENUES</b>                           |                            |                       |                             |                    |                             |                       |
| Program Revenues:                         |                            |                       |                             |                    |                             |                       |
| Charges for Services                      | \$ 2,270,596               | \$ 1,666,224          | \$ 1,322,593                | \$ 1,601,275       | \$ 3,593,189                | \$ 3,267,499          |
| Capital Grants/<br>Contributions          | 32,049                     |                       |                             |                    | 32,049                      |                       |
| Operating Grants/<br>Contributions        | 798,126                    | 650,795               |                             |                    | 798,126                     | 650,795               |
| General Revenues:                         |                            |                       |                             |                    |                             |                       |
| Property Taxes                            | 2,906,147                  | 2,733,165             |                             |                    | 2,906,147                   | 2,733,165             |
| Other Taxes                               | 7,243,967                  | 7,642,484             |                             |                    | 7,243,967                   | 7,642,484             |
| Other General Revenue                     | 207,198                    | 178,137               | 48,832                      | 28,440             | 256,030                     | 206,577               |
| <b>Total Revenues</b>                     | <b>13,458,083</b>          | <b>12,870,805</b>     | <b>1,371,425</b>            | <b>1,629,715</b>   | <b>14,829,508</b>           | <b>14,500,520</b>     |
| <b>EXPENSES</b>                           |                            |                       |                             |                    |                             |                       |
| General Government                        | 5,332,465                  | 5,465,383             |                             |                    | 5,332,465                   | 5,465,383             |
| Public Safety                             | 4,962,619                  | 5,373,160             |                             |                    | 4,962,619                   | 5,373,160             |
| Public Works                              | 1,768,033                  | 1,890,992             |                             |                    | 1,768,033                   | 1,890,992             |
| Building Standards<br>Community           | 164,899                    | 295,085               |                             |                    | 164,899                     | 295,085               |
| Development                               | 1,147,322                  | 34,975                |                             |                    | 1,147,322                   | 34,975                |
| Interest on Debt                          | 491,087                    | 375,435               |                             |                    | 491,087                     | 375,435               |
| Sewer                                     |                            |                       | 2,127,343                   | 2,259,798          | 2,127,343                   | 2,259,798             |
| <b>Total Expenses</b>                     | <b>13,866,425</b>          | <b>13,435,030</b>     | <b>2,127,343</b>            | <b>2,259,798</b>   | <b>15,993,768</b>           | <b>15,694,828</b>     |
| Changes in Net Assets<br>Before Transfers | (408,342)                  | (564,225)             | (755,918)                   | (630,083)          | (1,164,260)                 | (1,194,308)           |
| Transfers                                 |                            | (568,000)             |                             | 568,000            |                             |                       |
| <b>Change in Net Assets</b>               | <b>\$ (408,342)</b>        | <b>\$ (1,132,225)</b> | <b>\$ (755,918)</b>         | <b>\$ (62,083)</b> | <b>\$ (1,164,260)</b>       | <b>\$ (1,194,308)</b> |

**VILLAGE OF BRADLEY, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2012**

---

**Key Factors in the Change in Net Assets in the Governmental Activities were:**

The reason why Net Assets decreased in FY 11/12 by \$1,132,225 was due to three factors: First, the General Fund made a \$568,000 transfer to the Sewer Fund to help the operations of that fund. Second, Charges for Services were down by \$604,372 from FY 2011, due mainly to garbage collection being changed to Allied Waste and the Village no longer collecting garbage revenue – that is done by Allied. Finally, Property Tax revenue was down by \$172,982 due to the Broadway TIF Fund closing in FY 2011 and the incremental property taxes collected in that fund no longer being realized.

**Key Factors in the Change in Net Assets in Business-Type Activities:**

The total change in net assets for the Business Type Activities is \$(62,083). The Sewer Fund continued to operate in the red but the Board and staff addressed this issue starting in FY 10/11 and continued in FY 11/12. Sewer rates were increased in FY 10/11, the first increase in 19 years and again in FY 11/12. The operating costs of this fund have increased dramatically over the last two decades but rates have only been increased for two years – this imbalance required significant changes in a relatively short period of time in order for the Sewer Fund to remain financially solvent. In FY 11/12 and the short-term thereafter, the General Fund has and will provide transfers to maintain a positive cash flow in the Sewer Fund. However, there is “light at the end of the tunnel” and the Sewer Fund’s financial operations are turning for the better. Support from the General Fund will diminish significantly in FY 12/13 and there may not be a need for it starting in FY 13/14.

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

**Governmental Funds**

The General Fund is the chief operating fund of the Village of Bradley. At the end of the 11/12 fiscal year, the unassigned fund balance of the General Fund was \$8,974,174 while the total fund balance decreased to \$9,416,330. This was a decrease of \$384,793 from April 30, 2011. There are several reasons for this and they all are due to the General Fund providing financial support where it was needed. First, the Sewer Fund was in the second year of a major turnaround in its financial picture due to sewer rates going unchanged for almost 20 years all the while expenses continued to increase. The General Fund provided \$568,000 in support to the Sewer Fund in FY 11/12. Second, \$175,000 was transferred to the Capital Projects Fund to pay for much needed infrastructure improvements throughout the Village. From an operational standpoint, meaning exclusive of the transfers made, the General Fund has a surplus of over \$674,000. Due to this surplus, the Board has decided to make the transfer to pay for infrastructure improvements in the Village. Finally, the Village paid off the 2007 G.O. Bonds early. This was facilitated by a transfer of General Fund reserves to the Debt Service Fund in the amount of \$316,100.

The Revolving Loan Fund spent \$122,506, transferred \$43,123, and received \$31,057 in interest on the economic development loans the Village administers as part of a program through the State of Illinois Department of Commerce and Economic Opportunity. This loan program is funded by monies from the State of Illinois and from the interest proceeds received from loans. The fund balance in the Revolving Loan Fund decreased by \$134,572 in FY 11/12 to \$1,807,808.

**VILLAGE OF BRADLEY, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2012**

---

The State Rt. 50 TIF Fund accounts for the tax increment financing (TIF) district established along the RT. 50 corridor to provide improvements to spur economic growth. The Fund brought in \$750,718 in incremental property taxes to pay the debt that has been issued for the development in the district. In total, revenues for the fiscal year were \$750,801, which includes both the incremental property taxes and bank interest. Expenditures totaled \$2,373,700, of which \$2,370,290 was for repaying the debt and \$3,410 were development costs. The Fund ended the year with a fund balance of \$1,345,766, a decrease of \$1,622,899 from the prior year. There was \$1,950,000 in principal paid on the TIF bonds in FY 11/12. This was higher than expected because over \$1.6 million in bonds were called early due to program requirements of the TIF agreement. This means that outstanding debt for the TIF Fund was reduced much sooner than planned.

The nonmajor governmental funds saw an overall decrease in their fund balances in FY 11/12, but this decrease was planned and was not a result of poor management or the economy. The Motor Fuel Tax (MFT) Fund mainly spent funds for its annual road program, increasing its reserves by \$73,063 and ending the year with a fund balance of \$373,129. The Debt Service Fund's fund balance was \$2,734 at the end of FY 11/12, a decrease of \$193,471 but this was due to the 2007 G.O. Bonds being paid-in-full during the fiscal year. Since there is no other outstanding general obligation debt for the Village, this fund need not have money in it. The Broadway TIF Fund had expenditures totaling \$31,565 for improvements to the Village Hall. The fund finished the year with a zero fund balance because it is now closed and the TIF zone has now expired. The Larry Power TIF Fund finished the year with a fund balance of \$7,661, up \$2,772 from the year before. The Police Seizure Fund, which accounts for special contributions for the Police Department's K-9 unit and drug seizure monies that must be spent on specific purposes, ended the fiscal year with a negative fund balance of \$469. This is due to the timing of seizure revenues being received from the State of Illinois. Finally, the Capital Project Fund saw several areas of activity. Infrastructure improvements in the Village – the Schuyler and Broadway intersection, final payment for Cardinal Drive and the Broadway ramp project – all were active in FY 11/12. In FY 11/12, the Capital Projects Fund fund balance increased from \$100,932 to \$223,521, an increase of \$122,589.

**Proprietary Funds**

The Sewer Fund had \$(81,530) in unrestricted net assets, down from \$57,313 in FY 10/11, and \$1,967,414 in total net assets at the end of the 11/12 fiscal year. The Sewer Fund operating revenues were up by \$278,682, an increase of 21.07% from FY 10/11. The reason for this large increase is two-fold; first, there was a rate increase put in for FY 11/12 and, second, collection activity on delinquent accounts was a priority. Operating expenses were up by \$139,459 as compared to the prior fiscal year, and the change in net assets for the current year was (\$62,083), a significant reduction from the net loss of \$755,918 from the prior year. The Sewer Fund is showing financial progress but the deficit in the operations of the fund continues to be a major concern for the Village. Transfers from the General Fund will keep the Sewer Fund solvent for the short-term; however, the Sewer Fund's financial performance is improving compared to the last several fiscal years. Support from the General Fund is expected to end by FY 13/14.

**VILLAGE OF BRADLEY, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2012**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The following table reflects the condensed Budgetary Comparison Schedule:

|                                      | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>     |
|--------------------------------------|----------------------------|-------------------------|-------------------|
| <b>Revenues:</b>                     |                            |                         |                   |
| Taxes                                | \$ 9,271,083               | \$ 9,271,083            | \$ 9,557,158      |
| Licenses and Permits                 | 157,850                    | 192,850                 | 202,467           |
| Intergovernmental                    | 166,981                    | 166,981                 | 170,816           |
| Charges for Services                 | 744,600                    | 869,600                 | 902,104           |
| Fines and Forfeits                   | 304,250                    | 304,250                 | 317,235           |
| Investment Income                    | 67,500                     | 67,500                  | 57,870            |
| Other                                | 198,300                    | 233,550                 | 310,916           |
| Total Revenues                       | <u>10,910,564</u>          | <u>11,105,814</u>       | <u>11,518,566</u> |
| <b>Expenditures:</b>                 |                            |                         |                   |
| General Government                   | 4,663,864                  | 4,747,835               | 4,709,353         |
| Public Safety                        | 4,271,938                  | 4,382,938               | 4,732,702         |
| Public Works                         | 1,652,748                  | 1,587,748               | 1,379,345         |
| Building Standards                   | 216,574                    | 284,280                 | 295,085           |
| Total Expenditures                   | <u>10,805,124</u>          | <u>11,002,801</u>       | <u>11,116,485</u> |
| Excess of Revenues over Expenditures | <u>\$ 105,440</u>          | <u>\$ 103,013</u>       | <u>\$ 402,081</u> |

The General Fund revenues were \$412,752 over budget in FY 11/12. Most tax revenues came in very close to budget for FY 11/12 with the exception of State Shared Taxes - Sales, Local Use, PPRT, Auto Rent and Income Tax revenues - in total coming in \$293,341 higher than budget. Licenses and Permits and Intergovernmental revenues both came in slightly better than budget - \$13,452 better. Charges for Services came in almost \$33,000 better than budget. Fines and Forfeits did almost \$13,000 better than expected due to circuit court fees coming in higher than planned. Investment activity was \$9,630 lower than expected due to very low rates in the market. Finally, Other income saw better than anticipated franchise fees from the Village's franchise agreements with AT&T and Comcast.

The General Fund expenditures were \$113,684 over budget in FY 11/12. Public Safety was the area that caused this overage with the capitalized cost of the purchase of an ambulance and police radios. These capitalized costs are accounting entries required by Generally Accepted Accounting Principles (GAAP) when financing is used to purchase an asset. The Building Standards also had a small amount of overage, almost \$11,000, due mostly to higher than expected office supply costs associated with a new filing system in the department.

Budget amendments were made to the original FY 11/12 budget ordinance to reflect unexpected activity for the Village.



**VILLAGE OF BRADLEY, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2012**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Governmental Activities  
Change in Capital Assets**

|   | <b>Balance<br/>May 1,<br/>2011</b> | <b>Net<br/>Additions/<br/>Deletions</b> | <b>Balance<br/>April 30,<br/>2012</b> |
|---|------------------------------------|---|---------------------------------------|
| Non-Depreciable Assets:                       |                                    |   |                                       |
| Land  | \$ 6,494,488                       | \$                                      | \$ 6,494,488                          |
| Other Capital Assets:                         |                                    |   |                                       |
| Building                                      | 6,534,472                          | 59,906                                  | 6,594,378                             |
| Equipment                                     | 7,658,135                          | 211,854                                 | 7,869,989                             |
| Infrastructure                                | 14,423,420                         | 348,476                                 | 14,771,896                            |
| Accumulated Depreciation on<br>Capital Assets | (11,197,716)                       | (1,033,514)                             | (12,231,230)                          |
| Total   | <u>\$ 23,912,799</u>               | <u>\$ (413,278)</u>                     | <u>\$ 23,499,521</u>                  |

The Village of Bradley's investment in capital assets for its governmental activities as of April 30, 2012, was \$23,499,521 (net of accumulated depreciation). This investment in capital assets includes property and improvements, equipment, facilities and infrastructure.

The completion of the Cardinal Drive project and the new ambulance were the most significant changes during the year, collectively adding \$390,877 to infrastructure and equipment assets. For equipment, the Village disposed of an old squad car from the Police Department totaling \$26,491. The Police Department purchased four new squads totaling \$93,733. Public Works purchased a backhoe for \$29,612. The Fire Department purchased heavy equipment totaling \$23,000. The Broadway ramp - \$22,675 - and the completion of the Larry Power Road project - \$26,924 - impacted infrastructure additions. Finally, building improvements in the Police and Fire Departments totaled \$59,906.

The Village of Bradley has one large future construction commitment past FY 11/12 that impacts the budgeting process or financial activity of the Capital Improvement Fund. This is the extension of Industrial Drive in FY 13/14 for a projected cost of \$2.2 million.

**VILLAGE OF BRADLEY, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2012**

---

**Business-Type Activities  
Change in Capital Assets**

|   | Balance<br>May 1,<br>2011 | Net<br>Additions/<br>Deletions | Balance<br>April 30,<br>2012 |
|---|---------------------------|--------------------------------|------------------------------|
| Other Capital Assets:                         |                           |                                |                              |
| Property, Plant and Equipment                 | \$ 11,924,372             | \$ 658,537                     | \$ 12,582,909                |
| Accumulated Depreciation on<br>Capital Assets | (4,990,142)               | (361,105)                      | (5,351,247)                  |
| Total   | \$ 6,934,230              | \$ 297,432                     | \$ 7,231,662                 |

The Village of Bradley's investment in capital assets for its business-type activities as of April 30, 2012, was \$7,231,662 (net of accumulated depreciation). This investment in capital assets includes property, plant and equipment which included vehicles and infrastructure (e.g. sanitary sewer lines). There were two items of capital asset activity during the fiscal year. The largest, the lower Soldier Creek lift station, totaled \$632,432. The other item, a GMC pick-up truck, was added for \$26,105.

The Village of Bradley has no large future construction commitments past FY 11/12 that impacts the budgeting process or financial activity of the Sewer Fund.

Additional information on the Village of Bradley's capital assets can be found in Note 6.

**Debt Administration**

In FY 05/06, Standard & Poor's assigned the Village of Bradley's bond rating to an insured rating of AAA, the highest rating that can be granted, with an underlying rating of A. The Village has maintained this rating ever since. Debt levels are kept to absolute minimums as the Village maintains a very conservative approach to debt, budgeting and the treatment of public funds.

State statutes limit the amount of general obligation debt a government entity may issue to 8.625% of its total assessed valuation. The current legal debt margin for the Village of Bradley is \$24,302,498. Currently, the Village has no outstanding general obligation debt since the entire balance of the 2007 G.O. Bonds were paid off in FY 2012.

Additional information on the Village of Bradley's long-term liabilities can be found in Note 7.

**VILLAGE OF BRADLEY, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2012**

---

**ECONOMIC FACTORS**

The Village of Bradley is located approximately 50 miles south of downtown Chicago. Based upon the 2010 EAV, 100% is located in Kankakee County.

As of April 2012, the unemployment rate for Kankakee County, which the Village of Bradley will mirror quite closely, is approximately 10.5%, which is an improvement from April 2011 when the rate was 11.8%. The April 2012 rate of 10.5% compares quite unfavorably to the Illinois State unemployment rate of 8.6%, as well as to the National rate of 7.7%.

According to the 2010 American Community Survey conducted by the U.S. Census Bureau, the Village of Bradley had a median family income of \$49,222. This compares unfavorably to Kankakee County's \$50,484 and \$55,735 for the State of Illinois. According to the 2010 American Community Survey conducted by the U.S. Census Bureau, the Village of Bradley's median value of owner-occupied home was \$141,200. This compares unfavorably to Kankakee County's median value of \$148,400 and that of the State of Illinois at \$202,500.

As part of the budget process each year, the Village of Bradley analyzes the fees it charges to its residents, developers and contractors doing business in the Village. This is accomplished by surveying surrounding towns as well as other municipalities that have similar demographics compared to Bradley. Several fees for services in the Building Standards department were increased for FY 11/12, as were ambulance and sewer rates.

**CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances. Questions concerning this report or requests for additional financial information should be directed to the Finance Director, Village of Bradley, 147 S. Michigan Ave., Bradley, Illinois, 60915.

## **BASIC FINANCIAL STATEMENTS**

**VILLAGE OF BRADLEY, ILLINOIS**

Statement of Net Assets  
 April 30, 2012

|   | Governmental<br>Activities | Business-type<br>Activities | Total             |
|---|----------------------------|-----------------------------|-------------------|
| <b>Assets</b>                                   |                            |                             |                   |
| <b>Current Assets</b>                           |                            |                             |                   |
| Cash and Equivalents                            | \$ 6,587,950               | 527,943                     | 7,115,893         |
| Investments                                     | 3,773,835                  |                             | 3,773,835         |
| Receivables, Net of Allowance                   |                            |                             |                   |
| Accounts Receivable                             | 306,333                    | 215,067                     | 521,400           |
| Property Tax                                    | 2,107,607                  | 143,710                     | 2,251,317         |
| Due from Other Governments                      | 2,357,692                  |                             | 2,357,692         |
| Loans   | 927,305                    |                             | 927,305           |
| Interest  | 324                        |                             | 324               |
| Prepaid Expense                                 | 340,642                    |                             | 340,642           |
| Inventory (Fuel)                                | 101,514                    |                             | 101,514           |
| <b>Total Current Assets</b>                     | <b>16,503,202</b>          | <b>886,720</b>              | <b>17,389,922</b> |
| <b>Noncurrent Assets</b>                        |                            |                             |                   |
| Due from Joint Venture                          |                            | 20,508                      | 20,508            |
| Non-depreciable Capital Assets                  | 6,494,488                  |                             | 6,494,488         |
| Capital Assets Depreciated                      | 29,236,263                 | 12,582,909                  | 41,819,172        |
| Accumulated Depreciation                        | (12,231,230)               | (5,351,247)                 | (17,582,477)      |
| <b>Total Non-current Assets</b>                 | <b>23,499,521</b>          | <b>7,252,170</b>            | <b>30,751,691</b> |
| <b>Total Assets</b>                             | <b>40,002,723</b>          | <b>8,138,890</b>            | <b>48,141,613</b> |
| <b>Liabilities</b>                              |                            |                             |                   |
| <b>Current Liabilities</b>                      |                            |                             |                   |
| Accounts Payable                                | 230,010                    | 335,856                     | 565,866           |
| Deferred Revenue                                | 2,131,323                  | 143,710                     | 2,275,033         |
| Interest Payable                                | 118,137                    | 97,250                      | 215,387           |
| Loans and Escrows                               | 760,057                    |                             | 760,057           |
| Other Payables                                  | 205,331                    | 10,180                      | 215,511           |
| Current Portion of Long-Term Debt               | 651,762                    | 216,053                     | 867,815           |
| <b>Total Current Liabilities</b>                | <b>4,096,620</b>           | <b>803,049</b>              | <b>4,899,669</b>  |
| Non-current Liabilities                         | 9,808,600                  | 5,368,427                   | 15,177,027        |
| <b>Total Liabilities</b>                        | <b>13,905,220</b>          | <b>6,171,476</b>            | <b>20,076,696</b> |
| <b>Net Assets</b>                               |                            |                             |                   |
| Invested in Capital Assets, Net of Related Debt | 17,530,249                 | 1,732,990                   | 19,263,239        |
| Restricted for                                  |                            |                             |                   |
| Economic Development                            | 1,353,427                  |                             | 1,353,427         |
| Street Maintenance                              | 373,129                    |                             | 373,129           |
| Debt Service                                    | 2,734                      |                             | 2,734             |
| Capital Projects                                | 223,521                    | 315,954                     | 539,475           |
| Unrestricted                                    | 6,614,443                  | (81,530)                    | 6,532,913         |
| <b>Total Net Assets</b>                         | <b>\$ 26,097,503</b>       | <b>1,967,414</b>            | <b>28,064,917</b> |

See Independent Auditor's Report and accompanying Notes to the Financial Statements.

