

VILLAGE OF DEER PARK, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2012



Certified Public Accountants & Advisors

VILLAGE OF DEER PARK, ILLINOIS
TABLE OF CONTENTS

| | <u>Page(s)</u> |
|---|----------------|
| INDEPENDENT AUDITOR’S REPORT | 1-2 |
| GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS | |
| Management’s Discussion and Analysis | MD&A 1-11 |
| Basic Financial Statements | |
| Government-Wide Financial Statements | |
| Statement of Net Assets..... | 3 |
| Statement of Activities | 4-5 |
| Fund Financial Statements | |
| Governmental Funds | |
| Balance Sheet..... | 6 |
| Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Assets | 7 |
| Statement of Revenues, Expenditures and Changes in Fund Balances..... | 8 |
| Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities | 9 |
| Proprietary Fund | |
| Statement of Net Assets | 10 |
| Statement of Revenues, Expenses and Changes in Fund Net Assets..... | 11 |
| Statement of Cash Flows..... | 12 |
| Fiduciary Funds | |
| Statement of Fiduciary Net Assets..... | 13 |
| Notes to Financial Statements | 14-24 |

VILLAGE OF DEER PARK, ILLINOIS
 TABLE OF CONTENTS (Continued)

| | <u>Page(s)</u> |
|---|----------------|
| GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued) | |
| Required Supplementary Information | |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual | |
| General Fund | 25 |
| Notes to Required Supplementary Information..... | 26 |
| COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES | |
| MAJOR GOVERNMENTAL FUNDS | |
| GENERAL FUND | |
| Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual..... | 27-29 |
| NONMAJOR SPECIAL REVENUE FUNDS | |
| Combining Balance Sheet | 30 |
| Combining Schedule of Revenues, Expenditures and Changes in Fund Balances..... | 31 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual | |
| Motor Fuel Tax Fund..... | 32 |
| Tourism and Commerce Fund | 33 |
| FIDUCIARY FUNDS | |
| Combining Schedule of Changes in Assets and Liabilities - Agency Funds | 34-38 |



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INDEPENDENT AUDITOR'S REPORT

The Honorable Village President
Members of the Board of Trustees
Village of Deer Park, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Village of Deer Park, Illinois (the Village) 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 basic financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic 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 Deer Park, 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.

The Village adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended April 30, 2012. The statement changed the classifications of governmental fund balances and clarified the definitions of existing fund types. The adoption of this statement had no effect on any of the Village's governmental funds' assets or liabilities nor was there any effect to the total amount of the Village's governmental fund balances as of and for the year ended April 30, 2012.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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 the 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 Village's financial statements as a whole. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Schuch LLP". The signature is written in a cursive, flowing style.

Naperville, Illinois
August 15, 2012

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

VILLAGE OF DEER PARK, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2012

This section of the Village of Deer Park's Annual Financial Report (AFR) presents our discussion and analysis of the Village's financial activities during the fiscal year ended April 30, 2012. This should be read in conjunction with the Village's financial statements which follow this section.

FINANCIAL HIGHLIGHTS

- Net asset position and performance in total – The Village's total net assets at April 30, 2012 were \$12,221,138, an amount that is essentially unchanged from the prior year while spending on infrastructure and other governmental activities was up substantially.
- Governmental activity summary – Likewise, total net assets at April 30, 2012 allocated to governmental activities were largely unchanged, although cash and investments increased \$259,420 and liabilities increased by \$431,090 from the year before.
- Business-type activity summary – Net assets for business-type activities decreased by \$28,212, a rate of decrease similar to that experienced in the prior year.
- General fund summary – The fund experienced a decrease of its fund balance of \$547,896 primarily due to the substantial increase of \$968,286 in spending on roads and drainage, among other increases in expenditures for public safety, parks and recreation, barn facilities, and other capital outlays.
- Budget vs. actual – The Village's actual General Fund revenues were \$82,576 less than budgeted, more than offset by expenditures being \$163,215 less than budgeted.
- Liabilities – The Village's General Fund liabilities increased \$290,518 largely as a result of an increase in accounts payable of \$404,730. The increase in accounts payable is largely attributable to amounts due road and drainage contractors for work commenced early as a result of favorable weather conditions.
- Capital assets – Net capital assets decreased \$41,571 as a result of depreciation charged exceeding additions placed into service during the year.

(See independent auditor's report.)

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village of Deer Park’s financial section of the AFR. The financial section of the AFR includes four components: 1) management’s discussion and analysis, 2) the basic financial statements, 3) required supplementary information, and 4) additional supplementary information. The basic financial statements also include notes to the financial statements.

Government-wide financial statements provide both short- and long-term information about the Village’s overall financial status.

Fund financial statements focus on individual parts of the Village government, reporting Village operations in more detail than the government-wide financial statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by the required supplementary information section that further explains and supports the information in the financial statements.

In addition to all of the required financial statements elements, we have provided sections for combining statements to provide detail on non-major funds, for additional supplementary information, and for statistical information.

The following table summarizes the major features of the Village’s financial statements.

| Description | -----Fund Statements----- | | | |
|---|--|--|--|---|
| | Government-Wide Statements | Government Funds | Proprietary Funds | Fiduciary Funds |
| Scope | Entire Village government (except fiduciary funds) | Activities of the Village that are not proprietary or fiduciary such as public safety | Activities the Village operates similar to private business such as the Sewer Fund | Activities in which the Village is agent of another’s resources such as the Special Service Areas |
| Required financial statements | <ul style="list-style-type: none"> ▪ Statement of Net Assets ▪ Statement of Activities | <ul style="list-style-type: none"> ▪ Balance Sheet ▪ Statement of Revenues, Expenditures, and Changes in Fund Balances | <ul style="list-style-type: none"> ▪ Statement of Net Assets ▪ Statement of Revenues, Expenses, and Changes in Net Assets ▪ Statement of Cash Flows | <ul style="list-style-type: none"> ▪ Statement of Fiduciary Net Assets |
| Accounting basis | Accrual | Modified accrual | Accrual | Accrual |
| Measurement focus | Economic resources | Current financial resources | Economic resources | Economic resources |
| Type of asset and liability information | All assets and liabilities, both financial and capital, short- and long-term | Assets expected to be used and liabilities that come due during the year or shortly thereafter; no capital assets | All assets and liabilities, both financial and capital, short- and long-term | All assets and liabilities, both short- and long-term. Does not currently contain capital assets |
| Type of inflow and outflow information | All revenues and expenses during the year recorded | All revenues and expenditures during the year recorded | All revenues and expenditures during the year recorded | All revenues and expenditures during the year recorded |

(See independent auditor’s report.)

Government-Wide Statements

The government-wide financial statements are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Assets (the “Unrestricted Net Assets”) is designed to disclose bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates governmental fund’s current financial resources (short-term spendable resources) with capital assets and long-term obligations using the modified cash basis of accounting and economic resources measurement focus.

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

The governmental activities reflect the Village’s basic services, including administration, financial services, and contracted police, fire, and public works. Local utility and telecommunications taxes, and shared state tax distributions 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 operation.

Fund Financial Statements

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

Governmental funds are presented on a sources and uses of liquid resources basis. This is the manner in which the budget is typically developed. Governmental funds provide a current resources (short-term) view that helps determine whether there are more or fewer current financial resources available to spend for Village operations.

Fiduciary Funds are presented for certain activities where the Village’s role is that of an agent. While Fiduciary Funds represent agent responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the government-wide financial statements.

(See independent auditor’s report.)

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure – streets, storm sewers, etc.) had not been reported nor depreciated in governmental financial statements. GASB 34 requires that these assets be valued and reported within the Governmental column of the Government-wide Statements. Additionally, the government must elect to (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Village has elected to depreciate assets over their useful life. If a project is considered maintenance – a recurring cost that does not extend the asset's original useful life or expand its capacity – the cost of the project will be expensed. An "overlay" of a street will be considered maintenance whereas a "rebuild" of a street will be capitalized.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

In accordance with GASB Statement No. 34, a comparative analysis of Government-wide information is presented.

NET ASSETS

Statement of Net Assets

The following table reflects the condensed Statement of Net Assets:

Table 1
Statement of Net Assets
As of April 30, 2012 and 2011

| | Governmental Activities 2012 | Governmental Activities 2011 | Business-type Activities 2012 | Business-type Activities 2011 | Total Primary Government 2012 | Total Primary Government 2011 |
|--|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|--|--|
| Current and Other Assets | \$ 2,970,502 | \$ 2,636,751 | \$ 266,108 | \$ 266,843 | \$ 3,236,610 | \$ 2,903,594 |
| Capital Assets | 9,906,290 | 9,947,861 | - | - | 9,906,290 | 9,947,861 |
| Total Assets | \$12,876,792 | \$12,584,612 | \$ 266,108 | \$ 266,843 | \$13,142,900 | \$12,851,455 |
| Liabilities, short-term | \$ 686,032 | \$ 254,942 | \$ 235,730 | \$ 208,253 | \$ 921,762 | \$ 463,195 |
| Net Assets: | | | | | | |
| Invested in capital assets, net of related debt | \$ 9,906,290 | \$ 9,947,861 | \$ - | \$ - | \$ 9,906,290 | \$ 9,947,861 |
| Restricted | 682,982 | 257,362 | - | - | 682,982 | 257,362 |
| Unrestricted | 1,601,488 | 2,124,447 | 30,378 | 58,590 | 1,631,866 | 2,183,037 |
| Total Net Assets | \$12,190,760 | \$12,329,670 | \$ 30,378 | \$ 58,590 | \$12,221,138 | \$12,388,260 |

For more detailed information, see the Statement of Net Assets.

