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**Village of Bradley,
Illinois**

Annual Financial Report

April 30, 2011

REVIEWED

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BY: _____
COMPTROLLER L.G.A.D.

Wolf & Company LLP
Certified Public Accountants

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VILLAGE OF BRADLEY, ILLINOIS

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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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Bradley, Illinois, as of and for the year ended April 30, 2011, 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, 2011, 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 Management's Discussion and Analysis on pages 2 through 11, and the required supplementary information on pages 52 through 58, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Wolf & Company LLP

Oakbrook Terrace, Illinois
October 3, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

**VILLAGE OF BRADLEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2011**

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, 2011. 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 \$29,259,225 (net assets). This is a decrease from FY 09/10's net asset amount of \$30,423,485 due primarily to the continued financial performance of the Sewer Fund. This fund has been suffering significant operating losses over several years and measures will be taken to stop this trend.
- The Village of Bradley's total net assets decreased by \$1,164,260. Of this decrease, \$755,918 is attributed to the Sewer Fund.
- As of the close of the current fiscal year, the Village of Bradley's General Fund reported a fund balance of \$9,801,123, an increase of \$1,096,933 from the prior year. There are several reasons for this. First, the Village experienced its highest collection of Sales Taxes ever in calendar year 2010 and during the current economic conditions, this was not anticipated. The FY 10/11 budget anticipated the State of Illinois decreasing the amount of Income Taxes that is distributed to municipalities; however, this did not happen. Finally, departments created and maintained very conservative budgets for FY 10/11, thereby keeping expenses down while revenues came in considerably better than anticipated.
- The Village of Bradley's governmental activity debt decreased by \$286,000 during the current fiscal year and Enterprise Fund debt decreased by \$175,000. This reduction in governmental activity debt came from the 2007 General Obligation (GO) Bonds and the 2007 TIF Revenue Bonds; the Enterprise Fund debt decrease came from the 2006 GO 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.

**VILLAGE OF BRADLEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2011**

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 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 provide 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.

**VILLAGE OF BRADLEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2011**

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 post retirement benefits to its employees. Non-major fund information can be found immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets

The following chart reflects the condensed Statement of Net Assets:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2011	2010	2011	2010	2011
Assets:						
Current and Other	\$ 18,512,212	\$ 18,969,809	\$ 1,509,200	\$ 921,950	\$ 20,021,412	\$ 19,891,759
Capital and Noncurrent	24,369,257	23,912,799	7,337,505	6,998,419	31,706,762	30,911,218
Total Assets	42,881,469	42,882,608	8,846,705	7,920,369	51,728,174	50,802,977
Liabilities:						
Current Liabilities	4,099,352	4,423,457	318,929	346,349	4,418,281	4,769,806
Long-term Liabilities	11,144,047	11,229,423	5,742,361	5,544,523	16,886,408	16,773,946
Total Liabilities	15,243,399	15,652,880	6,061,290	5,890,872	21,304,689	21,543,752
Net Assets:						
Invested in Capital						
Assets, Net	13,705,323	15,728,477	1,404,948	1,245,791	15,110,271	16,974,268
Restricted	6,229,007	5,348,305		726,393	6,229,007	6,074,698
Unrestricted	7,703,740	6,152,946	1,380,467	57,313	9,084,207	6,210,259
Total Net Assets	\$ 27,638,070	\$ 27,229,728	\$ 2,785,415	\$ 2,029,497	\$ 30,423,485	\$ 29,259,225

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

**VILLAGE OF BRADLEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2011**

not available for future spending. The Village is reporting \$6,210,259 in unrestricted net assets in the current year. The Village of Bradley is reporting a positive balance of \$29,259,225 in net assets in the current year.

In FY 2011, the Village of Bradley's capital assets decreased due to no major capital purchases or projects being done. This was a direct reflection of the uncertainty of the economy on the operations of the Village. Village-wide net assets decreased in FY 2011 for two primary reasons: the Broadway TIF came to a close in the fiscal year and most of the remaining funds in the TIF were expended; and, the continued operating loss in the Sewer Fund decreased that fund's net assets by \$755,918.

Statement of Activities

The following chart reflects the condensed Statement of Activities:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	2010	2011	2010	2011	2010	2011
REVENUES						
Program Revenues:						
Charges for Services	\$ 1,682,718	\$ 2,270,596	\$ 1,305,758	\$ 1,322,593	\$ 2,988,476	\$ 3,593,189
Capital Grants/ Contributions	110,611	32,049			110,611	32,049
Operating Grants/ Contributions	418,629	798,126			418,629	798,126
General Revenues:						
Property Taxes	2,567,433	2,906,147			2,567,433	2,906,147
Other Taxes	6,928,721	7,243,967			6,928,721	7,243,967
Other Taxes	267,517	207,198	212,220	48,832	479,737	256,030
Total Revenues	11,975,629	13,458,083	1,517,978	1,371,425	13,493,607	14,829,508
EXPENSES						
General Government	4,532,688	5,332,465			4,532,688	5,332,465
Public Safety	4,891,732	4,962,619			4,891,732	4,962,619
Public Works	2,000,411	1,768,033			2,000,411	1,768,033
Building Standards Community	157,594	164,899			157,594	164,899
Development	464,722	1,147,322			464,722	1,147,322
Interest on Debt	482,727	491,087			482,727	491,087
Sewer			1,972,066	2,127,343	1,972,066	2,127,343
Total Expenses	12,529,874	13,866,425	1,972,066	2,127,343	14,501,940	15,993,768
Change in Net Assets	\$ (554,245)	\$ (408,342)	\$ (454,088)	\$ (755,918)	\$ (1,008,333)	\$ (1,164,260)

**VILLAGE OF BRADLEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2011**

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

The reason why Net Assets decreased in FY 10/11 by \$408,342 was due to two key factors: First, the Broadway TIF Fund came to a close and the reserves (net assets) of that fund needed to be spent. Second, the Route 50 TIF Fund began paying debt principal which cause annual expenditures to increase by \$240,000. Finally, the Village incurred higher than expected liability insurance costs.

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

The total change in net assets for the Business Type Activities is \$(755,918). The Sewer Fund continued to operate in the red. 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 one year – this imbalance is going to require 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 will provide transfers to maintain a positive cash flow in the Sewer Fund.

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 10/11 fiscal year, the unreserved fund balance of the General Fund was \$9,471,877, while the total fund balance increased to \$9,801,123. This was an increase of \$1,096,993 from FY 09/10. There are several reasons for this. First, the Village experienced its highest collection of Sales Taxes ever in calendar year 2010 and during the current economic conditions, this was not anticipated. The FY 10/11 budget anticipated the State of Illinois decreasing the amount of Income Taxes that is distributed to municipalities; however, this did not happen. Finally, departments created and maintained very conservative budgets for FY 10/11, thereby keeping expenses down while revenues came in considerably better than anticipated.

The Revolving Loan Fund spent \$37,782 and received \$42,966 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 increased by \$5,184 in FY 10/11 to \$1,942,380.

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 \$746,305 in incremental property taxes to pay the debt that has been issued to pay for the development in the district. In total, revenues for the fiscal year were \$747,552, which includes both the incremental property taxes and bank interest. Expenditures totaled \$1,348,535, of which \$728,000 was for repaying the debt and \$620,535 was development costs. The fund ended the year with a fund balance of \$2,968,665, a decrease of \$600,983 from the prior year. This was the first year principal was paid on the TIF bonds, adding \$240,000 dollars to existing expenditures.

**VILLAGE OF BRADLEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2011**

The nonmajor governmental funds saw, for the most part, an increase in their reserves in FY 10/11. The Motor Fuel Tax (MFT) Fund mainly spent funds for its annual road program, increasing its reserves by \$41,877 and ending the year with a fund balance of \$300,066. The Debt Service Fund's fund balance was \$196,205 at the end of FY 10/11, an increase of \$101,163 due to a transfer from the General Fund of \$100,000. The Broadway TIF Fund had expenditures totaling \$526,787 for improvements to the Village Hall and façade improvement work for businesses along Broadway. The fund finished the year with a fund balance of \$31,373, down \$304,670 from the prior year. The Larry Power TIF Fund began in FY 08/09 and saw only minimal revenue activity in FY 10/11. It finished the year with a fund balance of \$4,889, up \$2,702 from the year before. A new fund, 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 fund balance of \$14,557. Finally, the Capital Project Fund only saw a few items of activity. Installment loans are paid from the fund – Motorola radios for public safety and squad cars for the police department. The other item of activity seen in this fund was the purchase of a vehicle for the Public Works department. The use of this fund has not been what is traditionally seen in a Capital Projects fund and the use of it in the future will follow along more traditional guidelines. In FY 10/11, the Capital Projects Fund fund balance decreased from \$125,474 to \$100,932, a decrease of \$24,812.

Proprietary Funds

The Sewer Fund had only \$57,313 in unrestricted net assets and \$2,029,497 in total net assets at the end of FY 10/11. The Sewer Fund operating revenues were up by only \$16,835 despite a rate increase of 15% passed in May, 2010. This rate increase was expected to yield an increase over \$160,000. Operating expenses were up by \$156,270 as compared to the prior fiscal year, and the change in net assets for the current year was (\$755,918), which exceeded the net asset loss of \$301,830 in the prior year. 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, multiple actions need to be taken in order for this fund to maintain long-term financial health.