**VILLAGE OF BRADLEY, ILLINOIS**

Statement of Activities  
For the Year Ended April 30, 2012

| Functions/Programs                   | Expenses             | Program Revenues     |                                    |                                  |
|--------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|
|                                      |                      | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Governmental Activities</b>       |                      |                      |                                    |                                  |
| General Government                   | \$ 5,465,383         | 927,197              |                                    |                                  |
| Public Safety                        | 5,373,160            | 625,816              | 185,246                            |                                  |
| Public Works                         | 1,890,992            | 1,900                | 465,549                            |                                  |
| Building Standards                   | 295,085              | 111,311              |                                    |                                  |
| Community Development                | 34,975               |                      |                                    |                                  |
| Interest on Long-Term Debt           | 375,435              |                      |                                    |                                  |
| <b>Total Governmental Activities</b> | <b>13,435,030</b>    | <b>1,666,224</b>     | <b>650,795</b>                     | <b>-</b>                         |
| <b>Business-type Activities</b>      |                      |                      |                                    |                                  |
| Sewer                                | 2,259,798            | 1,601,275            |                                    |                                  |
| <b>Total Village</b>                 | <b>\$ 15,694,828</b> | <b>3,267,499</b>     | <b>650,795</b>                     | <b>-</b>                         |

General Revenues  
 Property Taxes  
 State Shared Taxes  
 Sales  
 Income  
 Other  
 Investment Earnings  
 Miscellaneous  
 Gain on Sale of Capital Assets  
 Transfers  
 Total General Revenues

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

See Independent Auditor's Report and accompanying Notes to the Financial Statements.

| Net (Expense) Revenue and<br>Changes in Net Assets |                             |              |
|--|-----------------------------|--------------|
| Governmental<br>Activities                         | Business-type<br>Activities | Total        |
| (4,538,186)  |                             | (4,538,186)  |
| (4,562,098)  |                             | (4,562,098)  |
| (1,423,543)  |                             | (1,423,543)  |
| (183,774)  |                             | (183,774)    |
| (34,975)   |                             | (34,975)     |
| (375,435)  |                             | (375,435)    |
| (11,118,011)                                       | -                           | (11,118,011) |
|  | (658,523)                   | (658,523)    |
| (11,118,011)                                       | (658,523)                   | (11,776,534) |
| 2,733,165  |                             | 2,733,165    |
| 5,952,281  |                             | 5,952,281    |
| 1,356,843  |                             | 1,356,843    |
| 333,360  |                             | 333,360      |
| 90,349   | 2,578                       | 92,927       |
| 71,434   | 25,862                      | 97,296       |
| 16,354   |                             | 16,354       |
| (568,000)  | 568,000                     |              |
| 9,985,786  | 596,440                     | 10,582,226   |
| (1,132,225)  | (62,083)                    | (1,194,308)  |
| 27,229,728   | 2,029,497                   | 29,259,225   |
| 26,097,503   | 1,967,414                   | 28,064,917   |

**VILLAGE OF BRADLEY, ILLINOIS**

Governmental Funds

Balance Sheet

April 30, 2012

|  | General              | Revolving<br>Loan | State<br>Rt. 50 TIF | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|-------------------|---------------------|-----------------------------------|--------------------------------|
| <b>Assets</b>                                  |                      |                   |                     |                                   |                                |
| Cash and Equivalents                           | \$ 4,574,579         | 880,503           | 552,818             | 580,050                           | 6,587,950                      |
| Investments                                    | 2,980,887            |                   | 792,948             |                                   | 3,773,835                      |
| <b>Receivables</b>                             |                      |                   |                     |                                   |                                |
| Property Taxes                                 | 1,933,039            |                   |                     | 30,858                            | 1,963,897                      |
| State Taxes                                    | 2,357,692            |                   |                     |                                   | 2,357,692                      |
| Accounts                                       | 306,333              | 927,305           |                     |                                   | 1,233,638                      |
| Interest                                       | 324                  |                   |                     |                                   | 324                            |
| Inventory (Fuel)                               | 101,514              |                   |                     |                                   | 101,514                        |
| Prepaid Item                                   | 340,642              |                   |                     |                                   | 340,642                        |
| Due from Other Funds                           | 4,332                |                   |                     |                                   | 4,332                          |
| <b>Total Assets</b>                            | <b>\$ 12,599,342</b> | <b>1,807,808</b>  | <b>1,345,766</b>    | <b>610,908</b>                    | <b>16,363,824</b>              |
| <b>Liabilities</b>                             |                      |                   |                     |                                   |                                |
| Accounts Payable                               | \$ 230,010           |                   |                     |                                   | 230,010                        |
| Deferred Revenue                               | 1,987,614            |                   |                     |                                   | 1,987,614                      |
| Loans and Escrows                              | 760,057              |                   |                     |                                   | 760,057                        |
| Due to Other Funds                             |                      |                   |                     | 4,332                             | 4,332                          |
| Other Payables                                 | 205,331              |                   |                     |                                   | 205,331                        |
| <b>Total Liabilities</b>                       | <b>3,183,012</b>     | <b>-</b>          | <b>-</b>            | <b>4,332</b>                      | <b>3,187,344</b>               |
| <b>Fund Balances</b>                           |                      |                   |                     |                                   |                                |
| <b>Nonspendable</b>                            |                      |                   |                     |                                   |                                |
| Inventory                                      | 101,514              |                   |                     |                                   | 101,514                        |
| Prepaid Item                                   | 340,642              |                   |                     |                                   | 340,642                        |
| <b>Restricted for</b>                          |                      |                   |                     |                                   |                                |
| Economic Development                           |                      |                   | 1,345,766           | 7,661                             | 1,353,427                      |
| Street Maintenance                             |                      |                   |                     | 373,129                           | 373,129                        |
| Debt Service                                   |                      |                   |                     | 2,734                             | 2,734                          |
| Capital Projects                               |                      |                   |                     | 223,521                           | 223,521                        |
| <b>Committed for</b>                           |                      |                   |                     |                                   |                                |
| Economic Development                           |                      | 1,807,808         |                     |                                   | 1,807,808                      |
| Unassigned                                     | 8,974,174            |                   |                     | (469)                             | 8,973,705                      |
| <b>Total Fund Balances</b>                     | <b>9,416,330</b>     | <b>1,807,808</b>  | <b>1,345,766</b>    | <b>606,576</b>                    | <b>13,176,480</b>              |
| <b>Total Liabilities and<br/>Fund Balances</b> | <b>\$ 12,599,342</b> | <b>1,807,808</b>  | <b>1,345,766</b>    | <b>610,908</b>                    | <b>16,363,824</b>              |

See Independent Auditor's Report and accompanying Notes to the Financial Statements.



**VILLAGE OF BRADLEY, ILLINOIS**

Reconciliation of Balance Sheet - Governmental Funds  
to Statement of Net Assets

April 30, 2012

---

Amounts reported for governmental activities in the Statement of Net Assets are different because:

|  |                      |
|--|----------------------|
| Total Fund Balances - Governmental Funds   | \$ 13,176,480        |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.                              | 23,499,521           |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.           |                      |
| Bonds Payable  | (5,888,596)          |
| Capital Lease Payable  | (164,600)            |
| Notes Payable  | (80,676)             |
| Police and Fire Net Pension Obligation   | (624,508)            |
| IMRF Net Pension Obligation  | (55,160)             |
| Interest on long-term liabilities is shown as an expenditure when paid by the funds, but accrued in the Statement of Net Assets.                       | (118,137)            |
| Accrued compensated absences are reported in the Statement of Net Assets, but are not included in the fund financial statements.                       | (1,455,817)          |
| The net obligation for other post-retirement benefit is reported in the Statement of Net Assets, but is not included in the fund financial statements. | <u>(2,191,004)</u>   |
| Net Assets of Governmental Activities  | <u>\$ 26,097,503</u> |

See Independent Auditor's Report and accompanying Notes to the Financial Statements.

**VILLAGE OF BRADLEY, ILLINOIS**

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended April 30, 2012

|  | General      | Revolving<br>Loan | State<br>Rt. 50 TIF | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|--------------|-------------------|---------------------|-----------------------------------|--------------------------------|
| <b>Revenues</b>                                      |              |                   |                     |                                   |                                |
| Taxes  |              |                   |                     |                                   |                                |
| Property   | \$ 1,914,674 |                   | 750,718             | 67,773                            | 2,733,165                      |
| State Shared   | 7,642,484    |                   |                     | 402,476                           | 8,044,960                      |
| Licenses and Permits                                 | 202,467      |                   |                     |                                   | 202,467                        |
| Intergovernmental                                    | 170,816      |                   |                     | 63,073                            | 233,889                        |
| Charges for Services                                 | 902,104      |                   |                     |                                   | 902,104                        |
| Fines and Forfeitures                                | 317,235      |                   |                     | 4,405                             | 321,640                        |
| Investment Income                                    | 57,870       | 31,057            | 83                  | 1,339                             | 90,349                         |
| Miscellaneous  | 310,916      |                   |                     | 14,961                            | 325,877                        |
| Total Revenues                                       | 11,518,566   | 31,057            | 750,801             | 554,027                           | 12,854,451                     |
| <b>Expenditures</b>                                  |              |                   |                     |                                   |                                |
| Current  |              |                   |                     |                                   |                                |
| General Government                                   | 4,709,353    | 122,506           |                     |                                   | 4,831,859                      |
| Public Safety  | 4,732,702    |                   |                     | 34,061                            | 4,766,763                      |
| Public Works   | 1,379,345    |                   |                     | 392,771                           | 1,772,116                      |
| Building Standards                                   | 295,085      |                   |                     |                                   | 295,085                        |
| Community Development                                |              |                   | 3,410               | 31,565                            | 34,975                         |
| Debt Service   |              |                   |                     |                                   |                                |
| Principal  |              |                   | 1,950,000           | 328,000                           | 2,278,000                      |
| Interest   |              |                   | 420,290             | 15,784                            | 436,074                        |
| Capital Outlay                                       |              |                   |                     | 327,515                           | 327,515                        |
| Total Expenditures                                   | 11,116,485   | 122,506           | 2,373,700           | 1,129,696                         | 14,742,387                     |
| Excess (Deficiency) of Revenues<br>over Expenditures | 402,081      | (91,449)          | (1,622,899)         | (575,669)                         | (1,887,936)                    |
| <b>Other Financing Sources (Uses)</b>                |              |                   |                     |                                   |                                |
| Transfers In   |              |                   |                     | 765,848                           | 765,848                        |
| Transfers Out  | (1,059,100)  | (43,123)          |                     | (231,625)                         | (1,333,848)                    |
| Proceeds from Capital Lease                          | 164,600      |                   |                     |                                   | 164,600                        |
| Loan Proceeds  | 80,676       |                   |                     |                                   | 80,676                         |
| Sale of Capital Assets                               | 26,950       |                   |                     |                                   | 26,950                         |
| Total Other Financing<br>Sources (Uses)              | (786,874)    | (43,123)          | -                   | 534,223                           | (295,774)                      |
| Net Change in Fund Balances                          | (384,793)    | (134,572)         | (1,622,899)         | (41,446)                          | (2,183,710)                    |
| Fund Balances - Beginning                            | 9,801,123    | 1,942,380         | 2,968,665           | 648,022                           | 15,360,190                     |
| Fund Balances - Ending                               | \$ 9,416,330 | 1,807,808         | 1,345,766           | 606,576                           | 13,176,480                     |

See Independent Auditor's Report and accompanying Notes to the Financial Statements.

**VILLAGE OF BRADLEY, ILLINOIS**

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities

For the Year Ended April 30, 2012

---

Amounts reported for governmental activities in the Statement of Activities are  
different because:

|   |                       |
|---|-----------------------|
| Net Change in Fund Balances - Total Governmental Funds  | \$ (2,183,710)        |
| Governmental funds report capital outlays as expenditures; however,<br>they are capitalized and depreciated in the Statement of Activities.   | 646,727               |
| Depreciation in the Statement of Activities does not require the use of<br>current financial resources and, therefore, is not reported as<br>expenditures in governmental funds.          | (1,049,409)           |
| The net effect of disposal of governmental capital assets is to decrease net assets.  | (10,596)              |
| The issuance of long-term debt is reported as an other financing source when issued in<br>governmental funds but as a liability outstanding in the<br>Statement of Net Assets.            |                       |
| Loans Payable   | (80,676)              |
| Capital Lease Payable   | (164,600)             |
| The repayment of long-term debt is reported as an expenditure when due in<br>governmental funds but as a reduction of principal outstanding in the<br>Statement of Activities.            |                       |
| General Obligation Bonds  | 2,278,000             |
| Amortization of Bond Premium  | 17,726                |
| Some expenses reported in the Statement of Activities do not require the<br>use of current financial resources and, therefore, are not reported as<br>expenditures in governmental funds. |                       |
| Increase in Police and Fire Net Pension Obligation  | (37,809)              |
| Increase in IMRF Net Pension Obligation   | (30,169)              |
| Increase in Compensated Absences  | (161,605)             |
| Increase in Net Other Post Employment Benefits  | (399,017)             |
| Decrease in Accrued Interest  | 42,913                |
| Change in Net Assets of Governmental Activities   | <u>\$ (1,132,225)</u> |

See Independent Auditor's Report and accompanying Notes to the Financial Statements.

**VILLAGE OF BRADLEY, ILLINOIS**

Proprietary Fund - Sewer Fund

Statement of Net Assets

April 30, 2012

**ASSETS**

**Current Assets**

|  |                |
|--|----------------|
| Cash   | \$ 527,943     |
| Receivables (Net of Allowance<br>for Uncollectables) |                |
| Accounts   | 215,067        |
| Property Tax   | 143,710        |
| Total Current Assets                                 | <u>886,720</u> |

**Capital Assets**

|  |                    |
|--|--------------------|
| Buildings and Equipment                                  | 12,582,909         |
| Less Accumulated Depreciation                            | <u>(5,351,247)</u> |
| Total Capital Assets, Net of<br>Accumulated Depreciation | <u>7,231,662</u>   |

**Noncurrent Assets**

|                        |               |
|------------------------|---------------|
| Due from Joint Venture | <u>20,508</u> |
|------------------------|---------------|

|              |                  |
|--------------|------------------|
| Total Assets | <u>8,138,890</u> |
|--------------|------------------|

**LIABILITIES**

**Current Liabilities**

|                           |                |
|---------------------------|----------------|
| Accounts Payable          | 335,856        |
| Deferred Revenue          | 143,710        |
| Interest Payable          | 97,250         |
| Compensated Absences      | 21,452         |
| Current Bonds Payable     | 194,601        |
| Other Payables            | 10,180         |
| Total Current Liabilities | <u>803,049</u> |

**Noncurrent Liabilities**

|                      |                  |
|----------------------|------------------|
| Compensated Absences | 64,356           |
| Bonds Payable        | 5,304,071        |
|                      | <u>5,368,427</u> |

|                   |                  |
|-------------------|------------------|
| Total Liabilities | <u>6,171,476</u> |
|-------------------|------------------|

**NET ASSETS**

|  |                     |
|--|---------------------|
| Investment in Capital Assets, Net of Related Debt<br>Restricted for Construction | 1,732,990           |
| Unrestricted   | 315,954             |
|  | <u>(81,530)</u>     |
| Total Net Assets   | <u>\$ 1,967,414</u> |

See Independent Auditor's Report and accompanying Notes to the Financial Statements.

**VILLAGE OF BRADLEY, ILLINOIS**

Proprietary Fund - Sewer Fund

Statement of Revenues, Expenses, and Changes in Net Assets  
For the Year Ended April 30, 2012

---

|  |                     |
|--|---------------------|
| Operating Revenues                     |                     |
| User Charges                           | <u>\$ 1,601,275</u> |
| Operating Expenses                     |                     |
| Salaries and Wages                     | 292,146             |
| Employee Benefits                      | 130,271             |
| Professional Fees                      | 111,307             |
| Materials, Repairs and Maintenance     | 64,753              |
| Utilities                              | 15,377              |
| Depreciation                           | 361,105             |
| Sewer Fees                             | 990,685             |
| Other Operating Expenses               | 61,204              |
| Total Operating Expenses               | <u>2,026,848</u>    |
| Operating Loss                         | <u>(425,573)</u>    |
| Nonoperating Revenues (Expenses):      |                     |
| Interest and Investment Income         | 2,578               |
| Tap-On Fees                            | 25,862              |
| Interest Expense                       | (232,950)           |
| Total Nonoperating Revenues (Expenses) | <u>(204,510)</u>    |
| Net Loss before Transfers              | (630,083)           |
| Transfers                              |                     |
| Transfer In - General Fund             | <u>568,000</u>      |
| Change in Net Assets                   | (62,083)            |
| Net Assets                             |                     |
| Beginning                              | <u>2,029,497</u>    |
| Ending                                 | <u>\$ 1,967,414</u> |

See Independent Auditor's Report and accompanying Notes to the Financial Statements.

**VILLAGE OF BRADLEY, ILLINOIS**

Proprietary Fund - Sewer Fund

Statement of Cash Flows

For the Year Ended April 30, 2012

---

---

|   |                    |
|---|--------------------|
| Cash Flows from Operating Activities                |                    |
| Receipts from Customers                             | \$ 1,609,716       |
| Payments to Suppliers                               | (943,022)          |
| Payments to Employees                               | (397,744)          |
|   | <u>268,950</u>     |
| Cash Flows from Noncapital and Financing Activities |                    |
| Transfer from General Fund                          | 568,000            |
| Tap On Fees   | 25,862             |
|   | <u>593,862</u>     |
| Cash Flows from Capital and Financing Activities    |                    |
| Payment of Bond Principal                           | (185,000)          |
| Interest Paid                                       | (236,033)          |
| Purchase of Capital Assets                          | (658,537)          |
|   | <u>(1,079,570)</u> |
| Cash Flows from Investing Activities                |                    |
| Interest and Dividends                              | 2,578              |
|   | <u>2,578</u>       |
| Net Decrease in Cash and Cash Equivalents           | (214,180)          |
| Cash and Cash Equivalents, Beginning                | <u>742,123</u>     |
| Cash and Cash Equivalents, Ending                   | <u>\$ 527,943</u>  |
| Reconciliation of Operating Loss to Net Cash        |                    |
| Provided by Operating Activities                    |                    |
| Operating Loss                                      | \$ (425,573)       |
| Adjustments to Reconcile Operating Loss to          |                    |
| Net Cash Provided by in Operating Activities        |                    |
| Amortization of Bond Premium                        | (4,767)            |
| Depreciation Expense                                | 361,105            |
| Change in Assets and Liabilities                    |                    |
| Increase in Receivables, Net                        | (135,269)          |
| Increase in Accounts and Other Payables             | 305,071            |
| Increase in Deferred Revenue                        | 143,710            |
| Increase in Compensated Absences                    | 24,673             |
|   | <u>268,950</u>     |
| Net Cash Provided by Operating Activities           | <u>\$ 268,950</u>  |

See Independent Auditor's Report and accompanying Notes to the Financial Statements.