(See independent auditor's report.)

Normal Impacts – Net Assets

There are six common (basic) types of transactions that will generally affect the comparability of the Statement of Net Assets summary presentation.

Net Results Of Activities – Impacts (increases/decreases) current assets and unrestricted net assets.

Borrowing For Capital – Increases current assets and long-term debt.

Spending Borrowed Proceeds On New Capital – Reduces current assets and increases capital assets.

Spending Of Non-borrowed Current Assets On New Capital – (a) Reduces current assets and increases capital assets and (b) reduces unrestricted net assets and increases capital assets, net of debt.

Principal Payment On Debt – (a) Reduces current assets and reduces long-term debt and (b) reduces unrestricted net assets and increases capital assets, net of debt.

Reduction Of Capital Assets Through Depreciation – Reduces capital assets and capital assets, net of debt.

Current Year Impacts – Net Assets

The Village's combined net assets slightly decreased from \$12,388,260 to \$12,221,138. The Village's unrestricted net assets for governmental activities, the part of net assets that can be used to finance daily operations, were \$1,601,488.

The net assets of business-type activities decreased by \$28,212 during the fiscal year and ended the year at \$30,378. Accounts receivable and deferred revenues related to business-type activities at year end were \$264,356 and \$228,047, respectively. Business-type activities consist of sewer services. The annual operating cost of these services for the year ended April 30, 2012 was \$309,098.

Current assets from governmental activities increased \$333,751 primarily due to an increase in cash and investments of \$259,420 and secondarily to an increase in receivables. Capital assets decreased by \$41,571 due to depreciation of \$125,682, net of capital additions. Liabilities increased by \$431,090 due primarily to an increase in accounts payable of \$404,730.

(See independent auditor's report.)

Table 2
Changes in Net Assets
Years Ended April 30, 2012 and 2011

| | Governmental Activities 2012 | Governmental Activities 2011 | Business-type Activities 2012 | Business-type Activities 2011 | Total Primary Government 2012 | Total Primary Government 2011 |
|-------------------------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|--|--|
| REVENUES | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$ 621,221 | \$ 602,645 | \$ 280,820 | \$ 269,665 | \$ 902,041 | \$ 872,310 |
| Operating grants | 92,089 | 91,949 | - | - | 92,089 | 91,949 |
| Capital grants | 4,073 | - | - | - | 4,073 | - |
| General revenues: | | | | | | |
| Taxes | 3,196,960 | 2,696,303 | - | - | 3,196,960 | 2,696,303 |
| Investment income | 2,750 | 4,212 | 66 | 137 | 2,816 | 4,349 |
| Miscellaneous | 17,324 | 17,850 | - | - | 17,324 | 17,850 |
| Total revenues | \$ 3,934,417 | \$ 3,412,959 | \$ 280,886 | \$ 269,802 | \$ 4,215,303 | \$ 3,682,761 |
| EXPENSES | | | | | | |
| General administration | \$ 634,775 | \$ 588,335 | \$ - | \$ - | \$ 634,775 | \$ 588,335 |
| Building administration | 146,532 | 122,430 | - | - | 146,532 | 122,430 |
| Economic development | - | 10,000 | - | - | - | 10,000 |
| Public safety | 1,585,542 | 1,511,257 | - | - | 1,585,542 | 1,511,257 |
| Roads and drainage | 1,511,980 | 496,789 | - | - | 1,511,980 | 496,789 |
| Parks and recreation | 166,189 | 82,725 | - | - | 166,189 | 82,725 |
| Barn | 28,309 | - | - | - | 28,309 | - |
| Sanitary sewer rehabilitation | - | - | 309,098 | 279,856 | 309,098 | 279,856 |
| Total expenses | \$ 4,073,327 | \$ 2,811,536 | \$ 309,098 | \$ 279,856 | \$ 4,382,425 | \$ 3,091,392 |
| Change in Net Assets | \$(138,910) | \$ 601,423 | \$(28,212) | \$(10,054) | \$(167,122) | \$ 591,369 |

Normal Impacts – Changes In Net Assets

Reflected below are eight common (basic) impacts on revenues and expenses.

Revenues:

Economic Condition – Reflects a declining, stable or growing economic environment and has a substantial impact on state income, sales, telecommunications and utility tax revenues as well as public spending habits for items such as building permits and user fees including volumes of usage.

Increase/Decrease In Village Approved Rates – While certain tax rates are set by statute, the Village Board has authority to impose and periodically increase/decrease rates (water, sewer, building permit fees, vehicle stickers, etc.).

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

Market Impacts On Investment Income – The Village’s investment portfolio is managed with an approach utilizing competitive pricing, laddered maturities up to one year for term investments, and diversity of investments. Market conditions may cause investment income to fluctuate more than would occur with more short-term composition.

(See independent auditor’s report.)

Expenses:

Changes In Programs – Within the functional expense categories (General Government, Public Safety, Public Works, etc.) individual programs may be added, deleted or expanded to meet changing community needs.

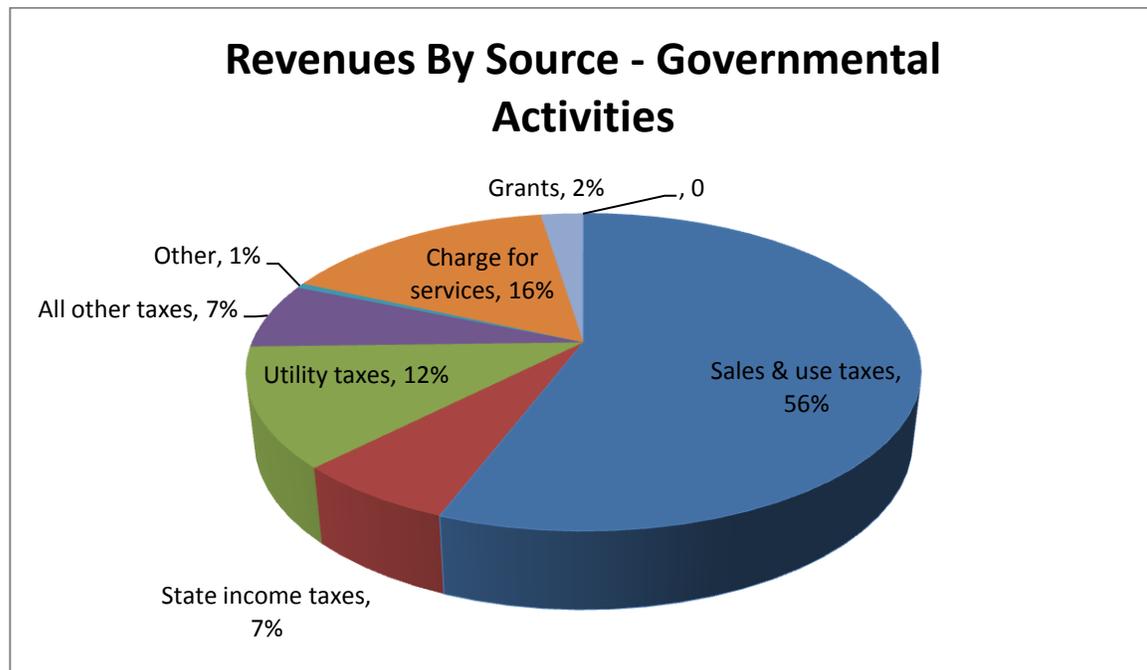
Changes In Authorized Personnel – Changes in service demand may cause the Village Board to increase/decrease authorized staffing.

Salary Increases (annual adjustments and step increases) – The Village strives to maintain a competitive salary range position in the marketplace.

Inflation – While overall inflation continues to be modest, the Village is a major consumer of certain commodities and services which typically experience inflation at a rate that can be significantly different from the national rate of inflation. Examples of such items include insurance, fuel, electricity and operating supplies.

Current Year Impacts – Changes In Net Assets

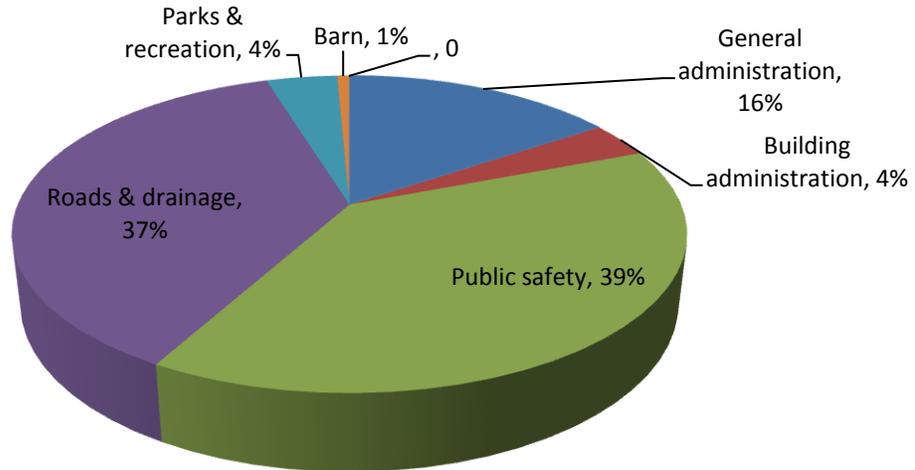
Governmental Activities



Total revenues attributable to governmental activities of \$3,934,417 substantially increased over last year by \$521,458. Sales and use tax revenues continue to be the Village’s largest revenue source of revenue at \$2,195,858 which also substantially increased from the prior year by \$451,200. Building permits and related revenue increased by \$15,905 or approximately 5% over the prior year. Fines and forfeitures, primarily related to red light camera violations, nominally decreased from \$277,621 to \$248,658 for the year ended April 30, 2012.