**VILLAGE OF BRADLEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2011**

GENERAL FUND BUDGETARY HIGHLIGHTS

The following chart reflects the condensed Budgetary Comparison Schedule:

	<u>Adopted Budget</u>	<u>Actual</u>
Revenues:		
Taxes	\$ 8,600,996	\$ 9,116,033
Licenses and Permits	147,950	199,847
Intergovernmental	44,718	388,864
Charges for Services	1,097,100	1,050,713
Fines and Forfeits	300,000	354,221
Investment Income	83,650	74,409
Other	132,800	686,354
Total Revenues	<u>10,407,214</u>	<u>11,870,441</u>
Expenditures:		
General Government	4,611,049	4,934,869
Public Safety	4,092,090	4,194,526
Public Works	1,269,874	1,308,498
Building Standards	172,655	164,899
Total Expenditures	<u>10,145,668</u>	<u>10,602,792</u>
Excess of Revenues over Expenditures	<u>\$ 261,546</u>	<u>\$ 1,267,649</u>

The General Fund revenues were \$1,463,227 over budget in FY 10/11. Most tax revenues came in very close to budget for FY 10/11 with the exception of Sales, Local Use and Income Tax revenues, in total coming in \$618,309 higher than budget. Licenses and Permits and Intergovernmental revenues both did better than anticipated, being spurred by unforeseen activity in each category. Charges for Services were only slightly lower than budget, off by only 4.2%. Fines and forfeits did better than expected due to the administrative towing process as well as increased revenues from various smaller fines from police enforcement. Investment activity was lower than expected due to lower than anticipated rates in the market. Finally, other income saw better than anticipated franchise fees from the Village's cable television franchise agreements with AT&T and Comcast.

The General Fund expenditures were \$457,124 over budget in FY 10/11. The reasons for this are several small items and a budgeting omission which collectively created this overage. The budgeting omission was over \$212,000 in capital expenditures which were not budgeted that were for Larry Power Road improvements. This type of omission has been corrected and will not happen in future budgets. The large item was \$199,419 for liability insurance (IML) premium payments for prior calendar years that were not previously known. The smaller items that contributed to this overage included unemployment insurance that was higher than expected, snow removal costs, and Sales Tax rebates that increased to increased Sales Tax revenues from the stores the Village holds the rebate agreements with.

There were no amendments made to the original FY 10/11 appropriation ordinance for the Village.

**VILLAGE OF BRADLEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2011**

CAPITAL ASSET AND DEBT ADMINISTRATION

**Governmental Activities
Change in Capital Assets**

	Balance May 1, 2010	Net Additions/ Deletions	Balance April 30, 2011
Non-Depreciable Assets:			
Land	\$ 6,494,488	\$	\$ 6,494,488
Other Capital Assets:			
Building	6,146,833	387,639	6,534,472
Equipment	7,659,392	(1,257)	7,658,135
Infrastructure	14,210,639	212,781	14,423,420
Accumulated Depreciation on Capital Assets	<u>(10,142,095)</u>	<u>(1,055,621)</u>	<u>(11,197,716)</u>
Total	<u><u>\$ 24,369,257</u></u>	<u><u>\$ (456,458)</u></u>	<u><u>\$ 23,912,799</u></u>

The Village of Bradley's investment in capital assets for its governmental activities as of April 30, 2011, was \$23,912,799 (net of accumulated depreciation). This investment in capital assets includes property and improvements, equipment, facilities and infrastructure.

The completion of the Larry Power Road project and the Village Hall improvements were the most significant changes during the year, collectively adding \$563,472 to Infrastructure and Building assets. For equipment, the Village disposed of three old squad cars along with some of the specialized equipment from those squads and old radio equipment from the Police Department totaling \$135,729. The Police Department purchased two new squads totaling \$56,707 and upgraded radios for dispatch for \$40,583. Public Works purchased a heavy duty pick-up truck for \$27,483 and received a snow plow valued at \$9,699 as a donation from a local business. Finally, building improvements in the Building Standard's and Fire Department's areas totaled \$36,948. The Village's capitalization threshold is \$5,000 per item for all asset categories.

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

	Balance May 1, 2010	Net Additions/ Deletions	Balance April 30, 2011
Other Capital Assets:			
Property, Plant and Equipment	\$ 11,910,513	\$ 13,859	\$ 11,924,372
Accumulated Depreciation on Capital Assets	<u>(4,637,197)</u>	<u>(352,945)</u>	<u>(4,990,142)</u>
Total	<u><u>\$ 7,273,316</u></u>	<u><u>\$ (339,086)</u></u>	<u><u>\$ 6,934,230</u></u>

**VILLAGE OF BRADLEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2011**

The Village of Bradley's investment in capital assets for its business-type activities as of April 30, 2011, was \$6,934,230 (net of accumulated depreciation). This investment in capital assets includes property, plant and equipment which included vehicles and infrastructure (e.g. sanitary sewer lines). The only capital asset activity during the fiscal year was the River Valley Church ejector project. This project totaled \$13,859.

The Village of Bradley has only one future construction commitment past FY 10/11 that impacts the budgeting process or financial activity of the Sewer Fund and that is the rehab of the lower Soldier Creek lift station. This project is budgeted in FY 11/12 in the amount of \$650,000.

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 \$25,203,879, which is significantly greater than the Village of Bradley's outstanding general obligation debt of \$328,000.

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

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 August 2011, the unemployment rate for Kankakee County, which the Village of Bradley will mirror quite closely, is approximately 11.5%, which compares quite unfavorably to the Illinois State unemployment rate of 10% as well as to the National rate of 9.1%.

According to the 2000 Census, the Village of Bradley had a median family income of \$57,086. This compares favorably to \$48,975 for Kankakee County and \$55,545 for the State of Illinois. According to the 2000 Census, the Village of Bradley's median value of owner-occupied home was \$120,300. This compared favorably to Kankakee County's median value of \$99,200 and just below that State value of \$130,800. Obviously, these figures are quite old but are the best resource the Village has until the 2010 census information is published.

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. However, no fees increased in FY 10/11, except sewer rates.

**VILLAGE OF BRADLEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2011**

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, 2011

	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash and Equivalents	\$ 7,535,780	742,123	8,277,903
Investments	5,575,092		5,575,092
Receivables, Net Allowance			
Accounts Receivable	287,448	179,827	467,275
Property Tax	2,061,070		2,061,070
Due from Other Governments	1,993,894		1,993,894
Loans Receivable	1,187,279		1,187,279
Prepaid Expense	267,541		267,541
Inventory (Fuel)	61,705		61,705
Total Current Assets	18,969,809	921,950	19,891,759
Noncurrent Assets			
Due from Joint Venture		64,189	64,189
Non-depreciable Capital Assets	6,494,488		6,494,488
Capital Assets Depreciated	28,616,027	11,924,372	40,540,399
Accumulated Depreciation	(11,197,716)	(4,990,142)	(16,187,858)
Total Non-current Assets	23,912,799	6,998,419	30,911,218
Total Assets	42,882,608	7,920,369	50,802,977
Liabilities			
Current Liabilities			
Accounts Payable	386,399	31,341	417,740
Deferred Revenue	2,083,894		2,083,894
Interest Payable	161,050	100,333	261,383
Loans and Escrows	760,057		760,057
Other Payables	379,269	9,624	388,893
Current Portion of Long-Term Debt	652,788	205,051	857,839
Total Current Liabilities	4,423,457	346,349	4,769,806
Non-current Liabilities	11,229,423	5,544,523	16,773,946
Total Liabilities	15,652,880	5,890,872	21,543,752
Net Assets			
Invested in Capital Assets, Net of Related Debt	15,728,477	1,245,791	16,974,268
Restricted for			
Capital Projects	100,932	726,393	827,325
Debt Service	2,968,665		2,968,665
Economic Development	1,978,642		1,978,642
Street Maintenance	300,066		300,066
Unrestricted	6,152,946	57,313	6,210,259
Total Net Assets	\$ 27,229,728	2,029,497	29,259,225

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, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 5,332,465	1,471,908		3,222
Public Safety	4,962,619	680,500	87,052	5,327
Public Works	1,768,033	3,225	711,074	23,500
Building Standards	164,899	114,963		
Community Development	1,147,322			
Interest on Long-Term Debt	491,087			
Total Governmental Activities	13,866,425	2,270,596	798,126	32,049
Business-type Activities				
Sewer	2,127,343	1,322,593		
Total Village	\$ 15,993,768	3,593,189	798,126	32,049

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

Change in Net Assets

Net Assets - Beginning (as Restated)

Net Assets - Ending

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

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
(3,857,335)		(3,857,335)
(4,189,740)		(4,189,740)
(1,030,234)		(1,030,234)
(49,936)		(49,936)
(1,147,322)		(1,147,322)
(491,087)		(491,087)
(10,765,654)	-	(10,765,654)
	(804,750)	(804,750)
(10,765,654)	(804,750)	(11,570,404)
2,906,147		2,906,147
5,773,300		5,773,300
1,142,318		1,142,318
328,349		328,349
122,474	15,507	137,981
55,124	28,812	83,936
29,600	4,513	34,113
10,357,312	48,832	10,406,144
(408,342)	(755,918)	(1,164,260)
27,638,070	2,785,415	30,423,485
27,229,728	2,029,497	29,259,225

VILLAGE OF BRADLEY, ILLINOIS

Governmental Funds

Balance Sheet
April 30, 2011

	General	Revolving Loan	State Rt. 50 TIF	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and Equivalents	\$ 5,617,045	755,101	487,612	676,022	7,535,780
Investments	3,094,039		2,481,053		5,575,092
Receivables					
Property Taxes	1,963,595			97,475	2,061,070
State Taxes	1,993,894				1,993,894
Accounts	287,124	1,187,279			1,474,403
Interest	324				324
Inventory (Fuel)	61,705				61,705
Prepaid Item	267,541				267,541
Due from Other Funds	1,085				1,085
Total Assets	\$ 13,286,352	1,942,380	2,968,665	773,497	18,970,894
Liabilities					
Accounts Payable	\$ 329,508			56,891	386,399
Deferred Revenue	2,016,395			67,499	2,083,894
Loans and Escrows	760,057				760,057
Due to Other Funds				1,085	1,085
Other Payables	379,269				379,269
Total Liabilities	3,485,229	-	-	125,475	3,610,704
Fund Balances					
Reserved For					
Debt Service			2,968,665		2,968,665
Economic Development		1,942,380		36,262	1,978,642
Street Maintenance				300,066	300,066
Public Safety				14,557	14,557
Inventory	61,705				61,705
Prepaid Item	267,541				267,541
Unreserved, Reported In					
General Fund	9,471,877				9,471,877
Special Revenue Funds					
Debt Service Fund				196,205	196,205
Capital Projects Fund				100,932	100,932
Total Fund Balances	9,801,123	1,942,380	2,968,665	648,022	15,360,190
Total Liabilities and Fund Balances	\$ 13,286,352	1,942,380	2,968,665	773,497	18,970,894