**VILLAGE OF BRADLEY, ILLINOIS**

Pension Trust Fund

Statement of Fiduciary Net Assets

April 30, 2012

---

Assets

|                             |              |
|-----------------------------|--------------|
| Cash and Equivalents        | \$ 967,950   |
| Investments, at Fair Value  |              |
| Equities                    | 5,245,746    |
| Mutual Funds                | 701,448      |
| Corporate Bonds             | 788,631      |
| U.S. Government Obligations | 3,476,940    |
| Receivables                 |              |
| Accrued Interest            | <u>4,308</u> |
| Total Assets                | 11,185,023   |

Liabilities

|                     |              |
|---------------------|--------------|
| Payroll Withholding | <u>4,744</u> |
|---------------------|--------------|

Net Assets Held in Trust for Pension Benefits \$ 11,180,279

See Independent Auditor's Report and accompanying Notes to the Financial Statements.

**VILLAGE OF BRADLEY, ILLINOIS**

Pension Trust Fund

Statement of Changes in Fiduciary Net Assets  
For the Year Ended April 30, 2012

Additions

Contributions

|                       |                |
|-----------------------|----------------|
| Village Contributions | \$ 655,917     |
| Police Contributions  | 224,794        |
| Total Contributions   | <u>880,711</u> |

Investment Income

|  |                |
|--|----------------|
| Interest Income                                  | 184,323        |
| Net Appreciation in<br>Fair Value of Investments | <u>355,706</u> |
| Total Investment Income                          | <u>540,029</u> |
| Less Investment Expense                          | <u>115,572</u> |
| Net Investment Income                            | <u>424,457</u> |

|                 |                  |
|-----------------|------------------|
| Total Additions | <u>1,305,168</u> |
|-----------------|------------------|

Deductions

|                      |                |
|----------------------|----------------|
| Administration       | 14,120         |
| Benefits and Refunds | <u>662,873</u> |

|                  |                |
|------------------|----------------|
| Total Deductions | <u>676,993</u> |
|------------------|----------------|

|                      |         |
|----------------------|---------|
| Change in Net Assets | 628,175 |
|----------------------|---------|

Net Assets

|          |                      |
|----------|----------------------|
| May 1    | <u>10,552,104</u>    |
| April 30 | <u>\$ 11,180,279</u> |

See Independent Auditor's Report and accompanying Notes to the Financial Statements.



## VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

---

### I. Summary of Significant Accounting Policies

The accounting policies of the Village of Bradley, Illinois (the Village), as reflected in the accompanying financial statements for the year ended April 30, 2012, conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies:

#### A. Financial Reporting Entity

The Village is a municipal corporation governed by an elected board. As required by generally accepted accounting principles, these financial statements present the Village (the primary government) and its component units. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the significance of its operational or financial relationship with the primary government.

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

The government-wide financial statements (i.e., the Statement of Net Assets and Statement of Activities) report information on all of the nonfiduciary activities of the Village. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities 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 and enterprise funds are reported as separate columns in the fund financial statements. Individual nonmajor funds are reported in the supplementary information.

#### C. Fund Accounting

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

Funds are classified into three broad categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

## VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

---

### I. Summary of Significant Accounting Policies (Cont.)

#### C. Fund Accounting (Cont.)

The Village has the following fund types:

**Governmental Funds** are used to account for the Village's general governmental activities. There are four of these types and they use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

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.

*Special Revenue Funds* account for the collection and disbursement of earmarked monies.

*Debt Service Funds* account for the servicing of general long-term debt not financed by proprietary funds.

*Capital Projects Funds* account for the acquisition of capital assets or construction of major capital projects not financed by proprietary funds.

**Proprietary Funds** are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities are provided to outside parties by the enterprise fund.

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

**Fiduciary Funds** account for assets held by the government in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement.

*Pension Trust Funds* are accounted for in essentially the same manner as the proprietary fund, using the same measurement focus and the accrual basis of accounting. The pension trust funds account for the assets and activity of the Village's Police Pension Trust Fund and Firefighters' Pension Trust Fund.

#### D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

---

### 1. Summary of Significant Accounting Policies (Cont.)

#### D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont.)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers property taxes as available if they are collected within 60 days of the end of the current fiscal period. A 90 day availability period is used for revenue recognition for all other governmental fund revenues. Due to delays from the State of Illinois in distributing income tax receipts to local municipalities, the 90 day availability period has been extended in order to report twelve months' revenue. Expenditures generally are recorded when a liability is incurred, as under accrual accounting; however, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments are recorded when payment is due.

Property taxes, sales taxes, income taxes, motor fuel taxes, interest revenue, and charges for services revenues associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

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 *Revolving Loan Fund* is used to account for financial resources to be used specifically for providing low interest rate loans to businesses within the Village.

The *State Rt. 50 TIF Fund* is a special revenue fund which accounts for financial resources to be used for the acquisition, construction, and improvement of the State Rt. 50 TIF District.

The Village reports the following major and only enterprise fund:

The *Sewer Fund* accounts for the provision of sewer services, repair, and improvement services to the residents of the Village of Bradley. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Additionally, the Village reports the following fiduciary funds:

The *Police Pension Trust Fund* accounts for the accumulation of resources to pay pension costs. Resources are contributed by police force members at rates fixed by state statutes and by the Village through an annual property tax levy.

The *Firefighters' Pension Trust Fund* accounts for the accumulation of resources to pay pension costs. Resources are contributed by fire personnel members at rates fixed by state statutes and by the Village through an annual property tax levy.

## VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

---

### 1. Summary of Significant Accounting Policies (Cont.)

#### D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont.)

The Village's enterprise fund applies all applicable GASB pronouncements as well as relevant Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements, in which case GASB prevails.

Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided and operating 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 enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund 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.

The Village reports unearned revenue on its financial statements. Unearned revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenue also arises when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the Village has a legal claim to resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

#### E. Budgets

Budgets are adopted on a basis consistent with GAAP. An annual appropriated budget is adopted (at the fund level) for the General Fund, State Rt. 50 TIF Fund, Revolving Loan Fund, Motor Fuel Tax Fund, Debt Service Fund, Capital Projects Fund, and Sewer Fund. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

#### F. Cash Equivalents

For purposes of the statement of cash flows, all highly liquid investments with maturities of three months or less at the date purchase are considered cash equivalents.

#### G. Investments

Investments with a maturity of one year or less are stated at cost plus or minus amortized discount or premium (which approximates market). Investments with a maturity greater than one year are stated at fair value.

**VILLAGE OF BRADLEY, ILLINOIS**

Notes to the Financial Statements  
April 30, 2012

---

**I. Summary of Significant Accounting Policies (Cont.)**

**H. Receivables**

The recognition of receivables associated with nonexchange transactions is as follows:

- Derived tax receivables (such as sales, income, and motor fuel taxes) are recognized when the underlying exchange has occurred.
- Imposed nonexchange receivables (such as property taxes and fines) are recognized when an enforceable legal claim has arisen.
- Government mandates or voluntary nonexchange transaction receivables (such as mandates or grants) are recognized when all legal requirements have been met.

**I. Inventory**

Inventories are valued at cost, which approximates market, using the first-in first-out (FIFO) method. The costs of governmental fund inventories are recorded as expenditures when consumed rather than when purchased.

**J. Prepaid Items/Expenses**

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses, consistent with the consumption method of accounting.

**K. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, bridges and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined as having a useful life greater than one year with an initial, individual cost of more than \$10,000. 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 the donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

|                            |             |
|----------------------------|-------------|
| Buildings and Improvements | 20-50 years |
| Equipment                  | 5-10 years  |
| Infrastructure             | 20-50 years |

## VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

---

### 1. Summary of Significant Accounting Policies (Cont.)

#### L. Compensated Absences

Vested or accumulated vacation leave is accrued when incurred in the government-wide and proprietary fund financial statements, as the Village expects employees to use their vacation within one fiscal year; however, they may carry over their days from year to year. Vested or accumulated vacation leave of proprietary funds and government-wide statements is recorded as an expense and liability of those funds as the benefits accrue to employees. Vacation leave is only recorded in the governmental fund financial statements when an employee leaves before year end and has not been paid out. No liability is recorded for nonvesting, accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" prior to retirement.

#### M. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt, if material.

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, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### N. Fund Equity –

During the year ended April 30, 2012, the Village implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which enhanced the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied, and by clarifying the existing governmental fund type definitions. Previously, fund balance of governmental funds was divided into three categories - reserved, unreserved/designated and unreserved/undesignated. The new reporting requirement eliminated those categories and replaced them with five new categories that are described below.

There are five classifications of fund balance:

- (1) Nonspendable – amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- (2) Restricted – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.

## VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2012

---

### 1. Summary of Significant Accounting Policies (Cont.)

#### N. Fund Equity (Cont.) –

- (3) Committed – amounts constrained to specific purpose by a government itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- (4) Assigned – amounts a government intends to use for a specific purpose.
- (5) Unassigned – amounts that are available for any purpose. These amounts are only reported in the General Fund.

Fund balance is displayed in the order of the relative strength of the spending constraints placed on the purposes for which resources can be used.

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

#### O. Interfund Transactions

The Village has the following types of transactions between funds:

**Loans** are amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings, and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are reported as internal balances in the government-wide Statement of Net Assets, except for amounts between similar activities, which have been eliminated.

**Transfers** are flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after non-operating revenues and expenses.

#### P. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### 2. Fund Equity

The Police Seizure Fund (Nonmajor Special Revenue) had a deficit in fund balance of \$469 as of April 30, 2012.

## VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

---

### 3. Deposits and Investments

The Village's investment policy is to establish cash management and investment guidelines for the Village officials responsible for the stewardship of public funds. The Village has established specific objectives to meet these guidelines. The Village's investment policy is more restrictive than Illinois State Statutes. The Village is authorized to make deposits in any credit union or bank, as defined by the Illinois Banking Act, and make investments in obligations guaranteed by the full faith and credit of the United States of America, similar obligations of agencies of the United States of America, certain money market mutual funds, and The Illinois Funds.

The deposits and investments of the pension funds are held separately from those of other Village funds. Statutes authorize the pension funds to make deposits/invest in interest-bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Public Treasurer's Investment Pool, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided that the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance companies provided that the investment in separate accounts does not exceed 10% of the pension fund's net assets. Pension funds with net assets of \$2.5 million or more may invest up to 35% of plan net assets in mutual funds and an additional ten percent in accounts with life insurance companies. In addition, pension funds with net assets of at least \$5 million that have appointed an investment advisor may, through that investment advisor, invest up to 45% of the plan's net assets in common and preferred stocks which meet specific restrictions. Pension funds with at least \$10,000,000 may, through its investment advisor, invest in common and preferred stocks and mutual funds up to 50% of its total investments effective July 1, 2011, and up to 55% effective July 1, 2012.

At April 30, 2012, the Village's cash and investments consisted of the following:

|                      | Primary<br>Government | Fiduciary  | Total      |
|----------------------|-----------------------|------------|------------|
| Cash and Investments | \$ 10,889,728         | 11,180,715 | 22,070,443 |



**VILLAGE OF BRADLEY, ILLINOIS**

Notes to the Financial Statements  
April 30, 2012

---

3. Deposits and Investments (Cont.)

For disclosure purposes, this amount is segregated into three components: 1) cash on hand; 2) deposits with financial institutions, which include amounts held in demand accounts and savings accounts; and 3) other investments which consist of investments in The Illinois Funds, certificates of deposit, U.S. Treasuries, government-backed securities, and mutual funds as follows:

|   |    |                   |
|---|----|-------------------|
| Cash on Hand                                    | \$ | 2,050             |
| Deposits with Financial Institutions            |    |                   |
| Village   |    | 4,299,063         |
| Police Pension Fund                             |    | 275,781           |
| Fire Pension Fund                               |    | 340,516           |
| Other Investments                               |    |                   |
| Village   |    | 6,588,615         |
| Police Pension Fund - Debt Securities           |    | 4,617,224         |
| Police Pension Fund - Equities and Mutual Funds |    | <u>5,947,194</u>  |
|   | \$ | <u>22,070,443</u> |

The Illinois Funds Money Market Fund is an external investment pool developed and implemented in 1975 by the Illinois General Assembly under the jurisdiction of the Treasurer, who has regulatory oversight for the pool. The Fund is not registered with the SEC and has an affirmed AAAM Standard & Poor's credit quality rating. The fair value of the positions of this pool is the same as the value of the pool shares. The yield on the Illinois Funds Money Market Fund was .062% at April 30, 2012. The Fund issues a publicly available financial report. That report may be obtained by writing to the Office of the State Treasurer, Illinois Funds Administrative Office, 300 W. Jefferson Street, Springfield, Illinois 62702.

**VILLAGE OF BRADLEY, ILLINOIS**

Notes to the Financial Statements  
April 30, 2012

3. Deposits and Investments (Cont.)

As of April 30, 2012, the Village has the following investments and maturities:

| Investment Type                          | Fair Value          | Investment Maturities |                  |                   |
|--|---------------------|-----------------------|------------------|-------------------|
|  |                     | Less Than One Year    | 1 to 5 Years     | More Than 5 Years |
| The Illinois Funds                       | \$ 2,600,524        | 2,600,524             |                  |                   |
| Money Market/Liquid Assets               | 1,007,204           | 1,007,204             |                  |                   |
| Certificates of Deposit                  | 43,928              | 43,928                |                  |                   |
| US Treasuries                            | 357,690             |                       | 357,690          |                   |
| Corporate Bonds                          | 508,563             | 313,017               | 195,546          |                   |
| Federal Home Loan Mortgage               | 614,731             | 5,179                 |                  | 609,552           |
| Federal Farm Credit Bank Debenture       | 189,642             |                       | 189,642          |                   |
| Government National Mortgage Association | 476,813             |                       |                  | 476,813           |
| Federal National Mortgage Association    | 668,128             |                       | 668,128          |                   |
| Other Government Backed Securities       | 121,392             |                       | 121,392          |                   |
|  | <u>\$ 6,588,615</u> | <u>3,969,852</u>      | <u>1,532,398</u> | <u>1,086,365</u>  |

As of April 30, 2012, the Police Pension Fund has the following investments and maturities:

| Investment Type                          | Fair Value          | Investment Maturities |                  |                   |
|--|---------------------|-----------------------|------------------|-------------------|
|  |                     | Less Than One Year    | 1 to 5 Years     | More Than 5 Years |
| Money Market/Liquid Assets               | \$ 351,653          | 351,653               |                  |                   |
| Corporate Bonds                          | 788,631             | 364,439               | 163,676          | 260,516           |
| Federal Home Loan Bank                   | 182,196             |                       | 182,196          |                   |
| Federal Home Loan Mortgage Corporation   | 928,893             |                       | 471,963          | 456,930           |
| Federal National Mortgage Association    | 165,309             |                       | 64,782           | 100,527           |
| Government National Mortgage Association | 279,080             |                       |                  | 279,080           |
| U.S. Treasuries                          | 1,520,118           | 228,462               | 639,167          | 652,489           |
| Other Government Backed Securities       | 401,344             |                       |                  | 401,344           |
|  | <u>\$ 4,617,224</u> | <u>944,554</u>        | <u>1,521,784</u> | <u>2,150,886</u>  |

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

---

3. Deposits and Investments (Cont.)

Mutual funds and individual equity securities are not subject to risk categorization. The mutual funds are managed by the financial institution in which they are held.

|                   | <u>Fair<br/>Value</u> |
|-------------------|-----------------------|
| Mutual Funds      | \$ 701,448            |
| Equity Securities | <u>5,245,746</u>      |
|                   | <u>\$ 5,947,194</u>   |

*Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect fair values of an investment. In accordance with its investment policy, the Village's investment portfolio shall remain sufficiently liquid to enable the Village to meet all operating requirements that may be reasonably anticipated in any Village fund.

The Police and Firefighters' Pension Funds' investment policies limit their exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

*Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. As of April 30, 2012, The Illinois Funds Money Market was rated AAAM by Standard & Poor's.

The Police and Firefighters' Pension Funds limit their exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The investments in the securities of U.S. government and agency obligations were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. During the current fiscal year, Standard & Poor's lowered its long-term credit rating of U.S. debt from AAA to AA+, which also resulted in similar lowering of ratings for federally-backed debt instruments. The Police and Firefighters' Pension Funds' investment policies follow the "prudent person" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return."

*Custodial Credit Risk*

In the case of deposits, this is the risk that, in the event of a bank failure, the Village's and Component Unit's deposits may not be returned. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of April 30, 2012, the Village's deposits with financial institutions were not exposed to custodial credit risk because they were insured or collateralized.

## VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

---

### 3. Deposits and Investments (Cont.)

#### *Custodial Credit Risk (Cont.)*

As of April 30, 2012, \$30,255 of the Police Pension Funds was exposed to custodial credit risk as those funds were uninsured and uncollateralized. None of the Firefighters' Pension Funds' deposits with financial institutions were exposed to custodial credit risk as those deposits were insured, fully collateralized, and held by an independent third party.

#### *Concentration of Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village limits its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Village's policy prescribes to the "prudent person" rule which states, "All investments shall be made with sound judgment and extraordinary care by persons of prudence, discretion, and intelligence. The primary objectives of the investment policy shall be 1) safety, 2) liquidity, and 3) return on investment (yield)."

It is the policy of the Police and Firefighters' Pension Funds to diversify their investment portfolios. At April 30, 2012, none of the Police Pension Fund's investments (other than those issued or guaranteed by the U.S. Government) included an investment representing 5% or more of plan net assets.

### 4. Receivables - Taxes

Property taxes for 2011 attach as an enforceable lien on January 1, 2011. Taxes are levied by December 2011 for collection in the subsequent calendar year (by passage of a Tax Levy Ordinance). Tax bills are payable in two installments on or about June 1 and September 1, 2012. The County collects such taxes and remits them periodically. As the 2011 levy is intended to finance fiscal 2012-13 operations and debt service, the revenue has been deferred at April 30, 2012. Property tax revenue reported in fiscal year 2012 is comprised primarily of collections of the 2010 levy.

### 5. Receivables - Loans

In prior years, the Village was the recipient of three grants totaling \$687,500 from the Illinois Department of Commerce and Community Affairs under the Illinois Community Development Assistance program. The grants were used to assist the economic and development needs of low to moderate income through the execution of below-market loans to area businesses. Upon repayment of the loans, the Village's use of the funds is restricted to general community development. The principal balance of outstanding loans was \$1,101,641 at April 30, 2012. The non-current portion of this balance is \$739,520. The balance of the allowance for doubtful accounts is \$174,336.