(See independent auditor’s report.)

Expenses By Function - Governmental Activities



Total expenses attributable to governmental activities of \$4,073,327 substantially increased over last year by \$1,261,791 as the Village expended greatly increased amounts on roads and drainage improvements in order to “catch up” on deferred paving and other maintenance expenditures. Similarly, the Village expended \$83,464 more on its parks and recreational activities – nearly 101% of last year’s total amount of only \$82,725. Public safety continues to be the largest single expense totaling \$1,585,542, although the purchase of new police vehicles of approximately \$254,000 will not be reoccurring in the next several years.

Business-Type Activities

Revenue:

Revenue from business-type activities totaled \$280,886 and are related to the provision of sewer services. Sewer service revenues to undeveloped land parcels are deferred until such time as the parcel becomes developed. Sewer services are provided only to the Village’s Planned Development area due to an intergovernmental agreement with the Metropolitan Water Reclamation District of Greater Chicago (MWRD).

Expenses:

Expenses for business-type activities totaled \$309,098. Payment is made to the MWRD at the same rate charged to the property owners. A small additional charge is assessed by the Village to cover overhead costs.

(See independent auditor’s report.)

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|--|
| FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS |
|--|

For the fiscal year ended April 30, 2012, the governmental funds reflect a combined fund balance of \$2,292,709, a nominal increase of \$16,055 over the prior year. During the year ended April 30, 2012, the Roads and Drainage Fund was created as a result of a voter referendum establishing an increase in non-home rule sales tax of ¼% effective July 1, 2011 dedicated solely to road and drainage infrastructure improvements. This dedicated sales tax revenue added \$387,133 to that fund's balance for the 10 months ended April 30, 2012.

General Fund Budgetary Highlights

| | <i>FYE 2012 Original Budget</i> | <i>FYE 2012 Original Budget</i> | <i>FYE 2012 Actual</i> |
|--|---|---|----------------------------|
| <i>Revenues</i> | | | |
| <i>Taxes</i> | \$ 2,858,000 | \$ 2,858,000 | \$ 2,715,547 |
| <i>Intergovernmental</i> | 164,930 | 164,930 | 118,427 |
| <i>Licenses and permits</i> | 169,500 | 169,500 | 251,789 |
| <i>Fines and forfeits</i> | 255,700 | 255,700 | 248,658 |
| <i>Other</i> | 104,100 | 104,100 | 135,233 |
| <i>Total revenues</i> | \$ 3,552,230 | \$ 3,552,230 | \$ 3,469,654 |
| <i>Expenditures and Transfers</i> | | | |
| <i>Expenditures:</i> | | | |
| <i>Public safety</i> | \$ 1,469,781 | \$ 1,469,781 | \$ 1,585,542 |
| <i>Roads and drainage</i> | 1,225,629 | 1,225,629 | 1,387,054 |
| <i>General administration</i> | 563,001 | 563,001 | 557,300 |
| <i>Capital outlays</i> | 489,384 | 489,384 | 92,239 |
| <i>Other</i> | 344,703 | 344,703 | 307,148 |
| <i>Transfers</i> | - | - | 88,267 |
| <i>Total expenditures and transfers</i> | \$ 4,092,498 | \$ 4,092,498 | \$ 4,017,550 |
| <i>Change in Fund Balance</i> | \$(540,268) | \$(540,268) | \$(547,896) |

Actual General Fund revenues were slightly lower than the final budget by \$82,576. Intergovernmental revenues were down \$46,503, although revenues from licenses and permits were up a significant \$82,289 over budget attributable to larger than budgeted activity in renewals and betterments in commercial lease space that required inspections.

(See independent auditor's report.)

Actual General Fund expenditures and transfers were also slightly lower than the final budget by \$74,948 although public safety saw an increase in expenditures over budget of \$115,761 attributable to a change in police services providers during the year requiring the purchase of new patrol vehicles of approximately \$254,000. The purchase of new police vehicles is not contracted to reoccur in the next several years. Infrastructure improvements in roads and drainage of \$161,425 over budget were incurred in order to take advantage of very attractive pricing offered to the Village during the year due by the road paving and contracting industry.

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|--|
| CAPITAL ASSET AND DEBT ADMINISTRATION |
|--|

Capital Assets

As of April 30, 2012, the Village's Governmental Funds had invested \$9,906,290 (see Notes to Financial Statements #3) in a variety of capital assets and infrastructure, as reflected in the following schedule.

**Table 3
Governmental Funds
Change in Net Capital Assets**

| | <i>Balance May 1, 2011</i> | <i>Net Additions/ Deletions</i> | <i>Balance April 30, 2012</i> |
|---|--------------------------------|---|-----------------------------------|
| <i>Non-Depreciable Assets</i> | | | |
| <i>Land</i> | \$ 6,027,285 | \$ - | \$ 6,027,285 |
| <i>Depreciable Capital Assets</i> | | | |
| <i>Buildings and Improvements</i> | 2,876,057 | 19,919 | 2,895,976 |
| <i>Park Improvements</i> | 621,407 | 29,971 | 651,378 |
| <i>Machinery and Equipment</i> | 185,167 | - | 185,167 |
| <i>Intangibles</i> | 55,775 | - | 55,775 |
| <i>Infrastructure</i> | 1,047,299 | 34,221 | 1,081,520 |
| <i>Accumulated Depreciation on Capital Assets</i> | (865,129) | (125,682) | (990,811) |
| <i>Totals</i> | \$ 9,947,861 | \$(41,571) | \$ 9,906,290 |

Debt Outstanding

The Village does not have any debts outstanding with due dates of more than one year.

As of April 30, 2012, the balance of the Special Service Area bonds associated with the Village totaled \$18,225,000. The Village is in no way liable for repayment of these bonds.

See Notes to Financial Statements #4 for additional information regarding compensated absences of Village employees and non-commitment debt associated with the Village.

(See independent auditor's report.)

ECONOMIC FACTORS

As in the year before, national and statewide recessionary pressures continued during the year ended April 30, 2012. Nonetheless, the Village of Deer Park continued its economic prosperity at a rate of growth substantially in excess of national and statewide results. Tax revenues, principally sales taxes on retail sales, were up again over the prior year and are budgeted to remain strong during the forthcoming year due to the continued popularity of the Village's retail sales base and the demographics of the shoppers that bring their business to the Village's commercial areas.

Some concern continues to exist, however, regarding the weak fiscal condition of the State of Illinois and its ability to timely remit all municipalities' portion of income taxes due them. There have been political discussions in the state legislature where it has been proposed that certain revenues that have historically been paid to municipalities be retained by the State in order to assist the State with its cash flow and budgetary needs. Fortunately, these circumstances did not develop during the year nor are they foreseen during the forthcoming year.

There has been significant progress made during the year ended April 30, 2012 and continuing into the present concerning the development of major parcels of the Village's vacant commercial land. Planned Unit Development proposals have been made and are under active consideration for the financing, construction and lease of a new major retail shopping area and for the construction of a major upscale assisted living facility. Once completed and operational, it is projected that the new shopping center would significantly add to the Village's retail base.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Ms. Beth McAndrews, Village Treasurer, Village of Deer Park, 23680 Cuba Road, Deer Park, Illinois 60010.

(See independent auditor's report.)

BASIC FINANCIAL STATEMENTS

VILLAGE OF DEER PARK, ILLINOIS

STATEMENT OF NET ASSETS

April 30, 2012

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|----------------------|
| ASSETS | | | |
| Cash and investments | \$ 2,150,446 | \$ 31,752 | \$ 2,182,198 |
| Accounts receivable | 789,354 | 264,356 | 1,053,710 |
| Due to/from other funds | 30,000 | (30,000) | - |
| Prepaid expenses | 702 | - | 702 |
| Capital assets not being depreciated | 6,027,285 | - | 6,027,285 |
| Capital assets (net of accumulated depreciation) | 3,879,005 | - | 3,879,005 |
| Total assets | 12,876,792 | 266,108 | 13,142,900 |
| LIABILITIES | | | |
| Accounts payable | 474,556 | 7,683 | 482,239 |
| Deferred revenue | 27,178 | 228,047 | 255,225 |
| Accrued payroll | 14,205 | - | 14,205 |
| Deposits payable | 161,854 | - | 161,854 |
| Long-term liabilities | | | |
| Due within one year | 8,239 | - | 8,239 |
| Total liabilities | 686,032 | 235,730 | 921,762 |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 9,906,290 | - | 9,906,290 |
| Restricted | | | |
| Highways and streets | 121,214 | - | 121,214 |
| Tourism and commerce | 201,813 | - | 201,813 |
| Roads and drainage | 359,955 | - | 359,955 |
| Unrestricted | 1,601,488 | 30,378 | 1,631,866 |
| TOTAL NET ASSETS | \$ 12,190,760 | \$ 30,378 | \$ 12,221,138 |

See accompanying notes to financial statements.