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, 2011

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

Total fund balances - governmental funds	\$ 15,360,190
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	23,912,799
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	(8,184,322)
Police and Fire Net Pension Obligation	(586,699)
IMRF Net Pension Obligation	(24,991)
Interest on long-term liabilities is shown as an expenditure when paid by the funds, but accrued in the Statement of Net Assets.	(161,050)
Accrued compensated absences are reported in the Statement of Net Assets, but are not included in the fund financial statements.	(1,294,212)
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>(1,791,987)</u>
Net assets of governmental activities	<u>\$ 27,229,728</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, 2011

	General	Revolving Loan	State Rt. 50 TIF	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes					
Property	\$ 1,872,066		746,305	287,776	2,906,147
State	7,243,967			378,238	7,622,205
Licenses and Permits	199,847				199,847
Intergovernmental	388,864			63,073	451,937
Charges for Services	1,050,713				1,050,713
Fines and Forfeitures	354,221			19,935	374,156
Investment Income	74,409	42,966	1,247	3,852	122,474
Miscellaneous	686,354			14,650	701,004
Total Revenues	11,870,441	42,966	747,552	767,524	13,428,483
Expenditures					
Current					
General Government	4,934,869	37,782			4,972,651
Public Safety	4,194,526			7,435	4,201,961
Public Works	1,308,498			400,001	1,708,499
Building Standards	164,899				164,899
Community Development			620,535	526,787	1,147,322
Debt Service					
Principal			240,000	118,851	358,851
Interest			488,000	19,050	507,050
Capital Outlay					
				75,789	75,789
Total Expenditures	10,602,792	37,782	1,348,535	1,147,913	13,137,022
Excess (Deficiency) of Revenues over (under) Expenditures	1,267,649	5,184	(600,983)	(380,389)	291,461
Other Financing Sources (Uses)					
Transfers In					
				211,206	211,206
Transfers (Out)					
	(211,206)				(211,206)
Sale of Capital Assets					
	40,550				40,550
Total Other Financing Sources (Uses)	(170,656)	-	-	211,206	40,550
Net Change in Fund Balances	1,096,993	5,184	(600,983)	(169,183)	332,011
Fund Balances - Beginning	8,704,130	1,937,196	3,569,648	817,205	15,028,179
Fund Balances - Ending	\$ 9,801,123	1,942,380	2,968,665	648,022	15,360,190

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, 2011

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

Net change in fund balances - total governmental funds	\$ 332,011
Governmental funds report capital outlays as expenditures; however, they are capitalized and depreciated in the Statement of Activities.	734,892
Depreciation in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.	(1,180,400)
The net effect of disposal of governmental capital assets is to decrease net assets.	(10,950)
The change in the other post-retirement benefits is not a current financial resource and, therefore, is not reported in the governmental funds.	(392,476)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the Statement of Activities.	
General Obligation Bonds	286,000
Capital Lease Payable	72,851
Bond Premium	10,604
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Increase in Police and Fire Net Pension Obligation	(224,848)
Increase in IMRF Net Pension Obligation	(24,991)
Increase in Compensated Absences	(16,394)
Decrease in Accrued Interest	5,359
Change in net assets of governmental activities	<u>\$ (408,342)</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, 2011

ASSETS

Current Assets

Cash	\$ 742,123
Receivables (Net of Allowance for Uncollectables)	179,827
Total Current Assets	<u>921,950</u>

Capital Assets

Buildings and Equipment	11,924,372
Less Accumulated Depreciation	<u>(4,990,142)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>6,934,230</u>

Noncurrent Assets

Due from Joint Venture	<u>64,189</u>
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Total Assets	<u>7,920,369</u>
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LIABILITIES

Current Liabilities

Accounts Payable	31,341
Interest Payable	100,333
Compensated Absences	15,284
Current Bonds Payable	189,767
Other Payables	9,624
Total Current Liabilities	<u>346,349</u>

Noncurrent Liabilities

Compensated Absences	45,851
Bonds Payable	<u>5,498,672</u>
	<u>5,544,523</u>

Total Liabilities	<u>5,890,872</u>
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NET ASSETS

Investment in Capital Assets, Net of Related Debt Restricted for Construction	1,245,791
Unrestricted	<u>726,393</u>
	<u>57,313</u>
Total Net Assets	<u>\$ 2,029,497</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, 2011**

Operating Revenues	
User Charges	<u>\$ 1,322,593</u>
Operating Expenses	
Salaries and Wages	351,699
Employee Benefits	150,534
Professional Fees	124,388
Materials, Repairs and Maintenance	49,861
Utilities	15,730
Depreciation	352,945
Sewer Fees	784,601
Other Operating Expenses	57,631
Total Operating Expenses	<u>1,887,389</u>
Operating Loss	<u>(564,796)</u>
Nonoperating Revenues (Expenses):	
Interest and Investment Income	15,507
Tap-On Fees	28,850
Interest Expense	(239,954)
Gain on Disposal of Capital Assets	4,513
Other Income (Expenses)	(38)
Total Nonoperating Revenues (Expenses)	<u>(191,122)</u>
Change in Net Assets	(755,918)
Net Assets	
Beginning	<u>2,785,415</u>
Ending	<u>\$ 2,029,497</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, 2011

Cash Flows from Operating Activities	
Receipts from Customers	\$ 1,350,178
Payments to Suppliers	(997,050)
Payments to Employees	(523,538)
	<u>(170,410)</u>
Cash Flows from Noncapital and Financing Activities	
Repayment of Advance from Other Fund	(1,221,279)
Tap On Fees	28,850
Other Income	(38)
	<u>(1,192,467)</u>
Cash Flows from Capital and Financing Activities	
Payment of Bond Principal	(175,000)
Interest Expense	(242,871)
Purchase of Capital Assets	(9,346)
	<u>(427,217)</u>
Cash Flows from Investing Activities	
Proceeds from Sale of Investments	1,174,790
Interest and Dividends	15,507
	<u>1,190,297</u>
Net Decrease in Cash and Cash Equivalents	(599,797)
Cash and Cash Equivalents, Beginning	<u>1,341,920</u>
Cash and Cash Equivalents, Ending	<u>\$ 742,123</u>
Reconciliation of Operating Loss to Net Cash	
Used in Operating Activities	
Operating Loss	\$ (564,796)
Adjustments to Reconcile Operating Loss to	
Net Cash Used in Operating Activities	
Amortization of Bond Premium	(4,929)
Depreciation Expense	352,945
Change in Assets and Liabilities	
Decrease in Receivables, Net	27,585
Increase in Accounts and Other Payables	23,189
Decrease in Compensated Absences	(10,761)
Decrease in Prepaid Items	6,357
	<u>6,357</u>
Net Cash Used in Operating Activities	<u>\$ (170,410)</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, 2011

Assets	
Cash and Equivalents	\$ 1,447,930
Investments, at Fair Value	
Mutual Funds	800,260
Corporate Bonds	2,327,981
U.S. Government Obligations	5,977,864
Receivables	
Accrued Interest	<u>4,208</u>
Total Assets	10,558,243
Liabilities	
Payroll Withholding	<u>6,139</u>
Net Assets Held in Trust for Pension Benefits	<u>\$ 10,552,104</u>

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, 2011

Additions

Contributions

Village Contributions	\$ 451,845
Police Contributions	219,103
Total Contributions	<u>670,948</u>

Investment Income

Interest Income	218,844
Net Appreciation in Fair Value of Investments	683,746
Total Investment Income	<u>902,590</u>

Less Investment Expense	83,866
Net Investment Income	<u>818,724</u>

Total Additions	<u>1,489,672</u>
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Deductions

Administration	14,041
Benefits and Refunds	<u>656,404</u>

Total Deductions	<u>670,445</u>
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Change in Net Assets	819,227
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Net Assets

May 1	<u>9,732,877</u>
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April 30	<u>\$ 10,552,104</u>
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See Independent Auditor's Report and accompanying Notes to the Financial Statements.

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
April 30, 2011

1. 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, 2011, 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, 2011

1. 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.

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

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
April 30, 2011

1. Summary of Significant Accounting Policies (Cont.)

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

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 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 measureable 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.

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.

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
April 30, 2011

1. Summary of Significant Accounting Policies (Cont.)

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

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 charged 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. 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. The Village did not legally enact an appropriated budget for either of the major special revenue funds.

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.

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.

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
April 30, 2011

1. Summary of Significant Accounting Policies (Cont.)

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

Prepaid items/expenses represent payments made to vendors during the fiscal year for services that will benefit future periods.

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 \$5,000. 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

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.

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
April 30, 2011

1. Summary of Significant Accounting Policies (Cont.)

M. Long-Term Obligations (Cont.)

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 uses, 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

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

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

There were no funds that had a deficit in fund balance as of April 30, 2011.

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.

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
 April 30, 2011

3. Deposits and Investments (Cont.)

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.

At April 30, 2011, the Village's cash and investments consisted of the following:

	Primary Government	Fiduciary	Total
Cash and Investments	\$ 13,852,995	10,554,035	24,407,030

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	4,202,704
Police Pension Fund	54,546
Fire Pension Fund	262,587
Other Investments	
Village	9,648,241
Police Pension Fund	10,236,902
	<u>\$ 24,407,030</u>

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
April 30, 2011

3. Deposits and Investments (Cont.)

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 .025% at April 30, 2011. 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.