**VILLAGE OF BRADLEY, ILLINOIS**

Notes to the Financial Statements  
 April 30, 2012

6. Capital Assets

A. Governmental Activities

A summary of changes in capital assets for governmental activities of the Village is as follows:

|  | Beginning<br>Balance | Additions        | Deletions     | Ending<br>Balance |
|--|----------------------|------------------|---------------|-------------------|
| Capital Assets Not Being Depreciated           |                      |                  |               |                   |
| Land   | \$ 6,494,488         |                  |               | 6,494,488         |
| Capital Assets Being Depreciated               |                      |                  |               |                   |
| Buildings and Improvements                     | 6,534,472            | 59,906           |               | 6,594,378         |
| Equipment                                      | 7,658,135            | 238,345          | 26,491        | 7,869,989         |
| Infrastructure                                 | 14,423,420           | 348,476          |               | 14,771,896        |
|  | <u>28,616,027</u>    | <u>646,727</u>   | <u>26,491</u> | <u>29,236,263</u> |
| Less Accumulated Depreciation For              |                      |                  |               |                   |
| Buildings and Improvements                     | 2,112,718            | 216,226          |               | 2,328,944         |
| Equipment                                      | 6,455,807            | 391,269          | 15,895        | 6,831,181         |
| Infrastructure                                 | 2,629,191            | 441,914          |               | 3,071,105         |
|  | <u>11,197,716</u>    | <u>1,049,409</u> | <u>15,895</u> | <u>12,231,230</u> |
| Total Capital Assets Being<br>Depreciated, Net | <u>17,418,311</u>    | <u>(402,682)</u> | <u>10,596</u> | <u>17,005,033</u> |
| Governmental Activities Capital<br>Assets, Net | <u>\$ 23,912,799</u> | <u>(402,682)</u> | <u>10,596</u> | <u>23,499,521</u> |

**VILLAGE OF BRADLEY, ILLINOIS**

Notes to the Financial Statements  
 April 30, 2012

6. Capital Assets

B. Business-Type Activities (Cont.)

A summary of changes in capital assets for business-type activities of the Village is as follows:

|                                      | Beginning<br>Balance | Additions | Deletions | Ending<br>Balance |
|--------------------------------------|----------------------|-----------|-----------|-------------------|
| Capital Assets Not Being Depreciated |                      |           |           |                   |
| Construction in Progress             | \$ -                 | 46,373    |           | 46,373            |
| Capital Assets Being Depreciated     |                      |           |           |                   |
| Plant, Property, and Equipment       | 11,924,372           | 612,164   |           | 12,536,536        |
| Less Accumulated Depreciation For    |                      |           |           |                   |
| Plant, Property, and Equipment       | 4,990,142            | 361,105   |           | 5,351,247         |
| Total Capital Assets Being           |                      |           |           |                   |
| Depreciated, Net                     | 6,934,230            | 251,059   |           | 7,185,289         |
| Business-Type Activities, Capital    |                      |           |           |                   |
| Assets, Net                          | \$ 6,934,230         | 297,432   | -         | 7,231,662         |

C. Depreciation Expense

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

|                    | Governmental<br>Activities | Business-Type<br>Activities |
|--------------------|----------------------------|-----------------------------|
| General Government | \$ 664,161                 |                             |
| Public Safety      | 293,032                    |                             |
| Public Works       | 92,216                     |                             |
| Sewerage           |                            | 361,105                     |
|                    | \$ 1,049,409               | 361,105                     |

**VILLAGE OF BRADLEY, ILLINOIS**

Notes to the Financial Statements  
April 30, 2012

7. Long-Term Debt

A. Changes in Long-Term Obligations

The following is a summary of the Village's long-term debt balances and transactions for the year ended April 30, 2012.

|  | Maturity Date | Balance May 1 | Additions | Reductions | Balance April 30 | Due Within One Year |
|--|---------------|---------------|-----------|------------|------------------|---------------------|
| <i>Governmental Activities</i>           |               |               |           |            |                  |                     |
| General Obligation Bond:                 |               |               |           |            |                  |                     |
| Series 2007                              |               |               |           |            |                  |                     |
| 4.75%                                    | 02/15/17      | \$ 328,000    |           | 328,000    |                  |                     |
| Tax Increment Revenue Bonds:             |               |               |           |            |                  |                     |
| Series 2007                              |               |               |           |            |                  |                     |
| 6.10%                                    | 07/01/27      | 7,760,000     |           | 1,950,000  | 5,810,000        | 225,000             |
| Premium on Bonds                         |               | 96,322        |           | 17,726     | 78,596           | 9,087               |
|  |               | 8,184,322     | -         | 2,295,726  | 5,888,596        | 234,087             |
| Compensated Absences                     |               | 1,294,212     | 485,159   | 323,553    | 1,455,818        | 363,955             |
| Capital Lease Payable                    |               |               | 164,600   |            | 164,600          | 38,786              |
| Note Payable                             |               |               | 80,676    |            | 80,676           | 14,935              |
| Net Pension Obligation - IMRF            |               | 24,991        | 30,169    |            | 55,160           |                     |
| Net Pension Obligation - Police and Fire |               | 586,699       | 37,809    |            | 624,508          |                     |
| Other Post-Employment Benefits           |               | 1,791,987     | 399,017   |            | 2,191,004        |                     |
|  |               | \$ 11,882,211 | 1,197,430 | 2,619,279  | 10,460,362       | 651,763             |

|                                 | Maturity Date | Balance May 1 | Additions | Reductions | Balance April 30 | Due Within One Year |
|---------------------------------|---------------|---------------|-----------|------------|------------------|---------------------|
| <i>Business-Type Activities</i> |               |               |           |            |                  |                     |
| General Obligation Bonds:       |               |               |           |            |                  |                     |
| Series 2006                     |               |               |           |            |                  |                     |
| 4.00% - 4.50%                   | 12/01/26      | \$ 5,635,000  |           | 185,000    | 5,450,000        | 190,000             |
| Premium on Bonds                |               | 53,439        |           | 4,767      | 48,672           | 4,601               |
|                                 |               | 5,688,439     | -         | 189,767    | 5,498,672        | 194,601             |
| Compensated Absences            |               | 61,135        | 40,497    | 15,824     | 85,808           | 21,452              |
|                                 |               | \$ 5,749,574  | 40,497    | 205,591    | 5,584,480        | 216,053             |

Compensated absences and post-employment benefits are paid from the General Fund and charged to General Government, Public Safety, and Public Works.

## VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

---

### 7. Long-Term Debt

#### B. General Obligation Debt

The Village issued Series 2007 general obligation bonds for general government activities. These bonds were retired on April 11, 2012.

The Series 2006 general obligation bonds were issued to provide funds for the acquisition, construction, and installation of a major lift station. The bonds also provided funds for approximately two miles of sanitary sewer, approximately one mile of 36' interceptor sewer, and approximately one mile of the interceptor sewer and one mile of the collector sewerage system facilities constituting Phases 1 and 2 of the Soldier Creek interceptor sewer project. The bonds are payable in semiannual installments of principal and interest, due June and December. The Village's insured Standard and Poor's rating for these bonds was AAA.

#### C. Tax Increment Revenue Bonds

The Village issued Series 2007 tax increment revenue bonds to finance the State Rt. 50 TIF project. The bonds are payable in semiannual installments of principal and interest, due January and July to the extent that incremental revenues are available to pay principal as the note is payable solely from incremental property taxes in the TIF. During fiscal 2012, the Village used fund balances in the State Rt. 50 TIF Fund to accelerate principal payments on this debt.

#### D. Capital Lease

The Village entered into a capital lease agreement with Motorola Solutions Inc. for the purchase of twenty-five police radios. The total amount of the lease is \$164,600. The lease was dated June 30, 2011, with four future minimum payments of \$45,281 including interest at 3.935%, beginning on July 1, 2012 and ending on July 1, 2015. The equipment purchased through the capital lease was not reported in the Village's capital asset records as the radios individually did not meet the Village's capitalization threshold of \$10,000.

#### E. Commercial Loan

The Village entered into a commercial loan agreement with Homestar Bank for the purchase of an ambulance. The total amount of the note is \$80,676. The note was dated October 17, 2011 with five future minimum payments of \$18,130 including interest at 3.960%, beginning on October 17, 2012 and ending on October 17, 2016. The ambulance purchased through the commercial loan was reported in the Village's capital asset records during the fiscal year at a total cost of \$92,000.



**VILLAGE OF BRADLEY, ILLINOIS**

Notes to the Financial Statements  
April 30, 2012

7. Long-Term Debt (Cont.)

F. Debt Service Requirements to Maturity

Annual debt service requirements to maturity for general obligation bonds are as follows:

| Year Ending<br>April 30 | Governmental Activities |                  | Business-type Activities |                  | Total             |                  |
|-------------------------|-------------------------|------------------|--------------------------|------------------|-------------------|------------------|
|                         | Principal               | Interest         | Principal                | Interest         | Principal         | Interest         |
| 2013                    | \$ 225,000              | 354,410          | 190,000                  | 233,400          | 415,000           | 587,810          |
| 2014                    | 245,000                 | 340,685          | 200,000                  | 225,800          | 445,000           | 566,485          |
| 2015                    | 260,000                 | 325,740          | 210,000                  | 216,800          | 470,000           | 542,540          |
| 2016                    | 280,000                 | 309,880          | 220,000                  | 207,350          | 500,000           | 517,230          |
| 2017                    | 300,000                 | 292,800          | 230,000                  | 197,450          | 530,000           | 490,250          |
| 2018-2022               | 1,860,000               | 1,161,745        | 1,300,000                | 830,700          | 3,160,000         | 1,992,445        |
| 2023-2027               | 2,640,000               | 503,555          | 1,580,000                | 542,300          | 4,220,000         | 1,045,855        |
| 2028-2031               |                         |                  | 1,520,000                | 174,825          | 1,520,000         | 174,825          |
|                         | <u>\$ 5,810,000</u>     | <u>3,288,815</u> | <u>5,450,000</u>         | <u>2,628,625</u> | <u>11,260,000</u> | <u>5,917,440</u> |

G. Legal Debt Margin

|   |                             |
|---|-----------------------------|
| Assessed Valuation – 2011                       | <u>\$ 281,768,097</u>       |
| Legal Debt Limit – 8.625% of Assessed Valuation | \$ 24,302,498               |
| Amount of Debt Applicable to Debt Limit         | <u>                    </u> |
| Legal Debt Margin                               | <u>\$ 24,302,498</u>        |

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

8. Interfund Transactions

A. Due to/from Other Funds

| Receivable Fund | Payable Fund   | Amount          |
|-----------------|----------------|-----------------|
| General         | Police Seizure | <u>\$ 4,332</u> |

There are no specific terms of repayment.

## VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

---

### 8. Interfund Transactions (Cont.)

#### B. Transfers

| Receiving Fund   | Transferring Fund | Amount              |
|------------------|-------------------|---------------------|
| Capital Projects | General           | \$ 175,000          |
| Capital Projects | Debt Service      | 231,625             |
| Capital Projects | Revolving Loan    | 43,123              |
| Sewer Fund       | General           | 568,000             |
| Debt Service     | General           | 316,100             |
|                  |                   | <u>\$ 1,333,848</u> |

The purposes of the significant interfund transfers are as follows:

- \$175,000 transfer from the General Fund to the Capital Projects Fund is to help support \$25,000 of cost for the Broadway Ramp project, and \$150,000 to fund fiscal year 2013 additional road programs. This transfer will not be repaid.
- \$231,625 transfer from the Debt Service Fund to the Capital Projects Fund is to move residual fund balance to prepare the fund to be closed out in the next fiscal year. The transfer will not be repaid.
- \$43,123 transfer from the Revolving Loan Fund to the Capital Projects Fund is to fund the Safe Routes to School project. The transfer will not be repaid.
- \$568,000 transfer from the General Fund to the Sewer Fund is to support general sewer operations. The transfer will not be repaid.
- \$316,100 transfer from the General Fund to the Debt Service Fund is to pay for the early retirement of the Centruue 2007 General Obligation Bond. The transfer will not be repaid

### 9. Risk Management

Arthur J. Gallagher RMS, Inc. is the Village's current full service insurance brokerage firm for property, liability, and workers' compensation coverage. This includes, but is not limited to, the placement of insurance policies, coverage marketing, claims advocacy and management, loss prevention services, claim audits, training programs, and risk information systems.

The Village participates in the Illinois Public Risk fund (IPRF) for workers compensation coverage. IPRF is a self-funded workers' compensation pool for public entities, established to provide a cost-effective alternative to escalating workers' compensation premiums and related costs. By participating in IPRF, more than 500 public entities and governmental agencies have pooled their workers' compensation exposures and controlled costs through a unified loss prevention and claims management program.

## VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

---

### 9. Risk Management (Cont.)

OneBeacon Government Risks insurance company offers a customizable list of solutions to provide detailed protection for midsized municipalities, counties, and special districts including publicly funded agencies. The Village's property, equipment, boiler, general liability, automobile, law enforcement, public officials, and employment practices liability coverages are insured through OneBeacon. The current A.M. Best Rating of OneBeacon is A XII.

Crime and Public Officials' bond coverage is placed with Hanover Insurance Company. This coverage includes faithful performance of duties for all Village employees, elected officials, board members, commissioners, directors, and non-compensated officers. The policy has also been endorsed to include all employees that are required to be bonded by law, as well as coverage for Treasurers and Tax collectors up to the policy limits.

### 10. Contingent Liabilities

#### A. Litigation

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

#### B. Grants

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

#### C. Economic Incentives

The Village has entered into economic development agreements with various retail establishments in the Village to provide sales tax rebates. The Village expensed a total of \$114,257 related to these agreements during fiscal year 2012. These agreements are set to expire in fiscal year 2015. In addition, the Village entered into an agreement in fiscal year 2010 with the Northfield Square, L.L.C to share sales taxes generated at a fixed amount depending on the level of sales attained by the entity. The Village expensed a total of \$50,000 related to this agreement during fiscal year 2012. This agreement is set to expire in fiscal year 2013.

### 11. Employee Benefit Plans

#### A. Illinois Municipal Retirement Fund

##### *Plan Description*

The Village's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Village maintains accounts for regular employees and for Sheriff's Law Enforcement Personnel (SLEP). The Illinois Pension Code establishes the benefit provisions of the plan

## VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

---

### 11. Employee Benefit Plans (Cont.)

#### A. Illinois Municipal Retirement Fund (Cont.)

##### *Plan Description (Cont.)*

which can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at [www.imrf.org/pubs/](http://www.imrf.org/pubs/) or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

##### *Funding Policy*

As set by statute, employees participating in the IMRF plan are required to contribute 4.50% of their annual covered salary. The member rate is also established by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for calendar year 2011 was 10.66% of annual covered payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

##### *Annual Pension Cost, Net Pension Obligation and Actuarial Assumptions*

For 2011 and 2012, IMRF offered members the option of paying less than the annual required contribution. The Village elected this option for both years. As such, the Village reports a net pension obligation at April 30, 2012 and 2011.

The actuarial assumptions included (a) 7.50% 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 .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 IMRF plan assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at the December 31, 2009 valuation was 30 years.

As of December 31, 2011, the most recent actuarial valuation date, the Regular Plan was 74.24% funded. The actuarial accrued liability was \$5,377,511, and the actuarial value of assets was \$3,992,477, resulting in an unfunded actuarial accrued liability of \$1,385,034. The covered payroll for 2011 was \$2,186,189 and the ratio of the UAAL to the covered payroll was 63.35%. In conjunction with the December 2011 actuarial valuation, the market value of investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level of percentage of projected payroll on an open 30 year basis.

The SLEP Plan was 0% funded. Actuarial accrued liability was \$0 and actuarial value of assets was \$(69,373), resulting in an underfunded actuarial liability of \$69,373.

The Schedule of Funding Progress, presented as Required Supplementary Information following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**VILLAGE OF BRADLEY, ILLINOIS**

Notes to the Financial Statements  
 April 30, 2012

11. Employee Benefit Plans (Cont.)

A. Illinois Municipal Retirement Fund (Cont.)

*Three-Year Trend Information for the Regular Plan*

| Fiscal<br>Year<br>Ending | Annual<br>Pension<br>Cost<br>(APC) | Percentage<br>of APC<br>Contributed | Net<br>Pension<br>Obligation |
|--------------------------|------------------------------------|-------------------------------------|------------------------------|
| 12/31/2011               | \$ 263,217                         | 89%                                 | 52,471                       |
| 12/31/2010               | 236,267                            | 91%                                 | 22,302                       |
| 12/31/2009               | 209,513                            | 100%                                | 0                            |

Computation of Net Pension Obligations at April 30, 2012

|   | Regular<br>Employees | SLEP<br>Employees |
|---|----------------------|-------------------|
| Annual Pension Cost                         | \$ 263,217           |                   |
| 2011 Contribution Made                      | 233,048              |                   |
| Increase in the Net Pension Obligation      | 30,169               | -                 |
| Net Pension Obligation at Beginning of Year | 22,302               | 2,689             |
| Net Pension Obligation at End of Year       | \$ 52,471            | 2,689             |
| Reported as Governmental Activities         |                      | 55,160            |

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

---

11. Employee Benefit Plans (Cont.)

B. Police Pension

The most recent actuarial valuation is as of April 30, 2012.

*Plan Description and Provisions*

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit, single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (Chapter 40-Article 5/3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The plan does not issue a stand-alone financial report. The Village's payroll for employees covered by the Police Pension Plan for the year ended April 30, 2012 was \$1,976,515. At April 30, 2012, the Police Pension Plan membership consisted of:

|  |           |
|--|-----------|
| Retirees and Beneficiaries Currently Receiving Benefits<br>and Terminated Employees Entitled to Benefits but<br>Not Yet Receiving Them | 19        |
| Current Employees  |           |
| Vested   | 20        |
| Nonvested  | <u>12</u> |
| Total  | <u>51</u> |

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final salary for each year of service up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service.

The monthly pension of a covered employee who retired with 20 or more years of service after January 1, 1997 shall be increased annually by 3% of the originally granted pension, following the first anniversary date of retirement, and be paid upon reaching the age of at least 55 years. For all 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.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of one-half of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., 1/2% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or one-half of the change in the Consumer Price Index for the proceeding calendar year.

## VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

---

### 11. Employee Benefit Plans (Cont.)

#### B. Police Pension (Cont.)

##### *Funding Policy*

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. Administrative expenses are generally paid from plan assets.

##### *Basis of Accounting*

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

##### *Method Used to Value Investments*

Investments are valued at market. Investment income is recognized as earned.

##### *Related Party Transactions*

There are no securities of the employer or any other related parties included in plan assets, including any loans.

##### *Funding Status and Funding Progress*

As of April 30, 2012, the most recent actuarial valuation date, the Police Pension Plan was 61.87% funded. The actuarial accrued liability was \$15,617,100 and the actuarial value of assets was \$9,662,309, resulting in an underfunded actuarial accrued liability of \$5,954,791. The covered payroll for 2012 was \$1,976,515 and the ratio of the underfunded balance was thus 301.28%.

The Schedule of Funding Progress, presented as Required Supplementary Information following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**VILLAGE OF BRADLEY, ILLINOIS**

Notes to the Financial Statements  
April 30, 2012

11. Employee Benefit Plans (Cont.)

B. Police Pension (Cont.)

*Contributions*

Village contributions are determined annually by an actuarial study using the entry age normal cost method. The valuation for fiscal 2012 was prepared as of April 30, 2012. Significant assumptions used in the calculation include (a) a 6.75% return on investments, (b) projected salary increases of 1.12%-4.86% per year, and (c) a 23 year amortization of the unfunded liability.

ANNUAL PENSION COST AND NET PENSION OBLIGATION

|  |                   |
|--|-------------------|
| Annual Required Contribution               | \$ 614,197        |
| Interest on Net Pension Obligation         | 30,096            |
| Adjustment to Annual Required Contribution | <u>(22,427)</u>   |
| Annual Pension Cost                        | 621,866           |
| Contribution Made                          | <u>602,737</u>    |
| Increase in the Net Pension Obligation     | 19,129            |
| Net Pension Obligation, Beginning of Year  | <u>429,939</u>    |
| Net Pension Obligation, End of Year        | <u>\$ 449,068</u> |

SCHEDULE OF EMPLOYER CONTRIBUTIONS

| Fiscal<br>Year<br>Ended | Annual<br>Required<br>Contribution | Annual<br>Pension<br>Cost (APC) | Annual<br>Contributions<br>Made | Percentage<br>of APC<br>Contributed | Net<br>Pension<br>Obligation |
|-------------------------|------------------------------------|---------------------------------|---------------------------------|-------------------------------------|------------------------------|
| 4/30/12                 | \$ 614,197                         | 621,866                         | 602,737                         | 96.9%                               | 449,068                      |
| 4/30/11                 | 602,313                            | 607,328                         | 431,298                         | 71.0%                               | 429,939                      |
| 4/30/10                 | 625,994                            | 627,430                         | 440,293                         | 70.2%                               | 253,907                      |



VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

---

11. Employee Benefit Plans (Cont.)

C. Firefighters' Pension

The most recent actuarial valuation is as of April 30, 2012.

*Plan Description and Provisions*

Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit, single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (Chapter 40-Article 5/4) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The plan does not issue a stand-alone financial report. The Village's payroll for employees covered by the Firefighters' Pension Plan for the year ended April 30, 2012 was \$274,020. At April 30, 2012, the Firefighters' Pension Plan membership consisted of:

|  |          |
|--|----------|
| Retirees and Beneficiaries Currently Receiving Benefits<br>and Terminated Employees Entitled to Benefits but<br>Not Yet Receiving Them | 0        |
| Current Employees  |          |
| Vested   | 1        |
| Nonvested  | <u>5</u> |
| Total  | <u>6</u> |

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final salary for each year of service up to 30 years, to a maximum of 75% of such salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of final salary for each year of service, ranging from 15% to 45.6%.

