

Village of Poplar Grove

Poplar Grove, Illinois

Annual Financial Report

April 30, 2013

Village of Poplar Grove, Illinois

Year Ended April 30, 2013

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Village of Poplar Grove, Illinois

Year Ended April 30, 2013

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Independent Auditor's Report on the Basic Financial Statements

The Village President
Members of the Village Trustees
Village of Poplar Grove, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Village of Poplar Grove, Illinois, as of and for the year ended April 30, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of these financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, and each major fund of the Village of Poplar Grove, Illinois, as of April 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis on pages 3 through 7, the Schedule of Funding Progress on page 41, and the budgetary comparison information on pages 42 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Village of Poplar Grove, Illinois' basic financial statements. The additional schedules listed in the table of contents as other information, pages 49 through 51, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Wipfli LLP

Rockford, Illinois
October 16, 2013

Management Discussion and Analysis

Village of Poplar Grove, Illinois

Management Discussion and Analysis

As management of Village of Poplar Grove, Illinois, we offer the readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village of Poplar Grove, Illinois for the year ended April 30, 2013.

The MD&A is provided at the beginning of the report to provide an overview of the Village's financial position at April 30, 2013 and the results of operations for the year. This summary should not be taken as a replacement for the audit report, which consists of the financial statements, notes to the financial statements, required supplementary information and other information.

Using this Financial Report

The financial section of this annual report consists of four parts - Independent Auditor's Reports, MD&A (this section), the basic financial statements, required supplementary information and other information. The basic financial statements include two kinds of statements that present different views of the Village:

Government - Wide Financial Statements

The first two statements are government-wide financial statements that provide both short term and long term information about the Village's overall financial status, similar to a private sector business. In the government-wide financial statements the Village's activities are shown in two categories - governmental activities and business-type activities. The Village's governmental activities are general government and motor fuel. These activities are largely financed with sales taxes, income taxes, property taxes, and user fees. The Village's business-type activities include water and sewer. These activities are largely financed with user fees.

The Statement of Net Position presents information on all of the Village's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. To assess the overall health of the Village you need to consider additional non-financial factors such as the condition of the Village's buildings and facilities.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. The financial statements are prepared under the accrual basis of accounting, whereby revenues and assets are recognized when earned regardless of when the cash is received and expenditures/expenses and liabilities are recognized when incurred, regardless of when payment is made.

Village of Poplar Grove, Illinois

Management Discussion and Analysis

Fund Financial Statements

The fund financial statements provide more detailed information about the Village's funds - not the Village as a whole. Funds are accounting devices the Village uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law, while others are established to control and manage money for particular purposes or to show that the Village is properly using certain revenues.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for each. 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 the comparison between governmental funds and governmental activities.

The Village maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and the changes in fund balances for all these funds. All of these funds are considered major funds of the Village. More detail of the individual revenues and expenditures for these funds is presented in the required supplementary information and other information section of this report.

The Village maintains a business-type fund. Information is presented in the proprietary Statement of Net Position and in the proprietary Statement of Revenues, Expenses, and the Changes in Net Position. The fund is considered a major fund of the Village.

The Village adopts annual budgets for all funds. A budgetary comparison statement has been provided for the budgeted major funds, which is in compliance with GASB Statement No.34.

Village of Poplar Grove, Illinois

Management Discussion and Analysis

Condensed Financial Information

Net Position is summarized in the table below.

Condensed Statement of Net Position as of April 30, 2013 and 2012

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets:						
Current Assets	\$1,810,576	\$1,431,747	\$ 244,837	\$ 292,959	\$ 2,055,413	\$ 1,724,706
Non-current Assets	<u>4,304,762</u>	<u>4,154,788</u>	<u>15,604,473</u>	<u>16,071,365</u>	<u>19,909,235</u>	<u>20,226,153</u>
Total Assets	<u>6,115,338</u>	<u>5,586,535</u>	<u>15,849,310</u>	<u>16,364,324</u>	<u>21,964,648</u>	<u>21,950,859</u>
Liabilities:						
Current Liabilities	524,400	561,299	462,407	462,678	986,807	1,023,977
Non-current Liabilities	<u>2,242,196</u>	<u>2,389,133</u>	<u>6,477,508</u>	<u>8,020,304</u>	<u>8,719,704</u>	<u>10,409,437</u>
Total liabilities	<u>2,766,596</u>	<u>2,950,432</u>	<u>6,939,915</u>	<u>8,482,982</u>	<u>9,706,511</u>	<u>11,433,414</u>
Net Position:						
Investments in capital assets, net of debt	1,915,631	1,625,953	8,784,169	7,750,478	10,699,800	9,376,431
Restricted for streets	345,378	382,581	-	-	345,378	382,581
Unrestricted	<u>1,087,733</u>	<u>627,569</u>	<u>125,226</u>	<u>130,864</u>	<u>1,212,959</u>	<u>758,433</u>
Total Net Position	<u>\$3,348,742</u>	<u>\$2,636,103</u>	<u>\$ 8,909,395</u>	<u>\$ 7,881,342</u>	<u>\$12,258,137</u>	<u>\$10,517,445</u>

Current assets consist of cash, investments, receivables, and prepaid items.

The Village's largest asset group is its capital assets. This includes buildings, equipment, vehicles, and infrastructure.

Current liabilities consist mainly of accounts payable, deferred revenue, and the current portion of long-term debt.

Notes Payable and general obligation bonds payable constitute the Village's long-term debt.

Village of Poplar Grove, Illinois

Management Discussion and Analysis

Condensed Financial Information (Continued)

The Village's net position consists of capital assets net of related debt, restricted and unrestricted net position.

Revenues, expenses, and changes in net position are summarized in the table below.

Condensed Statement of Activities For Fiscal Years Ending April 30, 2013 and 2012

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program:						
Charges for services	\$ 64,282	\$ 48,623	\$1,322,909	\$1,310,277	\$ 1,387,191	\$ 1,358,900
Operating grants & Contributions	176,938	27,079	-	-	57,327	27,079
General:						
Property & other taxes	1,512,139	1,406,266	-	31,168	1,631,750	1,437,434
Other	14,652	40,162	82	113	14,734	40,275
Extraordinary:						
Pre-payment of tap on fees	-	-	<u>1,272,000</u>	-	<u>1,272,000</u>	-
Total revenue received	<u>1,768,011</u>	<u>1,522,130</u>	<u>2,594,991</u>	<u>1,341,558</u>	<u>4,363,002</u>	<u>2,863,688</u>
Expenses:						
General government	528,174	652,841	-	-	528,174	652,841
Public safety	29,540	7,451	-	-	29,540	7,451
Public works	309,778	264,405	-	-	309,778	264,405
Culture and recreation	27,633	37,567	-	-	27,633	37,567
Interest expense	160,247	168,631	-	-	160,247	168,631
Water and Sewer	-	-	<u>1,566,938</u>	<u>1,918,106</u>	<u>1,566,938</u>	<u>1,918,106</u>
Total expenditures Disbursed	<u>1,055,372</u>	<u>1,130,895</u>	<u>1,566,938</u>	<u>1,918,106</u>	<u>2,622,310</u>	<u>3,049,001</u>
Change in Net Position	712,639	391,235	1,028,053	(576,548)	1,740,692	(185,313)
Net Position – beginning	<u>2,636,103</u>	<u>2,244,868</u>	<u>7,881,342</u>	<u>8,457,890</u>	<u>10,517,445</u>	<u>10,702,758</u>
Net Position – ending	<u>\$3,348,742</u>	<u>\$2,636,103</u>	<u>\$8,909,395</u>	<u>\$7,881,342</u>	<u>\$12,258,137</u>	<u>\$10,517,445</u>

Major sources of operating revenues for the Village include: Property and state taxes and charges for services.

Village of Poplar Grove, Illinois

Management Discussion and Analysis

Management's Analysis of the Village's Overall Financial Position and Results of Operations

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$12,258,137 as of April 30, 2013. This is an increase in net position of \$1,740,692 from the previous year. The General Fund is the main operating fund of the Village. The fund balance of the General Fund as of April 30, 2013 was \$1,120,147. Of this total, \$785,956 was cash and cash equivalents available for future spending. This is an increase of \$405,572 in fund balance from the previous year.