As of April 30, 2011, 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 Money Market/Liquid Assets	\$ 4,073,149	4,073,149		
Certificates of Deposit	2,481,053	2,481,053		
US Treasuries	43,731	43,731		
Corporate Bonds	309,277	76,808	232,469	
Federal Home Loan Mortgage	958,839	210,738	748,101	
Federal Farm Credit Bank Debenture	641,204		227,583	413,621
Federal Home Loan Banks Debenture	187,180		187,180	
Federal Home Loan Banks Debenture	157,874		157,874	
Government National Mortgage Association			88,430	
Federal National Mortgage Association	88,430			
	707,504		176,716	530,788
	<u>\$ 9,648,241</u>	<u>6,885,479</u>	<u>1,818,353</u>	<u>944,409</u>

As of April 30, 2011, 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	\$ 1,130,797	1,130,797		
Corporate Bonds	2,327,981	223,916	1,506,719	597,346
Federal Home Loan Bank	224,542		224,542	
Federal Home Loan Mortgage Corporation			183,771	79,521
Federal National Mortgage Association	263,292			
Government National Mortgage Association	412,316		238,061	174,255
Tennessee Valley Authority Debenture	404,491		404,491	
U.S. Treasuries	174,955		174,955	
	1,622,438		520,300	1,102,138
	<u>\$ 6,560,812</u>	<u>1,354,713</u>	<u>3,252,839</u>	<u>1,953,260</u>

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2011

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 Value</u>
Mutual Funds	\$ 800,260
Equity Securities	<u>2,875,830</u>
	<u>\$ 3,676,090</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, 2011, 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. Subsequent to April 30, 2011, 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, 2011, the Village's deposits with financial institutions were not exposed to custodial credit risk because they were insured and collateralized.

None of the Police and 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.

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
April 30, 2011

3. Deposits and Investments (Cont.)

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, 2011, 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 2010 attach as an enforceable lien on January 1, 2010. Taxes are levied by December 2010 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, 2011. The County collects such taxes and remits them periodically. As the 2010 levy is intended to finance fiscal 2011-12 operations, the revenue has been deferred at April 30, 2011. Property tax revenue reported in fiscal year 2011 is comprised primarily of collections of the 2009 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 \$1,239,138 at April 30, 2011. The non-current portion of this balance is \$849,980. The balance of the allowance for doubtful accounts is \$51,859.

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
 April 30, 2011

6. Capital Assets

A. Governmental Activities

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

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 6,494,488			6,494,488
Capital Assets Being Depreciated				
Buildings and Improvements	6,146,833	387,639		6,534,472
Equipment	7,659,392	134,472	135,729	7,658,135
Infrastructure	14,210,639	212,781		14,423,420
	<u>28,016,864</u>	<u>734,892</u>	<u>135,729</u>	<u>28,616,027</u>
Less Accumulated Depreciation For				
Buildings and Improvements	1,897,990	214,728		2,112,718
Equipment	6,068,385	512,201	124,779	6,455,807
Infrastructure	2,175,720	453,471		2,629,191
	<u>10,142,095</u>	<u>1,180,400</u>	<u>124,779</u>	<u>11,197,716</u>
Total Capital Assets Being Depreciated, Net	<u>17,874,769</u>	<u>(445,508)</u>	<u>10,950</u>	<u>17,418,311</u>
Governmental Activities Capital Assets, Net	<u>\$ 24,369,257</u>	<u>(445,508)</u>	<u>10,950</u>	<u>23,912,799</u>

B. Business-Type Activities

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

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Being Depreciated				
Plant, Property, and Equipment	\$ 11,910,513	13,859		11,924,372
Less Accumulated Depreciation For Plant, Property, and Equipment	<u>4,637,197</u>	<u>352,945</u>		<u>4,990,142</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 7,273,316</u>	<u>(339,086)</u>	<u>-</u>	<u>6,934,230</u>

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
April 30, 2011

6. Capital Assets (Cont.)

C. Depreciation Expense

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

	Governmental Activities	Business-Type Activities
General Government	\$ 672,879	
Public Safety	415,388	
Public Works	92,133	
Waterworks and Sewerage		352,945
	<u>\$ 1,180,400</u>	<u>352,945</u>

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, 2011.

	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	\$ 374,000		46,000	328,000	49,000
Tax Increment Revenue Bonds:						
Series 2007						
6.10%	07/01/27	8,000,000		240,000	7,760,000	270,000
Premium on Bonds		106,926		10,604	96,322	10,235
		<u>8,480,926</u>	-	<u>296,604</u>	<u>8,184,322</u>	<u>329,235</u>
Compensated Absences		1,277,818	335,849	319,455	1,294,212	323,553
Capital Lease Payable		72,851		72,851		
Net Pension Obligation - IMRF			24,991		24,991	
Net Pension Obligation - Police and Fire			586,699		586,699	
Other Post-Employment Benefits		1,399,511	392,476		1,791,987	
		<u>\$ 11,231,106</u>	<u>1,340,015</u>	<u>688,910</u>	<u>11,882,211</u>	<u>652,788</u>

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
April 30, 2011

7. Long-Term Debt (Cont.)

A. Changes in Long-Term Obligations (Cont.)

	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	\$ 5,810,000		175,000	5,635,000	185,000
Premium on Bonds		58,368		4,929	53,439	4,767
		5,868,368	-	179,929	5,688,439	189,767
Compensated Absences		71,896	7,213	17,974	61,135	15,284
		\$ 5,940,264	7,213	197,903	5,749,574	205,051

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

B. General Obligation Debt

The Village issued Series 2007 general obligation bonds for general government activities.

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 were AAA.

C. Tax Increment Revenue Bonds

The Village issued Series 2007 tax increment revenue bonds to finance the 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.

D. Capital Lease

The Village entered into a capital lease agreement with Ford Motor Company for the purchase of eleven squad cars. The lease was dated December 5, 2007, with four future minimum payments of \$72,851. The final payments on the lease were made during fiscal year 2010-11.

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
 April 30, 2011

7. Long-Term Debt (Cont.)

E. Debt Service Requirements to Maturity

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

Year Ending April 30	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 319,000	488,537	185,000	240,800	504,000	729,337
2013	341,000	469,690	190,000	233,400	531,000	703,090
2014	368,000	449,526	200,000	225,800	568,000	675,326
2015	391,000	427,717	210,000	216,800	601,000	644,517
2016	418,000	404,569	220,000	207,350	638,000	611,919
2017-2021	2,301,000	1,636,704	1,250,000	883,050	3,551,000	2,519,754
2022-2026	3,180,000	839,630	1,520,000	604,550	4,700,000	1,444,180
2027-2031	770,000	46,970	1,860,000	257,675	2,630,000	304,645
	<u>\$8,088,000</u>	<u>4,763,343</u>	<u>5,635,000</u>	<u>2,869,425</u>	<u>13,723,000</u>	<u>7,632,768</u>

F. Legal Debt Margin

Assessed Valuation – 2010	<u>\$ 296,021,780</u>
Legal Debt Limit – 8.625% of Assessed Valuation	\$ 25,531,879
Amount of Debt Applicable to Debt Limit	<u>328,000</u>
Legal Debt Margin	<u>\$ 25,203,879</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>\$ 1,185</u>

There are no specific terms of repayment.

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
 April 30, 2011

8. Interfund Transactions (Cont.)

B. Transfers

Receiving Fund	Transferring Fund	Amount
Capital Projects (Nonmajor)	General	\$ 111,206
G.O. Bond (Nonmajor)	General	<u>100,000</u>
		<u>\$ 211,206</u>

The purposes of the significant interfund transfers are as follows:

- \$111,206 transfer from the General Fund to the Capital Projects Fund is to pay debt service for the capital lease of squad cars, a public works truck, and other public safety equipment. The transfer will not be repaid.
- \$100,000 transfer from the General Fund to the G.O. Bond Fund is to pay debt service for the issuance of G.O. Bonds. The transfer will not be repaid.

9. Risk Management

Illinois Municipal League Risk Management Association (IMLRMA)

The Village participates in the Intergovernmental Illinois Municipal League Risk Management Association (IMLRMA). IMLRMA is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperation Act to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverage; property/casualty and workers compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

Each member appoints one delegate to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the Association beyond its representation on the Board of Directors.

The Village participates in the minimum/maximum program with the Association. Initial contributions are determined each year based on administrative expenses plus 80% of the normal loss fund. Annually the claims of members participating in the program are reviewed and when the Village's paid claims dollars exceed 100% of the loss fund, additional amounts will be due from the Village up to, but not to exceed 120% of the normal loss fund. The Villages payments to IMLRMA are displayed on the financial statements as expenditures/expenses in appropriate funds.

In FY 10/11, the Village accrued a total of \$199,419 for prior years' losses from open cases that were not previously settled. The years included 2003, 2006, 2007 and 2009. These costs were not anticipated and, as such, have caused the budget versus actual presentation for the General Fund to look distorted. Management believes this type of cost is non-recurring.

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
April 30, 2011

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 Incentive

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 \$125,565 related to these agreements during fiscal year 2011. 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 2011. 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 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/ 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 2010 was 9.69% of annual covered payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
April 30, 2011

11. Employee Benefit Plans (Cont.)

Annual Pension Cost, Net Pension Obligation and Actuarial Assumptions

For 2010 and 2011, 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, 2011.

For April 30, 2010, the Village's actual contributions were \$213,965. The annual pension cost was \$236,267. The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age actuarial cost method.

The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative and direct investment expenses); (b) projected salary increases of 4% 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, 2008 valuation was 30 years.

As of December 31, 2010, the most recent actuarial valuation date, the Regular Plan was 78.92% funded. The actuarial accrued liability was \$5,419,658, and the actuarial value of assets was \$4,277,068, resulting in an unfunded actuarial accrued liability of \$1,142,590. The covered payroll for 2010 was \$2,208,100 and the ratio of the UAAL to the covered payroll was 52.00%. In conjunction with the December 2010 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.

Annual Pension Cost, Net Pension Obligation and Actuarial Assumptions (Cont.)

The SLEP Plan was 0% funded. Actuarial accrued liability was \$0 and actuarial value of assets was \$(56,441), resulting in an underfunded actuarial liability of \$56,441.

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.