The monthly pension of a covered employee who retired with 20 or more years of service after January 1, 1997 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 originally 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.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of one-half of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., 1/2% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or one-half of the change in the Consumer Price Index for the proceeding calendar year.

## VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

---

### 11. Employee Benefit Plans (Cont.)

#### C. Firefighters' Pension (Cont.)

##### *Funding Policy*

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. Administrative expenses are generally paid from plan assets.

##### *Basis of Accounting*

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

##### *Method Used to Value Investments*

Investments are valued at market. Investment income is recognized as earned.

##### *Related Party Transactions*

There are no securities of the employer or any other related parties included in plan assets, including any loans.

##### *Funding Status and Funding Progress*

As of April 30, 2012, the most recent actuarial valuation date, the Firefighters' Pension Plan was 49.0% funded. The actuarial accrued liability was \$695,093, and the actuarial value of assets was \$340,616, resulting in an underfunded actuarial accrued liability of \$354,477. The covered payroll for 2012 was \$274,020 and the ratio of the underfunded balance was thus 129.4%.

The Schedule of Funding Progress, presented as Required Supplementary Information following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**VILLAGE OF BRADLEY, ILLINOIS**

Notes to the Financial Statements  
April 30, 2012

11. Employee Benefit Plans (Cont.)

C. Firefighters' Pension (Cont.)

*Contributions*

Village contributions are determined annually by an actuarial study using the entry age normal cost method. The valuation for fiscal 2012 was prepared as of April 30, 2012. Significant assumptions used in the calculation include (a) a 7.0% return on investments, (b) projected salary increases of 5.5% per year, and (c) a 29 year amortization of the unfunded liability.

ANNUAL PENSION COST AND NET PENSION OBLIGATION

|  |                   |
|--|-------------------|
| Annual Required Contribution               | \$ 67,342         |
| Interest on Net Pension Obligation         | 10,973            |
| Adjustment to Annual Required Contribution | <u>(6,455)</u>    |
| Annual Pension Cost                        | 71,860            |
| Contribution Made                          | <u>53,180</u>     |
| Increase in the Net Pension Obligation     | 18,680            |
| Net Pension Obligation, Beginning of Year  | <u>156,760</u>    |
| Net Pension Obligation, End of Year        | <u>\$ 175,440</u> |

SCHEDULE OF EMPLOYER CONTRIBUTIONS

| Fiscal<br>Year<br>Ended | Annual<br>Required<br>Contribution | Annual<br>Pension<br>Cost (APC) | Annual<br>Contributions<br>Made | Percentage<br>of APC<br>Contributed | Net<br>Pension<br>Obligation |
|-------------------------|------------------------------------|---------------------------------|---------------------------------|-------------------------------------|------------------------------|
| 4/30/12                 | \$ 67,342                          | 71,860                          | 53,180                          | 74.01%                              | 175,440                      |
| 4/30/11                 | 67,342                             | 69,363                          | 20,547                          | 29.62%                              | 156,760                      |
| 4/30/10                 | N/A                                | N/A                             | N/A                             | N/A                                 | N/A                          |

**VILLAGE OF BRADLEY, ILLINOIS**

Notes to the Financial Statements  
 April 30, 2012

11. Employee Benefit Plans (Cont.)

D. Significant Actuarial Assumptions

The information presented in the notes and the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is as follows:

|   | Illinois<br>Municipal<br>Retirement                         | Police<br>Pension   | Firefighters'<br>Pension  |
|---|---|---|---|
| Actuarial Cost Method   | Entry-Age<br>Normal   | Entry-Age<br>Normal   | Entry-Age<br>Normal   |
| Asset Valuation Method  | Market Value  | Market Value  | Market Value  |
| Amortization Method   | Level Percentage<br>of Projected<br>Payroll -<br>Open Basis | Level Percentage<br>of Projected<br>Payroll -<br>Closed Basis       | Level Percentage<br>of Projected<br>Payroll -<br>Closed Basis       |
| (a) Remaining Amortization Period   | 30 Years  | 23 Years  | 30  |
| (b) Ratio of Return on Investment of<br>Present and Future Assets                 | 7.50%<br>Compounded<br>Annually                             | 6.75%<br>Compounded<br>Annually                                     | 7.00%<br>Compounded<br>Annually                                     |
| (c) Projected Salary Increases -<br>Attributable to Inflation                     | 4.00%<br>Compounded<br>Annually                             | 1.12-4.86%<br>Compounded<br>Annually                                | 5.50%<br>Compounded<br>Annually                                     |
| (d) Additional Projected Salary<br>Increases - Attributable to<br>Seniority/Merit | 0.4% to 10%   | (Note: Separate<br>information for<br>(b) and (c) not<br>available) | (Note: Separate<br>information for<br>(b) and (c) not<br>available) |
| (e) Postretirement Benefit Increases  | 3.00%   | 3.00%<br>Compounded<br>Annually                                     | 3.00%<br>Compounded<br>Annually                                     |

12. Other Post-Employment Benefits

In addition to providing the pension benefits described in Note 11, the Village provides post-employment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan does not issue a separate report. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established. The cost of the plan is reported in the fund from which the benefits are paid.

**VILLAGE OF BRADLEY, ILLINOIS**

Notes to the Financial Statements  
 April 30, 2012

12. Other Post-Employment Benefits (Cont.)

*Benefits Provided*

The Village provides post-employment health care benefits to its retirees as well as those employees separated from service from the Village but are not yet retired provided that either group has given at least twenty (20) years of continuous, full-time service to the Village. However, this benefit was completely phased out for all new hires after June 1, 2002.

All health care benefits are provided through the Village’s health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; dental care and prescriptions. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the Village’s plan becomes a supplementary plan to Medicare.

*Membership*

At April 30, 2012, membership consisted of:

|  |           |
|--|-----------|
| Retirees and Beneficiaries Currently Receiving Benefits              | 20        |
| Terminated Employees Entitled to Benefits but Not Yet Receiving Them | 0         |
| Current Employees  |           |
| Vested   | 44        |
| Nonvested  | <u>0</u>  |
| Total  | <u>64</u> |
| Participating Employers  | <u>1</u>  |

*Funding Policy*

The Village pays for 80% of the plan premiums, regardless of the level of coverage provided, and both current employees and those no longer working for the Village but who qualify for the health care benefit pay 20% of the plan premiums. Plan premiums fluctuate from year to year based on market conditions and usage by members.

*Annual OPEB Costs and Net OPEB Obligation*

The Village had an actuarial valuation performed for the plan as of April 30, 2012 to determine the funded status of the plan as of that date, as well as the employer’s annual required contribution (ARC) for the fiscal year ended April 30, 2012. The Village’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 was as follows:

| Fiscal<br>Year End | Annual<br>OPEB<br>Cost | Employer<br>Contributions | Percentage<br>of Annual<br>OPEB Cost<br>Contributions | Net OPEB<br>Obligation |
|--------------------|------------------------|---------------------------|---|------------------------|
| April 30, 2012     | \$ 528,388             | 129,372                   | 24.5%   | 2,191,004              |
| April 30, 2011     | 521,848                | 129,372                   | 24.8%   | 1,791,987              |
| April 30, 2010     | 832,550                | 129,372                   | 15.5%   | 1,399,511              |

## VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

---

### 12. Other Post-Employment Benefits (Cont.)

#### *Annual OPEB Costs and Net OPEB Obligation (Cont.)*

The net OPEB Obligation (NOPEBO) at April 30, 2012 was calculated as follows:

|  |                     |
|--|---------------------|
| Annual Required Contribution               | \$ 498,522          |
| Interest on Net OPEB Obligation            | 89,599              |
| Adjustment to Annual Required Contribution | <u>(59,732)</u>     |
| Annual OPEB Cost                           | 528,389             |
| Contributions Made                         | <u>129,372</u>      |
| Increase in Net OPEB Obligation            | 399,017             |
| Net OPEB Obligation, Beginning of Year     | <u>1,791,987</u>    |
| Net OPEB Obligation, End of Year           | <u>\$ 2,191,004</u> |

#### Funded Status and Funding Progress

The funded status of the plan as of April 30, 2012 was as follows:

|   |              |
|---|--------------|
| Actuarial Accrued Liability (AAL)                 | \$ 7,677,870 |
| Actuarial Value of Plan Assets                    |              |
| Unfunded Actuarial Accrued Liability (UAAL)       | 7,677,870    |
| Funded Ratio (Actuarial Value of Plan Assets/AAL) | 0.0%         |
| Covered Payroll (Active Plan Members)             | 6,088,031    |
| UAAL as a Percentage of Covered Payroll           | 126.1%       |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARCs of the employer are subject to continual revision as actuarial results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as Required Supplementary Information following the Notes to the Financial Statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

#### Actuarial Methods and Assumptions

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

**VILLAGE OF BRADLEY, ILLINOIS**

Notes to the Financial Statements  
 April 30, 2012

12. Other Post-Employment Benefits (Cont.)

*Annual OPEB Costs and Net OPEB Obligation (Cont.)*

Actuarial Methods and Assumptions (Cont.)

In the April 30, 2012 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included 5.0% investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 8.00% reduced by 0.25% each year to arrive at an ultimate healthcare cost trend rate of 6.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was \$0. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2012 was 30 years.

13. Joint Venture

Kankakee River Metropolitan Agency (KRMA)

*Description of Joint Venture*

The Village is a member of the Kankakee River Metropolitan Agency (KRMA) which consists of four municipalities. KRMA is a municipal corporation and public body politic and corporate established pursuant to the Constitution of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended, (the Act). KRMA is empowered under the Act to plan, construct, finance, operate and maintain a sewer and wastewater treatment system to serve its members.

KRMA is governed by a Board of Directors which consists of one official selected by each member municipality. Each Director has an equal vote. The officers of KRMA are appointed by the Board of Directors. The Board of Directors determines the general policy of the agency, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of Bonds or Notes by the Agency, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the Agency Agreement or the by-laws.

*Summary Unaudited Financial Information of KRMA*

Summary of Financial Position as of April 30, 2012:

| <u>Assets</u>       |                      | <u>Liabilities and Fund Equity</u>  |                      |
|---------------------|----------------------|-------------------------------------|----------------------|
| Current Assets      | \$ 4,057,765         | Current Liabilities                 | \$ 10,996,753        |
| Restricted Assets   | 3,802,728            | Long-Term Liabilities               | <u>19,530,703</u>    |
| Capital Assets, Net | 25,385,581           | Total Liabilities                   | 30,527,456           |
| Other Assets        | <u>223,347</u>       | Net Assets                          | <u>2,941,965</u>     |
| Total Assets        | <u>\$ 33,469,421</u> | Total Liabilities and<br>Net Assets | <u>\$ 33,469,421</u> |

## VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

---

### 13. Joint Venture (Cont.)

#### Kankakee River Metropolitan Agency (KRMA) (Cont.)

##### *Summary Unaudited Financial Information of KRMA (Cont.)*

Summary of Revenues, Expenses, and Changes in Net Assets for the year ended April 30, 2012:

|                                     |                     |
|-------------------------------------|---------------------|
| Operating Revenues                  | \$ 7,657,545        |
| Operating Expenses                  | <u>6,977,522</u>    |
| Operating Income                    | 680,023             |
| Non-Operating Revenues and Expenses | <u>(951,712)</u>    |
| Net Loss                            | (271,689)           |
| Net Assets                          |                     |
| May 1                               | <u>3,213,654</u>    |
| April 30                            | <u>\$ 2,941,965</u> |

Complete financial statements for KRMA can be obtained from the City of Kankakee accounting department.

##### *Other Joint Venture Information*

KRMA's bonds are revenue obligations. They are limited obligations of KRMA with a claim for payment solely from and secured by a pledge of the Revenues of the System and amounts in various Funds and Accounts established by Agency resolutions. The Bonds are not a debt of any member. KRMA has no power to levy taxes.

Operating revenues of the Agency include charges to the participants for their respective share of the administration, operating and maintenance expenditures including provision for debt service of the Agency and charges to other waste haulers. Nonoperating revenues include investment income, insurance reimbursements and capital grants.

KRMA is directed by an intergovernmental agreement dated May 1, 1996. This agreement stipulates that the City of Kankakee, the Villages of Aroma Park, Bourbonnais and Bradley will provide for the joint and cooperative operation, use and maintenance of the wastewater treatment system which serves these for communities. The Agency acquired ownership of the Regional Wastewater Treatment Facility (RWTF) from the City of Kankakee on April 22, 1999. The acquisition was funded by the issue of revenue bonds.

The participants make monthly payments from the estimated operation and maintenance expenses, administrative expenses, capital outlay, debt service and other equity transactions. Changes in actual expenditures as compared to budget, as well as changes in actual relative flows as compared to estimates create differences which are calculated and reflected in the participant receivable/payable accounts which are carried from year-to-year until availability of working capital enable repayment.

During the year ended April 30, 2012, the Village recorded a due from joint venture of \$20,508.



**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

**VILLAGE OF BRADLEY, ILLINOIS**

General Fund

Required Supplementary Information

Statement of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2012

|   | Original<br>Budget  | Final<br>Budget   | Actual            | Variance<br>from<br>Budget<br>Over (Under) |
|---|---------------------|-------------------|-------------------|--|
| <b>Revenues</b>                             |                     |                   |                   |  |
| Property Taxes                              | \$ 1,921,940        | 1,921,940         | 1,914,674         | (7,266)                                    |
| State Shared Taxes                          | 7,349,143           | 7,349,143         | 7,642,484         | 293,341                                    |
| Licenses and Permits                        | 157,850             | 192,850           | 202,467           | 9,617                                      |
| Intergovernmental                           | 166,981             | 166,981           | 170,816           | 3,835                                      |
| Charges for Services                        | 744,600             | 869,600           | 902,104           | 32,504                                     |
| Fines and Forfeitures                       | 304,250             | 304,250           | 317,235           | 12,985                                     |
| Investment Income                           | 67,500              | 67,500            | 57,870            | (9,630)                                    |
| Miscellaneous                               | 198,300             | 233,550           | 310,916           | 77,366                                     |
| <b>Total Revenues</b>                       | <b>10,910,564</b>   | <b>11,105,814</b> | <b>11,518,566</b> | <b>412,752</b>                             |
| <b>Expenditures</b>                         |                     |                   |                   |  |
| <b>Current</b>                              |                     |                   |                   |  |
| General Government                          | 4,663,864           | 4,747,835         | 4,709,353         | (38,482)                                   |
| Public Safety                               | 4,271,938           | 4,382,938         | 4,732,702         | 349,764                                    |
| Public Works                                | 1,652,748           | 1,587,748         | 1,379,345         | (208,403)                                  |
| Building Standards                          | 216,574             | 284,280           | 295,085           | 10,805                                     |
| <b>Total Expenditures</b>                   | <b>10,805,124</b>   | <b>11,002,801</b> | <b>11,116,485</b> | <b>113,684</b>                             |
| <b>Excess of Revenues over Expenditures</b> | <b>105,440</b>      | <b>103,013</b>    | <b>402,081</b>    | <b>299,068</b>                             |
| <b>Other Financing Sources (Uses)</b>       |                     |                   |                   |  |
| Interfund Transfers                         | (511,800)           | (949,100)         | (1,059,100)       | 110,000                                    |
| Proceeds from Capital Lease                 |                     |                   | 164,600           | (164,600)                                  |
| Loan Proceeds                               |                     |                   | 80,676            | (80,676)                                   |
| Sale of Capital Assets                      |                     |                   | 26,950            | (26,950)                                   |
| <b>Total Other Financing Sources (Uses)</b> | <b>(511,800)</b>    | <b>(949,100)</b>  | <b>(786,874)</b>  | <b>(162,226)</b>                           |
| <b>Net Change in Fund Balance</b>           | <b>\$ (406,360)</b> | <b>(846,087)</b>  | <b>(384,793)</b>  | <b>136,842</b>                             |
| <b>Fund Balance</b>                         |                     |                   |                   |  |
| Beginning                                   |                     |                   | 9,801,123         |  |
| Ending                                      |                     |                   | 9,416,330         |  |

**VILLAGE OF BRADLEY, ILLINOIS**

State Rt. 50 TIF Fund

Required Supplementary Information

Statement of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2012

|                                   | Original<br>Budget | Final<br>Budget | Actual      | Variance<br>from<br>Budget<br>Over (Under) |
|-----------------------------------|--------------------|-----------------|-------------|--|
| <b>Revenues</b>                   |                    |                 |             |  |
| Property Taxes                    | \$                 | 750,000         | 750,718     | 718  |
| Investment Income                 |                    |                 | 83          | 83   |
| <b>Total Revenues</b>             | -                  | 750,000         | 750,801     | 801  |
| <b>Expenditures</b>               |                    |                 |             |  |
| <b>Current</b>                    |                    |                 |             |  |
| General Government                |                    | 650,000         |             | (650,000)                                  |
| Community Development             |                    | 500             | 3,410       | 2,910                                      |
| <b>Debt Service</b>               |                    |                 |             |  |
| Principal                         |                    | 270,000         | 1,950,000   | 1,680,000                                  |
| Interest                          |                    | 473,360         | 420,290     | (53,070)                                   |
| <b>Total Expenditures</b>         | -                  | 1,393,860       | 2,373,700   | 979,840                                    |
| <b>Net Change in Fund Balance</b> | \$ -               | (643,860)       | (1,622,899) | (979,039)                                  |
| <b>Fund Balance</b>               |                    |                 |             |  |
| Beginning                         |                    |                 | 2,968,665   |  |
| Ending                            |                    |                 | 1,345,766   |  |

**VILLAGE OF BRADLEY, ILLINOIS**

Revolving Loan Fund

Required Supplementary Information

Statement of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2012

|  | Original<br>Budget | Final<br>Budget | Actual    | Variance<br>from<br>Budget<br>Over (Under) |
|--|--------------------|-----------------|-----------|--|
| Revenues   |                    |                 |           |  |
| Investment Income                                    | \$                 | 32,000          | 31,057    | (943)                                      |
| Expenditures   |                    |                 |           |  |
| Current  |                    |                 |           |  |
| General Government                                   |                    | 250             | 122,506   | 122,256                                    |
| Excess (Deficiency) of Revenues<br>over Expenditures | -                  | 31,750          | (91,449)  | (123,199)                                  |
| Other Financing Uses                                 |                    |                 |           |  |
| Interfund Transfers                                  |                    | (43,123)        | (43,123)  |  |
| Net Change in Fund Balance                           | \$ -               | (11,373)        | (134,572) | (123,199)                                  |
| Fund Balance   |                    |                 |           |  |
| Beginning  |                    |                 | 1,942,380 |  |
| Ending   |                    |                 | 1,807,808 |  |

**VILLAGE OF BRADLEY, ILLINOIS**

Illinois Municipal Retirement Fund

Required Supplementary Information  
April 30, 2012

**Schedule of Funding Progress**

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability Entry Age Normal Cost (b) | Unfunded Actuarial Accrued Liability (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ((b-1)/c) |
|--------------------------|-------------------------------|---|--|--------------------|---------------------|---|
| 12/31/2011               | \$ 3,992,477                  | 5,377,511   | 1,385,034                                  | 74.24 %            | 2,186,189           | 63.35 %   |
| 12/31/2010               | 4,277,068                     | 5,419,658   | 1,142,590                                  | 78.92              | 2,208,100           | 51.75   |
| 12/31/2009               | 4,247,812                     | 5,787,494   | 1,539,682                                  | 73.40              | 2,378,130           | 64.74   |
| 12/31/2008               | 4,830,331                     | 5,746,986   | 916,655                                    | 84.05              | 2,233,431           | 41.04   |
| 12/31/2007               | 5,582,720                     | 5,761,454   | 178,734                                    | 96.90              | 2,125,014           | 8.41  |
| 12/31/2006               | 4,913,201                     | 5,296,729   | 383,528                                    | 92.76              | 2,000,471           | 19.17   |

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$3,737,606. On a market basis, the funded ratio would be 69.50%.