General Fund Budgetary Comparison

The Village adopted the budget in April 2013. The budget for all funds is prepared on the modified accrual basis of accounting. This is the same basis used in budgetary comparisons. This allows for comparability between budget and actual amounts.

In total the General Fund revenues were \$306,619 more than budgeted. General Fund expenses were \$77,266 over budget. Not including Inter-Fund Transfers, the General Fund had an increase of fund balance of \$626,798 for the fiscal year. Including Inter-Fund Transfers the General Fund had an increase in fund balance of \$405,572.

Capital Assets/Long term Debt

During the year ended April 30, 2013, the Village purchased equipment in the amount of \$510,837. See the notes to financial statements for additional information on Capital Assets and for information on Long-Term Debt. The Village repaid in full the 2007 debt certificates. See Note 6 for additional information on long-term debt. The Village did not issue debt during the fiscal year ended April 30, 2013.

Factors or Conditions Impacting Future Periods

Financial and budget planning is directly related to and supportive of the Village's strategic plan and operational needs. The Village's financial outlook is influenced by factors such as: the economy, employment, and commercial and residential growth.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Village of Poplar Grove at P.O. Box 1, Poplar Grove, IL 61065.

Basic Financial Statements

Village of Poplar Grove, Illinois

Statement of Net Position

April 30, 2013

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 1,149,855	\$ -	\$ 1,149,855
Receivables:			
Property taxes	244,052	-	244,052
Taxes	211,929	-	211,929
Accounts, net allowance of \$25,000	-	353,383	353,383
Interfund balances	172,425	(172,425)	-
Prepaid expenses	32,315	63,879	96,194
Total current assets	1,810,576	244,837	2,055,413
Capital assets (net):			
Land	315,479	-	315,479
Assets subject to depreciation	3,989,283	15,604,473	19,593,756
Total noncurrent assets	4,304,762	15,604,473	19,909,235
Total assets	6,115,338	15,849,310	21,964,648
Liabilities			
Current liabilities:			
Accounts payable	63,406	111,774	175,180
Accrued expenses	23,282	7,837	31,119
Accrued interest	46,725	-	46,725
Deferred revenues	244,052	-	244,052
Current portion on long term debt	146,935	342,796	489,731
Total current liabilities	524,400	462,407	986,807
Noncurrent liabilities:			
Notes payable	147,196	-	147,196
Bonds payable	2,095,000	6,477,508	8,572,508
Total noncurrent liabilities	2,242,196	6,477,508	8,719,704
Total liabilities	2,766,596	6,939,915	9,706,511
Net Position			
Net investment in capital assets	1,915,631	8,784,169	10,699,800
Restricted for streets	345,378	-	345,378
Unrestricted	1,087,733	125,226	1,212,959
Total net position	\$ 3,348,742	\$ 8,909,395	\$ 12,258,137

Village of Poplar Grove, Illinois

Statement of Activities

Year ended April 30, 2013

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General Government	\$ 528,174	\$ 62,332	\$ -	\$ -
Public Safety	29,540	-	-	-
Public Works	309,778	1,950	176,938	-
Culture and Recreation	27,633	-	-	-
Interest expense	160,247	-	-	-
Total governmental activities	\$ 1,055,372	\$ 64,282	\$ 176,938	\$ -
Business-type activities:				
Waterworks and Sewer	\$ 1,566,938	\$ 1,322,909	\$ -	\$ -
Total business-type activities	\$ 1,566,938	\$ 1,322,909	\$ -	\$ -
General revenues:				
Taxes:				
Property taxes				
Replacement taxes				
Income taxes				
Sales taxes				
Electric utilities tax				
Telecommunications tax				
Interest				
Miscellaneous				
Total general revenues				
Special Item: extraordinary revenue - pre-payment of tap on fees				
Change in net position				
Net position - beginning				
Net position - ending				

See accompanying notes to financial statements.

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (465,842)	\$ -	\$ (465,842)
(29,540)	-	(29,540)
(130,890)	-	(130,890)
(27,633)	-	(27,633)
(160,247)	-	(160,247)
(814,152)	-	(814,152)
-	(244,029)	(244,029)
-	(244,029)	(244,029)
324,265	-	324,265
4,319	-	4,319
496,144	-	496,144
387,564	-	387,564
175,601	-	175,601
124,246	-	124,246
875	82	957
13,777	-	13,777
1,526,791	82	1,526,873
-	1,272,000	1,272,000
712,639	1,028,053	1,740,692
2,636,103	7,881,342	10,517,445
\$ 3,348,742	\$ 8,909,395	\$ 12,258,137

Village of Poplar Grove, Illinois

Statement of Assets, Liabilities and Fund Balances Governmental Funds

April 30, 2013

	General Fund	Motor Fuel Tax Fund
Assets		
Cash and cash equivalents	\$ 785,956	\$ 336,739
Due from other funds	178,623	-
Receivables, net of allowances:		
Property taxes	227,051	-
Taxes	203,290	8,639
Prepaid expenses	31,335	980
Total assets	\$ 1,426,255	\$ 346,358
Liabilities and Fund Balances		
Current liabilities:		
Due to other funds	\$ -	\$ -
Accounts payable	62,613	-
Accrued payroll	16,444	-
Deferred revenue	227,051	-
Total liabilities	306,108	-
Fund balances:		
Nonspendable	31,335	980
Restricted	-	345,378
Unassigned	1,088,812	-
Total fund balances	1,120,147	346,358
Total liabilities and fund balances	\$ 1,426,255	\$ 346,358

See accompanying notes to financial statements.

Social Security Fund	Debt Service Fund	Total Governmental Funds
\$ -	\$ 27,160	\$ 1,149,855
-	-	178,623
17,001	-	244,052
-	-	211,929
-	-	32,315
<u>\$ 17,001</u>	<u>\$ 27,160</u>	<u>\$ 1,816,774</u>
\$ 6,198	\$ -	\$ 6,198
793	-	63,406
-	-	16,444
17,001	-	244,052
<u>23,992</u>	<u>-</u>	<u>330,100</u>
-	-	32,315
-	27,160	372,538
(6,991)	-	1,081,821
<u>(6,991)</u>	<u>27,160</u>	<u>1,486,674</u>
<u>\$ 17,001</u>	<u>\$ 27,160</u>	<u>\$ 1,816,774</u>

Village of Poplar Grove, Illinois

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Year ended April 30, 2013

Total fund balances - governmental funds	\$ 1,486,674
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$5,449,536 and the accumulated depreciation is \$1,144,774.	4,304,762
Accrued interest is not due and payable in the current period and therefore are not reported in the funds.	(46,725)
Accrued employee benefits are not due and payable in the current period and therefore are not reported in the funds.	(6,838)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.	(2,389,131)
Total net position - governmental activities	\$ 3,348,742

Village of Poplar Grove, Illinois

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds

April 30, 2013

	General Fund	Motor Fuel Tax Fund
Revenues		
Property taxes	\$ 309,436	\$ -
Intergovernmental:		
Replacement tax	4,319	-
Income taxes	496,144	-
Sales taxes	387,564	-
Motor fuel taxes	-	119,611
Electric utilities tax	175,601	-
Telecommunications tax	124,246	-
Liquor license	9,450	-
Building permits	28,782	-
Water meters	1,950	-
Interest	348	486
Rental income	24,100	-
State grant	32,921	24,406
Other	13,777	-
Total revenues	1,608,638	144,503
Expenditures		
General government	531,182	-
Public safety	29,540	-
Transportation and public works	239,248	-
Culture and recreation	11,138	-
Capital outlay	138,747	180,726
Debt service	31,985	-
Total expenditures	981,840	180,726
Excess (deficiency) of revenues over expenditures	626,798	(36,223)
Other Financing Sources (Uses)		
Transfers in	-	-
Transfers out	(221,226)	-
Total other financing sources and uses	(221,226)	-
Net change in fund balances	405,572	(36,223)
Fund balances - beginning	714,575	382,581
Fund balances - ending	\$ 1,120,147	\$ 346,358

See accompanying notes to financial statements.