VILLAGE OF DEER PARK, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2012

| FUNCTIONS/PROGRAMS | Expenses | Program Revenues | | |
|---------------------------------|---------------------|-------------------------|---------------------|-------------------|
| | | Charges for Services | Operating Grants | Capital Grants |
| PRIMARY GOVERNMENT | | | | |
| Governmental Activities | | | | |
| General administration | \$ 634,775 | \$ 338,529 | \$ - | \$ - |
| Building administration | 146,532 | - | - | - |
| Public safety | 1,585,542 | 248,658 | - | - |
| Roads and drainage | 1,511,980 | - | 92,089 | 4,073 |
| Parks and recreation | 166,189 | 5,250 | - | - |
| Barn | 28,309 | 28,784 | - | - |
| Total governmental activities | 4,073,327 | 621,221 | 92,089 | 4,073 |
| Business-Type Activities | | | | |
| Sewer | 309,098 | 280,820 | - | - |
| Total business-type activities | 309,098 | 280,820 | - | - |
| TOTAL PRIMARY GOVERNMENT | \$ 4,382,425 | \$ 902,041 | \$ 92,089 | \$ 4,073 |

| | Net (Expense) Revenue and Change in Net Assets | | |
|----------------------------|--|-----------------------------|---------------|
| | Primary Government | | |
| | Governmental Activities | Business-Type Activities | Total |
| | \$ (296,246) | \$ - | \$ (296,246) |
| | (146,532) | - | (146,532) |
| | (1,336,884) | - | (1,336,884) |
| | (1,415,818) | - | (1,415,818) |
| | (160,939) | - | (160,939) |
| | 475 | - | 475 |
| | (3,355,944) | - | (3,355,944) |
| | - | (28,278) | (28,278) |
| | - | (28,278) | (28,278) |
| | (3,355,944) | (28,278) | (3,384,222) |
| General Revenues | | | |
| Taxes | | | |
| State sales | 1,788,558 | - | 1,788,558 |
| Non home-rule sales | 359,955 | - | 359,955 |
| State income | 259,773 | - | 259,773 |
| Utility/telecommunications | 478,413 | - | 478,413 |
| Use | 47,345 | - | 47,345 |
| Hotel | 121,458 | - | 121,458 |
| Entertainment | 138,396 | - | 138,396 |
| Road/bridge | 2,930 | - | 2,930 |
| Other taxes | 132 | - | 132 |
| Investment income | 2,750 | 66 | 2,816 |
| Miscellaneous | 17,324 | - | 17,324 |
| Total | 3,217,034 | 66 | 3,217,100 |
| CHANGE IN NET ASSETS | (138,910) | (28,212) | (167,122) |
| NET ASSETS, MAY 1 | 12,329,670 | 58,590 | 12,388,260 |
| NET ASSETS, APRIL 30 | \$ 12,190,760 | \$ 30,378 | \$ 12,221,138 |

See accompanying notes to financial statements.

VILLAGE OF DEER PARK, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2012

| | General | Roads and Drainage | Nonmajor Governmental Funds | Total |
|--|---------------------|-----------------------|-----------------------------------|---------------------|
| ASSETS | | | | |
| Cash and investments | \$ 1,446,498 | \$ 387,133 | \$ 316,815 | \$ 2,150,446 |
| Accounts receivable | 783,142 | - | 6,212 | 789,354 |
| Due from other funds | 30,000 | - | - | 30,000 |
| Prepaid expenditures | 702 | - | - | 702 |
| TOTAL ASSETS | \$ 2,260,342 | \$ 387,133 | \$ 323,027 | \$ 2,970,502 |
| LIABILITIES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts payable | \$ 474,556 | \$ - | \$ - | \$ 474,556 |
| Deferred revenue | - | 27,178 | - | 27,178 |
| Accrued payroll | 14,205 | - | - | 14,205 |
| Deposits payable | 161,854 | - | - | 161,854 |
| Total liabilities | 650,615 | 27,178 | - | 677,793 |
| FUND BALANCES | | | | |
| Nonspendable - prepaid expenditures | 702 | - | - | 702 |
| Restricted | | | | |
| Highways and streets | - | - | 121,214 | 121,214 |
| Tourism and commerce | - | - | 201,813 | 201,813 |
| Roads and drainage | - | 359,955 | - | 359,955 |
| Unrestricted | | | | |
| Unassigned | 1,609,025 | - | - | 1,609,025 |
| Total fund balances | 1,609,727 | 359,955 | 323,027 | 2,292,709 |
| TOTAL LIABILITIES AND AND FUND BALANCES | \$ 2,260,342 | \$ 387,133 | \$ 323,027 | \$ 2,970,502 |

See accompanying notes to financial statements.

VILLAGE OF DEER PARK, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS

April 30, 2012

| | |
|---|----------------------|
| FUND BALANCES OF GOVERNMENTAL FUNDS | \$ 2,292,709 |
| Amounts reported for governmental activities in the statement of net assets are different because: | |
| Capital assets used in governmental activities are not financial and, therefore, are not reported in the governmental funds | 9,906,290 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds | |
| Compensated absences payable | <u>(8,239)</u> |
| NET ASSETS OF GOVERNMENTAL ACTIVITIES | <u>\$ 12,190,760</u> |

See accompanying notes to financial statements.

VILLAGE OF DEER PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2012

| | General | Roads and Drainage | Nonmajor Governmental Funds | Total |
|--|---------------------|-----------------------|-----------------------------------|---------------------|
| REVENUES | | | | |
| Taxes | \$ 2,715,547 | \$ 359,955 | \$ 121,458 | \$ 3,196,960 |
| Intergovernmental | 118,427 | 4,073 | 92,089 | 214,589 |
| Licenses and permits | 251,789 | - | - | 251,789 |
| Charges for services | 56,103 | - | - | 56,103 |
| Fines and forfeits | 248,658 | - | - | 248,658 |
| Investment income | 2,656 | - | 94 | 2,750 |
| Other income | 76,474 | - | - | 76,474 |
| Total revenues | 3,469,654 | 364,028 | 213,641 | 4,047,323 |
| EXPENDITURES | | | | |
| Current | | | | |
| General administration | 557,300 | - | 7,912 | 565,212 |
| Building administration | 133,738 | - | - | 133,738 |
| Public safety | 1,585,542 | - | - | 1,585,542 |
| Roads and drainage | 1,387,054 | 4,073 | 90,000 | 1,481,127 |
| Parks and recreation | 125,182 | - | - | 125,182 |
| Barn | 48,228 | - | - | 48,228 |
| Capital outlay | 92,239 | - | - | 92,239 |
| Total expenditures | 3,929,283 | 4,073 | 97,912 | 4,031,268 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (459,629) | 359,955 | 115,729 | 16,055 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | 88,267 | 88,267 |
| Transfers (out) | (88,267) | - | - | (88,267) |
| Total other financing sources (uses) | (88,267) | - | 88,267 | - |
| NET CHANGE IN FUND BALANCES | (547,896) | 359,955 | 203,996 | 16,055 |
| FUND BALANCES, MAY 1 | 2,157,623 | - | 119,031 | 2,276,654 |
| FUND BALANCES, APRIL 30 | \$ 1,609,727 | \$ 359,955 | \$ 323,027 | \$ 2,292,709 |

See accompanying notes to financial statements.

VILLAGE OF DEER PARK, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2012

| | |
|---|----------------------------|
| NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | \$ 16,055 |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities | 84,111 |
| Depreciation on capital assets is reported as an expense in the statement of activities | (125,682) |
| The increase in compensated absences payable is shown as an increase of expense on the statement of activities | (488) |
| Certain revenues recognition is different on the full accrual basis than on the modified accrual | <u>(112,906)</u> |
| CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES | <u><u>\$ (138,910)</u></u> |

See accompanying notes to financial statements.

VILLAGE OF DEER PARK, ILLINOIS

STATEMENT OF NET ASSETS
PROPRIETARY FUND

April 30, 2012

| | <u>Sewer Fund</u> |
|----------------------------|-------------------------|
| CURRENT ASSETS | |
| Cash | \$ 31,752 |
| Accounts receivable | <u>264,356</u> |
| Total current assets | <u>296,108</u> |
| CURRENT LIABILITIES | |
| Accounts payable | 7,683 |
| Due to other funds | 30,000 |
| Deferred revenue | <u>228,047</u> |
| Total current liabilities | <u>265,730</u> |
| NET ASSETS | |
| Unrestricted | <u>30,378</u> |
| TOTAL NET ASSETS | <u><u>\$ 30,378</u></u> |

See accompanying notes to financial statements.

VILLAGE OF DEER PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUND

For the Year Ended April 30, 2012

| | <u>Sewer Fund</u> |
|-----------------------------|-------------------------|
| OPERATING REVENUES | |
| Charges for services | |
| Sewer charges | <u>\$ 280,820</u> |
| Total operating revenues | <u>280,820</u> |
| OPERATING EXPENSES | |
| Administration | <u>309,098</u> |
| Total operating expenses | <u>309,098</u> |
| OPERATING INCOME (LOSS) | <u>(28,278)</u> |
| NONOPERATING REVENUES | |
| Investment income | <u>66</u> |
| Total nonoperating revenues | <u>66</u> |
| CHANGE IN NET ASSETS | (28,212) |
| NET ASSETS, MAY 1 | <u>58,590</u> |
| NET ASSETS, APRIL 30 | <u><u>\$ 30,378</u></u> |

See accompanying notes to financial statements.