Three-Year Trend Information for the Regular Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2010	\$ 236,267	91%	22,302
12/31/2009	209,513	100%	0
12/31/2008	209,496	100%	0

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
 April 30, 2011

11. Employee Benefit Plans (Cont.)

Three-Year Trend Information for the Regular Plan (Cont.)

Computation of Net Pension Obligations at April 30, 2011

	Regular Employees	SLEP Employees
Annual Pension Cost	\$ 236,267	19,329
2010 Contribution Made	<u>213,965</u>	<u>16,640</u>
Increase in the Net Pension Obligation	22,302	2,689
Net Pension Obligation at Beginning of Year	<u> </u>	<u> </u>
Net Pension Obligation at End of Year	<u>\$ 22,302</u>	<u>2,689</u>
Reported as Governmental Activities		<u>24,991</u>

B. Police Pension

The most recent actuarial valuation is as of April 30, 2011.

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, 2011 was \$1,752,346. At April 30, 2011, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but Not Yet Receiving Them	21
Current Employees	
Vested	19
Nonvested	<u>12</u>
Total	<u>52</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.

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
April 30, 2011

11. Employee Benefit Plans (Cont.)

B. Police Pension (Cont.)

Plan Description and Provisions (Cont.)

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.

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 July 1, 1993, the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded by the year 2033. 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, 2011, the most recent actuarial valuation date, the Police Pension Plan was 56.37% funded. The actuarial accrued liability was \$14,663,922 and the actuarial value of assets was \$8,265,480, resulting in an underfunded actuarial accrued liability of \$6,398,442. The covered payroll for 2011 was \$1,752,346 and the ratio of the underfunded balance was thus 365.14%.

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, 2011

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 2011 was prepared as of April 30, 2011. 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 25 year 2 month amortization of the unfunded liability.

ANNUAL PENSION COST AND NET PENSION ASSET (OBLIGATION)

Annual Required Contribution	\$ 602,313
Interest on Net Pension Obligation (Asset)	17,774
Adjustment to Annual Required Contribution	<u>(12,757)</u>
Annual Pension Cost	607,330
Contribution Made	<u>431,298</u>
Increase in the Net Pension Obligation	176,032
Net Pension Obligation, Beginning of Year	<u>253,907</u>
Net Pension Obligation, End of Year	<u><u>\$ 429,939</u></u>

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended	Annual Required Contribution	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation (Asset)
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
4/30/09	485,426	485,426	418,657	86.2%	66,769

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
April 30, 2011

11. Employee Benefit Plans (Cont.)

C. Firefighters' Pension

The most recent actuarial valuation is as of April 30, 2011.

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 5/3) 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 Firefighters' Pension Plan for the year ended April 30, 2011 was \$269,804. At April 30, 2011, the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but 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.

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 July 1, 1993, the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded by the year 2033. Administrative expenses are generally paid from plan assets.

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
April 30, 2011

11. Employee Benefit Plans (Cont.)

C. Firefighters' Pension (Cont.)

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, 2011, the most recent actuarial valuation date, the Firefighters' Pension Plan was 43.8% funded. The actuarial accrued liability was \$599,004, and the actuarial value of assets was \$262,587, resulting in an underfunded actuarial accrued liability of \$336,417. The covered payroll for 2011 was \$269,804 and the ratio of the underfunded balance was thus 124.7%.

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.

Contributions

Village contributions are determined annually by an actuarial study using the entry age normal cost method. The valuation for fiscal 2011 was prepared as of April 30, 2011. 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 30 year amortization of the unfunded liability.

ANNUAL PENSION COST AND NET PENSION ASSET (OBLIGATION)

Annual Required Contribution	\$ 67,342
Interest on Net Pension Obligation (Asset)	7,556
Adjustment to Annual Required Contribution	<u>(5,535)</u>
Annual Pension Cost	69,363
Contribution Made	<u>20,547</u>
Increase in the Net Pension Obligation	48,816
Net Pension Obligation, Beginning of Year	<u>107,944</u>
Net Pension Obligation, End of Year	<u>\$ 156,760</u>

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
 April 30, 2011

11. Employee Benefit Plans (Cont.)

C. Firefighters' Pension (Cont.)

Contributions (Cont.)

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended	Annual Required Contribution	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation (Asset)
4/30/11	\$ 67,342	69,363	20,547	29.6%	156,760
4/30/10	N/A	N/A	N/A	N/A	N/A
4/30/09	N/A	N/A	N/A	N/A	N/A

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 Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal
Asset Valuation Method	Market Value	Market Value	Market Value
Amortization Method	Level Percentage of Projected Payroll - Open Basis	Level Percentage of Projected Payroll - Closed Basis	Level Percentage of Projected Payroll - Closed Basis
(a) Remaining Amortization Period	30 Years	25 Years 2 Months	30
(b) Ratio of Return on Investment of Present and Future Assets	7.50% Compounded Annually	7.00% Compounded Annually	7.00% Compounded Annually
(c) Projected Salary Increases - Attributable to Inflation	4.00% Compounded Annually	5.50% Compounded Annually	5.50% Compounded Annually
(d) Additional Projected Salary Increases - Attributable to Seniority/Merit	0.4% to 10%	(Note: Separate information for (b) and (c) not available)	(Note: Separate information for (b) and (c) not available)
(e) Postretirement Benefit Increases	3.00%	3.00% Compounded Annually	3.00% Compounded Annually

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
April 30, 2011

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.

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, 2011, 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.

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
April 30, 2011

12. Other Post-Employment Benefits (Cont.)

Annual OPEB Costs and Net OPEB Obligation

The Village had an actuarial valuation performed for the plan as of April 30, 2011 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, 2011. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 was as follows:

Fiscal Year End	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributions	Net OPEB Obligation
April 30, 2011	\$ 521,848	129,372	24.8%	1,791,987
April 30, 2010	832,550	129,372	15.5%	1,399,511
April 30, 2009				

The net OPEB Obligation (NOPEBO) at April 30, 2011 was calculated as follows:

Annual Required Contribution	\$ 498,522
Interest on Net OPEB Obligation	69,976
Adjustment to Annual Required Contribution	<u>(46,650)</u>
Annual OPEB Cost	521,848
Contributions Made	<u>129,372</u>
Increase in Net OPEB Obligation	392,476
Net OPEB Obligation, Beginning of Year	<u>1,399,511</u>
Net OPEB Obligation, End of Year	<u><u>\$ 1,791,987</u></u>

Funded Status and Funding Progress

The funded status of the plan as of April 30, 2011 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)	5,117,920
UAAL as a Percentage of Covered Payroll	150.0%

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

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
April 30, 2011

12. Other Post-Employment Benefits (Cont.)

Annual OPEB Costs and Net OPEB Obligation (Cont.)

Funded Status and Funding Progress (Cont.)

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.

In the April 30, 2011 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, 2011 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.

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
 April 30, 2011

13. Joint Venture (Cont.)

Kankakee River Metropolitan Agency (KRMA) (Cont.)

Summary Unaudited Financial Information of KRMA

Summary of Financial Position as of April 30, 2011:

<u>Assets</u>		<u>Liabilities and Fund Equity</u>	
Current Assets	\$ 527,180	Current Liabilities	\$ 3,368,920
Restricted Assets	677,837	Long-Term Liabilities	<u>19,459,071</u>
Capital Assets, Net	20,785,581	Total Liabilities	22,827,991
Other Assets	<u>245,290</u>	Net Assets	<u>(592,103)</u>
Total Assets	<u>\$ 22,235,888</u>	Total Liabilities and Net Assets	<u>\$ 22,235,888</u>

Summary of Revenues, Expenses, and Changes in Net Assets for the year ended April 30, 2011:

Operating Revenues	\$ 6,339,450
Operating Expenses	<u>6,717,884</u>
Operating Income	(378,434)
Non-Operating Revenues and Expenses	<u>5,001</u>
Net Loss	(373,433)
Net Assets	
May 1	<u>(218,670)</u>
April 30	<u>\$ (592,103)</u>

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

VILLAGE OF BRADLEY, ILLINOIS

Notes to the Financial Statements
 April 30, 2011

13. Joint Venture (Cont.)

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, 2011, the Village recorded a due from joint venture of \$64,189.

15. Restatement

During the current fiscal year, the Village engaged independent actuaries to complete actuarial valuations for the Police and Fire Pensions, in accordance with Generally Accepted Accounting Principles. In prior years, since these valuations were not performed, the Village was unable to report the net pension obligations and as a result, had a qualified auditor's opinion in its Annual Financial Report. The actuarial reports completed during the fiscal year reported both a beginning and ending net pension obligations. The April 30, 2010 net pension obligation has been recognized as a restatement, as this amount reflects liability incurred in prior fiscal years. Net assets as of the beginning of the fiscal year have been restated as follows:

	Balance at May 1, 2010 as Previously Reported	Restatement	Balance at May 1, 2010 as Restated
Governmental Activities - Net Assets	\$ 27,999,921	(361,851)	27,638,070

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, 2011

	Original and Final Budget	Actual	Variance from Budget Over (Under)
Revenues			
Property Taxes	\$ 1,990,000	1,872,066	(117,934)
State Taxes	6,610,996	7,243,967	632,971
Licenses and Permits	147,950	199,847	51,897
Intergovernmental	44,718	388,864	344,146
Charges for Services	1,097,100	1,050,713	(46,387)
Fines and Forfeitures	300,000	354,221	54,221
Investment Income	83,650	74,409	(9,241)
Miscellaneous	132,800	686,354	553,554
Total Revenues	10,407,214	11,870,441	1,463,227
Expenditures			
Current			
General Government	4,611,049	4,934,869	323,820
Public Safety	4,092,090	4,194,526	102,436
Public Works	1,269,874	1,308,498	38,624
Building Standards	172,655	164,899	(7,756)
Total Expenditures	10,145,668	10,602,792	457,124
Excess of Revenues over Expenditures	261,546	1,267,649	1,006,103
Other Financing Sources (Uses)			
Interfund Transfers	(255,000)	(211,206)	(43,794)
Sale of Capital Assets		40,550	(40,550)
Total Other Financing Sources (Uses)	(255,000)	(170,656)	(84,344)
Net Change in Fund Balance	\$ 6,546	1,096,993	921,759
Fund Balance			
Beginning		8,704,130	
Ending		9,801,123	

VILLAGE OF BRADLEY, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

April 30, 2011

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)
12/31/2010	\$ 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
12/31/2005	4,295,467	5,089,190	793,723	84.40	1,984,284	40.00

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$4,623,012. On a market basis, the funded ratio would be 85.30%.