Social Security Fund	Debt Service Fund	Total Governmental Funds
\$ 14,829	\$ -	\$ 324,265
-	-	4,319
-	-	496,144
-	-	387,564
-	-	119,611
-	-	175,601
-	-	124,246
-	-	9,450
-	-	28,782
-	-	1,950
-	41	875
-	-	24,100
-	-	57,327
-	-	13,777
14,829	41	1,768,011
16,929	-	548,111
-	-	29,540
-	-	239,248
-	-	11,138
-	-	319,473
-	221,226	253,211
16,929	221,226	1,400,721
(2,100)	(221,185)	367,290
-	221,226	221,226
-	-	(221,226)
-	221,226	-
(2,100)	41	367,290
(4,891)	27,119	1,119,384
\$ (6,991)	\$ 27,160	\$ 1,486,674

Village of Poplar Grove, Illinois

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

Year ended April 30, 2013

Excess (deficiency) of revenues received and other sources over (under)
expenditures disbursed and other uses - Governmental funds \$ 367,290

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

Capital outlays are reported in governmental funds as expenditures. However,
in the statement of activities, the cost of those assets is allocated over their
useful lives as depreciation expense. This is the amount by which capitalized
fixed assets \$314,920 exceeds (is less than) depreciation expense of
\$164,946 in the period. 149,974

Accrued interest is not due and payable in the current period and therefore
are not reported in the funds. This is the difference between the prior
year and the current year. 47,238

Accrued employee benefits are not due and payable in the current period and
therefore are not reported in the funds. This is the difference between the prior
year and the current year. 8,433

Debt payments are reported in governmental funds as expenditures. However,
only the interest on debt is recorded in the statement of activities. This is the
amount of debt payments in the period. 139,704

Change in net position of governmental activities \$ 712,639

Village of Poplar Grove, Illinois

Statement of Net Assets Proprietary Funds

April 30, 2013

	Total
Assets	
Current assets:	
Cash and investments	\$ -
Accounts receivable, net allowance of \$25,000	353,383
Prepaid expenses	63,879
Total current assets	417,262
Noncurrent assets:	
Capital assets:	
Water and sewer utility system	20,743,507
Streets	66,551
Accumulated depreciation	(5,205,585)
Total noncurrent assets	15,604,473
Total assets	16,021,735
Liabilities	
Current liabilities:	
Due to other funds	172,425
Accounts payable	111,774
Accrued payroll	7,837
Current portion long-term debt	342,796
Total current liabilities	634,832
Noncurrent liabilities:	
Bonds payable	6,477,508
Total noncurrent liabilities	6,477,508
Total liabilities	7,112,340
Net position	
Net investment in capital assets	8,784,169
Unrestricted	125,226
Total net position	\$ 8,909,395

Village of Poplar Grove, Illinois

Statement of Revenues, Expenses, and Changes in Fund Net Position Proprietary Funds

Year ended April 30, 2013

	Total
Operating revenues	
Water and sewer sales	\$ 1,222,063
Tap on fees	27,845
Penalties	73,001
<hr/>	
Total revenues	1,322,909
<hr/>	
Operating expenses	
Personnel services	187,244
Contractual services	266,788
Commodities	92,085
Capital Outlay	75,431
Bad debt (recovery)	(13,528)
Depreciation	662,809
<hr/>	
Total operating expenses	1,270,829
<hr/>	
Operating income (loss)	52,080
<hr/>	
Non-operating revenue (expenses)	
Interest income	82
Interest expense	(296,109)
<hr/>	
Total non-operating revenue (expense)	(296,027)
<hr/>	
Extraordinary revenue	
Pre-payment of tap on fees	1,272,000
<hr/>	
Total extraordinary revenue	1,272,000
<hr/>	
Increase (decrease) in net assets	1,028,053
Net position, beginning	7,881,342
Net position, ending	\$ 8,909,395

Village of Poplar Grove, Illinois

Statement of Cash Flows Proprietary Funds

April 30, 2013

	Total
<i>Cash Flows from Operating Activities</i>	
Receipts from customers and users	\$ 1,296,581
Payments to suppliers	(381,528)
Payments to employees	(183,340)
Net cash provided by (used in) operations	731,713
<i>Cash Flows from Investing Activities</i>	
Interest received	82
Net cash provided by investing activities	82
<i>Cash Flows from Capital and Related Financing Activities</i>	
Interest paid	(378,305)
Purchase of property & equipment	(195,917)
Principal payments on debt	(1,500,583)
Net cash provided by (used in) capital and related financing activities	(2,074,805)
<i>Cash Flows from Non-Capital Financing Activities</i>	
Cash borrowings from general fund	71,010
Net cash provided by non-capital financing activities	71,010
<i>Cash Flows from Extraordinary Activities</i>	
Pre-payment of tap on fees	1,272,000
Net cash provided by extraordinary activities	1,272,000
Net increase (decrease) in cash and cash equivalents	-
Beginning cash and cash equivalents	-
Ending cash and cash equivalents	\$ -

Village of Poplar Grove, Illinois

Statement of Cash Flows (Continued) Proprietary Funds

Year ended April 30, 2013

	Total
<i>Reconciliation of operating income to net cash provided (used) by operating activities:</i>	
Operating income (loss)	\$ 52,080
Adjustments to reconcile operating income to net cash provided by (used in) operations	
Depreciation	662,809
Bad debts	(13,528)
Changes in assets and liabilities:	
Accounts receivable	(26,328)
Prepaid expenses	16,968
Accounts payable	35,808
Accrued payroll	3,904
Net cash provided by (used in) operations	\$ 731,713

Village of Poplar Grove, Illinois

Note to Financial Statements

Note 1 Summary of Significant Accounting Policies

Reporting Entity

The Village of Poplar Grove, Illinois was organized shortly after 1895 under the provisions of the State of Illinois. The Village operates under a President/Trustee form of government and provides services to the public such as general administrative services, water and sewer system, and streets. The population of the Village is approximately 5,041 and there are no municipalities within it. The Village covers an area of 7 square miles.

The accounting policies of the Village conform to accounting principles generally accepted in the United State of America as applicable to governmental units. Village of Poplar Grove's basic financial statements include the accounts of all Village operations that are controlled by or dependent on the Village. Control or dependence is determined by financial interdependency, selection of governing board, designation of management, accountability for fiscal matters and ability to significantly influence operations.

In evaluating how to define the government, for financial reporting purposes, the Village has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the Village and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Village is able to exercise oversight responsibilities.

The Village is considered to be a primary government pursuant to GASB Statement 14 as amended by GASB Statement 39 since it is legally separate and financially independent. This report includes all of the funds and account groups of the Village. It includes all activities considered to be part of (controlled by or dependent on) the Village as set forth under the GAAP criteria.

Village of Poplar Grove, Illinois

Note to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Government-Wide, Fund Financial Statements and Basis of Accounting

The government wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Village. For the most part, the effect of the interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Earnings on investments, not properly included among program revenues are reported instead as general revenue.

The government wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all the eligibility requirements imposed by the provider have been met.

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Village:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. Governmental fund financial statements are reported using the modified accrual basis method of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Village of Poplar Grove, Illinois

Note to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Government-Wide, Fund Financial Statements and Basis of Accounting (Continued)

Governmental Funds (Continued)

For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. The following is a description of the governmental funds of the Village:

General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a particular purpose.

Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business type/proprietary funds).

Proprietary Fund

The focus of the proprietary fund measurement is upon determination of operating income, changes in Net Position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

A proprietary fund is a fund in which a fee is charged to external users of goods and services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on pricing policy designed to recover similar costs.

Village of Poplar Grove, Illinois

Note to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Government-Wide, Fund Financial Statements and Basis of Accounting (Continued)

Proprietary Fund (Continued)

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. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources when they are needed.

Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. The allowance for doubtful accounts at April 30, 2013 is \$25,000.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

Deferred Revenue

Deferred revenues are reported in the governmental fund financial statements when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise in both government-wide and fund financial statements when resources are received by the Village before it has 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 the resources, the liability for deferred revenue is removed and revenue is recognized.

Total Column

Government-wide financial statements - The total column presented in the government-wide financial statements represents consolidated financial information.

Fund financial statements - the total column presented on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

Village of Poplar Grove, Illinois

Note to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Government-Wide, Fund Financial Statements and Basis of Accounting (Continued)

Support from Governmental Units

The Village receives a substantial amount of support from tax levies. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Village's programs and activities.

Comparative Data

Comparative data for the prior year has been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the Village's financial position and operations.

The Village reports the following major funds:

Governmental Funds

General Fund - The general fund is the general operating fund of the Village. It is used to account for all the financial resources except those required to be accounted for in another fund.