**VILLAGE OF BRADLEY, ILLINOIS**

**IMRF Sheriff's Law Enforcement Personnel Fund**

Required Supplementary Information  
April 30, 2012

**Schedule of Funding Progress**

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability Entry Age Normal Cost (b) | Unfunded Actuarial Accrued Liability (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ((b-1)/c) |
|--------------------------|-------------------------------|---|--|--------------------|---------------------|---|
| 12/31/2011               | \$ (69,373)                   |   | 69,373                                     | %                  |                     | N/A %   |
| 12/31/2010               | (56,441)                      |   | 56,441                                     |                    |                     | N/A   |
| 12/31/2009               | (66,489)                      |   | 66,489                                     |                    | 117,934             | 56.38   |
| 12/31/2008               | 194,514                       | 254,928   | 60,414                                     | 76.30              | 94,553              | 63.89   |
| 12/31/2007               | 172,958                       | 206,035   | 33,077                                     | 83.95              | 86,179              | 38.38   |
| 12/31/2006               |                               |   |  | N/A                |                     | N/A   |

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$(69,373). On a market basis, the funded ratio would be 0.00%.

**VILLAGE OF BRADLEY, ILLINOIS**

Police Pension Fund

Required Supplementary Information  
April 30, 2012

---

**Schedule of Funding Progress**

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value<br>of Assets<br>(a) | Actuarial<br>Accrued<br>Liability<br>Entry Age<br>Normal Cost<br>(b) | Unfunded<br>Actuarial<br>Accrued<br>Liability<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | Unfunded<br>Actuarial<br>Accrued<br>Liability as a<br>Percentage of<br>Covered Payroll<br>((b-1)/c) |
|--------------------------------|--|--|--|--------------------------|---------------------------|---|
| 4/30/2012                      | \$ 9,662,309                           | 15,617,100   | 5,954,791  | 61.87 %                  | 1,976,515                 | 301.28 %  |
| 4/30/2011                      | 8,265,480                              | 14,663,922   | 6,398,442  | 56.37                    | 1,752,346                 | 365.14  |
| 4/30/2010                      | 9,517,459                              | 15,604,617   | 6,087,158  | 60.99                    | 1,953,328                 | 311.63  |
| 4/30/2009                      | 9,251,183                              | 13,172,617   | 3,921,508  | 70.23                    | 1,863,243                 | 210.47  |
| 4/30/2008                      | N/A                                    | N/A  | N/A  | N/A                      | N/A                       | N/A   |
| 4/30/2007                      | N/A                                    | N/A  | N/A  | N/A                      | N/A                       | N/A   |

N/A - Not Available

**VILLAGE OF BRADLEY, ILLINOIS**

Fire Pension Fund

Required Supplementary Information  
 April 30, 2012

**Schedule of Funding Progress**

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability Entry Age Normal Cost (b) | Unfunded Actuarial Accrued Liability (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ((b-1)/c) |
|--------------------------|-------------------------------|---|--|--------------------|---------------------|---|
| 4/30/2012                | \$ 340,616                    | 695,093   | 354,477                                    | 49.00 %            | 274,020             | 129.36 %  |
| 4/30/2011                | 262,587                       | 599,004   | 336,417                                    | 43.84              | 269,804             | 124.69  |
| 4/30/2010                | N/A                           | N/A   | N/A  | N/A                | N/A                 | N/A   |
| 4/30/2009                | N/A                           | N/A   | N/A  | N/A                | N/A                 | N/A   |
| 4/30/2008                | N/A                           | N/A   | N/A  | N/A                | N/A                 | N/A   |
| 4/30/2007                | N/A                           | N/A   | N/A  | N/A                | N/A                 | N/A   |

N/A - Report unavailable prior to April 30, 2012.



**VILLAGE OF BRADLEY, ILLINOIS**

Other Post-Employment Benefits

Required Supplementary Information  
 April 30, 2012

**Schedule of Funding Progress**

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability Entry Age Normal Cost (b) | Unfunded Actuarial Accrued Liability (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ((b-1)/c) |
|--------------------------|-------------------------------|---|--|--------------------|---------------------|---|
| 4/30/2012                | \$                            | 7,677,870   | 7,677,870                                  | %                  | 6,088,031           | 150.00 %  |
| 4/30/2011                |                               | 7,677,870   | 7,677,870                                  |                    | 5,117,920           | 150.00  |
| 4/30/2010                |                               | 7,677,870   | 7,677,870                                  |                    | N/A                 | 150.00  |

**Actuarial Assumptions**

|  |  |
|--|--|
| Actuarial Cost Method                                    | Entry Age  |
| Amortization Period                                      | Level Percentage of Pay, Open  |
| Remaining Amortization Period                            | 30 Years   |
| Asst Valuation Method                                    | Market   |
| Investment Rate of Return                                | 5.00%  |
| Projected Salary Increases                               | N/A  |
| Healthcare Inflation Rate                                | 8.00%  |
| Percentage of Active Employees Assumed to Elect Benefits | 100.00%  |
| Employer Provided Benefit                                | Explicit : 80% of premium for life<br>Implicit Benefit: 40% of premium to age 65 |

## VILLAGE OF BRADLEY, ILLINOIS

Note to Required Supplementary Information  
April 30, 2012

---

### 1. Budgetary Basis of Accounting

#### A. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the General Fund, Revolving Loan Fund, State Rt. 50 TIF Fund, Motor Fuel Tax Fund, GO Bond Fund, Capital Projects Fund, Proprietary Fund, and Fiduciary Funds.

#### B. Budgets - Operating

All departments of the Village submit requests to the Village's administrator so that a budget may be prepared. The budget is prepared by fund, function and activity and includes information on the past year, current year estimates and requested budgets for the next fiscal year. The proposed budget is presented to the Village Board for review. The Village Board holds public hearings and may add to, subtract from or change budgeted amounts, but may not change the form of the budget.

#### C. Budgets - Appropriations

During the year, the following funds had an excess of actual expenditures over budget:

|                  |           |
|------------------|-----------|
| General          | \$113,684 |
| State Rt. 50 TIF | \$979,840 |
| Revolving Loan   | \$122,256 |

The annual Village appropriation ordinance states that no amendment is required for any expenditures that go over their adopted appropriation as long as there are sufficient fund revenues or reserves to pay the amount that exceeds the appropriation.

During the year ended April 30, 2012, there were amendments to various budgeted accounts

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

**GENERAL FUND**

**VILLAGE OF BRADLEY, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual  
For the Year Ended April 30, 2012

|                             | Original<br>Budget | Final<br>Budget | Actual    |
|-----------------------------|--------------------|-----------------|-----------|
| <b>Taxes</b>                |                    |                 |           |
| Property Taxes              | \$ 1,921,940       | 1,921,940       | 1,914,674 |
| <b>State Shared Taxes</b>   |                    |                 |           |
| Sales Tax                   | 5,896,753          | 5,896,753       | 5,952,281 |
| Use Tax                     | 183,517            | 183,517         | 231,894   |
| Income Tax                  | 1,198,480          | 1,198,480       | 1,356,843 |
| Replacement Tax             | 68,893             | 68,893          | 100,481   |
| Auto Rental Tax             | 1,500              | 1,500           | 985       |
| Total State Taxes           | 7,349,143          | 7,349,143       | 7,642,484 |
| Total Taxes                 | 9,271,083          | 9,271,083       | 9,557,158 |
| <b>Licenses and Permits</b> |                    |                 |           |
| <b>Licenses</b>             |                    |                 |           |
| Liquor License              | 54,000             | 54,000          | 52,800    |
| Vending License             | 4,000              | 4,000           | 3,800     |
| Vending Chance              | 10,000             | 10,000          | 1,900     |
| Vending Service             | 7,200              | 7,200           | 6,895     |
| Tobacco License             | 1,150              | 1,150           | 1,700     |
| Business License            | 1,600              | 1,600           | 18,435    |
| Motor Vehicle Repair        | 1,100              | 1,100           | 475       |
| Other License               | 3,250              | 3,250           | 4,319     |
| Total Licenses              | 82,300             | 82,300          | 90,324    |
| <b>Permits</b>              |                    |                 |           |
| Building Permits            | 67,500             | 102,500         | 106,992   |
| Hall Rental                 | 7,500              | 7,500           | 3,251     |
| Park Rental                 | 550                | 550             | 1,900     |
| Total Permits               | 75,550             | 110,550         | 112,143   |
| Total Licenses and Permits  | 157,850            | 192,850         | 202,467   |
| <b>Intergovernmental</b>    |                    |                 |           |
| Police Grants               | 106,981            | 106,981         | 157,966   |
| Public Benefit Grants       | 60,000             | 60,000          | 9,899     |
| State Reimbursements        |                    |                 | 2,951     |
| Total Intergovernmental     | 166,981            | 166,981         | 170,816   |

(Cont.)

**VILLAGE OF BRADLEY, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual (Cont.)  
For the Year Ended April 30, 2012

|                                    | Original<br>Budget   | Final<br>Budget   | Actual            |
|------------------------------------|----------------------|-------------------|-------------------|
| Charges for Services               |                      |                   |                   |
| Charges and Fees                   |                      |                   |                   |
| Garbage Billings                   | 500,000              | 625,000           | 634,154           |
| Ambulance Revenue                  | 235,000              | 235,000           | 254,853           |
| Administrative Review Fee          |                      |                   | 400               |
| Summer Program Revenue             | 500                  | 500               | 1,665             |
| Sex Offender Registration          | 500                  | 500               | 1,125             |
| Public Safety Inspections          | 6,600                | 6,600             | 6,400             |
| Police Report Fees                 | 2,000                | 2,000             | 3,507             |
| <b>Total Charges for Services</b>  | <b>744,600</b>       | <b>869,600</b>    | <b>902,104</b>    |
| Fines and Forfeitures              |                      |                   |                   |
| Circuit Court Fines                | 125,000              | 125,000           | 138,789           |
| Administrative Tow Fee             |                      |                   | 109,400           |
| Parking Fines                      | 2,000                | 2,000             | (50)              |
| Adjudication Fines                 | 140,000              | 140,000           | 17,465            |
| Other Fines                        | 37,250               | 37,250            | 51,631            |
| <b>Total Fines and Forfeitures</b> | <b>304,250</b>       | <b>304,250</b>    | <b>317,235</b>    |
| Investment Income                  | 67,500               | 67,500            | 57,870            |
| Miscellaneous                      |                      |                   |                   |
| Donations                          |                      |                   | 7,717             |
| Reimbursements                     | 25,000               | 60,250            | 75,316            |
| Franchise Fees                     | 165,000              | 165,000           | 203,787           |
| Scrap Receipts                     |                      |                   | 10,278            |
| Other Income                       | 8,300                | 8,300             | 13,818            |
| <b>Total Miscellaneous</b>         | <b>198,300</b>       | <b>233,550</b>    | <b>310,916</b>    |
| <b>Total Revenues</b>              | <b>\$ 10,910,564</b> | <b>11,105,814</b> | <b>11,518,566</b> |

**VILLAGE OF BRADLEY, ILLINOIS**

General Fund

Schedule of Expenditures - Budget and Actual  
For the Year Ended April 30, 2012

|                            | Original<br>Budget | Final<br>Budget | Actual  |
|----------------------------|--------------------|-----------------|---------|
| <b>General Government</b>  |                    |                 |         |
| <b>President</b>           |                    |                 |         |
| Salary - Mayor             | \$ 13,200          | 13,200          | 13,357  |
| Telephone                  | 1,000              | 1,000           | 1,216   |
| Conventions                | 1,250              | 1,250           | 859     |
| Entertainment              | 700                | 700             | 691     |
| Meals                      | 300                | 300             | 153     |
| Amenities for the Sick     | 1,000              | 1,000           | 1,198   |
| Miscellaneous              | 300                | 300             | 28      |
| Salary Liquor Control      | 1,200              | 1,200           | 1,214   |
| Other Fees and Services    |                    |                 | 45      |
| Total President            | 18,950             | 18,950          | 18,761  |
| <b>Clerk</b>               |                    |                 |         |
| Salary - Clerk             | 8,100              | 8,100           | 7,589   |
| Office Supplies            |                    |                 | 130     |
| Membership                 | 200                | 200             | 160     |
| Publications               | 9,000              | 9,000           | 6,913   |
| Literature and Periodicals | 100                | 100             | 198     |
| Conventions and Meetings   | 500                | 500             | 45      |
| Codification               | 2,000              | 2,000           |         |
| Other Fees                 | 100                | 100             |         |
| Total Clerk                | 20,000             | 20,000          | 15,035  |
| <b>Treasurer</b>           |                    |                 |         |
| Salary - Treasurer         | 89,044             | 89,044          | 90,973  |
| Wages - Part Time Intern   |                    |                 | 43      |
| Sick Pay                   |                    |                 | 1,866   |
| Holiday Pay                |                    |                 | 676     |
| Vacation                   |                    |                 | 337     |
| Stipends                   | 2,800              | 2,800           | 2,822   |
| Telephone                  | 840                | 840             | 985     |
| Mileage                    | 500                | 500             | 356     |
| Audit                      | 20,340             | 20,340          | 20,340  |
| Membership                 | 500                | 500             | 410     |
| Conventions and Meetings   | 1,000              | 1,000           | 899     |
| Travel and Lodging         | 300                | 300             | 298     |
| Meals and Per Diem         | 300                | 300             | 37      |
| Total Treasurer            | 115,624            | 115,624         | 120,042 |
| <b>Trustees</b>            |                    |                 |         |
| Salary - Trustees          | 28,800             | 28,800          | 29,142  |
| Conventions                | 5,000              | 5,000           | 4,503   |
| Total Trustees             | 33,800             | 33,800          | 33,645  |

(Cont.)

**VILLAGE OF BRADLEY, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual (Cont.)  
For the Year Ended April 30, 2012**

|                                    | Original<br>Budget | Final<br>Budget  | Actual           |
|------------------------------------|--------------------|------------------|------------------|
| <b>General Government (Cont.)</b>  |                    |                  |                  |
| <b>General Administration</b>      |                    |                  |                  |
| Salaries                           |                    |                  |                  |
| Clerical                           | 46,311             | 46,311           | 45,521           |
| Overtime                           | 500                | 500              | 2,091            |
| Sick Pay - Regulars                |                    |                  | 238              |
| Holiday                            |                    |                  | 213              |
| Premium Overtime Pay               |                    |                  | 133              |
| Vacation Pay - Regulars            |                    |                  | 525              |
| Stipends                           | 1,200              | 1,200            | 1,200            |
| Telephone                          | 2,500              | 2,500            | 2,060            |
| Mileage                            | 100                | 100              | 54               |
| Office Supplies                    | 4,500              | 4,500            | 6,136            |
| Office Equipment                   | 1,000              | 1,000            | 1,200            |
| Office Equipment Repair            | 2,000              | 2,000            | 5,063            |
| Department Projects                |                    |                  | 31,674           |
| Postage                            | 1,800              | 1,800            | 1,339            |
| Hardware Purchase                  | 2,000              | 2,000            | 3,558            |
| General Supplies                   |                    |                  | 453              |
| Liability Insurance                | 450,000            | 425,000          | 365,423          |
| Medical Payments                   | 1,000              | 1,000            | 1,450            |
| Legal Fees                         | 189,400            | 189,400          | 214,710          |
| Other Fees                         | 8,000              | 8,000            | 3,290            |
| Investment Expense                 | 15,000             | 15,000           | 19,060           |
| Miscellaneous                      | 1,000              | 1,000            | 8,878            |
| Unemployment                       | 20,000             | 20,000           | 10,523           |
| Dental Insurance                   | 47,454             | 47,454           | 33,474           |
| Benefit Hour Reimbursement         | 50,000             | 50,000           |                  |
| Medical Insurance                  | 1,143,922          | 1,143,922        | 1,123,431        |
| Life Insurance                     | 14,588             | 14,588           | 27,104           |
| IMRF                               | 222,652            | 291,698          | 302,880          |
| FICA                               | 133,171            | 133,171          | 137,451          |
| Medicare                           | 62,245             | 62,245           | 67,332           |
| Optional Insurance Premiums        |                    |                  | 13,182           |
| Employee Deductible Reimbursement  | 175,000            | 175,000          | 193,628          |
| Turks Sales Tax Rebate             | 35,000             | 35,000           | 15,702           |
| Northfield Square Sales Tax Rebate | 50,000             | 50,000           | 50,000           |
| Fire Protection Assessment         | 3,000              | 3,000            | 1,192            |
| Taylor Chrysler Sales Tax Rebate   | 100,000            | 100,000          | 98,555           |
| Total General Administration       | <u>2,783,343</u>   | <u>2,827,389</u> | <u>2,788,723</u> |

(Cont.)



**VILLAGE OF BRADLEY, ILLINOIS**

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)  
For the Year Ended April 30, 2012

|   | Original<br>Budget | Final<br>Budget | Actual         |
|---|--------------------|-----------------|----------------|
| <b>General Government (Cont.)</b>       |                    |                 |                |
| <b>Administrator</b>                    |                    |                 |                |
| Administrator Salaries                  | 100,749            | 100,749         | 108,353        |
| Holiday                                 |                    |                 | 765            |
| Stipends                                | 2,240              | 2,240           | 2,406          |
| Telephone                               | 1,000              | 1,000           | 959            |
| Auto Repair Maintenance                 | 500                | 500             | 551            |
| Fuel, Gas                               | 500                | 500             | 707            |
| Memberships                             | 700                | 700             | 1,038          |
| Conventions and Meetings                |                    |                 | 407            |
| Training and Registration               |                    |                 | 84             |
| Meals and Per Diem                      | 300                | 300             | 486            |
| <b>Total Administrator</b>              | <b>105,989</b>     | <b>105,989</b>  | <b>115,756</b> |
| <b>Police and Fire Commission</b>       |                    |                 |                |
| Salary - Commissioner                   | 2,500              | 2,500           | 2,208          |
| Overtime - Secretary                    | 500                | 500             | 534            |
| Mileage                                 | 200                | 200             |                |
| Office Supplies                         | 200                | 200             |                |
| Postage                                 | 200                | 200             |                |
| Membership                              | 375                | 375             | 375            |
| Publications                            | 200                | 200             |                |
| Recruiting                              | 6,000              | 6,000           | 10,391         |
| Training                                | 300                | 300             |                |
| Travel                                  | 300                | 300             |                |
| Meals and Per Diem                      | 200                | 200             | 60             |
| Other Fees                              | 100                | 100             |                |
| Miscellaneous                           | 100                | 100             |                |
| <b>Total Police and Fire Commission</b> | <b>11,175</b>      | <b>11,175</b>   | <b>13,568</b>  |
| <b>Code Enforcement</b>                 |                    |                 |                |
| Salary - Code Enforcement               | 54,248             | 54,248          | 55,005         |
| Overtime - Code Enforcement             | 750                | 750             | 120            |
| Holiday Pay                             |                    |                 | 410            |
| Vacation Pay                            |                    |                 | 615            |
| Stipends                                | 1,200              | 1,200           | 1,289          |
| Telephone                               | 1,200              | 1,200           | 1,433          |
| Auto Repair                             | 2,500              | 2,500           | 2,039          |
| Fuel, Gas                               | 2,500              | 2,500           | 1,129          |
| Equipment Purchase                      | 2,300              | 2,300           | 2,268          |
| Office Supplies                         | 1,300              | 1,300           | 1,362          |
| Postage                                 | 150                | 150             |                |
| Training                                | 1,000              | 1,000           | 2,630          |
| Miscellaneous                           | 300                | 300             | 1,314          |
| <b>Total Code Enforcement</b>           | <b>67,448</b>      | <b>67,448</b>   | <b>69,614</b>  |

(Cont.)