VILLAGE OF BRADLEY, ILLINOIS

IMRF Sheriff's Law Enforcement Personnel Fund

Required Supplementary Information
 April 30, 2011

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)
12/31/2010	\$ (56,441)		56,441	%	117,934	47.86 %
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
12/31/2005				N/A		N/A

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$(56,441). On a market basis, the funded ratio would be 0.00%.

VILLAGE OF BRADLEY, ILLINOIS

Police Pension Fund

Required Supplementary Information
April 30, 2011

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)
4/30/2011	\$ 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
4/30/2006	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, 2011

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)
4/30/2011	\$ 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
4/30/2006	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Report unavailable prior to April 30, 2011.

VILLAGE OF BRADLEY, ILLINOIS

Other Post-Employment Benefits

Required Supplementary Information

April 30, 2010

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)
4/30/2011	\$	7,677,870	7,677,870	%	5,117,920	150.00 %
4/30/2010		7,677,870	7,677,870		5,117,920	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 Implicit Benefit: 40% of premium to age 65

VILLAGE OF BRADLEY, ILLINOIS

Note to Required Supplementary Information
April 30, 2011

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, Motor Fuel Tax Fund, GO Bond Fund, Capital Projects Fund, Proprietary Fund, and Fiduciary Funds.

During the current year, a budget was not adopted for the Revolving Loan and State Rt. 50 TIF Funds. These funds are both major special revenue funds and, therefore, require a budget to actual presentation in the Annual Financial Report. Due to the budgets not being formally adopted, the required presentation was not possible.

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

Expenditures may not legally exceed the appropriations at the fund level. During the year, no supplemental appropriations were necessary. During the year, the General Fund exceeded its appropriations in the amount of \$457,124. 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 General Fund revenues or reserves to pay the amount that exceeds the appropriation.

**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, 2011**

	Original and Final Budget	Actual
Taxes		
Property Taxes	\$ 1,990,000	1,872,066
State Shared Taxes		
Sales Tax	5,400,000	5,773,300
Use Tax	160,000	213,287
Income Tax	950,596	1,142,318
Replacement Tax	97,900	113,928
Auto Rental Tax	2,500	1,134
Total State Taxes	6,610,996	7,243,967
Total Taxes	8,600,996	9,116,033
Licenses and Permits		
Licenses		
Liquor License	54,000	54,800
Vending License	4,000	4,163
Vending Chance	5,000	
Vending Service	8,500	7,193
Tobacco License	1,050	1,188
Business License	1,000	2,850
Motor Vehicle Repair	1,200	1,090
Other License	2,700	2,895
Total Licenses	77,450	74,179
Permits		
Building Permits	64,000	112,068
Hall Rental	6,000	10,375
Park Rental	500	3,225
Total Permits	70,500	125,668
Total Licenses and Permits	147,950	199,847
Intergovernmental		
Police Grants		92,379
Public Benefit Grants	44,718	229,806
State Reimbursements		43,179
Public Works Grants		23,500
Total Intergovernmental	44,718	388,864

(Cont.)

VILLAGE OF BRADLEY, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual (Cont.)
For the Year Ended April 30, 2011**

	<u>Original and Final Budget</u>	<u>Actual</u>
Charges for Services		
Charges and Fees		
Garbage Billings	900,000	774,386
Ambulance Revenue	190,500	265,902
Certificate of Payment App Fee		27
Summer Program Revenue		990
Sex Offender Registration		278
Public Safety Inspections	6,600	7,408
Police Report Fees		1,722
Total Charges for Services	<u>1,097,100</u>	<u>1,050,713</u>
Fines and Forfeitures		
Circuit Court Fines	139,800	139,361
Parking Fines	31,000	1,295
Adjudication Fines	100,000	151,965
Other Fines	29,200	61,600
Total Fines and Forfeitures	<u>300,000</u>	<u>354,221</u>
Investment Income	<u>83,650</u>	<u>74,409</u>
Miscellaneous		
Donations		17,735
Reimbursements		30,017
Franchise Fees	127,500	615,863
Other Income	5,300	22,739
Total Miscellaneous	<u>132,800</u>	<u>686,354</u>
Total Revenues	<u>\$ 10,407,214</u>	<u>11,870,441</u>

VILLAGE OF BRADLEY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
For the Year Ended April 30, 2011

	Original and Final Budget	Actual
General Government		
President		
Salary - Mayor	\$ 3,600	9,850
Telephone	1,000	903
Conventions		250
Entertainment	700	
Meals	300	159
Amenities for the Sick	1,000	334
Miscellaneous	100	15
Monthly Allowance	9,600	4,000
Salary Liquor Control	1,200	1,207
Total President	17,500	16,718
Clerk		
Salary - Clerk	5,100	6,688
Office Supplies		182
Membership	200	185
Publications	5,000	7,650
Literature and Periodicals	200	148
Codification	10,000	9,881
Other Fees	100	
Monthly Allowance	2,400	1,000
Total Clerk	23,000	25,734
Treasurer		
Salary - Treasurer	87,500	73,970
Wages - Part Time Intern		1,357
Sick Pay		4,207
Holiday Pay		3,366
Vacation		7,404
Stipends		600
Mileage	300	392
Audit	32,000	26,800
Membership	500	410
Conventions and Meetings	250	676
Travel and Lodging	300	99
Meals and Per Diem	300	76
Clothing Allowance	1,200	
Total Treasurer	122,350	119,357
Trustees		
Salary - Trustees	14,200	23,830
Monthly Allowance	14,200	6,000
Total Trustees	28,400	29,830

VILLAGE OF BRADLEY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)
For the Year Ended April 30, 2011

	Original and Final Budget	Actual
General Government (Cont.)		
General Administration		
Clerical	45,600	38,337
Overtime	500	583
Sick Pay - Regulars		1,781
Holiday		2,238
Vacation Pay - Regulars		3,031
Stipends		600
Telephone	3,000	1,840
Mileage	350	103
Equipment Purchase	736	736
Office Supplies	5,000	5,521
Office Equipment		1,006
Office Equipment Repair	2,000	2,074
Department Projects	2,000	899
Postage	1,500	1,358
Software Purchase		119
Hardware Purchase	2,000	50
General Supplies	600	317
Liability Insurance	400,000	556,321
Medical Payments	1,800	700
Legal Fees	224,400	214,280
Clothing Allowance	1,200	600
Other Fees	5,000	17,754
Investment Expense	13,000	4,671
Miscellaneous	2,500	11,069
Unemployment	9,000	23,090
Medical Insurance	1,095,340	1,087,655
Life Insurance	11,400	10,167
IMRF	211,000	242,701
FICA	132,500	125,773
Medicare	73,200	63,728
Optional Insurance Premiums	5,000	5,071
Employee Deductible Reimbursement	175,000	191,268
Turks Sales Tax Rebate	20,000	34,854
Northfield Square Sales Tax Rebate	50,000	50,000
Fire Protection Assessment	10,200	2,556
Taylor Chrysler Sales Tax Rebate	70,000	90,711
Total General Administration	<u>2,573,826</u>	<u>2,793,562</u>

VILLAGE OF BRADLEY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)

For the Year Ended April 30, 2011

	Original and Final Budget	Actual
General Government (Cont.)		
Administrator		
Administrator Salaries	99,100	89,959
Sick Pay		1,142
Holiday		3,808
Vacation		8,187
Stipends		600
Telephone	900	1,208
Auto Repair Maintenance	600	474
Fuel, Gas	600	600
Memberships	700	1,030
Conventions and Meetings		100
Meals and Per Diem	300	79
Clothing Allowance	1,200	600
Total Administrator	103,400	107,787
Police and Fire Commission		
Salary - Commissioner	2,500	2,395
Overtime - Secretary	500	1,737
Mileage	200	142
Office Supplies	200	27
Postage	200	89
Membership	375	
Publications	200	
Literature and Periodicals		172
Recruiting	10,000	4,338
Training	300	981
Travel	300	
Meals and Per Diem	200	
Other Fees	100	199
Miscellaneous	100	
Total Police and Fire Commission	15,175	10,080
Code Enforcement		
Salary - Code Enforcement	104,900	92,082
Overtime - Code Enforcement	2,500	852
Sick Pay		3,443
Holiday Pay		5,634
Vacation Pay		10,227
Stipends		600
Telephone	600	2,277
Auto Repair	4,500	1,544
Fuel, Gas	2,500	1,680
Equipment Repairs		

VILLAGE OF BRADLEY, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual (Cont.)
For the Year Ended April 30, 2011**

	Original and Final Budget	Actual
General Government (Cont.)		
Code Enforcement (Cont.)		
Equipment Purchase	2,071	2,177
Office Supplies	300	1,836
Postage	150	27
Literature and Periodicals		19
Clothing Allowance	2,400	800
Miscellaneous	1,000	700
Total Code Enforcement	120,921	123,898
Public Benefit		
Police Pension Board	500	679
Sidewalk Repair	10,000	9,506
Garbage	777,000	769,005
Recycling	1,000	(1,315)
Capital Projects		212,781
Christmas Activities		1,942
Special Activities	800	
Senior Citizen Activities	1,500	453
Community Calendar	7,000	6,270
Donations	1,000	
Metro Transit	32,000	32,505
Armour Rd. Project Engineer	162,628	91,811
Other Fees	21,000	20,000
Fire Pension Cost	20,000	20,547
Police Pension Cost	450,000	431,298
Equipment Repair	2,500	
Wages - Community Affairs		454
Christmas Parade	1,700	1,514
Community Garage Sale	500	(495)
Salary Summer Program	7,500	7,209
Program Activities	1,700	456
Program Supplies	750	1,126
Total Public Benefit	1,499,078	1,605,746
Communications		
Salary - Communications	52,000	49,247
Sick		1,100
Holiday		1,800
Vacation Pay		1,000
Stipends		600
Contract Labor	7,000	8,751
Telephone	6,750	5,018