Motor Fuel Tax Fund - This fund records the receipts of the Village's share of state gasoline taxes. These funds are then expended for the maintenance of roads and bridges. State of Illinois law requires separate accounting for such revenues and expenditures.

Social Security Fund - This fund records the property taxes of the social security levy. These funds are then expended for the Village's share of social security taxes.

Debt Service Fund - This fund is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

Enterprise Funds

Waterworks and Sewerage Fund - To account for the costs related to the operation of the Village's water and sewer system. Funding is provided by user fees.

Village of Poplar Grove, Illinois

Note to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Cash and Investments

Cash consists of demand deposits and savings accounts, both being easily accessible and with short-term duration. Cash and cash equivalents for the statement of cash flows include all unrestricted highly liquid investments. Investments as of April 30, 2013 consist of treasury bills, certificates of deposit, and money market accounts in various financial institutions. Investments are stated at fair market value.

Statutes authorize the Village to invest in: 1) securities guaranteed by the full faith and credit of the United States of America; 2) deposits or other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; 3) short-term obligations of corporations organized in the United States which meet other restrictions as defined in Illinois Revised Statutes Chapter 35, Paragraph 902, as amended; 4) money market funds registered under the Investment Company Act of 1940; 5) short-term discount obligations of the Federal National Mortgage Association; 6) shares or other forms of securities legally issuable by savings and loan associations; 7) various share accounts of a credit union chartered under the laws of the State of Illinois or the laws of the United States provided the principal office of any such credit union is located within the State of Illinois; 8) a Public Treasurer's Investment Pool created under Section 17 of "An Act to revise the law in relation to the State Treasurer", approved April 23, 1873, as amended. Bank and savings and loan investments may only be made in institutions which are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and Illinois insurance company general and separate accounts. For purposes of the statement of cash flows, cash equivalents include money market accounts and any highly liquid instruments purchased with a maturity of less than three months.

Property Taxes

Property taxes attach as an enforceable lien on January 1st on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Such taxes are payable by taxpayers in two installments on approximately June 1 and September 1 subsequent to the year of levy. The property tax levy passed in December 2012 was set up as a receivable and deferred as revenue in fiscal year 2013.

Village of Poplar Grove, Illinois

Note to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Property Taxes (Continued)

Property tax revenue in the current year relates to the 2011 levy. Property taxes related to the 2012 levy are collected in the subsequent year and are not considered available and are accordingly recorded as revenues in the year following the levy.

Effective in December 2012, the Village levied its 2012 taxes which will be recognized as revenue in fiscal year 2014. The amounts of taxes levied are:

General Fund	\$227,051
Special Revenue Funds:	
Social Security	<u>17,001</u>
	<u>\$244,052</u>

Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation time. All vacation pay time is due in the event of termination and is accrued when incurred in the government-wide and proprietary fund financial statements, in accordance with the Village's policies. Sick time accrues based on days of employment. Upon termination, accumulated sick pay will convert into severance pay with the amounts depending on length of service. The amount recorded for compensated absences at April 30, 2013 is \$6,838.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 Legal Compliance and Accountability

Excess of Expenditures Over Appropriations

For the year ended April 30, 2013, all funds expended less than the amount of appropriations except for the General Fund and Motor Fuel Tax Fund. The General Fund and Motor Fuel Tax Fund expended \$77,266 and \$30,726 more than the amount of appropriations, respectively.

Village of Poplar Grove, Illinois

Note to Financial Statements

Note 2 Legal Compliance and Accountability (Continued)

Alternate Revenue Debt Coverage

For the year ended April 30, 2013, the Water & Sewer Alternate Revenue Bonds are as follows: 2005A Series, 2008 Series, 2008A Series, 2012A Series and 2012B Series. Per State Statute (30 ILCS 350/15) (from Ch. 17, par. 6915), revenues shall have been determined by the governing body to be sufficient to provide for or pay in each year to final maturity of such alternate bonds all of the following: 1) costs of operation and maintenance of the utility or enterprise, but not including depreciation, 2) debt service on all outstanding revenue bonds payable from such enterprise revenues, 3) all amounts required to meet any fund or account requirements with respect to such outstanding revenue bonds, 4) other contractual or tort liability obligations, if any, payable from such enterprise revenues, and 5) in each year, an amount not less than 1.25 times debt service of all alternate bonds payable from such enterprise revenues previously issued and outstanding and alternate bonds proposed to be issued.

For the year ended April 30, 2013, a feasibility study was performed demonstrating the sufficiency of the revenues. In order to be in compliance relating to the bond refunding, the Village passed an ordinance before the delivery of the bonds in order to create the revenue sufficient to meet the 1.25 coverage.

Deficit Fund Balances/Retained Earnings of Individuals Funds

The Social Security Fund had a deficit in fund balance of \$6,991 as of April 30, 2013.

Note 3 Deposits and Investments

The Village maintains a cash and investment pool that is mainly used by the Water and Sewer Fund.

Occasionally, certain funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures which have been approved by the Village Trustees. A deficit in one fund restricts the cash available for use by other funds in the same common account. As of April 30, 2013, the Social Security Fund had a cash overdraft balance of \$6,198 that was offset as a payable to the general fund. Also, the Waterworks and Sewer fund had a cash overdraft balance of \$172,425 that was offset as a payable to the general fund.

Deposits. At year-end, the carrying amount of the Village's deposits in checking, money market accounts, savings accounts and certificates of deposit was \$1,149,855 and the bank balance was \$1,165,389. Of the bank balance, \$1,165,389 was covered by Federal Depository Insurance or by collateral held by pledging bank's trust department or by its agent in the Village's name.

Village of Poplar Grove, Illinois

Note to Financial Statements

Note 3 Deposits and Investments (Continued)

Deposits (Continued). Custodial credit risk is the risk that, in the event of a bank failure, the Village's deposits might not be recovered. As of April 30, 2013, \$0 of the Village's balance was exposed to custodial credit risk and was uninsured and uncollateralized. The Village has no foreign currency risk for deposits at year end.

For financial statement purposes, the Village shows long-term certificates of deposits, U.S. Govt. obligations, and equity mutual funds as investments.

Investments. As of April 30, 2013, the Village's investments were as follows:

	<u>Fair Value</u>
Investment in State Investment Pool	<u>\$1,729</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the Village investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Village's investments by maturity:

	<u>Remaining Maturity (in Months)</u>			<u>Total</u>
	<u>12 Months or Less</u>	<u>13-60 Months</u>	<u>60+ Months</u>	
External investment pool	<u>\$1,729</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,729</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in U.S. Government obligations are not considered to be of any credit risk since they carry the full obligation and guarantee of the U.S. Government. Presented below is the Village's investment policy, or debt agreements, and the actual rating as of year end for each investment type:

	<u>Total as of April 30, 2013</u>	<u>AAAm</u>	<u>Unrated</u>
External investment pool	<u>\$1,729</u>	<u>\$1,729</u>	<u>\$ -</u>

Village of Poplar Grove, Illinois

Note to Financial Statements

Note 3 Deposits and Investments (Continued)

Concentration of Credit Risk

The Village has no investments, other than mutual funds that are exempted from this requirement, in any one issuer that represent 5% or more of total Village's investments.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

As of April 30, 2013 there are no investments with custodial credit risk in that all of its investments are insured.

Note 4 Property, Plant and Equipment

Capital assets, which include buildings and improvements, equipment and vehicles are reported in the government-wide financial statements. The Village defines capital assets as assets with an initial individual cost of more than \$5,000 for equipment and vehicles, \$10,000 for building and improvements and infrastructure assets, and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. For those assets for which historical cost is not available, the Village has estimated historical cost by using current costs and adjusting for inflation. Donated assets are stated at estimated fair market value as of the date of acquisition. The cost of normal maintenance and repair that do not add to the value of the asset or materially extend the useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. All capital assets, except construction in progress, are being depreciated using the straight line method over the following useful lives:

Buildings & Improvements	40 years
Infrastructure	40 years
Equipment & Vehicles	5 - 7 years

The Village has elected to record infrastructure assets on a prospective basis.

Capital assets in the governmental fund financial statements are reported as expenditures when incurred.