VILLAGE OF BRADLEY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)  
For the Year Ended April 30, 2012

|                                   | Original<br>Budget | Final<br>Budget  | Actual           |
|-----------------------------------|--------------------|------------------|------------------|
| <b>General Government (Cont.)</b> |                    |                  |                  |
| <b>Public Benefit</b>             |                    |                  |                  |
| Police Pension Board              | 500                | 500              | 514              |
| Sidewalk Repair                   | 20,000             | 20,000           | 20,660           |
| Garbage                           | 500,000            | 518,000          | 517,798          |
| Recycling                         | 1,000              | 1,000            |                  |
| Capital Projects                  |                    | 26,925           | 26,924           |
| Christmas Activities              | 2,000              | 2,000            | 6,380            |
| Senior Citizen Activities         | 1,500              | 1,500            | 961              |
| Community Calendar                | 7,000              | 7,000            | 5,290            |
| Donations                         | 1,000              | 1,000            |                  |
| Metro Transit                     | 34,000             | 34,000           | 34,306           |
| Armour Rd. Project Engineer       | 160,000            | 150,000          | 132,655          |
| Other Fees                        | 500                | 500              |                  |
| Fire Pension Cost                 | 65,205             | 65,205           | 53,180           |
| Police Pension Cost               | 602,680            | 602,680          | 602,737          |
| Community Garage Sale             | 300                | 300              | 106              |
| Equipment Repair                  | 2,000              | 2,000            |                  |
| Community Garage Sale             |                    |                  | (80)             |
| Salary Summer Program             | 7,500              | 7,500            | 6,610            |
| Program Activities                | 600                | 600              |                  |
| Program Supplies                  | 1,200              | 1,200            | 1,630            |
| <b>Total Public Benefit</b>       | <b>1,406,985</b>   | <b>1,441,910</b> | <b>1,409,671</b> |
| <b>Communications</b>             |                    |                  |                  |
| Salary - Communications           | 52,914             | 52,914           | 56,287           |
| Holiday                           |                    |                  | 402              |
| Stipends                          | 1,200              | 1,200            | 1,200            |
| Contract Labor                    | 7,000              | 7,000            | 11,294           |
| Telephone                         | 5,500              | 5,500            | 4,901            |
| Tech Support                      | 800                | 800              | 1,661            |
| Internet                          | 1,300              | 1,300            | 2,762            |
| Mileage                           | 200                | 200              |                  |
| Office Supplies                   | 700                | 700              | 724              |
| Radio Maintenance                 | 736                | 736              |                  |
| Software Maintenance              | 18,500             | 23,500           | 32,034           |
| Hardware Maintenance              | 1,000              | 1,000            | 923              |
| Department Projects               | 4,000              | 4,000            | 6,729            |
| Software Purchase                 | 1,500              | 1,500            | 215              |
| Hardware Purchase                 | 3,500              | 3,500            | 3,866            |
| General Supplies                  | 500                | 500              | 471              |
| Memberships                       | 100                | 100              | 52               |

(Cont.)

**VILLAGE OF BRADLEY, ILLINOIS**

**General Fund**

Schedule of Expenditures - Budget and Actual (Cont.)  
For the Year Ended April 30, 2012

|  | Original<br>Budget | Final<br>Budget  | Actual           |
|--|--------------------|------------------|------------------|
| General Government (Cont.)               |                    |                  |                  |
| Communications (Cont.)                   |                    |                  |                  |
| Meals and Per Diem                       |                    |                  | 18               |
| Miscellaneous                            | 1,000              | 1,000            | 999              |
| Total Communications                     | <u>100,550</u>     | <u>105,550</u>   | <u>124,538</u>   |
| Total General Government                 | <u>4,663,864</u>   | <u>4,747,835</u> | <u>4,709,353</u> |
| Public Safety                            |                    |                  |                  |
| Fire                                     |                    |                  |                  |
| Salary - Department Head                 | 81,403             | 81,403           | 82,318           |
| Salaries - Fire                          | 83,675             | 83,675           | 85,458           |
| Part Time - Fire                         | 180,000            | 180,000          | 190,691          |
| Overtime - Support Staff                 |                    |                  | 1,636            |
| Stipends                                 | 10,200             | 10,200           | 14,900           |
| Holiday                                  |                    |                  | 702              |
| Longevity - Support Staff                |                    |                  | 1,789            |
| Vacation                                 |                    |                  | 1,545            |
| Telephone                                | 5,000              | 5,000            | 6,740            |
| Auto Repair                              | 55,000             | 55,000           | 46,911           |
| Fuel, Gas                                | 18,000             | 18,000           | 25,864           |
| Equipment Repair                         | 8,000              | 8,000            | 7,584            |
| Equipment Purchase                       | 27,500             | 27,500           | 26,696           |
| Equipment Rent                           | 10,000             | 10,000           | 7,235            |
| Office Supplies                          | 2,000              | 2,000            | 2,354            |
| Office Equipment                         | 500                | 500              | 711              |
| Office Equipment Repairs and Maintenance | 1,000              | 1,000            | 1,881            |
| Software Maintenance                     | 950                | 950              | 902              |
| Department Projects                      | 2,500              | 2,500            | 2,587            |
| Postage                                  | 300                | 300              | 59               |
| Software Purchase                        | 500                | 500              | 328              |
| Hardware Purchase                        | 3,500              | 3,500            | 3,089            |
| General Supplies                         | 2,000              | 2,000            | 1,971            |
| Medical Payments                         | 2,500              | 2,500            |                  |
| Membership                               | 600                | 600              | 811              |
| Publications                             | 200                | 200              | 165              |
| Literature and Periodicals               | 50                 | 50               | 99               |
| Conventions                              | 500                | 500              |                  |
| Training                                 | 3,750              | 3,750            | 3,550            |
| Travel                                   | 800                | 800              |                  |
| Meals and Per Diem                       | 600                | 600              |                  |
| Andres Collection Fees                   | 15,000             | 15,000           | 16,091           |
| Other Fees                               | 20,000             | 20,000           | 4,032            |
| Miscellaneous                            | 1,000              | 1,000            | 3,654            |

(Cont.)

**VILLAGE OF BRADLEY, ILLINOIS**

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)  
 For the Year Ended April 30, 2012

|                              | Original<br>Budget | Final<br>Budget | Actual    |
|------------------------------|--------------------|-----------------|-----------|
| <b>Public Safety (Cont.)</b> |                    |                 |           |
| <b>Fire (Cont.)</b>          |                    |                 |           |
| Salary - EMS                 | 270,649            | 270,649         | 305,865   |
| Part Time - EMS              | 22,000             | 22,000          | 10,811    |
| Overtime - EMS               | 60,000             | 60,000          | 56,745    |
| Sick                         |                    |                 | 852       |
| Holiday                      | 2,000              | 2,000           | 2,523     |
| Certification                | 2,200              | 2,200           |           |
| Vacation                     |                    |                 | 3,623     |
| Longevity                    | 5,000              | 5,000           | 6,282     |
| Medical Payments             | 12,000             | 12,000          | 9,742     |
| Uniforms                     | 2,000              | 2,000           | 2,372     |
| Miscellaneous                |                    |                 | 1,255     |
| Purchase of Ambulance        |                    |                 | 91,676    |
| Total Fire                   | 912,877            | 912,877         | 1,034,099 |
| <b>Police</b>                |                    |                 |           |
| Salary - Department Head     | 175,950            | 175,950         | 195,473   |
| Regulars                     | 2,038,175          | 2,038,175       | 2,087,059 |
| Overtime                     | 142,500            | 142,500         | 148,845   |
| Sick                         |                    |                 | 23,700    |
| Holiday                      |                    |                 | 34,861    |
| Vacation                     |                    |                 | 19,400    |
| Stipends                     | 55,040             | 55,040          | 79,860    |
| Separation Compensation      | 121,000            | 121,000         |           |
| Court Pay                    | 13,500             | 13,500          | 11,655    |
| Shift Premium                | 29,000             | 29,000          | 30,396    |
| Wages - Part Time            |                    |                 | 17,519    |
| Dispatchers                  | 390,166            | 420,166         | 440,549   |
| Salary Crossing Guards       | 25,000             | 25,000          | 26,315    |
| Telephone                    | 34,280             | 34,280          | 30,141    |
| Lead Communications          | 6,000              | 6,000           | 4,831     |
| Auto Repair                  | 40,000             | 40,000          | 52,778    |
| Fuel, Gas                    | 85,000             | 85,000          | 85,792    |
| Vehicle Purchase             | 13,000             | 94,000          | 93,733    |
| Auto License                 | 600                | 600             | 1,003     |
| Equipment Repair             | 3,000              | 3,000           | 5,281     |
| Equipment Purchase           | 42,000             | 42,000          | 41,380    |
| Equipment Rental             |                    |                 | 248       |
| Office Supplies              | 20,000             | 20,000          | 20,697    |
| Office Equipment             | 1,000              | 1,000           | 1,172     |
| Office Equipment Repair      | 1,000              | 1,000           |           |
| Computer Expense             | 8,500              | 8,500           | 3,585     |
| Postage                      | 1,600              | 1,600           | 2,088     |

(Cont.)

**VILLAGE OF BRADLEY, ILLINOIS**

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)

For the Year Ended April 30, 2012

|                              | Original<br>Budget | Final<br>Budget  | Actual           |
|------------------------------|--------------------|------------------|------------------|
| <b>Public Safety (Cont.)</b> |                    |                  |                  |
| <b>Police (Cont.)</b>        |                    |                  |                  |
| Supplies                     | 9,000              | 9,000            | 9,417            |
| Medical Payments             | 3,000              | 3,000            | 733              |
| Membership                   | 5,300              | 5,300            | 4,349            |
| Publications                 | 500                | 500              | 349              |
| Literature and Periodicals   | 500                | 500              | 159              |
| Training                     | 10,000             | 10,000           | 10,713           |
| Tuition Reimbursement        | 2,000              | 2,000            | 250              |
| Meals and Per Diem           | 1,300              | 1,300            | 1,051            |
| Shooting Range               | 10,000             | 10,000           | 9,336            |
| Tobacco Enforcement          | 2,400              | 2,400            | 250              |
| Stipend                      | 30,750             | 30,750           | 1,800            |
| Animal Control Expenses      | 9,000              | 9,000            | 11,025           |
| Uniforms                     | 10,000             | 10,000           | 9,661            |
| Other Fees                   | 15,500             | 15,500           | 10,970           |
| Miscellaneous                | 1,000              | 1,000            | 1,719            |
| Community Projects           | 2,500              | 2,500            | 3,860            |
| Purchase of Police Radios    |                    |                  | 164,600          |
| <b>Total Police</b>          | <b>3,359,061</b>   | <b>3,470,061</b> | <b>3,698,603</b> |
| <b>Total Public Safety</b>   | <b>4,271,938</b>   | <b>4,382,938</b> | <b>4,732,702</b> |
| <b>Public Works</b>          |                    |                  |                  |
| <b>General</b>               |                    |                  |                  |
| Salary - Public Works        | 88,854             | 88,854           | 89,921           |
| Sick Pay                     |                    |                  | 672              |
| Holiday                      |                    |                  | 675              |
| Vacation                     |                    |                  | 1,526            |
| Separation Compensation      | 133,496            | 133,496          |                  |
| Telephone                    | 3,800              | 3,800            | 3,920            |
| Electric                     | 12,000             | 12,000           | 13,897           |
| Heating and Gas              | 100                | 100              |                  |
| Water and Sewer              | 1,000              | 1,000            | 1,432            |
| Fuel, Gas                    | 55,000             | 55,000           | 44,075           |
| Vehicle Purchase             | 35,000             |                  |                  |
| Enforced Mowing              | 1,500              | 1,500            | (227)            |
| Office Supplies              | 500                | 500              | 251              |
| Computer Expense             | 1,500              | 1,500            | 1,042            |
| Building Repairs             | 9,000              | 9,000            | 5,653            |
| Exterminating                | 5,000              | 5,000            | 2,807            |
| Tree Removal                 | 5,000              | 5,000            | 1,118            |
| Leaf Disposal                | 12,000             | 12,000           | 11,308           |
| Lien Filing Fee              | 2,000              | 2,000            | 557              |

(Cont.)

**VILLAGE OF BRADLEY, ILLINOIS**

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)

For the Year Ended April 30, 2012

|                            | Original<br>Budget | Final<br>Budget | Actual  |
|----------------------------|--------------------|-----------------|---------|
| Public Works (Cont.)       |                    |                 |         |
| General (Cont.)            |                    |                 |         |
| Stipend                    | 1,200              | 1,200           | 1,750   |
| Stipend                    | 500                | 500             |         |
| Miscellaneous              | 500                | 500             |         |
| Total Public Works General | 367,950            | 332,950         | 180,377 |
| Streets and Alleys         |                    |                 |         |
| Salary - Street and Alley  | 588,254            | 588,254         | 583,070 |
| Overtime                   | 15,000             | 15,000          | 10,689  |
| Sick Pay                   |                    |                 | 1,217   |
| Holiday                    |                    |                 | 5,275   |
| Premium Overtime Pay       | 5,000              | 5,000           | 2,658   |
| Vacation Pay - Regulars    |                    |                 | 5,692   |
| Stipends                   | 17,700             | 17,700          | 17,390  |
| Electric                   | 100,000            | 100,000         | 87,676  |
| Street Light Repairs       | 35,000             | 35,000          | 48,483  |
| Auto Repair                | 40,000             | 40,000          | 39,054  |
| Equipment Repair           | 40,000             | 40,000          | 38,568  |
| Street Maintenance         | 20,000             | 20,000          | 9,953   |
| Alley Maintenance          | 15,000             | 15,000          | 4,416   |
| Equipment Purchase         | 15,100             | 15,100          | 8,857   |
| Equipment Rent             | 200                | 200             | 190     |
| Disposal Ground            | 5,000              | 5,000           | (2,086) |
| Gravel Sand                | 300                | 300             | 121     |
| Salt                       | 80,000             | 80,000          | 34,467  |
| Supplies                   | 3,500              | 3,500           | 5,927   |
| Meals and Per Diem         | 300                | 300             | 48      |
| Other Fees and Services    | 200                | 200             | 160     |
| Miscellaneous              | 400                | 400             | 99      |
| Total Streets and Alleys   | 980,954            | 980,954         | 901,924 |
| Public Property            |                    |                 |         |
| Wages - Public Property    | 53,444             | 23,444          | 16,328  |
| Overtime                   |                    |                 | 38      |
| Sick Pay - Regulars        |                    |                 | 202     |
| Holiday                    |                    |                 | 404     |
| Vacation Pay - Regulars    |                    |                 | 707     |
| Stipends                   |                    |                 | 600     |
| Telephone                  | 700                | 700             | 102     |
| Electric                   | 2,500              | 2,500           | 1,042   |
| Water                      |                    |                 | 3,301   |
| Equipment Repair           | 3,000              | 3,000           | 8,660   |
| Traffic Light Repair       | 20,000             | 20,000          | 28,430  |

(Cont.)

**VILLAGE OF BRADLEY, ILLINOIS**

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)  
For the Year Ended April 30, 2012

|                                    | Original<br>Budget | Final<br>Budget  | Actual           |
|------------------------------------|--------------------|------------------|------------------|
| Public Works (Cont.)               |                    |                  |                  |
| Public Property (Cont.)            |                    |                  |                  |
| Ground Maintenance                 | 20,000             | 20,000           | 17,233           |
| Building Repairs                   | 116,000            | 116,000          | 136,150          |
| Building and Property Improvements | 55,000             | 55,000           | 52,470           |
| Re. Tax Payments                   | 5,000              | 5,000            | 5,633            |
| Supplies                           | 10,000             | 10,000           | 10,628           |
| Extermination                      |                    |                  | 125              |
| Other Fees                         | 2,000              | 2,000            | 36               |
| Uniforms                           | 1,200              | 1,200            |                  |
| Chemical                           | 15,000             | 15,000           | 14,919           |
| Miscellaneous                      |                    |                  | 36               |
| Total Public Property              | <u>303,844</u>     | <u>273,844</u>   | <u>297,044</u>   |
| Total Public Works                 | <u>1,652,748</u>   | <u>1,587,748</u> | <u>1,379,345</u> |
| Building Standards                 |                    |                  |                  |
| Zoning and Planning                |                    |                  |                  |
| Salary - Zoning                    |                    |                  | 157              |
| Salary - Planning                  | 7,200              | 7,200            | 5,418            |
| Total Zoning and Planning          | <u>7,200</u>       | <u>7,200</u>     | <u>5,575</u>     |
| General Building Standards         |                    |                  |                  |
| Salary - Building Standards        | 33,072             | 33,072           | 33,907           |
| Clerical                           | 89,909             | 113,003          | 110,512          |
| Overtime                           | 500                | 500              | 1,057            |
| Sick Pay                           |                    |                  | 96               |
| Holiday Pay                        |                    |                  | 891              |
| Vacation Pay                       |                    |                  | 1,327            |
| Stipends                           | 3,000              | 3,000            | 3,102            |
| Plumbing Inspector                 | 9,966              | 9,966            | 10,048           |
| Electric Inspector                 | 9,966              | 9,966            | 10,048           |
| HVAC Inspector                     | 9,966              | 9,966            | 10,048           |
| Telephone                          | 1,300              | 1,300            | 2,067            |
| Plan Review                        | 15,000             | 25,000           | 25,948           |
| Equipment Purchases                | 5,000              | 34,612           | 35,873           |
| Office Supplies                    | 5,150              | 5,150            | 12,854           |
| Repairs                            | 2,200              | 2,200            | 4,362            |
| Vehicle Fuel                       | 1,000              | 1,000            | 562              |
| Postage                            | 150                | 150              |                  |
| Computer Software                  | 12,000             | 17,000           | 16,154           |
| Hardware Purchase                  | 2,000              | 2,000            | 3,286            |
| Medical Payments                   |                    |                  | 75               |
| Memberships                        | 270                | 270              | 245              |

(Cont.)