VILLAGE OF DEER PARK, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND

For the Year Ended April 30, 2012

| | <u>Sewer Fund</u> |
|--|---------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from customers | \$ 266,692 |
| Payments to suppliers | <u>(303,909)</u> |
| Net cash from operating activities | <u>(37,217)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Interfund activity | <u>30,000</u> |
| Net cash from noncapital financing activities | <u>30,000</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| None | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest received on investments | <u>66</u> |
| Net cash from investing activities | <u>66</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (7,151) |
| CASH AND CASH EQUIVALENTS, MAY 1 | <u>38,903</u> |
| CASH AND CASH EQUIVALENTS, APRIL 30 | <u><u>\$ 31,752</u></u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES | |
| Operating income (loss) | \$ (28,278) |
| Adjustments to reconcile operating income (loss) to net cash from operating activities | |
| Changes in assets and liabilities | |
| Accounts receivable | (36,416) |
| Deferred revenue | 22,288 |
| Accounts payable | <u>5,189</u> |
| NET CASH FROM OPERATING ACTIVITIES | <u><u>\$ (37,217)</u></u> |

See accompanying notes to financial statements.

VILLAGE OF DEER PARK, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS

April 30, 2012

| | <u>Agency Funds</u> |
|--------------------------|----------------------------|
| ASSETS | |
| Cash | <u>\$ 1,488,853</u> |
| TOTAL ASSETS | <u><u>\$ 1,488,853</u></u> |
| LIABILITIES | |
| Due to bondholders | <u>\$ 1,488,853</u> |
| TOTAL LIABILITIES | <u><u>\$ 1,488,853</u></u> |

See accompanying notes to financial statements.

VILLAGE OF DEER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

April 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Deer Park, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). 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 of the Village.

a. Reporting Entity

The Village is a body corporate and politic established under Illinois Compiled Statutes (ILCS) governed by an elected President and Board of Trustees. The Village is considered to be a primary government pursuant to GASB Statement No. 14 since it is legally separate and fiscally independent.

b. Fund Accounting

The Village uses funds to report on its financial position and the changes in its financial position. 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. The minimum number of funds are maintained consistent with legal and managerial requirements. Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds restricted, committed or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds restricted, committed or assigned for the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

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 can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Entities That Use Proprietary Fund Accounting*, the Village has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 to account for its enterprise funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The Village utilizes agency funds to account for funds received and reserved for debt service on the noncommitment debt (See Note 4a) and funds received on behalf of other entities.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and shared revenues 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 and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

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 Village, except those required to be accounted for in another fund.

The Roads and Drainage Fund is used to account for nonhome rule sales tax revenues restricted for road and drainage projects.

The Village reports the following major proprietary fund:

The Sewer Fund accounts for the sewer billings and expenses incurred for providing those services to residents.

Additionally, the Village reports the Special Service Areas funds responsible for noncommitment debt repayment as agency funds.

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 fiduciary fund financial statements (except the agency funds which have no measurement focus). Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. The Village has no municipal property tax. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the 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. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes, income taxes and telecommunication taxes which use a 90-day period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Sales taxes and telecommunication taxes owed to the state at year end, court fines, franchise fees, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Local fines, licenses and permit revenue and miscellaneous revenues are considered to be measurable and available only when cash is received by the Village.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

The Village reports deferred revenue on its financial statements. Deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Village before it has a legal claim to them or prior to the provision of services, 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 the resources, the liability for deferred revenue is removed from the financial statements and revenue is recognized.

e. Cash and Cash Equivalents

For purposes of cash flows, the Village considers liquid deposits or investments with a maturity of three months or less when purchased to be cash equivalents.

f. Investments

Investments in nonnegotiable certificates of deposit and other investments with a maturity of less than one year when purchased are stated at cost. Investments with a maturity of one year or greater when purchased are reported at fair value.

g. Prepaid Items/Expenses

Payments made to vendors for services, if any, that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

VILLAGE OF DEER PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets

Capital assets are recorded as expenditures at the time of purchase. Capital assets, which include property, plant, equipment, intangible and infrastructure assets (e.g., storm sewers and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Infrastructure assets are reported prospectively as of May 1, 2004. Capital assets are defined by the Village as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value or service capacity of the asset or materially extend asset 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:

| Assets | Years |
|-------------------------------------|-------|
| Buildings and building improvements | 50 |
| Park improvements | 20 |
| Machinery and equipment | 10 |
| Intangibles | 5 |
| Infrastructure | 50 |

i. Compensated Absences

Vested or accumulated vacation and sick leave are reported as an expenditure and a fund liability of the governmental fund that will pay it once retirement or separation has occurred. Vested or accumulated vacation and sick leave of governmental activities is recorded as an expense and liability of those funds as the benefits accrue to employees.

j. Long-Term Obligations

In the government-wide financial statements and in the proprietary fund financial statements, long-term debt and other long-term obligations, if any, are reported as liabilities in the governmental activities financial statements. Bond premiums and discounts, if any, 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Long-Term Obligations (Continued)

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

k. Net Assets/Fund Balance

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or are legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance resulted from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village Board, which is considered the Village's highest level of decision making authority. Formal actions include resolutions and ordinances approved by the Board. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Village Administrator. Any residual fund balance of the General Fund is reported as unassigned.

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 then unassigned funds.

In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. Invested in capital assets, net of related debt, is the book value of capital assets less any outstanding debt that was issued to construct the capital assets.

l. Interfund Transactions

Interfund services are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

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

2. DEPOSITS WITH FINANCIAL INSTITUTIONS

a. Permitted Deposits and Investments

ILCS and the Village’s investment policy authorize the Village to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy are legality, safety (preservation of capital and protection of investment principal), liquidity and yield.

b. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village’s deposits may not be returned to it. The Village’s investment policy requires pledging of collateral for all funds on deposit, including checking accounts and certificates of deposit, that are in excess of FDIC. The collateral must be in the name of the Village and held at an independent third-party institution and must be evidenced by a written agreement.

VILLAGE OF DEER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. CAPITAL ASSETS

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

| | Balances May 1 | Increases | Decreases | Balances April 30 |
|---|-------------------|-------------|-----------|----------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 6,027,285 | \$ - | \$ - | \$ 6,027,285 |
| Total capital assets not being depreciated | 6,027,285 | - | - | 6,027,285 |
| Capital assets being depreciated | | | | |
| Buildings and building improvements | 2,876,057 | 19,919 | - | 2,895,976 |
| Park improvements | 621,407 | 29,971 | - | 651,378 |
| Machinery and equipment | 185,167 | - | - | 185,167 |
| Intangibles | 55,775 | - | - | 55,775 |
| Infrastructure | 1,047,299 | 34,221 | - | 1,081,520 |
| Total capital assets being depreciated | 4,785,705 | 84,111 | - | 4,869,816 |
| Less accumulated depreciation for | | | | |
| Buildings and building improvements | 263,445 | 57,920 | - | 321,365 |
| Park improvements | 337,332 | 26,214 | - | 363,546 |
| Machinery and equipment | 144,794 | 8,463 | - | 153,257 |
| Intangibles | 25,475 | 11,155 | - | 36,630 |
| Infrastructure | 94,083 | 21,930 | - | 116,013 |
| Total accumulated depreciation | 865,129 | 125,682 | - | 990,811 |
| Total capital assets being depreciated, net | 3,920,576 | (41,571) | - | 3,879,005 |
| GOVERNMENTAL ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | | | | |
| | \$ 9,947,861 | \$ (41,571) | \$ - | \$ 9,906,290 |

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

| | |
|--------------------------------|-------------------|
| GOVERNMENTAL ACTIVITIES | |
| General administration | \$ 69,075 |
| Parks and recreation | 34,677 |
| Public works | 21,930 |
| TOTAL | \$ 125,682 |

VILLAGE OF DEER PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

4. COMPENSATED ABSENCES AND NONCOMMITMENT DEBT

The compensated absences currently outstanding are as follows:

| | Fund Debt Retired by | Balances May 1 | Additions | Reductions | Balances April 30 | Current Portion |
|-----------------------|----------------------|----------------|-----------|------------|-------------------|-----------------|
| Compensated Absences* | General | \$ 7,751 | \$ 8,239 | \$ 7,751 | \$ 8,239 | \$ 8,239 |
| TOTAL | | \$ 7,751 | \$ 8,239 | \$ 7,751 | \$ 8,239 | \$ 8,239 |

*Compensated absences have historically been retired by the General Fund.

a. Noncommitment Debt

Special Service Area Number 1, 2 and 4-1999 Series Bonds, Special Service Area Number 2, 3 and 4-2000 Series Bonds, Special Service Area Number 5, 6 and 7-2001 Series Bonds, Special Service Area Number 8, 9 and 10-2002 Series Bonds and Special Service Area Number 3 Bonds-2006A and 2006B Series Bonds as of April 30, 2012 totaled \$18,225,000. These bonds are not an obligation of the Village and are secured by the levy of real estate taxes on certain property within the special service areas. The Village is in no way liable for repayment but is only acting as agent for the property owners in levying and collecting the assessments and forwarding the collections to bondholders.

5. RISK MANAGEMENT

The Village is exposed to various risks of loss including, but not limited to, employee health, general liability, property casualty, workers' compensation and public official liability. To limit exposure to these risks, the Village has purchased third party indemnity insurance. The coverages have limits ranging from \$1,000,000 - \$10,000,000. Settlement claims have not exceeded insurance coverage for the current or the three prior years.