Village of Poplar Grove, Illinois

Note to Financial Statements

Note 4 Property, Plant and Equipment (Continued)

The governmental activities capital asset activity for the year ended April 30, 2013 is as follows:

	<u>Balance</u> <u>May 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>April 30, 2013</u>
Cost:				
Land (non-depreciable)	\$ 315,479	\$ -	\$ -	\$ 315,479
Buildings	1,218,074	-	-	1,218,074
Park building/equipment	199,293	-	-	199,293
Equipment	305,896	47,408	-	353,304
Vehicles	170,138	34,729	-	204,867
Streets	<u>2,925,736</u>	<u>232,783</u>	<u>-</u>	<u>3,158,519</u>
Total capital assets	<u>\$5,134,616</u>	<u>\$314,920</u>	<u>\$ -</u>	<u>\$5,449,536</u>
	<u>Balance</u> <u>May 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>April 30, 2013</u>
Accumulated Depreciation:				
Buildings	\$185,976	\$ 34,261	\$ -	\$220,237
Park building/equipment	83,758	6,093	-	89,851
Equipment	251,397	25,211	-	276,608
Vehicles	90,783	22,969	-	113,752
Streets	<u>367,914</u>	<u>76,412</u>	<u>-</u>	<u>444,326</u>
Total accumulated depreciation	<u>\$979,828</u>	<u>\$164,946</u>	<u>\$ -</u>	<u>\$1,144,774</u>
Governmental activities capital assets, net	<u>\$4,154,788</u>	<u>\$149,974</u>	<u>\$ -</u>	<u>\$4,304,762</u>

The business-type activities capital asset activity for the year ended April 30, 2013 is as follows:

	<u>Balance</u> <u>May 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>April 30, 2013</u>
Cost:				
Water/sewer utility system	\$ 8,019,674	\$195,917	\$ -	\$ 8,215,591
Streets	66,551	-	-	66,551
Village water system	<u>12,527,916</u>	<u>-</u>	<u>-</u>	<u>12,527,916</u>
Total capital assets being depreciated	<u>\$20,614,141</u>	<u>\$195,917</u>	<u>\$ -</u>	<u>\$20,810,058</u>

Village of Poplar Grove, Illinois

Note to Financial Statements

Note 4 Property, Plant and Equipment (Continued)

Accumulated Depreciation:

Water/sewer utility system	\$3,192,674	\$264,458	\$ -	\$3,457,132
Streets	10,815	1,663	-	12,478
Village water system	<u>1,339,287</u>	<u>396,688</u>	<u>-</u>	<u>1,735,975</u>
Total accumulated depreciation	<u>\$4,542,776</u>	<u>\$662,809</u>	<u>\$ -</u>	<u>\$5,205,585</u>
Business-type activities capital assets, net	<u>\$16,071,365</u>	<u>\$(466,892)</u>	<u>\$ -</u>	<u>\$15,604,473</u>

Depreciation expense was charged to the General, Motor Fuel Tax and the Water and Sewer Funds to function/programs of the primary government as follows:

Governmental activities:

General government	\$ 82,473
Public works	65,978
Culture and recreation	<u>16,495</u>
Total depreciation expense, governmental activities	<u>\$164,946</u>

Business-type activities:

Water and Sewer	<u>\$662,809</u>
-----------------	------------------

Note 5 Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past five fiscal years.

Village of Poplar Grove, Illinois

Note to Financial Statements

Note 6 Long-Term Debt

General obligation bonds and notes payable are direct obligations and pledge the full faith and credit of the Village. Long term debt currently outstanding is as follows:

<u>Issue</u>	<u>Balances</u> <u>May 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> <u>April 30</u>
<u>Governmental Activities</u>				
Note payable to Eugene Simerl for \$80,000 for land, dated December, 2004, due in annual installments of \$8,000 plus interest at 7.5% through December, 2015.	\$ 60,266	\$ -	\$ 7,222	\$ 53,044
Note payable to Eugene Simerl for \$160,000 for land, dated September, 2004, due in annual installments of \$16,000 plus interest at at 7.5% through September, 2015.	113,569	-	7,482	106,087
\$3,000,000 General Obligation (Alternate Revenue Source) Series 2005B, due in annual installments of \$95,000 to \$215,000 plus interest at 3.75% to 4.50% through December, 2025	<u>2,355,000</u>	<u>-</u>	<u>125,000</u>	<u>2,230,000</u>
	<u>\$2,528,835</u>	<u>\$ -</u>	<u>\$139,704</u>	<u>\$2,389,131</u>
<u>Issue</u>	<u>Balances</u> <u>May 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> <u>April 30</u>
<u>Business-Type Activities</u>				
\$3,525,000 W&S Alternate Revenue Source Series 2005A, due in annual installments of \$10,000 to \$435,000 plus interest at 3.30% to 4.75% through May, 2023	W&S \$3,240,000	\$ -	\$150,000	\$3,090,000
\$780,000 W&S Alternate Revenue Source Bonds Series 2008, due in annual installments of \$0 to \$390,000 plus interest at 4.85% to 4.90% through May 1, 2028	W&S 780,000	-	-	780,000

Village of Poplar Grove, Illinois

Note to Financial Statements

Note 6 Long-Term Debt (Continued)

<u>Issue</u>		<u>Balances May 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances April 30</u>
<u>Business-Type Activities (Continued)</u>					
\$535,000 W&S Alternate Revenue Source Bonds Series 2008A, due in annual installments of \$0 to \$400,000 plus interest at 6.00% through May 1, 2029	W&S	535,000	-	-	535,000
\$350,000 General Obligation Notes Series 2009, due in monthly installments of \$2,000 to \$3,700 plus interest at 4.75% through October 6, 2019	W&S	277,390	-	31,541	245,849
\$150,000 General Obligation Notes Series 2009, due in monthly installments of \$1,000 to \$1,650 plus interest at 4.75% through October 6, 2019	W&S	123,497	-	14,042	109,455
\$210,000 W&S Alternate Revenue Source Bonds Series 2012A, due in annual installments of \$10,000 to \$30,000 plus interest at 2.25% to 3.70% through May 1, 2023.	W&S	210,000	-	10,000	200,000
\$1,955,000 W&S Alternate Revenue Source Bonds Series 2012B, due in annual installments of \$95,000 to \$160,000 plus interest at 2.50% to 3.25% through May 1, 2027.	W&S	1,955,000	-	95,000	1,860,000
2007 Debt Certificate (limited recourse) for \$1,200,000 dated October, 2007, interest of 6.0% and payable annually in November each year. This was repaid in full in October 2012.		<u>1,200,000</u>	-	<u>1,200,000</u>	-
Total		<u>\$8,320,887</u>	<u>\$ -</u>	<u>\$1,500,583</u>	<u>\$6,820,304</u>

Village of Poplar Grove, Illinois

Note to Financial Statements

Note 6 Long-Term Debt (Continued)

2007 Debt Certificate Requirements

The 2007 Debt Certificates are a limited recourse special revenue obligation payable solely from a pledge of the collection of water tap-on fees from properties within the specified territory. The Village collected \$-0- in tap on fees in fiscal year 2013 in relation to this agreement.

On November 1, 2012, if any payment on the Certificates, whether arrears interest, regular installments of interest, or principal, shall as yet then be unpaid, the entire payment obligation on the Certificates so unpaid shall be calculated and determined (the "Unpaid Maturity Amount"). The Unpaid Maturity Amount shall then no longer bear interest, but shall be payable from time to time when funds are available without any distinction as to principal or interest or arrears interest and as due on the Certificates then outstanding, each pro rata as to Unpaid Maturity Amount.

On October 8, 2012, the Village entered into an agreement with Home State Bank, N.A. regarding the debt and tap-on fees. The Village received \$1,272,000 and Home State Bank, N.A. received 848 tap-on fees within the general service area of Orth Road and Poplar Grove Road.

2005 Series Revenue Bond Debt Service Requirements

In November 2005, the Village of Poplar Grove issued \$3,525,000 General Obligation Refunding Bonds (Alternative Revenue Source) Series 2005A and \$3,000,000 General Obligation Refunding Bonds (Alternative Revenue Source) Series B.

The proceeds of the Series 2005A Bonds were used for improvements and paid off a portion of the Series 2001 Bonds. The 2005B Bonds were used for street improvements, new street construction and a new Village Hall.