**VILLAGE OF BRADLEY, ILLINOIS**

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)  
For the Year Ended April 30, 2012

|                                    | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>     |
|------------------------------------|----------------------------|-------------------------|-------------------|
| Building Standards (Cont.)         |                            |                         |                   |
| General Building Standards (Cont.) |                            |                         |                   |
| Mileage                            | 2,700                      | 2,700                   | 1,836             |
| Literature and Periodicals         | 250                        | 250                     | 1,258             |
| Training                           | 4,500                      | 4,500                   | 1,896             |
| Travel and Lodging                 | 500                        | 500                     | 206               |
| Meals and Per Diem                 | 475                        | 475                     |                   |
| Other Fees                         | 300                        | 300                     | 1,842             |
| Miscellaneous                      | 200                        | 200                     | 10                |
| Total General Building Standards   | <u>209,374</u>             | <u>277,080</u>          | <u>289,510</u>    |
| Total Building Standards           | <u>216,574</u>             | <u>284,280</u>          | <u>295,085</u>    |
| Total Expenditures                 | <u>\$ 10,805,124</u>       | <u>11,002,801</u>       | <u>11,116,485</u> |



**NONMAJOR GOVERNMENTAL FUNDS**

**VILLAGE OF BRADLEY, ILLINOIS**

Nonmajor Governmental Funds

Combining Balance Sheet  
April 30, 2012

---

(See Following Page)

**VILLAGE OF BRADLEY, ILLINOIS**

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2012

|  | Special Revenue Funds |                   |                   |                    |
|--|-----------------------|-------------------|-------------------|--------------------|
|  | Broadway<br>TIF       | Motor<br>Fuel Tax | Police<br>Seizure | L Power<br>Rd. TIF |
| <b>Assets</b>                              |                       |                   |                   |                    |
| Cash and Equivalents                       | \$                    | 342,271           | 3,863             | 7,661              |
| Receivables                                |                       | 30,858            |                   |                    |
| <b>Total Assets</b>                        | <b>\$ -</b>           | <b>373,129</b>    | <b>3,863</b>      | <b>7,661</b>       |
| <b>Liabilities</b>                         |                       |                   |                   |                    |
| Due to Other Funds                         | \$                    |                   | 4,332             |                    |
| <b>Fund Balances</b>                       |                       |                   |                   |                    |
| Restricted for                             |                       |                   |                   |                    |
| Economic Development                       |                       |                   |                   | 7,661              |
| Street Maintenance                         |                       | 373,129           |                   |                    |
| Debt Service                               |                       |                   |                   |                    |
| Capital Projects                           |                       |                   |                   |                    |
| Unassigned                                 |                       |                   | (469)             |                    |
| <b>Total Fund Balances</b>                 | <b>-</b>              | <b>373,129</b>    | <b>(469)</b>      | <b>7,661</b>       |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ -</b>           | <b>373,129</b>    | <b>3,863</b>      | <b>7,661</b>       |

| Debt<br>Service<br>Fund | Capital<br>Projects<br>Fund | Total<br>Nonmajor<br>Governmental<br>Funds    |
|-------------------------|-----------------------------|---|
| GO Bond                 | Capital<br>Projects         |   |
| 2,734                   | 223,521                     | 580,050<br>30,858                             |
| 2,734                   | 223,521                     | 610,908                                       |
|                         |                             | 4,332   |
|                         |                             | 7,661<br>373,129<br>2,734<br>223,521<br>(469) |
| 2,734                   | 223,521                     | 606,576                                       |
| 2,734                   | 223,521                     | 610,908                                       |

**VILLAGE OF BRADLEY, ILLINOIS**

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended April 30, 2012

|  | Special Revenue Funds |                   |                   |                    |
|--|-----------------------|-------------------|-------------------|--------------------|
|  | Broadway<br>TIF       | Motor<br>Fuel Tax | Police<br>Seizure | L Power<br>Rd. TIF |
| Revenues:  |                       |                   |                   |                    |
| Property Taxes                                       | \$                    |                   |                   | 2,772              |
| State Taxes  |                       | 402,476           |                   |                    |
| Intergovernmental                                    |                       | 63,073            |                   |                    |
| Fines and Forfeitures                                |                       |                   | 4,405             |                    |
| Investment Income                                    | 192                   | 285               |                   |                    |
| Miscellaneous  |                       |                   | 14,630            |                    |
| Total Revenues                                       | 192                   | 465,834           | 19,035            | 2,772              |
| Expenditures   |                       |                   |                   |                    |
| General Government                                   |                       |                   |                   |                    |
| Public Safety  |                       |                   | 34,061            |                    |
| Public Works   |                       | 392,771           |                   |                    |
| Community Development                                | 31,565                |                   |                   |                    |
| Debt Service   |                       |                   |                   |                    |
| Principal  |                       |                   |                   |                    |
| Interest   |                       |                   |                   |                    |
| Capital Outlay                                       |                       |                   |                   |                    |
| Total Expenditures                                   | 31,565                | 392,771           | 34,061            | -                  |
| Excess (Deficiency) of Revenues<br>over Expenditures | (31,373)              | 73,063            | (15,026)          | 2,772              |
| Other Financing Sources (Uses)                       |                       |                   |                   |                    |
| Transfers In   |                       |                   |                   |                    |
| Transfers Out  |                       |                   |                   |                    |
| Total Other Financing<br>Sources (Uses)              | -                     | -                 | -                 | -                  |
| Net Change in Fund Balance                           | (31,373)              | 73,063            | (15,026)          | 2,772              |
| Fund Balances  |                       |                   |                   |                    |
| Beginning of Year                                    | 31,373                | 300,066           | 14,557            | 4,889              |
| End of Year  | \$ -                  | 373,129           | (469)             | 7,661              |

| Debt<br>Service<br>Fund | Capital<br>Projects<br>Fund | Total<br>Nonmajor<br>Governmental<br>Funds |
|-------------------------|-----------------------------|--|
| GO Bond                 | Capital<br>Projects         |  |
| 65,001                  |                             | 67,773                                     |
|                         |                             | 402,476                                    |
|                         |                             | 63,073                                     |
|                         |                             | 4,405                                      |
| 837                     | 25                          | 1,339                                      |
|                         | 331                         | 14,961                                     |
| 65,838                  | 356                         | 554,027                                    |
|                         |                             | 34,061                                     |
|                         |                             | 392,771                                    |
|                         |                             | 31,565                                     |
| 328,000                 |                             | 328,000                                    |
| 15,784                  |                             | 15,784                                     |
|                         | 327,515                     | 327,515                                    |
| 343,784                 | 327,515                     | 1,129,696                                  |
| (277,946)               | (327,159)                   | (575,669)                                  |
| 316,100                 | 449,748                     | 765,848                                    |
| (231,625)               |                             | (231,625)                                  |
| 84,475                  | 449,748                     | 534,223                                    |
| (193,471)               | 122,589                     | (41,446)                                   |
| 196,205                 | 100,932                     | 648,022                                    |
| 2,734                   | 223,521                     | 606,576                                    |

**NONMAJOR SPECIAL REVENUE FUND**

**VILLAGE OF BRADLEY, ILLINOIS**

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual

Year Ended April 30, 2012

|                                 | Original<br>Budget | Final<br>Budget | Actual         |
|---------------------------------|--------------------|-----------------|----------------|
| <b>Revenues</b>                 |                    |                 |                |
| State Shared Taxes              | \$ 385,011         | 385,011         | 402,476        |
| Intergovernmental               |                    |                 | 63,073         |
| Investment Income               | 400                | 400             | 285            |
| Total Revenues                  | <u>385,411</u>     | <u>385,411</u>  | <u>465,834</u> |
| <b>Expenditures</b>             |                    |                 |                |
| Public Works                    |                    |                 |                |
| Annual Maintenance - Contractor | 350,000            | 350,000         | 347,165        |
| Annual Maintenance - Engineer   | 40,000             | 40,000          | 38,624         |
| Road Signs                      | 10,000             | 10,000          | 6,982          |
| Total Expenditures              | <u>400,000</u>     | <u>400,000</u>  | <u>392,771</u> |
| Net Change in Fund Balance      | <u>\$ (14,589)</u> | <u>(14,589)</u> | 73,063         |
| <b>Fund Balance</b>             |                    |                 |                |
| Beginning                       |                    |                 | <u>300,066</u> |
| Ending                          |                    |                 | <u>373,129</u> |



**NONMAJOR DEBT SERVICE FUND**

**VILLAGE OF BRADLEY, ILLINOIS****GO Bond Fund****Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual**

Year Ended April 30, 2012

|  | Original<br>Budget | Final<br>Budget  | Actual           |
|--|--------------------|------------------|------------------|
| <b>Revenues</b>                                      |                    |                  |                  |
| Property Taxes                                       | \$ 64,177          | 64,177           | 65,001           |
| Investment Income                                    | 900                | 900              | 837              |
| Total Revenues                                       | <u>65,077</u>      | <u>65,077</u>    | <u>65,838</u>    |
| <b>Expenditures</b>                                  |                    |                  |                  |
| Debt Service   |                    |                  |                  |
| Principal Retirement                                 | 49,000             | 328,000          | 328,000          |
| Interest and Fiscal Charges                          | 15,177             | 17,677           | 15,784           |
| Total Expenditures                                   | <u>64,177</u>      | <u>345,677</u>   | <u>343,784</u>   |
| Excess (Deficiency) of Revenues<br>over Expenditures | <u>900</u>         | <u>(280,600)</u> | <u>(277,946)</u> |
| <b>Other Financing Sources (Uses)</b>                |                    |                  |                  |
| Transfers In   |                    | 316,100          | 316,100          |
| Transfers Out  |                    | (231,625)        | (231,625)        |
| Total Other Financing Sources (Uses)                 | <u>-</u>           | <u>84,475</u>    | <u>84,475</u>    |
| Net Change in Fund Balances                          | <u>\$ 900</u>      | <u>(196,125)</u> | <u>(193,471)</u> |
| <b>Fund Balance</b>                                  |                    |                  |                  |
| Beginning  |                    |                  | <u>196,205</u>   |
| Ending   |                    |                  | <u>2,734</u>     |

**NONMAJOR CAPITAL PROJECTS FUND**

**VILLAGE OF BRADLEY, ILLINOIS**

Capital Projects Fund

Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual

Year Ended April 30, 2012

|  | Original<br>Budget | Final<br>Budget  | Actual                |
|--|--------------------|------------------|-----------------------|
| <b>Revenues</b>                                      |                    |                  |                       |
| Investment Income                                    | \$                 |                  | 25                    |
| Miscellaneous  | 774,384            | 774,384          | 331                   |
| <b>Total Revenues</b>                                | <u>774,384</u>     | <u>774,384</u>   | <u>356</u>            |
| <b>Expenditures</b>                                  |                    |                  |                       |
| Capital Outlay                                       |                    |                  |                       |
| Building Improvements                                | 863,507            | 1,162,384        | 327,121               |
| Equipment Purchase                                   |                    |                  | 394                   |
| <b>Total Expenditures</b>                            | <u>863,507</u>     | <u>1,162,384</u> | <u>327,515</u>        |
| Excess (Deficiency) of Revenues<br>over Expenditures | (89,123)           | (388,000)        | (327,159)             |
| <b>Other Financing Sources</b>                       |                    |                  |                       |
| Transfers In   | 89,123             | 320,748          | 449,748               |
| <b>Net Change in Fund Balances</b>                   | <u>\$ -</u>        | <u>(67,252)</u>  | <u>122,589</u>        |
| <b>Fund Balance</b>                                  |                    |                  |                       |
| Beginning  |                    |                  | <u>100,932</u>        |
| Ending   |                    |                  | <u><u>223,521</u></u> |

**ENTERPRISE FUND**

**VILLAGE OF BRADLEY, ILLINOIS**

**Sewer Fund**

**Schedule of Revenues, Expenses, and  
Changes in Net Assets - Budget and Actual**

**Year Ended April 30, 2012**

|   | Original<br>Operating<br>Budget | Final<br>Operating<br>Budget | Actual           |
|---|---------------------------------|------------------------------|------------------|
| <b>Operating Revenues</b>                     |                                 |                              |                  |
| User Charges                                  | \$ 1,540,570                    | 1,540,570                    | 1,601,275        |
| <b>Operating Expenses</b>                     |                                 |                              |                  |
| Salaries and Wages                            | 311,116                         | 311,116                      | 292,146          |
| Employee Benefits                             | 155,884                         | 155,884                      | 130,271          |
| Professional Fees                             | 99,500                          | 99,500                       | 111,307          |
| Materials, Repairs and Maintenance            | 51,300                          | 51,300                       | 64,753           |
| Utilities                                     | 13,850                          | 13,850                       | 15,377           |
| Depreciation                                  | 235,000                         | 235,000                      | 361,105          |
| Sewer Fees                                    | 818,600                         | 960,800                      | 990,685          |
| Other Operating Expenses                      | 738,100                         | 738,100                      | 61,204           |
| <b>Total Operating Expenses</b>               | <b>2,423,350</b>                | <b>2,565,550</b>             | <b>2,026,848</b> |
| <b>Operating Loss</b>                         | <b>(882,780)</b>                | <b>(1,024,980)</b>           | <b>(425,573)</b> |
| <b>Nonoperating Revenues (Expenses)</b>       |                                 |                              |                  |
| Interest and Investment Income                |                                 |                              | 2,578            |
| Tap-On Fees                                   | 36,000                          | 36,000                       | 25,862           |
| Interest Expense                              | (425,800)                       | (425,800)                    | (232,950)        |
| <b>Total Nonoperating Revenues (Expenses)</b> | <b>(389,800)</b>                | <b>(389,800)</b>             | <b>(204,510)</b> |
| <b>Net Loss before Transfers</b>              | <b>(1,272,580)</b>              | <b>(1,414,780)</b>           | <b>(630,083)</b> |
| <b>Transfers</b>                              |                                 |                              |                  |
| Transfers In                                  | 425,800                         | 425,800                      | 568,000          |
| <b>Change in Net Assets</b>                   | <b>\$ (846,780)</b>             | <b>(988,980)</b>             | <b>(62,083)</b>  |
| <b>Net Assets</b>                             |                                 |                              |                  |
| May 1   |                                 |                              | <u>2,029,497</u> |
| April 30                                      |                                 |                              | <u>1,967,414</u> |

**VILLAGE OF BRADLEY, ILLINOIS**

Sewer Fund

Schedule of Operating Expenses - Budget and Actual

Year Ended April 30, 2012

|   | Original<br>Operating<br>Budget | Final<br>Operating<br>Budget | Actual         |
|---|---------------------------------|------------------------------|----------------|
| <b>Salaries and Wages</b>                       |                                 |                              |                |
| Salaries, Sewer Maintenance                     | \$ 199,003                      | 199,003                      | 148,976        |
| Overtime  | 4,500                           | 4,500                        | 10,313         |
| Wages, Support Staff                            | 62,841                          | 62,841                       | 61,992         |
| Salaries, Management                            | 33,072                          | 33,072                       | 33,931         |
| Sick Pay  |                                 |                              | 227            |
| Holiday Pay                                     |                                 |                              | 2,560          |
| Vacation Pay                                    |                                 |                              | 1,775          |
| Stipend   | 11,700                          | 11,700                       | 7,698          |
| Separation Compensation                         |                                 |                              | 24,674         |
| <b>Total Salaries and Wages</b>                 | <b>311,116</b>                  | <b>311,116</b>               | <b>292,146</b> |
| <b>Employee Benefits</b>                        |                                 |                              |                |
| Medical Insurance                               | 96,258                          | 96,258                       | 79,015         |
| Life Insurance                                  |                                 |                              | 733            |
| IMRF  | 33,726                          | 33,726                       | 31,630         |
| FICA  | 19,500                          | 19,500                       | 15,312         |
| Medicare  | 5,500                           | 5,500                        | 3,581          |
| <b>Total Employee Benefits</b>                  | <b>155,884</b>                  | <b>155,884</b>               | <b>130,271</b> |
| <b>Professional Fees</b>                        |                                 |                              |                |
| Engineering Service                             | 95,500                          | 95,500                       | 107,307        |
| Audit Fees                                      | 4,000                           | 4,000                        | 4,000          |
| <b>Total Professional Fees</b>                  | <b>99,500</b>                   | <b>99,500</b>                | <b>111,307</b> |
| <b>Materials, Repairs and Maintenance</b>       |                                 |                              |                |
| Equipment Purchase                              | 9,000                           | 9,000                        | 6,940          |
| Equipment Rental                                | 300                             | 300                          |                |
| Office Supplies                                 | 2,500                           | 2,500                        | 2,074          |
| Hardware Purchase                               | 1,000                           | 1,000                        |                |
| Building Repair and Maintenance                 | 500                             | 500                          | 244            |
| General Supplies                                | 4,000                           | 4,000                        | 8,360          |
| Vehicle Repair and Maintenance                  | 9,000                           | 9,000                        | 3,597          |
| Equipment Repair                                | 15,000                          | 15,000                       | 24,656         |
| Sewer Main Maintenance                          | 10,000                          | 10,000                       | 18,882         |
| <b>Total Materials, Repairs and Maintenance</b> | <b>51,300</b>                   | <b>51,300</b>                | <b>64,753</b>  |
| <b>Utilities</b>                                |                                 |                              |                |
| Electric  | 10,000                          | 10,000                       | 11,780         |
| Heating and Gas                                 | 3,200                           | 3,200                        | 2,871          |
| Water and Sewer                                 | 650                             | 650                          | 726            |
| <b>Total Utilities</b>                          | <b>13,850</b>                   | <b>13,850</b>                | <b>15,377</b>  |

(Cont.)

**VILLAGE OF BRADLEY, ILLINOIS**

Sewer Fund

Schedule of Operating Expenses - Budget and Actual (Cont.)

Year Ended April 30, 2012

|                                      | Original<br>Operating<br>Budget | Final<br>Operating<br>Budget | Actual           |
|--------------------------------------|---------------------------------|------------------------------|------------------|
| <b>Sewer Fees</b>                    |                                 |                              |                  |
| Collection Services                  | 40,000                          | 40,000                       | 27,804           |
| Metro Sewer Service                  | 777,000                         | 919,200                      | 962,881          |
| Chemicals                            | 1,350                           | 1,350                        |                  |
| Gravel and Sand                      | 250                             | 250                          |                  |
| Total Sewer Fees                     | <u>818,600</u>                  | <u>960,800</u>               | <u>990,685</u>   |
| <b>Other Operating Expenses</b>      |                                 |                              |                  |
| Telephone                            | 3,400                           | 3,400                        | 3,249            |
| J.U.L.I.E Locates                    | 3,000                           | 3,000                        | 2,614            |
| Vehicle Fuel                         | 10,000                          | 10,000                       | 7,745            |
| Postage                              | 20,000                          | 20,000                       | 20,448           |
| Other Fees and Services              | 701,700                         | 701,700                      | 27,148           |
| Total Other Operating Expenses       | <u>738,100</u>                  | <u>738,100</u>               | <u>61,204</u>    |
| <b>Depreciation and Amortization</b> | <u>235,000</u>                  | <u>235,000</u>               | <u>361,105</u>   |
| <b>Total Operating Expenses</b>      | <u>\$ 2,423,350</u>             | <u>2,565,550</u>             | <u>2,026,848</u> |



**FIDUCIARY FUND TYPE**

**VILLAGE OF BRADLEY, ILLINOIS**

Combining Statement of Fiduciary Net Assets

April 30, 2012

---

---

|  | Police<br>Pension<br>Trust<br>Fund | Fire<br>Pension<br>Trust<br>Fund | Total             |
|--|------------------------------------|----------------------------------|-------------------|
| <b>Assets</b>  |                                    |                                  |                   |
| Cash and Equivalents                                 | \$ 627,434                         | 340,516                          | 967,950           |
| Investments, at Fair Value                           |                                    |                                  |                   |
| Equities   | 5,245,746                          |                                  | 5,245,746         |
| Mutual Funds   | 701,448                            |                                  | 701,448           |
| Corporate Bonds                                      | 788,631                            |                                  | 788,631           |
| U.S. Government and Agency Obligations               | 3,476,940                          |                                  | 3,476,940         |
| Receivables  |                                    |                                  |                   |
| Accrued Interest                                     | 4,208                              | 100                              | 4,308             |
| <b>Total Assets</b>                                  | <b>10,844,407</b>                  | <b>340,616</b>                   | <b>11,185,023</b> |
| <b>Liabilities</b>                                   |                                    |                                  |                   |
| Payroll Withholding                                  | 4,744                              |                                  | 4,744             |
| <b>Net Assets Held in Trust for Pension Benefits</b> | <b>\$ 10,839,663</b>               | <b>340,616</b>                   | <b>11,180,279</b> |

---

---

**VILLAGE OF BRADLEY, ILLINOIS**

Combining Statement of Changes in Fiduciary Net Assets

April 30, 2012

|  | Police<br>Pension<br>Trust<br>Fund | Fire<br>Pension<br>Trust<br>Fund | Total             |
|--|------------------------------------|----------------------------------|-------------------|
| <b>Additions</b>                                     |                                    |                                  |                   |
| <b>Contributions</b>                                 |                                    |                                  |                   |
| Village Contributions                                | \$ 602,737                         | 53,180                           | 655,917           |
| Employee Contributions                               | 198,886                            | 25,908                           | 224,794           |
|  | <u>801,623</u>                     | <u>79,088</u>                    | <u>880,711</u>    |
| <b>Investment Income</b>                             |                                    |                                  |                   |
| Interest Income                                      | 183,032                            | 1,291                            | 184,323           |
| Net Appreciation in Fair Value<br>of Investments     | 355,706                            |                                  | 355,706           |
| Total Investment Income                              | 538,738                            | 1,291                            | 540,029           |
| Less: Investment Expense                             | 115,572                            |                                  | 115,572           |
| Net Investment Income                                | <u>423,166</u>                     | <u>1,291</u>                     | <u>424,457</u>    |
| Total Additions                                      | <u>1,224,789</u>                   | <u>80,379</u>                    | <u>1,305,168</u>  |
| <b>Deductions</b>                                    |                                    |                                  |                   |
| Administration                                       | 11,770                             | 2,350                            | 14,120            |
| Benefits and Refunds                                 | 662,873                            |                                  | 662,873           |
| Total Deductions                                     | <u>674,643</u>                     | <u>2,350</u>                     | <u>676,993</u>    |
| Change in Net Assets                                 | 550,146                            | 78,029                           | 628,175           |
| <b>Net Assets Held in Trust for Pension Benefits</b> |                                    |                                  |                   |
| May 1  | <u>10,289,517</u>                  | <u>262,587</u>                   | <u>10,552,104</u> |
| April 30   | <u>\$ 10,839,663</u>               | <u>340,616</u>                   | <u>11,180,279</u> |