VILLAGE OF BRADLEY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)
For the Year Ended April 30, 2011

	Original and Final Budget	Actual
General Government (Cont.)		
Communications (Cont.)		
Tech Support	800	670
Internet	2,000	1,439
Mileage	200	218
Equipment Purchase		736
Office Supplies	700	913
Radio Maintenance	736	
Software Maintenance	17,513	22,244
Department Projects	10,000	3,401
Software Purchase	3,000	520
Hardware Purchase	3,000	3,384
General Supplies	400	343
Memberships	100	
Literature and Periodicals		173
Other Fees and Services	1,000	
Clothing Allowance	1,200	
Miscellaneous	1,000	600
Total Communications	<u>107,399</u>	<u>102,157</u>
Total General Government	<u>4,611,049</u>	<u>4,934,869</u>
Public Safety		
Fire		
Salary - Department Head	80,000	71,985
Salaries - Fire	9,000	7,834
Part Time - Fire	180,000	188,422
Sick		1,337
Stipends		1,800
Holiday		3,692
Longevity - Support Staff		75
Vacation		4,975
Telephone	4,000	4,911
Auto Repair	55,000	31,977
Fuel, Gas	15,000	15,784
Equipment Repair	3,550	1,980
Equipment Purchase	33,979	39,633
Equipment Rent	3,000	7,384
Office Supplies	3,000	1,848
Office Equipment	500	3,308
Office Equipment Repairs and Maintenance	1,000	1,171
Software Maintenance	900	845
Hardware Maintenance	300	149

VILLAGE OF BRADLEY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)
 For the Year Ended April 30, 2011

	Original and Final Budget	Actual
Public Safety (Cont.)		
Fire (Cont.)		
Department Projects	2,500	2,932
Postage	300	131
Software Purchase		7
Hardware Purchase		180
General Supplies	1,000	1,544
Medical Payments	2,000	720
Membership	600	95
Publications		45
Literature and Periodicals		38
Training	2,700	2,223
Travel	500	275
Meals and Per Diem	600	
Andres Collection Fees	25,000	17,066
Uniforms		642
Other Fees	11,500	7,488
Miscellaneous	1,300	4,109
Salary - EMS	245,000	242,212
Part Time - EMS	25,000	21,652
Overtime - EMS	40,000	71,112
Sick		19,532
Holiday		13,630
Premium Overtime - EMS	20,000	
Certification		2,662
Vacation		20,741
Longevity	5,000	5,108
Equipment Repair	1,000	590
Equipment Purchase		364
Medical Payments	5,400	8,119
Uniforms	7,200	7,200
Miscellaneous	1,290	1,982
Total Fire	<u>787,119</u>	<u>841,509</u>
Police		
Salary - Department Head	173,900	170,548
Regulars	1,994,500	1,853,270
Overtime	189,000	154,681
Sick		44,708
Holiday		112,703
Vacation		151,883
Stipends		28,250
Separation Compensation	121,000	

VILLAGE OF BRADLEY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)
For the Year Ended April 30, 2011

	Original and Final Budget	Actual
Public Safety (Cont.)		
Police (Cont.)		
Court Pay	13,500	16,120
Shift Premium	29,000	29,766
Dispatchers	387,000	355,913
Salary Crossing Guards	25,000	24,810
Telephone	34,280	29,417
Lead Communications	6,000	5,270
Auto Repair	40,000	44,598
Fuel, Gas	70,000	90,641
Vehicle Purchase		56,707
Auto License	600	993
Equipment Repair	3,000	1,301
Equipment Purchase	34,392	53,221
Office Supplies	20,000	18,633
Office Equipment	1,000	636
Office Equipment Repair	1,000	675
Computer Expense	8,500	7,964
Adjudication Bond Refund		5,515
Postage	1,600	2,436
Supplies	9,000	6,726
Medical Payments	3,000	496
Membership	5,299	3,830
Publications	500	649
Literature and Periodicals	500	163
Training	10,000	14,342
Meals and Per Diem	1,300	1,261
Shooting Range	10,000	7,452
Drug Enforcement		4,581
Tobacco Enforcement		200
Stipend	32,900	1,500
Animal Control Expenses	7,000	10,725
Uniforms	37,200	13,030
Uniform Cleaning	16,000	
Other Fees	15,000	9,974
Miscellaneous	1,500	2,358
Community Projects	2,500	15,071
Total Police	3,304,971	3,353,017
Total Public Safety	4,092,090	4,194,526

VILLAGE OF BRADLEY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)
 For the Year Ended April 30, 2011

	Original and Final Budget	Actual
Public Works		
General		
Salary - Public Works	87,400	71,373
Sick Pay		2,567
Holiday		4,030
Vacation		9,596
Separation Compensation	24,000	
Telephone	4,000	4,556
Electric		22,721
Heating and Gas		43
Water and Sewer	1,000	1,395
Fuel, Gas	40,000	44,384
Enforced Mowing	1,500	100
Office Supplies	500	325
Office Equipment Repairs	200	
Postage	100	
Software Purchase		2,368
Computer Expense	1,500	
Building Repairs	6,000	3,434
Medical Payments	700	
Exterminating	6,000	2,846
Tree Removal	5,000	2,750
Leaf Disposal	10,000	9,100
Lien Filing Fee		1,188
Stipend	6,000	960
Vehicle Repair	500	
Clothing Allowance	1,200	600
Miscellaneous	500	
Total Public Works General	196,100	184,336
Streets and Alleys		
Salary - Street and Alley	508,000	493,184
Overtime	11,000	16,806
Sick Pay		23,718
Holiday		26,280
Premium Overtime Pay	5,500	4,685
Vacation Pay - Regulars		43,385
Stipends		11,625
Electric	110,000	100,572
Street Light Repairs	30,000	6,688
Auto Repair	19,500	30,027

VILLAGE OF BRADLEY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)
 For the Year Ended April 30, 2011

	Original and Final Budget	Actual
Public Works (Cont.)		
Streets and Alleys (Cont.)		
Equipment Repair	35,000	36,011
Street Maintenance	20,000	17,259
Alley Maintenance	15,000	3,736
Equipment Purchase	14,224	14,459
Equipment Rent		60
Disposal Ground	5,000	(2,836)
Gravel Sand	400	396
Salt	70,000	62,192
Snow Removal Expense		13,657
Supplies	3,500	4,072
Meals and Per Diem	300	
Other Fees and Services	200	
Uniforms	14,800	
Miscellaneous	500	(16)
Total Streets and Alleys	862,924	905,960
Public Property		
Wages - Public Property	52,600	44,275
Overtime		144
Sick Pay - Regulars		2,478
Holiday		2,424
Vacation Pay - Regulars		4,051
Telephone		502
Electric	3,000	3,870
Water	2,500	2,139
Equipment Repair		5,409
Traffic Light Repair	20,000	9,035
Ground Maintenance	20,000	9,776
Equipment Purchase		734
Building Repairs	35,000	61,688
Building and Property Improvements	51,000	43,235
Re. Tax Payments		4,508
Supplies	10,000	13,296
Other Fees	2,300	1,250
Uniforms	1,200	
Chemical	13,000	9,388
Miscellaneous	250	
Total Public Property	210,850	218,202
Total Public Works	1,269,874	1,308,498

(Cont.)

VILLAGE OF BRADLEY, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual (Cont.)
For the Year Ended April 30, 2011**

	Original and Final Budget	Actual
Building Standards		
Zoning and Planning		
Salary - Zoning		47
Engineering Fees		275
Salary - Planning	4,000	7,437
Total Zoning and Planning	4,000	7,759
General Building Standards		
Salary - Building Standards	15,200	10,650
Clerical	87,200	67,196
Overtime		2,085
Sick Pay		1,709
Holiday Pay		4,256
Vacation Pay		4,791
Stipends		1,800
Plumbing Inspector	9,966	9,990
Electric Inspector	9,966	9,990
HVAC Inspector	9,966	9,990
Telephone	900	1,045
Plan Review	20,000	17,684
Equipment Purchases	2,207	2,489
Office Supplies	1,750	2,683
Repairs	600	1,020
Vehicle Fuel		163
Postage	200	63
Computer Software	400	
Hardware Purchase	1,500	3,263
Memberships	300	220
Mileage	2,500	1,652
Literature and Periodicals		394
Training	3,000	2,269
Travel and Lodging		39
Meals and Per Diem	300	
Uniforms	2,400	1,200
Other Fees	300	156
Miscellaneous		343
Total General Building Standards	168,655	157,140
Total Building Standards	172,655	164,899
Total Expenditures	\$ 10,145,668	10,602,792

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF BRADLEY, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet
April 30, 2011

(See Following Page)

VILLAGE OF BRADLEY, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2011

	Special Revenue Funds			
	Broadway TIF	Motor Fuel Tax	Police Seizure	L Power Rd. TIF
Assets				
Cash and Equivalents	\$ 85,292	270,090	15,642	4,889
Receivables		29,976		
Total Assets	\$ 85,292	300,066	15,642	4,889
Liabilities				
Accounts Payable	\$ 53,919			
Deferred Revenue			1,085	
Due to Other Funds				
Total Liabilities	53,919	-	1,085	-
Fund Balances				
Reserved for				
Economic Development	31,373			4,889
Street Maintenance		300,066		
Public Safety			14,557	
Unreserved				
Debt Service Fund				
Capital Projects Fund				
Total Fund Balances	31,373	300,066	14,557	4,889
Total Liabilities and Liabilities	\$ 85,292	300,066	15,642	4,889