The term "Alternative Revenue Source" refers to the security on the bonds. The 2005A Bonds are payable, both principal and interest, from net revenues of the combined water works and sewerage system of the Village (the "Pledged Revenues") and ad valorem taxes levied upon all taxable property in the Village without limitation as to rate or amount (the "Pledged Taxes"). The 2005B Bonds are payable from the General Fund.

2008 Series Revenue Bond Debt Service Requirements

In February 2008, the Village of Poplar Grove issued \$780,000 General Obligation Bonds (Alternative Revenue Source) Series 2008.

In October 2008, the Village of Poplar Grove issued \$535,000 General Obligation Bonds (Alternate Revenue Source) Series 2008A.

Village of Poplar Grove, Illinois

Note to Financial Statements

Note 6 Long-Term Debt (Continued)

2008 Series Revenue Bond Debt Service Requirements (Continued)

The proceeds of these bond issues are to be used to finance various improvements to the Village's water and sewer system and pay certain costs of issuance.

The term "Alternative Revenue Source" refers to the security on the bonds. The bonds are payable, both principal and interest, from net revenues of the combined Water works and Sewerage Fund of the Village as and to the extent provided in the bond ordinance by which the bonds have been authorized, and subject to certain prior lien costs and obligations as provided therein, and ad valorem taxes levied upon all taxable property in the Village without limitation as to rate or amount (the "Pledged Taxes").

2009 Series Revenue Bond Debt Service Requirements

In October 2009, the Village of Poplar Grove issued \$350,000 General Obligation Notes (Limited Tax) Series 2009.

In April 2010, the Village of Poplar Grove issued \$150,000 General Obligation Notes (Limited Tax) Series 2009A.

The proceeds of these bond issues are to be used to finance various improvements to the Village's water and sewer system and pay certain costs of issuance.

The term "Limited Tax" refers to the security on the bonds. The bonds are payable, both principal and interest, from net revenues of the combined Water works and Sewerage Fund of the Village as and to the extent provided in the bond ordinance by which the bonds have been authorized, and subject to certain prior lien costs and obligations as provided therein, and ad valorem taxes levied upon all taxable property in the Village without limitation as to rate or amount (the "Pledged Taxes").

2012 Series Revenue Bond Debt Service Requirements

In March 2012, the Village of Poplar Grove issued \$210,000 General Obligation Refunding Bonds (Alternative Revenue Source) Series 2012A.

In March 2012, the Village of Poplar Grove issued \$1,955,000 General Obligation Refunding Bonds (Alternative Revenue Source) Series 2012B.

The proceeds of these bond issues paid off the remaining balances of the 2001 Series Bonds and 2004 Series Bonds.

Village of Poplar Grove, Illinois

Note to Financial Statements

Note 6 Long-Term Debt (Continued)

2012 Series Revenue Bond Debt Service Requirements (Continued)

The term "Alternative Revenue Source" refers to the security on the bonds. The bonds are payable, both principal and interest, from net revenues of the combined Water works and Sewerage Fund of the Village as and to the extent provided in the bond ordinance by which the bonds have been authorized, and subject to certain prior lien costs and obligations as provided therein, and ad valorem taxes levied upon all taxable property in the Village without limitation as to rate or amount (the "Pledged Taxes").

Annual debt service requirements to maturity for the Village's long-term debt are as follows:

Year Ending April 30	Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest
2014	\$ 147,063	\$ 102,536	\$ 342,796	\$ 266,787
2015	287,068	95,556	375,117	254,353
2016	145,000	78,226	417,549	240,484
2017	150,000	71,339	455,100	225,551
2018	155,000	65,714	487,775	208,962
2019 - 2023	885,000	232,254	2,811,969	759,472
2024 - 2028	<u>620,000</u>	<u>50,200</u>	<u>1,930,000</u>	<u>309,816</u>
Total	<u>\$2,389,131</u>	<u>\$ 695,825</u>	<u>\$6,820,306</u>	<u>\$2,265,425</u>

Changes in Long-term Liabilities

During the fiscal year the following changes occurred in long-term debt:

	Balances May 1	Additions	Reductions	Balances April 30
Governmental activities:				
Notes payable	\$ 173,835	\$ -	\$ 14,704	\$ 159,131
Bonds payable	2,355,000	-	125,000	2,230,000
Business-type activities:				
Debt certificates payable	1,200,000	-	1,200,000	-
Bonds payable	<u>7,120,887</u>	<u>-</u>	<u>300,581</u>	<u>6,820,306</u>
Total	<u>\$10,849,722</u>	<u>\$ -</u>	<u>\$1,640,285</u>	<u>\$9,209,437</u>

Village of Poplar Grove, Illinois

Note to Financial Statements

Note 6 Long-Term Debt (Continued)

Debt Limitation

2012 Assessed Valuation	<u>\$91,998,020</u>
Statutory debt limitation (8.62% of assessed valuation)	\$7,930,229
Debt outstanding as of April 30, 2013 (excluding W&S and Governmental Activities alternative revenues source issues)	<u>514,437</u>
Available bond debt limit	<u>\$7,415,792</u>

Note 7 Letters of Credit

The Village frequently enters into agreements with developers referred to as documentary letters of credit. The developers deposit funds into the financial institutions and as the Village fulfills their part of the contract they withdraw the funds to pay the bills associated with the contract. The typical contracts are for sewer hook-up, expansion of the sanitary sewer plants and construction of an off-site water main.

Note 8 Interfund Assets / Liabilities

Due to/From

Below are the balances between funds as of April 30, 2013:

	<u>Due from</u>	<u>Due to</u>
General Fund:		
Social Security Fund	\$ 6,198	\$ -
Waterworks and Sewerage Fund	172,425	-
Social Security Fund:		
General Fund	-	(6,198)
Waterworks and Sewerage Fund:		
General Fund	<u>-</u>	<u>(172,425)</u>
Total all funds	<u>\$178,623</u>	<u>\$(178,623)</u>

The purpose of these transactions is to cover negative cash balances.

Village of Poplar Grove, Illinois

Note to Financial Statements

Note 8 Interfund Assets / Liabilities (Continued)

Transfers

Below are the interfund transfers as of April 30, 2013:

	<u>Operating Transfers in</u>	<u>Operating Transfers out</u>
General Fund:		
Debt Service Fund	\$ -	\$(221,626)
Debt Service Fund:		
General Fund	<u>221,626</u>	<u>-</u>
Total all funds	<u>\$221,626</u>	<u>\$(221,626)</u>

The purpose of this transfer was for debt payments.

Note 9 Pension Plan

Plan Description

The Village's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and other information. That report may be obtained on-line at www.imrf.org.

Funding Policy

As set by statute, the Village's Regular plan members are required to contribute 4.5 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual required contribution rate for calendar year 2012 was 10.27 percent. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Village of Poplar Grove, Illinois

Note to Financial Statements

Note 9 Pension Plan (Continued)

Annual Pension Cost

The required contribution for calendar year 2012 was \$28,238.

Three-Year Trend Information for the Regular Plan

<u>Calendar Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC (Contributed)</u>	<u>Net Pension Obligation</u>
12/31/12	\$28,238	100%	\$-0-
12/31/11	26,227	100%	-0-
12/31/10	27,246	100%	-0-

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the Village's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Village's Regular plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress

As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 56.32 percent funded. The actuarial accrued liability for benefits was \$211,314 and the actuarial value of assets was \$119,016 resulting in an underfunded actuarial accrued liability (UAAL) of \$92,298. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$274,952 and the ratio of the UAAL to the covered payroll was 34 percent.

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

Village of Poplar Grove, Illinois

Note to Financial Statements

Note 10 Contingency

The Village is a defendant in a claim relating to matters arising in the ordinary course of their business. Part of the claim may be insured but subject to varying deductibles and some of the claim may be uninsured. The amount of liability, if any, from the claim cannot be determined with certainty; however, management is of the opinion that the outcome of the claim will not have a material adverse impact on the financial position. Due to uncertainties in the settlement process, it is at least reasonably possible that management's estimate of the outcome will change within the next year.

Note 11 Postemployment Benefits

The Village has evaluated its potential other postemployment benefits liability. The Village provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Village's health insurance plan. Therefore, there has been 0% utilization and, therefore, no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting By Employers for Postemployment Benefits Other Than Pensions*. Additionally, the Village has no former employees for whom the Village was providing an explicit subsidy and no employees with agreements for future explicit subsidies upon retirement. Therefore, the Village has not recorded any postemployment benefit liability as of April 30, 2013.