6. CONTINGENT LIABILITIES

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 attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

Grants

Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal Government. 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.

VILLAGE OF DEER PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

7. PROPERTY TAXES

The Village levies a property tax based on the authorization in ordinances establishing Special Service Areas 1 through 10. Significant dates are as follows:

- The property tax lien date is January 1;
- The annual tax levy ordinance for the 2011 levy was passed in December 2011;
- Property taxes for 2011 are due to the County Collector in two installments, June 1 and September 1 of the subsequent year. The County Collector remits the collections to the Village primarily in June to November.

8. INDIVIDUAL FUND DISCLOSURES

a. Due From/To Other Funds

Individual fund interfund receivables/payables are as follows:

| Receivable Fund | Payable Fund | Amount |
|-----------------|--------------|------------------|
| General | Sewer | \$ 30,000 |
| TOTAL | | <u>\$ 30,000</u> |

The purposes of the Due To/Due From other funds are as follows:

- \$30,000 due from the Sewer Fund to the General Fund to cover a temporary cash shortfall. Repayment is expected within one year.

b. Interfund Transfers

| | Transfers In | Transfers Out |
|-----------------------------|------------------|------------------|
| General | | |
| Nonmajor governmental | \$ - | \$ 88,267 |
| Total general | - | 88,267 |
| Nonmajor governmental | | |
| General | 88,267 | - |
| Total nonmajor governmental | 88,267 | - |
| TOTAL | <u>\$ 88,267</u> | <u>\$ 88,267</u> |

VILLAGE OF DEER PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

8. INDIVIDUAL FUND DISCLOSURES (Continued)

The purposes of the significant interfund transfers are as follows:

- \$88,267 transferred to the Nonmajor Governmental Funds from the General Fund to establish the opening balance in the Tourism and Commerce Fund. This transfer will not be repaid.

9. RETIREMENT OBLIGATIONS

The Village does not participate in the Illinois Municipal Retirement Fund. One Village employee contributes to a deferred compensation plan (IRS §457) of which the Village contributes a matching amount monthly. All other employees are covered by social security.

10. OTHER POSTEMPLOYMENT BENEFITS

The Village is subject to no statutory requirements to provide health insurance to its retirees as the Village does not participate in the Illinois Municipal Retirement Fund. Therefore, there is no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the Village has no former employees or agreements with current employees for which the Village was providing an explicit subsidy as of April 30, 2012. For the year ended April 30, 2012, the Village had no retirees purchasing health insurance through the Village.

11. RECEIVABLES

The following receivables are included in accounts receivable on the statement of net assets at April 30, 2012:

| | |
|-----------------------------------|-------------------|
| GOVERNMENTAL ACTIVITIES | |
| Intergovernmental receivable | \$ 6,212 |
| Traffic fines receivable | 35,255 |
| Entertainment tax receivable | 8,869 |
| Income tax receivable | 95,448 |
| Sales tax receivable | 410,902 |
| Nonhome rule sales tax receivable | 101,712 |
| Use tax receivable | 11,442 |
| Franchise fees receivable | 1,690 |
| Telecommunication tax receivable | 57,001 |
| Utility tax receivable | 26,893 |
| Hotel tax receivable | 9,945 |
| Miscellaneous receivables | <u>23,985</u> |
| TOTAL GOVERNMENTAL ACTIVITIES | <u>\$ 789,354</u> |

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF DEER PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2012

| | Original Appropriation | Final Appropriation | Actual |
|--|---------------------------|------------------------|---------------------|
| REVENUES | | | |
| Taxes | \$ 2,858,000 | \$ 2,858,000 | \$ 2,715,547 |
| Intergovernmental | 164,930 | 164,930 | 118,427 |
| Licenses and permits | 169,500 | 169,500 | 251,789 |
| Charges for services | 41,100 | 41,100 | 56,103 |
| Fines and forfeits | 255,700 | 255,700 | 248,658 |
| Investment income | 3,000 | 3,000 | 2,656 |
| Other income | 60,000 | 60,000 | 76,474 |
| Total revenues | 3,552,230 | 3,552,230 | 3,469,654 |
| EXPENDITURES | | | |
| Current | | | |
| General administration | 563,001 | 563,001 | 557,300 |
| Building administration | 140,082 | 140,082 | 133,738 |
| Public safety | 1,469,781 | 1,469,781 | 1,585,542 |
| Roads and drainage | 1,225,629 | 1,225,629 | 1,387,054 |
| Parks and recreation | 121,048 | 121,048 | 125,182 |
| Barn | 83,573 | 83,573 | 48,228 |
| Capital outlay | 489,384 | 489,384 | 92,239 |
| Total expenditures | 4,092,498 | 4,092,498 | 3,929,283 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (540,268) | (540,268) | (459,629) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers (out) | - | - | (88,267) |
| Total other financing sources (uses) | - | - | (88,267) |
| NET CHANGE IN FUND BALANCE | \$ (540,268) | \$ (540,268) | (547,896) |
| FUND BALANCE, MAY 1 | | | 2,157,623 |
| FUND BALANCE, APRIL 30 | | | \$ 1,609,727 |

(See independent auditor's report.)

VILLAGE OF DEER PARK, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2012

BUDGETS AND BUDGETARY ACCOUNTING

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

1. The appropriation is adopted substantially on a GAAP basis of accounting.
2. The Village, each year prior to July 31 of the fiscal year, must file and pass the appropriation for the fiscal year ended April 30. This appropriation can be subsequently amended by a two-thirds vote of the Board of Trustees. The amounts shown on the financial statements under the appropriation column reflect amendments, if any, that have been adopted by the Board of Trustees since the original appropriation was passed.
3. Appropriations are adopted, controlled and formal budgetary integration is employed as a control device during the year at the fund level for the general fund and special revenue funds, except for the Roads and Drainage Fund.
4. All appropriations lapse at the end of the year for which the appropriations were adopted.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

Purpose:

These financial statements provide a more detailed view of the “Basic Financial Statements” presented in the preceding subsection.

MAJOR GOVERNMENTAL FUNDS

Purpose:

General Fund - to account for all unrestricted resources, except those required to be accounted for in another fund.

VILLAGE OF DEER PARK, ILLINOIS

DETAILED SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2012

| | Original Appropriation | Final Appropriation | Actual |
|--------------------------|---------------------------|------------------------|------------|
| REVENUES | | | |
| Taxes | | | |
| Utility | \$ 292,000 | \$ 292,000 | \$ 282,497 |
| State income | 246,000 | 246,000 | 259,773 |
| State sales | 1,958,000 | 1,958,000 | 1,788,558 |
| Use | 39,200 | 39,200 | 47,345 |
| Road and bridge | 2,500 | 2,500 | 2,930 |
| Telecommunications | 185,000 | 185,000 | 195,916 |
| Entertainment | 135,000 | 135,000 | 138,396 |
| Miscellaneous tax | 300 | 300 | 132 |
| Total taxes | 2,858,000 | 2,858,000 | 2,715,547 |
| Intergovernmental | 164,930 | 164,930 | 118,427 |
| Licenses and permits | 169,500 | 169,500 | 251,789 |
| Charges for services | 41,100 | 41,100 | 56,103 |
| Fines and forfeits | 255,700 | 255,700 | 248,658 |
| Investment income | 3,000 | 3,000 | 2,656 |
| Other income | 60,000 | 60,000 | 76,474 |
| Total revenues | 3,552,230 | 3,552,230 | 3,469,654 |
| EXPENDITURES | | | |
| General administration | | | |
| Salaries | 204,750 | 204,750 | 184,963 |
| ICMARC contribution | 9,822 | 9,822 | 9,354 |
| Payroll tax | 14,459 | 14,459 | 13,763 |
| Engineering | 24,000 | 24,000 | 25,739 |
| Legal | 110,500 | 110,500 | 126,297 |
| Legal - traffic fines | 3,520 | 3,520 | 2,975 |
| Legal - litigation | 22,000 | 22,000 | 24,305 |
| Audit fees | 21,945 | 21,945 | 21,137 |
| Planning fees | 550 | 550 | - |
| Bond costs | 400 | 400 | 400 |
| Office cleaning and mats | 1,980 | 1,980 | 1,795 |
| Office supplies | 4,950 | 4,950 | 6,584 |
| Postage | 3,850 | 3,850 | 1,992 |
| Telephone | 2,695 | 2,695 | 2,840 |
| Utilities | 1,650 | 1,650 | 1,060 |
| Printing and ads | 4,950 | 4,950 | 5,447 |

(This schedule is continued on the following pages.)