<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
GO Bond	Capital Projects	
196,205	103,904	676,022
67,499		97,475
<u>263,704</u>	<u>103,904</u>	<u>773,497</u>
	2,972	56,891
67,499		67,499
		1,085
<u>67,499</u>	<u>2,972</u>	<u>125,475</u>
		36,262
		300,066
		14,557
196,205		196,205
	100,932	100,932
<u>196,205</u>	<u>100,932</u>	<u>648,022</u>
<u>263,704</u>	<u>103,904</u>	<u>773,497</u>

VILLAGE OF BRADLEY, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended April 30, 2011

	Special Revenue Funds				Debt Service Fund
	Broadway TIF	Motor Fuel Tax	Police Seizure	L Power Rd. TIF	GO Bond
Revenues:					
Property Taxes	\$ 220,531			2,697	64,548
State Taxes		378,238			
Intergovernmental		63,073			
Fines and Forfeitures			19,935		
Investment Income	1,586	567	7	5	1,665
Miscellaneous			2,050		
Total Revenues	222,117	441,878	21,992	2,702	66,213
Expenditures					
General Government					
Public Safety			7,435		
Public Works		400,001			
Community Development	526,787				
Debt Service					
Principal					46,000
Interest					19,050
Capital Outlay					
Total Expenditures	526,787	400,001	7,435	-	65,050
Excess (Deficiency) of Revenues over (under) Expenditures	(304,670)	41,877	14,557	2,702	1,163
Other Financing Sources					
Transfers In					100,000
Net Change in Fund Balance	(304,670)	41,877	14,557	2,702	101,163
Fund Balance					
Beginning of Year	336,043	258,189		2,187	95,042
End of Year	\$ 31,373	300,066	14,557	4,889	196,205

Capital Projects Fund Capital Projects	Total Nonmajor Governmental Funds
	287,776
	378,238
	63,073
	19,935
22	3,852
12,600	14,650
<u>12,622</u>	<u>767,524</u>

	7,435
	400,001
	526,787
72,851	118,851
	19,050
75,789	75,789
<u>148,640</u>	<u>1,147,913</u>

(136,018)	(380,389)
<u>111,206</u>	<u>211,206</u>
(24,812)	(169,183)
<u>125,744</u>	<u>817,205</u>
<u>100,932</u>	<u>648,022</u>

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, 2011

	Original and Final Budget	Actual
Revenues		
State Taxes	\$ 367,457	378,238
Intergovernmental		63,073
Investment Income	300	567
Total Revenues	<u>367,757</u>	<u>441,878</u>
Expenditures		
Public Works		
Annual Maintenance - Contractor	450,000	353,858
Annual Maintenance - Engineer	40,000	35,538
Road Signs		10,605
Total Expenditures	<u>490,000</u>	<u>400,001</u>
Net Change in Fund Balance	<u>\$ (122,243)</u>	41,877
Fund Balances		
Beginning		<u>258,189</u>
Ending		<u><u>300,066</u></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, 2011

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$	64,548
Investment Income	1,400	1,665
Total Revenues	<u>1,400</u>	<u>66,213</u>
Expenditures		
Debt Service		
Principal Retirement	46,000	46,000
Interest and Fiscal Charges	17,410	19,050
Total Expenditures	<u>63,410</u>	<u>65,050</u>
Excess (Deficiency) of Revenues over Expenditures	(62,010)	1,163
Other Financing Sources		
Transfers In	<u>120,000</u>	<u>100,000</u>
Net Change in Fund Balances	<u>\$ 57,990</u>	101,163
Fund Balances		
Beginning		<u>95,042</u>
Ending		<u>196,205</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, 2011

	Original and Final Budget	Actual
Revenues		
Investment Income	\$ 300	22
Miscellaneous	12,600	12,600
Total Revenues	<u>12,900</u>	<u>12,622</u>
Expenditures		
Capital Outlay		
Vehicle Purchase	99,200	100,048
Equipment Purchase	50,000	48,592
Total Expenditures	<u>149,200</u>	<u>148,640</u>
Excess (Deficiency) of Revenues over Expenditures	(136,300)	(136,018)
Other Financing Sources		
Transfers In	<u>135,000</u>	111,206
Net Change in Fund Balances	<u>\$ (1,300)</u>	(24,812)
Fund Balances		
Beginning		<u>125,744</u>
Ending		<u>100,932</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, 2011

	Original and Final Operating Budget	Actual
Operating Revenues		
User Charges	\$ 1,552,500	1,322,593
Operating Expenses		
Salaries and Wages	377,150	351,699
Employee Benefits	154,240	150,534
Professional Fees	99,500	124,388
Materials, Repairs and Maintenance	51,500	49,861
Utilities	17,600	15,730
Depreciation		352,945
Sewer Fees	895,250	784,601
Other Operating Expenses	34,400	57,631
Total Operating Expenses	1,629,640	1,887,389
Operating Loss	(77,140)	(564,796)
Nonoperating Revenues (Expenses)		
Interest and Investment Income	12,900	15,507
Tap-On Fees	35,000	28,850
Interest Expense	(422,800)	(239,954)
Gain on Disposal of Capital Assets		4,513
Other Income (Expenses)	1,000	(38)
Total Nonoperating Revenues (Expenses)	(373,900)	(191,122)
Change in Net Assets	\$ (451,040)	(755,918)
Net Assets		
May 1		2,785,415
April 30		2,029,497

VILLAGE OF BRADLEY, ILLINOIS

Sewer Fund

Schedule of Operating Expenses - Budget and Actual

Year Ended April 30, 2011

	Original and Final Operating Budget	Actual
Salaries and Wages		
Salaries, Sewer Maintenance	\$ 209,800	159,934
Overtime	4,250	10,433
Wages, Support Staff	83,600	66,771
Salaries, Management	50,000	49,664
Sick Pay		13,655
Holiday Pay		14,468
Vacation Pay		32,826
Stipend	4,500	14,709
Separation Compensation	25,000	(10,761)
Total Salaries and Wages	377,150	351,699
Employee Benefits		
Medical Insurance	76,640	83,537
Life Insurance	500	540
IMRF	33,000	39,352
FICA	25,000	20,509
Medicare	6,200	4,796
Optional Insurance	5,500	
Clothing Allowance	7,400	1,800
Total Employee Benefits	154,240	150,534
Professional Fees		
Engineering Service	95,500	120,388
Audit Fees	4,000	4,000
Total Professional Fees	99,500	124,388
Materials, Repairs and Maintenance		
Equipment Purchase		6,586
Office Supplies	2,000	2,001
Office Equipment		
Software Maintenance	3,500	
Hardware Purchase	1,000	
Building Repair and Maintenance	500	1,215
New Sewer Main Construction		3,653
General Supplies	3,000	3,373
Vehicle Repair and Maintenance	6,500	6,663
Equipment Repair	10,000	22,644
Sewer Main Maintenance	25,000	3,726
Total Materials, Repairs and Maintenance	51,500	49,861

VILLAGE OF BRADLEY, ILLINOIS

Sewer Fund

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

Year Ended April 30, 2011

	Original and Final Operating Budget	Actual
Utilities		
Electric	15,000	10,535
Heating and Gas	2,000	4,497
Water and Sewer	600	698
Total Utilities	<u>17,600</u>	<u>15,730</u>
Sewer Fees		
Collection Services	34,000	23,687
Metro Sewer Service	860,000	759,600
Chemicals	1,000	1,205
Testing Service		
Gravel and Sand	250	109
Total Sewer Fees	<u>895,250</u>	<u>784,601</u>
Other Operating Expenses		
Telephone	1,200	4,072
J.U.L.I.E Locates	2,000	3,264
Vehicle Fuel	6,500	4,807
Postage	20,000	20,313
Other Fees and Services	4,700	25,175
Total Other Operating Expenses	<u>34,400</u>	<u>57,631</u>
Depreciation and Amortization		<u>352,945</u>
Total Operating Expenses	<u>\$ 1,629,640</u>	<u>1,887,389</u>

FIDUCIARY FUND TYPE

VILLAGE OF BRADLEY, ILLINOIS**Combining Statement of Fiduciary Net Assets**

April 30, 2011

	Police Pension Trust Fund	Fire Pension Trust Fund	Total
Assets			
Cash and Equivalents	\$ 1,185,343	262,587	1,447,930
Investments, at Fair Value			
Mutual Funds	800,260		800,260
Corporate Bonds	2,327,981		2,327,981
U.S. Government and Agency Obligations	5,977,864		5,977,864
Receivables			
Accrued Interest	4,208		4,208
Total Assets	10,295,656	262,587	10,558,243
Liabilities			
Payroll Withholding	6,139		6,139
Net Assets Held in Trust for Pension Benefits	\$ 10,289,517	262,587	10,552,104

VILLAGE OF BRADLEY, ILLINOIS

Combining Statement of Changes in Fiduciary Net Assets

April 30, 2011

	Police Pension Trust Fund	Fire Pension Trust Fund	Total
Additions			
Contributions			
Village Contributions	\$ 431,298	20,547	451,845
Employee Contributions	192,385	26,718	219,103
	<u>623,683</u>	<u>47,265</u>	<u>670,948</u>
Investment Income			
Interest Income	216,624	2,220	218,844
Net Appreciation in Fair Value of Investments	683,746		683,746
Total Investment Income	<u>900,370</u>	<u>2,220</u>	<u>902,590</u>
Less: Investment Expense	83,866		83,866
Net Investment Income	<u>816,504</u>	<u>2,220</u>	<u>818,724</u>
Total Additions	<u>1,440,187</u>	<u>49,485</u>	<u>1,489,672</u>
Deductions			
Administration	11,725	2,316	14,041
Benefits and Refunds	656,404		656,404
Total Deductions	<u>668,129</u>	<u>2,316</u>	<u>670,445</u>
Change in Net Assets	<u>772,058</u>	<u>47,169</u>	<u>819,227</u>
Net Assets			
May 1	<u>9,517,459</u>	<u>215,418</u>	<u>9,732,877</u>
April 30	<u>\$ 10,289,517</u>	<u>262,587</u>	<u>10,552,104</u>