Note 12 Fund Balance Reporting

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Below are definitions of the how these balances are reported.

Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

The Village has the following balances that are nonspendable at year end:

General Fund	\$31,335
Motor Fuel Tax Fund	<u>980</u>
	<u>\$32,315</u>

Village of Poplar Grove, Illinois

Note to Financial Statements

Note 12 Fund Balance Reporting (Continued)

Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

The Village has the following balances that are restricted at year end.

Motor Fuel Tax Fund	\$345,378
Debt Service Fund	<u>27,160</u>
	<u>\$372,538</u>

Committed Fund Balance

The Village commits fund balance by making motions or passing resolution to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contract requirements. The Village has no balances that are committed at year end.

Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the Village's Board of Trustees to assign amounts to be used for specific purposes. The Village has no balances that are assigned at year end.

Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund totaling \$1,088,812. Also, due to the Social Security Fund having a deficit balance, its' balance is considered unassigned and totals \$(6,991).

Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

Village of Poplar Grove, Illinois

Note to Financial Statements

Note 13 Pending GASB Statements

In December 2010, the Governmental Accounting Standards Council (GASB) issued Statement 61 "The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34." The Village is required to implement this standard for the fiscal year ending April 30, 2014.

In April 2012, the Governmental Accounting Standards Council (GASB) issued Statement 65 "Items Previously Reported as Assets and Liabilities." The Village is required to implement this standard for the fiscal year ending April 30, 2014.

In June 2012, the GASB issued Statement No. 68, "Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27." The Village is required to implement this standard for the fiscal year ending April 30, 2016.

Management has not completed its assessment of these pending standards as to the effect, if any, they may have on the financial statements.

Note 14 Accounting Changes

In June 2011, the Government Accounting Standards Council (GASB) issued Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. The Village adopted this guidance for the year ended April 30, 2013.

Required Supplementary Information

Village of Poplar Grove, Illinois

Required Supplementary Information

Illinois Municipal Retirement Fund Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) Entry Age	Funded Ratio (a)/(b)	Unfunded Actuarial Liability (b)-(a)	Covered Payroll (c)	Unfunded Accrued Liability as a Percentage of Covered Payroll (b-a)/c
12/31/12	\$119,016	\$211,314	56.32%	\$92,298	\$274,952	33.57%
12/31/11	79,402	142,816	55.60%	63,414	261,223	24.28%
12/31/10	37,536	119,559	31.40%	82,023	263,251	31.16%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$121,436. On a market basis, the funded ratio would be 57.47%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the Village. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

Village of Poplar Grove, Illinois

General Fund

Schedule of Revenues and Expenditures Compared with Budget

Required Supplementary Information

Year ended April 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Property taxes	\$ 308,069	\$ 308,069	\$ 309,436	\$ 1,367
Replacement tax	4,500	4,500	4,319	(181)
Income taxes	300,000	300,000	496,144	196,144
Sales taxes	310,000	310,000	387,564	77,564
Electric utilities tax	187,000	187,000	175,601	(11,399)
Telecommunications tax	130,000	130,000	124,246	(5,754)
Liquor license	10,000	10,000	9,450	(550)
Building permits	22,000	22,000	28,782	6,782
Water meters	500	500	1,950	1,450
Interest	100	100	348	248
Rental income	24,000	24,000	24,100	100
State grant	-	-	32,921	32,921
Other	5,850	5,850	13,777	7,927
Total revenues	\$ 1,302,019	\$ 1,302,019	\$ 1,608,638	\$ 306,619
Expenditures				
General government:				
Personnel services:				
Salaries	\$ 126,892	\$ 126,892	\$ 134,563	7,671
Inspection salary	40,000	40,000	34,060	(5,940)
IMRF	8,832	8,832	7,815	(1,017)
Total personnel services	175,724	175,724	176,438	714
Contractual services:				
General insurance	36,054	36,054	40,755	4,701
Telephone	12,000	12,000	15,587	3,587
Health insurance	90,000	90,000	96,577	6,577
Utilities	5,000	5,000	2,765	(2,235)
Bond agent fees	2,000	2,000	2,867	867
Training	2,500	2,500	378	(2,122)
Postage	1,000	1,000	718	(282)
Advertising and legal publishing	5,000	5,000	3,217	(1,783)
Accounting services	17,500	17,500	17,500	-
Engineering services	35,000	35,000	71,195	36,195
Legal	45,000	45,000	70,609	25,609
Dues	3,535	3,535	360	(3,175)
Website maintenance	7,660	7,660	4,517	(3,143)
Security	1,600	1,600	459	(1,141)
Other contractual services	21,300	21,300	29,540	8,240
Total contractual services	285,149	285,149	357,044	71,895

Village of Poplar Grove, Illinois

General Fund (Continued) Schedule of Revenues and Expenditures Compared with Budget Required Supplementary Information

Year ended April 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures				
Commodities:				
Office supplies and postage	7,190	7,190	7,134	(56)
Maintenance supplies	1,600	1,600	8,827	7,227
Operating supplies	500	500	48	(452)
Village Hall	7,500	7,500	11,231	3,731
Total commodities	16,790	16,790	27,240	10,450
Capital outlay:				
Development - debt service payments	24,000	24,000	31,985	7,985
Total capital outlay	24,000	24,000	31,985	7,985
Total general government	501,663	501,663	592,707	91,044
Culture and recreation				
Park maintenance equipment	1,800	1,800	3,099	1,299
Garbage	1,000	1,000	1,496	496
Maintenance supplies	6,500	6,500	6,543	43
Total culture and recreation	9,300	9,300	11,138	1,838
Transportation and public works				
Personal services				
Salaries	72,987	72,987	80,453	7,466
IMRF	7,496	7,496	-	(7,496)
Unemployment compensation	2,396	2,396	5,340	2,944
Total personal services	82,879	82,879	85,793	2,914

Village of Poplar Grove, Illinois

General Fund (Continued) Schedule of Revenues and Expenditures Compared with Budget Required Supplementary Information

Year ended April 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures				
Transportation and public works (continued)				
Contractual services:				
Maintenance - vehicles	10,000	10,000	12,314	2,314
Maintenance - equipment	6,500	6,500	3,824	(2,676)
Maintenance - streets	35,000	35,000	15,405	(19,595)
Maintenance - plowing	4,000	4,000	9,056	5,056
Street lighting	45,000	45,000	39,024	(5,976)
Travel	1,000	1,000	879	(121)
Total contractual services	101,500	101,500	80,502	(20,998)
Commodities:				
Gasoline - oil	25,000	25,000	28,956	3,956
Miscellaneous	10,000	10,000	7,924	(2,076)
Maintenance supplies	7,000	7,000	-	(7,000)
Operating supplies	35,000	35,000	36,073	1,073
Total commodities	77,000	77,000	72,953	(4,047)
Capital outlay:				
Land improvements	80,000	80,000	61,747	(18,253)
Vehicles and equipment	52,232	52,232	77,000	24,768
Total capital outlay	132,232	132,232	138,747	6,515
Total transportation and public works	393,611	393,611	377,995	(15,616)
Total expenditures	\$ 904,574	\$ 904,574	\$ 981,840	\$ 77,266
Other operating uses				
Operating transfers in	\$ -	\$ -	\$ -	\$ -
Operating transfers out	(221,227)	(221,227)	(221,226)	1
Total other operating uses	\$ (221,227)	\$ (221,227)	\$ (221,226)	\$ 1

Village of Poplar Grove, Illinois

Motor Fuel Tax Fund Schedule of Revenues and Expenditures Compared with Budget Required Supplementary Information

Year ended April 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Motor fuel taxes	\$ 132,000	\$ 132,000	\$ 119,611	\$ (12,389)
State grants	-	-	24,406	24,406
Interest	500	500	486	(14)
Total revenues	\$ 132,500	\$ 132,500	\$ 144,503	\$ 12,003
Expenditures				
Current:				
Capital outlay	\$ 150,000	\$ 150,000	\$ 180,726	\$ 30,726
Total expenditures	\$ 150,000	\$ 150,000	\$ 180,726	\$ 30,726

Village of Poplar Grove, Illinois

Social Security Fund Schedule of Revenues and Expenditures Compared with Budget Required Supplementary Information