VILLAGE OF DEER PARK, ILLINOIS

DETAILED SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (Continued)

For the Year Ended April 30, 2012

| | Original Appropriation | Final Appropriation | Actual |
|------------------------------------|---------------------------|------------------------|-----------|
| EXPENDITURES (Continued) | | | |
| General administration (Continued) | | | |
| Dues and subscriptions | \$ 35,200 | \$ 35,200 | \$ 21,883 |
| Contributions | 3,000 | 3,000 | 2,000 |
| Travel | 2,200 | 2,200 | 1,667 |
| Education and meetings | 2,200 | 2,200 | 2,529 |
| Office equipment and maintenance | 23,000 | 23,000 | 19,695 |
| Office equipment lease | 4,180 | 4,180 | 6,388 |
| Bank charges | - | - | 34 |
| Repairs and maintenance | 6,250 | 6,250 | 9,918 |
| Insurance expense | 20,700 | 20,700 | 18,217 |
| Mosquito abatement | 22,050 | 22,050 | 22,445 |
| Miscellaneous | 1,200 | 1,200 | 1,260 |
| Interest expense | - | - | 27 |
| Reimbursable | 11,000 | 11,000 | 22,586 |
| | <hr/> | <hr/> | <hr/> |
| Total general administration | 563,001 | 563,001 | 557,300 |
| Building administration | | | |
| Salaries | 43,700 | 43,700 | 36,578 |
| Payroll taxes | 2,552 | 2,552 | 2,652 |
| Engineering fees | 2,250 | 2,250 | 2,710 |
| Builders inspection fees | 81,250 | 81,250 | 79,154 |
| Fire inspection fees | - | - | 255 |
| Elevator inspection fees | - | - | 910 |
| Zoning inspections | 2,500 | 2,500 | 2,930 |
| Zoning and code enforcement | - | - | 2,669 |
| Julie inspections | 7,500 | 7,500 | 5,702 |
| Office supplies | 330 | 330 | 178 |
| | <hr/> | <hr/> | <hr/> |
| Total building administration | 140,082 | 140,082 | 133,738 |
| | <hr/> | <hr/> | <hr/> |
| Public safety | 1,469,781 | 1,469,781 | 1,585,542 |
| Roads and drainage | | | |
| Engineering | 169,878 | 169,878 | 147,693 |
| Snow and ice control | 143,000 | 143,000 | 125,096 |
| Road repair | 820,600 | 820,600 | 755,298 |
| Road repair - Deerpath LAPP | 12,256 | 12,256 | 279,274 |
| Drainage costs | 34,100 | 34,100 | 12,170 |
| Ferndale drainage | - | - | 580 |
| Swansway drainage | - | - | 4,480 |
| Repairs and maintenance | 22,220 | 22,220 | 37,888 |
| Street signs | 2,875 | 2,875 | 4,046 |
| Street lighting | 20,700 | 20,700 | 20,529 |
| | <hr/> | <hr/> | <hr/> |
| Total roads and drainage | 1,225,629 | 1,225,629 | 1,387,054 |

(This schedule is continued on the following page.)

VILLAGE OF DEER PARK, ILLINOIS

DETAILED SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (Continued)

For the Year Ended April 30, 2012

| | Original Appropriation | Final Appropriation | Actual |
|--|---------------------------|------------------------|---------------------|
| EXPENDITURES (Continued) | | | |
| Parks and recreation | | | |
| Salaries | \$ 1,000 | \$ 1,000 | \$ 12 |
| Payroll taxes | 38 | 38 | 1 |
| Engineering expenses | 11,500 | 11,500 | 13,521 |
| Utilities | 880 | 880 | 873 |
| Landscaping and maintenance | 76,670 | 76,670 | 56,728 |
| Park development and maintenance | 25,960 | 25,960 | 48,680 |
| Reimbursement to homeowners' association | 5,000 | 5,000 | 5,367 |
| | <u>121,048</u> | <u>121,048</u> | <u>125,182</u> |
| Total parks and recreation | | | |
| Barn | | | |
| Salaries | 27,825 | 27,825 | 18,952 |
| Payroll taxes | 2,088 | 2,088 | 1,481 |
| Snow and ice control | 2,070 | 2,070 | 210 |
| Office cleaning and mats | 6,825 | 6,825 | 7,319 |
| Office supplies and expense | 2,310 | 2,310 | 897 |
| Telephone | 1,050 | 1,050 | 533 |
| Utilities | 2,835 | 2,835 | 2,070 |
| Printing and ads | 1,000 | 1,000 | 375 |
| Travel | 770 | 770 | 281 |
| Office equipment and maintenance | - | - | 3,093 |
| Contractual services | - | - | 3,456 |
| Repairs and maintenance | 25,300 | 25,300 | 9,561 |
| Miscellaneous | 11,500 | 11,500 | - |
| | <u>83,573</u> | <u>83,573</u> | <u>48,228</u> |
| Total barn | | | |
| Capital outlay | <u>489,384</u> | <u>489,384</u> | <u>92,239</u> |
| Total expenditures | | | |
| | <u>4,092,498</u> | <u>4,092,498</u> | <u>3,929,283</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | | |
| | <u>(540,268)</u> | <u>(540,268)</u> | <u>(459,629)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers (out) | <u>-</u> | <u>-</u> | <u>(88,267)</u> |
| Total other financing sources (uses) | | | |
| | <u>-</u> | <u>-</u> | <u>(88,267)</u> |
| NET CHANGE IN FUND BALANCE | | | |
| | <u>\$ (540,268)</u> | <u>\$ (540,268)</u> | <u>(547,896)</u> |
| FUND BALANCE, MAY 1 | | | |
| | | | <u>2,157,623</u> |
| FUND BALANCE, APRIL 30 | | | |
| | | | <u>\$ 1,609,727</u> |

(See independent auditor's report.)

NONMAJOR SPECIAL REVENUE FUNDS

Purpose:

Special Revenue Funds - to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditure for specific purposes.

VILLAGE OF DEER PARK, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS

April 30, 2012

| | Motor Fuel Tax | Tourism and Commerce | Total |
|--|----------------------|----------------------------|------------|
| ASSETS | | | |
| Cash and investments | \$ 115,002 | \$ 201,813 | \$ 316,815 |
| Accounts receivable | 6,212 | - | 6,212 |
| | | | |
| TOTAL ASSETS | \$ 121,214 | \$ 201,813 | \$ 323,027 |
| | | | |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| None | \$ - | \$ - | \$ - |
| | | | |
| Total liabilities | - | - | - |
| | | | |
| FUND BALANCES | | | |
| Restricted | | | |
| Highways and streets | 121,214 | - | 121,214 |
| Tourism and commerce | - | 201,813 | 201,813 |
| | | | |
| Total fund balances | 121,214 | 201,813 | 323,027 |
| | | | |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 121,214 | \$ 201,813 | \$ 323,027 |
| | | | |

(See independent auditor's report.)

VILLAGE OF DEER PARK, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended April 30, 2012

| | Motor Fuel Tax | Tourism and Commerce | Total |
|--|----------------------|----------------------------|-------------------|
| REVENUES | | | |
| Taxes | \$ - | \$ 121,458 | \$ 121,458 |
| Intergovernmental | 92,089 | - | 92,089 |
| Investment income | 94 | - | 94 |
| Total revenues | 92,183 | 121,458 | 92,183 |
| EXPENDITURES | | | |
| Current | | | |
| General administration | - | 7,912 | 7,912 |
| Roads and drainage | 90,000 | - | 90,000 |
| Total expenditures | 90,000 | 7,912 | 97,912 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 2,183 | 113,546 | 2,183 |
| OTHER FINANCING SOURCE (USES) | | | |
| Transfers in | - | 88,267 | 88,267 |
| Total other financing sources (uses) | - | 88,267 | 88,267 |
| NET CHANGE IN FUND BALANCES | 2,183 | 201,813 | 90,450 |
| FUND BALANCES, MAY 1 | 119,031 | - | 119,031 |
| FUND BALANCES, APRIL 30 | \$ 121,214 | \$ 201,813 | \$ 323,027 |

(See independent auditor's report.)

VILLAGE OF DEER PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND

For the Year Ended April 30, 2012

| | Original Appropriation | Final Appropriation | Actual |
|-----------------------------------|---------------------------|---------------------------|--------------------------|
| REVENUES | | | |
| Sales tax | \$ 82,240 | \$ 82,240 | \$ 92,089 |
| Grant - Meadow Lane drainage | 130 | 130 | 94 |
| Total revenues | <u>82,370</u> | <u>82,370</u> | <u>92,183</u> |
| EXPENDITURES | | | |
| Current | | | |
| Road repair | <u>90,000</u> | <u>103,500</u> | <u>90,000</u> |
| Total expenditures | <u>90,000</u> | <u>103,500</u> | <u>90,000</u> |
| NET CHANGE IN FUND BALANCE | <u><u>\$ (7,630)</u></u> | <u><u>\$ (21,130)</u></u> | 2,183 |
| FUND BALANCE, MAY 1 | | | <u>119,031</u> |
| FUND BALANCE, APRIL 30 | | | <u><u>\$ 121,214</u></u> |

(See independent auditor's report.)

VILLAGE OF DEER PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TOURISM AND COMMERCE FUND

For the Year Ended April 30, 2012

| | Original Appropriation | Final Appropriation | Actual |
|--|---------------------------|------------------------|--------------------------|
| REVENUES | | | |
| Taxes | | | |
| Hotel tax | \$ 100,000 | \$ 100,000 | \$ 121,458 |
| Total revenues | 100,000 | 100,000 | 121,458 |
| EXPENDITURES | | | |
| Current | | | |
| General administration | | | |
| Legal | - | - | 1,912 |
| Hotel shuttle driver | - | - | 6,000 |
| Capital outlay | 100,000 | 110,000 | - |
| Total expenditures | 100,000 | 110,000 | 7,912 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | - | (10,000) | 113,546 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | - | 88,267 |
| Total other financing sources (uses) | - | - | 88,267 |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ (10,000)</u> | 201,813 |
| FUND BALANCE, MAY 1 | | | <u>-</u> |
| FUND BALANCE, APRIL 30 | | | <u><u>\$ 201,813</u></u> |

(See independent auditor's report.)

FIDUCIARY FUNDS

VILLAGE OF DEER PARK, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended April 30, 2012

| | May 1 | Additions | Reductions | April 30 |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|
| ALL FUNDS | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 2,016,360 | \$ 3,241,469 | \$ 3,768,976 | \$ 1,488,853 |
| TOTAL ASSETS | \$ 2,016,360 | \$ 3,241,469 | \$ 3,768,976 | \$ 1,488,853 |
| LIABILITIES | | | | |
| Due to bondholders | \$ 2,016,360 | \$ 3,241,469 | \$ 3,768,976 | \$ 1,488,853 |
| TOTAL LIABILITIES | \$ 2,016,360 | \$ 3,241,469 | \$ 3,768,976 | \$ 1,488,853 |
| SSA #1 DEBT SERVICE FUND | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 90,175 | \$ 120,670 | \$ 118,812 | \$ 92,033 |
| TOTAL ASSETS | \$ 90,175 | \$ 120,670 | \$ 118,812 | \$ 92,033 |
| LIABILITIES | | | | |
| Due to bondholders | \$ 90,175 | \$ 120,670 | \$ 118,812 | \$ 92,033 |
| TOTAL LIABILITIES | \$ 90,175 | \$ 120,670 | \$ 118,812 | \$ 92,033 |
| SSA #2 DEBT SERVICE FUND | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 18,671 | \$ 585,861 | \$ 573,110 | \$ 31,422 |
| TOTAL ASSETS | \$ 18,671 | \$ 585,861 | \$ 573,110 | \$ 31,422 |
| LIABILITIES | | | | |
| Due to bondholders | \$ 18,671 | \$ 585,861 | \$ 573,110 | \$ 31,422 |
| TOTAL LIABILITIES | \$ 18,671 | \$ 585,861 | \$ 573,110 | \$ 31,422 |

(This schedule is continued on the following pages.)

VILLAGE OF DEER PARK, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (Continued)

For the Year Ended April 30, 2012

| | May 1 | Additions | Reductions | April 30 |
|---|-------------------|-------------------|-------------------|------------------|
| SSA #4 DEBT SERVICE FUND | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 12,578 | \$ 261,656 | \$ 260,932 | \$ 13,302 |
| TOTAL ASSETS | \$ 12,578 | \$ 261,656 | \$ 260,932 | \$ 13,302 |
| LIABILITIES | | | | |
| Due to bondholders | \$ 12,578 | \$ 261,656 | \$ 260,932 | \$ 13,302 |
| TOTAL LIABILITIES | \$ 12,578 | \$ 261,656 | \$ 260,932 | \$ 13,302 |
| SSA #2 2000 SERIES DEBT SERVICE FUND | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 400,819 | \$ 255,470 | \$ 592,209 | \$ 64,080 |
| TOTAL ASSETS | \$ 400,819 | \$ 255,470 | \$ 592,209 | \$ 64,080 |
| LIABILITIES | | | | |
| Due to bondholders | \$ 400,819 | \$ 255,470 | \$ 592,209 | \$ 64,080 |
| TOTAL LIABILITIES | \$ 400,819 | \$ 255,470 | \$ 592,209 | \$ 64,080 |
| SSA #3 2000 SERIES DEBT SERVICE FUND | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 197,137 | \$ 10 | \$ 197,147 | \$ - |
| TOTAL ASSETS | \$ 197,137 | \$ 10 | \$ 197,147 | \$ - |
| LIABILITIES | | | | |
| Due to bondholders | \$ 197,137 | \$ 10 | \$ 197,147 | \$ - |
| TOTAL LIABILITIES | \$ 197,137 | \$ 10 | \$ 197,147 | \$ - |

(This schedule is continued on the following pages.)

VILLAGE OF DEER PARK, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (Continued)

For the Year Ended April 30, 2012

| | May 1 | Additions | Reductions | April 30 |
|---|-------------------|-------------------|-------------------|------------------|
| SSA #4 2000 SERIES DEBT SERVICE FUND | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 201,566 | \$ 123,480 | \$ 297,813 | \$ 27,233 |
| TOTAL ASSETS | \$ 201,566 | \$ 123,480 | \$ 297,813 | \$ 27,233 |
| LIABILITIES | | | | |
| Due to bondholders | \$ 201,566 | \$ 123,480 | \$ 297,813 | \$ 27,233 |
| TOTAL LIABILITIES | \$ 201,566 | \$ 123,480 | \$ 297,813 | \$ 27,233 |
| SSA #5 2001 SERIES DEBT SERVICE FUND | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 14,453 | \$ 123,460 | \$ 128,232 | \$ 9,681 |
| TOTAL ASSETS | \$ 14,453 | \$ 123,460 | \$ 128,232 | \$ 9,681 |
| LIABILITIES | | | | |
| Due to bondholders | \$ 14,453 | \$ 123,460 | \$ 128,232 | \$ 9,681 |
| TOTAL LIABILITIES | \$ 14,453 | \$ 123,460 | \$ 128,232 | \$ 9,681 |
| SSA #6 2001 SERIES DEBT SERVICE FUND | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 17,343 | \$ 155,744 | \$ 160,268 | \$ 12,819 |
| TOTAL ASSETS | \$ 17,343 | \$ 155,744 | \$ 160,268 | \$ 12,819 |
| LIABILITIES | | | | |
| Due to bondholders | \$ 17,343 | \$ 155,744 | \$ 160,268 | \$ 12,819 |
| TOTAL LIABILITIES | \$ 17,343 | \$ 155,744 | \$ 160,268 | \$ 12,819 |

(This schedule is continued on the following pages.)

VILLAGE OF DEER PARK, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (Continued)

For the Year Ended April 30, 2012

| | May 1 | Additions | Reductions | April 30 |
|---|-------------------|-------------------|-------------------|-------------------|
| SSA #7 2001 SERIES DEBT SERVICE FUND | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 71,776 | \$ 312,361 | \$ 315,330 | \$ 68,807 |
| TOTAL ASSETS | \$ 71,776 | \$ 312,361 | \$ 315,330 | \$ 68,807 |
| LIABILITIES | | | | |
| Due to bondholders | \$ 71,776 | \$ 312,361 | \$ 315,330 | \$ 68,807 |
| TOTAL LIABILITIES | \$ 71,776 | \$ 312,361 | \$ 315,330 | \$ 68,807 |
| SSA #8 2002 SERIES DEBT SERVICE FUND | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 149,338 | \$ 48,851 | \$ 50,843 | \$ 147,346 |
| TOTAL ASSETS | \$ 149,338 | \$ 48,851 | \$ 50,843 | \$ 147,346 |
| LIABILITIES | | | | |
| Due to bondholders | \$ 149,338 | \$ 48,851 | \$ 50,843 | \$ 147,346 |
| TOTAL LIABILITIES | \$ 149,338 | \$ 48,851 | \$ 50,843 | \$ 147,346 |
| SSA #9 2002 SERIES DEBT SERVICE FUND | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 153,322 | \$ 54,131 | \$ 56,058 | \$ 151,395 |
| TOTAL ASSETS | \$ 153,322 | \$ 54,131 | \$ 56,058 | \$ 151,395 |
| LIABILITIES | | | | |
| Due to bondholders | \$ 153,322 | \$ 54,131 | \$ 56,058 | \$ 151,395 |
| TOTAL LIABILITIES | \$ 153,322 | \$ 54,131 | \$ 56,058 | \$ 151,395 |

(This schedule is continued on the following page.)

VILLAGE OF DEER PARK, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (Continued)

For the Year Ended April 30, 2012

| | May 1 | Additions | Reductions | April 30 |
|---|-------------------|-------------------|-------------------|-------------------|
| SSA #10 2002 SERIES DEBT SERVICE FUND | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 119,781 | \$ 43,831 | \$ 45,781 | \$ 117,831 |
| TOTAL ASSETS | \$ 119,781 | \$ 43,831 | \$ 45,781 | \$ 117,831 |
| LIABILITIES | | | | |
| Due to bondholders | \$ 119,781 | \$ 43,831 | \$ 45,781 | \$ 117,831 |
| TOTAL LIABILITIES | \$ 119,781 | \$ 43,831 | \$ 45,781 | \$ 117,831 |
| SSA #3 2006 SERIES A DEBT SERVICE FUND | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 296,130 | \$ 723,067 | \$ 649,969 | \$ 369,228 |
| TOTAL ASSETS | \$ 296,130 | \$ 723,067 | \$ 649,969 | \$ 369,228 |
| LIABILITIES | | | | |
| Due to bondholders | \$ 296,130 | \$ 723,067 | \$ 649,969 | \$ 369,228 |
| TOTAL LIABILITIES | \$ 296,130 | \$ 723,067 | \$ 649,969 | \$ 369,228 |
| SSA #3 2006 SERIES B DEBT SERVICE FUND | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 273,271 | \$ 432,877 | \$ 322,472 | \$ 383,676 |
| TOTAL ASSETS | \$ 273,271 | \$ 432,877 | \$ 322,472 | \$ 383,676 |
| LIABILITIES | | | | |
| Due to bondholders | \$ 273,271 | \$ 432,877 | \$ 322,472 | \$ 383,676 |
| TOTAL LIABILITIES | \$ 273,271 | \$ 432,877 | \$ 322,472 | \$ 383,676 |

(See independent auditor's report.)