Year ended April 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Taxes - property	\$ 15,680	\$ 15,680	\$ 14,829	\$ (851)
Total revenues	\$ 15,680	\$ 15,680	\$ 14,829	\$ (851)
Expenditures				
Current:				
General government	\$ 17,987	\$ 17,987	\$ 16,929	\$ (1,058)
Total expenditures	\$ 17,987	\$ 17,987	\$ 16,929	\$ (1,058)

Village of Poplar Grove, Illinois

Debt Service Fund Schedule of Revenues and Expenditures Compared with Budget Other Information

Year ended April 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Interest	\$ 100	\$ 100	\$ 41	\$ (59)
Total revenues	\$ 100	\$ 100	\$ 41	\$ (59)
Expenditures				
Debt service	\$ 221,227	\$ 221,227	\$ 221,226	\$ (1)
Total expenditures	\$ 221,227	\$ 221,227	\$ 221,226	\$ (1)
Other operating sources				
Operating transfers in	\$ 221,227	\$ 221,227	\$ 221,226	\$ (1)
Total other operating sources	\$ 221,227	\$ 221,227	\$ 221,226	\$ (1)

Village of Poplar Grove, Illinois

Notes to Required Supplementary Information

Budgets

The term "budget" used throughout the financial statements represents the estimated revenues and appropriations as set forth in the Village's annual appropriation ordinance adopted for the fiscal year ended April 30, 2013. Budgets are adopted on a basis consistent with generally accepted accounting principles.

All departments of the Village submit requests for appropriation to the Village's administrator so that a budget may be prepared. The budget is prepared by fund and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget.

The budget may be amended by the governing body.

Expenditures may not legally exceed budgeted appropriations at the fund level.

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

- a. At least 15 days prior to the enactment of the budget, the committee on Finance Procurement submits to the Village Trustees a proposed means of financing expenditure appropriations for the fiscal year commencing the following May 1.
- b. Normally on the last Wednesday in April, but no later than April 30, the budget is legally enacted through passage of the appropriation ordinance.
- c. Budgeted amounts are as originally reported or as amended by the Village Trustees. Individual amendments were not material in relation to the original appropriations.
- d. Unexpended budgeted amounts lapse at the end of the budget year. Spending control is established by the amount of expenditures budgeted for each object and purpose, but management control is exercised at budgetary line item levels.
- e. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Other Information

Village of Poplar Grove, Illinois

Assessed Valuations, Tax Levies, Rates, and Extensions

April 30, 2013

2010 Assessed valuation	\$ 108,412,477
2011 Assessed valuation	\$ 98,487,944
2012 Assessed valuation	\$ 91,998,020

Fund	2012 Levy	
	Rate	Extended
General	0.2120	\$ 195,036
Social security	0.0185	17,001
Audit	0.0174	16,008
Insurance	0.0174	16,007
Bonds and interest	-	-
Totals	0.2653	\$ 244,052

2011 Levy			2010 Levy		
Taxes			Taxes		
Rate		Extended	Rate		Extended
0.1965	\$	194,504	0.1762	\$	191,012
0.0162		15,010	0.0139		15,004
0.0102		10,006	0.0092		10,007
0.0162		16,004	0.0148		16,002
-		-	0.0288		31,570
0.2391	\$	235,524	0.2429	\$	263,595

Village of Poplar Grove, Illinois

Schedule of Bonds Payable

Year ended April 30, 2013

Year ended April 30	Waterworks and Sewerage General Obligation Bonds Series 2005A			General Funds General Obligation Bonds Series 2005B			Waterworks and Sewerage General Obligation Bonds Series 2008		
	Principal	Interest	Callable Date	Principal	Interest	Callable Date	Principal	Interest	Callable Date
2014	\$ 180,000	\$ 122,959	May 1, 2015	\$ 135,000	\$ 90,601	June 1, 2015	-	\$ 38,025	
2015	205,000	115,759	May 1, 2015	140,000	84,526	June 1, 2015	-	38,025	
2016	235,000	107,559	May 1, 2015	145,000	78,226	June 1, 2015	-	38,025	
2017	265,000	98,746	May 1, 2015	150,000	71,339	June 1, 2015	-	38,025	
2018	290,000	88,676	May 1, 2015	155,000	65,714	June 1, 2015	-	38,025	
2019	320,000	77,439	May 1, 2015	165,000	59,824	June 1, 2015	-	38,025	
2020	350,000	64,959	May 1, 2015	170,000	53,430	June 1, 2015	-	38,025	
2021	390,000	50,959	May 1, 2015	175,000	46,800	June 1, 2015	-	38,025	
2022	420,000	35,164	May 1, 2015	185,000	39,800	June 1, 2015	-	38,025	
2023	435,000	17,944	May 1, 2015	190,000	32,400	June 1, 2015	-	38,025	
2024	-	-		200,000	24,800	June 1, 2015	-	38,025	
2025	-	-		205,000	16,800	June 1, 2015	-	38,025	
2026	-	-		215,000	8,600	June 1, 2015	390,000	38,025	May 1, 2017
2027	-	-		-	-		390,000	19,110	May 1, 2017
2028	-	-		-	-		-	-	
	\$ 3,090,000	\$ 780,164		\$ 2,230,000	\$ 672,860		\$ 780,000	\$ 513,435	

Waterworks and Sewerage General Obligation Bonds Series 2008A			Waterworks and Sewerage General Obligation Notes Series 2009			Waterworks and Sewerage General Obligation Notes Series 2009			Callable Date
Principal	Interest	Callable Date	Principal	Interest	Callable Date	Principal	Interest	Callable Date	
-	\$ 32,100		\$ 33,072	\$ 10,964	Immediate	\$ 14,724	\$ 4,881	Immediate	
-	32,100		34,678	9,358	Immediate	15,439	4,166	Immediate	
-	32,100		36,361	7,675	Immediate	16,188	3,417	Immediate	
-	32,100		38,126	5,910	Immediate	16,974	2,631	Immediate	
-	32,100		39,977	4,059	Immediate	17,798	1,807	Immediate	
-	32,100		41,918	2,118	Immediate	18,662	943	Immediate	
-	32,100		21,717	301	Immediate	9,670	135	Immediate	
-	32,100		-	-		-	-		
-	32,100		-	-		-	-		
-	32,100		-	-		-	-		
-	32,100		-	-		-	-		
-	32,100		-	-		-	-		
-	32,100		-	-		-	-		
400,000	32,100	May 1, 2017	-	-		-	-		
135,000	8,100	May 1, 2017	-	-		-	-		
\$ 535,000	\$ 457,500		\$ 245,849	\$ 40,385		\$ 109,455	\$ 17,980		

Village of Poplar Grove, Illinois

Schedule of Bonds Payable (Continued)

Year ended April 30, 2013

Year ended 30-Apr	Waterworks and Sewerage Refunding Alternate Revenue Bonds Series 2012A			Waterworks and Sewerage Refunding Alternate Revenue Bonds Series 2012B			Totals	
	Principal	Interest	Callable Date	Principal	Interest	Callable Date	Principal	Interest
2014	10,000	5,983		105,000	51,875		477,796	357,388
2015	10,000	5,758		110,000	49,187		515,117	338,879
2016	15,000	5,477		115,000	46,231		562,549	318,710
2017	15,000	5,139		120,000	43,000		605,100	296,890
2018	20,000	4,745	May 1, 2018	120,000	39,550	May 1, 2018	642,775	274,676
2019	20,000	4,295	May 1, 2018	125,000	36,188	May 1, 2018	690,580	250,932
2020	25,000	3,608	May 1, 2018	130,000	33,001	May 1, 2018	706,387	225,559
2021	25,000	2,683	May 1, 2018	135,000	29,519	May 1, 2018	725,000	200,086
2022	30,000	1,665	May 1, 2018	140,000	25,737	May 1, 2018	775,000	172,491
2023	30,000	552	May 1, 2018	145,000	21,637	May 1, 2018	800,000	142,658
2024	-	-		150,000	17,212	May 1, 2018	350,000	112,137
2025	-	-		150,000	12,600	May 1, 2018	355,000	99,525
2026	-	-		155,000	7,719	May 1, 2018	760,000	86,444
2027	-	-		160,000	2,600	May 1, 2018	950,000	53,810
2028	-	-		-	-		135,000	8,100
	\$ 200,000	\$ 39,905		\$ 1,860,000	\$ 416,056		\$ 9,050,304	\$ 2,938,285